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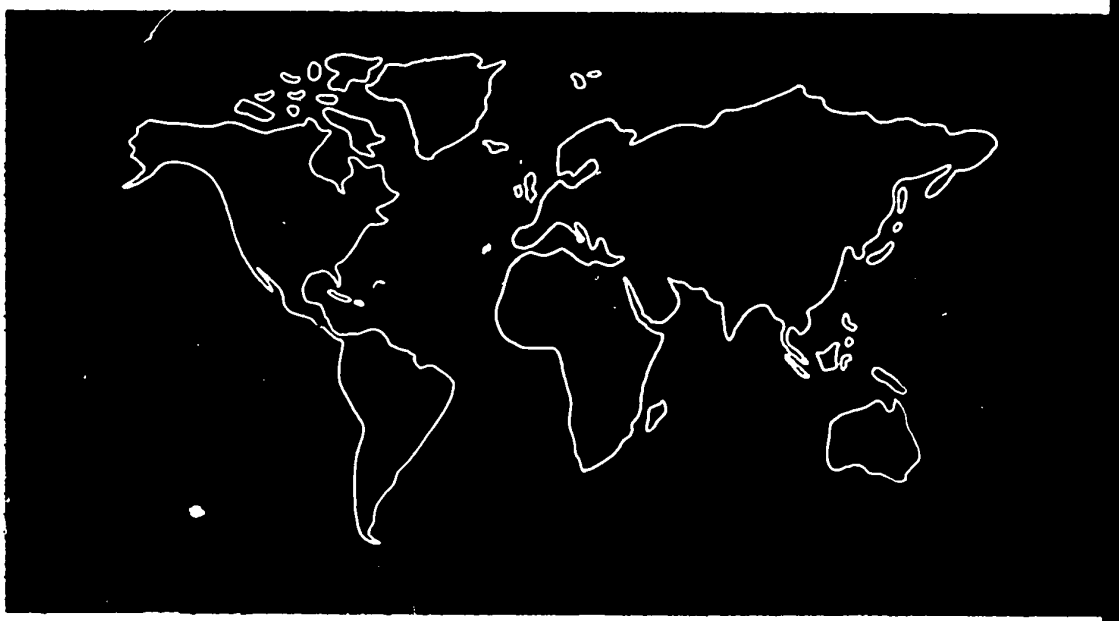
ANNUAL REVIEW - 1958

THE NONORBIT COMMUNIST PARTIES



BUREAU OF INTELLIGENCE AND RESEARCH

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Note on Classification

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FOREWORD

This issue of International Communism is devoted to a review of 1958 developments in the communist movement outside communist-held countries. A single exception to this scheme is the inclusion of a special article on East Germany which was thought appropriate in view of the Soviet move to end the quadripartite arrangement for Berlin. The "Introduction" contains some general remarks on the degree of success that attended Soviet attempts to re-establish control over the communist movement, and the section on the "International Front Organizations" deals with their major undertakings and their efforts to escape from behind the iron curtain. The major part of the review is devoted to fairly detailed analysis of the national communist parties, following the area breakdown indicated in the table of contents. For the convenience of the reader, an index of countries appears at the end of the report. A review of 1958 developments in the Asian communist-controlled countries will appear in the next issue of International Communism. A largely statistical report on the membership and voting strength of the communist parties will be issued as IR-4489R11: World Strength of Communist Party Organizations, December 1958. And finally, IR-7927 will summarize 1958 developments in the Soviet Union and Eastern European communist states.

RETROSPECT 1958

I. INTRODUCTION

Any review of the international communist movement for a twelve month period is bound to present a static and therefore distorted picture. The construction of a "balance sheet" of communist gains and losses, however justifiable analytically, tends to obscure the dynamics of the movement and the divergent tendencies which have temporarily been overshadowed by compromise. The precise delineation of the point at which the communist movement has found its equilibrium in the past year is of utmost importance; just as important and more difficult to appraise are those trends within the communist movement which have been submerged but which may come to the surface again and modify the structure and policies of international communism, as they have indeed been modified since the death of Stalin.

Within this context the most significant development in the communist movement as a whole was the re-establishment of the prestige of the Soviet communist party and the solidification of its basic organizational and doctrinal positions. The leading role of the Soviet Union was explicitly reaffirmed at the meeting of communist parties in Moscow held in November 1957 during the 40th anniversary celebration, and the "basic laws" applicable to communist parties everywhere were embodied in a declaration adopted by the communist state parties. These "laws" bear repeating because they are the touchstone of current communist orthodoxy; tampering with these laws in the name of national exceptionalism invites the charge of "revisionism," communism's chief bugaboo during 1958:

SOVIET PRIMACY REAFFIRMED

The leading role of the party in effecting the revolution;

The establishment of the dictatorship of the proletariat;

Alliance of the working class and the peasantry;

Public ownership of the basic means of production;

Socialist reconstruction of agriculture;

Planned economy; and

Proletarian internationalism.

So intent was Moscow during 1958 to secure the unqualified allegiance of the communist parties (the anti-revisionist campaign) that it no more hesitated to drive out an associate of long-standing on the charge of revisionism (Axel Larsen of the Danish Communist Party) than to break once more with Tito for his refusal to accept the Soviet position on the nature of "imperialism," the leading role of the Soviet Union, and on the transition from capitalism to socialism. By the end of 1958 the "revisionists" had all been expelled or isolated not without some cost to the movement, particularly in Western Europe and North America; Moscow appeared to be firmly in control again.

THE CHANGING NATURE OF ORTHODOXY

The new orthodoxy is Stalinist in content but not in form or spirit. Or to put it paradoxically, the new orthodoxy merely conceals and almost sanctions heterodoxy. When Stalin was alive, obedience was on the line and control over the satellites was virtually direct. Today, under changed conditions, complete control of the communist areas from China to Albania and Yugoslavia is impossible to maintain. Reflecting the new geopolitical condition as well as internal Soviet conditions, the position of the U.S.S.R. as the head of the Communist Bloc -- which it, of course, still is for good military and economic reasons -- has undergone some perceptible change.

Specifically, in contrast to the ironhanded rule over the Eastern European countries in the late 40's and early 50's, the present Soviet leadership refrains, for reasons of intra-bloc harmony, from dictating the timing and pace of collectivization and industrialization to the Polish Communists. Indeed, as far as China is concerned, the Soviet leaders stand by with scarcely

concealed distaste while Mao Tse-tung introduces new social institutions complete with new ideological trimmings. What is developing, therefore, precisely at the time that a new campaign has been successfully waged to secure ideological conformity and renewed expression of loyalty to the Soviet Union, is a de facto "revisionism" that will inevitably alter the pattern of inter-communist relationships and of the social institutions which have become identified with "communism." To put this another way, communist parties will be permitted considerable latitude in internal affairs if their loyalty to the Soviet Union is unquestioned and their essential orthodoxy beyond reproach. The most loyal of parties, the Chinese Communist, has not hesitated to set forth theories diametrically opposed to the Soviet or to institute the "commune" as a form of social organization that goes beyond anything devised in the Soviet European orbit. It is within the realm of possibility that had the Yugoslav Communists agreed to acknowledge the leading role of the Soviet Union, other differences between the two countries could have been compromised; certainly the Soviet leaders would not have risked a break in relations over the Yugoslav's pet domestic institution -- the workers' councils.

All this is to say that the Soviet-enforced orthodoxy within the international communist movement occupies today a restricted area by comparison to the Stalin period. What matters is solidarity with the U.S.S.R. against the West. If this solidarity is manifested, much that would formerly not have been tolerated will be overlooked. Polish decollectivization is the best example. In a word, the disturbances of 1956 have left behind a lasting effect. The U.S.S.R. has accepted the necessity to pay a price -- in terms of greater domestic autonomy for its satellites -- for the return to international orthodoxy which it successfully imposed in 1957. This distinction between international centralism and domestic autonomy is necessarily less clear for the communist parties out of power since they are not in a position to translate whatever peculiar national predilections some of them may have into government policy.

CENTRALIZATION VS. AUTONOMY IN INTER-PARTY RELATIONS

Just as the concept of national roads to socialism appears to be gathering substance precisely at the moment the general and universal (that is, Soviet) guidelines are being stressed, so too has a decentralized form of inter-party cooperation won out over the pressure to centralize and coordinate the communist movement more effectively. The Cominform had been founded in 1947 to repair the lines of communication that had been disrupted by the war. Unlike the Comintern, the member parties were European: the communist state parties (with the exception of Albania) and the French and Italian Communist Parties. The composition of the Cominform reflected the twin policy objectives of the Soviet Union: consolidation of the Eastern European countries and defeat of the Marshall Plan. For the guidance of the communist movement as a whole, the Cominform published a weekly paper called For a Lasting Peace, For a People's Democracy!.

This weekly was the only tangible evidence of the Cominform's existence from 1949 to 1956: the Tito-Stalin rift had destroyed any other usefulness the Cominform may have had. When Khrushchev dissolved the Cominform in 1956, in a gesture to Tito and to the spirit of the 20th CPSU Congress in general, he was not sacrificing much; nevertheless he took this decision with some reluctance -- or so it seemed. His reluctance was soon justified when the controversy in the communist movement precipitated by the 20th CPSU Congress and the Hungarian revolt demonstrated the need for a new coordinating mechanism. The Soviet Communists, supported by others (the Czechs and Germans) apparently wanted to establish a new organization; the other extreme (the Poles and Italians) argued that bilateral contacts were sufficient. The compromise that emerged in 1958 was an agreement to shelve the idea of a new organization and instead to hold bilateral and multilateral conferences and to publish a new journal. (It is interesting to note Ebert's /SED/ comment on the November 1957 conference of the communist state parties in Moscow that this was the "...first time in two decades that such comprehensive deliberations were held" -- that is, since the Seventh Comintern Congress in 1935.) The journal, Problems of Peace and Socialism (English edition called World Marxist Review: Problems

of Peace and Socialism) published monthly in Prague, beginning with the September 1958 issue, in 16 languages also appears to be something of a compromise. Denying that the journal's purpose is to issue directives, the Communists have said it would be devoted to theoretical and informational matters and, indeed, this 100-odd page monthly magazine is unlike either the Comintern's International Press Correspondence or the Cominform's For a Lasting Peace, For a People's Democracy!. The four 1958 issues contain nothing that could be clearly labelled "directives" nor do they contain anything that could be recognized as theory or theoretical discussion. The closest approximation was Novotny's lead article on revisionism in the maiden issue which was cut and dried. Undoubtedly the journal under the editorship of A.M. Rumyantsev, former chief editor of the Kommunist, will stand as a temptation to the Soviet leaders, but as of now it represents a compromise between the centralists and the autonomists.

THE SOVIET APPRAISAL OF INTERNATIONAL COMMUNISM DURING 1958

In writing our annual report this year we were assisted by one B. Ponomarev -- unwittingly on his part -- who wrote an appreciation for Kommunist of the international communist movement one year after the Conferences of the Communist Parties in Moscow, November 1957 (Kommunist, No. 15, October 1958). Stating that everything was good and getting better, he nevertheless conceded the stalemated and losing position of the communist parties in the western capitalist countries. For this he offered compensation through what might be called the law of the uneven development of communism: the admitted losses in Western Europe are offset by the development of the communist movement "on a much wider front than previously" and by the fact that "new centers of the revolutionary movement are constantly being created." Ponomarev has Latin America in mind where new conditions of freedom have permitted certain communist parties to make a comeback, and also the "East" where the Syrian and Iraqi Communists have shown an unpredicted strength.

It is also true that 1958 was notable for the general accretion of communist influence throughout the Far East, primarily as a result of the growing strength of Communist China as a national power and the weakness and division of noncommunist elements in many

countries. The activities of individual communist parties also added to the rosy picture presented by Ponomarev, principally in Indonesia where the Communist Party further solidified its position and in Laos where the legalized status of the Neo Lao Hak Xat enabled it to exploit the weakness of Laos' proximity to North Vietnam. In a formal sense it can be said that communist gains here "compensate" for the disaster the French Communists suffered at the polls.

On the whole Ponomarev's analysis tells us nothing new: it is however important as corroboration of intelligence analysis which pointed to the shift of Soviet strategy three years ago toward the underdeveloped areas and away from the stalemated West. This shift has been carried on largely at the diplomatic level with the communist parties trying to get into step with the nationalist movements all along the way. As 1958 drew to a close there was every indication that the underdeveloped areas would continue to be a foremost target of Sino-Soviet diplomacy but there was some evidence that the communist parties were being called upon to pursue a more active role as a result of the Soviet Union's involvement in the Middle East where it found itself, as the Western powers before it, forced to make choices between rival Arab leaders. The Soviet Union's wholehearted support to Nasir as the embodiment of Arab nationalism was being replaced by selective support to Arab leaders in order to encourage the anti-Nasir Arab nationalist elements, particularly in Syria and Iraq. Nasir's close cooperation with the Soviet Union had since 1955 been rewarded by local communist cooperation. As a result of the Soviet policy shift, the communist parties are now being called upon to play an active role in the opposition to Nasir's policies. In the language of communist strategy, they are shifting from their undifferentiated support of the "national bourgeoisie" against "foreign imperialism" to concentration on the "democratic" aspects of the national liberation struggle, that is, to achieving the preconditions for the establishment of "socialism." (CONFIDENTIAL)

II. INTERNATIONAL COMMUNIST FRONT ORGANIZATIONS

The international communist front organizations during 1958 actively pressed their current propaganda themes of anticolonialism, peace, and opposition to U.S. imperialism (when directed to Asian, African, and Latin American targets), and of nonpolitical desire for coexistence and nuclear disarmament (when dealing with the West). To extend their influence with the first group and allay the suspicions of the second, the "fronts" made increased efforts to expand activities of regional scope and to regain lost privileges or establish new rights to hold meetings or locate organizational headquarters outside the Soviet Bloc. In so doing they made certain demands that posed difficult political problems for governments neutral by treaty or tradition, or neutralist in sympathy, and evoked an unusual amount of official and press dommentary on front organization tactics.

FRONT ORGANIZATIONS' EFFORTS TO PENETRATE THE WESTERN CURTAIN

In 1954 the Austrian Minister of Interior, protesting against the settlement in Vienna of the World Peace Council (WPC) under Soviet protection and without permission of the Austrian Government, observed that "Vienna is becoming more and more established as the headquarters of Cominform organizations plotting to undermine the free West." After regaining their independence, the Austrians succeeded in expelling from Vienna the headquarters of the World Federation of Trade Unions (WFTU), the World Federation of Teachers Unions (FISE), and the World Peace Council (although the WPC continued to operate under the cover name "International Institute for Peace"). Only two front organizations -- the International Federation of Resistance Fighters (FIR) and (probably) the International Medical Association (formerly the World Congress of Doctors) -- were officially located in Vienna at the beginning of 1958. During the year, however, the identification of the International Institute for Peace (IIP) with the WPC became increasingly open, and a member of the WPC secretariat has stated that the organization's headquarters will be in Vienna in the future -- though presumably not formally known as such. A similar remark

has been attributed to a member of the secretariat of the World Federation of Democratic Youth (WFDY); the Federation is said to be planning seriously to move from Budapest to Vienna or Helsinki, the first choice being Vienna. (No confirmation of this report had appeared by December 1958.) The Austrian Government expressed willingness to have the WPC's Congress for Disarmament and International Cooperation meet in Vienna (the Congress actually convened in Stockholm in July 1958), and agreed to play host to the 1959 Seventh World Youth and Student Festival, sponsored by the WFDY and the International Union of Students (IUS) -- the first of the biennial Festivals to be held outside the Soviet bloc.

Pressure has been put on Austria because the country is bound by its 1955 State Treaty to observe complete impartiality in its foreign policy, a situation interpreted by the Austrian Communist Party organ Volkstimme as "neutral Austria's mission to act as a link between nations." In December 1957 representations were made by front organization functionaries to the Austrian Ministries of Interior and Foreign Affairs, to inquire whether the government would permit a WPC congress on disarmament and international understanding to be held in Vienna in 1958, and also agree to harbor the 1959 Festival. The Council of Ministers decided in February 1958 to accept the WPC meeting, provided it would do nothing to compromise Austrian neutrality; but since the WPC regarded Vienna as second choice to Stockholm as the site, no formal WPC request appears to have been made. On the other hand, the "prior consent" of the Austrian Government to holding the Festival, given in spite of the announced opposition of the People's Party's Austrian Youth Movement and of the Vienna City Council, was welcomed by the Festival sponsors in March. Chancellor Raab told the International Preparatory Committee (IPC) for the Festival that the government would have no objection (although the Ministers of Education and Interior were opposed), but withheld the positive endorsement the IPC had requested. The Vienna City Council, seeing an opportunity to exploit Soviet financial support of the Festival, agreed in April to rent certain buildings at fees so high as to embarrass the IPC, which had no choice but to accept the terms. The independent newspapers Neuer Kurier and Die Presse vigorously attacked the decision on the Festival; the Austrian National Union of Students said it would not participate in any way; and Arbeiter Zeitung reported that the Socialist leadership had instructed its members, officials, and branch organizations to refrain from any

connection with the event. Faced with such public displeasure, Chancellor Raab, in an April radio address and in reply to a parliamentary question in May, defended the government's position by citing Sweden's hospitality to the WPC Congress. He mentioned the sponsors' claim that the Festival would be purely a sporting event and completely nonpolitical, and said that as a "free democratic state" Austria could not have turned down the request since the IPC had promised to observe Austrian laws and to "desist from any political propaganda."

A member of the WFDY secretariat has been quoted to the effect that the organization believes staging a festival of a nonpolitical nature in the West will permit the WFDY to make significant gains in the next five years. The "nonpolitical nature" is made particularly unlikely, however, by a report that the Soviet member of the IPC recommended Vienna because atomic disarmament and the creation of a neutral zone in Europe, planned as two of the central themes of the Festival, would be more effectively propagandistic in Vienna than in other suggested sites, such as Prague and Colombo. The propaganda aspects of the Festival have disturbed Western members of NATO, and the matter has been discussed in both the Committee on Information and Cultural Relations and the Political Affairs Division (POLAD). The British and French Ambassadors in Vienna conveyed to the Austrian Foreign Office in May their governments' opposition to the holding of communist festivals anywhere outside the Soviet Bloc, and were informed that the Austrians have everything under control. POLAD members discussed the advisability of sounding out the Austrians on how strongly they feel they must accomodate one communist-front function a year if requested; but in order not to give the appearance of a NATO bloc approach to the problem, POLAD decided to let the Committee on Information and Cultural Relations undertake any counteractive measures.

In June the Austrian Youth Federation issued a statement signed by 12 affiliated societies of all religious denominations and political parties (except the Communists), to the effect that "there will be no participation in the communist World Youth Festival." The IPC, which met in Vienna June 23-24, attempted to win over the Austrian National Union of Students by claiming that the Festival organization is 75% composed of representatives from neutral countries; when reminded that the

International Union of Students had promised never to hold an event in any country without the approval of the national student union concerned, an IPC member replied that the IUS is only one of the sponsors of the Festival and that the IPC is therefore not bound to observe this traditional IUS guarantee. In July the student union, in cooperation with various conservative and Catholic Austrian youth groups, formed an Action Committee to counter the plans for the Festival. Claiming to represent some 300,000 Austrian youth and students, the Committee planned to try persuading the Vienna City Council to cancel the building reservations and, failing that, to stage demonstrations and otherwise attempt to disrupt the Festival. Strong opposition of Austrian youth groups finally forced admission by the first secretary of the Komsomol Central Committee that such groups are boycotting the Festival, contrary to previous WFDY-IUS claims that Austrian youth welcomed the event. In September the Austrian Catholic Youth Federation announced that it would take every possible measure to prevent the holding of the Festival. A campaign of harassment, scheduled to begin in December 1958 and intended to force removal of the Festival to a site within the Soviet Bloc, was planned in October by representatives of 13 Austrian conservative and church youth organizations, including the Boy Scouts, and in association with the Socialist Youth organization.

1958 EVENTS HELD IN VIENNA

Communist-front meetings held in Vienna in 1958 included a conference between the WPC Executive Committee and the Organizing Committee for the Stockholm Congress, May 31-June 2. The Fourth World Congress of the Women's International Democratic Federation (WIDF) met in Vienna June 1-5. The "Third Pugwash Conference of Scientists," which maintained that "mankind must set itself the task of eliminating all wars, including local wars," was held at Kitzbuehel, Austria, September 14-19, and at Vienna, September 20-21. The "Pugwash Conferences" (named for Mr. Cyrus Eaton's estate) have been prepared in part by the Communist front World Federation of Scientific Workers (WFSW), the president and several members of which were involved in this third meeting, and the "Vienna Statement," read at the final public session attended by the Austrian President and the Mayor of Vienna, was issued later in pamphlet form by the International Institute for Peace. Finally, the first part of the

International Federation of Resistance Fighters' Third Congress convened at Vienna, November 28-30, with the second and more important part of the Congress scheduled for March 1959. The FIR was refused permission to hold the Congress first in Milan, then in Copenhagen, then in Brussels (to take advantage of the World Fair), and finally had to settle for Vienna, its headquarters.

Like the FIR, the WPC is said to have attempted at one time to hold its 1958 Congress for Disarmament and International Cooperation in Brussels, and to have been refused permission by the Belgian Government; instead, the WPC set up in Brussels an "International Club," under auspices of the IIP, to entice visitors at the World Fair to attend the Congress in Stockholm. According to the Swedish liberal newspaper Expressen, the WPC tried also to have the Congress meet in Oslo, which the Norwegian Prime Minister successfully opposed. In spite of public anger at the executions of Imre Nagy and other leaders of the Hungarian revolution, and of hostility shown by the press and by the Confederation of Swedish Trade Unions, the Swedish Government -- having once seriously considered withdrawing permission -- allowed the Congress to convene in Stockholm, July 16-22. On July 3 Dagens Nyheter published an article entitled "Stockholm Exploited for Soviet Propaganda," and suggested that the aim of choosing a neutral capital in Europe as the site of the Congress was to impress the Asian and African delegates, who might assume that equally good living conditions prevail in the Soviet Union. Criticizing the reception of the WPC Organizing Committee by the Minister of Justice, temporary head of the government, Svenska Dagbladet said on July 13: "The Government as a whole are responsible for the fact that their temporary head has received propagandists for policies which resulted in the bloody sentences in Hungary." The liberal Morgon-Bladet remarked that "it is really kind of our Government to help to make Stockholm an international center for Communist propaganda," and Expressen wondered whether the government had forgotten the ridicule and shame which the 1950 Stockholm Appeal had caused the capital of Sweden. A public meeting of protest was held on the opening day of the Congress, attended by representatives of ten organizations of refugees from Soviet-conquered European countries, who asked why the problems of peace and independence are always discussed by the WPC only in terms of the Asian and African peoples. The WPC sought to present the Congress as

nonpolitical and nonideological in its emphasis on disarmament and cooperation, but was unable to hold international attention in competition with the Iraqi revolution and the Anglo-American landings in the Near East, and the Congress went almost unnoticed outside Sweden.

THE FRONT ORGANIZATIONS AND THE "NEUTRALS"

Front organization efforts to stage events in the neutralist countries of Asia met with varying success during 1958. A WPC Bureau meeting was held in New Delhi, March 22-24, but in July permission was refused the WFDY to hold an Executive Committee session in that city, in spite of the blandishments of WFDY President Bruno Bernini who had paid a visit to India in June. Asked in the Upper House of Parliament on September 11 why the Indian Government had taken this stand while permitting the noncommunist World Assembly of Youth (WAY) to hold its Third General Assembly at New Delhi in August, Prime Minister Nehru replied that it was government policy to discourage meetings in India of "organizations with clear political or ideological affiliations with regard to the cold war." Such ideological affiliation seemed to him quite clear in the case of the WFDY, while WAY has "a wide platform on which differing opinions meet and sometimes come into conflict" and "is not tied up with any one particular ideology." The Foreign Minister of Indonesia is reported to have rejected in August a request to permit the WFDY Executive Committee to meet in Djakarta, on grounds that no funds or housing would be available. Prime Minister Bandaranaike of Ceylon, however, approved holding the WFDY Executive Committee meeting in Colombo, December 7-10, and addressed the opening session, expressing confidence that the WFDY will play an important part in establishing mutual understanding and friendship between peoples.

The Afro-Asian Writers' Conference, sponsored by the Soviet Union of Writers, planned in part during the WPC Stockholm Congress, and endorsed by the newest of the front organizations -- the Afro-Asian Solidarity Council and Secretariat located in Cairo, convened at Tashkent, Uzbek S.S.R., October 7-13. The choice of Tashkent for this conference and for the Afro-Asian Film Festival that preceded it illustrates the Soviet Union's effort to exploit the partly Asian character of the U.S.S.R. and thus extend its influence with the neutralist states of

the East. A strong appeal to the national pride of the participating authors and journalists was made by the conference organizers, with stress laid on the alleged cultural affinity between Asia and Africa. Nikita Khrushchev, in an October speech at the Kremlin, hailed the emergence of a new propaganda slogan -- "the spirit of Tashkent" -- and noted that the Soviet people have "built a powerful multinational socialist state, a union of equal socialist republics" in each of which "has grown and developed new, unprecedently vivid cultures, national in form and socialist in their essence." In furtherance of the spirit of Tashkent, defined by a Senegalese writer as "a spirit of peaceful coexistence, a spirit of friendship between the peoples of the U.S.S.R., Asia, and Africa," it was decided to set up in Ceylon a Permanent Bureau or Standing Committee of Afro-Asian Writers. The Ceylonese Government had not yet decided to grant permission, as of November 1958, but following as it did the official consent to a WFDY Executive Committee meeting in Colombo, the prospect of harboring the headquarters of a communist-front organization had stirred up public opposition by that time. Even the admittedly anti-Western editor of Dinamina and political commentator of the Daily News, deploring the raising of this "thorny question for the Government," wrote:

> It will generally be agreed that Ceylon should have cultural exchanges and contacts with all friendly countries, irrespective of ideology, and that there are many benefits which Ceylon can obtain from such relations.
>
> But where foreign cultural organisations seek to operate within this country, the Government must make sure that their activities are confined to genuine cultural purposes, and that "culture" is not used as a cloak for building up political influence which would be dangerous to the independence and integrity of this country. Once again, it must be emphasised that this principle applies to organisations sponsored by either of the great power blocs.

Even when front organization gatherings are held in communist countries it is not always possible for the sponsors from the East European satellite states to control the proceedings or the physical circumstances as

tightly as they desire. The Fifth World Student Congress of the International Union of Students, held at Peiping, September 4-15, was a case in point. Coinciding with the international crisis in the Straits of Taiwan, the Congress dissolved at times into mass demonstrations against "U.S. imperialism" and "aggression" that were staged by local Chinese Communists. Propaganda themes that did not fit immediately into Chinese Government pronouncements tended to be overwhelmed by expressions of nationalism on the part of the host country. Transportation difficulties arising from choice of a site so far removed from IUS headquarters in Prague were accented by the comparatively small size of the Congress, and by the fact that 25 of the 231 participants were killed in the crash of a jet airliner en route back to Moscow.

THE WFTU'S SUPPORT OF SINO-SOVIET "ANTI-COLONIALISM"

The 1958 activities of the World Federation of Trade Unions (WFTU) continued to reflect the output of the Soviet propaganda machine as well as the Sino-Soviet effort to expand the influence of the Communist powers in the Afro-Asian area. The principal WFTU propaganda events were concentrated in the months of June and July. Two of them inaugurated a series of regional meetings in support of U.S.S.R. "peace" programs on which the WFTU decided at its Fourth Congress in October 1957. The first of these was the "Conference of European Trade Unions and Workers Against Atomic War and for Disarmament" held in East Berlin on June 20-22, 1958. This conference featured propaganda appeals opposing "atomic death," continued nuclear tests, and the nuclear rearmament of West Germany, demanding global nuclear disarmament, and propagating the forthcoming Stockholm "peace" conference. The second was an "International Conference of Workers from Baltic Countries" convened at Rostock, East Germany, on July 7-8 to publicize the communist "Baltic Sea of Peace" theme and likewise protest against the equipment of the West German Bundeswehr with atomic weapons. The same concentration on "peace" and the danger of West German rearmament was a feature of WFTU's "First World Conference of Young Workers," held at Prague on July 14-20, 1958. Among other topics treated in the speeches and resolutions of this conference that of "young workers" figured least and that of the Anglo-American intervention in Lebanon and Jordan most prominently.

The latter event and the Iraqi rebellion by which it was provoked provided a convenient occasion for the WFTU to step up its anti-Western campaign addressed to the Afro-Asian countries as well as its pro-Arab friendship offensive. On July 26-27 the WFTU Executive Committee held a "special meeting" in Prague with the "Events in the Middle East" as the only agenda item. In the presence of specially invited representatives of the Nasir-sponsored International Confederation of Arab Trade Unions (ICATU), this meeting protested the intervention in Lebanon and Jordan and "other aggressive plans against Arab countries hatched by the British and American imperialists" and hailed the Iraqi revolution as well as the "peace initiatives" of the U.S.S.R. The WFTU/ICATU relationship was described at the meeting in glowing terms of "solid cooperation" and "joint action." One of the fruits of this cooperation was an "International Labor Conference in support of Algeria" jointly organized by the WFTU and the ICATU on September 12 in Cairo.

Throughout the year the WFTU, in line with the "anti-colonialist" strategy of the Sino-Soviet Bloc, continued to direct the greater part of its efforts toward the Afro-Asian area, even outside the Middle East. The dissolution on March 4 of the WFTU's Asian-Australasian Trade Union Liaison Bureau in Peiping does not detract from this statement. Never more than a paper organization, the Liaison Bureau had become a unilateral instrument of the All-China Federation of Trade Unions and had long ceased to be directly useful to WFTU headquarters. Moreover, for several years the WFTU has exhibited a decided preference to work in the Afro-Asian area through unaffiliated nationalist and ostensibly noncommunist organizations, a tactic which permits it to operate behind a smokescreen of neutralist fronts. This development reflects the extent to which the WFTU has compromised its function as the leading and exclusive instrument of international communist labor for the sake of the new Soviet diplomacy in the underdeveloped areas. Thus the long-standing preparations for an "Afro-Asian Labor Conference," a project especially dear to the WFTU, are now in the hands of the Japanese Sohyo and of the ICATU. The latest word from Cairo, which had initially scheduled such a conference for February 1959, is that it will take place in April "at the earliest," while Sohyo which is cooperating closely with the Chinese Communists on this matter aims for a date late in 1959. There is still talk in WFTU and "neutralist" Afro-Asian labor circles that from this conference there will emerge a communist-neutralist regional Afro-Asian Labor Federation.
(SECRET/NOFORN)

III. WESTERN, NORTHERN, AND CENTRAL EUROPE

INTRODUCTION

The outstanding development in Western European communism in 1958 was the political emasculation of the French Communist Party (Parti Communiste Francais - PCF). Only the Italian Communist Party remains as a powerful tribune of communism in the halls of Western European parliaments. (The French and Italian Communist Parties are treated separately on pages 24-32 and 32-41, respectively.) The reduction of PCF parliamentary representation to a mere handful, no more than what the party had over 25 years ago on the basis of a much smaller electorate, is of more than passing importance. It is the result of certain internal social and economic developments of the postwar period as well as the doctrinal rigidity of the PCF.

The plight of the PCF also epitomizes a more general development which has been in the making for over a decade, namely that growing Soviet power has been of little benefit to the Western European communist parties. While the Soviet Union's ultimate hope of seizing Western Europe has not changed, the instrumentalities for achieving this goal have become more diversified, making Moscow less dependent on Western European communism and therefore less apprehensive about its present decline. Moreover, Soviet strength supplemented by the still unshakeable belief in the inevitable crisis of the moribund capitalist system provides the necessary psychological backbone for the constantly shrinking band of the party faithful in the West. It permits the Soviet Communists to impose upon the communist parties in the West the increasingly difficult task of maintaining contact with the masses without straying from the narrow path of Marxism-Leninism which, in simple terms, means unquestioning loyalty to the Soviet Union. What is more, the Soviet leadership seems quite prepared to discount the possibly ruinous effect of its strategy on Western European parties by pointing to the successes of the communist movement elsewhere in which the hapless European comrades can participate vicariously.

Since the 20th Congress of the CPSU in February 1956, every Western European communist party has been caught to a varying degree in a crossfire of internal disruption and declining electoral support. Subsequent events, particularly the Hungarian revolution, have undoubtedly increased and accelerated the attritional effect of these causes, but they did not start with them. These facts should be kept in mind because they still bear significantly on developments in the communist parties of Western Europe.

ROUNDUP OF THE MINOR EUROPEAN COMMUNIST PARTIES

THE BRITISH COMMUNIST PARTY

The Communist Party of Great Britain (CPGB) is still suffering badly from its slavish adherence to Moscow throughout the fateful year of 1956, though membership losses during the past year have diminished somewhat in volume. However, an additional obstacle has arisen as the result of a more general notable lack of interest in socialist ideas on the part of the working and middle class population which has affected even the powerful British Labor Party. The British Communists continue to fare badly in elections as demonstrated by their exceptionally poor showing in the recent Wigan by-election, the first one which the party contested since 1954. In spite of a very sizeable effort on the part of the party, it polled only about 70 percent of the vote which it had attained in that constituency in the general election of 1955. Externally completely isolated, the party still managed to retain a few seats in the triennial borough and district council elections in May. These victories, however, were largely the result of the local popularity of the party's candidates and indicate no resurgence of the party as such.

During the past year the CPGB expelled one of its few remaining distinguished intellectuals for having published a critical book on the state of the Jews in the Soviet Union. Professor Hyman Levy thereby joined the list of vocal party defectors who first began to protest in 1956 against the party's intolerant attitude toward its intellectuals. When the intellectuals first left the party it appeared that they were retiring to political obscurity, although their criticism of the CPGB was on bureaucratic rather than ideological grounds.

More recently, however, it has become clearer that many of these defectors have gravitated to the Trotskyite groups which, relatively quiescent during the past decade, seem to have perked up again in the last eighteen months. Trotskyite elements have penetrated certain local labor parties, particularly in South London, Manchester, Liverpool and Leeds, where their tactics have been to create breakaway unions as part of a general campaign against "bureaucracy" and the provocation of illegal strikes. Former CPGB members and Daily Worker correspondent, Peter Fryer, joined other defectors and long-standing Trotskyites in the publication of The Newsletter, in the spring of 1957. This flurry of Trotskyite activity has already earned them rising attacks from CPGB leadership and recognition by the Trotskyite Congress in Paris which hailed the developments in Great Britain as one of the important recent successes of the Fourth International.

With the loss of additional intellectuals and the continuing coldness of the British people to communist efforts at recruitment, the CPGB seems to have turned its attention during the past year to the growing number of West Indian Negroes who have emigrated to Britain in recent years. The appearance of a new monthly, the West Indian Gazette, is suggestive of this new recruiting effort by the party. While the paper lacks the character of a typical communist publication, taking due note of the relatively non-political attitude of its prospective readers who are still more interested in news about their former and present home communities, its communist sponsorship is reasonably certain. The paper's editor is Claudia Jones, a Trinidadian Negress and former official of the CPUSA who was deported to Britain in 1955 where she has been active in the CPGB. Another West Indian Communist graces the paper's editorial board and the paper features articles by Janet Jagan, co-leader of British Guiana's pro-communist People's Progressive Party. Furthermore, appeals to help boost the paper's sales and circulation have appeared in the official literature of the CPGB's London District Committee.

BENELUX

The situation in the Benelux area presents little change from what it was in 1957 with the exception of the conflict that has convulsed the Communist Party of the Netherlands (CPN) during the past year. This conflict, involving not only the CPN but also the communist-controlled labor federation Unity Trade Union Central (Eenheids Vak Centrale - EVC),

had been smoldering for a long time until it blew up in the spring of this year.[1] In essence a power struggle between the Secretary General, Paul de Groot, who is attempting to regain complete control over the party, and several prominent Dutch Communists in the EVC including its secretary, Berdus Brandsen, and the chairman of the CPN, Gerben Wagenaar, its outcome is still uncertain. The fight has already split the small communist delegation in the lower house of the Dutch parliament and resulted in the suspension of the rebelling individuals by the party. De Groot has tried very hard to provide this struggle with the proper ideological trappings by tagging his opponents as "revisionists," a position which has recently received Moscow's endorsement.

THE CENTRAL EUROPEAN COMMUNIST PARTIES

The West German Communist Party (Kommunistische Partei Deutschlands - KPD), outlawed since August 1956, devoted its major effort in the current year to support the Soviet position against the equipment of the West German armed forces with atomic weapons. In this connection the KPD has sought to join the West German Social Democratic Party (SPD) in its anti-atomic weapons' campaign. These communist maneuvers were, for the most part, readily exposed and they had little success in bombarding the West German working class with the standard theme of class unity against the Adenauer government. The communist front political party, League of Germans (Bund der Deutschen - BDD) received only a negligible share of the vote in state (Land) elections, nor could the Communists advance their objective by running candidates as "independents" in these elections or, in some localities, by supporting SPD candidates.

The Austrian Communist Party (Kommunistische Partei Oesterreichs - KPOe) celebrated its fortieth anniversary this year. But the party had very little to celebrate. It still suffers from its identification

1. The details can be found in IR-5650.73: International Communism, October 1958, pp. 20-24.

with the Soviet occupation regime, and many of its formerly loyal followers have defected in the wake of the Soviet military intervention in Hungary in 1956. Membership dropped to a new low during 1958 and is now estimated at 50,000 compared with 70,000, a year ago. In the elections on November 23, 1958 for seats in the Austrian province of Burgenland (which borders on Hungary), the KPOe won only twelve seats as compared with 51 in similar elections held in 1954, receiving fewer than 2,000 votes compared with 5,500 in 1954. In shop council elections covering about 40,000 employees of the Austrian postal, telegraph, and telephone services, held on November 11 and 12, of this year, communist candidates received only about 1,500 votes as compared with some 2,500 four years ago.

In Switzerland hostility against the Swiss Communist Party (Partei der Arbeit - PdA, or Parti du Travail - PdT) has been so intense since Hungary that there is active opposition to even relatively innocuous communist propaganda attempts. For example, an exhibit on the life of Soviet workers which had been scheduled for late November in Zuerich, was greeted with anticommunist demonstrations. Anticommunist feeling has also been running high in the ranks of organized labor: in September the two communist members (G. Meyer of Geneva and A. Blanc of Lausanne) of the central executive board of the powerful trade union of public utilities workers (Verband des Personal oeffentlicher Dienste - VPOD) were forced to resign their positions.

THE SCANDINAVIAN COMMUNIST PARTIES

In the Scandinavian countries, the Norwegian and Swedish Communist Parties continued on their downward trend and the Danish Communist Party was blown wide open, but in Finland the communist party increased its electoral strength and in Iceland attempts to wrest trade union control away from the Communists met with failure.

The Soviet role in the Hungarian revolution of 1956 is still a serious liability for the Norwegian and Swedish Communist Parties. The Norwegian Party remains paralyzed by the results of the 1957 elections where it lost one-third of its electoral support. While the party engaged in some desultory activity during 1958, many of the local party units have apparently ceased to

function. Financial difficulties have led to the disappearance of the Narvik provincial newspaper, leaving Friheten as the only Communist daily.

The Swedish Communist Party suffered heavily in two elections in 1958. In the special June elections to the lower house of the Swedish Parliament, the Communists put up candidates in only 16 out of 28 electoral districts, deferring in the other areas to the Social Democrats. This tactic availed the party but little since it gained only 3.4 percent of the total vote -- the lowest the party has had since World War II -- and reduced its parliamentary representation from six to five seats. Popular support for the Communist Party also hit a low in the local elections of September 1958 when the party entered candidates in all electoral districts. It won only four percent of the popular vote, the party's weakest showing in the postwar period. Another indication of the Swedish party's declining fortunes was the amalgamation of the "Democratic Youth" (Demokratisk Ungdom - DU) organization, a front group, with the officially defunct Swedish Communist Youth Organization (Sveriges Kommunistiska Ungdomsförbund - SKU) in May 1958. The latter group is to be the rallying point for Sweden's youth and probably is also intended to serve as a recruiting ground for the party. Finally, the distinct failure of this year's meeting of the World Peace Council in Stockholm, July 16-22, added little to the party's lustre. The congress of the World Peace Council, devoted to the problem of disarmament and international cooperation, had been the party's greatest propaganda effort, but coming on the heels of the execution of Nagy and at the moment when the Middle East seemed on the verge of exploding the intended effect of the meeting was completely spoiled.

In spite of these setbacks and certain rumblings of disagreement within the party over its increasing subservience to Moscow on the "anti-revisionist" line, party chairman Hilding Hagberg has managed to keep things under control. Hagberg himself had at one time been suspected of sympathy for "revisionist" heresies but has since fallen into line and sought to suppress any heretical tendencies in his party. Aside from this struggle Set Persson's ultra-Stalinist splinter group continues unsuccessfully to seek to draw members away from the official party.

The Danish Communist Party (DKP), on the other hand, has experienced a spectacular rift this year which promises to have far-reaching consequences. By first removing its party chairman, Aksel Larsen, for "revisionist" views, and then expelling him when he refused to stop advocating them, the party bowed to Moscow's demand delivered to the assembled party members by N. Pospelov, Secretary of the CPSU and candidate member of the Presidium, at the extraordinary 20th Congress of the DKP in November of this year.

The malaise in the DKP is directly traceable to the ferment created in 1956 by the 20th Congress of the CPSU. The impact of that congress on the DKP followed by the events in Hungary was serious enough to result in significant losses in party membership and popular support. Demands for greater independence from Moscow were therefore voiced by a substantial element in the DKP which was led by many of the party's intellectuals who wanted to arrest the decline of the party. This trend found a spokesman in Aksel Larsen who argued in 1957 at the 19th DKP Congress for greater emphasis on the Danish character of the party and, by implication, for less subservience to Moscow. While this orientation received the overwhelming endorsement of the trade union element in the party and earned Larsen re-election to the party chairmanship -- he received nearly 90 percent of the total delegate votes -- it ran directly counter to Moscow's efforts to strengthen its control over the international communist movement.

As a result the more orthodox elements in the party launched a counter-attack against Larsen personally and against "revisionism" in general. The struggle continued for months below the surface but erupted in June 1958 at a Central Committee meeting where Larsen was accused of being a Titoist by his opponents. Unable to defeat the Larsen group in the Central Committee, the rival factions then marshalled their forces for a final showdown at the special party congress which took place November 2. In the meantime Larsen compounded his guilt by submitting a long memorandum to the Central Committee in which he not only refused to change his views but also lauded some aspects of the Yugoslav party program, and worst of all attributed the decline of the Western European Communist parties to their excessive subservience to Moscow. This memorandum was reportedly rejected by a majority of the Central Committee.

With the battle lines drawn, the Larsen group was subjected to withering fire from the Soviet communists and elements loyal to them in the international movement. This pressure proved too much and made the removal of Larsen from the chairmanship a foregone conclusion. His expulsion shortly thereafter may have been provoked by Larsen himself whose refusal to keep quiet forced the party to get rid of him.

Larsen's expulsion endangers the DKP's future representation in Parliament. The six seats which the communists now hold are due mostly to his personal popularity. Without him, it is doubtful that the DKP can win sufficient votes to share in the distribution of seats even by 1961, when the next regularly scheduled national elections take place. Larsen still enjoys the confidence of a large segment of the DKP and his newly formed Socialist Peoples Party (SPP) can count on the support of the small Left Socialist Party formed by old Communists and ex-Socialists following the Hungarian events.

A deteriorating economic situation in Finland causing extensive unemployment, helped the communist-front Finnish People's Democratic League (SKDL) to increase its vote from 21.6 percent to 23.2 percent and its seats from 43 to 50 in the July 6-7 parliamentary elections. The SKDL's vote exceeded by one-tenth of one percent its closest rivals, the Social Democratic and Agrarian Parties. While the main reason for this communist victory resulted from non-participation of the non-communist voters rather than from a significant shift in the voting pattern, the Communists did gain in the underdeveloped northern regions of the country among unskilled workers and small farmers dependent upon part-time industrial or other employment.

The Communist victory had the effect of consolidating the bloc of noncommunist parties and made them more disposed to compromise and cooperate than was the case before the elections. The Conservative Party joined the government coalition for the first time since the war and, as a result, the Communists were still excluded from the government which was formed on August 29 (Communists have not been members of a Finnish government since July 1948). This new coalition cabinet received the support of more than two-thirds of the deputies in the Parliament. The Soviet government, however, was displeased with the

composition of the new Finnish cabinet because of the inclusion of right-wing Social Democratic and Conservative members. By a series of actions, or rather failure to act, in connection with economic matters Moscow brought indirect pressure to bear on the Finns, resulting in the resignation of the present Finnish government early in December. While the composition of the new Finnish cabinet is not yet known, it is unlikely that the SKDL will be represented in it. On the other hand, the stiffening Soviet attitude will undoubtedly influence the composition of the new government and possibly also its policies toward the East and the West.

The Communists in Iceland held on to their positions by outmaneuvering the Social Democrats and taking advantage of the fisheries dispute which marred Anglo-Icelandic relations during 1958. By fanning Icelandic nationalism, the Communists generated sufficient pressure to force the government to make its unilateral declaration extending Iceland's fishery conservation limit to 12 miles. Moreover, the resultant dispute with the United Kingdom has served to strengthen communist support in the country. In collaboration with dissident Leftist Social Democrats, the Communists upped their percentage of the vote in the municipal elections from 18.5 percent to 19 percent. And in the labor field, the long-standing attempt by the Social Democrats and Conservatives to wrest control of the Icelandic Federation of Labor (IFL) away from the Communists failed again. It appears that the Social Democrats proved vulnerable to communist and progressive pressure tactics. The upshot of this most recent attempt was that Hannibal Valdimarsson of the Labor Alliance was re-elected President along with four Communists and four Social Democrats who constitute part of the Executive Council. This leaves the IFL under substantial communist influence.
(SECRET)

FRANCE

The past year has undoubtedly been one of the most disastrous in the history of the French Communist Party (PCF). After a phenomenal growth in the early postwar period, the party finds itself now in total political isolation, deprived of much of its voting appeal, and reduced to almost complete impotence in the parliamentary arena. The causes of this diminution of communist

strength are intimately related to certain internal French social and economic developments of the more recent past as well as to the doctrinal rigidity of the PCF and its long-time close identification with the objectives of the international communist movement. Moreover, the PCF's electoral decline, by no means as precipitous as its actual reduction in political strength,[1] has brought into sharp relief the party's increasingly grotesque position of remaining doctrinally revolutionary and yet accepting peacefully, in spite of its numerical strength, the sanctions imposed on it.

For the remaining revolutionaries in the party the hardest thing to swallow may be this peaceful abdication of power, the evidence of the impotence of French communism and its inability and unwillingness to put up any serious opposition to defend itself against political emasculation. Thus the claims of the Fifth Republic to have banished the specter of communism from France seem somewhat exaggerated and could under some special circumstances prove to be even premature. The sole contribution of the new regime has been to relegate the PCF officially to a kind of shadow existence, merely accentuating a condition in which the party has found itself for a number of years.

The year 1958 began uneventfully for the PCF. The narrow confines in which the party had been operating seemed unchanged from previous years. If membership lagged -- only about 31,000 new members were recruited up to the middle of May -- the results of a number of by-elections compensated somewhat for it. For in each of four by-elections during the first half of 1958, the PCF

1. In the elections of November 23, 1958, the PCF polled 18.9 percent (25.6 percent in 1956) of the votes, leaving it still the single largest political group in terms of popular votes. In spite of this sizeable return, the PCF dropped 38 percent in comparison with the 1956 elections and lost 1.6 million voters in absolute numbers. More striking was the drop in the PCF parliamentary representation from 148 to 10, largely the result of an electoral law which also reapportioned all electoral districts so as to hurt the party. This is the lowest parliamentary representation the PCF has had in over a quarter of a century. In the second tour of the recent elections the party improved its popular vote somewhat, polling about 20.7 percent and gaining about 200,000-300,000 votes.

managed to increase its vote over what it had been in 1956. In the case of Marseille the party even succeeded in holding on to a seat vacated as the result of the death of one of its deputies by profiting from a quarrel between the Socialist and Independent candidates.

It was not until the fateful demonstration of the Paris police on March 13 before the Palais Bourbon (seat of Assembly) that a whole sequence of events began to unfold which seemed to provide the PCF with unrivalled opportunities for re-entering the political arena. The ill-disguised hostility against the Fourth Republic which the demonstrating police officers manifested on March 13 as well as the insurrectionary actions by military and civilians alike in Algeria, barely two months later, did not result, however, in a realignment of the forces on the left as the Communists had hoped. On the contrary, the PCF suffered further ostracism. As the party was to discover very soon, its isolation was not the handiwork of the "traitorous Socialist leadership" but, more alarming, the product of a resurgent nationalism which had seized a significant segment of the working class.

This fact was driven home in the April cantonal elections when the Communists failed to elicit any feelings of leftist solidarity and did not benefit from a strategy of unilateral withdrawal for Social candidates. Not only did the PCF lose more than a third of its seats but there was an unmistakable rightist trend on the part of the Socialists and even its own electorate. Withdrawal by the PCF had not helped Socialist candidates in many cases and in addition the million or so new voters between the ages of 23 and 27 had voted for the PCF in a much smaller proportion than the electorate as a whole.

The magnitude of this rightist trend became more apparent during the Algerian crisis. As the Communists found it to their interest to help the reluctant Pflimlin government defend the Fourth Republic by giving it the largest majority in the Assembly of any French government in the past decade, it only seemed to hasten the flight of all other groups away from that moribund institution. Similarly, when the party's attacks on General de Gaulle went into high gear, his chances for becoming the choice of the vast majority of center and left-of-center deputies increased markedly. Thus the PCF's last minute attempt to block de Gaulle's investiture was designed to lay the foundation for possible future political exploitation and

not seriously meant to stem the tide in de Gaulle's favor. The party did succeed in punching a few holes into the stone wall which had separated it from the noncommunist left -- the Paris demonstration of May 28 and the more or less isolated contacts with splinter-left groups and a few individuals -- but these were largely isolated incidents that signified no outstretched hand, let alone any kind of embrace. Any illusions therefore, about a revival of a Popular Front, generously fostered by the communists, were consequently largely still-born.

The virtually uncontested liquidation of the Fourth Republic, the relief with which General de Gaulle's arrival on the scene was greeted, and the growing certainty on the part of the PCF that his prestige was likely to overcome any specter of fascism in the public mind dulled the party's efforts. Worse yet for the PCF was the fact that its activities were under growing scrutiny by important members of de Gaulle's entourage who seemed intent on outlawing the party at the first opportunity. This placed the PCF leadership in the difficult position of having to maintain its opposition to the forthcoming referendum within narrow limits: it could not risk any action which might bring reprisals but its opposition had to be forthright enough to satisfy its militants who were growing increasingly restive under a policy that seemed to bear all the marks of a peaceful self-liquidation of the party.

Without appearing too openly defeatist at the outset, the leadership was obviously well aware of the future threats to the party's survival at the hands of the government as well as the more indirect losses which the communists were certain to suffer from changes in the electoral law. Much effort was therefore expended to cushion these blows by various means and particularly by repeated attempts to reduce the hostility of those who were also against the referendum but even more disinclined to collaborate with the PCF in opposing it. Conversely, much persuasion was used on the party militants to convince them of the need for missionary work if they desired to overcome de Gaulle's popularity with many workers. The party made no bones about the serious inroads which the General had made in that quarter and sought to limit any friction there by cautioning its militants not to behave too aggressively against those who had voted "yes" in the referendum.

The heavy PCF defeat in the referendum of September 28 and the promulgation of a new electoral law coupled with the reapportionment of electoral districts in early October, designed specifically to reduce communist representation in the future parliament, seemed to have raised the possibility of wholesale PCF withdrawals in favor of Socialists and other republican candidates in the coming elections. In view of the bad relations which prevailed between the French Socialist Party (SFIO) and the PCF, however, it appears unlikely that such a tactic was ever seriously contemplated in spite of some possible support for it in the party. On the other hand, it is possible that there was some pressure within the party for taking the extra-parliamentary road, such as strikes and other forms of violence, once it became certain that the PCF would barely be represented in the new parliament. There is at least some indirect evidence that these questions gave rise to protracted discussions and even serious differences of views within the party that could not be easily reconciled. This may be the reason for the delay in the printing of Thorez's speech to the Central Committee on October 3-4, which did not appear until October 10 in L'Humanite and the unforeseen prolongation of that meeting which was originally only slated to meet for one day.

The not entirely unexpected conclusion to all this was, however, that the views of the party leadership not only prevailed but were also communicated to the members with unmistakable authority and finality by the Secretary General himself. In laying down the lines for the party's strategy in the forthcoming elections, Thorez rejected both an "opportunist" and an "adventurist" course. By announcing that the party would do everything possible on the second ballot to elect either Communists or those republican forces who were against the reaction and others equally responsible for the present situation, Thorez delimited also the nature and area in which the party would act and also, by the way, take revenge on the Socialists.

The election strategy of the PCF suggests that the party has now become increasingly preoccupied with long-range considerations. Moreover, the results of that election leave the party with little else to do or to hope for. Hemmed in by a shrinking electorate, which would have reduced its representation in parliament even under the old electoral system, the party can

still derive some comfort from the fact that it continues to command one of the largest electoral responses in France. Nevertheless it is the drop in votes, and not so much the loss in parliamentary seats, particularly in areas that have been considered communist strongholds for three decades, which indicates a more serious weakening of French communism.[1]

It is still an irony of fate that French communism, in its gradual but real decline, seems nevertheless to have achieved something of a victory. For the French government, in applying the new electoral system in France with a vengeance,[2] not only has perpetrated a mild fraud but has also seriously distorted the natural distribution of political forces in the country. As a result, it may be asked if the PCF can benefit from this and can take comfort in the fact that its political emasculation entailed the destruction of the entire French left. Are there any prospects now of a joining of forces on the left in Parliament, and if not there, on the extra-parliamentary level? Has the united front with the Socialists any more chance now after their own catastrophic reduction in strength in the Assembly? There is no evidence of any trend in that direction, nor does it seem that the PCF itself is under any illusions

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1. While the PCF suffered sizeable losses in the rural areas in the southwest of the Massif Central, its drop in the Paris area is of far greater significance. There the PCF lost 7.2 percent of its vote compared to 1956. This was similar to what happened in 1951 but more serious this time in the working class districts of Paris, particularly the 12th, 13th, 14th, 17th, and 18th districts. The party elected only one deputy from the Paris area in direct elections, that is by absolute majority. In the 18 districts of the Seine-Oise, another party stronghold, Communists lost everywhere, arriving only in four districts in first place. A similar development took place in Marseilles, Toulouse, Bordeaux, the North, and the Pas-de-Calais area.
2. The new electoral system is really a reversion to the single member constituency system of the Third Republic. In order to win, candidates have to receive an absolute majority of votes in their district or a plurality in the second instance if no one wins the first time. This second go-round permits alliances. In the present case election districts were rearranged in such a fashion as to gerrymander the communist vote.

about recouping its losses in the near future. On the contrary, the party leadership seems prepared for the worst, hinting again at the possibility of extra-parliamentary action and noting also that it is facing the most difficult phase in its history since the German occupation.

Although the short-run and even more long-range prospects for an upturn in the affairs of the PCF appear rather dim, it is still unlikely that the party will resort to violence, thereby furnishing the present French government with a sufficient pretext for outlawing it. On the other hand, it is already evident that the party leadership regards it as virtually certain that many of its activities will be so seriously hampered by the authorities that it may have to operate in semi-clandestineness. There is furthermore little doubt that the results of the recent election, coupled with the disappearance of the most skilled communist spokesmen from the halls of the Assembly, will hurt the party's propaganda efforts. The protective immunity which used to shield communist deputies will no longer be available to them as private citizens.

A more serious problem for the PCF, however, is the fact that the present string of mishaps has come to an extremely inopportune moment. While the party's organizational structure is designed to facilitate its operation even under extreme adversity, the likely need for cutting back on many of its open activities poses new and more subtle dangers for its continued existence. The disappearance of the PCF from the public limelight, for instance, would be an entirely new experience for many of the party's young hard-core members and is likely to subject them to rather severe personal strains. It remains to be seen whether these younger officials in the party have been sufficiently steeled psychologically to carry on effectively under these conditions.

The present political retrenchment of the PCF is bound to heighten the party's sensitivity to any signs of weakening or manifestations of restiveness over the

current line.[1] Moreover, the reactions of the party to such symptoms, hardened by the examples set in the Soviet Union, continued to push disaffected intellectuals further away from it. While there had been a mild rally around the party's fringes during the May days, the execution of Nagy in June and the Pasternak case have done much to counteract it.[2]

Since the PCF has never relied on intellectuals but only used them for its own purposes, it is probably not too apprehensive over this development. Moreover, the party's rigidly dogmatic inclinations have fortified it against present adversities. The PCF remains confident that objective conditions -- that is to say, the cost of the Algerian war with its attendant economic and political problems -- will lead irreversibly to the institution of fascism in France and will bring the bulk of the French workers who have presently deserted the

1. In June of this year, Henri Lefebvre was expelled by the party. He was probably the last serious Marxist theoretician in the PCF who had some standing in the intellectual community. Lefebvre had been on bad terms with the party for over a year and had already resigned from the editorial board of La Nouvelle Critique in 1957, taking with him a number of other disaffected intellectuals. Lefebvre, in the past twelve months, had piled up a number of unforgivable offenses, such as writing for publications hostile to the PCF, publishing a book on Marxism critical of the party, and participating in a new Marxist dissident discussion group which began to publish a new journal Voies Nouvelles (New Paths) in April for the purpose of re-examining the basis of Marxism in the light of the 20th CPSU Congress and current conditions. Along with Lefebvre the PCF expelled two other lesser known intellectuals, also for having participated in the establishment of the new magazine and for having formed the Club de la Gauche (Club of the Left), a Marxist discussion group where former party members participated.
2. This was the case of the writer Claude Roy who had been expelled for not taking the proper attitude to the Hungarian uprising. He had applied for re-admission during the height of the Algerian crisis but withdrew his application when the news broke that Nagy had been executed. In any event, the party turned thumbs down on his case.

party back into its fold. The PCF leadership is under no illusions about the relative slowness with which this might occur nor the difficulties that will have to be surmounted in the interim. But enticed by the still sizeable electorate that voted for it and comforted by the inability of the Socialists to profit from their support of De Gaulle, the PCF perseveres in its hope of being the only force capable of rewelding the French left in the future.
(OFFICIAL USE ONLY)

ITALY

THE INTERNAL PARTY SITUATION

The major problems of the Italian Communist Party (Partito Comunista Italiano -- PCI) in 1958 were essentially the same as those of 1957: first, to re-establish some order within the party after the disorientation and disorganization that had followed the events of 1956 in Eastern Europe; and second, to control the tendency of the Italian Socialist Party (Partito Socialista Italiano -- PSI) to become increasingly independent. This year, however, the relative importance of the two problems was the reverse of that of 1957, when communist leaders were primarily concerned with the party's internal difficulties. The Communists have managed to check the losses of the PCI, even if they have not succeeded in raising party morale significantly, and the internal conditions of the party are at least stable. The Communists have failed to check the growing "autonomy" of the PSI, however, and they now face a serious danger of increasing political isolation in the foreseeable future.

Organizationally, the Communist Party managed to maintain its position during the year and even to improve it somewhat. If official PCI claims are to be believed, the 1958 membership rose to 1,820,000 -- an increase of about 120,000 over 1957. Electorally, also, the Communists did quite well. In the parliamentary elections of May 1958, the PCI increased its percentage of the total vote slightly as compared to 1953, although it declined slightly in areas where the party has been traditionally strong.[1] These

1. An analysis of Communist and socialist votes in the May 1958 elections appeared in IR-5650.73: International Communism, October 1958.

results tell only part of the story, however. The fact remains that the electoral appeal of the party is not growing significantly and that its membership is far smaller than it was a few years ago. And even the numerical strength of the PCI -- in votes or members -- gives little idea of the deterioration the party has suffered in the past few years.

There is, for example, overwhelming evidence of the rapidly diminishing capacity of the PCI to mobilize large masses for political agitation. At the peak of communist power, in 1948, an assassination attempt on Togliatti could bring the country to the brink of revolution; and even three years later the visit of Dwight Eisenhower as NATO commander could evoke large scale protests. In contrast, during the Anglo-U.S. operation in the Near East in mid-1958, the Communists could barely muster a sizeable crowd to demonstrate before the U.S. Embassy. An almost endless series of similar episodes could be cited to illustrate the apathy beneath the impressive numerical strength of the Communist Party and its electorate. Despite the PCI's capacity to stem the party's numerical losses, it has not been able to put much spirit in its ranks.

Nor has it been able to destroy the political influence of the hundreds of communist leaders and intellectuals who abandoned the party during the past two and one-half years. During 1958, in fact, former Communists were increasingly active in organizational, moral and ideological attacks on the PCI. In November, for example, over 200 ex-communists leaders held a well-publicized meeting in Rome where they proceeded to create a "Socialist Alliance" whose objective is to attack the PCI and to work for the reunification of the Socialist and the Democratic Socialist (Partito Socialista Democratico Italiano -- PSDI) Parties. Giorgio Amendola, in a report to the PCI Central Committee, called the meeting "ridiculous"; but the communists apparently took their former comrades seriously enough, since the press reported that PCI activists had tried to prevent the meeting from taking place. The Socialist Alliance has an effective weekly newspaper, Eugenio Reale's Corrispondenza Socialista, which is sent to thousands of communist activists. At

POLITICAL ACTIVITIES OF FORMER COMMUNISTS

the same time, by remaining formally neutral between the PSI and the PSDI, the Socialist Alliance will act as a moderating influence on the more extreme elements of the two socialist parties.

However, the organizational strength of the former Communists, particularly the intellectuals, is not nearly so important as the effect their departure has had on the moral status of the PCI and the ideological ferment they are encouraging in the noncommunist left. Numerically, the dissident intellectuals were a small part of the total communist membership, but they did give the PCI a certain aura of respectability, even a certain moral prestige. Part of the party's prestige, of course, came from the Communists' role in the anti-Fascist resistance, but memories of the resistance faded rapidly in the tumultuous atmosphere of postwar Italian politics. A more stable basis for the respect that the PCI continued to enjoy even among noncommunists until recent years was the continuing presence in the party of some of the best of the country's younger artists, writers, scholars and political publicists. The wholesale resignation of such intellectuals after the events of 1956 deprived the PCI of whatever moral repute it had managed to retain over the years and it helped to ease the way for the Communists' increasing political isolation.

Some of the ex-communist intellectuals, however, are performing a more specific and positive role: they are stimulating the sort of ideological re-examination that communist leaders abhor and that the noncommunist left finds increasingly necessary. One of the pernicious effects of the twenty-odd years of the "unity of action" agreements between the Italian Communists and Socialists was to blur the distinctions between the two parties. During the years of exile, the common effort of the two parties against the Fascist regime led them to emphasize their similarities rather than their differences. For various reasons this tendency became more marked with the passage of time. In recent years, however, there has been a revival of interest in ideological questions, and for the Socialists of the PSI this has meant a growing consciousness of their basic differences with the Communists. Former Communists are taking a leading part in this process of ideological renovation, both in the older organs of the left and in such new journals as Corrispondenza Socialista, Passato e Presente and

Tempi Moderni. The results of such discussions may not be spectacular in the short run, but they are extremely significant for the long run development of relations between Communists and Socialists.

GROWING "AUTONOMY" OF THE PSI

The subject of the political role played by former Communists leads to what was really the most critical problem of the PCI during 1958 -- its deteriorating relations with the Socialists, who continued to make their slow and tortuous way toward "autonomy." The term "autonomy," as applied to the PSI, remains extremely vague. It must be remembered that for some time after World War II, particularly after the split in the Socialist movement itself in 1947, the PCI and the PSI were so closely "allied" that the Socialists almost lost their identity. The Socialists' efforts to regain their "autonomy" from the Communists, consequently, involve several aspects: a willingness to act according to their own views on specific political issues, even when these are opposed to those of the Communists; a willingness to elaborate and discuss ideological differences with the Communists and to emphasize that, regardless of PCI-PSI agreement on many and perhaps most of the concrete issues of day-to-day politics, they hold different conceptions of the ultimate goal of socialism and of the appropriate means for achieving it; and a willingness to loosen or break their ties with the Communists if other political alliances seem more likely to advance the interests of democratic socialism. What is generally called the increasing "autonomy" of the PSI, then, is a process involving movement along one or all of these lines.

At its February 1957 Congress, the PSI had unanimously adopted a resolution confirming the dissolution of a formal alliance with the Communists and restating the party's devotion to democratic principles. At the same time it repeated its determination to maintain the unity of the "working class" -- in effect to collaborate with the Communists on some political issues and on labor questions. The resolution was broad enough to cover a multitude of views, and the apparent unanimity covered deep antagonisms between those who really favored a gradual loosening of ties with the Communists and those who maintained that the PSI must continue its old policy of close alliance with the PCI, even if under different

forms. During most of the next year and a half, the dissensions between the Autonomists and the Procommunists within the PSI were rarely aired publicly.[1] After the May 1958 elections and the formation of a "center-left" government headed by Amintore Fanfani, however, the dissension within the PSI broke into the open. In October the Directorate and the Central Committee of the PSI rejected the report that Pietro Nenni, the party secretary, proposed to make to the PSI Congress scheduled for January 1959. Nenni, who by then had unequivocally placed himself at the head of the Autonomists, refused to accept a compromise report. The result was the formal organization of three party factions: the Autonomists, led by Nenni; the Pro-Communists, led by Tullio Vecchietti; and a small "center" faction led by Lelio Basso, which attempts to mediate between the two major contenders. Each of the factions prepared its own analysis of the party's record during the past two years and each proposed a separate policy resolution for the coming congress. This is the first occasion since 1949 that a PSI congress will debate more than one report and resolution.

COMMUNIST POLICY TOWARD THE PSI

By 1958, then, the autonomy of the Socialists had gone far enough to cause real concern to the Communists. The unity of action agreements had enabled the Communists to control a large party and millions of voters who would never join, or vote for, the PCI itself. In the short run, the autonomy of the PSI necessarily reduces the capacity of the Communists to influence policy by

1. The term "Pro-Communist" is used in this paper to refer to those Socialists who advocate maintaining close ties with the PCI, but it should not imply that all these persons accept communist doctrine or approve of communist regimes. Some of the Pro-Communists of the PSI are, by almost any criteria, hardly distinguishable from Communists; others -- and these are more numerous -- are fully conscious of their profound differences with the Communists but maintain that, given the present strength of the PCI in Italy, the Socialists must have PCI support in order to work effectively for economic and political reforms. The Autonomists, in contrast, are convinced that the PSI must loosen or break its ties with the Communists if it is to become an effective force in Italian politics.

depriving them of a subservient ally. In the long run, the creation of a really independent socialist party could even become a serious contender for the members and electors of the PCI itself. Consequently, the Communists made an intensive effort during the past year to undermine the "autonomist" elements in the PSI.

Communist policy toward the Socialists has varied considerably during the past several years. In 1956, while the PCI was torn by internal dissension and threatened by mass resignations, the Communists attempted to minimize their differences with the Socialists. The Communists, for example, did not object seriously when in October 1956, the PSI decided to break the Unity of Action pact that had, in various versions, bound the two parties since 1934. During that period the Communists insisted that different "evaluations" of developments in the Soviet sphere did not affect the relations of the two "working class" parties in Italy. Once the Communists had succeeded in containing the organizational crisis in their own party, however, they began an underground campaign against the Socialists. This continued until the national elections of May 1958, when the Socialists succeeded in gaining votes, many of them from the PCI itself. After the elections, the Communists made increasingly severe and open attacks on the Socialists and by the end of the year the Communists and the autonomist wing of the PSI, at least, were close to a complete rupture.

The Communists are now using a wide variety of tactics to try to restrain the autonomist development of the PSI. One of the most effective of these tactics is to involve the Socialists in joint actions with the PCI to achieve specific goals. The tactic works best in the trade union field. In the latter part of the year, for example, the Communist-dominated Italian General Confederation of Labor (CGIL) ! s unleashed a country-wide series of strikes, partly, at least, as a reminder to the autonomists in the CGIL of the advantages of labor unity. In a more strictly political area, the PCI recently made representations to the President of the Republic on the "illegalities" and "irregularities" of the Fanfani administration, and the documents were later published as a White Book. These and similar actions were meant to demonstrate that only close co-operation between Socialists and Communists can advance the interests of the working classes and safeguard democratic liberties.

The necessity of communist and socialist unity has also been the main theme in the communist discussion of the year's developments in France. Italian public opinion is extremely sensitive to developments in France and the Communists have made the most of this situation. The opponents of the PCI -- and chief among them the Democratic Socialists of Giuseppe Saragat -- have put the primary responsibility for the French crisis on the French Communist Party, whose existence, they contend, has weakened the left. The PCI, on the other hand, contends that the "prejudicial" anticommunist stand of the French Democratic Socialists (Section Francaise Internationale Ouvriere -- SFIO) is the major cause of the success of "reactionary" forces and predicts similar dire consequences for Italy if the noncommunist left in that country -- primarily the PSI -- should advocate a "discriminatory" policy against the Communists. The Secretary General of the PCI, Palmiro Togliatti, made a rhetorical statement of this theme at the most recent meeting of the party's Central Committee: "Anti-communism is the chain that the reactionary bourgeoisie in all of Western Europe has succeeded in throwing about the necks both of social democracy and of the Catholic movement and of other intermediate forces, in order to paralyze them and to tie them down. Anti-communism is the premise of any reactionary movement; it is a mortal arrow piercing the side of democratic institutions."

It is difficult to assess the precise impact of the French situation on the Italian left. The PSI has not accepted the communist argument fully. Its most biting criticisms have been aimed at the SFIO; but the PSI has also reprimanded the French Communists, although mildly, for their alleged role in the collapse of the Fourth Republic. On balance, the French crisis and its exploitation by the PCI has probably helped those groups in the Italian Socialist Party which advocate establishing closer ties with the Communists; and it has given some pause even to the Autonomists, who fear the consequences to the Italian left if they "surrender" to what they call the "visceral anti-communism" of the Social Democrats. Nevertheless, the French situation is only one of many factors influencing the relations between Socialists and Communists and it is by no means decisive.

The Communists are also intervening directly, if quietly, in internal PSI affairs in an effort to defeat

the party's Autonomists. During the national elections of May 1958, observers noted that the socialist candidates whose cmapaigns seemed to be most heavily financed were generally those who had procommunist leanings. Although there was no conclusive evidence on the matter, the obvious conclusion was that the procommunist candidates were being aided by the PCI, and it is generally assumed that these procommunist factions continue to receive financial support from the PCI. In addition, it is reported that the PCI is attempting to intimidate the thousands of Socialists who are employed in communist-dominated organizations (cooperatives, labor unions, local government administrations, etc.) in an effort to defeat the Autonomists. On November 16, Nenni himself publicly stated that communist pressures on the PSI had become "almost intolerable."

Finally, during the past few months, the Communists have opened a full attack on the Socialists' ideological statements and on their policies of the past two or three years. Togliatti himself published a lengthy article in the October issue of Rinascita, the PCI theoretical monthly, on "The Decisions of the Twentieth Congress and the Italian Socialist Party." According to the new communist line, the Socialists' criticism of communist theory and of developments in the Soviet sphere are not simply differences in "evaluation" that do not affect the relations of the Socialist and Communist Parties in Italy, as the Communists maintained in 1956. Togliatti now says that "in the positions taken by the Socialist party (above all through the efforts of its major leader /Nenni/) regarding the decisions of the Twentieth Congress and the successive developments /in Eastern Europe/... there are, in sum, all the elements of a social democratic deviation." The article goes on, in effect, to criticize the Socialists at length for not being Communists. Nenni and the Autonomists have reacted strongly and the polemic seems likely to become more serious in the immediate future.

At the end of 1958, the principal concern of the Communist Party was not its own internal problems, although these were serious enough, but its rapidly deteriorating relations with the Socialists. The general objective of the PCI is, of course, to prevent the PSI from developing into a truly independent Socialist Party. On the basis of the experience of the past few years the

CONCLUSION AND PROSPECT

Communists may well have decided that this is probably an impossible goal in the long run. In any case, the PSI as it stands today is deeply divided, and if part of it is still closely attached to the idea of a united front with the Communists, a substantial part of the party is definitely hostile to such a policy. The Communists have apparently decided to make the best of what is for them a rather unpleasant situation.

While the general objective of the Communists is clear enough, the problem remains as to why they should have chosen to attack the Socialists as strongly as they have in recent months, and to attack them, furthermore, largely on ideological grounds. Given the timorous behavior of the Socialists in the past, the Communists probably hoped to intimidate the Autonomists, and to force them, at the very least, to arrive at some compromise with the Procommunists in the PSI. Nenni's refusal to compromise and his insistence that each of the party's factions present its own report and resolution at the next Congress was probably the single greatest setback to the PCI since the Socialists broke the Unity of Action agreement in 1956. Nenni's action ended the Communists' hope of entangling the Autonomists in a compromise agreement. The Communists' next move was probably inevitable: they had to make every effort to prevent the Autonomists from winning a majority at the Socialist congress, or to discredit the Autonomists if they did win. This explains the Communists' apparent decision to begin placing the Autonomists of the PSI in the same category with the much-vilified Social Democrats.

The outcome of the Socialist congress remains in doubt. During the past few weeks a number of PSI federations have been holding provincial congresses to discuss and vote on the resolutions of the three main factions and to select delegates to the national party congress. The results available so far are inconclusive, but the evidence indicates that neither the Procommunists nor the Autonomists are likely to win an overwhelming majority at the national congress. This means that the victorious faction will probably have to deal with a powerful opposition, probably one controlling about 40 percent of the new Central Committee to be elected at the Congress.

If the Procommunists should win a majority at the PSI congress, the Communists and Socialists will probably collaborate more closely than they have in the past two years. The Autonomists, however, would remain in the party as open critics who would oppose any negotiation of a new unity of action agreement with the PCI. It is conceivable that the Communists might press for such an agreement in a deliberate effort to split the Autonomists from the PSI. If the Autonomists were to split at a time when the party leadership, and consequently the party name and party machinery, were controlled by the Procommunists, they probably would not carry more than a minority of the PSI with them, and the result would be to make the Communists the gift of a more pliable PSI. However, there is nothing to indicate that the Autonomists--many of whom remained in the PSI during the years when it was hardly distinguishable from the PCI and when open debate had been largely eliminated -- would be maneuvered into such a schism. They would more probably remain in the PSI as a powerful opposition, and if the trend of the past few years is any indication, they would have every reason to hope that they could eventually capture the party majority.

On the other hand, if the Autonomists should win a majority at the PSI congress, the result would of course be another serious setback for the Communists. The presence of a powerful procommunist opposition within the PSI -- and the practical advantages of Communist and Socialist collaboration in the CGIL, cooperatives, and local administration -- would place definite limits on the speed with which the Socialists could move away from the PCI; but the two parties would probably drift apart more rapidly than they have so far. Under such conditions, the PCI would probably expand its attacks on the Autonomists in an effort to shift the internal PSI balance back to the Procommunists, and if this were not feasible, in an effort to discredit the PSI as a whole before the large electorate of the extreme left. (OFFICIAL USE ONLY)

IV. THE NEAR EAST AND AFRICA

THE ARAB STATES AND ISRAEL

INTRODUCTION

Since the commencement of a new, more active Soviet Middle Eastern policy in 1955, the fortunes of communist parties in this region have been incidental to the U.S.S.R.'s relations with the several local governments. Again in 1958, the single major development affecting the communist movement -- which at the moment is undergoing a strong resurgence of both covert and open activity -- was a product of inter-governmental relationships, namely the gradual onset of mutual disillusionment between Egyptian President Abd al-Nasir and his Soviet "benefactors."

The first open evidence of strain appeared when Nasir chose to visit Tito, amid every demonstration of mutual cordiality, in early July just after the U.S.S.R. had aired its displeasure with the Yugoslav leader. During the August UN special session on the Lebanese crisis, the Soviet delegation, which drove hard for a condemnation of the U.S. expecting full Arab-Asian support, did not conceal its chagrin that the resolution formulated by the Arabs themselves was so mild. A turning point was finally reached in late summer. Talks on further arms procurement, begun during a visit to Cairo by Soviet Air Marshal Rudenko in June (with the Egyptians reportedly pressing for MIG 19's), were continued in October by Nasir's trusted emissary 'Abd al-Hakim 'Amir in Moscow. The most widely publicized feature of 'Amir's visit was the announcement of the U.S.S.R.'s participation in the initial phase of the cherished High Dam scheme. On closer examination, the High Dam offer, although given maximum favorable publicity in order to avoid loss of face on either side, appears to have been in part an alternative to the Egyptian military shopping list, which was considerably scaled down. However, the several arms deals and the extremely popular High Dam offer are, in sum, a sufficient obligation upon Nasir that the U.S.S.R. apparently concluded it could initiate wider Middle East operations, independent of him, without risk of a break with Egypt. Meanwhile, the July 14 revolution in Iraq provided the

U.S.S.R. with a new avenue of approach to the area. A military delegation from the new Iraqi regime was in Moscow at the same time as 'Amir: since then, the Egyptians reportedly have been indignant that Soviet officials insist on dealing directly and privately with the Iraqis. It must have been a bitter revelation to Nasir, whom the Soviets at first flattered by prior consultation on each new move in the area, that he no longer enjoys acknowledged supremacy as the preferred channel for Soviet contact with the Arab world.

Shortly after this development, communist party activity revived, especially in the Syrian region of the UAR, obviously with Soviet assent. This Communist renewal is openly inconsistent with Nasir's Arab policies, for in Iraq the Communist Party is now the leading element resisting the country's assimilation into the UAR, and in Syria the party has gone so far as to call publicly for separate parliamentary entities for Syria and Egypt, as well as "democratic freedoms" for party activity. In October, the Soviet anti-union position was obliquely endorsed in the non-Soviet Communist press. October 26 L'Unita carried an article critical of Nasir and of regional mergers in the Middle East on the pattern of the UAR. Both Nasir and 'Abd al-Salam 'Arif in Iraq were at fault, the article wryly suggested, for wishing to "ignore the reality" of the importance of Communist and popular support to the Iraqi revolution, and for proposing "to apply to Iraq the same measures as in Egypt" (i.e., suppression). Coming more than a month after Presidium member Mukhitdinov's visit to Cairo, this article provided a blunt, if indirect, answer to a conversation which reportedly took place between the Soviet official and Nasir in Cairo, in which Nasir protested the U.S.S.R.'s obvious encouragement of renewed clandestine activity in Syria and Communist agitation among the Kurds.

The break that has opened, in consequence, between Communist and indigenous nationalist forces, such as the Ba'th movement, is fortunate for the West in that the Communists, by isolating themselves from the main stream of Arab nationalism and adopting an unpopular stance, have immeasurably weakened their appeal. Paradoxically, however, this situation does not lend itself in the short run to much improvement in Arab relations with the U.S. Since hyper-emotional anti-Westernism is the chief political welding tool of each group, a nationalist-Communist contest inevitably develops into a competition

in baiting the Western powers, particularly the U.S. to which both have now assigned the role of chief "imperialist conspirator." Ultimately, however, the U.S.S.R. stands to lose more than the U.S. from such infighting. To the extent that it supports its own protagonists, the U.S.S.R. jeopardizes its pose of disinterested champion of Arab nationalism. And in Iraq, where Communist and pro-Egyptian forces are most evenly matched, the deadlock between them may yet give place to a third nationalist but more moderate leadership.

IRAQ

The most significant gains by any Middle Eastern Communist Party have been scored in Iraq in the five months of almost total political license since the July 14 revolt. Capable, Moscow-trained leaders such as 'Aziz Sharif and 'Abd al-Qadir Isma'il returned during the first part of October from exile or hiding abroad (whence, though hampered by distance, they had all along exercised much direction of Iraqi Communist affairs). Subsequent reports identifying Syrian Communist and Tudeh Party leaders in Baghdad suggest that Iraq is for the moment replacing Damascus as a center of regional Communist liaison and planning.

Such freedom of action is possible because the Communist Party of Iraq (CPI) and the Qasim government have discovered a common interest in resisting pressures from the Iraqi Ba'th party and other groups interested in assimilating Iraq to the UAR. Qasim is openly accepting Communist help, particularly in mobilizing the "street." He is allowing the party to organize and propagandize openly, and he has thus far overlooked the entry of numerous Communists into the government service itself. The actual extent and pace of this infiltration is difficult to assess: reports from pro-Western Iraqis (who want the US to intervene to redress the situation) and from Egyptian sources (who hope the U.S., out of fear of communism, will permit a similar action on their part) are obviously inflated. On the other hand, several crypto-Communists are sufficiently highly placed (one is in the Cabinet) to facilitate the placement of others. The party is able to exploit the anxiety on the part of the new regime to replace everyone (even in the non-political civil service grades) who held a post under the monarchy. Leftist and Communist sub-officials are also taking advantage of the preoccupation of their superiors with political infighting to assume active control of their departments.

Communists now, in effect, control the propaganda apparatus, have strong positions in the Education Ministry, and have entered employment and begun organizing labor syndicates in the State Railway and Basra Port Administrations. This pattern suggests a calculated effort aimed at particularly sensitive areas of employment. Despite scattered reports (nearly all from Egyptian sources) that the CPI is rapidly expanding in the army and police, there is no evidence that significant inroads have yet been made in the security services. On available evidence, the maximum communist threat now lies in the CPI's undoubted control of the street mob, plus the fact that troop discipline, eroded by the aura of revolutionary laissez-faire, might not hold in the face of severe civil disorders regardless of the loyalties (probably divided) of the officer corps. With the CPI impeccably supporting the government, turning out the mob on order and with full government collaboration, there has been no test as yet of relative strength.

The immediate CPI tactic, supplemented by advice and false intelligence at the diplomatic level, has been to increase Qasim's sense of insecurity and isolation, feeding rumors of Western-inspired plots and, by a constant drumfire of hate propaganda, trying to preclude Qasim's turning to more moderate or pro-Western advisors. In frantic efforts to regain their own former position of major influence, pro-Egyptian elements have unintentionally contributed to this aim by resorting to hastily-concocted, abortive plots to remove Qasim himself. At the same time, there are some signs that the CPI may have overreached itself. The vigor and aggressiveness of the Communists' drive to influence the new regime has made them conspicuous, arousing both envy and alarm. Most politically knowledgeable Iraqis, including the upper officer grades, middle and upper-level civil servants and large commercial class, are fearful of internal communism (though not necessarily of the Soviet Union), while their admiration of Nasir stops short of desire to unite with the UAR. Inarticulate and unorganized, this group, caught in the middle of an all-out fight between the pro-UAR militant fringe and the far left, is intimidated to the point of playing safe with vague leftist statements while privately speculating whether they could salvage more, after all, under the UAR. However, senior army officers of the division commander level, although non-political by training and

preference, have repeatedly warned Qasim against going too far with the CPI and are reported to be ready to take matters into their own hands if he does not heed.

Qasim himself is probably sincere in his professed intention to turn away from the CPI as soon as dangers to his rule from other factions are reduced. Qasim is probably also reluctant to move (although he has not admitted it) until all or most of the large Iraqi arms orders from the Soviet Bloc have arrived. Neither he nor his close advisers (notably Kamil al-Chadirchi, who is dangerously naive regarding communist aims and methods) seem aware of any danger in over-dependence on the CPI. Moreover, the problem of finding alternative support for the regime is compounded by economic stagnation, by the government's halting performance which has lost public confidence, and by the fact that Qasim himself does not display attributes of personal leadership.

Meanwhile the obvious opportunities offered by Qasim's dependency and his complacent attitude toward the CPI are already being jeopardized by the pace of events and by the party's over-eagerness. By demanding arms for a communist-controlled popular resistance movement, by directly challenging the army in a humiliating episode in Basra which demands redress, and by insistent pressures for specific policy lines (e.g., demanding execution of prominent figures from the old regime and efforts to prevent official U.S. visitors from coming to Iraq with the government's prior assent) the Communists are attempting to force their will upon the government too early, while Qasim and/or the army still apparently have the ability to resist or even to break them. Although these may be mere test maneuvers from which the party can recoil if unsuccessful, it appears likely that a test of strength with the CPI will be forced at communist initiative before Qasim wishes it, but at a time actually advantageous to the government.

The Communists and Qasim have also developed a parallel course of action in connection with Iraq's largest ethnic minority group, the Kurds. Mulla Mustafa Barzani, Kurdish tribal leader who led the last large-scale armed uprising against the Baghdad government, self-exiled in the U.S.S.R. since the collapse of the brief Soviet-sponsored Republic of Mahabad in 1946, was allowed by Qasim and the Soviet government to return

to Iraq October 6. Barzani, whose name had become synonymous with Kurdish irredentism, was greeted with much excitement by Iraqi Kurds, who interpreted his return to mean that their long-cherished dream of an independent Kurdish state was on the point of being realized. Both official Iraqi and Soviet propaganda have been at pains since to play down this idea and stress limited Kurdish autonomy within the Iraqi Republic. Barzani's initial tour of the northern, predominantly Kurdish, provinces produced less stir than anticipated, and some anti-Barzani feeling on the part of the traditionally hostile tribes has shown itself: entire clans numbering in total over 100 people have decamped to Iran and claimed sanctuary there.

Kurdistan is at present superficially quiet, but the feeling of malaise remains. In general, the deep-seated desire for full independence, reawakened by recent events, seems to have outrun any present intent of either the government or the local Communists and is not easily put to rest. The attitudes and ambitions of Mulla Mustafa himself are not fully known; the sparse reports since his return suggest that he was not unduly influenced by his Soviet residence and is still dedicated primarily to Kurdish independence. Contacts between the Communist Party of Iraq, its Kurdish branch, and its wholly-controlled front, the Kurdish Democratic Party, have continued on a much increased scale since early September; in November, a common program for united action was worked out which, however, has the sound of a laborious compromise between the independence faction and the CPI proper. Much travelling back and forth of deputations between Syrian and Iraqi Kurds also has been reported.

There is no firm evidence that the U.S.S.R. (which almost certainly advised the Qasim regime on its Kurdish moves) intends for the present anything more than to weaken Iran and Turkey through nationalist appeals to their sizeable Kurdish minorities and to build up Communist capabilities in the Kurdish areas. There is, however, obvious strategic utility to the U.S.S.R. in a landlocked small state, contiguous with its own Kurdish population, which contains Iraq's major oil fields and, in addition, is positioned to split Turkey and Iran and extend well down toward the Persian Gulf. These factors make an all-out Communist drive for a "united, democratic Kurdistan" an attractive future possibility as a means of

pressuring Arab leaders, or an alternative line if the Arab policy fails.

EGYPT

The Egyptian Communist movement, after a brief period of reunion in January 1958, is again torn by factional disputes. The official line remains one of support for the regime's foreign policy coupled with vigorous criticism of Nasir's handling of internal affairs. However, the party has begun to split more openly on the key question of how far to cooperate with Nasir and at what point to come into conflict. It is difficult to assess how much is ideological, as distinct from organizational power factors, in this quarrel, but there is some indication that the split may reflect, and be aggravated by, the hardening Soviet line toward Nasir. The arguments of the more numerous "loyalist" Communists, seem to parallel, in part, the rationalizations of the pseudo-communist nationalists, while those who vigorously assault "Jamalism" as a bourgeois nationalist weakness are identifiable as old-line party members, many of them from the former HADITU (Democratic Movement for National Liberation), one of the oldest of the Egyptian Communist groupings. They probably comprise, as a group, the hard-core and professional workers of the Egyptian movement; it is therefore significant that they are now attacking Nasir and referring to his Communist collaborators (who still dominate the movement) as "white collar Communists" who have been "bought" by soft jobs and fat salaries. However, there is fairly clear evidence that the disputes also reflect intra-party rivalries over questions of pay, position and authority.

This wrangling, whatever its causes, has resulted in a general breakdown of party discipline, marked by open disobedience to the high command and virtual cessation of external party activity. Two small activist groups which refused to join the union move in January are now working together as the "Communist Vanguard." The Vanguard was the only Egyptian Communist group to raise its voice against the "destruction of democracy" in Syria resulting from the union and has denounced the "loyal" Communists for "tailism," that is, for permitting themselves to be led by the nationalists.

SYRIAN REGION

The crackdown on internal communism anticipated in the wake of union did not materialize -- reportedly, Egyptians hoped to win the majority of Syrian Communists to support of Nasir along the lines followed in Egypt. Instead, the Syrian Communists made use of the quiet interval to strengthen their clandestine organization and to heal an incipient Titoist split in their ranks. From abroad, Syrian and regional party chief Bakdash issued statements in Rude Pravo (February 28) and L'Unita (March 2) endorsing the UAR in lukewarm fashion but making plain the intention of the Communist Party of Syria and Lebanon (CPSL) to continue its "struggle" for "liberation." Speaking at the Seventh Conference of the Bulgarian Communist Party, he delivered the now-official endorsement of UAR foreign policy and criticism of its internal policies. At the Fifth Congress of the East German Communist Party on July 15, the day after the Iraqi revolution, he praised the revolt and attacked the U.S. landings in Lebanon. Even before Bakdash's return to Syria, on October 5, and the nearly simultaneous return of the key Iraqi communist leaders, Nasir reportedly was aware that the Iraqi Communist Party was in close touch with the CPSL, possibly receiving from the Syrian headquarters guidance for the conflict which soon developed over relations with Egypt. Just before his return, in an article in the September 1958 World Marxist Review, the new international communist journal, Bakdash posed for Arab Communists the problem of cooperation with the national bourgeoisie, in which he made plain the intention to resist dissolution of the party and to work for Arab unity built not only on "liberation from imperialism" but also upon "democratic foundations." In the light of subsequent developments, and because of the authoritative quality of the journal in which it appeared, this article may have been the first official hint that the U.S.S.R. was about to resume support of local communist activity, and thus to challenge Nasir.

Since his return, Bakdash appears to have concerned himself with redirecting regional strategy rather than with exclusively Syrian party affairs. Among other possibilities, the formation of a single party structure for the Middle East was hinted. By mid-July, Bakdash reportedly had concluded that "differences" in the political situations of Syria and Lebanon dictated the

separation of the CPSL: possibly Lebanon is being written off temporarily in favor of more promising fields in Syria itself, Iraq and Jordan. The separation was announced in the December 14 issue of al-Akhbar, Beirut communist paper. The relatively minor role of the Communists in the Lebanese civil war may have justified such a step. On a more far-reaching note, however, the same article also called for separate governing bodies for Syria and Egypt (in effect, an end to the union), fraternal relations with Iraq, closer ties with the Bloc countries, and an end to all Western economic aid.

JORDAN

Communist party fortunes in Jordan have continued the decline set in motion, in mid-1957, by their over-eagerness to grasp control of the National Conference (a coordinating committee of nationalist, anti-Western groups) at the zenith of nationalist strength and communist popularity. Many of the cadre members are still self-exiles in Syria, although many more have illegally reentered Jordan and, in hiding, are attempting to rebuild their organization against fairly effective governmental repression and under martial-law conditions of summary justice. Nevertheless, in September they were reported extending recruitment efforts to the Army and police. In the various attempts concoted since -- partly spontaneous, partly UAR-instigated -- to foment civil uprising or army revolt against the Jordanian throne, the activist element was plainly directed by hyper-nationalists and/or UAR paid agents. The Communists have tried to associate themselves with these "popular" movements but their role is clearly one of hangers-on.

Meanwhile, among the political exiles in Syria who have waited in idleness for a year and a half for a triumphal return, the inevitable bickering has set in. The Communist Party of Jordan is further weakened by being now isolated from important segments of the Ba'th-Qawmiyin apparatus, and has itself developed a "Titoist" splinter movement.

SUDAN

The communist party has made no gains in numerical strength in the past year, and has experienced a net loss in that the new Sudanese government is willing to take action against it while former Prime Minister Khalil contented himself with watching until what he considered to be a danger-point was reached. By mid-year the government-sponsored labor

organization (started in 1956 specifically as a counter-attraction to a Communist-dominated labor federation) had been penetrated to the point that the Communist element had taken control. The new government, however, abolished union activity in late November. More recently, the government has begun a crackdown on the party's major political front -- synonymous with the Sudan Communist Party except in name -- the Anti-Imperialist Front. The Front lost its one parliamentary seat in the February-March elections, and no Communist-endorsed candidate succeeded, although there were some half-dozen Front aspirants who had Communist support. Collaboration between the Sudan Communist Party and the most prominent opposition group, the National Unionist Party (NUP) was active during the elections and reached a high point in June-July during debate on the U.S. aid bill. Although both the Communists and the NUP have been quiescent since the coup, clandestine liaison between them probably continues, and they can be expected in future to work together on specific common aims.

ARABIAN PENINSULA

In Saudi Arabia there is still no evidence of organized Communist activity, nor would any such manifestation be tolerated. A brief, unprecedented visit to King Saud by the Soviet Ambassador to Damascus had no noticeable after-effects. Aden and the several principalities rimming the peninsula are likewise negative from the Communist point of view. The riots of last year on Bahrain occasioned the seconding to the Shaykh's security forces of a number of British experts; taken together with the arrest and deportation of the ringleaders of the disturbances, this has guaranteed a year of unbroken calm, during which the local Communists have not raised their heads.

Kuwait, with its large infusion of malcontent expatriates from all over the Arab world, has had a nascent but poorly organized Communist movement for several years. The inert nature of the local security apparatus does little to impede its growth: a more serious block, apparently, is the provincialism of the members who seem to have resisted the advice of a professional organizer reportedly despatched last year to weld the several cells into a centralized party structure. During the fall, with the several Arab parties from which these groups sprang presumably occupied with more pressing

matters, the Kuwaiti Communists reportedly felt isolated, forgotten and dispirited. However, the renascense of the movement in Iraq, if continued, will soon be felt in Kuwait. Restless, frustrated nationalism in Kuwait is being largely directed, through press and radio propaganda, into pro-Nasir channels. Kuwait nationalist papers for the past several months have deplored communist gains in Iraq as being inconsistent with Arab unity.

The communist movement has not gained in either numbers or influence during the past year; on the other hand, there has been no burning issue dramatizing the U.S.S.R.'s pro-Arab policy, such as the Suez incident, which would occasion heavy losses. The chief effort during the year was the formation of the Arab Popular Front (formerly simply Arab Front), which began shortly after the May Day celebrations and is still going forward. Apparently fully endorsed by the Jewish segment of the MAKI (Israel Communist Party), the organization seems to have been intended both as a cover and as a means of reaching noncommunist Arabs on wider issues with specific appeal to them. It meant, in short, to restore the emotional quality of the old Arab Liberation Movement, this time under full communist auspices. For example, the Front endorsed the ending of military rule in the Arab-populated areas and the return of Arab refugees. The true nature of this grouping was known to the Israeli government from its inception, and the purely communist leadership disclosed itself so quickly to potential co-sponsors among the influential Arabs that they soon dropped out. At present, the Front is nearly synonymous with the Arab wing of MAKI, and has little influence or potential.
(SECRET/NOFORN)

ISRAEL

GREECE, TURKEY AND IRAN

In Turkey and Iran, all communist activity is suppressed. The clandestine communist organizations there, confronted by the vigorous, effective counter-subversive measures of the security forces of those countries, remained on the defensive, confining their efforts largely to preserving their organization. Neither organization presently enjoys a significant degree of popular support

INTRODUCTION

or poses a serious subversive threat, although they probably possess some trouble-making potential in the event of internal disturbances. By contrast, the Communists in Cyprus, where they are officially tolerated, and in Greece, where they operate under cover of a legal front organization, improved their positions during the last year; the following section, consequently, will deal only with the Greek and Cypriot situations.

GREECE

During the past year, communist strategy has aimed primarily at expanding the influence of its legal front organization, the United Democratic Left (EDA). Less emphasis has been given to the illegal Communist Party of Greece (KKE) which, operating from headquarters behind the Iron Curtain in Bucharest, Rumania, has exercised control over EDA. EDA's long campaign to achieve respectability paid dividends in the May 1958 national parliamentary elections when, running independently, it secured 24 percent of the total vote and elected 79 members to Parliament. It is now the principal opposition party in Parliament.

The following factors were probably responsible for EDA's unanticipated electoral successes:

1. EDA campaigned more vigorously than any of the other participating parties and appeared to have unlimited campaign funds. In contrast to the harassment of EDA candidates in previous elections by the Greek security forces, EDA was permitted a relatively free hand.

2. EDA was able to exploit effectively the Cyprus controversy and the issues of economic and social reform.

3. EDA apparently received a windfall anti-Karamanlis protest vote which had no other quarter to which it could turn in view of the deterioration and generally discredited leadership of other left-of-center parties.

In its recent propaganda, EDA has sought to exploit a rising "neutralist" sentiment in Greece by opposing missile bases on Greek territory and by establishing

"peace" committees to echo the Soviet line on disarmament. EDA has also sought to deprecate benefits accruing to Greece from its close friendship with the United States and its membership in NATO, by pointing to the allegedly unfavorable position of the U.S. and other NATO powers on Cyprus as opposed to that of the Soviet Bloc. Seeking further to enhance its newly won political respectability, EDA has carefully followed a moderate line, calling, for example, for a truly neutral Greece rather than a pro-Soviet Greece.

EDA activities in Greece at present encompass practically all political, economic and social sectors. An effective EDA political organization has been established at all levels in the Greek administrative structure down to the basic village structure. EDA has capitalized on its control of the municipal administration in Kavalla, and several other smaller areas, and it continues to exercise strong influence over the Salonika municipal administration.

Special groups have been established for women, students and youth. EDA has also recently put renewed emphasis on the labor movement. The Communists have long held considerable influence over such groups as the tobacco and maritime workers, and through them they have been able to gain control over various labor federations and labor centers. In the recent conference of the General Confederation of Greek Workers (GSEE), communist-controlled elements secured participation in the GSEE Executive Committee. EDA has also established a New Agrarian Movement (NAK). EDA publishes the morning daily Avghi (circulation about 10,000), and exercises considerable influence over Anexartitos Typos, a new afternoon daily.

During the past year an increasingly closer relationship between the Soviet Embassy and EDA has been apparent and there is evidence that the Soviet Embassy is supplying the bulk of EDA's operating funds. Through Soviet efforts, the Greek-Soviet League has been strengthened, and similar friendship societies have been established with most of the Soviet satellites, as well as a "Union of Friends of New China." Soviet-satellite embassies have spearheaded the establishment of various peace and anti-missile committees utilizing EDA personnel, and these same channels are being increasingly used to promote expanded trade between Greece and the Bloc.

EDA's prospects for the immediate future will depend in large measure on how the Karamanlis Government elects to deal with it. Should the government chose to do so, it is in a sufficiently strong position to hamper severely EDA's activities. Since the elections, the government has begun to follow a tougher line with respect to EDA and a number of EDA officials have been arrested on charges of affiliation with the outlawed KKE. Moreover, there are indications that harsher counter-measures against EDA are forthcoming. In any case, in future municipal and national elections it is extremely unlikely that EDA will be permitted the free hand it had in the last elections.

CYPRUS

Although the Communist Party in Cyprus, the Reform Party of the Working People (AKEL), has been illegal since December 1955, its tactics of moderation and non-violence have restored it to a quasi-legal status. Regarding the present Cyprus question, AKEL has contented itself with occasional statements endorsing "self-determination," and periodic calls for a united front. To this end, AKEL has a number of times reaffirmed its support of Archbishop Makarios as the spokesman of the Cypriot people. Available evidence indicates that it has not engaged in any of the bombings, killings or sabotage which have occurred on Cyprus. AKEL has refrained from counter-attacking the Greek Cypriot Terrorist organization, EOKA, on the several occasions when EOKA has killed AKEL members, and has met EOKA attacks with repeated calls for a united front.

All the AKEL leaders who were imprisoned by the Cyprus Government have by now been released. The AKEL daily newspaper, Neos Democratis, which was banned, has been replaced by a similar journal, Haravghi, which is published without legal restrictions. The mayors of three of the six largest towns are either communist or fellow-travelers. AKEL control over the Pan-Cypriot Federation of Labor (PEO), which was not banned under the December 1955 legislation, remains unchallenged. PEO now has a claimed membership in excess of 30,000, which represents well over half of all organized labor on the island. It is led by Andreas Ziartides, a Moscow-trained Communist who is regarded as a very capable and shrewd administrator and organizer.

Because of its excellent organization, its strong position in the municipal administration, and its influence in the labor movement, AKEL can be expected to improve its position under any kind of increased self-government, unless the Cyprus Government should decide to suppress it. Because of its favorable position, AKEL apparently has decided that the wisest course under current conditions is to bide its time until the political future of Cyprus becomes more clearly defined, hoping to end up in a strong position whatever the ultimate solution of the Cyprus question.
(SECRET)

AFRICA

INTRODUCTION

Aside from continued anti-government activity by communist-oriented groups in the Union of South Africa and Cameroun, the main communist effort to penetrate Africa in 1958 continued, on an increased scale, to take the form of diplomatic, trade, and cultural exchange overtures to the independent nations of Morocco, Tunisia, Ghana, Guinea, Liberia, and Ethiopia.

Communist and Egyptian efforts in Africa apparently continued to coincide, insofar as they were directed toward the destruction of Western influence. The Cairo-based Afro-Asian Solidarity Committee (sponsored by Egypt, with Soviet and Chinese Communist support) showed some promise of developing into a major channel of communist influence.

A communist party was organized in Madagascar during the year, but other than this the only functioning parties are those in the Union of South Africa and Morocco (where they are legally banned but still active), and in Tunisia. The Moroccan and Tunisian parties are weak and ineffectual, and neither has benefited significantly from the Soviet Bloc's limited successes at the governmental level in both countries. Each numbers only a few hundred members and is still regarded by the dominant nationalists as essentially a foreign organization.

PATTERN OF COMMUNIST ACTIVITY

In the independent African states and in those territories where evolution toward self-government or independence has been permitted by the colonial power, the ability of Communists to inspire or control nationalist movements has been severely limited. In both instances, dominant nationalist movements have virtually monopolized popular political activity, and the communists have been compelled, as a rule, to operate within the framework of the existing nationalist organization. African radical nationalist leaders, for their part, tend to have a somewhat ambivalent attitude toward communism. Many if not most of them are at least partly Marxist in their ideological ancestry and some have, at one time or another, accepted communist collaboration in their fight against colonial rule. Yet most African political parties are concerned to establish their own unchallenged dominance, and, despite their affinity for the ideas of the left, they are jealous of competition from any source whatsoever. In the circumstances, they have tended to resist any efforts to create indigenous communist movements.

The Communists, since their present influence is so small, have concentrated on labor, youth, and student organizations from which the next generation of African political leaders will probably come. To some degree, the members of labor and youth organizations can be expected to form the radical opposition to the entrenched leadership when the post-independence "honeymoon" of national unity ends.

In Ghana and Guinea, the unquestioned dominance and monolithic structure of the ruling nationalist parties have continued to prevent the emergence of organized communist activity. In both cases -- although more so in Guinea than in Ghana -- the extreme left wing of the nationalist parties lacks neither prestige nor respectability, but has remained within the bounds dictated by rigid party discipline and personal loyalty to Kwame Nkrumah and Sekou Toure, the Prime Ministers of Ghana and Guinea respectively. In Guinea especially, many present and potential leaders have been strongly influenced by Marxism, and labor, youth and student organizations may be a potentially serious source of leftwing pressure on Toure, who at present holds almost undisputed authority.

In Madagascar, the Communists are still weak, although they have been somewhat stronger, perhaps, than elsewhere in French Africa, probably because they were able to identify themselves with the harshly-repressed nationalist uprising of 1947. An important element in the future prospects of the newly organized Madagascar Communist Party will be the attitude toward communism of the immensely popular "martyred" nationalist leaders of 1947, who will probably return from exile during the coming year. The provincial government of Diego-Suarez is reportedly controlled by Communists, and Communists were probably present at the 1958 "Independence Congress" of groups demanding immediate secession from France. In the September 1958 constitutional referendum, however, the advocates of immediate independence -- who are by no means all Communists -- were able to muster only a quarter of the electorate.

Elsewhere in French Tropical Africa, the main communist political vehicle, particularly in Senegal, is the Parti de l'Independence Africaine (PAI), an ultra-radical organization composed largely of returned students, which was established in 1957 in an effort to check the waning of the already small communist influence in the nationalist movements. For the time being, at least, PAI is weak, but if the major nationalist parties lose momentum, it may eventually become a force to be reckoned with. However, a new movement, the Mouvement Africain de Liberation Nationale (MLN), also concentrated in Senegal which is strongly anticommunist but committed to immediate independence and African socialism, may counteract the appeal of and win converts from the PAI. In the September referendum on the De Gaulle Constitution -- the PAI (together with various student, youth, and labor groups) unsuccessfully campaigned for a "no" vote, i.e., for immediate independence. The only territory, Guinea, which chose -- practically unanimously -- to vote itself out of the French Community, did so not at the instigation of the PAI but under the influence of the historic nationalist radicalism of the Guinea section of the Rassemblement Democratique Africain (RDA). Sekou Toure is, indeed, the very person who led the nationalists against communist control of the labor unions in 1956-57.

Although Communists have been able to maintain common cause with nationalists in the French West African labor movement, they have done so only by yielding the

control which they held until 1956 in favor of membership in the new, nationalist-dominated Union Generale des Travailleurs d'Afrique Noire (UGTAN). Efforts to penetrate trade union movements have continued elsewhere in Africa but thus far not with conspicuous success.

OFFICIAL BLOC CONTACTS

In most independent African countries, official Soviet Bloc contacts at the governmental level were of considerably more importance -- or potential importance -- than internal communist activity. The Bloc stepped up its political, economic, and cultural offensive in 1958, pushing for exchanges of diplomatic, trade and cultural representatives, urging African states to loosen further their ties with the West, and encouraging them to take up a neutralist position in the Afro-Asian bloc.

During 1958, Communist Bloc overtures in Morocco and Tunisia achieved a measure of initial success. The first Soviet Ambassador arrived in Morocco, and the Moroccans have agreed to negotiate an exchange of diplomatic representatives with Communist China. At the same time, Tunisian and Moroccan trade with the Bloc increased sharply and both countries warmly welcomed Bloc cultural presentations. At a time of rising North African dissatisfaction with the West -- over the continuing war in Algeria, over Tunisia's need for arms, and over the presence of U.S. bases in Morocco -- these Bloc efforts have apparently strengthened factions in both Tunisia and Morocco which advocate disengagement from a pro-Western orientation. By the end of 1958, Moroccans seemed virtually unanimous in support of "non-dependence." Even Tunisia's President Bourguiba has hinted at "non-alignment" and has sought arms from Yugoslavia and Czechoslovakia to supplement those offered by the West. He has, however, apparently dropped for the time being the intention (announced publicly on July 25th) of exchanging diplomatic representatives with the U.S.S.R. and of recognizing the Chinese Communists.

Although the expected exchange of diplomatic missions between Ghana and the U.S.S.R. did not materialize during the past year, it seems likely to occur during 1959. The two countries agreed in January 1958 to establish diplomatic relations at the Embassy level "in due course," and there is some evidence that the U.S.S.R. has shown impatience with subsequent delays in establishing missions.

The reasons for Ghanaian delay are not altogether clear: aside from possible policy reasons involving Ghanaian relations with the West, they may involve practical administrative problems. Plans for establishing a Ghanaian Embassy in Moscow, however, reportedly have advanced to a point where the designation of an Ambassador has been discussed within the hierarchy of the Convention Peoples' Party.

Because of financial stringencies and strained relations with France, the newly independent Republic of Guinea is probably moving somewhat more rapidly than Ghana did to establish diplomatic and economic contacts with communist countries. In general, however, the present Guinea government's attitude to communism and its pattern of relations with the Sino-Soviet Bloc will probably parallel those of the Nkrumah regime in Ghana. Communist efforts in Guinea are likely to focus on government-to-government approaches with offers of trade, technicians and capital, the success of which will largely depend on the developing Western policy toward Guinea.

AFRO-ASIAN SOLIDARITY COUNCIL

The Permanent Secretariat of the Afro-Asian People's Solidarity Council in Cairo emerged during the year as an important potential instrument for communist penetration of Africa. Founded as a continuing body by the communist-tinged Afro-Asian Solidarity Conference in Cairo in December 1957, the Council's Secretariat is slated to have representatives from a total of eleven countries, including the U.S.S.R., Communist China, UAR, and India. Three African countries are represented: Cameroun, Sudan, and Ghana. It is believed that not all of the representatives have yet been named. The Secretariat is financed principally by the UAR, U.S.S.R., and Communist China, but the Egyptians have so far dominated its activities. The U.S.S.R. and Communist China also attempt to exert considerable influence, although they do not seem to have been particularly successful in the case of the Secretariat's day-to-day operations.

From the communist point of view, participation in the Secretariat and Secretariat-sponsored activities offers several advantages: the "respectability" which comes from identification with the Afro-Asian movement; the concomitant opportunity to help undermine the Western

position in Africa; and a foothold which may prove increasingly useful for independent Soviet activity. Insofar as it is concerned with the liquidation of Western influence, the Secretariat offers the Bloc an opportunity to harmonize its short-term aims in Africa with those of Egypt. The UAR is aware that long-term Soviet objectives do not necessarily coincide with its own; hence its efforts to maintain control over the Secretariat's operations.

The Secretatiat's principal activities in 1958, most of which were focussed on Africa, consisted of: (1) issuing propaganda statements backing nationalist groups in dependent African territories and supporting various "protest days," e.g., "Imperialists Quit Africa Day" -- December 1; (2) assisting in preparing the violently anti-colonialist output of Radio Cairo and Egypt's semi-clandestine Voice of Free Africa; (3) supporting the activities of various African nationalists residing in Cairo, e.g., John Kale of the Uganda National Congress, Dr. Felix Moumie of the Union des Populations du Cameroun (UPC), and Africans from Kenya, Eritrea, Somalia, Zanzibar, and South Africa; and (4) organizing Afro-Asian conferences, such as the December 1958 Afro-Asian Economic Conference at Cairo, and the youth conference planned for Cairo in February 1959.

UNION OF SOUTH AFRICA

The racial problem, which permeates every aspect of South African life and thought, continued to provide the country's proscribed but active underground communist movement with opportunities for successful exploitation. The white parliamentary opposition has been discredited in African eyes, by its ineffectual resistance to the government's apartheid program and by its own refusal to stand on a forthright platform of racial cooperation. The continued exacerbation of race relations now ironically suggests that the Union's hard-core Communists (mostly whites and Indians) may find it increasingly difficult to win acceptance for the multi-racial approach which is the basic element in the South African party's line.

Communist efforts to consolidate control over the infiltrated African National Congress (ANC) led to an important split in the powerful Transvaal branch organization, in which the "Africanist" faction (advocating an exclusively African rather than multi-racial approach

to politics) withdrew to set up a rival organization.[1] It remains to be seen whether this can become a real alternative to the Congress. If it does, the recent split may prove to have been a serious setback for the Communists. For the present, however, the defection of the Transvaal Africanists has weakened the anticommunists remaining in the other provincial branches of the ANC. Communist ascendancy in South Africa's other major nonwhite political organizations -- the Indian and Colored Congresses -- has continued unabated.

The ineptly handled mass treason trial of 95 leaders of various anti-government groups collapsed during the year, although the government has promised to bring new charges against the leaders in 1959. The major beneficiaries of the proceedings so far have been the comparatively few Communists involved, who have gained a cloak of respectability and martyrdom by being lumped together with respected liberal figures.

The ANC's communist-dominated leadership probably broke even on the two major mass protest campaigns which it organized during 1958. The three-day protest strike during the national elections was an almost complete failure. The ANC found an opportunity to recoup its losses, however, in the government's insistence on extending the pass system to African women. The demonstrations which followed -- in which hundreds of African women, many with children on their backs, deliberately provoked arrest -- restored the ANC's reputation for effectiveness and identified it with opposition to a policy which has probably created more bitterness among Africans in the Union than any other single apartheid measure of recent years.

CAMEROUN

In the Trust Territory of Cameroun, the armed rebellion carried on at intervals since 1955 by the outlawed Union des Populations du Cameroun (UPC) was ended for all practical purposes by French military action which culminated in September in the death in the field of the UPC's leader, Ruben Um Nyobe.

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1. Although there are several tendencies and groups within the ANC, control over the organization's local branches has been divided between Communists and Africanists.

In the meantime, the French administration has moved with some rapidity to introduce internal autonomy into Cameroun, and has now agreed to grant independence in 1960.

It is questionable, however, whether the existing legal parties (which lack the UPC's distinction of having come up the hard way), would be able to survive a resurgence of the UPC -- either legalized in its own name or reconstituted under another. The UPC's long suppression has led it to continue to cooperate with the Communists long after other French African nationalist movements severed those connections, and its dependent position has made it all the more vulnerable to communist influence. Since the failure of its armed rebellion, however, the UPC has apparently sought to reorient itself away from its communist ties toward the "respectable anticolonialism" of, say, the Accra Conference of Independent African States. The sincerity of this shift is as yet uncertain. (SECRET) [illegible]

V. SOUTH ASIA

BLOC ACTIVITIES

The Sino-Soviet Bloc continued in 1958 to treat the neutralist countries of South Asia as important target areas. Members of the Bloc maintained their efforts toward economic and cultural penetration of India and stepped up their activities in the smaller countries of the region -- Afghanistan, Ceylon, and Nepal. Relations between Pakistan and the Bloc continued to be cool, and no significant improvement appears likely under Pakistan's Western-oriented military regime.

New aid agreements between India and communist countries during the year included a $21 million credit by Czechoslovakia for the equipment of a foundry-forge and a loan of $18 million by Rumania to help finance construction of an oil refinery. Cumulative Bloc economic aid to India amounted to approximately $315 million by the end of 1958, the U.S.S.R. and Czechoslovakia contributing about 98 percent of the total. Primary emphasis in the Bloc aid program has been consistently on financing heavy industries, a policy which pleases the Government of India and also permits the Bloc to associate itself with large projects that have popular appeal.

Two new economic aid agreements during 1958 added to the already extensive credits which Afghanistan had previously accepted from communist sources, particularly the U.S.S.R. In January the Soviet Union provided a long-term credit of $15 million to finance oil exploration and exploitation activities in the northern portion of the country, and in March Czechoslovakia agreed to furnish coal mining equipment valued at about $500,000. Meanwhile, the Government of Afghanistan accelerated its use of funds from the $100 million Soviet line of credit extended in 1956; an estimated $55 million had been utilized by September 1958. There are now an estimated 440 Soviet economic experts in Afghanistan, including a bureau of 30 Soviet engineers which has been established in Kabul to work with the Afghan Ministry of Public Works and the Ministry of Mines and Industries. Two hundred and thirty additional Soviet technicians are expected to be stationed in northern Afghanistan under

the oil exploration agreement. The Soviet experts continued to refrain from engaging in political activity in Afghanistan but were probably successful in enhancing the Soviet Union's prestige by their professional efficiency and in paving the way for further economic and technical penetration by the U.S.S.R. by their "correct" behavior. The Government of Afghanistan continued to expound the principle of welcoming aid "without strings" from any source, although early in 1958 it declared it would decline for the time being any further aid that would add to the country's heavy foreign debt.

Various trade and barter agreements were still channeling a large portion of Afghanistan's foreign trade through Bloc markets at the end of 1958. Trade statistics for 1958 are not available, but there was probably a continuation of the trend observed in 1956-57 -- the most recent period for which data are available -- when the U.S.S.R. was Afghanistan's largest source of imports and a close second to India as a market for its exports. Some Afghan officials have expressed concern over the country's increasing commercial dependence on the U.S.S.R., and conclusion of a transit agreement with Pakistan in June 1958 (transit facilities for landlocked Afghanistan were interrupted by political differences with Pakistan in 1955) may permit some diversion of trade from the U.S.S.R. However, the U.S.S.R. will probably continue as Afghanistan's major trading partner during the coming year.

In addition, in 1958 Afghanistan continued to receive substantial deliveries of military equipment from the U.S.S.R. under a special Soviet line of credit estimated at $25-35 million opened in 1956. The actual value of military supplies received by Afghanistan to date is estimated, however, at considerably more than the total Soviet credit because deliveries appear to have been made at substantial discounts. The two Soviet military missions in Afghanistan established to train Afghan forces in the use of Soviet equipment stepped up their activities in 1958. There were an estimated 100 Soviet instructors in these missions toward the end of the year. In addition, an estimated 50-100 Afghan officers received military instruction in the U.S.S.R. during 1958. Heavy reliance on the Soviet Union for military equipment and training has already increased Afghanistan's vulnerability to Soviet pressure, and may

compromise Afghanistan's continued policy of neutralism in the cold war. Soviet military and political influence appeared to be given a boost toward the end of 1958 by Afghanistan's sharply adverse reaction to the new military regime in Pakistan and to reports of new bilateral military discussions by the U.S. with both Pakistan and Iran.

As a corollary to its efforts at economic and military penetration, the Communist Bloc has also stepped up its cultural offensive toward Afghanistan. Soviet President Voroshilov visited Kabul in October, and a steady stream of Afghans were invited during the year to visit the Soviet Union. By playing host to small and carefully selected groups of journalists, government, press and radio officials, well-known artists and educators, the U.S.S.R. probably made headway in establishing closer cultural ties with key groups in Afghanistan. This policy is already paying dividends for the Soviet Union in an increasingly leftist bent in the Afghan press and the use of a greater volume of Tass material.

In Nepal, a key development was the King's three-week visit to the U.S.S.R. in June, which ushered in a Soviet campaign to strengthen the U.S.S.R.'s position in this Himalayan kingdom. The King had several meetings with Khrushchev, and the Soviet leaders appear to have spared no effort to flatter and impress him. The U.S.S.R. offered the King a 50-bed hospital as a present for his birthday, which occurred during the visit, and this offer was accepted. As announced in the joint communique signed at the end of the visit, the Soviets offered an unspecified amount of economic assistance to Nepal. As the first step in working out the details of this agreement, the Soviet Ambassador to Nepal, who is resident in New Delhi, visited Katmandu during December with a team of 22 technical experts. As an earnest of their good intentions, the delegation arrived in Nepal in an Ilyushin-14 airplane which will reportedly be given to King Mahendra as a gift from Voroshilov, expected to visit Nepal early in 1959. Soviet aid plans for Nepal are as yet unclear. However, there are indications that if it offers extensive assistance the Soviet Union runs the risk of antagonizing India which considers Nepal within its own sphere of influence.

In February 1958, the Soviet Union concluded economic aid and bilateral trade agreements with the Government of Ceylon providing for a credit of $28.4 million to be repaid in 12 years either in Ceylonese goods or convertible currency, at 2.5 percent interest. This credit will cover development projects and flood rehabilitation, and the U.S.S.R. will also furnish technical assistance and training. Later in the year Ceylon accepted a loan of $10.5 million from Communist China to be used for flood relief. Since the Bandaranaike government came into office in April 1956, Sino-Soviet Bloc economic aid to Ceylon has totaled almost $60 million as against some $40 million from free world sources.

PAKISTAN

Internal developments during 1958 affecting communist movements in the countries of South Asia were of importance primarily in Pakistan, Ceylon, and India. Pakistan's small and faction-ridden communist movement was given at least a temporary setback by the military coups d'etat of October 1958, but communist leaders hope eventually to turn this to their advantage. Prior to the coups, Pakistan's Communists, who were outlawed as a political party in July 1954, maintained their attempts to infiltrate other organizations. Although handicapped by a shortage of funds and reliable party workers, they scored some impressive results. Immediately following the imposition of the military rule, the Pakistan police arrested a score or more of the leading communist workers and journalists in both wings of the country, although some party workers in East Pakistan successfully evaded arrest by going underground or escaping to India. Communists in West Pakistan have made no effort to organize resistance to the military regime, having apparently chosen to wait in the hope that the present government will eventually become discredited or weakened by internal rifts. East Pakistani Communists have been more active. In November they reportedly summoned a conference of party workers to meet in Calcutta to repair their organizational links and adopt a program of activity. Internal communist activity in the immediate future will undoubtedly center on East Pakistan (East Bengal), where political consciousness is much more deeply developed than in West Pakistan. The Communists in East Pakistan have a handy base of support in the adjoining Indian

states of West Bengal and Assam. They appear well placed to manipulate latent Bengali resentment against domination by Karachi, should the military regime fail to live up to its promises.

CEYLON

Certain leftists in Ceylon's coalition cabinet continued their pressure for radical economic measures during 1958, but these measures were not pushed as aggressively or as overtly as previously since popular support for radicalism and popular enthusiasm for closer ties with communist powers declined. Ceylon experienced the most marked internal instability it has known since independence. The shaky Bandaranaike government failed to provide effective leadership. The country's economy continued to deteriorate. Long-standing tension between the majority Sinhalese and the minority Ceylon Tamils, exacerbated in part by the government's pro-Sinhalese policy, exploded in 1958. Ceylon has been under emergency rule since late May following an outbreak of violent encounters between these two communities, resulting in an undetermined number of deaths (the government claims 159 were killed but the actual figure is probably larger).

Each of the three rival Marxist parties in Ceylon is trying to exploit this situation to its own advantage. These three parties, all of which depend mainly on trade union and other urban support, occupy different positions in the Ceylonese political spectrum. The one with the largest popular following, the Trotskyite Lanka Sama Samaja Party (LSSP) headed by N.M. Perera, is the leading opposition party and has consistently stood for equal treatment of Sinhalese and Tamils. It formerly supported some "progressive" governmental measures but in October declared its intention to bring the government down. The Moscow-oriented Ceylon Communist Party (CCP) previously gave the government even more support, mainly because of the government's avowed socialist aims, and at the same time soft-pedaled its own pro-parity stand on the communal question in view of the government's pro-Sinhalese policy. Party leaders now recognize that the CCP's ambiguous position of neither wholly supporting nor wholly opposing the government inhibited party militance, gave the impression of lack of principle, and consequently reduced its popular appeal. After a period

of soul-searching, the party adopted a more critical attitude toward the government in late 1958 without quite demanding its downfall. By the end of the year the CCP still had not resolved its basic dilemma; unity and struggle, it finds, are a difficult combination. The smallest Marxist party, an independent communist group called the Revolutionary Lanka Sama Samaja Party, is a part of the government coalition. Its leader, the very able Minister of Food and Agriculture Philip Gunawardena, has thoroughly identified himself with the government's pro-Sinhalese policy. Recognizing the public trend against radicalism, in mid-1958 he publicly attacked communism and Communists generally and now appears to be soft-pedaling somewhat his pressure for radical economic measures.

The Marxist parties can be expected to exploit the continued economic difficulties which are in prospect, and will probably place increased reliance on the strike as a political weapon. The pervasive communal question complicates the picture, since it cuts across traditional political and class lines. It is possible that, in the jockeying for position as the present coalition government weakens, there may be new political alignments that will include or at least affect the fortunes of the Marxist parties.

INDIA

In 1958 the Communist Party of India (CPI) went publicly on record in favor of pursuing "socialism by peaceful means" and accepted, for the present at least, the position of a "loyal opposition" committed to functioning within the Indian constitution. By playing up its peaceful nature and denying foreign domination the CPI hopes to integrate itself more fully into the Indian environment and gain increased respectability, thereby attracting mass support which will enable the party to capture India state by state in coming elections. However, Indian Communists realize that progress through reliance solely on the party's ability to poll votes is likely to be a slow process. Thus, they have maintained their covert organizations and stepped up their efforts to penetrate and form "united fronts" with other Indian parties in an effort, as one party spokesman put it, "to get them to alter their programs and policies to fit in

with ours and finally, to adopt our methods on an all-India basis." Despite its increased public emphasis on democratic means, the communist goal remains the same: the achievement of absolute power in India. Extensive reliance on democratic methods is likely to last only as long as this tactic furthers progress toward the goal.

THE PEACEFUL ROAD TO SOCIALISM

The trend toward using democratic means to destroy democracy -- a tactic which the CPI has followed with varying enthusiasm since 1950 -- was given a fillip by the party's success in the 1957 Indian general elections and by Moscow's announced support for this approach. It reached its highest point at the Special Party Congress held by the CPI at Amritsar in April 1958. At this conference the party laid the groundwork for attracting mass support by adjusting party policy to attract classes hitherto ignored or regarded as enemies and by playing down the party's international ties and its previous use of violence and subversion as roads to power.

Under the new CPI constitution adopted at Amritsar, the party says that it "strives to achieve full democracy and Socialism by peaceful means." This constitution omits the clause in the former document that the CPI is part of the international communist movement and states that the CPI, while drawing on "the rich experience of the International Working Class Movement," formulates "its policies and determines its line of action in accordance with the interests and needs of the (Indian) people." In addition, the CPI at Amritsar brought its administrative structure, superficially at least, into line with that of the Congress Party. Names such as "Politburo" and "cell" were discarded in favor of branches and committees, and the party is now playing up its "democratic" organization.

REVISIONISM

Although the major decisions at Amritsar were resolved in favor of the "rightists" within the party, agreement on the current tactical line was far from unanimous. Few party members favor an immediate return to revolutionary activity, but many disagree with the extent to which the party has been committed to parliamentary methods. Factional bickering at Amritsar centered primarily around the degree of support to be given Nehru and the Government of India (GOI), the crucial question of whether

the CPI once voted into power would permit itself to be voted out, and the fear that the CPI would lose its distinctive character by aping other Indian parties. In view of this continuing disagreement within the party, the "rightists," who hold that the "national bourgeoisie" will join with the Communists as in China when a showdown comes, found it necessary to make certain concessions to the "leftists," who maintain that in the final struggle the "nationalist" and "imperialist" bourgeoisie will unite against the Communists. The leftists found solace in the firm restatement of Marxist-Leninist principles in the new party constitution and in the political resolution's flexibility and scattered contradictions which leave considerable latitude for interpretation.

Some party leaders are aware that relaxation of membership requirements and the development of a "mass" Communist Party may reduce intra-party discipline and ideological dedication. In this context, it is of significance that the CPI launched during 1958 a strong attack against "revisionism," which a party leader defined as an attempt to "turn the party to the path of class collaboration and reformism within the framework of bourgeois society." Writing in the CPI monthly New Age in July, Bhupesh Gupta, leader of the communist bloc in the upper house of Parliament, made a strong case for Indian Communists continuing to act and talk like classical Communists. What is needed, he said, is "not only a mass party, but a mass Communist Party.... Most of the newcomers to the leading organs of the party remain more or less strangers to the fundamentals of Marxism-Leninism." Gupta concluded with an attack on the two chief, inter-related pitfalls of communism today. "For the victory of socialism, both revisionism and bourgeois nationalism have to be ideologically and politically defeated and ultimately uprooted." This attack on revisionism was made part of CPI policy on November 13, 1958, when the party Secretariat issued a statement on this subject. Indian Communists, the Secretariat said, "are pledged to defend the principle of proletarian internationalism and reject all talks (sic) and action which disturb the unity of the world communist movement and world working class." Following a strong attack on Yugoslavia, the statement concluded, "The Communist Party of India is pledged to fight revisionism and dogmatism in its own ranks and maintain the purity of the Marxist-Leninist principles."

The fear of revisionism creeping into party ranks, the difficulties encountered by the communist government in Kerala State, Prime Minister Nehru's outspoken criticism of communism, and, probably, direction from Moscow induced a hardening of CPI policy and a shift toward the left by late 1958. General Secretary Ajoy Ghosh has reportedly reversed his previous opposition to the maintenance of an underground apparatus and has given his approval to the formation of a standby mechanism for armed action if such a course should become necessary. Ghosh's switch followed his return from Moscow on a three-months' sojourn owing to "ill health."

OPPOSITION TO NEHRU

Overtly, this shift to the left is most apparent in the party's attitudes toward Nehru, Indian foreign policy, and relations between Kerala and the Central Government. During recent years the CPI has refrained from personal attacks on the Prime Minister on the grounds that he is "progressive" and must be supported against the "forces of right reaction" within the Congress Party organization. This stand was reiterated at the Amritsar congress, but in August the CPI Central Executive Committee adopted a strong resolution denouncing the Prime Minister's critical comments on developments in Kerala. The resolution objected to Nehru's "partisan stand," his "scant regard for the truth," and his "sweeping charges and insinuations." Communist disenchantment with the Prime Minister increased following Nehru's critical comments on the regimentation of life in Communist China and publication of his critical observations on international communism in an August issue of the Congress Party publication Economic Review.

Previous CPI criticism of Indian foreign policy was limited basically to India's membership in the British Commonwealth and the Central Government's refusal to use force to end Portuguese possession of Goa. In a resolution adopted in October, the CPI National Council gave passing approval to the Prime Minister's stand on the Taiwan straits situation but was notably silent on other facets of GOI foreign policy. The CPI and the communist-line press have launched a concerted attack against acceptance of U.S. economic aid, which, they claim, is given with strings

CRITICISM OF US AID

attached and thus compromises India's foreign policy of non-alignment. In early October the party's Central Executive Committee criticized the GOI for not seeking additional aid from "socialist countries" where the "question of strings does not arise," and later the same month the CPI National Council warned against "the dangers to our foreign policy inherent in increasing economic dependence on imperialism." The actual motivation behind this strong stand against US assistance is probably two-fold: this aid increases India's ties with the West, and it makes more likely the completion of a major portion of the five-year plan, thereby removing one of the Communists' major sources of criticism of the GOI.

KERALA -- THE COMMUNISTS' SHOWPIECE

The Communist Government of Kerala -- the CPI's prime showpiece in India -- also encountered difficulty during 1958, and the lesson was brought home to the Communists that ruling a state is far more difficult than irresponsible criticism as an opposition party. The CPI continued in Kerala its five-pronged attack designed to (1) infiltrate and tighten control over the governmental services, including the police; (2) consolidate the party's position among teachers and mold the school curriculum toward the Communists' way of thinking; (3) strengthen "people's committees" as a potential parallel government apparatus controlled by the Communists at the local level; (4) enhance the party's prestige by publicizing Kerala's accomplishments within the state and throughout India; and (5) strengthen the Kerala branch of the CPI organizationally and financially through its present hold on the government structure.

Under the communist-controlled government in Kerala, CPI members and party sympathizers have been installed in strategic positions in the state civil service and police force. "Advisory boards" and various types of committees have been formed, including many party supporters as members, to advise and guide the government in virtually all fields. Textbooks have been rewritten, and control over the state educational system has been tightened. Concessions and benefits have been granted to depressed classes and castes in an attempt to consolidate the party's hold on these groups. In May 1958, the CPI demonstrated its organizational ability in one area by retaining its assembly seat in the first

by-election in Kerala since the Communists assumed office. Compared with their performance in the same constituency in the 1957 general elections, both the Communists and the Congress Party gained at the expense of minor parties and Independents, but the gains registered by the Congress were proportionally slightly greater.

Set off against the Kerala Government's accomplishments were certain difficulties encountered by the communist regime which caused some party members to have second thoughts on the advisability of attempting to rule one Indian state while another party controls the strong Central Government. The Government of India, after following an indecisive policy toward Kerala for nearly a year, has apparently become aware of the danger which Kerala poses for the future stability of India and has begun to put pressure on the Kerala ministry. Three key bills formulated by the ministry and forwarded to the GOI were returned to the state government for clarification or alteration, and Prime Minister Nehru has publicly pointed to the "sense of insecurity" which exists among the people of the state. During November conditions in the state were the subject of heated debate in Parliament, and Kerala Chief Minister Namboodiripad's earlier charge that some members of Parliament had "slandered" his government was referred to a parliamentary committee to determine whether he should be held in contempt of the House for this allegation.

In addition, the Kerala Communists have encountered difficulty over their inability appreciably to raise the basic economic level, and indications of popular impatience over the program made to date have grown in some quarters. In June and July a minor dispute between students and the state government over ferry rates was parlayed by the present opposition parties into a major agitation resulting in violence between students and the police. Later the same month, police were provoked into firing on a mob of workers near the city of Quilon in the first such attack on workers since the Communists assumed power. In October, police fired on striking tea plantation workers in another part of the state. This was a major setback for the present government in view of the Communists' previous strong stand against such action in Congress-controlled states and the fact that firing on workers was a major reason for the downfall of a Praja Socialist government in Kerala in 1955.

This violence, involving laborers and students, two of the Communists' major target groups, embarrassed the CPI, and several party leaders publicly suggested the Kerala Government should retire from office. However, the party has apparently decided not to resign at present, since to do so would encourage the impression that the Communists are unable to govern effectively. The Kerala committee of the CPI expressed the opinion in early November that "we cannot throw away the right to rule the state" in view of the "present national and international importance" of this experiment with parliamentary methods. Meanwhile, Kerala party leaders have stepped up their charges of discrimination and obstructionism by the central government and irresponsible actions by the opposition parties in the state in an attempt to shift the blame for the ministry's difficulties.

Despite these setbacks which the Government of Kerala has suffered, the opposition parties in the state are not sufficiently strong to defeat and replace the present ministry. The Congress, Praja Socialists and Muslim League have failed to unite and consolidate their efforts against the Communists, and each of these parties suffers itself from internal factionalism. The CPI probably retains the base of its support in Kerala, and its infiltration of government services and consolidation of the party machine at the local level will make for continuing instability in the state even if the present ministry falls from power or voluntarily retires as a tactical move. The most serious results of recent developments in Kerala, from the Communists' standpoint, are probably the impact which developments there may have had on potential party recruits in other states and the intensification of internal CPI frictions which Kerala has produced.

ASSESSMENT AND OUTLOOK

Whereas in April, at the Amritsar party congress, the party's overt subscription to democratic methods reached its highest point to date, by year's end the CPI had retreated once again toward the left. Its ultimate course remains uncertain. It hinges to a certain extent on developments beyond the party's control, e.g., the domestic and international policies followed by Nehru and the Government of India and the guidance which party leaders received from Moscow. It

is likely, however, that the CPI's pragmatic approach, intra-party pressures, developments within India, and the influence of the Moscow example will induce the CPI to continue its present trend toward a somewhat more doctrinaire attitude. It will probably draw back slightly from its reliance on parliamentary means and concentrate to a greater extent on the covert organizations and activities traditionally associated with a communist party.

On balance the CPI gained during 1958, and despite the ideological difficulties which the party faces it remains a serious threat to the future stability of India. On the liability side, the CPI failed during the year to groom Kerala into a showpiece which would unmistakably enhance the party's prestige throughout India; it failed to heal the breach within the party and, in fact, occasional contradictory statements by CPI leaders called public attention to continuing factionalism; and the party's support (though somewhat delayed) for the execution of former Hungarian Premier Imre Nagy and the Soviet crackdown on Yugoslavia reflected the fact that the CPI, despite its claims to the contrary, is not a purely indigenous force.

On the other hand, ideological confusion and factionalism within Indian political parties are not confined to the Communists; virtually all parties suffer from these defects, and the ability of the democratic opposition to compete against the Communists is correspondingly reduced. The CPI continues to grow at a more rapid rate than any other all-Indian political party. CPI officials claimed a party membership of 218,532 in February 1958, and this figure is believed to be reliable. Membership is estimated to have reached 250,000 by the end of the year. This doubling of party membership since the 1957 elections, when the CPI was estimated to have 125,000 members, was achieved in part through a relaxation in membership requirements and a concerted drive to enroll new members prior to the Amritsar party congress, and in part through expansion of party activities among new groups. But even this expanded figure does not accurately reflect potential party strength, since the CPI polled nearly 12,000,000 votes in 1957.

During 1958 the CPI made gains in local elections in Bombay State and Bihar and maintained its strength in district boards and in village and municipal councils in parts of West Bengal, Andhra Pradesh and Kerala. The party continued to make its most striking gains among labor, particularly in the basic industries being established in eastern India, the defense industries centered around Bangalore in Mysore State, and the tea and coffee plantations in Kerala and Assam. In mid-1958 the communist-controlled All-India Trade Union Congress (AITUC) claimed a membership of 1,455,488 -- a figure which would make AITUC the largest labor federation in India. This membership claim is undoubtedly exaggerated, but it is nonetheless true that AITUC is the most dynamic labor federation in India and continues to grow in relation to the federations controlled by other political parties.

Similarly, the communist-controlled Kisan Sabha (Peasants' Association), with 600,000 members, continues to be the largest and most effective peasant organization in India. The party has taken steps to increase its support among the peasantry and, of particular importance, has made inroads at the expense of the Congress Party among the rural population of West Bengal. These gains are particularly notable in view of the fact that West Bengal is one of the Communists' prime targets for the 1962 elections.

The CPI has a potential for becoming the only effective alternative to the present ruling party. This potential is increased by the apathy and lack of political realism so common among the Indian people. Many Indians continue to believe Indian Communists are basically so different from their brethren in Moscow and Peiping that the force of Indian traditions will make them non-violent and tractable. Even among those who are strongly anti-communist, many believe that the inherent individuality and religiousness of the villager will deter the spread of communism in India. To this extent, at least, the Indian Communists have made progress in their attempt to live down their unsavory past and achieve respectability. (SECRET/NOFORN)

VI. SOUTHEAST ASIA AND THE FAR EAST

INTRODUCTION

A review of communist activities in 1958 in the noncommunist countries of the Far East reveals considerable diversity and little evidence of overall control from Communist China or the U.S.S.R. The Chinese Communist regime, through its presence, influence, and in many cases direct pressure, colored the responses of all the noncommunist governments of the region, but seems to have had only indirect influence on the communist movements themselves (except in the special cases of Hongkong and Macau where the communist movement is merely an extension of the Chinese Communist Party). The movements attempted with varying success to adapt themselves to Peiping and Moscow inspired orthodoxy, making little distinction between the two and in fact varying widely among themselves in organization, activities, and ideology. The official communist line for the region could be said to be "peaceful struggle" and "united front," but many of the communist movements remained in a state of insurrection against the government or existed purely in covert illegal capacities. Nor did those communist movements that were engaged in "peaceful" pursuits feel compelled to adapt their tactics to the violence and bluster emanating from Peiping in conjunction with its belligerent foreign policy. The Chinese Communist regime gave guidance through its ever-present example, but generally avoided direct interference in indigenous communist activities, preferring to focus its attention on the governments of the countries concerned, whether neutralist or anticommunist. In fact, the Lao communist movement appears to be more closely controlled from North Vietnam than is any other Far Eastern communist movement from either Peiping or Moscow. Nevertheless, Peiping's increasing range of activities in Asia, highlighted during the year by the establishment of diplomatic relations with Cambodia and substantial offers and grants of aid to Indonesia, created additional channels for possible covert aid to communist and other left-wing movements.

The communist movements of the Far East encompass the full range of communist activity from covert

intelligence operations through open rebellion to legal participation in parliamentary democracy. Most countries boast several categories of communist activity, notably Burma which has two insurrectionary movements, one semi-overt party recently legalized and one grouping of legal parliamentary parties, and both a clandestine communist and a number of overt communist organizations among overseas Chinese.

There are communist insurgent movements in Malaya, the Philippines, and Burma. The insurgent movements vary in orthodoxy and discipline, with that of the Philippines perhaps making the greatest effort to maintain a consistent ideological position. In Burma, the "Red Flag" insurgents are termed Trotskyists by the "White Flag" insurgents whose orthodoxy also leaves much to be desired from a strictly doctrinal viewpoint. The Malayan communist rebels are handicapped by their jungle isolation and lack of interest in current ideological discussions, but occasional manifestos are sufficiently orthodox to be rebroadcast by the Peiping radio. None of the insurgent movements in these countries is significant in numbers, ranging from several hundred for the Philippine "Huks" to approximately a thousand for the Malayan and several thousand for the Burmese insurgent groups. The Burmese and Malayan movements, however, continue to represent serious security problems. Although the insurgents have varying local support in the areas where they operate, all are attempting to make a transition to legal political activity, having failed to gain victory in jungle warfare.

A second category of communist activity includes the wide range of clandestine political movements which are operating in Burma, the Philippines, and Malaya in varying degrees of coordination with the insurgent movement, and are active also in Thailand, South Vietnam, and Singapore. Covert communist operations in South Korea and Nationalist China have virtually no political content and are presumably limited to intelligence functions. Limited communist intelligence or sabotage capabilities are of some importance in South Vietnam, but the covert and clandestine movements in Thailand and the Philippines are of themselves of limited significance. In Malaya and Singapore communist activities have been pursued with increasing effectiveness through various not strictly communist left-wing front and trade union organizations and newspapers, and

are presumably coordinated by a covert communist organization.

A third category of communist movement encompasses the various legal communist parties, among which the Indonesian is outstanding, with its achievement of a degree of political power and influence unmatched by any other free-world communist party. The Indonesian Communist Party (PKI) was able to poll over seven million votes in regional elections in 1957. During 1958 it further extended its influence, although it aroused strong opposition from regional insurgent leaders and more recently from some elements in the army. In Burma, the Communists operate in the political arena through the National United Front (NUF), which commands considerable electoral strength and was put into a potential balance-of-power position by the split in the ruling coalition, the Anti-Fascist People's Freedom League (AFPFL). However, the assumption of the premiership by Ne Win has probably resulted in a set-back for communist political prospects in Burma. (It is noteworthy that Peiping, apparently more concerned with its relations with the government of Burma than with the communist movement, tendered its congratulations to Ne Win at the same time that he was attacked by the NUF as a usurper.) In Laos, the previously insurrectionary Pathet Lao movement succeeded in making a transition to overt political activity through implementation of the accords of November 18, 1957, assuming the name of Neo Lao Hak Xat and commanding a strategic position against the less well-organized and formerly badly divided noncommunist political groupings. The significance of legal communist political movements in other areas of the Far East was minor during 1958. The Japanese Communists, beset by factionalism, have lost electoral support and are not an important parliamentary grouping. However, in Japan, communist-controlled front groups and, more importantly, communist-infiltrated trade unions continue to wield influence and are probably the most significant expression of communist activity. In Australia, the Communists similarly have a minimal electoral following but control some important trade unions. Legal communist political activity is almost altogether lacking in Cambodia and New Zealand, although the former country's recent recognition of Communist China and acceptance of Bloc economic aid have increased its vulnerability to subversion.

For completeness, a fourth category of communist organization should be mentioned. In the countries possessing Chinese minorities there are covert Chinese Communist organizations; in Thailand and Cambodia there are in addition clandestine communist organizations among the Vietnamese minority. Overt manifestations of communist activity among these minorities include the usual array of front organizations, with pro-Peiping Chinese schools and newspapers particularly significant as opinion moulders. Although the majority of overseas Chinese in the Far East are by temperament cautious and apolitical, they have ties of family, language, and tradition with the Chinese mainland and thus are potentially more susceptible to infiltration and subversion than the bulk of the indigenous population. During 1958, however, no noteworthy advances took place in communist efforts to gain influence among the Chinese minority, largely because Peiping (like Taipei) found itself in a tactically weak situation for aiding the overseas Chinese in grievances against the host governments.

Despite the diversity of Asian communist movements, a few broad trends appeared to be in evidence in 1958. Several of the overt political movements, as in Laos and Burma, attributing the communist victory in China, with questionable historical accuracy, to a "united front" tactic, and specifically inspired by the example of the Indonesian party, attempted to maneuver themselves into a position of influence between competing noncommunist factions. At the same time, the insurgent movements, having continued to suffer military reverses, pursued their efforts to emerge legally into the political arena without the crippling conditions that the governments concerned sought to impose. However, where communist or left-wing influence seemed to be increasing markedly, new vigor frequently appeared in anticommunist circles, sparked in several cases by military leadership. The result appeared to be a situation in which left-wing, communist and front organizations could exploit numerous issues, but have often run into anticommunist opposition when concrete gains seemed to be in the offing.
(OFFICIAL USE ONLY)

INDONESIA

The Indonesian Communist Party (Partai Komunis Indonesia -- PKI) successfully exploited the turbulent events of late 1957 and early 1958 to become Indonesia's largest and most effective political party. Limited organizational changes were undertaken by the PKI, following the VIth Plenary Session of the Central Committee in April 1958, and emphasis throughout the year was laid on consolidation of earlier gains. There was evidence that elements in the government and the army were becoming increasingly alarmed at PKI activities, and several measures aimed at restricting a further growth of communist strength were undertaken. The PKI, while noting that there were both "positive" and "negative" aspects to the growing role of the military in Indonesian political life, followed a "respectable" line of full support for President Sukarno, accompanied by generalized but more selective support for the cabinet and the political program of the army.

SEIZURE OF THE DUTCH PROPERTIES AND THE REBELLION

In late 1957, Dutch-owned property in Indonesia was seized by communist-led or communist-inspired groups of workers, following which the Indonesian Government itself took over the property and has administered it since. At the same time, a combination of threats and urgings led most of the 50,000 Dutch nationals resident in Indonesia in December 1957 to leave the country during the first half of 1958. This enabled the PKI to further its goal of destroying traditional ties with the West and establishing state ownership and control while assuming a nationalistic pose for the Indonesianization of the economy.

The PKI also sought to increase its voice in the management of the Dutch properties in Indonesia. Through the PKI-controlled labor federation, All-Indonesia Labor Organizations (SOBSI), the largest and most effective labor organization in Indonesia, the Communists generally cooperated with the new managers of the factories, estates, and other enterprises now under government control to increase production. Labor agitation was held to a minimum both because it was still in the interest of the PKI to appear to be helpful and because the

Indonesian army could be expected to act to prevent any large-scale strike activity.

In February 1958, a rebel government was proclaimed in Sumatra, claiming jurisdiction over the whole of Indonesia. The decision by the government to suppress the rebellion by force was strongly supported by the PKI, both in its self-proclaimed role as the most "patriotic" of parties and because its arch-rivals, the Muslim Masjumi Party and the Indonesian Socialist Party, were heavily involved in support of the rebel government. Support for the suppression of the rebellion from the point of view of the PKI constituted a heavy blow against its strongest opponents and an enhancement in the position of the PKI as a respectable nationalist party.

With the military defeat of the rebellion in Sumatra in May and in Celebes in late June, the rebels were reduced to guerrilla activity. Although they still exercise effective control over considerable areas of the country, they are in no position to exercise any substantial influence in the central government. In the political sphere, the Masjumi and the Indonesian Socialist Party suffered a reduction in strength as a result of their involvement with the rebellion; the Indonesian Nationalist Party has been rent with factionalism; and the Muslim Teachers Party has been unable to provide national leadership. President Sukarno, the army, and the PKI have thus been left as the major political forces in Indonesia.

PRESSURE ON THE PKI

The growth in strength of the PKI as a result of the events of 1957 and 1958 occasioned some countermeasures, particularly by the army. While President Sukarno appeared to be reluctant to speak out against the Communists, the army began to take a much more noticeable anti-communist stance, particularly beginning in the spring of 1958, and has undertaken a limited program to reduce communist influence in Indonesia. In May and in July, the army prohibited the PKI from holding mass rallies to protest alleged U.S. support of the rebels and U.S.-U.K. intervention in Lebanon and Jordan. In June, the cabinet was reshuffled and the ministry headed by A.M. Hanafi, reportedly a secret Communist, was abolished, due to pressures brought to bear by the army and the

noncommunist political parties (although, through the intervention of President Sukarno, Hanafi was retained in the cabinet as a minister without portfolio). In September Prime Minister Djuanda announced in Parliament that the next general elections, scheduled for September 1959, would be postponed for a maximum of one year, due to continuing difficulties in inter-island communications and to persistent insecurity in wide areas of the country. However, it was widely believed that this step, which had been advocated by the army and the noncommunist political parties, had been decided on because of the general view that the PKI was likely to emerge with a large plurality of the vote in 1959, if the elections had been held on schedule. There seems little question that President Sukarno must have at least acquiesced in the decision, which in effect sought to curb a further growth in PKI strength.

ORGANIZATIONAL CHANGES AND POLICY LINES

At the VIth Plenary Session of the Central Committee of the PKI, held in Djakarta in April, the Secretary General of the Party, D.N.Aidit, presented a long report which was a blend of prideful admission of progress achieved by the PKI, together with proposals for organizational and administrative changes in the party. Reviewing the regional elections of 1957, Aidit claimed that the PKI had moved up from the fourth largest to the largest political party in Indonesia. He noted a substantial increase in the membership of the PKI and called for more energetic action on the part of the PKI leadership to maintain the broadest possible contact with the mass of party membership and with potential party members. He urged that 1958 and 1959 be years of "consolidation" of all levels of the PKI.

Limited organizational changes were approved at the VIth Plenary Session of the Central Committee, involving the appointment of a sixth member to the Politburo, the raising of all previous candidate members of the Central Committee to full membership, and replacement of a Central Committee member who had died. In addition, a Daily Council of the Politburo was created, consisting of Aidit, the Secretary General; Lukman and Njoto, the deputy Secretaries General; and Sudisman, an ordinary member of the Politburo. The task

of the Daily Council, which will devolve, in practice, on Sudisman, will be to provide support to the Politburo itself and relieve the pressure on the Secretariat of the Central Committee. To cope with the growth in size of the PKI in the last several years, creation of a new layer of PKI organizations was approved, providing for "Island Committees" and "Archipelago Bureaux" to supervise the work of PKI committees at the provincial level. These organizational changes will probably be reflected in amendments to the PKI constitution which will be considered at the VIth National Congress of the PKI, tentatively scheduled for the middle of 1959.

At the VIIth Plenary Session of the Central Committee, held in November 1958, Aidit presented a broad review of the international and domestic situation. This session of the Central Committee was largely devoted to the preparations for the VIth National Party Congress. In his report to the Central Committee Aidit announced full support for President Sukarno and his program of "guided democracy," for the Djuanda cabinet, and for the Indonesian claim to West New Guinea. He spoke in cautious terms of the Indonesian army, which has taken over authority in civilian as well as military fields under the prevailing martial regulations. He noted that the participation of the army had positive aspects, in the sense that the army had undertaken energetic action to suppress the rebellion declared in February 1959. However, he added that it had negative aspects in the sense of prohibitions on the holding of public meetings, prohibitions on strikes, and other restrictions on the "democratic and progressive movement." The PKI, he said, would do all it could to prevent a "sharpening of contradictions" between the army and the "people."

Of greater interest, perhaps, was the presentation of "Draft Theses" to be considered throughout the PKI in preparation for the VIth National Party Congress. The draft noted that, although the Indonesian People have achieved substantial progress in the struggle for freedom and democracy, "Dutch imperialism is still the primary enemy of the Indonesian People." Remnants of feudalism in the form of landlordism are still found in the villages, and Indonesia remains a semi-feudal state. At the same time "intervention of American imperialists" and the foreign investment law, approved by Parliament in

October, were obstacles to the completion of national liberation. To deal with the existing situation, the theses propose to the Indonesian government: 1) to increase production by turning Dutch-owned enterprises into Indonesian government property; 2) to take over the import and export of important commodities and thus to lessen the influence of foreign captialists; 3) to redirect foreign commerce so that Indonesian industry can process Indonesian raw materials and so that the foreign exchange derived from exports of petroleum may be made available to the government; and 4) to attempt to obtain further foreign loans "without political or military strings" for domestic development purposes. The draft theses closed with an admonition to strengthen the "national unity front" and to "strengthen, broaden, and renew" the life of the party. They were approved by the VIth Plenary Session of the Central Committee on November 21.

By the end of 1958, the PKI was actively engaged in consolidating the gains of the last two years and seeking to improve its organizational effectiveness. To protect itself against the possibility of the army's taking large-scale action against it, the PKI followed a soft and cautious line in public statements on the army and sought to remain under Sukarno's protective wing. Meanwhile, with the support of the aid and trade offensive of the Soviet Bloc, it was seeking to exploit the deteriorating economic situation within Indonesia to increase its present membership of about 1,400,000 members and to expand its voting support in anticipation of a new round of elections. The party thus remained committed to the legal struggle and will probably continue to be so committed until the development of the situation should bring it close to power or, alternatively, threaten it with extinction through possible action by the Indonesian army.
(CONFIDENTIAL)

PKI PLANS FOR THE FUTURE

THE FEDERATION OF MALAYA AND SINGAPORE

The Malayan government during the past year has undertaken a number of strong measures directed against manifestations of communist subversion in labor unions and among school students, as well as communist efforts to expand their influence through trade and propaganda

activities. The government's counter-offensive underscored the changing pattern of communist activities in Malaya from emphasis on the armed insurrection of the Malayan Races Liberation Army (MRLA) to less obvious and more dangerous efforts at penetration of civilian groups. This year, which was the eleventh year of the communist guerrilla war against the government (known as the Emergency), saw the ranks of the MRLA reduced to about 1,000. In the wake of major military and police operations in the states of Johore and along the Thai border, the armed activity of the guerrillas was changing from a major security problem to more of an annoyance to the population still living in so-called "black areas" under the onerous Emergency Regulations and an unwelcome economic burden to the government.

STATUS OF THE EMERGENCY

A combination of relentless pressure from Commonwealth and Malayan armed forces, a system of rewards for information leading to terrorist hideouts, and the internal weaknesses of the MRLA itself have led to major losses in communist armed strength, which has been reduced almost 50 percent since Malaya gained its independence in August 1957. In August 1958, the government announced that during the first ten years of the Emergency the losses of the Malayan Communist Party (MCP) totaled 6,500 guerrillas killed, 2,800 wounded, 2,100 surrendered and 1,200 captured. The two most spectacular recent achievements were the surrender of 118 guerrillas in South Perak and the elimination of 183 terrorists in South Johore of whom 160 surrendered. These large-scale surrenders included some of the top MCP officials, such as Hor Lung, head of the MCP's South Malayan Bureau, as well as a regional secretary, eight regional committee members, and lesser MCP officials.

More than half of the remaining 1,000 guerrillas are concentrated along the northern border and in Thailand where Chin Peng, MCP Secretary General, has his headquarters. It was in an effort to curtail communist operations in this area that the Malayan Defense Minister went to Bangkok in February. The subsequent agreement with the Thai permitted somewhat greater freedom of action in the border area to the Commonwealth and Malayan forces, but nothing comparable to the degree of pressure which enabled them to be so successful in

rounding up the Communists on the Malayan side. Because of the nature of the jungle terrain, total elimination of the elusive communist bands probably cannot be achieved without closer cooperation on the Thai side of the border.

In August, the Emergency Regulations, under which the campaign against the guerrillas has been prosecuted, were extended for another year without a dissenting vote in the Federation's Legislative Council. Nevertheless, these Regulations, which permit extensive curtailment of civil rights, are not popular, and their continuation undoubtedly will be exploited by the government's political opposition in the 1959 general elections. Opposition parties generally favor coming to terms with the MCP, granting it legal recognition, and at the same time paving the way for abrogating the Malaya-U.K. Defense Agreement under which Commonwealth troops are stationed in the Federation. Chin Peng doubtless recognizes these pressures on the government and probably is awaiting the outcome of the elections before deciding upon his next move. At least he has made no further offers to negotiate with the government since the end of 1957 and the new MCP manifesto (see below) gave no hint of a unilateral surrender at this time.

MCP POLICY UNCHANGED

The latest MCP manifesto, issued on the tenth anniversary of the beginning of the Emergency, calls upon the people to "uphold their glorious tradition by continuing their vigorous support to the Liberation Army" and admonishes the latter to "be more united than ever, and persist in the struggle so that the military and political offensives of the Alliance Government shall suffer ignominious defeat...." The remainder of the document represents a time-worn recapitulation of the theme that Malaya is not truly independent since foreign influence remains strong. It contains a long list of grievances against the Alliance Government covering most of the current political, economic and social problems of the day. It also renews the demand for a national consultative conference, which would include MCP representatives, to lay down new policies for achieving national unity.

Although Radio Peiping endorsed the manifesto, the MCP's relations with international communism continue to be remote. Chinese Communist influence in Malaya is

being exerted increasingly through economic channels, such as purchases of Malayan rubber and sales of low cost consumer goods to the Malayan market. Efforts to thwart this offensive, jointly undertaken by the Federation and Singapore governments, have included licensing of cement and cotton textiles from mainland China. These restrictions were followed by the Federation's announcement late in the year of amendments to its banking laws which would make it virtually impossible for the communist-controlled Bank of China's two branches in the Federation to continue in operation, and led in November to threats from Peiping of a trade embargo against the peninsula.

Communist China's efforts at economic intimidation as well as the Soviet Union's earlier actions in sabotaging the operations of the International Tin Council seemingly were taken without regard for the domestic problems of the MCP itself. The estimated 5,000 MCP members are at least 90 percent Chinese. The rest of the estimated 50,000 subversives (a figure mentioned recently by the Prime Minister but not susceptible of close definition) in the Federation are also overwhelmingly Chinese. Party members and their sympathizers depend in major part upon the large Chinese community as their mass base of support, for they have made little headway among the Malays or the Indians. Yet those affected most adversely by Bloc economic subversion are also largely Chinese -- the tin miners, the importers and the booksellers. This is equally true for Singapore, where about 80 percent of the population is Chinese.

SUBVERSIVE ACTIVITIES AND GOVERNMENT COUNTER-MEASURES

Hampered by the continuing guerrilla war, Bloc economic manipulations, and by alert government counter-measures, the MCP's subversive efforts in the fields of politics, student groups and labor were relatively subdued during the year. Organizational efforts, expanding "study groups," and propaganda exploitation continued, but there was a notable absence of violent outbreaks which had marked recent years. The government used a combination of precautionary measures, judicious concessions and the example of stern discipline (including jail sentences, expulsion from school, etc.) of last year's demonstrators to head off further major student demonstrations. The major anti-subversive sweep of the year occurred in October when

about 100 persons were arrested in the Federation; included were some members of the left-wing Labour Party as well as a number of students. Thirty-four of the latter were released shortly to enable them to take their examinations. At the same time (October), the government banned the Socialist Youth League, a successor to the communist-controlled Selangor Students Union which had been banned in 1955.

Another significant trend among school-age Chinese was the decline in the number going to Communist China for further study. While precise data are not available (there is no method of checking, for example, on those who go to the mainland from third countries), the trend is discernible from official figures which state that in the first seven months of 1958, about 67 students went from the Federation in contrast to 511 and 297 for comparable periods in 1957 and 1956, respectively. Illustrative of a parallel trend in Singapore was the November sailing of the liner Tjiwangi for Communist China for the first time in years without a single Singapore student aboard. Whereas Singapore's Chief Minister was reported considering a more lenient policy toward allowing disillusioned students to return from the mainland, the Federation continued to bar re-entry except for those who could prove they were citizens.

Other than the large and strong National Union of Plantation Workers (NUPW), organized labor in the Federation remained fragmented and poorly led -- a situation inviting communist penetration. There were, however, no major labor outbreaks, probably attributable in part to the economic recession. The prolonged dispute between the NUPW and management over a new wage formula was conducted without strike activity. The volume of manhours lost through strikes declined drastically in both Singapore and the Federation during the first eight months of the year as compared with a similar period in 1957. The Federation Government retained powerful controls over labor subversion through its ability to withhold registration of new unions or cancel old registrations. Outstanding in the latter category was the banning of the strong, communist-infiltrated National Union of Factory and General Workers in April and the subsequent arrest of its leader, V. David. The influential Malayan Trade Union Congress protested the government action vigorously, and while the union was

not reinstated, David was released after 56 days detention. He promptly undertook to evade the government's admonitions by reorganizing his union under a new name.

The left-wing Peoples Action Party (PAP) continued to make progress in its drive to take over the Singapore Trade Union Congress (STUC), the colony's principal union federation. The STUC annual delegates conference in March was attended by only 32 of 51 affiliated unions. Chief Minister Lim Yew Hock, who had once played a key role in STUC affairs, seemingly was preoccupied with his official role and his efforts to reorganize a moderate political coalition. Meanwhile, the PAP has been infiltrating its best unionists into positions on STUC permanent committees and was also making gains in its effort to win over unions supporting David Marshall's left-wing Workers Party. The close connection between organized labor and the political parties in Singapore at the year's end appeared to be working in favor of the PAP which has shown a greater aptitude for grassroots organization than have the moderate groups. Meanwhile procommunist elements within the PAP have confined themselves to organizational affairs on the branch level of the party and among students and labor groups. They probably consider that efforts to influence party policy at this time are premature since, if the PAP wins the 1959 general elections, their chances for taking over control of the party would be greatly enhanced. In practical political terms, the communists' best chance for achieving legal power lies in riding on PAP coat-tails.

The influx of communist propaganda from abroad as well as its local production, again largely Chinese in origin, continued despite government counter-measures. In October, the Singapore government prohibited importation of the output of 53 publishing houses in Communist China and Hong Kong and also banned seven local "mosquito" papers. At about the same time, the Federation banned two Chinese newspapers and prohibited the publication of news from the China News Service (in early 1957 the Federation had issued a ban on imported literature similar to that recently taken by Singapore). Stringent though these measures appeared, they are unlikely to be sufficient to cope with the propagandists, both paid and volunteer; Legislation has not halted the dissemination of mimeographed

communist tracts nor changed the pro-mainland orientation of much of the news presentation in certain Chinese publications. Damning the flow of communist propaganda into an area with the heaviest proportion of Chinese in all Southeast Asia presents a formidable, if not impossible task.

Both the Federation and Singapore extended the life of their major legislation covering anti-subversion activities for another year in acknowledgement of the fact that the battle against the local communists is far from won. As it has been from the origin of the MCP, communism in the Malayan peninsula remains essentially a Chinese problem; it can and is being contained at great expense by a vigilant anticommunist government but it will be a threat to the freedom of the Federation and Singapore as long as large concentrations of Chinese remain oriented toward the communist-controlled mainland.

The political predominance of the Malays and the continued failure of the opposition parties to effect a strong working coalition have acted thus far to limit the opportunities for effective communist political activity in the Federation. However, serious internal schisms within the Malayan Chinese Association (MCA), the only legal Chinese political party, have further opened the Chinese to left-wing exploitation. Also, the activities of the Socialist Youth League, which had ambitions toward aiding the Labour Party and was banned by the government, demonstrated that communist infiltration continues, particularly in the Chinese community, despite government attempts to curb it. Nevertheless, the failure of large numbers of new Chinese citizens to register as voters for the 1959 elections serves to limit an expansion of Chinese political influence in the immediate future.

Similar barriers to Communist political success are not present in Singapore. The left-wing Peoples Action Party has a formidable organization as yet unmatched by Lim Yew Hock's newly formed coalition, the Singapore Peoples Alliance. Early general elections under the new constitution could well being the PAP to power. While the United Kingdom will retain the ultimate right to revoke the constitution, it may choose not to do so. Consequently, nowhere in Southeast Asia are the Communists in a better tactical position to seize political power within the next few years through ostensibly legal means than on this strategic island.
(SECRET/NOFORN)

THE PHILIPPINES

CURRENT STATUS AND TACTICS OF THE CPP

Communist strength remained at a low ebb in 1958. Membership in the outlawed Communist Party of the Philippines (CPP) is estimated at about 1,000, with less than half under arms and two to three hundred in the Chinese wing of the party. The Hukbong Mapagpalaya ng Bayan (HMB) or People's Army of National Liberation, has been reduced to scattered bands hiding in mountainous areas of Luzon. Although some communist influence exists in labor, tenant farmer, and youth organizations, there is no evidence of major subversion.

During 1958, the CPP continued its efforts to build a covert apparatus capable of effectively infiltrating and subverting legally sanctioned organizations and institutions. "Legal struggle" has constituted the primary tactic of the CPP since 1952, when a general retreat from the policy of armed rebellion was ordered by the party leadership. The shift to non-violent political action with the intermediate objective of promoting anti-Americanism and a neutralist foreign policy was in accord with the international communist line, and also reflected the success of the government's vigorous drive against the communist HMB.

Present tactics have involved a shift in the field of action from the rural to urban areas and a shift of emphasis from the peasants of Luxon to the Manila intelligentsia. For political, economic, and various emotional reasons many educated Filipinos of the middle and upper classes have grown increasingly sensitive in recent years to the suggestion that Philippine sovereignty is restricted by the close Philippine alliance with the U.S. During 1958 communist emphasis on a "united front" against the "imperialist policies" of the U.S. has been aimed at these susceptible elements of the urban intelligentsia.

CPP interest in Senator Claro Recto's Nationalist-Citizens Party is evidence of the current focus of communist attention. Recto, with his program of "filipinism versus colonialism," is the champion of Filipino chauvinism, deriving national support from professional and other intellectual groups. The Nationalist-Citizens Party constitutes a point upon which the CPP can concentrate its efforts to infiltrate and influence the filipinist movement and, with its aura of patriotism, provides a useful and protective screen for communist activities.

The intra-party differences that led to the expulsion of Luis Taruc from the CPP in 1954 apparently persist. Party leaders have continued to disagree over the extent to which the class struggle should be

abandoned in favor of the struggle for national "liberation." The differences are of degree, however, and both sides concur that current emphasis should be placed upon a "united anti-imperialist front." The Taruc elements have been attacked by the party leadership as "revisionists" of the Yugoslav variety.

GOVERNMENT COUNTER-MEASURES

Inherent difficulties continue to hamper the government's legal action against the Communists. In 1932, the Supreme Court of the Philippine Islands declared the Communist Party illegal. This ruling was enforced with varying vigor by successive Commonwealth and Republic governments. In 1956, however, the Philippine Supreme Court refused to recognize the charge of "rebellion complexed" under which most CPP and HMB leaders had been convicted. The Court ruled that other crimes, such as murder, arson, and kidnapping, could not be included in the rebellion charge in order to increase the maximum penalty of twelve years legally prescribed for rebellion. Moreover, as simple rebellion is not considered a major crime, the court ruled that communists charged with rebellion are eligible for release on bail. The government reacted by preparing new cases against at least some of the communist leaders, dropping the rebellion count and charging them instead with murder or other serious but common crimes. Thus, the government succeeded in pressing new charges against former communist leader Luis Taruc, who in June 1958 was found guilty of murder and sentenced to life imprisonment. Similarly, the government has filed deportation proceedings against William Pomeroy, a prominent CPP member who was ordered released on bail in September 1958.

To eliminate loopholes opened by these recent court decisions, new legislation was proposed and finally signed into law in June 1957 as the Anti-Subversion Act. The act formally outlaws the CPP and its military arm, the HMB, and sets up specific penalties, including the death penalty, for communist activities. The provisions of the Act are not retroactive; and to date their effectiveness remains untested. However, Agaton Bulaong and Alfredo Saulo, two communist leaders taken in the latter half of 1958, reportedly will be prosecuted under the new legislation.

In a number of ways, "legal struggle" offers prospects of greater communist success than did former armed tactics. As a subtler form of attack, it is more difficult both to detect and counteract. Not only does the "legal struggle" lie more within the means of the CPP, cut off as it is from the direct support of foreign communist organizations, but it is aimed directly at the center of political power in Manila. Concentration on the urban intelligentsia may provide the party with a source of abler and more energetic membership than the uneducated peasantry upon which the party formerly relied.

COMMUNIST POTENTIAL

Currently, the Communist Party's greatest potential derives from its exploitation of Philippine nationalism. Not only does it use the nationalist issue as a direct source of strength by posing as a champion of the "filipinist" cause, but in exploiting nationalism in an effort to exacerbate differences between the U.S. and the Philippines, it fosters a climate favorable to expanded communist activity. Frictions in U.S.-Philippine relations can by no means be attributed solely to communist influence. Nevertheless, captured documents reveal how shrewdly communist leaders evaluate Filipino attitudes and the astuteness with which they gear the party line to national sensitivities and aspirations. (SECRET)

BURMA

During the first three quarters of 1958 the parliamentary influence of the Burmese Communists increased to potentially dangerous proportions. This upturn of communist political capabilities came about primarily as a result of the splitting of the Anti-Fascist People's Freedom League (AFPFL) (which had been the political organization of the Burmese government leaders since the attainment of independence in 1948) into two rival factions during the spring of 1958. During late September 1958, however, the top leadership of the Burma Army under General Ne Win assumed control over the government, a step which in effect checked the increasing vulnerability of the government to communist political pressure. Communist and other insurgent factions throughout the year continued their guerrilla resistance to the government's

armed forces, although their ranks were thinned during the first three quarters of the year by a number of mass surrenders in response to the government's liberal surrender terms. With Ne Win's assumption of the Premiership, U Nu's policy of increasingly liberal terms to the insurgents was reversed, and the government in November announced the launching of an attack designed to bring the rebellion to an end. However, despite the stronger anticommunist tone of the new government in internal affairs, there has been no change in Burma's neutral foreign policy or in the ostensibly friendly diplomatic relations with Communist China.

The Burmese Communists remained divided into an insurrectionary and a legal parliamentary wing. Two to three thousand of the some 4,000-5,000 communist insurgents belong to the Burma Communist Party (BCP), militarily and politically the strongest of the three communist insurgent groups, which engineered the first of the major insurrections in 1948 and has consistently claimed to follow the basic principles of the international communist line. Approximately 500-1,000 adhere to a rival Communist Party (Burma) -- CP(B), which went underground after its formation in 1946 by defectors from the BCP. The CP(B) has frequently deviated from the international communist propaganda line by its doctrinaire and uncompromising adherence to violent revolutionary tactics (in contrast to the amenability of the other communist factions to temporary compromises with non-communist elements). Remnants of a third communist faction -- the People's Comrade Party (PCP) -- have been operating in loose local military agreements with the other two groups, although the leaders surrendered with some of their followers during the summer of 1958 and were legalized as an above-ground PCP. In addition, guerrilla bands of the noncommunist insurgent Karen National Defense Organization, which comprises dissident elements of Burma's Karen minority, continued to collaborate with communist bands in the delta area of Lower Burma.

DOMESTIC POTENTIAL OF COMMUNISM

The above-ground wing of the communist movement comprises the Burma Workers Party (BWP), its allied front organizations purporting to represent students, peasants, urban laborers, and other key target groups,

and the recently legalized PCP. The BWP, which was formed in 1950 by extreme leftists who defected from the Socialist Party, has constituted a communist party in all but name and has apprently followed the international communist line with a greater degree of consistency than any other Burmese communist organization. The BWP dominates a National United Front (NUF) parliamentary coalition bloc which includes noncommunist elements as well as procommunist splinter parties and held 44 of the 250 seats in the lower house of Parliament as of mid-1958. The most important of the mass organizations dominated by the BWP is probably the Rangoon University Student Union, owing to the longstanding role of Rangoon University as the training-ground for the nation's future political leaders and to the fact that the franchise may be exercised at the age of 18 in Burma.

The cleavage of the AFPFL in April -- resulting in the formation of a "Clean AFPFL" faction under Prime Minister U Nu and an opposition "Stable AFPFL" under the principal Socialist Party leaders, U Kyaw Nyein and U Ba Swe -- afforded new opportunities for the above-ground communists. As the first step in its exploitation of the AFPFL rift, the communist-led NUF bloc modified its stand on "internal peace" terms to end the civil war to accord with Prime Minister Nu's principle that insurgents "should surrender prior to legalization of their political activities" (rather than "negotiate on an equal basis" for their surrender and legalization, which had been previously proposed by both the above-ground and insurgent leaders). During June, actual parliamentary support by the NUF sustained Prime Minister Nu's cabinet against a no confidence vote proposed by the Stable AFPFL. The objectives of the Communists were clearly exposed by their leaders' proposal that the new Clean AFPFL cabinet appointed by U Nu should work toward a "broader national united front" to include the insurgent leaders, although the Prime Minister denied that he would form a genuine alliance with the NUF in return for its parliamentary support. The Communists, moreover, continued their policy of generally refraining from attacks on U Nu's "neutral" foreign policy and commenced to assail the Stable AFPFL as "instigated by the U.S. imperialists."

During late June, the BWP was, in effect, rewarded when U Nu modified the government's internal peace terms

by deleting the provision for "disavowal of armed rebellion as a means of political action" and by according the surrendering insurgents a blanket amnesty. The NUF now appealed to the insurgents to surrender in accordance with the government terms. The underground BCP and CP(B) nevertheless refused to capitulate; the BCP, in fact, attempted instead to take advantage of the AFPFL rift by stiffening its original peace terms. The PCP leaders, however, surrendered with some of their followers, and their organization was legalized. Nevertheless, many of their followers remained underground with the bulk of the organization's arms supplies. The government attempted further to conciliate the NUF by ceasing to apply its public order legislation against individual above-ground Communists suspected of complicity with insurgents and by releasing suspects detained under those laws. A plan was also put through for partially disbanding the Pyusawhti -- the rural militia utilized to defend villages against insurgent attacks -- which contained many Stable AFPFL supporters and had been a target of communist propaganda attacks for "abuses of its authority."

During late September, General Ne Win, the supreme commander of the armed forces, and a small group of subordinate top-ranking army officers, prevailed upon Prime Minister U Nu to issue a proclamation inviting Ne Win to form a "non-political" cabinet at the end of October which would preserve "law and order" and hold "democratic elections" for a new parliament before the end of April 1959. The army leaders' decision to assume control was probably motivated primarily by their concern over the bargaining position in parliament occupied by the communist-led NUF, although the attempts by the Clean AFPFL to purge the police and Pyusawhti of Stable AFPFL supporters (which, in effect, weakened both organizations) and to reduce the influence of the army in the formation and implementation of internal security policies were additional significant factors. The army leaders' had also been disturbed by what they regarded as U Nu's excessively lenient peace terms for the insurgents and by the slackening of the enforcement of public order legislation against suspected subversives.

CONSEQUENCES OF THE ARMY TAKEOVER

The army's assumption of control was accorded a generally favorable popular reaction. Nevertheless, the above-ground Communists (including the PCP as well as the NUF) denounced it as a "coup" by a "clique of army officers instigated by the Stable AFPFL" and assailed U Nu for "yielding to their pressure." When General Ne Win took office at the end of October at the head of a "caretaker" cabinet composed largely of non-party civil servants with the acquiescence of both the Stable and Clean factions of the AFPFL, the NUF reverted to its parliamentary opposition role and abstained from voting approval of the new government.

By the end of the year, Burmese communist political capabilities had decreased considerably from the high point which they had reached during the summer. Army control has ended the importance of the procommunist NUF as the organization holding the balance of power in Parliament between the AFPFL Stable and Clean factions. The political importance of the NUF has been further weakened by the defection in October of noncommunist elements who occupied 16 of the 44 seats held by the coalition in Parliament, as well as by continued unwillingness of the PCP, and of small fringe groups representing the extreme left-wing of the above-ground Communists, to recognize the leadership of the BWP. Also, following the army takeover, Prime Minister Nu announced that the blanket amnesty for surrendering insurgents would expire at the end of October. The army has prepared for a vigorous military offensive against the insurgents during the dry season which lasts through May 1959. The government has already revived the application of the public order laws (which had been suspended during the summer) to detain lower ranking individual above-ground Communists in the rural areas suspected of subversive activities, and is reportedly preparing more drastic counter-subversive legislation.

FOREIGN COMMUNIST POLICIES TOWARD BURMA

In the interests of maintaining friendly relations, the Chinese Communist and Soviet Governments have continued to avoid any overt encouragement of subversive elements in Burma which might offend the neutral Burmese government. The year witnessed exchanges of numerous political, economic and cultural missions between Burma and the Soviet Union, Communist China, and satellite countries.

During October 1958, according to Burmese press reports, the Chinese Communist leaders actually expressed to the Burmese Embassy staff their hope that "friendly relations" with Burma would "be strengthened" under the future government to be headed by Ne Win. The Ne Win government, moreover, has not indicated any changes in Burma's neutral foreign policy, notwithstanding its domestic anticommunist policies and acceptance of U.S. military and technical assistance.

Nevertheless, the Chinese Communists have continued not only to attempt to gain the allegiance of the overseas Chinese minority in Burma through propaganda and extension of loans to local businessmen, but also to infiltrate their agents among the refugees flowing into northern Burma across the thinly-patrolled Yunnan border. The Burmese government has been incapable of effectively checking the influx of immigrants, owing to the difficulties involved in adequately patrolling the border and the absence of a conclusive settlement between Burma and the Peiping regime either to demarcate the long-disputed Sino-Burmese border (which could clearly define the areas to be patrolled by the Burmese) or to provide for joint Sino-Burmese immigration controls.

Burma remains unwilling to make a major issue of these border problems because of its avowed policy of cordial relations with, and fears of possibly offending, Communist China. The Burmese government has consequently been compelled to continue its lax enforcement of immigration control regulations by occasional arrests and deportation of individual illegal Chinese immigrants. It is noteworthy, however, that a large portion of the immigrants has included tribespeople as well as Chinese who have fled to Burma to escape the rigors of forcible collectivization of agriculture and other drastic measures imposed under the recently-inaugurated "leap forward" program in China. Their reports of communist persecution have apparently alienated many of the tribespeople in northern Burma who are ethnically related to them, thus providing an antidote, to some extent, to covert Chinese efforts during recent years to foster separatist tendencies among them through propaganda on the "benefits" of communist rule in Yunnan.

Soviet propaganda concerning Burma was limited throughout the year to occasional press and radio accusations of "covert U.S. intrigues in Burma" with

"disaffected feudal Shan chiefs," the Chinese Nationalist irregular troops within the border area of the Shan State, and the Stable AFPFL, with the objective of indirectly "undermining Burma's neutral foreign policy and dragging the country into the Western SEATO bloc." No significant official Soviet reactions to the Burma army takeover have yet been reported.
(SECRET)

CAMBODIA

While the indigenous communist movement in Cambodia remained an insignificant political force, the Cambodian government during 1958 continued to pursue a tortuous foreign policy of "balanced neutrality," the net effect of which was to establish closer ties with the Sino-Soviet Bloc. The most important move in this direction was Cambodia's formal recognition of Communist China in July, followed by an exchange of ambassadors. Despite increasingly acrimonious relations with the two U.S. allies that flank Cambodia, the governments of Vietnam and Thailand, the Cambodian government expressed continued friendship for the United States, and indicated that it had no immediate intention of substituting Bloc military protection and assistance for that now furnished by the U.S. Domestically, Cambodian leaders maintained a hostile attitude toward the local communist party, easily blocking its efforts to elect candidates to the National Assembly in the March elections. However, the government's other actions to counter the increased communist subversive potential deriving from its flirtations with the Bloc were neither adequate in scope nor carried out in a consistent or determined manner.

RELATIONS WITH COMMUNIST COUNTRIES

Cambodia departed in 1958 from its previous policy of avoiding formal diplomatic relations with either regime of a "divided" country. Despite the growth of skepticism with regard to communist aims and alarm over evidences of foreign communist penetration of the Cambodian Chinese community noted in 1957, Cambodia formally recognized the Peiping regime on July 17, 1958, apparently in response to Chinese Communist diplomatic support during a border controversy with South Vietnam earlier that month. This action was followed by a formal state visit to Peiping by Prince Sihanouk in August, an

exchange of ambassadors soon afterward, and the government's closing of the Republic of China's only consulate in Cambodia in October. (Although the consulate had been accredited to the former French High Commissioner rather than to the Cambodian government, the latter had permitted it to continue to operate under an informal arrangement.) In November, Cambodia concluded a trade and payments agreement with the communist regime of North Vietnam. Although not related directly to these moves, the suspension of diplomatic relations with Thailand the same month, for reasons as yet unclear, marked a further loosening of Cambodia's ties with the noncommunist world.

In keeping with its concept of a "balanced" neutrality, however, Cambodia sought to keep the scales of its foreign relations from tipping too far to one side by taking several other actions favorable to the U.S. During September-October, Prince Sihanouk visited the United States, indicating upon his return that he had been most impressed by his reception and his observations. Apparently at Sihanouk's orders, the Cambodian government also began to enforce more rigorously its "anti-polemic" press regulations, applying them particularly to the anti-U.S. propaganda activities of the leftist press and the communist news agencies in Cambodia. Among other things, the government made the gesture of halting issuance of the New China News Agency bulletin, although it continued to permit circulation of the Chinese Communist embassy's bulletin. Also publishers of leftist papers were expressly warned by the Ministry of Information to moderate their procommunist and anti-West tone or face suspension under the "anti-polemic" regulations. The government announced in December that it had no intention of establishing diplomatic relations with the communist regime of North Vietnam, despite the conclusion of a trade agreement with that regime and evidences of continuing distrust of the noncommunist government of South Vietnam.

The communist diplomatic and economic missions in Cambodia generally have attempted to be very "correct" in their behavior and have tried not to give the Cambodians any reason to crack down on their activities. Initially, the Soviets were not as adroit as the Chinese Communists. Their lack of finesse and their propagandizing alienated the Cambodians and brought on attacks by governmental leaders, but they have recently emulated the Chinese and become more subtle and circumspect in their methods.

COMMUNIST ECONOMIC ASSISTANCE

Communist China's economic aid program continues to dominate Bloc efforts. Prince Sihanouk reportedly received assurances of an additional $5.6 million in aid during his trip to China, making a total of $28 million the Chinese Communists have contracted to give Cambodia in counterpart-generating aid goods. Although less than six million dollars have been received to date, the Peiping regime has derived considerable political and propaganda benefits from its aid. The willingness of the Cambodians to enter into closer relations with Peiping undoubtedly stems in great part from the favorable impression that Peiping's skillful handling of its limited economic assistance has created. The Chinese Communist aid program's effectiveness results from its emphasis upon various projects of high propaganda impact, such as construction of schools, bridges and irrigation works, and upon the attention it gives to the creation of light industry, which Cambodian leaders and the Cambodian press continue to give much favorable publicity.

Progress was also made by the Soviet Union in the construction of its major aid project, an $8 million, 500-bed hospital scheduled to be finished in 1959. However, Soviet-Cambodian negotiations for a Soviet aid program have not moved forward because of the continued reluctance of the U.S.S.R. to extend aid to Cambodia on other than a loan basis, an arrangement which the Cambodian government is unwilling to accept.

Other communist countries have offered only token aid to date. The Cambodian government continues to be receptive to Bloc offers of aid, although it reportedly acknowledges that Bloc personnel attached to the aid missions in Cambodia are supporting local leftist activity.

COMMUNIST ACTIVITY IN THE CHINESE AND VIETNAMESE COMMUNITIES

Cambodia's establishment of formal ties with Peiping and the closing of the Nationalist Chinese consulate will undoubtedly facilitate communist penetration of the commercially important Cambodian Chinese minority (about 300,000 in a population of five million). As in other overseas Chinese communities, the Cambodian Chinese, while preponderantly apolitical, are quick to accommodate

to changes in the political climate in which they must work and live. Although the Chinese Nationalist consulate was relatively ineffective in stimulating positive local support for Taiwan or in protecting local Chinese interests from government exactions, its removal dealt a blow to the prestige of the Republic of China and left the field open to communist representatives.

The Cambodian government has made some effort, however, to limit communist domination of the Chinese community. Its recent decision to issue laissez-passer to those Chinese unwilling to carry Chinese Communist passports will at least allow uncommitted or pro-Nationalist Chinese to travel without Chinese Communist sanction. In addition, the government has sought to bring the Chinese community more directly under its control. During 1957, pro-Communists had gained control of many of the leadership positions in the Chinese congregations into which the local Chinese were organized and through which they largely administered their own affairs. The government attempted to arrest this trend by dissolving the congregations in May 1958, although it did not provide adequate machinery in their place to operate the various schools, hospitals, and other institutions supported by the Chinese community. The Cambodian government reportedly plans, however, to reinstitute some type of self-administering organization for the Chinese and appoint non-Communists to head it.

The Vietnamese community in Cambodia is approximately the same size as the Chinese community but less important economically. Communist activity among the Vietnamese is very guarded, partly to avoid arousing the latent anti-Vietnamese prejudices of the Cambodians. Although most Vietnamese are considered to be pro-Hanoi and anti-Diem, actual Communists are undoubtedly a very small minority. Despite the noncommunist orientation of most Vietnamese groups hostile to the South Vietnamese government that now exist in exile in Cambodia (such as remnants of the Hoa Hao, Cao Dai and Dai Viet organizations), most of them maintain ties with Vietnamese communist agents who reportedly provide them with material and moral assistance.

THE LOCAL COMMUNIST PARTY

Communism continues to make only negligible progress among the Cambodian population at large. Among literate elite groups, however, especially the burgeoning student population and the developing unemployed "intellectual proletariat," communist influence has reportedly made significant inroads.

The Pracheachon (People's) Party, the small local Communist Party, is generally stigmatized as the tool of the Vietnamese Communists and has been so labeled by the Cambodian government. In the National Assembly elections of March 23, 1958 the Pracheachon was the only group to offer candidates in opposition to the ruling Sangkum Reastr Niyum (People's Socialist Community) of Prince Sihanouk. It was ruthlessly attacked by Sihanouk and his organization, and four of the five Pracheachon candidates finally withdrew from the campaign. The fifth received less than three percent of the votes cast in his constituency.

Since the elections the Pracheachon has kept its overt activities to a minimum. While now nominally voicing support for the Sangkum, it has sought to infiltrate that organization, which, being an amorphous grouping of widely divergent interests, is particularly vulnerable to such tactics. In addition, recurrent reports have been received of communist infiltration of various governmental agencies, particularly the Ministry of Information. Largely unsuccessful attempts to infiltrate the Cambodian army apparently have also occurred.
(SECRET)

LAOS

The agreements of November 18, 1957 between the Royal Lao Government and the pro-communist-directed Pathet Lao opened up the way for the latter to operate overtly as a legal political party, the Neo Lao Hac Xat (Lao Patriotic Front - NLHX). The leadership, membership, and aims of the NLHX remain synonymous with those of the Pathet Lao, and the NLHX continues to take its ultimate direction from the Communist Lao Dong Party of the "Democratic Republic of Vietnam." Nevertheless, the NLHX gained considerable popular support by capitalizing on the prevailing neutralist sentiment in Laos, the government's failure to extend its programs effectively into the rural regions, and the disenchantment with the largely discredited but still dominant conservative parties. As a result, conservative leaders have attempted to put through a series of governmental reforms. At the same time, leaders and younger members of the civil service and bureaucracy have threatened a coup if the government fails to take effective action to check communist gains.

THE INTEGRATION OF THE PATHET LAO

The shift in tactics by the Pathet Lao, which led to the accord signed with the Royal Government, was further emphasized by the lack of incidents during the 60-day period which ended in January, 1958 when Pathet Lao troops were brought into the Royal Lao Army. However, members of the two Pathet Lao battalions (about 1,500 men) who were integrated into the Royal Lao Army, although kept isolated from other army units, apparently were able to engage in extensive propaganda activity in the areas where they were stationed. Former Pathet Lao civil administrators inducted into the national administration have also enjoyed the opportunity to engage in proselytizing activities. This was particularly true in the provinces of Phong Saly and Sam Neua, where 50 percent of the Pathet Lao administrators were retained. While giving up its armed military base, the Pathet Lao was thus able to strengthen its political base through the medium of a legal political party which was free to operate openly in all parts of the country.

THE MAY 4 ELECTIONS

The Neo Lao Hac Xat Party scored a substantial electoral victory in the May 4, 1958 supplementary elections. Nine NLHX candidates, representing virtually the entire leadership, and five candidates from the fellow-traveling Santiphab (Neutrality) Party, with which the NLHX was aligned in an election coalition, were elected out of a total of 21 contested seats. Although the NLHX-dominated coalition gained only 40 percent of the popular vote, the disunited conservative parties split their vote by running 85 candidates for the seats at stake. The NLHX coalition ran especially strong in rural areas.

NLHX ACTIVITIES

Since the May elections, the NLHX has continued to try to strengthen its influence among Lao peasants and has also stepped up its activities in the towns where its candidates had been largely unsuccessful. Cadres integrated into the civil service and army have in the main been unable to subvert middle and higher echelon personnel, but they have reportedly gained some support among the lower ranks. Reports have been received of some penetration of the National Police and also more "progressive"

elements of the Buddhist priesthood. However, NLHX efforts appear to have been most unsuccessful at the village level, where reportedly 3,000 or more ex-Pathet Lao cadres have returned, set up NLHX cells, and apparently in some instances have been able to take over village leadership. Moreover, in the former Pathet Lao enclaves of Sam Neua and Phong Saly, the Royal Government has had repeated difficulties in imposing more than superficial authority, although Royal Lao Army elements are now stationed in both provinces.

The NLHX has maintained a nationalist pose and has continued to attack corruption of government leaders and of the conservative parties. Further, the NLHX has attempted with some success to foster a concept of itself as having the real interests of the people at heart, which would contrast favorably with members of the Lao government who appeared to many Lao to be little concerned with the people's welfare. Little reliable information has been received about the actual organization of the NLHX or of the extent to which it still receives direction from North Vietnam. Reports persist that a parallel covert Lao Communist Party composed of the hard-core cadres exists beneath the superstructure of the NLHX, but there is no reliable information on organization or membership.

The dynamism of the NLHX and the growing possibility that it might be able to gain control of Laos by legal, parliamentary means succeeded in shocking some Lao conservative leaders out of their complacency. The tenacity with which some of the Lao held to the illusion that NLHX leaders were nationalists rather than Communists has been weakened, if not entirely eliminated, with the realization that the reunification has in fact been used by the former Pathet Lao to strengthen their position in the kingdom as a whole.

GOVERNMENT COUNTER-MEASURES

Following the warning of the May election, the two dominant conservative parties, the Independent and Nationalist Parties, joined to form the Rally of the Lao People controlling 36 seats (out of a total 59) in the National Assembly. In mid-August, a new cabinet headed by Phoui Sananikone was formed from which the two former Pathet Lao members, who had been in the previous cabinet, were excluded. Nevertheless, the NLHX, Santiphab, and a

heterogenous collection of opportunist deputies, continued to constitute a militant opposition bloc, which with the potential assistance from disgruntled members of the conservative coalition, posed a threat to the stability of the cabinet. Another reaction to the growing strength of the NLHX was the formation of the extra-parliamentary Committee for the Defense of National Interests (CDNI) in July 1958. The CDNI is militantly anticommunist and is composed of the younger leaders in the Lao bureaucracy, army, and police. With the support of the CDNI, four of whose members are in the cabinet, and the implicit backing of the army, Phoui has been able to push through a number of corrective measures. Some of the most notoriously corrupt members of the bureaucracy have been removed and the monetary system has been reformed, eliminating opportunities for trafficking in import licenses which had been a major source of corruption.

The government also has under consideration elaborate plans for social and economic reforms reaching down to the village level as well as for various kinds of anti-subversion programs, including the possible passage of an anticommunist law. These plans are pointed at defeating the NLHX in the next general elections which are scheduled for late 1959 or early 1960. At the same time, the army and the CDNI have threatened to stage a coup and suspend parliamentary democracy should the government or the Assembly fail to implement plans for effective counter-action to check NLHX advances. (SECRET)

SOUTH VIETNAM

The illegal communist apparatus in South Vietnam, directed and supported from North Vietnam, continued to maintain a steady pressure of both terrorism and non-violent subversion against the government of President Ngo Dinh Diem. However, effective security measures carried out by Diem have largely checked the immediate threat to internal security from communist activity and during 1958 enabled the government to maintain a satisfactory level of public order in most areas of South Vietnam.

There were practically no dramatic highlights of the communists' 1958 campaign. High-ranking officials of the Diem government gave several warnings that the Communists were planning acts of violence against official American personnel and installations in South Vietnam

NATURE OF COMMUNIST ACTIVITY

similar to the bombings which occurred in October 1957. However, no such acts were carried out during the year. The typical pattern of communist activities during 1958 was, rather, one of little-publicized assassinations, kidnappings, and robberies of local officials and private citizens at the village and district levels and of clandestine attempts to undermine the government's political bases and important programs by means of infiltration of strategic organizations and propaganda. During the first eight months of 1958, more than 125 local South Vietnamese officials and private citizens of pro-Diem sympathies were assassinated. In addition, guerrilla forces which presumably were led by Communists conducted raids on two large rubber plantations in January and August. Communist propaganda in South Vietnam during 1958 was directed against the government's programs of military conscription, land reform and agricultural credit, and resettlement of farmers in the strategic plateau areas in the notthwestern part of the country.

COMMUNIST STRENGTH

No reliable evidence is available to indicate whether the total number of communist guerrillas (who possibly numbered 1,500-2,000 in mid-year) increased or decreased during 1958. Estimates of communist armed and unarmed strength in South Vietnam at any given time are of questionable validity because of the accessibility of South Vietnam's borders to penetration by communist agents coming directly from North Vietnam or from North Vietnam via Cambodia or Laos. Overt communist activity in 1958, as in 1957, was mostly restricted to South Vietnam's Military Zones Nos. I and V, which comprise the southwestern provinces near the Cambodian border and the southermost provinces of the country. However, President Diem has voiced concern over reports that the Communists have gained additional influence during 1958 among some of the tribal minority peoples who dwell in mountainous and plateau areas in the northern part of South Vietnam. Police officials also have been concerned that the Cambodian government's act of granting diplomatic recognition to Communist China in July might bring about an increase in communist subversive potential in South Vietnam.

During 1958, there appears to have been some weakening of the communist leadership of those guerrilla

remnants of the formerly powerful, noncommunist politico-religious "sects" -- the Binh Xuyen, Hoa Hao, and Cao Dai -- which are still in armed opposition to the government. According to South Vietnamese army sources of uncertain reliability, approximately 2,100 non-communist guerrillas surrendered to government forces during the first half of 1958, and the total noncommunist guerrilla strength which was exploitable for communist purposes as of July was only 400-600.

GOVERNMENT COUNTER-ACTION

The Diem government continued to give first priority to internal security programs, although it also paid increasing attention to South Vietnam's economic development during the year. Its internal security apparatus -- consisting of armed forces and paramilitary and police organizations -- seems to have been strengthened during 1958, although some serious weaknesses were still apparent in the Civil Guard and the Self Defense Corps. In the fall, government security forces were conducting a major anti-dissident campaign in the areas between Saigon and the Cambodian border and parallel to almost the whole length of the Cambodian border. A "National Security Council" was established in the early fall to coordinate all government measures against communist subversive activities, and the government continued to give vigorous support to anticommunist programs which had been begun in previous years, such as the anticommunist denunciation campaign and resettlement projects in the strategic plateau areas.

RELATIONS WITH NORTH VIETNAM

While the communist regime in North Vietnam was covertly directing the communist subversive apparatus in South Vietnam during 1958, it kept trying at the same time to create a propaganda image of itself as the only Vietnamese regime which favored the establishment of friendly relations between South and North and which championed national unification. Some of the communist propaganda maneuvers, such as a public letter in March from the North Vietnamese "prime minister" to President Diem which proposed "normalization" of relations, were disseminated by the subversive apparatus in the South. For its part, the South Vietnamese government remained adamantly opposed during 1958 to

initiating any sort of relations with North Vietnam which might help advance communist interests. In May, it compelled a liaison mission from North Vietnam's "people's army" which was attached to the headquarters of the International Control Commission to leave Saigon, the apparent purpose of this move being to close all possible channels of subversive activities emanating from North Vietnam. In September, the South Vietnamese government publicly declared that it would hold negotiations with the communist regime of the North for the first time since the Geneva Agreements of 1954, the stated purpose of such negotiations being to settle minor administrative matters in the Demilitarized Zone between South Vietnam and North Vietnam. It is still uncertain whether such negotiations will actually be held; in any case, they are not expected to lessen the Diem government's strong anticommunist position. (SECRET/NOFORN)

THAILAND

Communist activities have been outlawed in Thailand since the passage of the sweeping Anti-Communist Control Act in November 1952. A minuscule Thai Communist Party and a Chinese Communist Party of possibly a few thousand members are believed to be operating covertly, but little is known of their organization or activities. The Thai government, while basically adhering to its anticommunist and pro-Western foreign policy, had for the past few years shown some relaxation in its attitude toward Communist China and internal leftist activities. However, there appears to have been some hardening of the government's attitude since the assumption of power by a Revolutionary Council in October 1958.

THAI GOVERNMENT ATTITUDE TOWARD COMMUNISM

The Thai political scene during the past two years has been marked by change and uncertainty. In a little more than a year, the Kingdom has undergone two extralegal alterations in government: the September 1957 coup, in which the Sarit Thanarat faction of the 1947 coup group assumed power at the expense of its rivals within the group, and the establishment in October 1958 of a Revolutionary Council under Marshal

Sarit's leadership, which is currently ruling under martial law after having dissolved the National Assembly and abrogated the Constitution.

During early 1958, the somewhat ambivalent policy toward local procommunist groups pursued by the Thai government under former Prime Minister Phibun continued under the post-coup Thanom Kittikachorn government. While official spokesmen publicly strongly defended Thailand's anticommunist stand and adherence to its ties with the U.S. and SEATO, known leftists were named to the Thanom cabinet and held important posts in the government party, and Thai delegations continued to travel to Communist China with the implicit permission of the government. However, during the latter part of 1958, international developments, particularly in neighboring Laos and Cambodia and in the Taiwan straits, apparently stimulated an increased concern over the dangers of communist infiltration and subversion. Sarit also appears to have felt that toleration of leftist activity may have been a reason for his failure to get additional American aid during his trip to the U.S. in mid-1958. Finally, the Thai government reacted sharply to Cambodia's recognition of Communist China in July 1958, instituting extraordinary security precautions in the provinces bordering on Cambodia. In early October 1958, the government took additional steps to counter communist subversion, the most dramatic being the expulsion of a Soviet diplomat and the deportation of the TASS correspondent for activities considered dangerous to the peace and security of the nation.

Shortly after its assumption of power, the Revolutionary Council undertook a series of anticommunist actions, which included closing several leftist Thai and Chinese-language newspapers, and arresting numerous leftist politicians, newsmen, and businessmen. Additionally, the Revolutionary Council has given evidence of making a serious effort to eliminate the security threat posed by the presence of some 40,000 Vietnamese refugees, the bulk of whom are pro-DRV, in the Laos border area of northeastern Thailand. A number of the procommunist refugee leaders have been arrested, and the Revolutionary Council apparently hopes to effect the repatriation or resettlement of the entire refugee group.

OUTLOOK

The prospects for the growth of communism in Thailand at present depend more on the Thai government's attitude and the vigor and consistency with which an anti-communist policy is maintained than upon the strength of existing internal communist organizations or the appeal of communist doctrine. With the advent of the Revolutionary Council and the subsequent silencing of leftist politicians and agitators and the closing of leftist newspapers, the Communists have been deprived of their principal propaganda media. These and other rather spectacular anticommunist measures recently instituted by the Thai government doubtless have made the atmosphere in Thailand less favorable for pro- and crypto-communist activities.
(SECRET)

JAPAN

THE JCP AS A NATIONAL POLITICAL FORCE

During 1958 the Japanese Communist Party (JCP) continued its efforts to break out of political isolation and to increase its effectiveness as a propaganda instrument for the Sino-Soviet Bloc. The party participated vigorously in the May general elections for the Lower House but lost one of its two seats, thereby reducing its total Diet representation to three seats. However, by running almost twice as many candidates in this election (one in all but three of Japan's 117 electoral districts) as it did in 1955, the JCP received a slight increase in ballots (1,012,036 votes or 2.6 percent of the popular vote, as against 733,121 votes or 2.0 percent in the 1955 elections). Also, the party renewed attempts to secure the formal cooperation of the Socialist Party and Sohyo (Nihon Rodo Kumiai Sohyogikai -- General Council of Trade Unions of Japan), whose members include slightly more than one-half of the organized labor in Japan, in a "democratic united front." In both of these endeavors the party failed to make significant headway largely because it still suffers from a general lack of acceptance by the Japanese public.

Party membership, estimated at roughly 70,000, remained stationary but there were numerous signs of decreased morale and lack of enthusiasm reflected in the dropping circulation of the party newspaper Akahata (Red Flag) (50,000 copies in May 1958 -- 16,000 below the July 1957 figure), and the party's evident difficulties with dues and subscription collections. Dissatisfaction with the party's policies and leadership resulting in new factional cleavages were further indications of internal malaise.

Despite the failure of the JCP's formal overtures to the Socialist Party and Sohyo, there was informal cooperation on the local level between the Communists and these two groups during the year, particularly in connection with the storm of opposition that greeted the Kishi government's ill-advised attempt to force the passage of a bill designed to increase the powers of the police. When the government finally withdrew the bill from Diet consideration, the Communists claimed a victory because their actions had contributed to the government's decision. Frequent repetition of such incidents, which provide excellent opportunities for the Communists to propagandize on the benefits of "united front" action, might make it increasingly difficult for the Socialist leadership to maintain its present strong resolve, the more so as the left wing finds a certain ideological appeal in the current communist line of "peaceful" tactics.

Communist and extreme leftist influence in Sohyo remained strong enough to keep Sohyo's policies very close to the communist line. Thus the procommunist faction of Sohyo prevented the "mainstream" faction from sending a protest on the Nagy execution to the Hungarian government, thereby aligning Sohyo with the Communists and against the Japanese public at large, which shared the world's revulsion at the Hungarian action. The party's determination to step up its approach to organized labor is evident in the inclusion of a relatively large number of former labor leaders in the JCP's new Central Committee elected at the Seventh Party Congress in July and its adoption at that time of a new "labor movement" policy which fixes responsibility for guidance of unions in "key industries" in the Central Committee.

During the year the Japanese government continued its vigorous campaign to reduce communist and extreme leftist influence in Japan. With respect to the JCP, well-publicized attacks were made by the police against three illegal activities of the party. The Police raided key units of the "People's Fleet" (a covert maritime communications and smuggling network between Japan and Communist China or North Korea) and the "Truck Corps" (a secret organization first discovered in 1957 which engaged in illegal business practices, including embezzlement and other types of fraud, to provide funds for the party), arresting members of the two organizations and confiscating organization assets. In addition, three government officials were arrested (although later released) and three others questioned by the police on suspicion of having given classified information to the JCP. Also, the government's effort to curb leftist influences in education by establishing a teachers' efficiency rating system was at least partially successful and though the bill to increase the power of the police had to be withdrawn, the government continued to use the administrative powers it already has to discipline leftist leaders in the public service unions.

THE JCP AS A PROPAGANDA INSTRUMENT OF THE SINO-SOVIET BLOC

The year saw no change in the JCP's willingness to accept Bloc "dictation" on foreign policy issues, a factor which contributed to the party's failure to win additional popular support. Thus, the JCP denounced the "Kishi government" when the Chinese Communists broke off trade relations in May, denounced the government also for demanding from the Soviet Union a greater salmon-trout fishing quota for Japanese fishermen, supported the Chinese Communist position on the threat posed by the presence of the United States in the Taiwan straits area, and demanded that the Kishi government conclude an immediate peace treaty with the Soviet Union.

In carrying out its mission as an instrument for Chinese Communist and Soviet propaganda, the JCP suffered a setback this year when the Japanese public became aware, through press criticism, of the extent of communist influence in the Fourth World Conference for the Prohibition of Atomic and Hydrogen Bombs held in Tokyo in August. Not only did the Conference have a

large proportion of delegates from international communist front organizations, but its formal decisions followed the international communist line, i.e., the nuclear test resolution was critical only of the United States and the United Kingdom.

THE SEVENTH PARTY CONGRESS

The Seventh Party Congress, the first since December 1947, was held in Tokyo from July 21 to August 1. Almost all the organizational changes made at the Congress had been widely discussed for ten months before it was convened. The Congress elected an enlarged leadership group, enacted a revised set of bylaws, adopted an "action program," accepted a "political report" which fixed responsibility for the 1950-55 intra-party dissension on the party's late Secretary General Tokuda Kyuichi and some of his associates, and confirmed the expulsion of former Central Committee members Ito Ritsu, Shida Shigeo, and Shiino Etsuro. But its main significance lay in the failure of the party leadership to end factionalism, evident in the Congress' inability to agree on and enact a revised party platform submitted by the leadership.

The new 31-member Central Committee is slightly more than double the size of the one that governed the party from July 1955. Despite the presence of many "new faces," all are long-term party members, the majority of whom have held mid-echelon positions for a number of years; also, the average age of the new Central Committee (54 years) is exactly the same as that of the previous one. Selection for the Central Committee seems to have been made primarily on the basis of loyalty to the new and dominant "headquarters" faction, which was formed as a result of the 1955 rapprochement between Nosaka Sanzo and Miyamoto Kenji, the leaders of the party's two principal rival factions prior to that time. Despite the increased size of the new Central Committee, however, real power is still held by the inner ruling clique (Nosaka, Miyamoto, Shiga Yoshio, Hakamada Satomi, Kasuga Shoichi, and Kurahara Koreto) who have been Central Committee members during most of the postwar period.

The organizational changes which entered into effect with the enactment of the new rules and regulations at the party Congress do not basically alter the party's

structure. Two major executive positions, 1) Chairman of the Central Committee and the Central Committee's Presidium and 2) Secretary General, were established, largely to give equal prominence to the leaders of the two groups which had split the party from 1950 to 1955. Subsequently, Nosaka was appointed to the former and Miyamoto to the latter post. The ten regional committees were abolished and replaced by regional bureaus headed by Central Committee or candidate members, in an attempt to eliminate factionalism and establish a direct chain of command from the Central Committee to prefectural committees. The duties of the Control Committee were expanded to include fiscal functions, its name was changed to the "Control and Audit Committee," and its officers are henceforth to be elected by the party Congress rather than to be appointed by the Central Committee. Length of party experience was made a criterion for selection to various party posts, i.e., eight years for regular and candidate Central Committee members and Control and Audit Committee members, and four years for prefectural committee members. However, in an attempt to gain new members, the party eliminated its previous requirement of a probationary period for new applicants for membership.

FACTIONALISM

Strong opposition from the so-called "anti-headquarters" faction was responsible for the failure of the party Congress to adopt the party's revised platform. For more than a year this faction has been describing the Central Committee as "politically, ideologically, and morally decadent." This minority group is composed of disgruntled younger members of the party, drawn mainly from the party's local apparatus in Tokyo (Tokyo Metropolitan Committee) but also from students, especially those affiliated with Zengakuren (Zen Nippon Gakusei Jichikai Sorengo -- All-Japan Federation of Student Self-Government Associations), the communist-dominated organization for students. Disagreement on the revised party platform centered around the analysis and outline of future party strategy. The draft submitted by the party leadership and reportedly approved by Moscow and Peiping characterized Japan as an "advanced capitalist country under the partial occupation of the United States"; identified the "main enemy" as both "American imperialism" and its "subservient ally,

Japanese monopoly capitalism"; and advocated a two-step revolution -- a "people's democratic" revolution followed by a "socialist" revolution. The "anti-headquarters" faction, on the other hand, contended that Japan could now be considered "independent"; favored placing emphasis on the Kishi government ("Japanese monopoly capitalism") as the main target for JCP efforts while continuing to work against "American imperialism," and advocated staging a one-stage or immediate "socialist" revolution.

Although factionalism thus continues as a perennial problem within the party, at the end of 1958 it seemed to be less of a disruptive factor than at any time since 1950. The majority of the party now supports the "headquarters" group. The threat to the party leadership's power posed during 1956-57 by expelled former Central Committee member Shida Shigeo (who had established the "National Communist League") subsided early in the year, and the Central Committee in mid-July probably delivered the coup de grace to Shida's faction by expelling his close associate, former Central Committee member Shiino Etsuro, as well as other minor functionaries who had sided with Shida.

The remaining faction, the "anti-headquarters" group, provided the greatest opposition to the JCP leadership in 1958, the action taken on June 1 by Zengakuren having been perhaps the single most important challenge to the party leadership during the year. At Zengakuren's Eleventh National Convention in late May, despite its outwardly routine appearance, there was an undercurrent of uneasiness caused by apparent JCP support for the "minority group" instead of for the "majority group." (The "majority group" included the nominal Zengakuren leaders, most of whom were JCP members and favored more militant action, whereas the "minority group" favored more passive activities and thus were more in accord with the party's current emphasis on "passive" tactics.) On the day after the convention adjourned, all party member delegates (about 130) attended a meeting at JCP headquarters to discuss Zengakuren's struggle policies, at which Presidium member Konno Yojiro and central headquarters officials connected with student "guidance" presided. The JCP officials soon lost control of the meeting and reportedly were even forcibly detained for a time while the

"majority group" passed resolutions, including a demand for the resignation of JCP Central Committee members and for the expulsion of "anti-Zengakuren elements" in the party.

After conducting a special investigation of the meeting, the JCP in an editorial in Akahata on June 23 described the "June 1 incident" (as it now was called) as the "most flagrant" violation of the party regulations in the 36-year history of the party. In extremely strong language, the editorial condemned the students for their "premeditated anti-party" action, and for the "deviation" of attempting to destroy the principle of "democratic centralism" and to replace it with unrestricted freedom of the individual. The students were also charged with having "petit bourgeois" attitudes and anarchist ideas traceable in part to "revisionism" and to "Trotskyism." On July 18, the JCP Central Committee announced that the chairman of Zengakuren and two members of its Central Executive Committee had been expelled from the party and that disciplinary action had been taken against an additional 13 members; Konno lost his Presidium post and was not reelected to the new Central Committee, probably because of his "deficiencies" in handling the meeting.

Although troubled by the "serious deviation" itself, the party leadership also appears to have used the June 1 incident as a springboard for its attack on the Tokyo Metropolitan Committee (TMC). The TMC not only shared responsibility with central headquarters for Zengakuren guidance, but, forming as it did the backbone of the "anti-headquarters" faction, was regarded as primarily responsible for the failure of the party Congress to adopt the revised party platform. At the fourth TMC Conference held in two sessions in late September and early October, the party leadership, by concentrated effort and clever maneuvering principally on the part of Secretary General Miyamoto, was able to secure a "satisfactory self-criticism" from the TMC. The party hierarchy was also successful in preventing the retention in the new TMC of some incumbent members who were also leaders of the "anti-headquarters" faction, such as Takei Akio (who had long played an active role in Zengakuren), Katayama Satoshi, and Noda Yosaburo. To safeguard against a repetition of the "deviations" of which the TMC was charged ("liberalism" and "separatism"), the TMC was enlarged to include one

Central Committee member and one member of the Kanto Regional Bureau; Presidium member and chief of the Kanto Regional Bureau Kasuga Shoichi was subsequently appointed TMC chairman.

The JCP did not make any "great leap forward" during 1958, and it cannot be expected to make any significant progress in the near future. It is not likely that the Party will be able to progress toward its goal of a "united front" with the Socialists in the immediate future, although it will undoubtedly continue to exert considerable leverage on socialist oriented trade unions and mass organizations. Its heavy infiltration of many such groups, including the teachers', government employees', and railway workers' unions, will continue to enable it to exert an influence disproportionate to its size on Japanese public opinion, especially by exploiting already existing popular attitudes that parallel communist objectives. Such attitudes include opposition to rearmament, fear of involvement in war, and opposition to nuclear tests in the Pacific. Largely due to the party leadership's repressive actions during 1958, overt factionalism will probably not be a serious problem in the immediate future, and the party hierarchy should be able to maintain effective control. (CONFIDENTIAL

PROSPECTS

HONG KONG AND MACAU

HONG KONG

The year 1958 saw still another British refusal to allow the Chinese Communists to station an official representative in Hong Kong. This negative reply, given the Chinese charge d'affaires in London on February 27th in response to a Chinese request made in the fall of 1957, reaffirmed the British position. London does not want any official Chinese representative (communist or Nationalist) in Hong Kong who might set himself up as the official spokesman for the 99 percent of Hong Kong's population which is Chinese.

The Chinese Communists do have, however, numerous spokesmen in Hong Kong, and 1958 was a busy year for them. One of the chief fields of communist activity

was education, an enterprise which has been one of increasing concern to the Hong Kong authorities. The struggle was joined squarely in January with the passage of legislation designed to restrict political activity in schools. From the time this legislation was first proposed until after its formal adoption the many communist front groups vigorously opposed it as an "attack" on all Chinese education, but without generating any effective organized opposition. New regulations notwithstanding, some of the more openly procommunist schools continued with their political activities, apparently in a defiant attempt to test the strength of the new law. One result of all this was the temporary closing of several schools for violation of building codes and infringement of the new regulations, followed later by the deportation of the headmaster of one of the better known procommunist schools. These school incidents and matters arising from them have also been the subject of at least three formal protests from the Peiping regime to the British government. This indicates not so much the serious view Peiping takes of interference with procommunist schools in Hong Kong, but rather the desire of the Chinese Communists to maintain unremitting pressure on the British colony, and their readiness to utilize any pretext at hand.

Perhaps the most widely-heralded communist campaign in the field of labor was that conducted in connection with the London decision to close down the Royal Naval Dockyard. One of the largest single employers in the colony, the Dockyard is to be closed down over a period of several years. Spearheaded by communist-led unions, the workers at the Dockyard were encouraged to make ever-increasing demands for reemployment guarantees and increased retirement payments. Efficient assistance by the authorities in helping dismissed workers find new jobs, together with prompt action by the police to forestall mob scenes from which trouble could have developed, combined to rob the Communists of any opportunity to embarrass seriously the Hong Kong government or to stage a spectacular demonstration. Despite the rather unexpected failure of the Communists to capitalize successfully on this issue, their strength in the labor field remained undiminished, and their inability to profit by the Dockyard closure must be considered a lost opportunity rather than a damaging blow to the communist position within the labor movement.

Propaganda has always been one of the principal occupations of the Communists in Hong Kong; most of it is imported from the communist-held mainland, but some is written in Hong Kong under policy directives from Canton and Peiping. The American government and American policy have been favorite objects of abuse in these propaganda blasts, and few things delight the Communists as much as the opportunity to attack or ridicule the real and alleged activities of the American government in Hong Kong. Throughout 1958 the local communist newspapers intermittently carried such propaganda, but with the build-up of tension in the Taiwan straits anti-American propaganda occupied an ever-increasing linage. Toward the end of November the combined procommunist press in Hong Kong opened up with a barrage of anti-American propaganda, charging the Americans in Hong Kong with using educational, religious and charitable institutions in the colony for espionage and other vile purposes. This campaign continued to develop throughout the last few weeks of the year, and seemed likely to become one of the major communist propaganda efforts in Hong Kong during 1959.

The Communists also have regularly used Hong Kong as one base for the launching of propaganda campaigns directed at her international audience and particularly toward the Chinese Nationalists on Taiwan. One consistent theme has been the appeal by old acquaintances to Chinese "temporarily separated from the motherland" to return to the fold by deserting to the Communists. During the late summer and early autumn Hong Kong was filled with rumors concerning the activities of alleged political middlemen who were putting forward purported terms for negotiations between Peiping and the Chinese Nationalists. The circulation of such rumors appears to have been one communist tactic to demoralize supporters of the Chinese Nationalists.

The Communists from mainland China have also conducted campaigns against Hong Kong with the double purpose of threatening the colony with economic difficulties and at the same time enhancing the prestige of the Peiping regime and of local front organizations. One such campaign was that designed to gather all fishing boats along the South China coast (including those operating from Hong Kong and Macau) into so-called "fishing cooperatives" which would market their catch

on the mainland of China and resell to Hong Kong at a marked-up price. For the first few months of 1958 the Communists appeared to be entirely earnest about carrying this through, but the pressure on Hong Kong and Macau-based fishermen was relaxed about mid-year with the implication that it would be reapplied in 1959. Despite this respite the fishing industry has suffered serious damage in Hong Kong, and for several months was nearly wiped out in Macau.

What is perhaps potentially the most serious threat to Hong Kong's prosperity, or even its very existence, was the September announcement by Peiping that China intended to claim territorial sovereignty over waters to a distance of twelve miles from land. Since the twelve miles are to be measured from a base line connecting base points, including outlying coastal islands, that were not precisely defined, it is not possible to determine just how much open sea Peiping has claimed. By any measurement, however, the commonly used shipping channel between Hong Kong and Macau is in Chinese-claimed waters, and the only air and sea approaches to Hong Kong are a narrow channel from the southeast. How Peiping may chose to enforce this twelve mile claim in the future remains a question. There can be little doubt, that this uncertainty has increased the prestige of Peiping's supporters in Hong Kong, and created doubt and apprehension among many of the uncommitted or pro-Nationalist Chinese.

MACAU

Communist carryings-on for 1958 in Macau seemed to have been characterized not so much by the accustomed bold braggadocio but rather by a quiet self-confidence. This did not preclude the usual publicity given by local propaganda organs to Communist China's claims of achievement in "construction" and in the "great leap forward," and attempts to identify patriotism and the Chinese heritage with only the Peiping regime. In contrast with Hong Kong, however, communist propaganda in Macau seldom seemed designed to foment unrest and dissatisfaction among Macau's 99 percent Chinese population. Pressure was applied to Macau, at times through local procommunist spokesmen, at other times by either the Kwangtung provincial officials or the central government officials in Peiping, and while this was known to both the authorities and the population at large it was not the occasion for loud fanfare.

Developments of 1958 must have added to the Communists' conviction that Macau exists at Peiping's sufferance; conversely, they must have added to the worries of the Portuguese and anticommunist Chinese in Macau. In September 1958 the Government of Portugal abstained from voting on the question of Chinese membership in the UN, thus continuing the stand adopted by Lisbon upon first entering the UN in December 1955. Although Portugal is firmly anticommunist and continues to recognize the Government of the Republic of China as the legitimate government of China, the desire to avoid placing Macau in any situation more delicate than the one it now occupies has led Lisbon to eschew scrupulously any action which might unduly antagonize the Chinese Communists.

During 1958 there were several examples of the kind of pressure the Portuguese fear the Chinese might apply to Macau. One of these was the move during the first half of the year to herd the fishermen of Macau and Hong Kong into "cooperatives." It became evident at that time that the Communists are able to cut off Macau's supply of seafood at any time they desire. In view of the tiny area of land and sea included within the Overseas Province of Macau, this is true not only of seafood but also of almost everything else the residents eat or drink. Toward the end of 1958 the Chinese undertook the construction of a dike which not only threatens to cut off Macau's supply of fresh water, but may also result in the silting up of Macau's inner harbor. It is quite likely that solutions to both of these problems will be found, but the fact that they will have to be reached in cooperation with the Chinese Communists illustrates the extent to which the latter can influence Macau.

Since the end of World War II the Chinese Nationalists have maintained an official in Macau, called the Special Commissioner of the Foreign Ministry. The presence of this official has for some time irked the Chinese Communists and their supporters in Macau. In 1958, as on several other occasions, the Communists brought pressure on the Portuguese to expel this natural enemy of theirs. For a period of time it looked as though the Communists might succeed in this measure, but the Macau authorities eventually solved the problem by arranging for the Nationalist official to be absent

from Macau during the period when his presence would have been most objectionable to the Communists. Thus he was recalled to Taipei for "consultation" during the first half of October, a period of time spanning the national day celebrations of both the Chinese Nationalists and Communists; the Nationalists were left with the understanding that he could return to Macau when the pressure was off. In this tortuous fashion the Macau authorities managed to avoid an impossible situation, and in much the same manner as they have for four hundred years. In this particular case it might seem that the Chinese Nationalists had come off rather better than they might have expected to do. The Communists were able drastically to reduce the celebrations in Macau on the Nationalists' national day, while just ten days earlier the Communists had produced as lavish a spectacle as they had wished for their own national day, and this suggests again the very great extent to which the Communists already are able to manipulate events in Macau.
(SECRET/NOFORN)

AUSTRALIA AND NEW ZEALAND

AUSTRALIA

In April 1958, the leaders of the Communist Party of Australia (CPA) held their 18th Party Congress (triannual) in Sydney. The Congress adopted a new party program and constitution and elected a new Central Committee. However, the proceedings revealed no great change in the activities or potential of the CPA.

The central point of the party's domestic policy was defined as a "united front" with the Australian Labor Party designed to defeat the Menzies Government in the Federal parliamentary elections. Although the party participated in the November 1958 elections, it failed to elect any candidate while the government coalition succeeded in increasing its already strong parliamentary position.

The CPA has continued faithfully to echo the communist line as determined by Moscow and Peiping. During the year, there were no signs of serious conflict within the Party, although the Party Congress called for "tightened discipline" in order to stamp out the last vestiges of the "revisionism" that flowered after de-Stalinization and the Hungarian revolution.

There have been no significant changes in CPA numerical strength, which remains at about 5,000. The Party Congress set ambitious goals for expansion of membership, but efforts to tighten discipline may well prove an obstacle to the policy of "party building."

The CPA is primarily dependent on the Australian labor movement for the achievement of its objectives. It continues to profit from the split in the labor movement and from the reluctance of the Australian Labor Party to enforce its ruling against Labor Party members appearing on "unity" tickets with Communists in union elections. Communists continue to control or influence important unions in stevedoring, transportation, building, coal mining, and heavy industry.

Aside from its role in the trade union movement, the CPA engaged in certain propaganda activities. Through newspapers and other publications, it attacked the policies of the United States, Australia's close military and foreign policy ties with the U.S., the stationing of Australian troops abroad, and continued nuclear tests, while urging the recognition of Communist China, expanded relations with the Soviet Bloc, and a united labor front. The CPA's direct impact on public opinion is minimal. It has scored more notable successes through front organizations; in particular, cultural exchanges and the travel of labor and other delegations to communist countries have contributed to popularizing to some extent the Soviet and Chinese Communist cause in Australia.

NEW ZEALAND

An independent and legally recognized organization like its Australian counterpart, the Communist Party of New Zealand (CPNZ) is numerically weak -- membership is currently estimated at several hundred -- and politically insignificant. It received less than a thousand votes in the 1957 national elections, a fraction of one percent of the total popular vote, and has no parliamentary representation. Internal dissension stemming from reactions to the Hungarian revolution has seriously weakened the CPNZ. In sum, the CPNZ has little direct political impact and concentrates instead on exerting influence through the labor movement upon the ruling New Zealand Labor Party.

A report of the Political Committee to the National Committee of the CPNZ in April 1958 reveals the Party's determination to gain wider influence within the labor movement through support of the Labor government and particularly of "positive points" (anti-capitalist aspects) of the Labor Party program. The CPNZ report states that "this method is the key to consolidation of our influence among present Labor Party supporters, creating the conditions for the changing of their ideology. This way we ultimately win the ideological struggle and with it the leadership of the working class." Nevertheless, Communist Party efforts are hindered by the steadfast opposition of the New Zealand Federation of Labor, and communist influence in industry and the trade unions remains minor.

The CPNZ continued its propaganda activities during 1958. The New Zealand Peace Council, a communist front, concentrated its efforts on campaigning against nuclear weapons. Another front, the New Zealand Society for Closer Relations with Russia, sponsored a well-publicized New Zealand-U.S.S.R. "Friendship Week" and arranged for a noncommunist delegation from the National Council of Women to visit the Soviet Union in August 1958.
(SECRET)

VII. LATIN AMERICA

The climate for communist activities in Latin America -- generally favorable throughout 1957 -- tended to improve during the past year, particularly in the countries of South America. In the course of the year the overthrow of the authoritarian Perez Jimenez regime in Venezuela and important elections in fourteen republics gave the Communists in many of these countries an opportunity to play an active role in national politics and to test the effectiveness of their propaganda appeals. The Communists took full advantage of Vice President Nixon's visit and U.S. actions restricting imports of key Latin American minerals to focus increasingly critical socio-economic unrest against the United States. There were indications of greater Soviet interest in the area and closer direction of the Latin American communist movement from Moscow. The sustained Soviet Bloc economic drive in Latin America strengthened local communist propaganda campaigns and probably increased popular resistance to the type of solutions for the area's economic problems favored by the United States.

The Latin American Communists continued to present themselves as respectable, reform-minded nationalists, occasionally less radical than the indigenous noncommunist left. They echoed the Soviet line in denouncing revolution as a political weapon and pressed for closer relations with the Soviet Bloc and for Latin American neutrality in the Cold War. Legalization of the Communist Parties of Colombia (December 1957), Venezuela, and Chile stimulated Communists in neighboring countries to intensify their campaigns for legal status. These psychological gains were somewhat offset late in the year by the defeat of Communist-backed candidates in Brazil, Chile, Venezuela, and Uruguay, and by fairly widespread disillusionment of leftist and communist intellectuals over the Pasternak affair.

SOVIET DIRECTION OF THE LATIN AMERICAN COMMUNIST MOVEMENT

Since November 1957 there have been indications of growing Soviet concern over the lack of coordination within the communist movement in Latin America and determination to provide more immediate guidance to the

movement. Following the 40th anniversary celebrations in Moscow, representatives of the CPSU met with communist delegates from eighteen Latin American republics to review questions of broad strategy and tactics. While no major innovations were introduced in the strategy followed by the Latin American Communists since 1956, provisions were apparently made for closer cooperation and coordination of effort between the Communist parties of the area and for more frequent travel of party leaders to the U.S.S.R. It seems almost certain that the decision to establish a training school for Latin American Communists in Buenos Aires was taken in Moscow. Reportedly plans were laid in Moscow for the secret meeting of Middle American Communist leaders, which was held in Mexico in March, and for the Argentine Congress for International Cooperation, General Disarmament, and National Sovereignty held in Buenos Aires in May. CPSU urging may also have prompted the holding of national congresses by four Latin American Communist parties in 1958. Representatives of virtually all of the Communist parties in the area attended one or more of these regional and national congresses to exchange information and experiences common to Latin America.

Opportunities for high level coordination of Latin American communist activities with Soviet objectives in the area were increased during 1958 by the stepped-up travel to Moscow of secretaries-general and central committee members from Communist parties throughout Latin America. In mid-1958 the secretaries-general of five Latin American Communist parties -- those of Colombia, Costa Rica, Honduras, Mexico, and Venezuela -- were in the Soviet Bloc, and probably in Moscow, simultaneously. Earlier in the year Pedro Saad, secretary-general of the Ecuadoran Communist Party, also visited Moscow.

Soviet use of Latin American Communist exiles as couriers and possibly as advisers to Communist parties in the area was revealed with the arrest of a Guatemalan Communist, Jose Manuel Fortuny, in Rio de Janeiro in October. After an extended stay in the Soviet Union, Fortuny was sent to Brazil and Uruguay in August. He was arrested en route to Caracas, where he was reportedly to work with the Venezuelan Communist Party in the final phase of the electoral campaign.

It seems likely that -- as in previous years -- instructions to the Latin American Communist parties were also conveyed by foreign Communists who visited the area during 1958. For example, in May members of the Soviet delegation to the Frondizi inauguration visited Uruguay, Argentina, and Mexico and a group of Soviet trade union leaders traveled to Chile, while in August the Soviet delegation to the Inter-Parliamentary Union meeting in Rio de Janeiro went to Uruguay to attend the CPU congress. The Uruguayan congress was also attended by Bulgarian, Czech, French, and Spanish Communists. CPSU agents may also have been included in the numerous bloc commercial and cultural groups which visited Latin America.

CULTURAL AND ECONOMIC PENETRATION

Throughout the year the USSR continued its practice of sending outstanding cultural groups to Latin America, principally to Argentina, Brazil, Chile, and Uruguay. Among the leading attractions were a ten-member ballet group, a large delegation to the Inter-Parliamentary Union meeting, a delegation of journalists, and a five-member student group. The ballet received consistently favorable reviews and the student group enjoyed considerable popularity, due no doubt to the inclusion of Isolde Iavitskaia, star of the Soviet film "The 41," which had been widely exhibited in South America. The Communist Chinese cultural effort in Latin America, which began in 1956, also gained momentum during the year with the extended visit of a 54-member acrobatic troupe to Argentina, Brazil, Chile, and Uruguay.

The most striking innovation in the bloc cultural offensive in Latin America was the use of ten well-publicized Soviet film festivals in six South American countries. Argentina and Ecuador were the major targets. There had been no such festivals during 1957 and only one in 1956. The film festivals, which lasted one week and featured high caliber productions, were well attended and received favorable reviews. Since 1955, Soviet Bloc film showings in series of "cycles," not advertised as festivals, have been held occasionally in Argentina, Chile, Mexico, and Uruguay, and individual Soviet and satellite films have been shown frequently in a number of countries. However, the festival technique is proving to be a much more effective propaganda gambit than individual showings in an area where movies are

the principal public entertainment for the urban middle and working classes.

During 1958 Sino-Soviet Bloc attempts at economic penetration in Latin America increased, with emphasis focused on Argentina, Brazil, Uruguay and, to a lesser extent, Chile. Elsewhere in Latin America bloc overtures met with limited response, and Cuban sugar sales to the bloc -- substantial in recent years -- declined sharply. The bloc trade offensive was carefully designed to exploit Latin America's need to dispose of surplus raw materials and to acquire petroleum products and capital goods for domestic industrial development. The bloc sold durables and petroleum to Argentina on a barter basis. The Soviet Union bought a substantial part of the 1957-58 Uruguayan wool clip and suggested similar purchases from the current clip. However, in late November the U.S.S.R. suddenly dropped out of the Uruguayan wool market. Uruguay acquired fuel, cotton, and other important raw materials and semi-manufactures from the U.S.S.R. and Eastern Europe as dwindling exports to traditional markets caused a sharp drop in hard currency holdings. The bloc took advantage of Brazil's capital-deficit situation by offering developmental assistance and petroleum in exchange for coffee, cotton, cacao, and minerals. Chile sold a small quantity of copper wire in bloc markets, but failed to reach agreement with the Communist Chinese for the sale of sizeable amounts of nitrates.

Although trade with the bloc still accounts for only 1-2 percent of total Latin American world trade, receptivity to bloc offers is growing, as traditional markets and sources of financial assistance prove inadequate to satisfy mounting popular demands for rapid economic development. In a number of countries Soviet declarations of willingness to supply oil industry equipment appeals strongly to nationalistic elements opposed to foreign private exploitation of local petroleum resources. Bloc credit offers, on attractive terms, are especially tempting on purely economic grounds, and they set an unrealistic standard of "aid without strings" against which U.S. economic assistance may be measured.

Soviet efforts to present the U.S.S.R. as a real alternative to dependence upon U.S. economic assistance received signal support in November 1958 from

Brazilian official statements. In support of the thesis that U.S. economic aid to Latin America must be greatly increased, the Brazilian Foreign Office prepared a study purporting to show that in the absence of substantially expanded aid the Latin American economies will stagnate because Western markets for their exports are limited. Significantly, the study accepted Soviet estimates of prospective income levels in the U.S.S.R., including per capita income levels higher than those in the U.S. by 1980, and concluded that Latin America would have to look to the bloc for expanded markets. This thesis was presented bluntly by the Brazilian Delegate to the Special Committee of the Council of the Organization of American States in a speech of November 25, and hinted at by President Kubitschek in a speech before the Brazilian National War College on November 26. It encountered wide criticism in major Brazilian newspapers and by Church and military leaders, and no doubt will come under increasing fire in responsible government circles. Nevertheless, it has served to throw a mantle of respectability over the bloc campaign for resumption of diplomatic and formal trade relations, and doubtless has helped to raise public expectation of relief from a new quarter.

THE NIXON VISIT

The economic difficulties of Latin America that make for vulnerability to bloc trade approaches also provide the basis for a great deal of anti-U.S. sentiment which the local Communists have been able to exploit to their own advantage. Many responsible elements, and public opinion at large, tend to attribute the area's economic plight to the United States, blaming the United States for "neglecting" Latin America in favor of Asia and Africa in the apportionment of developmental loans. Friction over economic issues is re-enforced by political grievances -- chiefly alleged U.S. preference for dictatorial regimes and its long history of intervention in the area -- which tend to make Latin American audiences receptive to communist propaganda directed against "Yankee imperialism."

The most striking demonstration of communist ability to capitalize on the latent anti-U.S. feelings occurred during the visit of Vice President Nixon to eight South American countries in April and May. The violent anti-Nixon riots in Lima and Caracas clearly

exceeded communist expectations and involved forces over whom the Communists exercise no direct control. Nevertheless, they served as a measure of the high degree of communist influence among student groups in those cities. It is significant that the Communists in all of the countries visited chose to use the universities as their forum for anti-Nixon protests rather than the labor unions, where their chief strength was generally believed to lie.

The varied treatment accorded Nixon on his tour also revealed the limitations of communist capabilities and the absence of close coordination among the Latin American communist parties. There were no indications of advance planning of communist-inspired incidents prior to the trip, and only in Peru was there evidence that Communists outside the country had had any role in arranging the anti-Nixon demonstrations. The lack of an advance plan to disrupt the Nixon trip is suggested by the fact that his reception was mild in the first countries he visited -- Uruguay and Argentina, which have highly effective communist organizations. The inability of the Communists in Paraguay, Bolivia, Ecuador, and Colombia to provoke serious disturbances during Nixon's stay in those countries reflected poor organization, thorough police security precautions, communist unwillingness to risk an open show of force, and the absence of an immediately explosive issue that could be directed against the United States.

The anti-Nixon incidents and the absence of strong counter-measures by the host governments provided a great psychological boost to the Communists throughout Latin America and emboldened them to boast that future official U.S. travelers in the area would not escape unscathed. However, subsequent developments -- i.e., the uneventful visits of Presidential Envoy Milton Eisenhower to Central America in July and of Secretary of State Dulles to Brazil in August -- demonstrated that communist strength had been considerably overrated by most of the Latin American governments and by the Communists themselves. In the anti-Nixon demonstrations the Latin American Communists proved their ability to direct mob action against the United States when all of the essential ingredients are present in the situation. Yet, they continue to lack the capability to generate by themselves the atmosphere in which anti-U.S. mob action can be fomented.

Communists in much of the area gained greater freedom of action, reflecting both the growing prestige of the U.S.S.R. and the continued trend toward a return to more liberal politics in Latin America. In the past thirteen months this trend has been particularly apparent in Chile, Colombia, and Venezuela, where the Communist parties were legalized. In the two latter countries the Communists acquired legal status in the course of the overthrow of authoritarian regimes and the return to constitutional, representative rule. The December 1957 national plebiscite in Colombia annulled the 1956 law outlawing the PCC in a blanket repeal of all constitutional amendments passed under the Rojas administration. In Venezuela the PCV was accorded de facto legal standing as a result of its active participation in the revolt which deposed the Perez regime in January. The status of the PCV was clarified further by its inclusion as one of the parties recognized in the May 1958 electoral law, although no specific action was taken to invalidate previous anticommunist legislation. In August the outgoing Ibanez administration used growing popular pressure as an excuse to revoke the 1948 Law for the Permanent Defense of Democracy under which Chilean Communists had been denied the franchise. The timing of the repeal of the anticommunist law suggests that the action was taken in an effort to assure the election of the communist-backed presidential candidate, Salvador Allende.

VENEZUELA

There is no question that the most spectacular gains in size and influence made by any Latin American communist organization in 1958 were registered by the Communist Party of Venezuela (PCV). Within the past year the PCV was transformed from a clandestine protest group into the most vociferous and fastest-growing legal communist party in the Western Hemisphere. This remarkable change was due in part to the efforts of the Venezuelan Communists themselves, but it was the result even more of a highly favorable combination of circumstances beyond their control. Members of the PCV played an impressive role in the popular uprising which toppled the Perez Jimenez administration on January 23. For several months prior to the revolt the PCV had been represented on the clandestine Junta Patriotica, which organized and directed civilian opposition to the regime. Communists were in the vanguard when the violence erupted and were recognized among the heroes of the

revolution by the noncommunist political groups. In the ensuing months PCV propaganda exploited this factor to the full.

Of greater significance, however, was the political climate which prevailed in the general reaction to the end of a decade of authoritarian, military rule. The civilian political forces that had made the revolution were primarily concerned to prevent a resurgence of military rule and unanimously regarded the armed forces as the most immediate and powerful threat to the establishment of a civilian regime. Under the circumstances, unity of the major political parties was regarded as indispensable, and an attack on one was considered as an attack on all. Moreover, in a situation in which the general strike and mob action were believed to be the only deterrents to a military coup, the noncommunists were unwilling to sacrifice the PCV's demonstrated capacity to organize mass demonstrations. Collaboration with the PCV was facilitated somewhat by the fact that the important noncommunist parties -- Accion Democratica, COPEI, and Union Republicana Democrata -- were all ideologically left-of-center and favored reforms which differed only in degree from those advocated by the Communists. Even those noncommunists who might have preferred, on ideological grounds or for reasons of practical politics, to minimize cooperation with the PCV insisted upon the restoration of full civil rights and freedom of political expression and activity for all groups. The fact that many of the top PCV command were from wealthy Venezuelan families and had close ties with prominent noncommunists undoubtedly contributed to the favorable atmosphere in which the Communists were permitted to operate. PCV leaders such as Gustavo Machado Morales and Ernesto Silva Telleria were regarded locally as Venezuelans who could not possibly be subservient to a foreign power or political movement.

VENEZUELAN COMMUNISTS COME TO THE SURFACE

The resurgence of the PCV again demonstrated the durability and recuperative power of communist underground organization. Within a few days after the revolution nearly all of the former PCV leaders had emerged from underground or returned from exile and were openly conducting party affairs. Cells were reactivated throughout the country and great emphasis was placed on the expansion and invigoration of communist youth, student, intellectual, press, and labor organizations. The rapid

growth of communist influence in these sectors stemmed in large part from the personal abilities and strategic positions held by individual communist agents. For example, in the labor field a significant number of Communists who had cooperated with the Perez Jimenez regime were already installed in key unions in the petroleum fields and in the Caracas area. Moreover, such capable labor organizers as Rodolfo Quintero, who returned from exile to represent the PCV on the newly-formed central labor committee (CSU), and Jesus Faria, who had been jailed by the former administration, commanded wide respect and popularity among the working class. A comparable situation prevailed in press and student circles, which were strongly influenced by Communists Hector Mujica, Dean of the Central University School of Journalism, and Carlos Augusto Leon, poet, journalist, and national coordinator of secondary schools and study centers.

THE PCV'S "NATIONAL" LINE

After January '23, the primary political consideration of the PCV was to preserve its freedom of action and to prepare a firm base from which to influence a future democratic administration. The Communists consistently sought to identify themselves as members of a respectable, national organization which differed only in degree from the other leading parties. They vociferously endorsed the program of national unity without reservation and demanded, with decreasing success, full participation in all inter-party councils. They advocated a coalition presidential candidate -- to be supported by all major parties -- and guaranteed minority representation in the future congress. Other features of the PCV program -- extensive social reforms, expansion of educational facilities, reduction of living costs, and labor unity -- closely resembled comparable provisions of the programs of the noncommunist parties. In their attacks upon the United States and demands for nationalization of natural resources, the Communists were somewhat more vehement than the other parties, but their suggested reforms did not go substantially beyond those of Accion Democratica. Communist support of a strong labor central paralleled the drive for political party unity, and conformed to the standard communist pattern of seeking to establish a unified labor command which facilitates infiltration of the trade union movement. In order to forestall the resurgence of an ORIT-oriented labor central, the Communists accepted the noncommunist position that Venezuelan labor at this

time should avoid ties with either free world or communist international labor organizations. The PCV conducted a mild campaign for the resumption of diplomatic relations with the Soviet Bloc, but did not launch a vigorous drive for that purpose. The PCV, unlike other communist parties in the area, was unable to exploit the line that trade with the bloc offers a ready solution to Venezuela's economic problems.

When the results of the election are measured against communist expectations, it may be said that the PCV suffered a serious setback. Over 90 percent of the electorate, nearly 2.7 million persons, went to the polls, so it is unlikely that any significant number of Communists or sympathizers failed to vote. Yet, Junta President Larrazabal, to whom the Communists threw their support, was decisively defeated and the party failed to achieve its hoped-for balance of power position in the congress. Moreover, nearly half of those who supported PCV congressional candidates were unwilling to follow party directives in the presidential balloting. The PCV polled 160,791 votes, or 6.2 percent, of the total valid count for congress as opposed to 84,451 or 3.2 percent, of the valid ballots cast in the presidential contest.

PCV SUPPORT AT THE POLLS

Nevertheless, the PCV showing in the congressional race reveals spectacular absolute growth in communist strength since January and indicates that the party's influence over the electorate is higher than it has ever been in the past. During the previous period of party legality, in the elections of 1946 and 1947, the Communists polled only about 50,000 votes, or less than five percent of the total, to elect one senator and three congressmen. Subsequent population growth and the enfranchisement of women enlarged the electorate by two and one-half times by 1958. In the same period the PCV vote more than tripled, and the party placed at least two senators and seven congressmen, as well as four members of the Caracas municipal council. A number of Communists may also be placed in the state and municipal legislatures in five other urban areas where PCV strength is concentrated. The most striking communist showing occurred in the Federal District, where the PCV ran second, polling over 70,000 votes for 17 percent of the total. Nowhere else in Latin America have the

Communists in recent years displayed comparable ability to attract such a substantial percentage of the electorate.

The split in communist ballots is probably a reflection of the intense campaign directed by the Church against PCV endorsement of Larrazabal. Since the Church concentrated its fire against PCV participation in the presidential contest and did not specifically single out PCV congressional candidates for attack, it appears that a great many communist sympathizers drew a legalistic distinction, voting for the PCV congressional slate while either abstaining in the presidential race or casting their ballots for Larrazabal on another party ticket. The Communists claim that the 84,451 PCV votes for Larrazabal represent hardcore party membership. While this claim is undoubtedly inflated, it provides a measure of communist strength in Venezuela. Up to half of the figure may well represent the ballots of sympathizers and communist youth members of eighteen years or older who were entitled to vote. In any event it is apparent that PCV membership is now on the order of 40,000-50,000 persons, as opposed to less than 10,000 in January. The heavy concentration of communist strength in the Caracas area, where over half of the PCV congressional vote was cast, should encourage the Communists to attempt to exert even greater pressure on the government than their national membership would warrant.

CHILE

The Chilean Communist Party (PCCh) also registered impressive gains in respectability and voting power during 1958. The successful culmination of its sustained two-year drive to re-acquire legal status -- which encouraged five congressmen elected on other party tickets to identify themselves as Communists -- was nearly overshadowed by the strong showing of the party in the September presidential election. Even before the party was legalized in August, the PCCh was playing a vital role in the electoral campaign, enlisting popular support for Socialist Salvador Allende, candidate of the Communist-Socialist Popular Action Front (FRAP). In the five-way race, Allende polled 29 percent of the 1,200,000 votes cast, losing to right-wing candidate Alessandri by only 30,000 votes. Although the election had been hailed as a defeat for the Communists, the PCCh regarded it as a

moral victory, for the total vote for left-of-center candidates far surpassed the vote for Alessandri. Moreover, a significant number of people from the lower class, who have never taken a direct part in national politics, did not vote in the elections. The Communists are currently engaged in a vigorous campaign to persuade this bloc of potentially procommunist voters to register for the forthcoming municipal elections, in which the PCCh will be able to present candidates on its own ticket for the first time in more than a decade.

The party's newly-won respectability was prominently displayed at the Eleventh National Congress of the PCCh, held in Santiago in November. The opening session of the congress, the first publicly held congress in Chile in eleven years, met in the main salon of the Chilean Parliament, and the keynote speech was broadcast over the radio. The major purpose of the congress was to confirm the election of Luis Corvalan as Secretary General to replace the deceased Galo Gonzalez, and to provide a public demonstration of the party's new strength and confidence. No major changes in strategy or tactics were adopted.

BRAZIL

The situation in Brazil during 1958 served to point up the fact that an improved climate for Soviet Bloc objectives does not necessarily benefit the local communist organization. As indicated above, receptivity to Soviet Bloc trade overtures increased noticeably during the year. Nevertheless, the Communist Party of Brazil (PCB) -- once by far the largest in the Western Hemisphere -- continued to decline in following and effectiveness despite the opportunity provided by congressional and state elections for the Communists to exploit worsening economic conditions and heightened social tensions. The inability of the PCB to hold its popular following was revealed in the steady drop in the circulation of the communist press, the closing of its major daily, Imprensa Popular, and the postponement of the party's long-scheduled Fifth National Congress. The weakness of the PCB appears to arise from popular disillusionment with communist leadership and a drifting away of party members rather than from an effective anticommunist campaign. In fact, neither the dissident communist wing, which split from the PCB in 1957, nor the professional anticommunists have succeeded in arousing popular sentiment against the PCB. Moreover,

since late in 1957 party leaders, who successfully challenged longstanding court charges against them, have enjoyed almost unlimited freedom to agitate openly as Communists for popular support. The Pasternak affair late in the year, which provoked serious criticism from such PCB intellectuals as novelist Jorge Amado, also served to stir up dissension in Communist ranks, but the decline of the PCB had set in much earlier. It is difficult to determine the size of the current PCB following, but there is no doubt that the party now has fewer adherents than it did a year ago, and it may well have dropped below the Communist Party of Venezuela in numbers as well as in effectiveness.

ECLIPSE OF PRESTES

Probably the greatest disappointment to the Brazilian Communists in 1958 was the absence of popular enthusiasm displayed toward party chief Luiz Carlos Prestes, who emerged in March after a decade of underground activity. For many years the PCB had been exploiting the legend of Prestes as the Knight of Hope, a sobriquet he earned as a revolutionary leader in the 1920's and as a prisoner of the Vargas dictatorship 1936-1945. In the immediate postwar period Prestes' popularity was widespread, and his return to underground activities in 1947 served to perpetuate his reputation as a popular hero for a time. Following the split in the PCB in mid-1957, the party leadership decided that Prestes would be of greater value to the PCB as an overt political leader, and an intense propaganda campaign was launched to generate a popular demand for his return to public life. This campaign, which appealed to the strong Brazilian belief in civil liberties, succeeded in March when an arrest order against him was revoked. Prestes immediately began to play an active role in the developing electoral campaign, endorsing ultranationalistic candidates on a number of noncommunist party tickets and arranging thinly-veiled alliances between the PCB and other parties. A majority of these alliances were with Vice President Goulart's Labor Party. For a few weeks large crowds were drawn to Communist-nationalist political rallies, but well before the October elections public curiosity about Prestes had dissipated.

BRAZILIAN COMMUNISTS AT THE POLLS

The lack of widespread popular support, coinciding with a generally moderate trend in the voting sparked in part by a last-minute Church campaign, resulted in the defeat of communist-backed candidates in three key races in Rio de Janeiro and Sao Paulo, which the PCB had chosen for a show of strength. These defeats clearly demonstrated for the first time that communist support is not essential for victory in a close contest. As a result, prospects for the communist campaign to regain legal status were appreciably dimmed.

Even though the electoral defeat came as a blow to communist morale, it was probably more psychological than real. While few known Communists were elected to public office, it is likely that the newly-elected legislatures at the national, state, and municipal levels will include more spokesmen for the communist cause than did the outgoing legislatures. In Sao Paulo, of 62 communist-supported candidates, five were elected to the congress and eight to the state assembly, while eleven and three, respectively, won positions as alternates. In the Federal District PCB member Licio Hauer and communist-backed Waldir Simoes were elected to congress on the Labor Party ticket, and two other communist-endorsed candidates qualified as second and third alternates on the same list. It is almost certain that many such alternates will appear in the congress and in the various state legislatures in the coming four years.

There are further indications that the communist position in Brazil may improve in the near future. Despite communist reverses in key areas, Labor Party leaders appear to plan continued collaboration with the PCB. Vice President Goulart, who controls the labor ministry, has reportedly decided to meet communist demands for trade union positions and patronage in exchange for political support. The combination of assistance from Goulart and continuing economic problems facing the country provides ample opportunity for the PCB to enhance its influence among Brazilian workers.

OTHER LATIN AMERICAN COUNTRIES

ARGENTINA

Elsewhere in Latin America the Communists generally displayed limited political strength in the national elections held during 1958. The Argentine Communist Party (PCA) remained easily the largest communist organization in Latin America and probably increased its membership slightly during the year. The PCA supported the successful Frondizi candidacy in February, but failed to place a single candidate in national or provincial office because of the peculiarity of the Argentine electoral law which denies seats to all but the two leading parties in each province. Even at the municipal level, where proportional representation prevails, the PCA placed only 17 candidates in the entire country. The Communists concentrated their efforts on the labor movement, where they sought to benefit from the administration's attempt to win trade union support. During the past few months, however, relations between the government and the Communists have cooled considerably, particularly as a result of the exposure of the international communist training school in Buenos Aires in September, and Frondizi's denunciation of the PCA for labor strikes in November.

URUGUAY

In Uruguay the Communist Party is obviously maintained in large part by support from Soviet Bloc diplomatic missions and expresses its dependent status through close identification with Soviet communism. In its national congress, at the Communist Party of Uruguay (PCU) celebration of the 41st anniversary of the Bolshevik Revolution, and even in the electoral campaign the Uruguayan Communists made no serious effort to disguise the fact that they represent a foreign political ideology. Popular reaction to the foreign base of the PCU, as well as the conservative trend in the voting and the slight loss of PCU following in the labor movement, appear to account for the absence of new Communist gains in the November elections.

COLOMBIA

The Colombian Communist Party (PCC) has appreciably expanded its operations in press and labor circles and has attempted to reinvigorate a number of front groups appealing to students and intellectuals. However, the monopoly of political office

held by the dominant Liberal and Conservative Parties effectively barred the Communists from a role in the national elections, while the growing concern of the Lleras regime with the potential communist threat has since thwarted PCC efforts to capitalize politically on its newly-won legal status.

BOLIVIA

In Bolivia the communist movement, badly split by factionalism and weakened by its inability to find a suitable issue on which to attack the administration and the United States, failed to register gains in the July congressional elections. However, in the latter part of the year the Communists found an appealing cause in the "defense" of the state petroleum corporation (YPFB) against "Yankee trusts," and demonstrated that they still command a highly effective propaganda apparatus when there is a popular issue to exploit. Popularity of U.S. grant aid to Bolivia had previously inhibited the Communists from effectively attacking the United States, except by exploiting the slowly growing dissatisfaction over the inability of YPFB, in collaboration with private U.S. oil companies, to increase Bolivian oil production. The Communists launched a vigorous anti-U.S. campaign with a "factual" and effectively-written book on the oil question which purported to show that the United States had extended grant aid to Bolivia in order to strangle YPFB. This book, and a rumored Soviet Bloc offer of financial and technical assistance for petroleum development no doubt helped to crystallize anti-U.S. sentiment among both right- and left-wing elements. By the end of the year even the Catholic press was giving space to communist-line and nationalist propaganda demanding a drastic revision of the petroleum code to exclude foreign oil companies and to empower YPFB to accept Soviet Bloc aid.

MEXICO

In Mexico the legal Communist Party (PCM) still lacked the necessary membership to register candidates on its own ticket. Although it backed an informal write-in candidate for the presidency, the party actually made little effort to wage a political campaign. The communist Mexican Workers and Farmers Party (POCM) and the procommunist People's Party (PP) also remained politically ineffectual and may even have declined in electoral strength. All

three groups concentrated their energies on the labor movement, substantially improving their position in the unions of miners, railroad workers, and teachers, where the established leadership had become too closely identified with the regime. In Guatemala the Communists suffered a setback with the election of President Ydigoras in January, and have had little success thus far in their attempts to infiltrate and take over the left-wing Revolutionary Party. The Salvadoran Communists appear to have enjoyed somewhat greater freedom to operate in the labor movement in 1958, but they continued to be ineffectual in national politics. The communist Popular Vanguard Party in Costa Rica, which had been handicapped by the reformist policies of the Figueres regime, gained increased freedom of action in domestic affairs. They supported the successful congressional campaign of the Calderonista party in February and were permitted publicly to back the new administration's drive to nationalize the electric power industry. Nevertheless, the Echandi regime has acted to limit opportunities for contact between the Popular Vanguard Party and foreign communist organizations.

CUBA

In Cuba the Communists appear to have sacrificed opportunities to attract a popular following by avoiding identification with either faction in the civil war. At the same time they sought, without fanfare and apparently with only limited success, to penetrate the rebel forces led by Fidel Castro, in order to be in a favorable position in the event of a rebel victory. They exerted no measurable influence in the November presidential elections. Communist tactics appear to have been dictated by the fact that under Batista they controlled a number of second-tier positions in the labor movement. They were unwilling to sacrifice those positions, from which they apparently expected to be able to seize control of the entire labor movement when the regime fell.

HAITI AND HONDURAS

Developments in Haiti and Honduras in 1958 may have opened the way for the revival of communist movements that have been largely ineffectual for several years. In Haiti a small number of Communists, exiled for over a decade, reportedly took advantage of a partial restoration of civil liberties to return to their homeland,

where they will be in a position to resume party activities when the situation permits. In Honduras reformists of all shades have been encouraged by the policies of the Villeda regime which emphasize civil liberties and rapid economic development. There are no clear indications that the government favors communist solutions to pressing socio-economic problems. Nevertheless, the fact that Villeda and a number of individuals in strategic positions in his government are former members of the Honduran Revolutionary Democratic Party (PDRH), composed of exiles in Guatemala during the Arbenz regime, may reveal a degree of tolerance for communism that will permit the PCH to exert increasing influence on the regime.

THE PASTERNAK AFFAIR

The Pasternak affair was unquestionably the most painful psychological blow to the Latin American Communists since the 1956 Hungarian revolt. In intellectual circles it promises to be even more damaging to the communist cause, for it focused attention on the lack of freedom for the individual artist that is so highly valued in Latin America. The issue captured the imagination of intellectuals and press writers who were overwhelmingly repelled by the Soviet Union's refusal to allow Pasternak to accept the Nobel Prize. Throughout the area criticism was levelled against the restrictions placed on intellectual activity in the Soviet Union. Possibly the most damning attack came from Brazilian Communist Jorge Amado, outstanding novelist and Stalin Prize winner, who said, "Pasternak's expulsion from the Union of Soviet Writers demonstrates the fact that the schematic, sectarian, and dogmatic elements still dominate in the Soviet Union, attempting to impede literary creation and to impose a single school of thought, just as in Stalin's era." The perplexity facing those communist artists who conformed to the party line was illustrated by Chilean Communist and poet Pablo Neruda, who reacted first as an intellectual, expressing pleasure that the Nobel committee had broken its tradition of discrimination against Soviet writers and denouncing the "stupidity" of the Soviet writers' union. Neruda subsequently, however, accepted the communist position and publicly defended the Soviet Union's right to reject any threat to the socialist world. A number of lesser Latin American communist

artists were also quoted as "sad" and "perplexed" over the Soviet Union's disapprobation of Pasternak. Few, if any, Communists have actually broken with the movement because of the Pasternak affair, but in several countries disaffection in procommunist literary circles has been pronounced and is continuing.

Developments throughout Latin America during 1958 reveal some practical gains for the communist movement in its campaign to acquire political influence and freedom of action, and even greater psychological gains in prestige, respectability, and self-confidence. The fact that communist influence over the electorate was still inadequate to determine the outcome of national elections is less significant than the growing confidence among Communists that their position is improving. Even the Pasternak affair, which may continue to embarrass them in intellectual circles, is unlikely to have serious repercussions among the masses, and in any case cannot begin to compare with the lift they received from the anti-Nixon riots. It may be anticipated that in a spirit of renewed self-confidence the Communists will prove more effective in exacerbating popular demands for socio-economic reforms beyond the present capacity of the Latin American governments, and thus in serving as a major irritant in U.S.-Latin American relations.
(CONFIDENTIAL)

VIII. SPECIAL ARTICLE: EAST GERMANY

During 1958, the Socialist Unity Party (SED) of the Soviet Zone of Germany accelerated its evolution into the most effective single instrument of Soviet policy in Germany, replacing Soviet organizations in almost all major areas. Domestically, it displayed greater decisiveness and versatility in its continuing campaign to transform the social, political, economic and cultural habits of the population of the Soviet Zone. Abroad, it sought to be in the forefront of all satellite parties in undeviating loyalty to the undertakings of the U.S.S.R. within the Soviet Bloc itself, in the underdeveloped areas of Africa and Asia and, most importantly, in the Soviet political offensive in Europe against the Western Allies and NATO.

Despite its own achievements, the most dramatic single event of 1958 involving Germany did not occur on SED but rather on Soviet initiative. This was Soviet Prime Minister Khrushchev's proposal of November 27, 1958 to the Western Allies for the "abolition" of the quadripartite character of Berlin, the concomitant liquidation of Western Allied rights in the city and the creation of a "free, demilitarized" West Berlin. The SED, to whom the existence of West Berlin has always been a "thorn in the flesh," has of course enthusiastically supported this U.S.S.R. proposal. If Khrushchev's offensive succeeds in any form, the SED would be obviously a major beneficiary. The party has therefore directed its propaganda, since then almost exclusively to the two themes of the "free city" of Berlin and of the danger to world peace should the Federal Republic's NATO forces acquire missiles and atomic war heads.

The focussing of public attention on the magnitude of the current Soviet threat to Western security has, of course, reemphasized the disparity between Soviet and SED power in East Germany and demonstrated how much the SED is still only an instrument of Soviet policy. This obvious fact should not, however, obscure the additional reality that the SED, even though ultimately dependent on Soviet power, has gradually acquired an identity and considerable resources of its own. Khrushchev might not even have been able to launch his current offensive with

its specific threat to the Western position in Germany as a whole, had not the SED previously achieved significant gains of its own in East Germany.

THE REGIME'S ACCOMPLISHMENTS

Some measure of SED internal strength and capability is indicated by the number of complex and comprehensive programs which the party carried on during 1958. These included a reorganization of the party apparatus; major changes in the structure of the government, especially in the previously highly centralized ministries; a decentralization of the financial, industrial and commercial institutions of the Soviet Zone; the reorganization and re-equipping of the military forces, the expansion of military and paramilitary reserves, and the subordination of both to a new SED control mechanism; the expansion of polytechnical education into the entire school system; and the intensive drive against "revisionist" and "bourgeois" tendencies at the universities and in cultural and intellectual productions. In the religious field, the SED achieved several successes: the population has on the whole complied with the Communist "youth dedication" ceremony designed to replace religious confirmation, and the SED has been able to bring about the resignation of the Protestant Liaison Officer (resident in West Berlin) of the all-German Evangelische Kirche in Deutschland. The regime also abolished rationing, lowered prices on a wide variety of consumer goods, reversed other inflationary tendencies in the economy, expanded its role in the export offensive of the Soviet bloc in underdeveloped areas and, in general, inaugurated with great energy a program to overtake West Germany in per capita production (not necessarily consumption) of consumer goods between 1961 and 1965.

PURGE, IDEOLOGICAL PURITY, AND SOCIALIZATION

The event which most significantly marked the SED's progress during 1958 was the Fifth Party Congress, which met July 10-16. On the one hand, this event initiated the East German offensive to match West Germany's economic gains; on the other hand, it marked the conclusion of six months of intensive party reorganization following the demotion, on February 6, 1958, of two Politburo members, Karl Schirdewan and Fred Oelssner, and Central Committee member and former

Minister for State Security, Ernst Wollweber. Schirdewan, who had been First Secretary Walter Ulbricht's most prominent assistant, was accused, with Wollweber, of "factionalism"; Oelssner, the party's leading ideologist, was disciplined for "failing to identify himself with the decisions of the Politburo." The purge which followed the announcement of these demotions resulted in the reassignment, between February 10 and June 30, of almost 10,000 intermediate and subordinate party functionaries. Coincidentally, the relationship between political chiefs and party components within the military establishment, as well as the relationship of both to the military commanders, was altered. The political chief of each military unit was taken out from under control of the military commander and made responsible instead to the political chief of the next higher echelon. In order to prevent the political chiefs from acquiring too much personal power, however, they were relieved of their former authority over the political directorates and party units at every military level. The political directorates at each military echelon, no longer responsible to the political chiefs of their units, were in turn made answerable to the political directorates of the next higher military echelons. The highest political chiefs and the highest political directorates were now made separately responsible to the Political Administration of the Peoples' National Army. This organization is, through Politburo member Willi Stoph, nominally under the direct supervision of the Central Committee of the SED. Actually, Stoph answers, as do Ulbricht and Matern, ultimately only to Moscow.

The magnitude of the assault the U.S.S.R. was planning to launch during 1958 from East Germany against the Western Allied position in Europe was revealed in greatest detail between November 10, when Khrushchev first indicated his desire to "abrogate" the quadripartite status of Berlin, and November 27, when he despatched his note regarding Berlin to the three Western Allies. That Khrushchev had selected East Germany to become the main area in Europe from which to join his battle of economics and diplomacy against the West was apparent, however, already at the time of the Fifth Party Congress, when he addressed the SED as its principal guest speaker.

As depicted then by Khrushchev, and echoed by Ulbricht, the SED was emerging as the major central

European collaborator of the U.S.S.R. in a political, economic, and social program designed to destroy Adenauer's West Germany and eventually to incorporate it in an atomically neutral, confederated Germany. Even before the Congress, Khrushchev had promised Ulbricht that during the next few years the U.S.S.R. would subsidize the SED with as much aid as it could absorb. At the Congress he publicly stated the same. To this end, Soviet troop support charges which during 1958 amounted to DME 600,000,000 (more than $150,000,000 at official rates) were also to be abolished effective January 1, 1959. The rate of U.S.S.R. assistance, according to Khrushchev, was to be greatest during 1959-60 in order to ensure that the standard of living in East Germany, and particularly in East Berlin, would improve significantly by the end of 1961. By that date the issue of the contrast between the living standards in the two Germanies would have been eliminated. Thereafter, the competition between the two German states for primacy would be on political, ideological, and psychological but not on economic grounds.

In commenting on this announced economic program, Ulbricht, with Khrushchev repeatedly nodding public assent, resorted again and again to the theme that the "GDR stands in the forefront of the socialist camp, at the exposed main fighting line between the two world systems in Europe. Socialism and capitalism stand face to face on German soil." Precisely because of this strategic location, the GDR had to assume major roles simultaneously not only within the Soviet satellite world and its CEMA-Warsaw Pact system, but vis-a-vis West Germany and the NATO alliance as well. These roles necessarily involved the SED in ideological, political, economic, social and cultural issues the successful formulation and solution of which were bound to have significance beyond the borders of Germany.

Ideologically, the doctrine stressed most at the congress, and applied rigorously since then, was the reaffirmation of the unity of the communist world, involving the corollary concept of the primacy of the U.S.S.R., whose experiences and needs provided both the example and the program by which "socialism" was to be achieved in all countries. Although local national conditions obviously had an influence on "socialist" development, the many "separate roads to socialism" could not meaningfully lead away from the

U.S.S.R. but only toward it. "Modern revisionism," which had become primarily an expression of "national socialism and national communism," served, therefore, in view of the existence of NATO, only "to smooth the path of counterrevolution in the people's democracies." If tolerated, "modern revisionism" would lead to the destruction not only of international communist but ultimately even of so-called national communist societies as well. This was the lesson, the congress decided, which Tito should have learned from the events in Hungary; this lesson was applied rigorously in East Germany during the remainder of 1958.

As Ulbricht pointed out at the congress, the struggle against "revisionism" in East Germany during 1956-57 had been more involved and complex than elsewhere because the goals of the SED included not only the consolidation of "socialism" in its own territory, as was the case with the other peoples' democracies, but also the provision of an attraction to the bourgeois and proletarian elements in West Germany. The requirements of this latter task had in the past led some SED circles (represented by Schirdewan, Oelssner, Wollweber, Ziller, Vieweg) to seek to transcend the essential character of the "class struggle" and to evolve doctrines, not of Titoist revisionism, which is founded on ideological differences with Marxism-Leninism, but of a special pragmatic revisionism developed out of a preoccupation with the peculiar situation confronting the SED as a result of its dual role in a divided Germany. To these circles, the task of rigorously socializing East Germany had seemed to conflict with the other equally important goal regarding the reunification of Germany in a "democratic social order." They felt the tempo of socialization should be decelerated in order to accelerate the tempo of reunification. The advocates of these views, although at times resorting to such dubious ideological expressions as the "spontaneous evolution of socialism," may not have sought to evolve a new doctrine of revisionism; nevertheless, they had disturbed the internal harmony of the party by generalizing their wrong assessments of the factual state of world affairs in incorrect formulations, leading to factional activity which violated the principle of "democratic centralism." According to Ulbricht, the SED had met this danger successfully in the purge of late 1957 and early 1958, the most important feature of which was the elimination from the Politburo and Secretariat, on February 6, 1958,

of Schirdewan and Oelssner, and the dismissal of Wollweber from the Central Committee. The party, as Ulbricht predicted it would be, was more unified as a result during the rest of 1958 than ever before in its history.

On the basis of the SED's analysis of its dual role in German and European history, Ulbricht announced further that the socialization of East Germany need not and would not be sacrificed to the cause of German reunification. "The tempo for achieving the reunification of Germany depends, in fact, directly upon the tempo of building socialism in the German Democratic Republic." It would be, moreover, only the earliest achievement of "socialism" in East Germany which would guarantee that a "reunified confederated Germany" did not evolve in a way leading to the ultimate destruction of the SED and of the "social achievements of the workers' and peasants' state."

This thesis, which was pronounced by Ulbricht with conviction and accepted with enthusiasm by the congress, has been the basis of all subsequent economic and political development in East Germany during 1958. The fact that the SED would be willing to proceed with such a program, despite repeated experiences in the past that accelerated socialization invariably resulted in lowered production, was due to the profound change in U.S.S.R.-GDR relations which began with Khrushchev's visit to East Germany in the summer of 1957. This change, the impact of which reportedly would be greatest during 1959-60, involved the transformation of the Soviet Zone from an area primarily of U.S.S.R. economic and political exploitation to one of joint U.S.S.R.-GDR cooperation. The economic plans presented at the congress, which are already being implemented, could take place only on the basis of major U.S.S.R. economic concessions and investments. In brief, the socialization as well as the economic expansion of the Soviet Zone had to be and was being underwritten by the U.S.S.R. as a part of the political battle for the neutralization of all of Germany. As a result, in 1959-60, the increase in the production of the chemical, metal-processing, and light industries alone would exceed original plans by more than DM 6 billion (U.S. $2.7 billion at official rates of exchange). Commensurate increases would be shown in agricultural production and in the construction of living quarters, of which 750,000 were scheduled to be produced by 1965.

CHANGE IN U.S.S.R.-GDR RELATIONSHIPS

In summary, the SED, reinforced by the U.S.S.R. offensive launched by Khrushchev in November against the Western Allied position in Berlin, and on the basis of the earlier decisions announced at the Fifth Party Congress, July 10-16, appears to have emerged from the serious ideological and other failings of 1956-57 with remarkable vigor and cohesiveness. The party is dominated completely by Ulbricht, who has a comprehensive grasp of the intellectual and organizational problems with which it is confronted. Because of the essential change in the relations between the GDR and the U.S.S.R., which began in mid-1957 after Khrushchev's visit to East Germany, the SED expects to play an essential role in both the diplomatic and economic offensives which Khrushchev has launched against the West in Europe. It estimates that the entire German question is now in the central focus of U.S.S.R. foreign policy. Because Berlin is geographically surrounded by GDR territory, the SED believes that the "Berlin problem" is the most effective instrument available to the U.S.S.R. for forcing the issue into channels favorable to itself and that the instrument of this coercion lies in SED hands. Under these circumstances, East Germany and the SED are of utmost immediate importance to the U.S.S.R. Consequently, the GDR anticipates receiving a volume of credits and other economic assistance from the U.S.S.R. during 1959-60 sufficient to enable it not only to continue the socialization of agriculture, handicrafts and the building industry, but also to expand production in all these branches. Industrial output in 1959-60, as a result of the supply of U.S.S.R. and Soviet Bloc raw materials, is expected to increase by more than DM (East) 6 billion (U.S. $2.7 billion, at official exchange rates). On the social and cultural front, the party will seek to intensify the indoctrination of both its own and the West German and West Berlin populations; in the Soviet Zone, "polytechnical" education will be the principal means used with the younger generation. The party is confident that, given its recent internal reorganizations and Soviet economic and moral support, it will, in the not too distant future, render totally impotent, even if it cannot eliminate, the fundamental hostility of its own population; and that, on the basis of this achievement, it will ultimately defeat the West German Government in the contest for Germany. (CONFIDENTIAL)

SUMMARY AND PROSPECT

INDEX OF COUNTRIES

FD, State-Wash.,D.C.