The Effect of Korean War on Civilian Morale. In a conversation with the US Minister in Saigon a stated that casualty lists and news of Chinese defeats were being carefully withheld from the public. Wounded have been kept out of the heavily populated areas of China proper even at the expense of denying them better hospital facilities. That "volunteers" appear reluctant to proceed to Korea, and described the general population as being completely opposed to and disillusioned with the Red regime.

In addition, this opposition lacks any effective means for a successful counterrevolution. Only the student and some worker groups evince any enthusiasm for the current regime which apparently is capable of enduring, in the absence of outside interference, for decades to come. COMMENT: The above observations have been supported by a great variety of sources. A recent report on the arrival of Korean casualties in the Shanghai area emphasized the precautions taken to limit contacts with the local populace.
KOREA. Tactical Considerations Point to 15-25 July Offensive.

A significant increase in the number of south-bound enemy vehicles sighted approaching the battle area has occurred during the past few days. The volume of enemy vehicle traffic approaches that which preceded previous enemy offensives. A sharp climb in vehicle sightings—indicative of reinforcement and resupply—is a familiar step in the hostile pre-offensive pattern.

Purely tactical considerations suggest that the period 15-25 July is the most likely for enemy resumption of the offensive. Although the enemy is capable of earlier offensive action, present indications point to continuance of screening actions and active defense. Furthermore, an unsuccessful termination of armistice negotiations prior to 25 July will enhance the probability of an offensive immediately following termination whereas prolonged negotiations (one month), ending unsuccessfully, may dictate a continued defensive attitude into middle or late August. The enemy's main effort may be expected in the west and west-central sectors along the previously employed axis converging on Seoul with a secondary effort in the central sector towards Chunchon and a supporting attack in the eastern sector.