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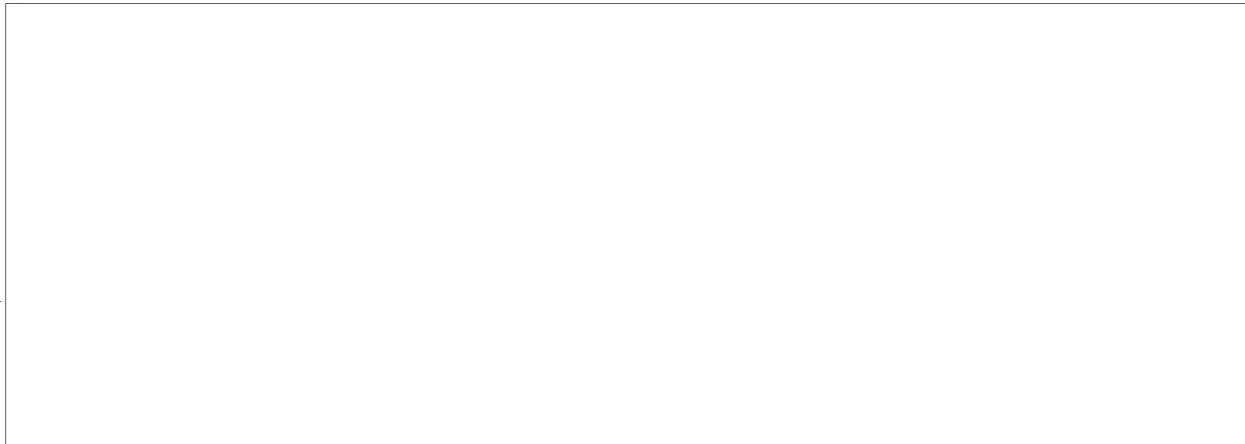
GENERAL**1. USSR appoints new ambassador to Italy:**

The Soviet Union has asked agreement from Rome for Alexander Bogomolov, its present ambassador to Czechoslovakia, according to the Italian minister in Prague.

The minister expressed concern over the appointment, pointing out that Bogomolov's "deceptively civilized" and "reasonable" approach could have an adverse effect on the delicately balanced political situation in Italy.

Comment: The appointment of a former deputy foreign minister and ambassador to France may foreshadow a more intensified campaign, similar to that directed toward France, to exploit the instability of the Italian government and strengthen resistance to American objectives in Western Europe, particularly strategic trade controls.

2.



SOVIET UNION

3. Bohlen believes Soviet economic program requires reduced tensions:

Ambassador Bohlen believes that the Kremlin is so deeply committed to its new internal program that any sharp reversal would create a very serious situation. This program dictates the necessity of avoiding serious international complications and the ambassador therefore feels that the Soviet regime needs and genuinely desires some relaxation in international tension. He points out that the contradiction between this desire and Moscow's reluctance to relinquish any territory can be exploited.

Bohlen points out that the adoption of group rule by Stalin's successors greatly enhances the possibilities of a serious difference of opinion and makes Soviet leadership more vulnerable to public opinion both at home and abroad. He concludes that if the Kremlin can be made to recognize that reduction in tension hinges on major Soviet concessions, the new leadership can be presented with a choice which would be almost certain to provoke dissension and even real division.

FAR EAST

4. Sharp rise in Chinese payments to the USSR indicated in 1953:

Known Chinese payments for Soviet goods in the last half of 1953,

totaled about \$365,000,000, as compared with a known semiannual average of \$150,000,000 in 1952 and the first half of 1953.

Comment: [Redacted]

[Redacted]

It is possible that actual deliveries of military goods have been no greater, and that Peiping is now paying for most or all of its military imports. In the last half of 1953, however, there was a substantial rise in industrial imports.

5. North Korean light bomber unit may have moved into Korea:

[Redacted] the North Korean 4th Bomber Division had moved from Kung-chuling, Manchuria, to the Yalu River area. [Redacted]

[Redacted] elements of this unit were to make a further move by vehicle from Uiju to "Kosang airfield," possibly a garble for Kusong, located just north of Namsi.

Comment: The message may refer to the Namsi airfield located between Namsi and Kusong, about 50 miles southeast of Sinuiju in North Korea, which it is believed can sustain jet-bomber operations.

The 4th Bomber Division is equipped with 40 IL-28 twin-jets and 30 TU-2 light bombers. Its movement into North Korea would complete the transfer of all known North Korean air force combat units from Manchuria.

SOUTHEAST ASIA

6. British official considers Burma rice problem serious:

[Redacted] According to a member of the British Foreign Office just back from Burma, surplus rice stocks there have created

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a serious problem. He believes the peasants may revolt if they are unable to dispose of current crops, which rice millers are reluctant to buy because of inadequate storage facilities and their inability to get credit in the absence of government sales contracts.

The British official believes, however, that Burma could move much of its surplus by lowering its export prices.

Comment: These views are in contrast to an earlier and more optimistic British estimate.

[redacted] Rangoon is drafting strong countermeasures against any Communist exploitation of agrarian unrest. Some government officials are reportedly planning a publicity campaign charging that the United States is responsible for Burma's unsold rice because of its wheat sales to Asian countries.

7. Viet Minh

155mm ammunition:

Comment: [redacted]

Viet Minh may possess 155mm artillery weapons. The difficult terrain would severely limit their mobility and would make their use very difficult. The largest artillery piece previously known to be in Viet Minh hands is the 105mm howitzer.

There have been no reliable reports that the Viet Minh has used 37mm or 40mm antiaircraft artillery weapons, although there have been several suggesting that these may recently have been supplied them by China.

EASTERN EUROPE**8. Improvement of Orbit-Yugoslav relations may extend to economic field:**

[Redacted]

Comment: [Redacted]

[Redacted] the Soviet bloc may eventually offer alternative markets for a few products, Yugoslavia will probably continue to rely mainly on trade with the West.

Repayment of debts and the payment of damages on defaulted contracts will doubtless be made an important demand by Yugoslavia in any future trade negotiations with the Orbit.

WESTERN EUROPE**9. French Foreign Ministry restates position on five-power talks:**

[Redacted]

According to the chief of the Far Eastern section at the Quai d'Orsay, French public opinion "would not understand" if Foreign Minister Bidault were unable to agree to a five-power conference because of prior commitments to Britain and the United States. The French official thinks Molotov is likely to insist at Berlin on a more definite answer than the planned tripartite reply, to which France has reluctantly agreed.

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The French think that the West should be prepared to agree to a five-power conference on Asian subjects alone subject to the following conditions: no discussion of Asian questions at Berlin, substantial progress at a prior Korean conference, priority for the Indochina question, and no advance concessions to Communist China.

Comment: Despite public denials, the French government can still be expected to press at Berlin for five-power talks. The above statement is the first indication of conditions which France hopes would be acceptable to the United States and Britain.