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GENERAL**1. Vyshinsky favors reconvening UN General Assembly on Korea:**

UN delegate Vyshinsky has replied affirmatively concerning the reconvening of the UN General Assembly to consider the Korean question,

Vyshinsky suggested that the session be held earlier than 9 February.

Comment: The USSR capitalized on Western differences concerning Soviet and neutral participation in the Korean political conference during UN discussions last August, and probably sees an opportunity for reviving this schism if the General Assembly is reconvened.

Despite the psychological defeat suffered by the Communists on the repatriation of prisoners, they may now be willing to discuss this issue in order to exploit the majority report of the Neutral Nations Repatriation Commission, which blamed the United Nations side for the failure to complete explanations.

2. Soviet officials re-emphasize problem of European security:

Officials of the Soviet embassy in London, in recent conversations with British and other diplomatic officials, have repeatedly emphasized that European security is a problem which can and should be solved by European states without American interference. They have suggested that Soviet tactics at Berlin will not be to attack EDC, but to dismiss it as unnecessary since bilateral nonaggression treaties would provide sufficient security.

Soviet representatives in one conversation expressed the hope that the Berlin conference could settle "little things" if not major issues, and then named troop withdrawal and abandonment of American bases as examples of such "little things."

Comment: Soviet officials have suggested several times to British and French officials that Europeans could best insure European security.

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FAR EAST

3. Communist military material observed moving into North Korea:

[redacted] Further evidence that the Communists are introducing military supplies and equipment into North Korea in violation of the armistice was obtained in mid-November [redacted]
 [redacted] three medium tanks and 10 field guns on freight cars entering Korea from Manchuria. [redacted]
 [redacted] trains carrying munitions and supplies are operated at night and are unloaded between stations.

Comment: There are many unconfirmed reports that the North Korean army has strengthened its armored and artillery units since the truce was signed. (This is only the second [redacted])

SOUTHEAST ASIA

4. Viet Minh attack on Dien Bien Phu believed delayed several days:

[redacted] General Cogny, French commander in Tonkin, told the American consul in Hanoi on 14 January that intensive French air attacks on Viet Minh communications lines had delayed for "several days at least" the enemy attack on Dien Bien Phu. Apparently less confident of the French position than formerly, Cogny said patrols have proved the garrison to be entirely surrounded by enemy forces lying just outside artillery range, and that certainly two and probably three enemy divisions are in the vicinity.

Cogny stated that the French are averaging 80 transport flights daily in support of the Dien Bien Phu garrison but that the Viet Minh appears to be making a logistic effort unparalleled in the seven years of the war. It is using tens of thousands of coolies and truck convoys composed of as many as 40 vehicles. Cogny also said that French pilots have reported shell-bursts typical of 37 or 40mm antiaircraft artillery.

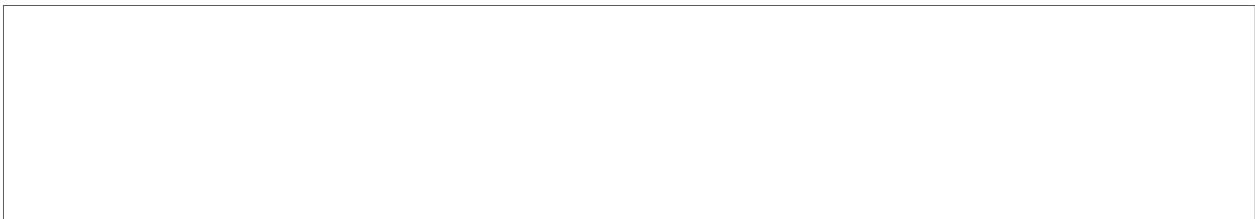
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Comment: French apprehension over the situation at Dien Bien Phu appears justified in view of the expected reinforcement of enemy troops, which already have a numerical superiority of about two to one. Whether the Communists are willing to pay the heavy price in casualties a determined assault on this strongly fortified post would entail is still conjectural.

The American army attaché has so far been unable to confirm several French reports that the Viet Minh has 37mm antiaircraft artillery.

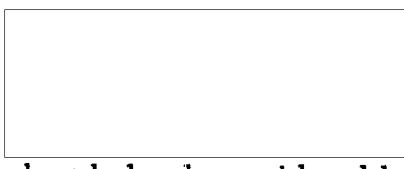
NEAR EAST - AFRICA

5. Egypt uncovers terrorist group within Moslem Brotherhood:



Comment: The presence in Cairo of the notorious Iranian terrorist, Navab Safavi, may indicate that such a group existed within the Brotherhood, which was formally dissolved on 12 January by the government. Safavi arrived in Egypt a week ago to preside over a Brotherhood conference.

6. Egyptian regime slows down neutralism campaign:



Efforts to reduce neutralism in Egypt have been at least momentarily successful, according to Ambassador Caffery. He comments that Iraqi prime minister Jamali has helped considerably in changing the Egyptian attitude.

Comment: The Arab League Council, which has just concluded its sessions in Cairo, apparently was not interested in Egyptian proposals that the Arab states initiate a neutralist campaign. Moreover, the current moves against the Moslem Brotherhood suggest that the government is not yet ready to turn to anti-Western neutralism.

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7. Comment on the Israeli-Syrian dispute in the UN:

The deadlock in the UN Security Council on the Israeli-Syrian dispute over Israel's diversionary canal project is likely to be broken by modifications worked out by Soviet and French UN delegates and the appearance of three new members on the Security Council. The compromise does not meet Syrian objections, but is expected to eliminate the threatened Soviet veto, and two of the new members, Turkey and New Zealand, will probably give the measure the votes it lacked when the matter is reconsidered on 21 January. Passage of the modified resolution would throw the dispute back to General Vagn Bennike, UN truce supervisor in Palestine, with no prospect of a satisfactory settlement.

Syrian anger over the resolution is already being directed at the United States. President Shishakli in two lengthy sessions told American ambassador Moose that the Unified Plan for the Jordan Valley increases tension in the area and objected to tying economic aid to support of the plan. He threatens to begin a water diversionary project of his own despite known American objections.

EASTERN EUROPE

8. Disaffection reported in the East German Communist Party:

[redacted] The election of delegates to the East German Communist Party (SED) Congress to be held on 24-26 March has been going very badly,

[redacted] A number of local party units have been severely criticized by higher party authorities for failing to elect individuals nominated by the SED, and some have been ordered to hold new elections.

The refusal of party members to recognize "old reliables" as their delegates and the continuing high turnover in the leadership of local units indicate the serious apathy and opposition which continue to prevail among SED members.

Comment: Although factionalism and discontent have long existed in the SED, the present situation is more critical because of the need for a united party front prior to the forthcoming four-power Berlin conference and the party congress.

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WESTERN EUROPE

9. Strong Italian opposition expected to threatened US reduction in defense aid:

Ambassador Luce in Rome anticipates strong dissatisfaction and severe criticism from various powerful groups in Italy as a result of the American government's declared intention to make the awarding of defense contracts to Italian firms contingent on the dismissal of Communist workers. These groups, which are interested in maintaining the profitable status quo, include some Christian Democrats and industrialists as well as the Communists.

Comment: Italian industrialists and other rightist-oriented supporters of the Christian Democrats have in the past given their desire for profits precedence over any move to eliminate Communism from the nation's life. On the political level, these same groups have recently been demanding aggressive anti-Communist measures.

Attempts to screen the worker force in defense plants would cause further Communist-inspired strikes and reduce management's profits.