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GENERAL

1. Soviet note to Pakistan opposes Middle East Defense plans:

Soviet deputy foreign minister Kuznetsov handed the Pakistani chargé a note on 26 March protesting Pakistan's anticipated defense agreement with Turkey, according to Ambassador Bohlen.

Comment: This note follows a 19 March demarche to Turkey protesting its role in the forthcoming Turkish-Pakistani agreement. The USSR warned Iraq on 26 March against joining any Western-sponsored defense pact. These protests reaffirm Soviet policy in the Middle East, which includes an intensified propaganda campaign against any indigenous or Western-sponsored defense planning.

The note to Pakistan probably will be supported by a protest from Communist China, as was the case following the Soviet note to Pakistan on 30 November.

SOVIET UNION

2. Bohlen comments on Pravda rebuke of Lysenko:

Ambassador Bohlen sees in Pravda's rebuke on 26 March of T. D. Lysenko, head of the Lenin Academy of Agricultural Sciences, the possibility of "a background dispute in which there are important differences of opinion among the top government officials regarding the scientific basis of some theories and practices formerly accepted by the Soviet government."

Comment: This challenge to Lysenko's theories would appear to reveal, not so much a difference of opinion among the top leadership, as an attempt to make Soviet agricultural research more productive by restoring it to a more empirical basis. The new Soviet regime, which is apparently united on the urgency of improving agricultural performance, has consistently emphasized the importance of applied science in agriculture.

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Lysenko's status as dean of Soviet agriculture has rested both on his practical work on certain agricultural problems, and on formulation of a Marxist, nonempirical, scientific theory. As an applied scientist, he has achieved some solid results; his theoretical doctrine has, however, stultified advances along new avenues of research in the USSR.

FAR EAST

3. Fall of Japanese cabinet predicted for early April:

[Redacted]

Two officials of the conservative opposition Progressive Party, at a party meeting on 25 March, predicted the fall of the Yoshida cabinet in early April. They said that

rapidly accumulating evidence in the current shipping scandals would result in the arrest of Transportation Minister Ishii, and possibly three other cabinet members, between 1 and 10 April.

They said Yoshida had not been fully informed on the scandals and that Deputy Prime Minister Ogata and Cabinet Secretary Fukunaga now were afraid to tell him the truth.

Comment: The above prediction demonstrates the continuing hope of Yoshida's opponents that the criminal involvement of his cabinet ministers and top Liberal Party leaders will force his retirement. Yoshida's proven ability to outmaneuver his opposition and willingness to shuffle his cabinet probably will enable him to surmount the crisis, however.

4. Japanese seen ready for reparations settlement with Philippines:

[Redacted]

The American embassy in Tokyo believes that Japan is ready to reach a reparations settlement with the Philippines before the Philippine foreign minister departs

for the Geneva conference. Japan has offered \$300,000,000, and is willing to go a little further toward meeting the Philippine claim for \$500,000,000.

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The Japanese have asked the United States to act as an informal go-between, and the embassy suggests that Japan might be persuaded to offer \$400,000,000 if the Philippines will accept it.

Comment: A settlement with the Philippines would probably set the pattern for future agreements with the other claimants. Such agreements would remove a major obstacle to peace treaty negotiations, resumption of diplomatic relations, and expansion of Japanese commerce in Southeast Asia.

SOUTHEAST ASIA

5. Ambassador Cumming sees no early Indonesian cabinet collapse:

Ambassador Cumming in Djakarta believes that despite increasing internal strains, the Ali government will remain in power for some months, possibly until the general elections scheduled for early 1955. He bases his belief upon continued support of the cabinet by President Sukarno, the Communists, and the opportunistic smaller parties. He also cites the opposition's willingness to have the cabinet bear responsibility for continued insecurity, regional dissatisfaction, and economic disintegration.

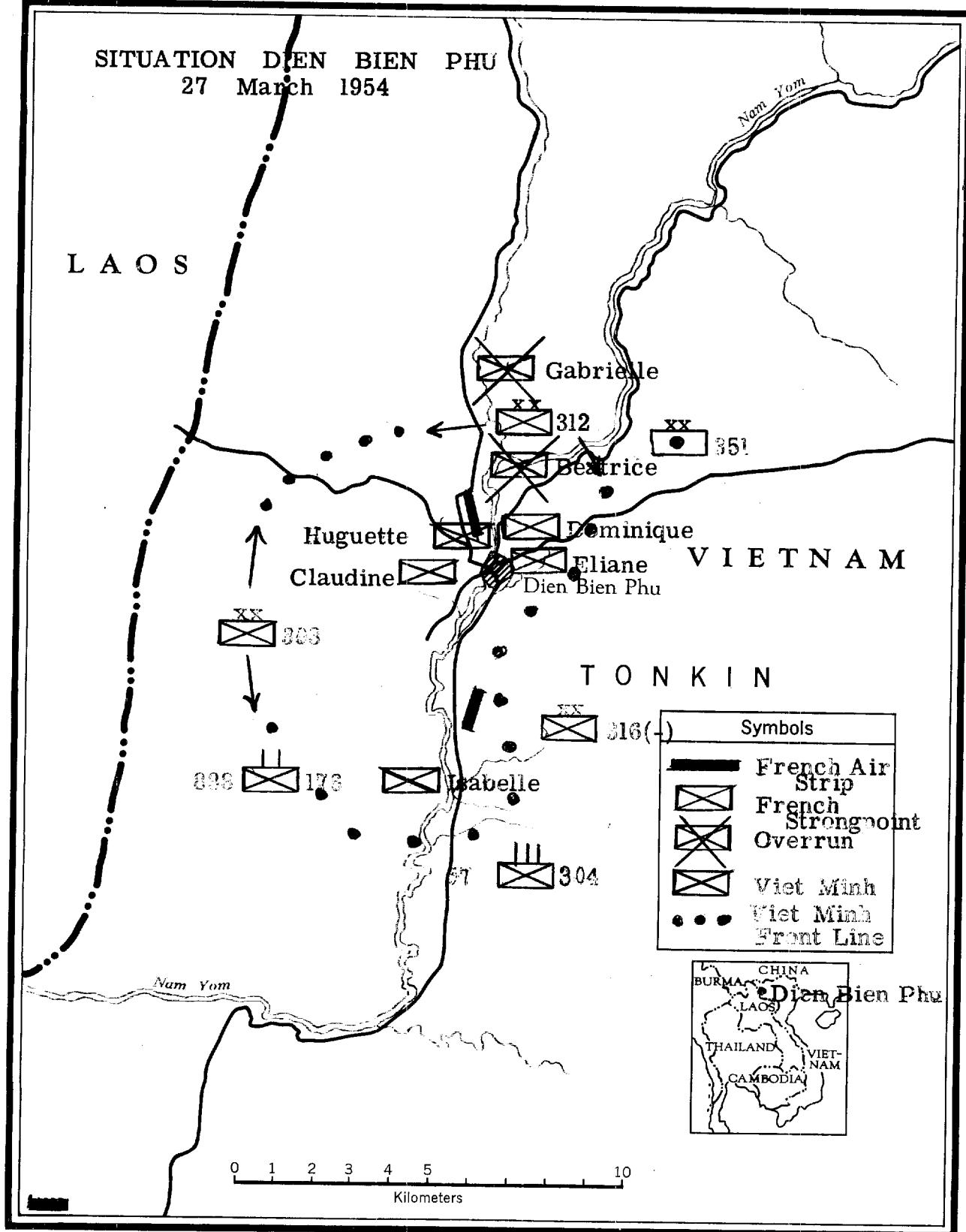
Comment: Perpetuation of the weak Ali government will provide the Communists with the opportunity to strengthen their position in Indonesia even further.

6. Navarre sees alternatives for Viet Minh at Dien Bien Phu:

Ambassador Heath reports from Saigon that it seems probable an all-out attack on Dien Bien Phu can be expected momentarily. The enemy seems to have completed most of his preparations and now fully surrounds the French positions. There has in recent days been a significant build-up of close-in artillery and mortar positions, particularly around "Isabelle" and to the east of the main redoubt (see map p. 6).

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General Navarre's estimate of the Dien Bien Phu situation, contained in a report to Paris which was shown to Ambassador Heath, is that the Viet Minh has two choices: an all-out attack, or a prolonged "smothering action." Navarre has also informed his government that French intelligence is positive that the enemy has sufficient supplies coming in from China to continue operations at Dien Bien Phu at least until the end of April.

NEAR EAST - AFRICA

7. Britain proposes Security Council consideration of Arab-Israeli border situation:

Britain believes the Arab-Israeli border situation should be submitted to the Security Council immediately and has instructed its ambassadors urgently to ascertain the views of France and the United States. The Foreign Office advocates that the three powers urge Israel to return to the Jordanian-Israeli Mixed Armistice Commission but that the Security Council should discuss the problem in any event.

The Foreign Office is tentatively considering a proposal that a subcommittee of the Security Council should sit in New York to study the general border situation and attempt to work out possible means of achieving the cooperation between Israel and the Arab states.

Comment: Referral of the problem to the Security Council might relieve some of the domestic pressure on Prime Minister Sharett to take retaliatory action against the Arabs. There is, however, little likelihood that any means of cooperation acceptable to both the Arabs and Israel can be worked out at the present time.

8. Deterioration in General Nagib's character reported by Lebanese chargé:

General Nagib's personality and character have deteriorated markedly since the early days of the military regime, in the opinion of the Lebanese chargé in Cairo, who has maintained close contact with the general since the July 1952 coup.

He noted that Nagib, who once gave the impression of being a thoughtful, well-read man, is now primarily concerned with his own popularity and with favorable publicity. The chargé added that Nagib's health has also suffered as a result of his arduous schedule in the role of figurehead for the regime, and that he has become more and more superficial and garrulous.

The chargé doubted that Nagib "now possesses the moral integrity to support an unpopular move" such as a compromise on the Suez base.

Comment: This characterization of Nagib is supported by some other sources. If correct, it raises doubts that Nagib could dominate or even control any government which he might head, especially if it included old line politicians.