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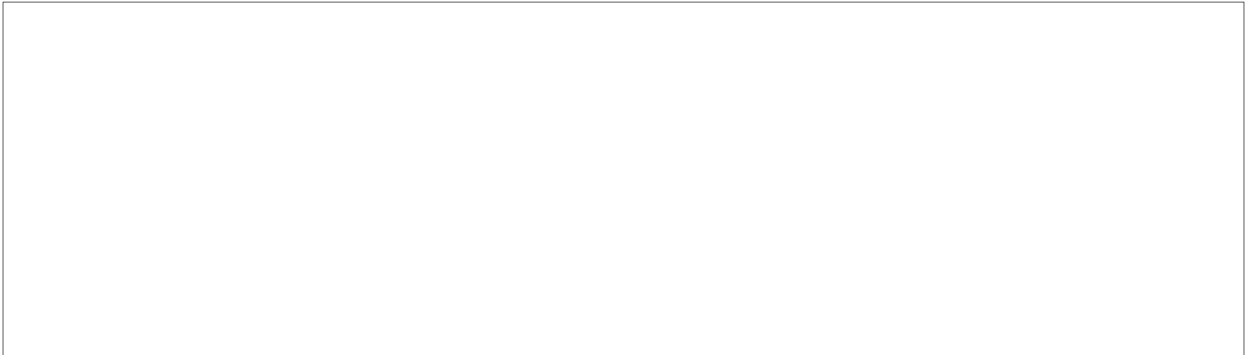
WESTERN EUROPE

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FAR EAST**1. Japanese leaders show increasing good will toward Orbit:**

Comment: The Japanese Foreign Ministry on 8 April announced that individual Soviet traders will now be permitted to enter Japan. According to the press, the ministry has also decided to allow representatives of the fishing industry to visit the USSR to negotiate on fishing operations in the North Pacific.

Because of the decline in the Japanese economy, the desire for trade is believed to be the primary motive for improving relations with the Orbit.

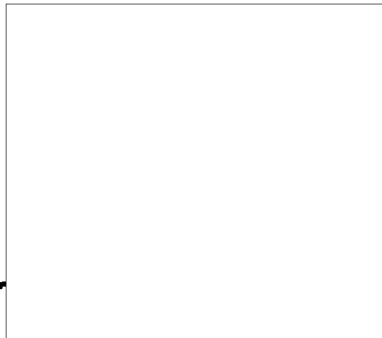
SOUTHEAST ASIA**2. Magsaysay's leadership in Philippines challenged by ultranationalist senator:**

By aggressively attacking Philippine military and trade agreements with the United States, the ultranationalist Senator Claro Recto has had some success in his efforts to wrest control of both foreign and domestic policy from President Magsaysay,  Recto is clearly trying to "immobilize American influence," and believe that a "major effort" may be required to regain the ground lost thus far.

Magsaysay has said that he intends to force an early showdown with the senator, and he is confident of victory. [redacted] if he fails to reassert his leadership, the United States can expect the "sharpest kind of bargaining" on the base and trade agreements, including threats of outright abrogation.

Comment: Magsaysay depended heavily on Recto for support in his election campaign last fall and repeatedly deferred to him in the early weeks of his administration. Although the president was reliably reported in mid-February to be aware of the danger to his policies presented by Recto's bid for leadership of the Nacionalista Party, he has not yet demonstrated the political skill required to counter the senator's efforts.

3. Viet Minh improves artillery positions at Dien Bien Phu:

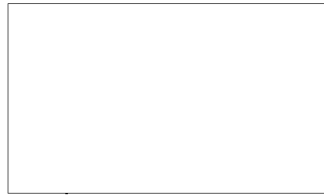


[redacted] stated that the Viet Minh now has 15 new artillery positions from which it can place direct fire on both the main French defenses and the southern strong point at Dien Bien Phu. He believes that the enemy may be able to withdraw its guns into the hillsides in the face of air or artillery attacks.

[redacted] the C-119 transports flown by American contract pilots are encountering accurate fire from 37mm antiaircraft guns, of which they estimate there are six or eight in the Dien Bien Phu area.

Comment: The Viet Minh now appears to be preparing a third major attack.

Previous estimates have placed the number of 37mm guns between 30 and 100.

~~TOP SECRET~~4. Chinese apparently plan to increase flow of aid into northwest Tonkin:

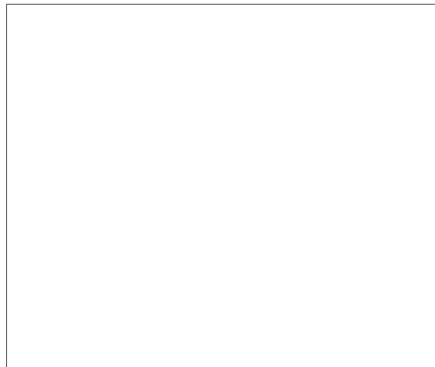
the Chinese Communists have requested the Viet Minh to strengthen immediately the bridge over a tributary of the Red River near Lao Kay. At present the

bridge has a 5-ton capacity, and the Chinese want it strengthened to handle up to 25-ton loads.

Comment:

the great bulk of Chinese supplies has been arriving via Pinh-hsiang, 200 air miles east of Lao Kay.

NEAR EAST - AFRICA

5. Arab states will boycott any general discussion of Palestine issue in UN:

Lebanon will walk out of the UN Security Council if the Arab-Israeli incidents are to be discussed as whole rather than each incident on its merits, according to Iraqi prime minister Jamali. Jamali told Ambassador Berry in Baghdad that this decision had been approved at the recent Arab League meeting in Cairo, and that there would be a general Arab walkout as a public manifestation of lack of confidence in the West.



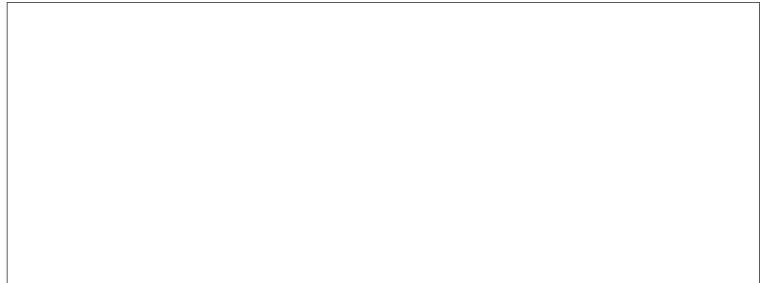
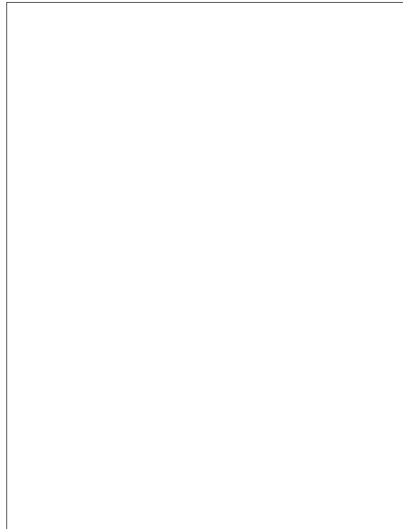
Comment: These items corroborate press reports that the Arabs are planning a walkout. Malik was noncommittal on the subject when queried by the press.

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WESTERN EUROPE

6. French government plans early announcement of EDC debate:

French NATO representative Alphand told Ambassador Dillon on 8 April that he expects Premier Laniel to announce on 15 April a decision to ask for debate. Alphand said that the Socialists have agreed to call a party congress on EDC after American and British

assurances regarding the defense community are made public and after the French cabinet has stated that it will attempt to negotiate an agreement on "democratic control" with the other EDC countries. These negotiations, however, must be completed before the Socialist congress convenes.



TO PARIS.

Comment: The EDC foreign ministers' meeting scheduled for 30 March was postponed indefinitely at France's request, and there is little likelihood that the Socialists' demand for "democratic control" of EDC can be met in the near future. Bidault hopes to satisfy them by promising that their condition will be met in two or three years.

In view of Secretary Dulles' planned visit to Paris, the French government may further delay announcement of a date for the debate in order to avoid the charge of American pressure.

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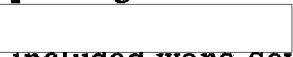
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LATIN AMERICA

7. Plot to assassinate Argentine president reported:

Approximately 160 active and inactive Argentine army and navy officers, including some senior officers, have been arrested since 5 April on charges of

plotting to assassinate President Peron, 

 Most of those arrested were navy officers, but also included were several from Peron's trusted army unit in Buenos Aires.



Comment: With few exceptions, the armed forces, totaling 184,000, are reported loyal to Peron and capable of controlling any opposition. Few elements opposed to the present regime are believed to have escaped the extensive purge of the military which followed the abortive revolt in 1951 led by the anti-American Menendez. Plotting since that time has largely involved inactive military personnel and exiles in Uruguay.

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