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GENERAL

1. US views on administration of Trieste--The State Department has informed the US delegation negotiating the Italian Peace Treaty in London that it prefers administration of the Free Port of Trieste by a national authority, supervised by an international body composed only of representatives of those countries "immediately interested": Italy, Yugoslavia, Austria, Czechoslovakia and Hungary. The International Commission should be under supervision of the Economic and Social Council of the UNO, through which the US can exercise its influence.
2. Soviet views on Italian treaty--In a general discussion with Dunn regarding the US position on revision of the Italian Armistice and the progress towards drafting an Italian peace treaty, the Italian Ambassador to London on 25 February confirmed that Vyshinsky had told him that (a) the USSR still desires a trusteeship over Tripolitania, "although under other conditions other solutions might be considered;" (b) Tito would not receive everything he asked for in the Trieste area; (c) Vyshinsky did not favor the cession of South Tyrol to Austria.

The Ambassador interpreted Vyshinsky's remarks on Tripolitania as an indication that the Soviets regard the questions of the Straits and the Dodecanese as relevant to the mandate for Tripolitania.

According to Winant, a Soviet counselor in London recently told a member of the French Foreign Office that if France desires territorial concessions from Italy, it should approve Soviet policy relating to the Italo-Yugoslav frontier.

3. Allied forces trained in Britain returning home--Embassy London reports that the training in British military centers of air force and army detachments from Norway, Denmark, Netherlands and Belgium is nearing completion and that the units will be returning soon to their home countries where they are to form the nuclei of new national armies. This development is regarded as both politically and militarily significant in London, where it is hoped that the new armies in Western

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Europe will be organized and equipped on the British model and that a large number of the key personnel therein will be acquainted with British military thought.

4. Future use of US surplus airports to be negotiated--The Air Coordinating Committee (representing the State, War, Navy and Commerce Departments and the Civil Aeronautics Board) has decided that the State Department should try to obtain assurances from foreign governments that US civil aircraft will be permitted to use, on a non-discriminatory basis, US surplus airports when they are returned to the foreign countries in which they are located.

In view of the imminent departure of US forces from India, Embassy New Delhi has been instructed to obtain such assurances with respect to US airports in India.

5. USS MISSOURI mission pleases Turks--The Navy reports that the battleship MISSOURI accompanied by the destroyer POWER will arrive at Istanbul on 5 April. After leaving Turkey, the warships will visit Alexandria, Piraeus, Naples, Gibraltar and Tangier. Embassy Ankara reports that the Turkish Government deeply appreciates the US proposal to send home the remains of its late Ambassador aboard such an important unit of the US fleet. It considers that this action reflects "the friendship of the US Government for Turkey."

EUROPE-AFRICA

6. ITALY: US reaction to Soviet propaganda on Italian treaty--The State Department in reply to recent comments by Dunn that the Soviets are misrepresenting to the Italians their attitude on the Italian peace treaty, states that it agrees with Dunn that the Soviet motive, in part, is to influence the Italian elections. The Department points out, however, that: (a) the Italian Government is accurately informed regarding the Soviet attitude on reparations, Venezia Giulia and colonial questions; (b) the US is considering measures to correct any misapprehension on the part of the Italian people; (c) the Soviets can make a good case for

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their support of Italy in opposing French and Austrian claims as well as proposed military and economic clauses; and (d) the UK and US attitudes on some provisions of the treaty will not be popular with the Italian people.

7. POLAND: Soviet control of air force and airline--MA Warsaw reports that the chief of the Polish Air Force is Soviet General Polynin. All key personnel in the Polish Air Force are from the USSR and exercise complete control over all training and operational units. No Polish pilot is allowed to fly without a Soviet pilot aboard. Similarly, aircraft of the now nationalized Polish airline are manned by Polish crews but carry a Soviet control officer. Polish Marshal Zylieski has explained these conditions as necessitated by a complete lack of trained Polish personnel, but the US Military Attache points out that many experienced former air force officers are now civilians because of their affiliations with the former government.
8. POLAND: Opposition to "bloc" elections--Ambassador Lane makes the following observations and recommendations regarding the forthcoming elections in Poland:

(a) Mikolajczyk is opposed to joining the electoral bloc for fear of losing his reputation for political integrity. Lane believes that he will not join it, but that pending a final decision he is bargaining for terms with the Government.

(b) The Government and the Soviets would not oppose Mikolajczyk's campaigning on a separate list because it would enable them to brand him as representing "Fascist interests" and as being more interested in the US and the UK than in Poland.

(c) The Soviets have declared that a starving people cannot vote intelligently and that therefore the UNRRA decision to reduce wheat shipments will further delay the elections. Furthermore, the Government and the USSR will not hesitate to use the UNRRA decision to discredit both the US and Mikolajczyk.

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(d) Although a firm stand by the US in favor of a free and representative election would ease the now strained US-USSR relations in Poland, Lane believes that any public statement should wait until Mikolajczyk has made a definite decision as to whether to join the electoral bloc.

9. RUMANIA: Reported Soviet troop movements--Concurrently with the official announcement of Marshal Tolbukhin's presence in Bulgaria, General Schuyler reports that he has been informed by a "reliable" source of extensive Soviet troop movements through Constanza, Rumania, apparently en route to Bulgaria.
10. HUNGARY: USSR forbids currency issue--Finance Minister Gordon has told Schoenfeld that Voroshilov had denied Gordon's request for authority to issue million pengo notes. Without these notes the Hungarian Treasury will be unable to meet payroll requirements at factories working for reparations account. When warned of possible workers' unrest or revolt, Voroshilov replied: "So long as I sit here there will be no revolution."
11. CZECHOSLOVAKIA: "Document" incident emboldens Communists--President Benes has told Ambassador Steinhardt that the "document" incident has emboldened the Communist members of the Cabinet and is a handicap to moderate elements struggling to release the country from eastern domination. Steinhardt has arranged for the immediate release of the three Americans captured during the raid.
12. TRANS-JORDAN: Proposed treaty of independence--The Chief of the Eastern Department of the UK Foreign Office has told Winant that the proposed treaty granting independence to Trans-Jordan would: (a) be similar to that with Iraq and non-discriminatory in character; (b) constitute a treaty of alliance; (c) provide for the right to maintain British troops in the country; and (d) possibly necessitate British financial assistance.

FAR EAST

13. CHINA: Chinese shipping control agency proposed--Admiral Cooke suggests establishing an agency to meet the immediate need for taking over, manning and operating ships for UNRRA

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purposes. He anticipates that this shipping task will be passed to the US Navy and believes that the Chinese Government should set up the controlling agency with an American nucleus and head.

14. INDOCHINA: French request for ammunition refused--On State Department advice, the War Department has notified MacArthur that the US cannot supply General LeClerc with ammunition to replace the quantity previously obtained by the French and lost at sea.

Coalition cabinet planned--The State Department representative in Hanoi quotes "President" Ho Chi Minh as stating that the pressure exerted by the Annamese Kuomintang will result in the formation of a coalition cabinet when the Annamese Assembly convenes on 3 March. The Vice President will be drawn from the Annamese Kuomintang and the President from the Viet Minh Party, of which Ho Chi Minh is the leader. Each of the two groups will hold four of the ten ministries.

USSR demands Chinese withdraw--The Chinese have informed the State Department's representative in Hanoi that the USSR is demanding that they withdraw their forces from Indochina and Formosa before the Soviet forces are withdrawn from Manchuria. The Chinese view this demand as an effort to cultivate the leftist French element and to establish in Indochina a new sphere of Soviet influence in the Far East.

Projected withdrawal of Chinese--CG China Theater reports that the Chinese Board of Military Operations has asked the US Chungking Liaison Group for its comments on a proposed withdrawal between 1 and 15 March of the Chinese forces in northern Indochina and the transfer of their duties to the French.

15. CHINA: Resumption of internal hostilities anticipated--General Wedemeyer reports that several "reliable" sources have indicated that 500 Nationalist generals are meeting in Nanking and have discussed Sino-Soviet relations in Manchuria and the possible resumption of internal warfare. The Kuomintang non-compromise faction headed by General Ho Ying-chin is attempting to sabotage the decisions of the Political Consultative Council

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and, later, take decisive action against the Chinese Communist Party.

16. USSR: Malinovsky's command--MA Moscow reports several indications that Marshal Malinovsky still is Commander in Chief of Soviet Far Eastern Forces.

THE AMERICAS

17. FRENCH GUIANA: Riot quelled--CG Antilles Department reports that the emergency created on 26 February by a riot of 160 Senegalese troops in Cayenne ended the same day. The rioters have been loaded aboard a French ship, and the incident is considered closed.

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