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GENERAL

1. Rice procurement in Siam obstructed by British policies--The Hoover Mission reports that (a) British policies in Siam during the past six months have had a "most adverse" effect on rice procurement for India; and (b) the British and Indian Government press in India are placing responsibility for the critical situation on the US. Hoover suggests that the US (a) "make clear just where responsibility lies;" and (b) consider discontinuing its food activities in Siam, unless the British agree promptly to correct their policies.
Acting Secretary of State Acheson has instructed Embassy London to reiterate to the British the need for immediate action. The US has no intention of withdrawing from Siam, he states.
2. British defense agreement for Pacific not expected now--Embassy London has been informed that a comprehensive Commonwealth Defense Agreement for the Pacific will not be reached at the Conference of Commonwealth Prime Ministers. The current talks in London are concerned with the general problems posed for Commonwealth defense by the latest developments in warfare. The Dominions are reported willing to undertake substantial new responsibilities.
3. Ethiopian Emperor objects to proposed Eritrea trusteeship--Emperor Haile Selassie has told Minister Cole that the proposal of a ten year trusteeship for Eritrea, prior to independence, would "do violence to racial and historical facts" and "profoundly shock Eritreans and Ethiopians." He assumes that the proposal was made to avoid "certain tendencies likely to result from the partition of Italian colonies among the powers" but insists that Eritrea's return to Ethiopia would be a much better safeguard than a regime "in which such influences would actually be represented on the advisory commission." The Department of State suggests that Secretary Byrnes give careful consideration to possible repercussions in Africa and the Near East before reaching a final decision on the disposition of former Italian colonies.
4. War Department's views on Soviet bases in eastern Europe--The War Department has given the US military representative at the meeting of Foreign Ministers in Paris the following views on reported Soviet efforts

Document No. 052NO CHANGE in Class. DECLASSIFIEDClass. CHANGED TO: TS S CAuth: DDA Memo, 4 Apr 77
DDA REG. 77/1763Date: 14 MAR 1978 By: 011~~TOP SECRET~~
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to obtain military bases in states bordering on the USSR: (a) no means of limiting the privileges which Communist peripheral states might grant to the Soviets apparently exists except to include in the peace treaties specific limitations on Soviet occupation and communication troops (see Daily Summary of 18 April, item 3); (b) US insistence on most-favored-nation treatment in regard to military bases in these countries would enable the Soviets to demand similar rights in such countries as Iceland, Italy and Japan; and (c) US opposition to the development by the Soviets of bases through the formation of a regional defense arrangement with periphery states would be inconsistent with the US western hemisphere regional system which also involves the exchange of base rights.

5. Soviet naval tanker sails for US apparently without clearance--Assistant Naval Attache Vladivostok reports that the Soviet Navy auxiliary tanker TAGANROG departed Petropavlosk 24 April for Los Angeles, where it is due 5 May. The Navy Department has notified the State Department that, so far as is known, the USSR has not obtained diplomatic clearance from the US for the entry of this naval vessel into a US port.

EUROPE-AFRICA

6. ITALY: US and UK views on King's abdication--The US and UK consider that King Emmanuel need not consult with other armistice signatories regarding his abdication. The UK in addition plans to inform the King that (a) there is no objection to his abdicating whenever he wishes, (b) he will not be allowed to reside in territory under the jurisdiction of the UK and (c) his desire to reside in Egypt is regarded as "unfortunate because of wartime difficulties with Italians there."
7. AUSTRIA: Clark urges military reassume supply responsibilities--General Clark has urged that supply responsibilities be turned back to the military until UNRRA has adequate supplies (see Daily Summary of 25 April, item 9) in order to: (a) avoid a starvation ration for the US zone, (b) reduce the possibility of disorders, and (c) enable him to force the Soviets to move food into Vienna.

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8. AUSTRIA: Withdrawal of Soviet forces--General Clark reports that, according to "reliable" Austrian officials, the Soviets are planning a large-scale withdrawal of troops from Austria. He adds that the withdrawal may be a cover and deception plan. US Political Advisor Erhardt comments that such a withdrawal would merely indicate a change in Soviet policy from military to long-range economic and political domination.
9. UNITED KINGDOM: French request for wheat loan to be rejected--Caffery has been informed by the British Embassy, Paris, that the British have decided to refuse the French request for a loan of 150,000 tons of wheat.

FAR EAST

10. INDIA: State Department issues instructions for air base negotiations--The State Department has instructed Mission New Delhi to "press strongly" for early conclusion with the Indian Government of (a) an air transport agreement, (b) most-favored-nation treatment for US civil aircraft, (c) an aviation facilities service agreement and (d) military air transit rights. The US desires military rights at Karachi, Agra, and Dum Dum and limited military rights at Barrackpore and Kharagpur. The Department believes it inadvisable to ask "just now" for military rights beyond the period required (a) to serve US occupation forces in the Far East and (b) to return US personnel from or through the Far East or Near and Middle East. Terms of the Indian lend-lease settlement will depend upon the conclusion of the desired air agreements.

THE AMERICAS

11. BOLIVIA: Political situation again tense--Charge Adam in La Paz and the FBI report that Bolivia again is in a "state of very great tension." Several army officers have been arrested and the road between the airport and La Paz has been closed to all traffic. Adam believes that three independent movements are plotting to oust President Villaruel.

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