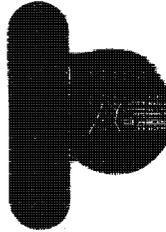


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16 MAY 1946

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EUROPE-AFRICA

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- 1. FRANCE: Resumes of recent Communist Politburo meetings--US Military Attache Brussels has transmitted resumes of two recent French Communist Party Politburo meetings as given him by a completely reliable source.

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- 2. AUSTRIA: State Department will not protest Soviet air attacks at present-- The State Department has informed US Political Advisor Erhardt that it does not contemplate any action on Soviet attacks against US aircraft unless (a) the attacks recur, and (b) General Clark agrees that a diplomatic protest should be made (see Daily Summary of 7 May, item 7). If the attacks recur, recommendations will be made to the War Department that "appropriate measures" be taken to insure the safety of US flights.
- 3. CZECHOSLOVAKIA: Election forecast-- Ambassador Steinhardt offers the following predictions as to the 26 May elections: (a) the Moderates will control the Constituent Assembly with 171 votes to 129 for the Radicals; (b) the new government will continue as a "National Front" representing the parties now comprising the Government; and (c) the Moderates probably will make concessions to the Radicals in order to wrest control of the Ministries of Interior, Information and Education from the Communists, or at least to replace the present incumbents with Communists "more acceptable to the other parties."

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4. GREECE: Plebiscite to be test of "Nationalism versus Communism"-- Charge Rankin reports that (a) in the minds of most voters the real issue in the plebiscite on King George's return is "Nationalism versus Communism," and (b) Rightist propaganda now asserts that "a republic is the antechamber to Communist dictatorship." Rankin believes that an "honest plebiscite" might well result in a Royalist majority exceeding 60 percent.
5. USSR: Embassy personnel incidents--Embassy Moscow reports that the Soviets have requested that Vice Consul Wallace leave the USSR. (Wallace was recently found guilty in absentia of violating the Soviet criminal code during the trial of two Soviet citizens accused of stopping Wallace's car and attacking him.) The Embassy plans (a) to request an exit visa for Wallace in order to "reduce causes of irritation," and (b) do everything possible to get Ruess out of the country "as quietly as possible," as legal arguments are not expected to change the Soviet attitude.
6. POLAND: Government protests suspension of US credit--Acting Foreign Minister Modzelewski has declared in a "self-righteous" manner to Charge Keith that he cannot understand the suspension of the US credit to Poland. Modzelewski (a) claimed that the US action had been taken before the Polish Government had time to fulfill the conditions attached to the loan, and (b) requested a prompt explanation of the State Department's present attitude, in view of the fact that the US-Polish exchange of notes had now appeared in the Polish press. Keith replied that Poland still has not fulfilled the commitments to permit uncensored reporting by foreign correspondents and to furnish the US with copies of its commercial treaties with other countries.
7. SPAIN: Embassy disagrees with Giral spokesmen's views--In commenting on the recently reported views of Giral spokesmen (see Daily Summary of 13 May, item 6), Embassy Madrid believes that US and British recognition of the Giral "government-in-exile" would not influence Spanish generals to depose Franco.

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8. IRAN: Qavam favors concessions to Azerbaijan--Qavam has (a) strongly intimated to Ambassador Allen that he holds the Shah responsible for the breakdown of negotiations with the Azerbaijanis and (b) asked Allen to impress upon the Shah the need for granting "several" concessions in order to "save the unity of Iran and the Crown," as well as to minimize the chances of war with the USSR. Meanwhile Schwarzkopf reports that the Iranian Army, "on direct orders of the Prime Minister," is moving northward both east and west of Azerbaijan.

Iranian report on evacuation to be delayed--Allen further reports that (a) the Iranian officials investigating the evacuation of Soviet troops will not leave Tehran until 17 May and (b) Qavam concedes that a "definitive report" by 20 May is impossible. Qavam has, however, promised to send to Ala by 20 May a "factual report of the exact status of the matter." The Soviet Ambassador to Iran, when asked about the evacuation, replied that the USSR had "fulfilled entirely its agreement;" Allen comments that, while this answer is "not correct," he believes that all unformed troops now have left.

British views--According to Ambassador Harriman, the British Foreign Office, although still willing to give Qavam the benefit of the doubt, is not convinced that he "may not turn out in the end to be an extremely clever Soviet stooge."

9. SAUDI ARABIA: Anti-US attitude--Minister Eddy reports that King Ibn Saud appears to be following the policy at present of avoiding the US Legation and all US commercial firms except the Arabian-American Oil Company "which he feels must grant his requests." (The King has requested ARAMCO to undertake a wide variety of economic activities outside the oil industry and even to reopen Export-Import Bank Loan negotiations in Washington.)

## FAR EAST

10. SIAM: French report on border incident--French High Commissioner Admiral D'Argenlieu reports that the incident of 7 May at Nakorn Phanom (see Daily Summary of 8 May, item 7) originated in an attack on a village in Laos by a band of Annamites and Siamese who later returned to the Siamese side of the Mekong river. He has instructed French forces in Laos to exercise moderation. The French Government considers the affair as a minor frontier incident requiring only local settlement.

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