

6 JUN 1946

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TOP SECRET

95

## GENERAL

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1. New Salazar note on Azores bases--Ambassador Baruch has received a reply from Salazar to the US suggestion that discussions be continued on long-term arrangements for the Azores bases. Salazar is "entirely agreeable" to the conversations, but he emphasizes that Portuguese obligations are "exclusively" those mentioned in the agreement of 30 May. (This interim agreement authorizes the US and British to use the Azores bases for a period of 18 months.)
  2. Yugoslav report on Soviet military intentions--Naval Attache Belgrade has transmitted a report [redacted] which quotes the personal secretary of the Communist Vice-Premier of Yugoslavia as saying that the USSR is planning a surprise attack this summer on Trieste, with simultaneous thrusts against Greece, France and north-west Germany. Though the Attache has no confirmation for this report, he asserts that "all indications point to the possibility of some action in the near future."
  3. Report on troop situation in Venezia Giulia--Commander XIII Corps in Venezia Giulia has reported to AFHQ Caserta that (a) there is little apparent change in the disposition of principal Yugoslav troop concentrations in Zone B; (b) the Yugoslav defensive program has been completed; and (c) Communists in Zone A are maintaining law and order, possibly in an attempt to fix upon AMG and the Italians the responsibility for any incidents.
  4. Repatriation of Italians and Yugoslavs--Dunn reports from Paris that the Soviets insist that the Italian Treaty provide for the repatriation of Yugoslav nationals, "many thousands" of whom (according to the USSR) were forcibly removed from Yugoslavia by the Fascist Government. The US and UK representatives will concur provided Italians in Yugoslavia are similarly repatriated, but the Soviets demand proof that those Italians were forcibly removed, arguing that the US-British proposal "implies criticism of the Yugoslav regime."
  5. Report of Spanish Sub-committee--Herschel Johnson reports that a conversation with Secretary-General Lie has made it apparent that Lie collaborated in preparing the Spanish report, although Lie states

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- 1 -

~~CONFIDENTIAL~~  
TOP SECRET

~~TOP SECRET~~  
~~CONFIDENTIAL~~

that the report was actually drafted by Evatt and Hasluck. The Egyptian delegate Afifi is displeased with Lie for having stepped out of his "proper function," and believes the best "immediate solution" might be to refer the report back to the Sub-committee. Johnson finds "little likelihood" that the Security Council will reach "any unanimity."

### EUROPE-AFRICA

6. **FRANCE:** CGT will support US maritime strike--The (Communist) Secretary General of the General Confederation of Labor (CGT) has informed Embassy Paris that the CGT will "completely support" a US maritime strike, despite the effect on the supply situation. Ambassador Caffery therefore believes that the CGT expects the strike to be short.
7. **AUSTRIA:** British conversations with Foreign Minister Gruber--The UK Foreign Office, following conversations with Foreign Minister Gruber, has informed Embassy London of its belief that the questions of reparations and reduction of occupation forces must be taken up independently of the draft treaty, since (a) agreement on a treaty "will take a long time," and (b) action should be taken quickly to strengthen Austrian confidence in the West. Gruber believes that the Soviets will make no "appreciable" troop withdrawals as long as they are attempting to obtain firm control over the Danube basin.
8. **FRANCE:** MRP post-electoral views--Caffery reports that the MRP (a) will ask for "minor changes" in the Cabinet to reflect present party strengths, but will not "actively seek" the Presidency; (b) favors a four-party Government, including the Radical Socialists; and (c) believes the Communists will participate in the Government. The MRP foresees an increasingly sharp cleavage between the Communists and the "defenders of human rights."
9. **SYRIA:** President's views on Palestine--Minister Wadsworth has been told by President Quwatly that the Arabs are reluctant to take the Palestine issue to the Security Council, where they would be committed, possibly with Soviet support, to attacking the US. Quwatly stated that

- 2 -

~~CONFIDENTIAL~~  
~~TOP SECRET~~

~~TOP SECRET  
CONFIDENTIAL~~

the Arabs (a) fear the "great influence wielded by the Jews everywhere, notably in the US," but (b) want US "help against the Russians," whom the Arabs "fear and detest."

10. **PALESTINE: US proposal for consultations with UK--**Byrnes has notified Prime Minister Attlee that, while US experts on Palestine probably cannot reach London for full discussions as early as 18 June, the US hopes to initiate by that time discussions on the "urgent and physical problems" involved in moving 100,000 Jews into Palestine. The US will "take responsibility for transporting these persons as far as Palestine" and will assist in providing temporary housing.

#### FAR EAST

11. **KOREA: Consulates at Pyongyang and Seoul--**The Soviet Foreign Office has informed Ambassador Smith that the USSR has decided to close its Consulate General at Seoul as a result of the US Command's "arbitrary actions in relation to the Consulate." Smith proposes to reply by denying these charges and reiterating the US desire to open a Consulate at Pyongyang.
12. **SIAM: US opposes British plan for Siamese tin--**The State Department has notified Embassy London that it objects to the British plan for Siamese tin because the plan constitutes an improper imposition upon a sovereign state and would bring "non-British minority mines" under the domination of British companies. The Department does not favor the reappointment of a British adviser on mines in Siam, fearing discrimination against potential US investments and a tendency to strengthen cartel practices.

- 3 -

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