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DEPT OF STATE review(s) completed.

Approved For Release 2003/05/28: CIA-RDP78-01617A005800020036-4 3.8 MAY 1946 CONFIDENTIAL 25X6A 80 3. US reply to Salazar on Azores air proposals -- Embassy Lisbon 25X6 has presented Salazar with a new memorandum 25X6 covering the US views on the Azores air bases. The present US position is that: (a) the "hypothesis" for cooperation is not fundamentally a conflict with any particular country, although "adjustments and understandings" between the Allies themselves as well as between the Allies and their former enemies remain to be made 25X1 (b) both the US and Portugal can make an important contri-25X1 bution to world peace by the proposed cooperation against a threat in the Atlantic; (c) the Azores facilities will be available to the UN Security Council if Portugal so desires; (d) the proposed arrangement opens the way for Portugal's participation in maintaining world stability; (e) the US will not undertake a formal bilateral agreement but would reiterate its assurances regarding sovereignty in Portuguese territory; (f) as a UN member, the US would be immediately concerned by any "physical" threat to the security of Portuguese territory; and (g) great benefits will accrue to Portugal from the proposed arrangement, through the advanced techniques of the "world's foremost airmen," and the Azores will become the air "crossroads" of the Atlantic. Document No. NO CHANGE in Class. ☐ DECLASSIFIED - 1 -Class. CHANGED TO: Approved For Relea Date: 14 MAR 103

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The US now asks Salazar to draft a	. statement of a "new hypo-
thesis," satisfactory to the Portuguese, and	the State Department has
advised Embassy Lisbon that it does not fav	or a statement by President
Truman as suggested by the US negotiators	
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EUROPE-AFRICA

4. IRAN: Expected report to Security Council—Ambassador Allen believes that Iran (a) will probably report to the Security Council on 20 May that it is unable to ascertain the facts regarding the Soviet withdrawal, but (b) will not state clearly that its inability is due to Soviet interference

Terror continues in Azerbaijan--Consul Rossow reports that despite the apparent withdrawal of all uniformed Soviet troops from Azerbaijan, the atmosphere of terror in Tabriz has not changed. The "Democrat" regime, which is well staffed with Caucasian immigrants and Soviet military personnel in disguise, is now sufficiently well organized to maintain terrorist control of the province without open Soviet assistance.

FAR EAST

5. CHINA: Food situation—Colonel Harrison, head of the Food Fact Finding Board, reports that starvation is now widespread throughout Hunan province and also in parts of Kwangsi, Kwangtung, Honan, and Hupeh provinces and is causing a substantial number of deaths. Food distribution is not satisfactory but every effort is being made to convince the Chinese they "must distribute only to those actually facing starvation." Harrison states that food imports must be continued during the balance of 1946 and in 1947 but recommends that UNRRA emphasis be shifted to equipment required to improve internal transportation and increase food production.

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6. CHILE: President near death--Ambassador Bowers has informed the State Department that there is 'no possible doubt that President Rios' illness has reached the last stage.''