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GENERAL

#9
25 Feb 46

1. USS MISSOURI to take body of Turkish envoy home--The remains of Munir Ertegun, former Turkish Ambassador to the US, have been temporarily interred here since his death last year. If diplomatic arrangements are concluded, Ertegun's body will be returned early in April to Istanbul aboard the battleship USS MISSOURI. On its return voyage the MISSOURI will visit several Mediterranean ports.
2. Disposition of Italian cables discussed--According to Winant, initial US - UK conversations regarding the disposition of the Italian cable system disclosed that the UK would like an agreement with the US providing for a division of these cables as war booty. The British emphasized the expense incurred in setting up present arrangements and questioned the feasibility of restoring Italian cables to the pre-war situation. The British were informed of the US view that, since Allied acquisition of Italian cables would conflict with the position taken by the US and UK regarding reparations, the cables should be returned to Italy.
3. Poland protests UNRRA quota reduction--The Polish Foreign Office has sent a note to the American Embassy in Warsaw protesting the UNRRA decision to reduce quotas, particularly of grain. The Embassy learns that the Polish Prime Minister has also discussed this matter with UNRRA officials. The Prime Minister declared that this action by UNRRA would be presented by his Government to the Polish people, who would deduce that they had been deserted by the Western Powers. He also said that an appeal for assistance would then be made to the USSR. The Embassy reports that Soviet military authorities have recently removed 200,000 tons of seeding grain from Poland.

EUROPE-AFRICA

4. USSR: Postwar policy--US Charge Kennan has submitted to the State Department a detailed analysis of the basis of Soviet foreign policy in the postwar world and has presented recommendations from the standpoint of American foreign policy.

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5. VENEZIA GIULIA: Departure of boundary commission delayed--The Deputies of the Council of Foreign Ministers have tentatively accepted a formula defining the area in Istria to be visited by the Commission, but have been unable to agree as to the nature of the investigation to be made with respect to Fiume and Tarvisio. Dunn concludes that it is the Soviet purpose to have the Commission make ostentatious visits to areas claimed by Yugoslavia, while denying it access to Italian-claimed areas. It appears also that Gusev seeks to utilize the present discussions to negotiate a preliminary agreement on the eventual boundary line.

Yugoslav reinforcements--According to Kirk, the latest XIII Corps report is that large-scale Yugoslav troop movement into Venezia Giulia ceased on 17 February, six new divisions having joined the original four. Kirk has learned that Tito explained this movement to the British Ambassador in Belgrade as merely provision of replacements to bring the original four divisions up to strength. This explanation is plausible, in view of the announced Yugoslav demobilization program; but can be proved only by disbandment of the newly identified units and incorporation of their personnel in the original divisions.

6. YUGOSLAVIA: Yugoslav mobilization reported--MA Belgrade has "reliable" information that general remobilization is in progress in the provinces. He has also heard that Soviet troops are moving south through Belgrade under cover of darkness at a rate of one battalion per night, that two Soviet divisions from Yugoslavia have reached the Greek-Bulgarian frontier and that Soviet anti-tank, artillery and engineer units equivalent to one division are moving toward Trieste.

The War Department has directed US Commanding Generals in Europe and the Mediterranean to report on the situation with respect to Yugoslavia and the means available to meet an emergency. However, troop movements will be made only on order of the Combined Chiefs of Staff.

7. CZECHOSLOVAKIA: US intrusion incident closed--Foreign Minister Masaryk has told Ambassador Steinhardt that he is

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entirely satisfied with the US Government statement on the recent incident involving removal of documents from Czechoslovak territory by US troops. He declared that upon return of the documents the incident would be considered closed.

8. GERMANY: Wheat stocks low--General Clay has reported to the War Department that until the next harvest available stocks of wheat and shipments in prospect (for the US, British and French Zones) will provide less than 1,000 calories per day for the normal consumer.
9. AUSTRIA: Indications of Soviet oil plans--Erhardt reports that the USSR probably is preparing to form a single Soviet oil company comprising all former "German" oil assets which it claims as reparations. These assets are estimated to involve roughly 65 percent of Austrian crude production, 50 percent of refining capacity and 35 percent of marketing facilities. Erhardt suggests that the US counter such a move by bringing specific oil cases into the Allied Council and by urging the Austrian Government to prepare cases for restitution of oil assets now claimed as reparations by the Soviets.
10. RUMANIA: Communist Minister to US proposed--US Mission Bucharest understands that prospective candidates for the position of Rumanian Minister to the US are being opposed by the Communists on the grounds that they are too friendly to the US. The Communists insist on the selection of a Communist as Minister; since the mission's purpose will be "to impress upon the Americans the superior advantages of the type of democracy exemplified by the Groza Government, and only a Communist could do this."
11. EGYPT: British issue formal protest--Following the 21 February riots, which resulted in considerable damage to British property, the British have lodged an official protest with the Egyptian Government. The protest stated, according to Minister Tuok, that despite assurances that law and order would be maintained, the Egyptian Government has permitted the creation of an anti-British atmosphere and has afforded every opportunity for attack on British life and property. The Chief of the Egyptian

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Department of the British Foreign Office has told Ambassador Winant that he is unable to find a satisfactory explanation for the current unrest in Egypt. He said that there are no clear-cut issues, such as in 1919, to provide any obvious grounds for Egyptian agitation.

12. PALESTINE: Jewish immigration--Murphy quotes a British member of the Anglo-American Palestine Committee as saying that the UK would probably accept 100,000 Jews for entry into Palestine from the US and UK zones in Germany, provided the US would participate on a basis of joint responsibility.

FAR EAST

13. KOREA: Representative government jeopardized--General Hodge reports that the Communist front in North Korea has been consolidated. The four parties represented are controlled by the USSR, and Korean moderates report all members are violent Communists or unknown Koreans brought from Manchuria or the USSR. The leader of the "People's Party" in South Korea has announced that he and his party are Communist and has openly admitted using Communist techniques to discredit the American military and military government.

General Hodge believes that the USSR plans (a) to force acceptance of their North Korean Government members as the Democratic representatives and (b) concurrently to compel the US to include Communist representation in South Korea. This would give the Communists control of the Korean Interim Government. General Hodge plans to keep up the prestige of the Korean Representative Democratic Council and discredit the Communists.

14. FRENCH INDOCHINA: French request ammunition--General MacArthur has forwarded General LeClerc's request for 2,000 tons of small arms ammunition to replace a similar amount previously obtained by the French and subsequently lost at sea.
15. CHINA: US Air Assistance--The War Department has notified the Commanding Generals of US Forces in China and India-Burma

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that the JCS have approved the limiting of US assistance to the Chinese Air Force program to eight and one-third Groups.

16. AFGHANISTAN: Treaty prospects with USSR--The US Minister Kabul has asked the Foreign Office whether the USSR-Afghan non-aggression pact (which expires on 29 March) will be renewed. The Afghan Government hopes for renewal of this pact but has not yet approached the USSR because it fears that the USSR might propose supplemental conditions unacceptable to Afghanistan.

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