



~~TOP SECRET~~  
**CONFIDENTIAL**  
GENERAL

111

1. Plans for a new Spanish "Republican Government"--According to Ambassador Caffery in Paris, a Minister of the Giral "Government"-in-exile recently informed Bevin that President Barrios intends, when Giral returns from the US, (a) to "accept" the Cabinet's resignation and form a new Ministry without Giral; and (b) to broaden the "Government" to include Monarchists. Caffery finds it "difficult to see" how some important groups which support the "Republican Government" can be persuaded to change their opposition to Monarchist participation.
2. US asks confirmation of USSR tractor sale to Argentina--The State Department has asked the Soviet Government whether, as recently reported in the press, the USSR is actually "willing and prepared" to sell tractors and farm equipment to Argentina (see Daily Summary of 5 June, item 9). The note states that the US (a) has allotted similar equipment to UNRRA for shipment to the Ukrainian and Belorussian Republics, and (b) does not feel it should make such a "considerable sacrifice" if the USSR is prepared to export similar items to other countries.
3. USSR demands repatriation from US Zone Austria--The Soviet Foreign Office has requested that US authorities in Austria allow Soviet officers to resume the repatriation of Soviet citizens still in the US zone. The Foreign Office asserts that (a) there are 41,000 Soviet citizens (21,600 of them from former Baltic states) still in US camps; and (b) "propaganda, threats and intimidation" are being employed in some camps to persuade these persons not to return to the USSR.

#### EUROPE-AFRICA

4. FRANCE: Caffery's view of new Government--Caffery reports that the formation of the new Government has temporarily increased Bidault's personal prestige and influence, but that there is no "real unity of purpose" among the three major Parties. The Government is regarded as a "temporary makeshift" to carry on until the new Constitution is drafted.
5. GERMANY: Migration of Jewish refugees--General McNarney reports that (a) immigration of Jewish refugees from the East into the US zone is expected to increase during the next few months and (b) accommodations in the US zone are "taxed to the limit." McNarney therefore has requested

Document No. 005

NO CHANGE in Class. ☐

☐ DECLASSIFIED

Class. CHANGED TO: TS S

~~CONFIDENTIAL~~

~~TOP SECRET~~

Auth: DDA Memo, 4 Apr 77  
DDA REG. 77/1763

Date: 10 MAR 1978 By: 011

~~CONFIDENTIAL~~  
~~TOP SECRET~~

War Department permission to close the US zone to "displaced person infiltration" from the French zones in Germany and Austria and the UK zone in Germany. He asserts that there is "no justification" for such movements, except the "general feeling" among the refugees that in the US zone they will receive better treatment and have greater opportunities for "resettlement" outside Germany.

6. CZECHOSLOVAKIA:: Soviet control of Danubian barges--Ambassador Steinhardt, commenting on the Czech request to the US for return of Danubian barges, reiterates his belief that the Soviets would exercise effective control over any barges returned to Czechoslovakia at this time. He feels that Czechoslovakia would not dare to challenge Soviet control or to support the US policy on freedom of navigation for the Danube.
7. POLAND: US to reopen Eximbank and surplus property credits--In view of the Polish Government's renewed pledges of economic information to the US (see Daily Summary of 18 June, item 6), the State Department is authorizing resumption of US surplus property deliveries to Poland. The US will also implement the Export-Import Bank credit to Poland, but only after receiving the Polish treaty texts and information on quantities and prices of goods involved. (Polish Ambassador Lange has denied press reports that he had stated Poland was "no longer interested" in the US credit.)
8. USSR: US to begin Russian-language broadcasts--The State Department has informed Ambassador Smith that it will begin Russian-language broadcasts as soon as a satisfactory Russian-language staff can be assembled. (Smith had urgently requested such broadcasts as the only means of combatting Soviet anti-US propaganda--see Daily Summary for 5 June, item 2.)
9. IRAN: Qavam may visit US--Ambassador Allen reports that Premier Qavam has indicated a desire to visit the US and may be contemplating heading the Iranian delegation to the UN in September. The State Department has informed Allen that it would welcome such a visit but believes the visit "would lose much of its value" if sponsored officially by the US. Allen reports that the Shah also wishes to visit the US soon and is not pleased at the prospect of a visit by Qavam.  
Plot against Democrat leader in Azerbaijan--According to US Consul Tabriz, a "local government source" has confirmed rumors of an abortive plot against the life of Democrat leader Fishevvari by a radical

- 2 -  
~~CONFIDENTIAL~~  
~~TOP SECRET~~

~~CONFIDENTIAL~~  
~~TOP SECRET~~

group who believed Pishevare had "sold out to the Central Government." The Consul reports further that a high Democrat functionary has "inadvertently admitted" that Pishevare has "constant direct contact" with Soviet officials in Baku.

Soviet propaganda against UN--Allen reports that Soviet officials are now attempting, with some success, to persuade the Iranians that "the UN has little or no strength" and that the USSR "kept its troops in Iran as long as it wanted to."

#### FAR EAST

10. CHINA: Opposition to repatriation of Nazis--Charge Smyth in Nanking has pointed out to the Chinese Foreign Minister that, of the original 1700 Germans listed by the US for repatriation from China, about 700 (in many instances important Nazis) have been exempted by the Chinese Government. The Foreign Minister has agreed to review the matter, but Smyth believes that the Chinese authorities have no real desire to carry out the "American" deportation plan which runs counter to the personal advantage of many influential Chinese and to many "long-standing friendships."
11. N.E.I.: Starvation in Java--US Consul Batavia reports that the food situation in Java "could not be much worse." The Allied-controlled urban areas "must suffer greatly" unless food is imported, and outside those areas starvation is increasing.

- 3 -  
~~CONFIDENTIAL~~  
~~TOP SECRET~~