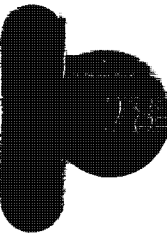


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GENERAL

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1. Communist policy in WFTU--Smith reports that Sir Walter Citrine, delegate to the World Federation of Trade Unions (WFTU) Congress in Moscow, has concluded that Communist "front" organizations in general: (a) make grossly exaggerated claims regarding the size of their membership, (b) claim to be the sole true representatives of whatever special interest group is involved, and (c) concern themselves primarily with political questions, no matter how remote these may be from the avowed purpose of the organization. Citrine claims that during a dispute in the Congress on colonial labor problems, the Soviet delegation "was forced to reveal that it put Soviet political interests ahead of the interests of labor."

EUROPE-AFRICA

2. UNITED KINGDOM: Albanian note on shelling "not satisfactory"--According to Harriman, the British Foreign Office is not satisfied with Albania's second reply to the British protest against the shelling of its warships in the Corfu channel (see Daily Summary of 20 May, item 5). The British contend that the channel would be effectively closed to their warships if they accepted the Albanian conditions for entry of foreign warships into Albanian waters, and are "not prepared to leave the matter as it is."
3. FRANCE: Communist anti-American propoganda themes--Caffery has been informed by a "friendly official" that in their anti-American propoganda campaign the French Communists will claim that (a) the US is acquiring control of the French economy and will "strangle" French production; (b) the acquisition of US surplus property is "very bad business"; and (c) the ships that the US will sell to France are "useless."
4. VENEZIA GIULIA: SAC proposes withdrawal from Pola--Supreme Allied Commander, Mediterranean, has requested CCS authorization to withdraw his troops from Pola at his discretion. SAC believes that in the event of hostilities the garrison's position would be militarily indefensible. US Political Advisor Byington at Caserta feels that the proposed withdrawal, though sound from a military point of view, would impress the Yugoslavs

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as a sign of weakness and would be difficult to reconcile with SAC's firm announcement that the US and UK intend to maintain their present positions pending Allied agreement on the future of Venezia Giulia.

5. **BULGARIA: US and UK policy**--According to Harriman the British Foreign Office believes that refusal by the US and UK to recognize the Bulgarian Government will make it impossible for them to sign a treaty with Bulgaria. The Soviets therefore will be able to delay indefinitely their troop withdrawal. The Foreign Office is unwilling to recognize the Bulgarian Government as now constituted, and has instructed its representative in Sofia to ascertain the opposition's minimum conditions of participation in the Government. US Representative Barnes has recommended that the US also renew its efforts to obtain opposition participation in the Government, principally as a "safeguard to the execution of the USSR's commitments to withdraw its forces."
6. **EGYPT: Status of Grand Mufti**--US Minister Tuck has learned that the Grand Mufti left France to avoid a possible "Zionist attack" and US-inspired French "measures" against him. The British Ambassador has been told, on "good authority," that the Mufti, although he has promised to refrain from "political activity in Egypt," reserves to himself the right to exercise "disciplinary action" on the Arabs in Palestine and to "receive visitors." The Ambassador believes that the Egyptian Prime Minister "was much embarrassed" by the Mufti's arrival in Egypt and "was taken completely by surprise."

FAR EAST

7. **N.E.I.: British troops to remain in Sumatra and Java until 1947**--The Netherlands Foreign Minister has informed US Ambassador Hornbeck that the British have agreed, "subject to possible needs in British India," to leave their troops in Sumatra as well as Java until the end of 1946.

Indonesians seek to send delegation to US--The SSU representative in Singapore reports that representatives of Sjahrir's cabinet may shortly ask US Consul Foote whether an official cabinet mission seeking US assistance for the cause of Indonesian independence would be welcomed in Washington. Acting Secretary Acheson has directed Foote to discourage the plan and to point out that members of any Indonesian delegation could

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not be received officially by the US.

8. PHILIPPINES: General MacArthur going to Manila--The State Department has notified President-elect Roxas that General MacArthur will represent the US Army at the inaugural ceremonies in Manila on 4 July.

THE AMERICAS

9. ARGENTINA: Axis funds to be frozen--Ambassador Messersmith has been informed by the Argentine Foreign Office that Argentina has guaranteed to freeze at once any "funds of enemy ownership" in the balances of the Bank of the Argentine Nation and the Bank of the Province of Buenos Aires. Messersmith accordingly recommends that the US immediately unblock deposits of those banks held in this country.

Peron's "moderation" in address to Congress--Messersmith also reports that he is encouraged by Peron's "tone of moderation" on both international and domestic matters in his address at the opening of the Argentine Congress.

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