

APPROVED FOR RELEASE - Historical Programs Staff 30 August 2018

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GENERAL

1. USSR will not take part in Japanese reparations conference--Soviet officials in Washington have informed the State Department that the USSR will not attend the Japanese reparations conference which the US has proposed to the Far Eastern Commission. Soviet refusal to attend is based on the Department's insistence that the conference take into consideration Japanese assets in South Sakhalin and the Kuriles, and Soviet removals of industrial equipment from Manchuria. Since the USSR will probably veto the US proposal in a final FEC vote on 24 October, the US is now considering calling a conference unilaterally and may invite the USSR to send an observer.
2. UK views on elections to Security Council--US Delegate Austin reports that Cadogan is "not sympathetic" with Greek aspirations to the Security Council. Although he has not been formally instructed on the subject, Cadogan indicated that the UK would probably favor Colombia and Belgium for the SC and New Zealand and the Netherlands for the ECOSOC.
3. UK position on the Faroe Islands issue--The British Foreign Office official charged with Scandinavian matters has informed Embassy London that the UK would "deplore" full independence for the Faroes. The UK desires that the Faroes remain attached to Denmark but with sufficient autonomy to satisfy the population.

EUROPE

4. USSR: MA suspects Soviets have decided against early war--US Military Attache Moscow suspects that Stalin's replies to Alexander Werth reflect a decision by the Soviet War Council against any military venture for the present.

Komsomols object of official criticism--US Military Attache Moscow reports that the most recent object of official censure is the Komsomol (Young Communist) organization, which is charged with "inadequacy in numbers and improper training." The MA comments that this move indicates an extension of the purge to the "very bed rock of Communism."

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5. **YUGOSLAVIA:** Terms for reopening library --The Yugoslav Government has notified the State Department that it would reconsider its decision to close the USIS reading room in Belgrade (see Daily Summary of 3 October, item 4), provided USIS (a) restricts its activity solely to information on the life and culture of the American people; (b) refrains from publishing material "against the Yugoslav people and their laws"; and (c) distributes its daily news bulletin only to Government Ministers unless prior permission has been obtained for a wider circulation.
- 3.3(h)(2) 6. **FRANCE:** De Gaulle's views on MRP intentions - [redacted] told Caffery that, because of MRP reluctance to tangle with the Communists, de Gaulle has "no great confidence" that, once the deputies are elected, the MRP will either break with the Communists or fight for revision of the Constitution. Caffery believes that, although the General will probably issue a statement next week, he will not make a "final decision" regarding his future course until after the 10 November elections.
7. **AUSTRIA:** USSR reluctant to remove zonal food barriers --US Charge Denby reports that Chancellor Figl personally requested General Tsinev, the acting Soviet Commander, to remove restrictions on movements across Soviet zonal boundaries, particularly of food from Soviet-held estates. Tsinev replied that the Soviets would not relax these restrictions until they were assured that their zone would be treated on a par with other zones in the distribution of food and raw materials.
8. **DENMARK:** Plan for autonomous state of South Schleswig --Legation Copenhagen reports that leaders of the "Danish-minded" population of South Schleswig are working on a plan which they rather than the Danish Government would present to the ACC in Berlin for an autonomous state of South Schleswig (excluding Holstein). The state would have a customs and monetary union with Denmark.
9. **NORWAY:** Soviet interest in Spitzbergen and Bear Island --US Embassy Oslo reports that Molotov has privately expressed to Norwegian Foreign Minister Lange a desire to discuss Spitzbergen and Bear Island with him while they are both in New York for the General Assembly of the United Nations (see Daily Summary of 16 August, item 1).

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10. **ITALY:** Plot to sabotage Italian Fleet reported--President Bidault has informed Caffery that he has "trustworthy information" to the effect that certain Italian naval officers plan to sabotage the Italian Fleet.

NEAR EAST-AFRICA

11. **IRAN:** US gesture of support suggested--US Ambassador Allen reports that the Shah has made several strong pleas that the US publicly demonstrate its economic interest in Iran. Allen recommends some encouragement from the US, even if only a press statement.

FAR EAST

12. **CHINA:** Soviet proposal for Sinkiang concessions--Chinese Foreign Office officials have confirmed to Embassy Nanking that the USSR is seeking exclusive mining rights in Sinkiang Province and that the Soviet proposals include joint Sino-Soviet operation of a tin mine and a wolfram mine. The Embassy points out that the USSR could use wolfram as a substitute for the molybdenum which it previously imported from the US. (Other evidence of Soviet interest in Chinese wolfram was received at the end of July, when it was reported that between 2,000 and 3,000 tons of the metal had been shipped from Shanghai to the USSR since V-J day; see Daily Summary of 30 July, item 13.)

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