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GENERAL

1. Alternative US positions on Iranian case--The State Department has given Stettinius the following alternative US positions on the Iranian case when the latter comes up again before the Security Council:
- (1) If the Soviet and Iranian Governments, or the Iranian Government alone, report complete withdrawal of Soviet troops from Iran, the US would state that no further proceedings on the subject are required and the matter should be dropped from the agenda. (2) If the Iranian or both Governments fail to report, the US would support Council action in requesting an immediate report from the non-complying party or parties and insist that the Security Council continue to be "seized of the matter." (3) If the Iranian Government reports that Soviet troops have not been completely withdrawn, the US would propose adjournment of the Council for one or two days in order to study the issue.

The Department considers that the Council should resume consideration of the Iranian case on 7 May (under the 4 April resolution the Soviet and Iranian Governments have until midnight of 6 May to make their reports on the status of the Soviet troop withdrawal).

2. Portuguese suggest military air rights for US in Cape Verde Islands--Embassy Lisbon reports that the Portuguese Minister of War has given a "clear indication" to General Kuter that the US could obtain military air rights in the Cape Verde Islands by assisting the Portuguese there in (a) the construction of a new air field and (b) the extension of an existing field.
3. British to abandon Suez base--Embassy London has been informed by the British Foreign Office that preliminary discussions between the British and Egyptians have convinced the British that they must abandon their plan to keep a base in the Suez Canal zone.
4. Soviet "stalling" tactics in Council of Foreign Ministers--Admiral Hewitt interprets the position which the Soviets have taken in Paris on the question of pre-war Italian bilateral treaties as implying that the Soviet delegation is deliberately "stalling" and will use any argument, however specious, to delay Council decisions. (In opposing

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a treaty provision which would give the Allied Powers the right to decide whether Italian pre-war treaties remain in effect, the Soviets argue that it would "humiliate" Italy to have conditions imposed which she should be qualified, as a sovereign state, to handle.)

EUROPE-AFRICA

5. FRANCE: Communist military coup before elections deemed unlikely-- Both Ambassador Caffery and MA Paris consider it unlikely that the Communists will attempt a military coup if the proposed constitution is rejected on 5 May (see Daily Summary of 3 May, item 3). The MA adds that if the Communists are not satisfied with the results of the 2 June elections, they will probably use economic pressure by calling strikes in key industries in order to force acceptance of their policies. Constitution referendum to be close--Caffery reports that the outcome of the constitutional referendum on 5 May is still uncertain, although the concensus of political observers is that the constitution will be ratified "by a very small majority."
6. ITALY: Only 2,600 Poles volunteer to return--Supreme Allied Commander, Mediterranean, reports that although six weeks have elapsed since the publication of the Polish Provisional Government's terms for repatriation of Polish forces under British command, only 2,600 (out of approximately 100,000) have volunteered to return to Poland. The main reason for this feeble response is the conviction that the Polish Government is controlled by Moscow. Since most of the Poles will not request repatriation until they consider their government is freely elected, SAC suggests that the Polish Provisional Government be urged to accept Allied observation of the impending elections.
7. USSR: US to protest Embassy housing conditions--The State Department has instructed Smith to make the following "vigorous representations" to the Soviet Government: (a) the housing situation in Moscow is detrimental to the legitimate work of the US Embassy there; (b) until the US

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can begin its own building program, the US considers it an obligation of the Soviet Government, which controls all housing facilities, to provide space to meet Embassy requirements; (c) whereas throughout the war the Soviet Embassy and Purchasing Commission staffs in Washington had adequate quarters for themselves and families, US Embassy officials in Moscow were forced to live separated from their families as a result of inadequate housing; and (d) unless the housing situation in Moscow is speedily remedied, the US will make public the conditions of US officials in Moscow as compared with those accorded the Soviets in Washington.

8. POLAND: British may bring Polish question before UK--Ambassador Lane reports that there is now a definite possibility that Mikolajczyk and other Polish Peasant Party members may be ejected from the Government. The British Ambassador in Warsaw has recommended to his Government that, should such action be taken, the matter be referred to the Security Council as a violation of the Yalta and Potsdam agreements. Lane suggests that the Polish Government may have recommended UN consideration of Spain in the belief that it would be rejected and thereby provide a precedent for future UN refusal to consider any internal action taken by the Polish Provisional Government.
9. GERMANY: Bavarian royalist party to be dissolved--The State Department has ordered the dissolution before the 26 May municipal elections in Munich of the recently organized Bavarian Homeland and King's Party. US Military Government officials have also been instructed to refuse the authorization of any other proposed monarchist party as being "contrary to our long-range objective of democratic reconstruction in Germany."
10. SPAIN: Sale of surplus property suspended--The State Department has instructed Embassy Madrid to inform the Spanish Government that the US has suspended temporarily all sales of US surplus property to Spain in view of the current discussions regarding Spain in the Security Council.

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