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

- 1. Criticism of Spanish report by Security: Council delegates -- Herschel-Johnson gives the following personal views of Security Council delegates on the report of the Spanish Subcommittee: (a) Netherlands delegate Van Kleffens disagrees with the finding and believes the Subcommittee exceeded its terms of reference by recommending specific action; (b) British delegate Cadogan asserts that authority for the proposed action is not contained in the UN charter provisions which the Subcommittee cites, and that the proposed diplomatic break is unlikely to produce the desired results; and (c) Dr. Quo of China thinks Chairman Evatt did not carefully consider his (Evatt's) original suggestion that the Assembly take action provided Franco does not withdraw.
- 2. UK-Polish financial negotiations -- According to Harriman, the UK Foreign Office expects the current UK-Polish financial negotiations to be "long drawn-out and difficult". The British (a) consider that their final proposals (retention of \$14,000,000 of Polish gold and a long-term loan to cover other Polish indebtedness) are "extremely generous", but (b) expect the Polish Government to make political capital of the recent Polish-Soviet agreement providing for the mutual cancellation of war indebtedness. The British also plan to withhold final ratification until after the Polish elections and Polish fulfilment of other "commitments".

EUROPE-AFRICA

- 3. FRANCE: Caffery's views on new Assembly--Caffery believes that, although the new Constituent Assembly will not differ greatly from its predecessor "in actual composition", there will be two "psychologically and materially important' changes: (a) the Communists will no longer be the largest single party, and (b) there will not be a Communist-Socialist majority. These two factors (a) "should prevent" Communist domination of the Assembly, and (b) "may hinder" Communist efforts to force the Socialists to cooperate.
- 4. USSR: Soviet refusal to grant Ruess diplomatic immunity -- In reply to Ambassador Smith's request that the USSR grant to Ruess the diplomatic immunity accorded by the US to Soviet diplomatic personnel (see Daily Summary for 16 May, item 5), Vishinsky has stated that (a) Soviet



law does not grant immunity to all personnel of a diplomatic mission and (b) it would be "discrimination" for the USSR to grant US personnel privileges not accorded to other nationals. Smith recommends that (a) if the proceedings against Ruess are dropped (which he believes unlikely), the US not press the principle of equal immunity at present, and (b) if Ruess is brought to trial, the US inform the Soviets that we cannot continue to accord their diplomatic personnel greater privileges than those accorded to US personnel in the USSR.

5. HUNGARY: Soviet food demands—According to General Key, US delegate ACC, UNRRA officials in Hungary report that the Soviets have requested the Hungarian Government to supply the Soviet Army with an additional 60,000 cattle and 1,500 tons of fat. The Government intends to protest to Moscow that such quantities are not available. UNRRA officials are "considerably disturbed", since UNRRA's total proposed importation of fat is only 3,000 tons.

3.3(h)(2).

7. YUGOSLAVIA: US and UK replies on aviation—The British Government has accepted a US suggestion that the two Governments deliver parallel replies to the Yugoslav Government's request that the US and UK stop air operations in Yugoslavia by 1 June. The US note would (a) point out that the US has received no reply to previous notes containing civil aviation proposals; (b) propose immediate negotiations on all aspects of US-Yugoslav aviation; and (c) request the Yugoslav Government to defer its demands pending the outcome of such negotiations.

The State Department has authorized Embassy Belgrade to inform the Yugoslavs orally that, pending satisfactory solution of this and other problems outstanding between the two countries, (a) the Yugoslav Ambassador-designate should defer his departure for the US, and (b) the US Ambassador would postpone his return to Belgrade.





- 8. N.E.I.: Indonesian claim to Sumatra--US Consul General Batavia reports that in the final Dutch offer to Sjahrir (see Daily Summary of 22 May, item 5) the Netherlands Government (a) "takes cognizance" of the Indonesian Republic's claim of de facto authority over Sumatra but (b) proposes that Sumatra and other parts of the N.E.I. be given an opportunity to express freely their wishes regarding the status of the Republic of Indonesia outside of Java.
- 9. CHINA: New Nationalist offensive—Major General Rockey, Commanding the US Marine 3rd Amphibious Corps, reports that the Chinese Nationalists have diverted their 30th Division from Jehol to the Anshan front, and are planning an advance eastward toward Antung, on the Manchurian-Korean border near the Yellow Sea.
- 10. CHINA: Disaffection near Hongkong—The Commander of Allied Forces Southeast Asia reports that on the night of 28 May British Army and Royal Air Force troops were called out to control a threatening mobin Kowloon and in the course of the incident fired in self-defense.

THE AMERICAS

11. ARGENTINA: Resumption of diplomatic relations with USSR--Ambassador Messersmith reports that there are "very definite indications" that Argentina, feeling it cannot be an exception in the Western Hemisphere, is about to resume diplomatic relations with the USSR. Messersmith sees no indication that such an action will mean "any immediate special development in commercial relationships".

