

APPROVED FOR RELEASE - Historical Programs Staff 30 August 2018



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GENERAL

1. UK Foreign Office reaction to Stalin interview--The British Foreign Office official charged with Soviet affairs has told US Embassy London that he believes the Stalin interview (a) should be regarded as "tactical or propagandistic" rather than a policy statement, "unless and until" Soviet actions are modified; and (b) may have been designed in part to undercut Bevin in the Labor Party and Leftist British circles. The official seemed most concerned that UK elements of the "Wallace type" would now agitate for a softening of Bevin's policy.
2. UK comment on new Soviet Ambassador--The Under Secretary of the British Foreign Office has informed Embassy London that the British accepted Zaroubin (former Soviet Ambassador to Canada) as Ambassador because there was no choice but to receive him after the Canadian Government had exonerated him from complicity in espionage, and because the USSR has few men available for top diplomatic posts.
3. USSR demands concessions in Sinkiang--US Embassy Nanking reports that the Soviet Consul General in Sinkiang has requested the Chinese Provincial Governor to concede to the USSR all mineral and petroleum rights in Sinkiang. T.V. Soong is urging the Generalissimo to have the conversations conducted between the Chinese and Soviet Governments in order to present a "stronger front" to the USSR. The Generalissimo is believed, however, to be "wavering toward appeasement" so long as Chinese sovereignty is not affected.
4. Turks draft reply on Straits--The Secretary General of the Turkish Foreign Office has told US Charge Ankara that the Turkish reply to the Soviet Straits note will refute Soviet claims, including the assertion that the Black Sea is a closed sea, and will reiterate Turkey's resistance to encroachment on her sovereignty (see Daily Summary of 2 October, item 8). The Turkish note is expected to be approved by October 10, and the Foreign Office hopes to have the US view prior to this date.

US Ambassador Wilson (who is now in Bern) has suggested that the State Department's reply to the Turkish request for US views take the line that the recent Soviet note has introduced no new element of importance nor contains anything which causes us to modify the US views expressed in August.

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5. Byrnes agrees to economic assistance for Iran--Secretary Byrnes has expressed agreement with Acheson's suggestion (see Daily Summary of 3 October, item 5) that the US should extend economic help to Iran through sale of "non-combat" surplus property and through an Exim Bank credit.

EUROPE

6. PORTUGAL: Uprising reportedly scheduled for 5 October--US Military Attache Lisbon reports that a nation-wide revolt may be staged on 5 October, the national holiday commemorating the founding of the Republic. The US Charge also cites rumors that "unusual demonstrations" against the Government will be attempted on that day and comments that the salaries and pensions of all state employees have been raised, apparently as a counter-measure.
7. YUGOSLAVIA: Publicity urged on illegal arrest--US Ambassador Patterson, in concurring with the view that the entire UNRRA program for Yugoslavia be stopped immediately, recommends that more publicity be given to the Yugoslav "custom" of arresting persons (including US citizens) and holding them incommunicado indefinitely. Patterson believes that it should be easy to prove Yugoslav violation of the UNRRA agreement by the continued arrests of UNRRA employees and by many other offenses, including flagrantly unequal distribution, diversion to military use, and restriction of field personnel.
- Anti-Communist sentiment--According to Patterson, the Communists were defeated in recent local elections for people's committees in nine Serbian villages, but despite numerical superiority, Opposition leaders expect defeat in the 28 September elections for the Serb and Croat Assemblies. Patterson also reports an increase in the number of non-Communists attempting, mostly unsuccessfully, to flee the country.
8. GREECE: Reaction to defeat of proposed border revision--US Ambassador MacVeagh reports that the Greeks are distressed over the rejection by the (Paris Conference) Military Commission of their proposal for strategic adjustment of the Bulgarian frontier. MacVeagh comments, however, that the Greek people are more interested in security than in claims, and that economic recovery and political stability are possible if prompt assurance is given that present frontiers will be maintained and hostile infiltration prevented.

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9. **RUMANIA: Mass arrests hinted**--US Delegation ACC Bucharest reports that, according to "several sources believed reliable," the Soviet Chairman ACC recently asked Premier Groza if the Rumanian police forces could arrest 30,000 persons within a 24-hour period. Groza replied in the negative and stated that the list of individuals considered dangerous to the regime had not been completed.
10. **ITALY: No agreement on proposed Italo-Soviet airline**--The Secretary General of the Italian Foreign Office has informed US Counselor Key that he considers the subject of the Italo-Soviet airline "closed".

FAR EAST

11. **CHINA: Marines relieved at mines and railroads**--The Commander of the US Seventh Fleet reports that Chinese National forces had relieved US Marine detachments from train and coal mine guard duty along the Tientsin-Chinwangtao Railroad and at the Tangshan coal mines by 30 September. The Marines now are concentrated around Peiping, Tientsin, Chinwangtao and Tsingtao.

THE AMERICAS

12. **BRAZIL: Congress may quash new Argentine agreement**--US Charge Rio de Janeiro reports a widespread belief that the Brazilian Congress may refuse to ratify the new Argentine-Brazilian trade agreement on the grounds that Brazil "made a bad bargain," or will insist upon re-negotiation. He adds that Brazil clearly will be unable to meet its wheat shortage with wheat obtained from Argentina.

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