

~~TOP SECRET
CONFIDENTIAL~~

GENERAL

1. US opposes dropping of Iran's case--The State Department has instructed Stettinius (a) not to oppose Security Council consideration of the Soviet demand that the Iranian question be removed from the Council's agenda, but (b) to oppose strongly any motion to delete the question from the Council's jurisdiction prior to the withdrawal of Soviet troops from Iran.
2. Hoover suggests USSR supply cereal exports--Mr. Hoover has suggested to Secretaries Byrnes and Anderson that, "since order and peace in Europe are dependent upon the availability of minimum food supplies until the next harvest," the Security Council be requested to urge the USSR to meet the minimum cereal needs of Poland, Finland, Czechoslovakia and Yugoslavia. He estimates that the four countries would require a total of 850,000 tons of cereal imports to meet their minimum interim needs. Mr. Hoover believes that even if the USSR does not agree to make available these cereals, the recommended Security Council action might elicit a definition of Soviet attitude.

EUROPE-AFRICA

3. IRAN: Qavam's plans regarding Azerbaijan--Contrary to press interpretations of the Soviet-Iranian communique, Qavam has informed Embassy Tehran that gendarmes and army forces will be sent into Azerbaijan after the Soviets withdraw. Qavam has not yet taken any positive steps to open negotiations with the Azerbaijanis. He expects in time to appoint a commission and to invite the Azerbaijanis to send a corresponding commission for conversations at Karaj or some other nearby point. Qavam also said that he expected no difficulty with the reported "autonomous Kurdish State" once Soviet troops have withdrawn from Iran.

Qavam's views on US oil concession--Qavam has told Embassy Tehran that he is willing to receive American negotiators on behalf of US oil companies for a concession in Baluchistan similar to that recently granted the Soviets in northern Iran. Qavam apparently is prepared to hold discussions only on the basis of a joint US-Iranian company, with at least 49% Iranian participation.

Document No. 070
 NO CHANGE in Class.
 DECLASSIFIED
 Class. CHANGED TO: TS S
 Auth: DDA Memo, 4 Apr 77
 DDA REG. 77/1763
 Date: 14 MAR 1978 By: 011

- 1 -

~~TOP SECRET
CONFIDENTIAL~~

~~TOP SECRET~~
~~CONFIDENTIAL~~

4. POLAND: All parties expected to support referendum--Ambassador Lane has learned from a "very reliable" source that, at a recent conference in Warsaw, all six Polish parties agreed to support the proposed national referendum (see Daily Summary of 4 April, item 4). The referendum would be held late in June and national elections in September or October. According to source, Mikolajczyk's Polish Peasant Party supported the referendum in the belief that it would give the Government a large majority, which in turn would encourage the Government to permit free elections and a real test of party strength.

5. GERMANY: Soviets oppose common export-import program--General Clay reports that at a recent meeting of the Economic Directorate the Soviet representative strongly opposed a common export-import program for all of Germany. The Soviet delegate insisted on adherence to the principle of zonal foreign trade and declared that a common program would not be possible until reparations had been completed or an export-import balance was achieved in each zone. General Clay estimates that these conditions could not be met in less than two years. He observes that this is the first instance of Soviet opposition to a proposal for centralizing Germany's administration.

6. ITALY: British efforts to block TWA contract--US Charge Key has been told by the Italian Air Minister that the British have presented a strong memorandum protesting any efforts by the Italian Government to legalize the Ministry's 11 February contract with the TWA. Key believes that this move probably will hold up Italian legislation implementing the TWA agreement until the US and British Governments reach an understanding on the question.

7. GREAT BRITAIN: Slow progress towards French alliance--Ambassador Winant reports that the British Foreign Office now expects to make little progress in negotiations for an alliance with France until after the French elections in June (see Daily Summary of 6 April, item 2). The Foreign Office now believes that Bidault is in no hurry to negotiate and will insist on prior settlement of the Ruhr issue.

8. FRANCE: Proposed Tito visit rejected--Caffery reports that Marshal Tito recently expressed the desire to visit France. The French Foreign Office replied that the present time was not "opportune" for such a visit.

- 2 -
~~TOP SECRET~~
~~CONFIDENTIAL~~

~~TOP SECRET~~
~~CONFIDENTIAL~~

FAR EAST

9. CHINA: Unification of armed services--General Gillem reports that Generalissimo Chiang has directed the reorganization of the National Military Council into a Department of National Defense with ground and naval agencies under a single Chief of Staff (see Daily Summary of 8 April, item 6).
10. CHINA: Training in the US for 800 additional pilots has been requested by the Director of the Chinese National Aeronautic Commission. The War Department has directed an unfavorable reply, on the grounds that the current authorized program for Chinese pilot training in the US is considered adequate to meet the requirements for the 8-1/3 group program of the Chinese Air Force.
11. SIAM: Diplomatic relations with the USSR--The State Department has informed Legation Bangkok that the proposed exchange of diplomatic representatives between Siam and the USSR is a matter for decision by the two countries concerned (see Daily Summary of 6 April, item 8).

~~TOP SECRET~~
~~CONFIDENTIAL~~