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GENERAL

1. Qavam will withdraw Iran's case if USSR insists--Qavam has informed US Embassy Tehran that Ambassador Ala's request for the retention of the Iranian question on the Security Council agenda was made on the basis of earlier instructions. Qavam would prefer to have the matter remain on the Council's agenda, but he fears that the Soviets may soon demand that he join in their request for its withdrawal. If the Soviets make such a demand he proposes to say that he sees "no harm" in allowing the question to remain before the Council. If the Soviets insist, however, he considers that (a) he will be obliged to inform the Council that Iran would not object to the elimination of its question from the agenda, and (b) he might also express the hope that "it would not prove necessary again to request Council action." Qavam appeared uncertain as to how far he could trust the USSR.
2. Interim Headquarters for UN--Stettinius reports that the majority of the members of the Security Council now feel that an error was made in choosing New York as an interim UN headquarters and that if no suitable location can be found in midtown Manhattan, Lie will decide to (a) move the Secretariat to the Sperry Gyroscope Plant, (b) obtain temporary facilities in the Waldorf or Rockefeller Center for the General Assembly in September, and (c) ask the Assembly to review the entire matter again at that time. Stettinius adds that Gromyko, Bonnet and others consider that facilities could be found in Manhattan if the US Government "brought sufficient pressure to bear."
3. Ethiopian Emperor desires reunion of Eritrea with Ethiopia--US Minister at Addis Ababa has been informed by the Emperor that he will submit to the Peace Conference a plan for "reunion" of Eritrea with Ethiopia. The Emperor described British repression of the pro-Ethiopian movement in Eritrea and compared the recent arrival of a motorized division in Ogaden with Soviet occupation of northern Iran.

EUROPE-AFRICA

4. IRAN: US views on oil concessions--US Embassy Tehran, under instructions from the State Department, has informed Qavam that (a) the US Government does not desire an early opening of negotiations for oil

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concessions in Baluchistan (see Daily Summary of 9 April, item 3) and (b) recent US inquiries on the subject were purely for background information. Qavam said this US position was already clear to him and added that "there was plenty of time." (The US does not favor the opening of such negotiations until all Soviet troops have been evacuated and the Parliament has withdrawn existing legislation regarding the discussion of oil concessions with a foreign power.)

5. YUGOSLAVIA: US transport aircraft given to Yugoslavia by UNRRA-- US Civil Air Attache Deak in Bern reports that three C-47's given to Yugoslavia by UNRRA now have arrived in Belgrade, but have not been delivered (see Daily Summary of 2 March, item 1). He understands that UNRRA plans to increase the gift by five aircraft. Such generosity, he considers, will not increase Yugoslav cooperation, since the Yugoslavs already are reported to be requesting termination of ATC and British services.
6. GERMANY: Soviets oppose consular offices now-- Murphy reports that the Soviets have opposed as "premature" a US proposal that the ACC permit the establishment by the four occupying powers of consular offices throughout Germany. The Soviets suggested that liaison military missions (when established) could perform consular functions.
7. ICELAND: Negotiations for Soviet trade agreement-- Charge Carlson reports that the Icelandic Government, in response to a Soviet invitation, has appointed a three-man delegation to the USSR to negotiate a Soviet-Icelandic trade agreement.

FAR EAST

8. JAPAN: General MacArthur's views--In a survey of the Japanese political situation, General MacArthur states that (a) the Japanese political factions fall into either the Communist or non-Communist group, (b) the parties in the non-Communist group subscribe to no doctrine inimical to the development of a Japanese Democracy, and (c) the Communists seek a dictatorship and support Soviet attempts to undermine the US position in the occupation and US policy in the Pacific. MacArthur urges that the US be prepared to present and defend a

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"sound" US attitude on Japanese political developments.

9. CHINA: Export-Import Bank credits to China approved--According to the Secretary of Treasury, the National Advisory Council has approved the plan of the Export-Import Bank (until 30 June 1947) to extend to Chinese Government agencies and private enterprises credits aggregating 500 million dollars for the purchase in the US of materials, equipment, and services to assist in the rehabilitation and development of the Chinese economy. The funds will be disbursed against specified projects to be approved by the Bank. Announcement of the plan, however, will be delayed until China has expressed its understanding of US terms.
10. USSR: Troop movements increase--US Consul Vladivostok reports that (a) heavy tanks, self-propelled guns, munitions and troops are being embarked and departing from Vladivostok at a greatly increased tempo, and (b) the local population is under the impression that war with England is imminent. (Recent reports from the Assistant US Naval Attache, Vladivostok, have contained similar information.)

THE AMERICAS

11. ARGENTINA: Rubber negotiations with Brazil--Brazil is reported to be negotiating with Argentina to supply Argentina with natural rubber on favorable terms in exchange for wheat. US Embassy Buenos Aires comments that (a) Argentina is ignorant of current US attempts to obtain fair treatment for Argentina in the critical rubber situation, and (b) Brazil is capitalizing on this ignorance. The Embassy seeks authority to inform the Argentine Government of US intentions.

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