ITALIAN

The British have informed Ambassador Douglas that our proposal for the return of Italian residents to Tripoli, Libi and northern Eritrea has made the British position very difficult, since it will tend to jeopardize law and order in territories for which the UK is responsible and still tend to increase tension between the UK and Italy just at the time Italian adherence to Western Union is under discussion.

ARAB

The Secretary General of the Arab League has indicated to the British representative in Cairo that the situation concerning Arab refugees in the Middle East is "to some extent in hand" at the moment and that all the Arab states except Iraq have spent considerable sums on the refugee problem. However, he pointed out that the difficulties in the situation were still immense and that the refugees in Transjordan and central Palestine constituted a particular source of danger.

FRANCE

Our Embassy in Paris points out that the task of forming a new French government is more complex than ever before due to the recent increase in intra-party cleavages which have further tended to fractionalize the National Assembly. Almost all the parties are divided into small factions and there is little prospect of achieving unity of action.

GERMANY

In Moscow yesterday Foreign Minister Molotov agreed to forward the agreed quadrilateral directive to the four military governors in Berlin at midnight last night but flatly refused to accept any interim memorandum reporting this decision and insisted that the basic communique was not an agreed document until we included a further paragraph concerning the London agreements on western Germany. Ambassador Smith comments that the atmosphere of the conference was generally hostile and unpleasant.