STATE

Now engaged in discussions with respect to Berlin. We are trying to move the (?) from Berlin back to Moscow.

The French government political collapse makes it difficult to make progress in working out a Peace agreement.

British situation is also strained because of home attacks on Labor government — and the fiscal crisis in that country.

If, as suggested in American press, negotiations were dropped by U. S., we would really be in the fire. We either negotiate or shoot.

SMART

Senate investigation of export licenses as far indicates they have no evidence of a serious nature. The only things discussed are old stuff. Senate investigators are working right in Commerce Export Division. Up to now they have found nothing and the Committee has not made one recommendation or suggestion regarding the operation of the Export Division.

ANY ONE

Is working to get Loyalty Board to issue a blast at Congressional Spy Committee for attacks made on the Loyalty Board in a report issued by the Committee over the last weekend.