



DIA and NAVY review(s) completed.

State Dept. review completed

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199

GENERAL

1. Soviets cancel Allied flights in Eastern Europe--US Delegation ACC
Budapest reports that the Soviet Ground Command has cancelled all Allied flights over Hungary, Rumania and Czechoslovakia from 9 through 14 October inclusive. The Delegation believes that the restriction is connected with the redeployment of Soviet troops upon termination of maneuvers in Western Hungary.
2. UK policy vis-a-vis Norway and Denmark--According to Embassy London, the British Foreign Office official charged with Scandinavian matters has characterized as "top-level British policy" a program to draw both Norway and Denmark into an "Atlantic Community (not a western bloc)." He added that naval and military circles in both nations supported the program, but political authorities were holding back "obviously with the USSR in mind."
3. Soviet delegates to General Assembly--Embassy Moscow has been informed that the Soviet Delegation to the General Assembly will include Molotov, Vyshinski, Gromyko, and Novikov.

EUROPE

4. YUGOSLAVIA: Withdrawal of Soviet Military Mission--US Military Attache Belgrade reports that the Soviet Military Mission departed Belgrade on 5 October. The MA speculates that (a) the Mission's presence was embarrassing to Tito, (b) the Soviets consider the Tito regime to be "trustworthy on its own," or (c) the USSR wants to avoid any official connection with a campaign being planned by Tito against Trieste or Greece.

Troop concentrations in south--US Naval Attache Belgrade reports from personal observation that there are about 75,000 Yugoslav troops in southern Yugoslavia. He observed about 60 heavy Soviet tanks at Skoplje and states that during the past month four trains daily have carried troops and materiel to the area. (US MA Athens previously had estimated the figure to be 60-70,000;

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- 1 -

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5. GREECE: Proposal to arm civilians for use against Communists-- Embassy London has been informed by the UK Foreign Office that the Greek Government has made a second request to Britain for its views on a Greek plan to arm and mobilize civilians in sections of Greece where Communist bands are most active. The Greeks contend that their regular army is too small and too poorly trained and equipped to permit stationing detachments throughout Greece to deal with hostile bands. The Foreign Office believes that the Greeks have made this approach because of their concern over foreign reaction to the plan and because they lack sufficient arms to carry it out.

6. RUMANIA: Elections reported delayed until peace is signed--US Delegation ACC Bucharest has been reliably informed that Foreign Minister Tatarescu has "for the present" persuaded the Communists that elections should not be held until after the Peace Treaty is signed

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7. BULGARIA: Recognition of Government--US Embassy London reports that there is "strong feeling" in the British Foreign Office that the Bulgarian Government should be formally recognized so that the peace treaty may be signed.

8. AUSTRIA: Soviets squeezing US-UK oil companies--US Charge Denby reports that US and UK oil companies in the Soviet zone are now operating at a "serious loss" as a result of the discriminatory price and wage policy of the Soviet Mineral Oil Administration, and may be entirely squeezed out by the USSR. SMOA has also requested complete financial data which the US companies regard as confidential and have refused to give.

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NEAR EAST-AFRICA

10. IRAN: Qavam denies progress on Soviet air proposals--Ambassador Allen reports that Qavam has denied any developments regarding establishment of an Iranian-Soviet airline monopoly in northern Iran since Iran submit-

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ted a counter-proposal two months ago offering the Soviets a 25 percent ownership. Allen points out that this information is contrary to reports, which he had previously received from "highly responsible" sources, that Qavam was about to agree to the original Soviet proposal of 50 percent Soviet ownership.

Acting Secretary Acheson, in response to Allen's earlier report on Iran's intentions, has expressed to Allen the State Department's deep concern over the formation of a joint Soviet-Iranian airline and adds that if the Iranian Government cannot resist demands that are likely to impair Iranian sovereignty or integrity, the US will have difficulty in living up to its assurances to Iran.

FAR EAST

11. **CHINA: British activities may hamper US Naval Group program--US Naval Attache Nanking reports that the British promised last fall to give China a cruiser, a destroyer, two submarines and several smaller vessels, in exchange for which the British would like to receive Chinese commercial shipping rights and "freedom of visit" privileges for the British Navy. Since Chinese crews for these vessels are receiving training in the UK, the Attache believes that the US Naval Advisory Group program will be hampered by "non-uniform methods of training, maintenance, and operation." The Commander of the US Seventh Fleet agrees with the Naval Attache and recommends that the US Government transfer a cruiser to China as soon as the Chinese Navy is ready to take over a ship of that size.**

THE AMERICAS

12. **VENEZUELA: Uprising feared--US Military Attache Caracas reports that Government and Army officials are concerned over the possibility of armed action by Venezuelan exiles in order to prevent elections for a National Constituent Assembly on 27 October.**

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