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DIA & DOS review(s) completed.

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TOP SECRET CONFIDENTIAL

GENERAL

1. Tito's position on Italian Treaty and Macedonia -- According to US

Charge Hickok, Tito has hinted to UK Ambassador Peake that if the

Ralian treaty is to be signed, some concession, however minor, must
be made to Yugoslavia. Peake believes that Yugoslav nationalism

rather than orders from Moscow prompted this face-saving request.

In regard to Macedonia, Tito told Peake that he saw no alternative to a complete break in relations with Greece. Peake believes that, while a break is a definite possibility, Tito himself is not anxious to break relations but is under pressure from his advisers to do so in order to conceal loss of prestige on the Trieste settlement.

2. Yugoslav aid to Greek insurgents—US Military Attache Belgrade reports, on the basis of personal observations by the Naval Attache and Assistant Military Attache, that the Yugoslavs are "obviously" aiding Greek insurgents with "materiel, training, evacuation and protection to the maximum." The MA has no knowledge of Yugoslav troops fighting in Greece and considers this "an unnecessary risk" as long as enough Greek irregulars are available. On 6 December all roads out of Skoplje (in Yugoslav Macedonia) to the Greek and Albanian borders were closed to all but Yugoslav Army traffic; the MA attributes this action to the southward movement of large quantities of military equipment and stores.

4. Venezuelan President fears trouble with Dominican Republic--According to US Embassy Caracas, President Betancourt has received intelligence reports that an "expedition was being organized in (the) Dominican Republican for Venezuelan exiles to invade Venezuela." Betancourt states that in case of any overt act from the Dominican Republic, Venezuelan Constellations will bomb Ciudad Trujillo.

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TOP SECRET NTIAL

EUROPE

- 5. USSR: Recent UN agreements interpreted as victory for USSR—US Ambassador Smith reports that Soviet domestic propaganda has presented the recent agreements among the Foreign Ministers and at the UN as Soviet victories. The USSR's consistent observance of "democratic principles," it is alleged, forced the UK and US to make concessions which have led to concerted decisions. Smith comments that these face-saving tactics are designed to depict as spontaneous proposals Soviet concessions which, in fact, resulted from the firm attitude of the UK and US delegations.
- 6. POLAND: Mikolajczyk predicts civil war by May--Mikolajczyk has told US Ambassador Lane that civil war will break out in Poland by April or May following fraudulent elections, economic demands on the peasants, and the dissolution of his Polish Peasant Party. Miko-lajczyk also stated that he probably would not be able to resist pressure from his Party to inform the Yalta Powers of true conditions in Poland. The US has advised Mikolajczyk against such a communication;

 He estimates that 150,000 persons are now under arrest for political reasons and predicts that after the elections the Communists will eliminate the Polish Socialist Party as well as his own.

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TOP SECRET CONFIDENTIAL

NEAR EAST-AFRICA

8. IRAN: <u>UK indicates support of Qavam's policy</u>--US Ambassador Allen reports his belief that Qavam's fears of an Anglo-Soviet agreement to divide Iran into spheres of influence will be alleviated by a recent telegram from Bevin to the British Ambassador supporting Qavam's present policy.