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232

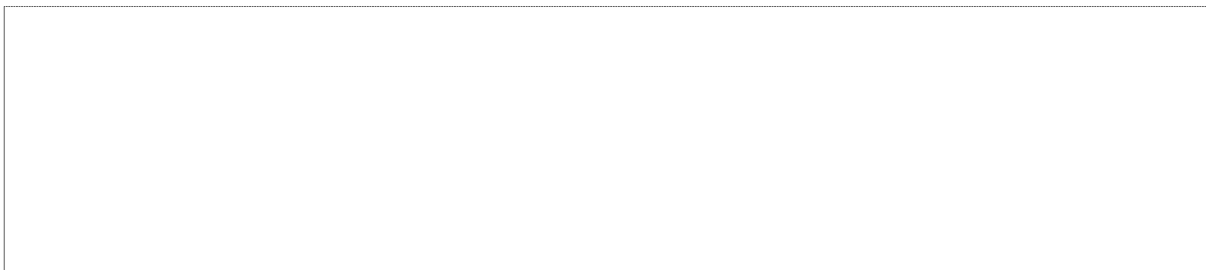
GENERAL

1. Prospects for continued Italo-Yugoslav negotiations--US Charge Rome has been informed by the Secretary General of the Foreign Ministry that Italian Ambassador to the US, Tarchiani, gathered from the French Deputy Foreign Minister Couve de Murville that the French would welcome direct Italo-Yugoslav negotiation. The Deputy also intimated that the Italians might satisfy the Yugoslavs by making "slight" concessions, such as conceding part of Gorizia. The Secretary General added that Togliatti's presentation of Tito's offer had given 50 per cent of the Italian people the impression that Trieste could be obtained for Italy by direct negotiations with Yugoslavia; hence Nenni believes it is essential that efforts be made to deal directly with the Yugoslavs.

2. US refuses Soviet demand for ban on USIS bulletin in Hungary--The State Department has instructed US Delegate ACC Budapest to inform the Soviet Delegate that the US will refuse to comply with the Soviet demand that USIS cease distribution of its radio bulletin (see Daily Summary of 15 November, item 2). The Delegate is to point out that the Soviet demand can only be interpreted as a "bald attempt to prevent the expression of US official views" from reaching the Hungarian people, and that any further demands by the Soviets "would undoubtedly create a most unfavorable reaction in all countries where a free press exists."

3. US drops request for ACC action on Rumanian elections--The State Department has informed US Delegate ACC Bucharest that, because the British no longer contemplate parallel action, he is not to request ACC consideration of the Opposition's memorandum on the elections (see Daily Summary of 14 November, item 2).

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- 1 -

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EUROPE

5. **POLAND:** Arrests increase; election results predetermined--Mikolajczyk has told US Charge Keith that arrests of his Peasant Party members in connection with a recent Party meeting have already reached about 4,500, and that 100,000 "might be under arrest in the country at the present time." He also said that the Government had decided to allocate to the Peasant Party 12 per cent of the seats in the new Parliament, adding that "the result of the election is already known."

Soviets "purchase" grain--Mikolajczyk also said that the Soviets were buying grain wherever they could in eastern Poland with rubles or zlotys printed in the USSR. He predicted that this removal of grain "might lead later to famine conditions" in Poland.

6. **RUMANIA:** Report on subversive trials--US Representative Berry, commenting on the mass trials of "subversive" elements now in progress, states that the Ministry of Interior has been amassing evidence since 1945 to prove that (a) the Opposition Parties have been planning the overthrow of the Government and thus merit dissolution and (b) the US and UK Missions knew of and supported these plans and were thus directly interfering in the internal affairs of Rumania.

Soviets return Rumanian prisoners--US Delegate ACC reports that the return by the Soviets of 10,000 Rumanian prisoners, although timed to influence the elections, will have "slight effect on the results" which are "already well-determined"; but that the action may make the election results "more acceptable to the population."

7. **YUGOSLAVIA:** Government renews charges against US personnel--The Yugoslav Foreign Office has informed US Charge Hickok that it has obtained "further evidence" to support its charges that US Embassy personnel have plotted to overthrow the Yugoslav Government (see Daily Summary of 20 September, item 10), and requests that the persons charged "be immediately withdrawn." Although Hickok believes the charges to be "vague, tendentious and unsupported," he recommends that "it might be well to withdraw the few implicated personnel still remaining, making clear that we do not consider them guilty as charged." Hickok believes that, since the Yugoslavs suspect the US Military and Naval Attaches of carrying on intelligence work, they may also be requested to leave.

- 2 -

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8. **BULGARIA:** Delay in formation of new Government--US Representative Barnes believes that the Communists have not yet been able to form the new Government because the other Fatherland Front parties resent the unfair election treatment received from the Communists and because the Communists have not yet decided whether they are strong enough to proceed without FF Coalition support.
9. **GERMANY:** SPD to propose socialization of major Berlin industries-- Acting Political Adviser Berlin reports that the Social Democratic Party (SPD) plans to introduce, in the new city assembly, a proposal for the socialization of major Berlin industries. CDU parties are expected to support the measure, and both the Soviet and British Kommandatura members probably will recognize the right of the municipal administration to take such action. Heath notes that the provisional Berlin constitution does not cover the question of socialization; he raises the question as to whether the matter should not properly be considered in the final constitution or be decided by a special referendum.
10. **AUSTRIA:** US to press for disbanding of State Police--The War Department has instructed General Clark to inform the Austrian Government and the other elements of the AC Austria that the US regards with "strongest disapproval" the Soviet-inspired secret State Police (see Daily Summary of 7 November, item 5). Clark is further instructed to give the Austrian Government "all appropriate support" in effecting the dissolution of the organization.

NEAR EAST-AFRICA

11. **IRAN:** Termination of US Military Missions opposed--Allen reports that, if termination of the President's war-time powers should compel the withdrawal of the two US Military Missions in Iran, the Iranians would conclude that the US has "gone isolationist" toward Iran and American interests in the Middle East would be adversely affected. Allen asserts that these Missions, which the Soviet authorities are anxious to supplant, have done an outstanding job by aiding in the maintenance of Iranian independence, instilling American principles, and supporting peace at one of the key points where world conflagration might start.

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Firuz goes to Moscow--Allen further reports that Muzzafar Firuz departed for Moscow to assume his post as Ambassador. Efforts were made to defer his departure until after elections, but the Shah insisted he go now.

FAR EAST

12. SIAM: British adviser to Siamese Government--US Military Attache Bangkok reports that W.D. Reeve, a British subject and a member of the Siamese Foreign Trade Regulation Board, has been appointed an adviser to the Ministry of Finance in the Siamese Government.

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