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~~TOP SECRET~~#14
2 Mar 76

GENERAL

1. Delivery of US planes to Yugoslavia opposed--Embassy
Belgrade reports that a high UNRRA official has learned that three C-47's with US crews and mechanics are expected to arrive soon at Belgrade to assist in the training of Yugoslavs. The Embassy is opposed to the delivery of these planes to the Yugoslav Government in view of the latter's refusal to discuss civil aviation proposals and its efforts to force ATC out of Yugoslavia by refusal to clear ATC replacements. Both the Embassy and ATC officials urge that the C-47's be stopped en route to Belgrade pending final decision by the State Department.
2. Aid for Soviet ships in Alaskan area to cease--The Commandant
of the 17th Naval District (Alaska) has informed the Navy Department that unless otherwise directed he will terminate the issue of fuel, supplies and services to Soviet merchant ships in his area commencing 2 March.
3. Venezia Giulia commission receives instructions--Dunn reports
from London that the deputies of the Council of Foreign Ministers have agreed on instructions to the investigatory commission for Venezia Giulia. In addition to specifying the areas to be visited, the instructions call for the commission's economic experts to visit Fiume, a point on which the Soviet deputy, Gusev, finally agreed although he still considered the Fiume visit unnecessary. Except for the Soviet member, who is going to Trieste via Moscow, the commissioners will proceed to Paris, leaving there for Trieste on 5 March.

Meanwhile, Kirk in Rome has expressed himself as disturbed that the US is agreeing to limit areas to be visited in Venezia Giulia and adds that unless the commission has sufficient authority to visit any part of the province necessary to arrive at a fair decision, the entire effort will be "a farce the like of which was not tolerated in 1919."

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- 1 -

~~CONFIDENTIAL~~
~~TOP SECRET~~

01 MAR 1976

~~TOP SECRET~~
~~CONFIDENTIAL~~

EUROPE-AFRICA

4. FRANCE: Ministerial disagreements over policy in Germany--
In analyzing French opposition to centralization of administration in Germany, Caffery comments that it is now clear that Foreign Minister Bidault rather than DeGaulle was the principal framer of the policy. The Foreign Minister still insists that if a unified Reich is established before settlement of the Ruhr, Rhineland and Saar questions, there will be no chance for French views on these matters to prevail. ✓

Caffery believes that the French Socialist leadership-- while favoring political separation of the Ruhr, Rhineland and Saar--is sincerely opposing the Foreign Ministry's policy of blocking centralization of the rest of Germany. In taking their present position Blum and his associates are, in fact, running the risk of severe criticism from other groups during this critical pre-election period. Gouin has insisted to Bidault that the US is so important to France that some compromise solution must be reached and has rejected Bidault's first set of compromise proposals as not sufficiently modified to satisfy US wishes.

Bidault is now threatening to resign over the issue, while Gouin and Blum are pressing for acceptance of a plan whereby national ministries would be established in Germany to deal with purely administrative and technical matters but would have no direct governmental functions. Such functions would be exercised by an inter-Allied commission.

5. BULGARIA: Soviet Marshal Tolbukhin left Sofia for an unrevealed destination the night of 27 February, according to an official announcement reported by Barnes. The Marshal's present headquarters are at Constanza, Rumania, but he is believed to have advance headquarters in the vicinity of Plovdiv, Bulgaria. Barnes states that most observers in Sofia believe Tolbukhin, who had secretly been in Bulgaria since early February, settled all details concerning Bulgaria's

~~CONFIDENTIAL~~
- 2 -
~~TOP SECRET~~

~~TOP SECRET~~~~CONFIDENTIAL~~

part in any future USSR dealings with Turkey, before leaving the capital.

FAR EAST

6. KOREA: US support of progressives suggested--The War Department has suggested to CG US Forces in Korea a course of action to counter the application in Korea of current Soviet tactics in Eastern Europe. Included in the plan is the suggestion that General Hodge publicly clarify the measures which the US is taking to facilitate the establishment of a free and independent Korea. The War Department suggests that every effort should be made to find in the US zone a group, neither associated with the Kim Koo group nor the Soviet-dominated groups, which will develop, in line with US aims, a progressive platform to win over those Koreans now drawn to the Communist program.
7. JAPAN: War study--General MacArthur reports that the Japanese Government has named Premier Shidehara chairman of a Japanese War Investigation Commission which is to be charged with studying "the causes and results" of the war.

THE AMERICAS

8. ECUADOR: President considering dictatorship--Both Embassy and ALUSNA, Quito, report reliable information that President Velasco is considering a resort to dictatorship with the aid of the Army. According to the Embassy, he is exasperated by the activities of the Tribunal of Guarantees and the Permanent Legislative Committee and feels that he cannot continue to govern without abolishing them.

The Embassy is also reliably informed that Augustin Aguirre, Acting President of the Permanent Legislative Committee, has said that if such an attempt were made he

~~TOP SECRET~~~~CONFIDENTIAL~~

~~TOP SECRET~~
~~CONFIDENTIAL~~

would convoke Congress to unseat the President. Aguirre would be Velasco's constitutional successor.

It has been previously reported (Summary No. 13, item 16) that General Enriquez, head of the Army opposition group, might initiate revolutionary activity within thirty days.

Navy states that the USS LITTLE ROCK is scheduled to arrive at Guayaquil on 7 March.

~~TOP SECRET~~
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