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GENERAL

1. Western European union endorses firm Berlin stand--US EmbassyThe Hague reports that the foreign ministers of the five western European union powers have agreed that the western powers should stand firm in Berlin but must not close the door to the USSR. The ministers reportedly agreed that from three to five years of peace at the present rate of recovery will be needed by their countries to build up their military and economic potential and that they would be unable to defend themselves if conflict broke out soon between the US and the USSR. The ministers expressed the hope that the US could make manifest its military support of the western union countries in a substantial way because this support is needed if those countries are to make the most of their potentialities. The western union representatives generally believe that a broader agreement, such as one covering the Atlantic area and including Greenland and Iceland, would be of questionable worth at this time because it might be considered provocative by the USSR.

EUROPE

2. YUGOSLAVIA: Increased friendliness to Italy noted--The US Military Attache in Rome has been informed by the Italian Minister of Defense that during the past two weeks a marked change in Yugoslavia's attitude toward Italy has been revealed by: (a) the absence of all friction between Yugoslav and Italian troops on the border; and (b) friendly approaches to Italian officials by Yugoslav diplomats in Rome.

<u>Analysis of Tito's position</u>--US Charge Reams in Belgrade reports his belief that for the first time Tito may now actually enjoy the support of the majority of the Yugoslav people. Reams reasons that Yugoslavs now see in Tito: (a) their best defense against the USSR and further sovietization; (b) their only guarantee against forcible collectivization;



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and (c) vindication of their national pride and superiority over Bulgarians, Hungarians, and Albanians. Reams asserts, however, that to secure and use this new national support, Tito cannot merely reiterate answers already made to the Cominform but must move ahead in new and affirmative directions in order to reconcile his claims to Communist orthodoxy with nationalistic Yugoslay thinking.

(CIA Comment: Although CIA concurs in general with Reams' analysis, it is valikely that Tito will make any new moves until he has abandoned all hope of a rapprochement with the Kremlin. Moreover, the popular support for Tito's stant against the Kremlin does not represent endorsement by the Yugoslav people of Tito's domestic policy. Regardless of the outcome of his disagreements with the Kremlin, Tito will have serious difficulties in winning popular support for his regime.)