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GENERAL

DDA Memo, 4 Apr 77

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By:

1. US position on Antarctic disputes--The Department of State has informed the UK that (a) the US has postponed moves to sound out interested governments with a view to resolving Antarctic disputes through diplomatic discussions; and (b) the US does not object to the British proposal to tell Argentina and Chile informally that the UK will confer with them over the disputed Antarctic islands after the Bogota Conference, if they do not press the issue at Bogota. The Department has informed US Embassy London that the US would not be averse to a mutually satisfactory British-Argentine-Chilean settlement of overlapping claims in the islands "which would safeguard essential points of British interest."

2. Support for Chinese resolution on Kashmir case--The US delegation to the UN reports that the US, UK, Canada, and Belgium have agreed to support amended Chinese proposals to the Security Council for the settlement of the Kashmir case, upon the understanding, however, that they were not committed to the plan and remained free to accept changes suggested either by India or Pakistan. UK Cabinet Minister Noel-Baker has told the US delegation that he is optimistic about the possibilities of a settlement on the basis of these Chinese proposals.

EUROPE

3. DENMARK: Acute nervousness continues--US Ambassador Marvel has been told by Foreign Minister Rasmussen that the Danish Government is acutely nervous. Rasmussen considers that for the immediate future Denmark has little chance of being invited to join the Brussels treaty; he referred to the view of Netherlands Premier and Foreign Minister that no country should be invited until the five original members had "consolidated their situation." Rasmussen also doubts that participation would ensure potential military assistance.

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Referring to his Government's mid-March request for US arms, Rasmussen said Denmark might be forced to follow Norway in requesting US military guarantees. He declared that he disliked joining Norway in breaking up Scandinavian solidarity, but, because it is satisfied that Sweden would remain neutral, Denmark must determine her course independently.

4. **TRIESTE: Implications of possible transfer to Italy**--US Political Adviser Joyce reports that the initial emotional outburst of enthusiasm in Trieste over the US-UK-French recommendation for the return of the Territory to Italy has been followed by "sober second thoughts" on the implications of an Italian Trieste. Joyce attributes this moderated enthusiasm to the belief prevalent in Trieste that (a) without UK-US military protection and economic support, Trieste as part of Italy would inevitably stagnate and lose half of its population; and (b) Italy is in no position politically, economically or militarily to protect its northern frontiers against a Communist and hostile Yugoslavia, unless US-UK troops remain in Trieste or the Italo-Yugoslav border is guaranteed under a military alliance between the US, the UK, and France.

5. **GREECE: Griswold pessimistic over prospects**--AMAG Chief Griswold reports that, because the Greeks are increasingly fearful of the international situation, a crushing defeat of the guerrillas will not create the psychological factors essential for economic recovery to the extent previously anticipated. Although Griswold says that the internal military situation in Greece is improving, he fears that as the guerrillas south of the actual frontier zone are seriously threatened by the Greek Army, foreign aid to the guerrillas may be increased to such an extent that serious military and political as well as psychological consequences might develop--especially if the guerrillas should succeed in capturing any town sufficiently large for a "capital" for the Markos junta. Griswold adds that many Greeks are trying to avoid taking sides in the present struggle, because they fear ultimate Communist domination and desire to be with

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the winning side, or at least not to have opposed it. For this reason, Griswold doubts that invasion by Soviet or Satellite forces would galvanize Greece into unity as did the Italian invasion in 1940.

(CIA Comment: CIA agrees that it would now be difficult to unify the Greeks against an attack by the Satellites. The issues are more complicated than in 1940, and the Greeks are now psychologically exhausted. Moreover, even should the Satellites decide to take over Greece by violence, their method would be infiltration--however rapid--rather than a frontal attack which could be recognized and resisted as such.)

6. **GERMANY: USSR may close Eastern Zone border--US Political Adviser Murphy reports from Frankfurt that** 25X1

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[redacted] all gendarme officials from southern and western Thuringia met on 15 March at Soviet instigation and were informed of an alert plan for which they were to prepare immediately. The plan is allegedly to be put into effect when Soviet officials move to abolish the Christian Democratic Union and the Liberal Democratic Party and arrest the parties' leaders. The gendarmes reportedly will reinforce the border police in order to prevent the escape of the political leaders into the western Zones.

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7. **FRANCE: Italians must go home to vote--US Ambassador Caffery reports that the French Government has refused to allow Italian diplomatic representatives to distribute ballots for the 18 April elections to the approximately 300,000 Italians resident in France**

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though Italian law permits such voting. The French have informed the Italian Government that they cannot permit a procedure which amounts to holding Italian elections in France, but they will allow Italian consular authorities to circulate registration cards for use by Italians who may wish to return home to vote. Caffery adds that the French estimate that several hundred thousand of these Italians would vote Communist if they were given an opportunity to vote in France, but that few would return home to vote.

(CIA Comment: While French refusal to permit Italian nationals to vote in France might appreciably reduce the Italian Communist vote, it will give Italian Communists useful propaganda against the "undemocratic" processes of the western powers.)

8. SPAIN: UK-French view on participation in recovery plan - US Ambassador Caffery has been reliably informed that Bidault has told the Portuguese Foreign Minister that it is politically impossible for either France or the UK to include Spain in the European recovery program or in the Western European Union at this time. Bidault reportedly added that the French and UK attitude might become much more favorable if the Franco regime gives some outward evidence of democratic evolution.

FAR EAST

9. BURMA: Developing Government crisis--US Embassy Rangoon reports a complete breach between the Government and almost all Burmese newspapers has developed as a result of recently-imposed Government censorship regulations. Even those which formerly supported the Government now are charging it with fascist tendencies. The Peoples Volunteer Organization (PVO), one of the two principal groups in the Anti-Fascist League (the government party), has invited Burmese Communists and other anti-government groups to meet on 28 March and launch a campaign to oust the Socialists from the League and thus from the Government. In addition, more trade unions are threatening to join Communist-instigated strikes already in progress.

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(CIA Comment: The proposed anti-government meeting under PVO sponsorship will presumably end the uneasy PVO-Socialist cooperation in the Government. The Socialists in the Government control the police and may be expected to resist ejection from the Government by the quasi-military PVO. Direct conflict between these two groups is almost certain. Such a rift between the two strongest non-Communist groups in Burma would greatly increase the possibility of eventual Communist control of Burma.)

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