Approved for Release: 2018/09/05 C02930246
APPROVED FOR RELEASE - Historical Programs Staff 30 August 2018

COMPUSENCEMENT

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GENERAL

- 1. Bulgaria will permit publication of US notes—US Representative Barnes reports that, as a result of US and UK protests, both General Biryusov, Soviet acting Chairman ACC, and Bulgarian Foreign Minister Kulishev have agreed to permit local publication of all correspondence between the US, the USSR and Premier Georgiev regarding the freedom of Bulgaria's elections (see Daily Summary of 23 October, item 1). Kulishev has admitted to Barnes that he had lied in saying that Biryusov had prohibited publication of correspondence between Secretary Byrnes and Premier Georgiev; Biryusov had only suppressed correspondence between himself and US authorities. Biryusov has refused, however, to consider a 24 October proposal by the US to permit appeals to the ACC in case of suspected fraud in Sunday's election.
- 2. US "extremely reluctant" to recognize Government—The State Department has informed the UK that the US is "extremely reluctant" to extend even technical recognition to Bulgaria to permit the US to sign the Peace Treaty, unless the situation in Bulgaria is altered in the meantime. The US fears that such recognition would be exploited in certain circles as contradicting the "position the US and UK have been endeavoring to uphold in the Balkans."
- 3. US favors retention of 1939 Greek boundaries—The State Department has instructed Ambassador MacVeagh to inform the Greek Government that the US must favor retention of the 1939 boundaries in the interest of the more important long-range aim of Balkan peace and stability. The US is sympathetic with Greek arguments for territorial adjustments but believes that continued attempts to advance these claims can only create difficulties for Greece and for those nations that want to assist Greece in its present dangerous situation.
- 4. <u>UK and Soviet views on UN site</u>-The US Representative to the UN, Austin, has been informed by a UK delegate that the Soviets are "openly" declaring their preference for UN headquarters in Europe, "specifically at Geneva." The British, although not satisfied with the surroundings at Flushing, are fearful of re-opening the site question.

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THE C.I.A. HAS NO OBJECTION TO THE DECLASSIFICATION OF THIS DOCUMENT.

CERPDENGRET.

20 MAR 1978 OIL

TOP SECRET

5. Possible Soviet-Finnish military alliance denied--US Legation Helsinki reports that the Associate Minister for Foreign Affairs has "categorically" denied that there is any truth in current rumors of an impending Soviet-Finnish military alliance.

EUROPE

- 6. VENEZIA GIULIA: Harding fears Yugoslav-inspired disorders--According to US Political Advisor Byington in Caserta, General Harding, Commander XIII Corps, "is preoccupied" over the possibility that Yugoslav agents in Venezia Giulia, in an effort to paralyze AMG, may clandestinely organize Slav Communists to promote a series of civil disturbances involving public utilities, sniping and sabotage. Harding points out that such action would place a severe strain on US and UK military forces and requests that the US and UK be prepared to take strong diplomatic action vis-a-vis Yugoslavia to meet such an eventuality.
- 7. ITALY: SAC decides against action on possible sabotage of fleet--Byington reports, with reference to the possible sabotage of Italian fleet units (see Daily Summary of 22 October, item 10), that the Supreme Allied Commander believes no action is called for by the Allied military authorities because (a) the senior Italian naval officers realize that sabotage would be against Italy's best interests; (b) the Italian Government has been warned "on numerous occasions" of its responsibility, and (c) it is neither politically desirable nor physically possible for Allied authorities to take possession of Italian fleet units.
- 8. GERMANY: Soviet labor deportations increasing -- Murphy reports that, according to Berlin G-2, the Soviet labor deportations which began in Berlin just after the 20 October elections, have now spread to the Soviet zone and involve 10-15,000 persons. He adds that these deportations seem "particularly inhumane," that public anxiety is widespread, and that UK representatives are asking their Foreign Office whether the question should be raised, presumably in the Manpower Directorate.