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GENERAL

1. Comment on Soviet proposal for European collective security conference:

The Soviet proposal for a conference on European collective security to be held in Paris or Moscow on 29 November is another manifestation of the strategy

Moscow has been following since the September conference on German rearmament in London.

The USSR is attempting to pose as a willing and reasonable negotiator--as was already evident in its 30 September disarmament proposal and its proposal on 23 October for new talks on Germany.

The Western European governments are not likely to be strongly influenced by this latest Soviet move. French premier Mendes-France has indicated that talks with the USSR will not be considered until after the Paris agreements have been ratified. He is, however, expected to bring up the subject during his visit to Washington.

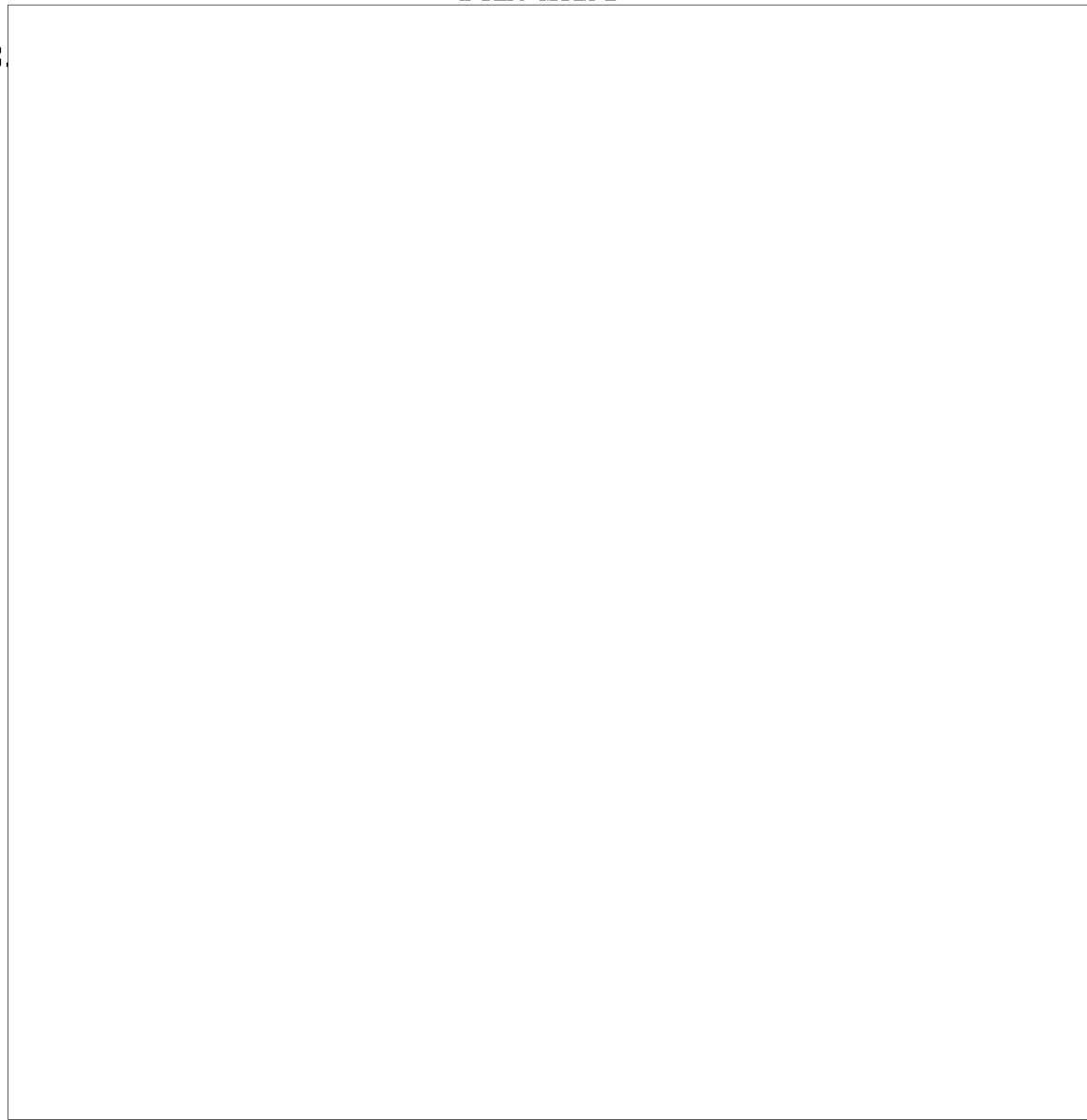
In Germany, the Soviet note is expected to have no effect on ratification, which now appears almost certain as a result of the reported decision of the Free Democratic Party to support the agreements, including the Saar settlement. The Social Democrats, however, may endorse West German participation in the Soviet-proposed conference.

Both Churchill and Eden have repeatedly urged speedy ratification by Britain, insisting that European military strength and unity are prerequisite to any serious attempt to negotiate with Moscow.

Ambassador Bohlen has recently commented that the behavior of key Soviet leaders has reflected their concern over the current situation, particularly the progress toward West German rearmament, which they can do little about.

FAR EAST

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**EASTERN EUROPE**

3. Malenkov reportedly assures Soviet respect for Belgrade's independence:

[redacted] Yugoslav ambassador Vidic told [redacted]

[redacted] that Khrushchev picked him out from a

group of diplomats at the 7 November celebration in order to ask him what the Yugoslav reaction would be to Saburov's speech of the night before. Khrushchev, who was shortly joined by Malenkov, emphasized that the decision to include the reference to Yugoslavia and the wording of the passage were deliberately and carefully examined by the Soviet government.

In answer to Vidic's question as to whether the Soviet government fully understood the independent position that Yugoslavia had attained and intended to maintain, Premier Malenkov repeated "yes, yes" two or three times.

Comment: The Soviet leaders' approach to Vidic was undoubtedly designed to emphasize those passages in Saburov's speech which paid particular attention to past and future improvement in Soviet-Yugoslav relations. The USSR's campaign seems mainly directed at loosening Belgrade's ties with the West, rather than persuading Yugoslavia to return to the bloc immediately.

President Tito recently told an American official that the Soviet Union had been told that normalization of relations would not alter the growing Yugoslav co-operation with the West. He added that Moscow had accepted this and begun normalization on that basis.

4. East German government reportedly plans to store American flood relief shipments:

[redacted] [redacted]
[redacted] officials in East Berlin told him American flood relief shipments to East Germany will not be distributed but will be stored in state food reserves. The American deputy high commissioner believes this report is plausible.

In connection with this report, the commissioner points out that he has just received an East German National Front pamphlet in which the "US-financed Gehlen organization" is blamed for opening sluice gates at the height of the flood in order to aggravate the disaster.

Comment: The Satellites probably accepted American flood relief offers as part of a campaign to convince the West of a "sincere" desire to reduce international tension, rather than because of a desperate need for assistance. East Germany, in addition, wished to avoid unfavorable popular reaction such as followed the refusal of American aid in 1953.