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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE 25 May 1961

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CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: Khrushchev's Conversation with Ambassador Thompson on Berlin

1. Khrushchev has now made it clear, in his conversation with Ambassador Thompson, that he considers Berlin the main topic for discussion when he meets with the President in Vienna. He has also provided strong evidence for the view that the questions of Berlin and Germany remain the crucial issues and that his over-all policy toward the US and the West will largely be determined by the outcome of his efforts to resolve these questions this year. We do not feel, however, that Khrushchev is setting the stage for a showdown with the President over these issues. On the contrary, Khrushchev's interest in negotiating a settlement is still evident, and he has maintained his position that the USSR will sign a peace treaty with East Germany and transfer control over allied military access only if no agreement can be reached. Nevertheless, Khrushchev in this conversation and in a similar talk with the West German ambassador last month seems to have gone further in committing himself to a precise timetable for unilateral action than at any time since his original six month ultimatum. In effect, he has set a deadline of late 1961 for a final Soviet decision on a separate treaty although he has carefully avoided spelling out an exact schedule in public.

2. One of Khrushchev's aims in detailing the consequences of transferring access control to the East Germans was to counter Western statements that a separate treaty would not affect Western rights. Khrushchev apparently is seeking to spell out in no uncertain terms

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that after a separate treaty the West will not have free access without coming to terms with the East German regime. This move is reminiscent of Khrushchev's belligerent speech shortly before the Paris summit, when he responded to similar Western statements on free access. In that speech he asserted as he did to Ambassador Thompson, that East Germany would be given complete control over access and the Western powers could enter Berlin only under an agreement with the East Germans.

3. Khrushchev's purpose in arranging this informal discussion with Thompson was to convey to Washington a forceful restatement of his views on Berlin and Germany, using strong language which he would not wish to employ in his initial meeting with President Kennedy. Khrushchev stated frankly that he would not make this same approach to the President, although he knew the ambassador would report his remarks. He implied that he did not feel he could speak so candidly to the President on such a "delicate problem" in the presence of their assistants. By speaking in such formright terms Khrushchev was seeking to exert pressure on the President to be amenable to early negotiations on this question. The conversation was intended to make this an attractive alternative to a separate peace treaty granting the Ulbricht regime full control over allied access to Berlin. A new summit meeting and the idea of further high-level negotiations has begun to appear in the Soviet propaganda build-up for the Vienna talks, and we expect that this theme will become more prominent,

4. Khrushchev also sought to forestall any effort to subordinate the Berlin question to a general improvement of the international climate or to link it with a solution of other East-West questions such as disarmament. He has now reverted to his position of late 1958 and early 1959 that Berlin is the "problem of problems" and that only its solution will open the way for progress on a wide variety of East-West questions. Despite Khrushchev's frequent statements on the paramount importance of complete and general disarmament, he told the ambassador that no other issue was as vital as the German problem, and that disarmament was impossible as long as the Berlin problem remains unresolved. This position appears calculated to convince the US that a more flexible Soviet attitude on disarmament and in

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the nuclear test ban negotiations will depend on Western willingness to negotiate and made concessions on Berlin.

5. Khrushchev's statements to Thompson do not alter the substance of the Soviet position on a Berlin solution. He did, however, provide further evidence that Moscow intends to concentrate on obtaining a Western agreement to an interim solution for Berlin. He stated that the USSR was prepared to accept a temporary agreement so that the two German sides could negotiate. The interim proposal he has in mind, however, probably is the 9 May 1960 plan, which would commit the four powers to sign a peace treaty at the end of the interim period, as well as take steps to implement the free city proposal, . Khrushchev probably feels he has already made his interest in an interim agreement abundantly clear, and will simply urge that the US and USSR join in working out a solution, leaving the details for formal negotiations. A new emphasis in the current conversation with the Ambassador, as in the 9 March talks in Novosibirsk, is Khrushchev's reference to protecting American prestige by allowing Western troops and "symbolic Soviet forces" to remain in the free city. This modification of the original demilitarized free city proposal was introduced on 1 June 1959 by Gromyko in Geneva in the form of a Protocol on the Guarantees of the Free City. Khrushchev probably feels that this variation of the free city scheme is more palatable to the West since it is designed to meet a basic Western demand to continue stationing troops in West Berlin as a security measure. Khrushchev has also devoted increasing attention to the necessity for Western recognition of the Polish and Czech boundaries, and he may intend to sound out the US on some statement accepting these frontiers as a first step toward a German treaty.

6. We agree with Ambassador Thompson's comment that Khrushchev seems to be groping for a way out of a difficult impasse. On the one hand, Khrushchev's long and extensive commitment to sign a separate treaty probably acts as a form of pressure to carry out his threat, if he fails to obtain satisfaction from the West. On the other hand, despite Khrushchev's repeated expressions of skepticism regarding the West's

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willingness to resort to a nuclear war over Berlin, his actions during the past two and one half years suggest that a margin of doubt exists in his estimate of the US response in a crisis and that he still prefers a negotiated solution. Khrushchev's reference to the passing of 30 months since he issued his original ultimatum reflects his awareness that his prestige and authority among his bloc colleagues can be affected by the eventual outcome of his initiative on Berlin. As Khrushchev declared heatedly, in reply to the Ambassador's suggestion to maintain the status quo, "the US apparently wished to damage Soviet prestige and the matter could not go beyond the fall or winter of this year." While such ultimative language undoubtedly serves the Soviet Premier's tactical purposes in preparing for his talks with the President, it also points up his dilemma: if negotiations do not take place, or if they fail, Khrushchev probably feels that he will have no alternative but to sign his long-threatened peace treaty, despite the high risks which he acknow-ledges may be involved in such a step.

> 25X1A HUNTINGTON D. SHELDON

Assistant Director Current Intelligence

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