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25X1 CONCLUSIONS OF SPECIAL USIB SUBCOMMITTEE ON BERLIN SITUATION* 25X1

Period covered: 18 through 31 October 1961

- 1. We do not believe that the current display of bloc disunity at the party congress will cause Khrushchev to reduce his substantive demands on the Western powers or to retreat from his intention to sign a separate peace treaty with East Germany. The relaxation of a year-end deadline on a treaty and his endorsement of further exploratory talks will give Khrushchev greater freedom of maneuver in dealing with the West, but it is unlikely that this move was dictated by his decision to join issue with the Chinese on Albania and the "cult of personality". Khrushchev has used the party congress to restate firmly his commitment to the strategy of peaceful coexistence which includes negotiations and contacts with Western leaders; any retreat from this general line would be interpreted throughout the Communist world as a concession to the Chinese communists.
- 2. Following an initial period of confusion the Soviets have adopted an uncompromising stand on the question of identification by East German police of Allied personnel in civilian clothing at the Friedrichstrasse checkpoint. Although the use of Soviet forces in East Berlin undermines the Soviet contention that 25X1

^{*} These conclusions were approved by USIB at its meeting on 2 ARPVENED PROGRESS 2004/07/08: CIA-RDP79S00427A000200080003-7

-2-

they have no responsibility there, the USSR probably feels that failure to halt the use of military escorts into East Berlin would seriously damage its prestige and that of the East Germans. At the same time, having made a show of force in East Berlin as a counter to US moves, the Soviets probably feel that this action will keep the situation under control temporarily and make it possible to work out some compromise. In general the Soviets will probably hope to avoid a test of strength, which would jeopardize the prospects for East-West negotiations. The Soviets also probably consider that the outcome of the current issue in Berlin will provide an indication of how far the East Germans can go in applying similar practices to Allied civilian movement along the ground routes to West Berlin.

3. Allied actions during the past week have led to some expressions of cautious optimism among West Berliners although the city continues in a state of outward calm that masks popular uneasiness over the future and unhappiness over "the wall".

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