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CURRENT
INTELLIGENCE
WEEKLY
SUMMARY

Deary



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CURRENT INTELLIGENCE WEEKLY SUMMARY

WEEKLY REVIEW

EAST-WEST RELATIONS

The tone and content of Khrushchev's conversations with Ambassador McCloy on 26 and 27 July suggest that the Soviet leader still prefers to avoid a showdown over Berlin but feels obliged to adopt an increasingly strong line in response to Western moves. His principal motive in these talks was to inject a further note of alarm over Berlin and intensify pressure for the West to take the initiative in renewing negotiations.

Khrushchev sought to provide an incentive for a Western move by suggesting an exchange of proposals. He was careful to indicate that his offer to negotiate on a peace treaty remained "valid and open." He also went to some lengths to point out that the USSR was prepared to accept any US proposals on guarantees for the "freedom and independence" of West Berlin after the conclusion of a peace treaty.

Khrushchev's remarks suggest that he will make a vigorous public response to the President's address but will be careful not to foreclose the possibility of negotiations. Khrushchev also made an effort to improve his bargaining position by implying that some new Soviet defense measures were under consideration.

In further moves to reinforce the impression of military readiness to deal with a crisis over Berlin, speeches and official pronouncements in connection with Soviet Naval Day activities emphasized the ability of the Navy to attack surface ships at great distances. In a 29 July Pravda article Admiral Gorshakov stated that the West "would do well" to realize that their "traditional invulnerability has been liquidated forever." A display of Soviet naval strength off Leningrad included about 60 surface ships and submarines and a naval air fly-by of 36 mis-

sile-equipped Badger jet medium bombers.

Berlin

In his first meeting with McCloy, Khrushchev raised the Berlin question and repeated his position in essentially the same terms he has used since the Vienna meeting, with particular emphasis on Soviet determination to conclude a peace treaty "under any conditions."

Khrushchev referred to Soviet proposals for agreement on a peace treaty, stating that the USSR was not seeking a clash with the US and that "lancing the Berlin boil" would clear the atmosphere. He said he fully realized the danger of the approaching situation, but he added that no efforts at intimidation would keep the Soviet Union from signing a peace treaty. Khrushchev invited the West to advance proposals and suggested that the Soviet Union might have some counterproposals to make.

In their second conversation, Khrushchev turned to the President's speech of 25 July and claimed that the President had presented an ultimatum which if not accepted would mean war. Khrushchev declared that the USSR accepted this "challenge" and would not change its policy on Germany and Berlin. He stated that he planned to meet with his military advisers, review the situation, and decide on measures to strengthen Soviet defenses.

Khrushchev doubted that the USSR would follow the US in mobilization of armed forces and industrial power, since he believed a war would be thermonuclear. He emphasized alleged Soviet missile superiority and reiterated his intention to consult with the Soviet general staff. Deliberately misconstruing the President's position in his address, Khrushchev

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contended that the Soviet people had to be informed that the US would start a war if a separate treaty were signed. He claimed, nevertheless, that a separate treaty would indeed be signed.

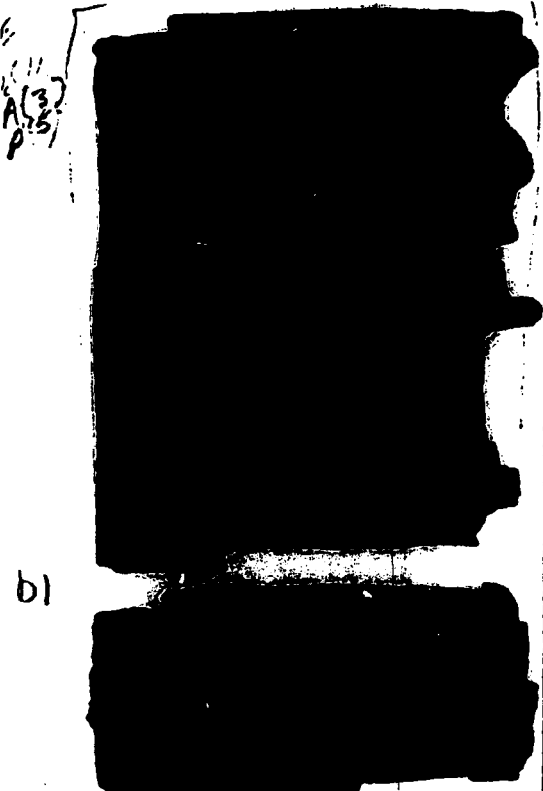
The Soviet premier ended this discussion, however, on a more conciliatory note. He stated that he still believed in the President's "reason" and pointed out that Western consultations would be necessary and it was uncertain whether the US' allies would want war. In any event, he continued, Soviet proposals for negotiations on a peace treaty remained and the USSR wished to resolve the problem of Berlin "peacefully."

would grow in the USSR because of the Berlin situation, and that if the US intensified its "threats" over a German peace treaty, he might not be able to resist pressure for resumption. He boasted that the USSR had a 100-megaton thermonuclear weapon which needed to be tested.

On the general disarmament talks, Khrushchev adopted a pose of flexibility and reasonableness and stated that the Soviets were prepared to agree to any US measures in the first stage of a complete and general disarmament program. Echoing his speech of 8 July, he listed a number of first-stage measures such as a partial troop withdrawal, a nuclear-free zone, inspection zones against surprise attack, and nonaggression pacts.

At the end of the conversation, Khrushchev referred to an aide-memoire which was subsequently submitted to the US in the bilateral talks in Moscow. This memorandum represented a tactical shift in the Soviet position by putting forward a set of principles to serve as a guide to future multilateral negotiations. In a further tactical switch, the Soviets agreed to a recess and indicated they would be prepared to resume negotiations in September in New York. Previously the Soviet delegation had argued that a discussion of detailed disarmament plans was necessary in order to reach agreement on principles.

While the new set of principles does not signal any shift in the substantive Soviet position, the move to salvage some agreement out of the US-Soviet bilateral talks may have been influenced by the Soviet leaders' concern over the Berlin situation. They may regard further bilateral talks with the US as a form of insurance against a mounting crisis over Berlin. Moscow's shift may have also been due in part to the publication of the Soviet party program, which stresses "universal and total disarmament" as one of the main tasks for Soviet foreign policy. (~~SECRET~~ NOFORN)



Disarmament

In his conversations with McCloy, Khrushchev implied that the future of disarmament talks might be influenced by developments over Berlin. He alleged that pressure for resuming tests

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