



COPY NO. 0205/61

22 June 1961

CURRENT INTELLIGENCE WEEKLY SUMMARY



Dur 11 Con 1800

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

DOCUMENT NO. 9

NO CHANGE IN CLASS. D

CI DECLASSIFIED

CLASS CHANGED TO: TS S

NEXT REVIEW DATE:

1990

EATE 20/5/80 REVIEWE

TINCLASSIFIED

CURRENT INTELLIGENCE WEEKLY SUMMARY

WEEKLY REVIEW

EAST-WEST RELATIONS

The Soviet leaders on 21 June took advantage of the public rally marking the 20th anniversary of the German invasion to blame the Western democracies for encouraging Hitler and to draw parallels with the current situation in Germany. Khrushchev's speech and an address by Marshal Malinovsky were generally anti-Western in tone and stressed that the USSR had the military capability to meet any Western challenge which might grow out of the situation in Germany and Berlin.

Khrushchev added that if the "imperialist powers" continued to increase defense expenditures and the size of their armed forces, the USSR would be confronted with the necessity of increasing "allotments for armaments" and, "if need be," of increasing the "numerical strength of our armed forces."

In his "report" of 15 June on his meeting with the President in Vienna, Khrushchev made no effort to represent the talks as more than a "worthwhile and necessary" first step. However, he defended such high-level diplomacy as "essential" under modern conditions because controversial questions cannot be solved through normal diplomatic means; such questions "urgently demand a meeting of heads of government." He indicated that the Soviets had had no great expectations, but that a frank exchange of positions on major issues was in itself quite important. He sought to convey

had been at least partially successful by claiming that "I have the impression that President Kennedy understands the great responsibility that lies with the governments of two such / powerful states," and that this awareness gave rise to hopes that international disputes could be solved.

ii.

Khrushchev implied that in general there were still major obstacles to an accommodation between the US and USSR. As a specific example he acknowledged that a different interpretation of peaceful coexistence had emerged from the talks. His discussion of the historical process of social revolution and his allegation of US interference in the internal affairs of other countries appeared designed to respond to those parts of the President's report on the Vienna meeting which dealt with the international Communist movement.

Berlin

The most significant aspect of Khrushchev's report was the emphasis on his determination to carry through with his announced policy on Berlin and Germany, He has committed himself publicly for the first time to take unilateral action and to sign a separate peace treaty if there is no East-West agreement before the end of 1961. He declared on 21 June that the USSR would sign a peace treaty with East Germany "at the end of this year." Previously Khrushchev had made his > the impression that the talksUNCLASSMEED le clear only in private

UNCLAS AFIED SECT

CURRENT INTELLIGENCE VEEKLY SUMMARY

talks with Western diplomats.

The Soviet premier's exposition of other aspects of the Soviet position on Germany and Berlin has adhered closely to the memorandum of 4 June given to the US in Vienna. both speeches he stressed the danger of 'delaying the conclusion of a peace treaty and cited the US-Japanese peace treaty as a precedent for a separate Soviet - East German treaty. Although he made it clear that the East Germans would be granted full control over Allied access to Berlin, Khrushchev on 15 June stressed that access would not be prevented if the Western powers reached agreement with East Germany concerning such access. He also warned that if "arms are brought into play" after a treaty, the Soviet Union is capable of giving a "proper rebuff."

On the day of the Khrushehev television speech, East German party chief Ulbricht also denied that the East Germans intended to block Allied access to Berlin, but emphasized that those states "who are interested in avoiding an interruption of traffic must show an interest in early negotiations" with East Germany. He disclaimed any interest in interrupting air travel and declared, "We are interested in bringing about a new settlement -- that is to say, that a contractual basis be established," but he made it clear that East Germany would take full control over air access, which is currently handled by the four-power airsafety center in Berlin.

Ulbricht repeated his creased pressure by the regime earlier call for immediate on East Germans and East Bernegotiations on a peace treaty UNCLASSISTED work in the western

and guarantees for Nest Berlin. After contending that agreement had been nearly reached on the main points of difference during the Geneva foreign ministers' conference in 1959, Ulbricht asserted that he was confident that "satisfactory results" could be achieved "if the negotiations are now continued in a serious and businesslike manner."

However, the East German leader also set forth new de-mands for a Berlin settlement. For the first time he dealt in detail with the refugee problem after a separate treaty. He demanded that the refugee camps in Berlin be abolished and that the "people engaging in this trade" leave Berlin. He also made the usual reference to the end of occupation forces, "agent centers," radio stations, and any other means which serve the "preparation of war."

Against the background of a stiffer bloc attitude on a peace treaty, the East German regime has stepped up its denunciation of the Evangelical Church's all-German congress. scheduled to be held in West Berlin from 19 to 23 July. On 14 June, Neues Deutschland stated that no East German citizen could participate in the meetings in West Berlin and that no sessions would be permitted in East Berlin. This suggests that the. regime may take steps to seal sector borders in Berlin and may plan interference with the travel of West German clergymen and laymen to Berlin.

A further move to point up the vulnerability and isolation > of West Berlin has been the increased pressure by the regime on East Germans and East Ber-LASSIE Tho work in the western sectors of the city. These socalled "border crossers," now
estimated to number almost
57,000, are now being subjected
to a "persuasion" campaign to
take employment in E2st Germany,
where their services are badly
needed. The East German party
central committee issued a
directive in late May calling
for an intensification of this
campaign. However, unless the
East German regime can seal off
all access to West Berlin, further pressure will risk provoking a mass exodus.

Disarmament

On the question of disarmament, Khrushchev has taken a generally negative view. He claimed in both speeches that all postwar negotiations had failed because the Western powers were not ready for serious negotiations. On 15 June he said, "To put it frankly, they still do not want" disarmament. He repeated the standard Soviet offer to accept any form of controls if the West agreed to complete and general disarmament and asserted that the control organs would operate freely without any "so-called veto.

In his television speech Khrushchev referred only briefly to the bilateral talks on disarmament which began on 19 June in Washington. He stated, "One hopes that this time we shall finally meet with a constructive approach from the US," He did not reiterate his previous contention that these talks should deal with more than the procedure for resuming multilateral negotiations; at the first session on 19 June, however, Soviet representative Zorin promptly suggested that the question of complete and general disarmament

be discussed prior to negotiation on the precise forum for a new conference.

Soviet propaganda has also emphasized that the main task for the Washington discussions was to "find ways" of solving the problem of general disarmament as well as agreeing on the composition of the new forum. A TASS dispatch criticized the "definite tendency" by the American side to emphasize "procedural questions" concerning the composition and work of a new disarmament committee.

Having stressed that the Soviet Union was willing to accept any control over disarmament, Khrushchev on 15 June claimed that the Western powers were "resolutely refusing to accept Soviet proposals on the forms of control" for a nuclear test ban. He repeated the position taken by the Soviet aide-memoire on the difficulties of achieving agreement in Geneva. In support of the Soviet position, he raised the question of the consequences of French testing and warned that France's example may be followed by other countries when they have the appropriate technical prerequisites. He concluded that in the "prevailing conditions there is no other way out" but linking the test ban with disarmament.

On 21 June Khrushchev repeated this line, and added that the USSR in its reply to the US note of 17 June dealing with the test ban negotiations would "firmly adhere to the views we have stated." In addition Khrushchev warned that "as soon as" the US resumed nuclear tests the USSR would do so, and the US would hear the responsibilities.