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CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

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WEEKLY REVIEW

EAST-WEST RELATIONS

The position Khrushchev outlined in his statements on Germany and Berlin to Belgian Foreign Minister Spaak on 19 September was more flexible than any he has adopted since he intensified the Berlin crisis after the Vienna meeting with President Kennedy. Khrushchev apparently was seeking to convince Spaak that formal negotiations by the four powers could lead to a compromise solution which would protect the Western position in Berlin but allow the Soviet Union a free hand to proceed with a peace treaty with East Germany. According to Spaak's report to the NATO Council, the Soviet premier contended that he understood Western views on Germany and Berlin and had no desire to impose the Soviet position that a treaty should be signed with both German states.

Khrushchev said the USSR would guarantee East German execution of any agreement on Berlin which the four powers could work out prior to negotiations on the peace treaty. stated that he was prepared for what he called a compromise-the signing of two treaties which would contain some common clauses, including recognition of present German frontiers; some provision for subsequent study by the two Germanys of formulas for unification; and a four-power accord on Berlin. Such an accord, Khrushchev indicated, could either appear in parallel treaties or be incorporated in a separate East Germany peace treaty concluded by the bloc alone. He claimed that in this way Moscow would guarantee the Berlin accord

without requiring Western recognition of the East German regime.

Khrushchev ruled out any discussion of the status of East Berlin. He also maintained that the West must reach an agreement with East Germany over access arrangements, but at the same time he said, "Berlin is not too important."

As to timing, Khrushchev indicated no sense of urgency and mentioned no final date, provided there were no "long, drawn-out" discussions on Berlin.

Khrushchev's presentation and his focus on the possibility of "compromise" seem tailored to appeal to those within the Western alliance who favor formal negotiations as early as possible. Spaak indicated to the British ambassador in Moscow that he believed he has been invited to Moscow because Khrushchev knew he favored negotiations. In keeping with this general line, Khrushchev's letter to Nehru, released on 22 September, maintained that the USSR was prepared for negotiations "any time, and place, and at any level," and attempted to create the impression that the West opposed "serious negotiations."

Although the idea of two peace treaties—to be concluded by the Western powers with Bonn and by the bloc with East Germany—was included in the aidememoire given President Kennedy in Vienna and repeated in the Soviet note of 3 August, Khrushchev's explanation of the link between a separate settlement on Berlin and the conclusion of a

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peace treaty is a new aspect, designed to overcome Western objections to a unilateral turnover of controls by maintaining a semblance of the status This alternative, however, would be consistent with Khrushchev's demand that the status of Berlin be "normalized" and with his refusal to agree to perpetuate Western occupation rights. He probably feels that incorporation in an East German treaty of a four-power agreement and a guarantee on access would reduce the risks of concluding a separate peace treaty with East Germany and would constitute at least tacit. Western consent to a separate treaty.

Khrushchev's statement that the USSR would be willing to negotiate on a zone of limited or controlled armaments in Europe is calculated to appeal to Spaak and other European leaders who have long held that a security arrangement in Central Europe should be taken up in connection with the German question.

Khrushchev apparently sought to meet Western opposition to negotiating under a threat or ultimatum by playing down any specific deadline and stressing only that the talks should not be protracted. Khrushchev has not mentioned a deadline in recent public statements, and threats of a separate treaty have also been omitted in several of Khrushchev's latest pronouncements.

Despite Khrushchev's more conciliatory line, Foreign Minister Gromyko did not reflect

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this approach in his discussions with Secretary Rusk and with Lord Home in New York. In answer to Home's question on the possibility of a Berlin access arrangement which would be written into a separate peace treaty, Gromyko replied with five conditions: respect for East German sovereignty, agreement with the East Germans, end of the occupation status, demilitarization in Central Europe, and recognition of the Oder-Neisse border.

Gromyko, however, was vague in answering Secretary Rusk's question on whether the Soviets excluded a broader approach than that indicated by Gromyko. In this way Gromyko apparently intended to hold the door open to a continuing exchange. Khrushchev told the French ambassador in Moscow that he realized there would have to be some "give and take" in any discussions on Berlin and Germany.

Military Measures

Moscow announced on 25 September that Warsaw Pact forces would conduct exercises in October and November. These exercises are a logical and consistent development of Moscow's extensive efforts over the past two months to impress the West with the strength and combat readiness of the Soviet and bloc forces. The Soviet announcement, which stated the exercises would be held in the "territory of the Warsaw treaty countries," follows the decision at the meeting of the Warsaw



Pact defense minsters on 8-9 September to work out "practical measures" to strengthen the defense of the bloc countries.

Hammarskjold's Successor

Although Moscow has continued to advocate the troika plan for replacing the UN secretary general, there is in-creasing evidence that the Soviet bloc will eventually agree to an interim appointment to fill out Hammarskjold's term, which expires in 1963. The bloc delegates probably intend to increase their efforts to arrange for the appointment of three under secretaries -- one each from the bloc, the West, and the neutral nations -- to act as advisers without a veto. In this way Moscow would probably hope In this to claim growing recognition of the concept of three power blocs in the world and of the necessity to reflect this division in the UN structure. By insisting on the full troika plan as an initial position and indicating opposition to certain candidates, Moscow probably also hopes to induce neutral delegates to put forward a compromise candidate acceptable to the USSR.

Gromyko in his UN speech made only a passing reference to the troika plan, denied that there was any constitutional crisis in the UN, and insisted the question be settled in the Security Council. A member of the Rumanian delegation, commenting on Gromyko's speech, said that what the USSR wanted at this time was a candidate

for temporary secretary general who would be acceptable to the bloc. Permanent Soviet UN representative Zorin is reported to have proposed to the three Western powers that a four-man directorate be selected, with one person to serve as the chief of the secretariat and the other three to act as assistants.

Reaction to President's Address

The bloc has been mildly critical of the President's speech, with most of the criticism directed against his disarmament proposals. Moscow asserts that the proposals fail to provide "either for the abolition of arms and armed forces or for the banning of nuclear weapons, or for the liquidation of military bases. Moscow also criticizes the President for referring to the Laotian situation as a threat to peace while not "saying a word" about Algeria, Angola, or Southwest Africa. The President's remarks on Germany are reported briefly but without direct commentary.

Berlin

During the past week, two incidents have occurred involving East German efforts to control US military personnel traveling on the Berlin-Helmstedt Autobahn. On 21 September police halted two US enlisted men in civilian clothes traveling in a car with military plates, and detained them at Potsdam police headquarters. After six hours, a Soviet officer appeared

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and the men were released. On 25 September, an air force staff sergeant was halted at a roadblock outside Berlin while en route to Helmstedt in a private vehicle with military plates. East German police—who were handing out fines to most of the cars on charges of speeding—ordered the sergeant to produce his identification, refused his request for a Soviet officer, and forced him to return to Berlin. On the second try, he drove through to Helmstedt.

The institution of increased patrolling by US military police after the first incident drew a strong protest from Marshal Konev demanding immediate cessation of the patrols, on grounds that they violated "the agreement pertaining to communications controls, under which the control for communications between the Federal German Republic and West Berlin is placed in the hands of the Soviet command." The broad reference to Soviet retention of communications controls is unusual in that it makes no allowance for existing East German control of West German traffic.

In an effort to maintain pressure on the matter of air access to Berlin, Soviet authorities in the Berlin Air Safety Center (BASC) used an Allied protest against the harassment of a British European Airways plane on 22 September by Soviet fighter planes to transmit the following day a demand that Western flights submit flight plans promptly, that they state the estimated time for crossing

the East German frontier, and that they adhere to the "requirement" of flying under 10,-000 feet.

West Germany

Despite official Washington reassurances that US policy on Berlin and Germany remains unchanged, West German spokes-men of the leading political parties have expressed "great uneasiness" over statements attributed to influential American officials about accepting the "reality of the two Germanys." A Foreign Ministry official told US representatives in Bonn that publicity at this time regarding possible Western concessions has "dismayed the German public" and created distrust of the strength of the alliance even before negotiations have begun or any con-cessions actually been made.

The influential Hamburg newspaper <u>Die Welt</u> asserted on 25 September that various concessions apparently under consideration by the United States such as de facto recognition of East Germany came "dangerously close to Soviet demands." The newspaper also noted that there was quite a difference between offering such concessions at the end of Berlin talks, when they might offer the only chance to keep Berlin free and avoid war, and offering them at the open-ing phase of negotiations.

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