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CURRENT INTELLIGENCE WEEKLY SUMMARY

21 May 1959

PART I
OF IMMEDIATE INTEREST

FOREIGN MINISTERS' TALKS

Soviet moves in the second week of the Geneva foreign ministers' conference were designed to break up the West's package plan and to induce the Western ministers to discuss the Soviet peace treaty and Berlin proposals separately on terms most favorable to the USSR.

Foreign Minister Gromyko, in his speech on 18 May, developed the line used by Khrushchev in his speech two days earlier, accepting the Lenin Peace Prize. Gromyko said the Western package was "clearly unacceptable," but indicated willingness to discuss those parts dealing with European security and disarmament if they are separated from the "negative and unrealistic" proposals on Berlin and German reunification. He made it clear, however, that debate on a peace treaty and Berlin must precede consideration of all other questions.

The Soviet leaders probably hope their moves to detach the questions of European security and an arms-limitation zone from the Western package will tend to divide Britain from the United States and France in view of Prime Minister Macmillan's commitment, at the end of his Moscow visit, to discuss these questions separate from German reunification.

Gromyko has also attempted to probe for dissension among the Western powers by floating hints of readiness to discuss a separate or interim agreement on Berlin. After rejecting the Western proposals on Berlin "from beginning to end," he

urged the West to display a "sounder and more businesslike approach" and said the USSR is ready to work out a solution "together with the governments of the states concerned." He emphasized Moscow's readiness to consider Berlin and European security as separate and independent subjects for negotiation.

On the day following the widely publicized reports that the United States might consider an interim Berlin settlement if the USSR rejects the Western package plan, Gromyko, in a private talk with British Foreign Secretary Selwyn Lloyd, renewed the USSR's previous offers of three alternative solutions: (1) complete withdrawal of Western forces from West Berlin; (2) addition of token Soviet forces to the Western garrisons; or (3) replacement of Western troops by neutral forces under United Nations authority.

Two high-ranking members of the Soviet delegation, in a private talk with an American official on 14 May, had suggested that token Soviet forces could be stationed in West Berlin along with Western troops. This idea was first advanced publicly by Khrushchev in his speech in East Berlin on 9 March.

Moscow's maneuvers to exploit any differences between Britain and the other Western powers were also reflected in Soviet propaganda. Pravda claimed on 17 May that the circulation by Reuters of a version of the West's package plan a day before it was formally

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introduced was an attempt by the British to "stress that they have some ideas of their own on settling international problems which do not coincide with US and French viewpoints."

Khrushchev's conciliatory letters of 15 May to President Eisenhower and Prime Minister Macmillan highlighted Soviet efforts to manipulate the nuclear test cessation issue as a device for exploiting Anglo-American differences and for creating an impression of progress toward agreement which could be used to justify a summit meeting. Khrushchev welcomed the President's readiness to study Macmillan's proposal, endorsed earlier by Khrushchev, for a predetermined number of annual on-site inspections of suspected nuclear explosions. He asserted that agreement on this proposal "would pave the way for the conclusion of an agreement to end all kinds of tests" and portrayed the President as agreeing to the Soviet thesis that "such inspections should not be numerous."

The Soviet premier's warm note to Macmillan referring to the "closeness of our positions on your idea" was calculated to place London under increasing domestic pressure to conclude an agreement.

While Khrushchev's letter to the President accepted in part the Western proposal for further technical discussions on condition they are limited to a study of high-altitude detection, the USSR continues to insist that the fixing of the number of annual inspections is essentially a matter for high-level political decision.

Khrushchev contended in his letter that there is little need for a "special study of criteria for settling so simple and clear a question" as the number of inspections. He warned that debates on criteria might be endless and implied that the United States might prolong them as a means of forestalling an agreement.

Khrushchev has reaffirmed the Soviet position that unanimity of the three nuclear powers would not be required to dispatch inspection teams if the number of inspections is agreed upon in advance.

The Soviet leaders probably hope that the British Government will be inclined to favor their thesis that an inspection quota should be established on a high political level and that any differences between London and Washington on this issue can be exploited to advance Soviet objectives on other questions under negotiation at the foreign ministers' conference and a possible summit meeting.

Western Reactions

The plan of Reuters news agency to open an office in East Berlin gave rise to renewed French and German charges of British "softness." In a tripartite meeting in Bonn, the French minister called the move most unfortunate at this time in view of its undesirable political aspects. The British Government appears not to have been consulted on the move, nor to have advised Reuters of any possible repercussions. The Federation of British Industries has denied a report that it, too, planned to open an office in East Berlin.

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The Western European press has adopted a generally pessimistic tone on the prospects for serious negotiations on the German question. The British press for the most part is agreed that the West's package proposal contains several items which might tempt Moscow, but that the items will have to be discussed separately. The Communist-inspired press in France has been emphasizing the possibility of agreement on nuclear test cessation.

Leading papers in France and Britain have admitted that the question of Berlin may have to be considered separately from the German question or face the risk of breaking off the talks. Several German papers pointed to Berlin as the central question. One prominent progovernment paper in West Germany stated that neither side had made an effort toward serious negotiations. (SECRET NOFORN) (Concurred in by OSI)

MIDDLE EAST HIGHLIGHTS

Iraq

Iraqi Prime Minister Qasim has reiterated his opposition to a renewal of activity by political parties in the face of local Communist pressure, and he apparently is still refusing to admit Communists to the cabinet as party representatives. Foreign Minister Jawad, a non-Communist, said again this week that the general political situation in Iraq is "improving." Jawad, who claims to know Qasim's thinking, believes the prime minister will gradually take steps to check pressures which tend to "alter Iraq's neutrality."

The National Democratic party (NDP), of which Jawad is a member, has announced suspension of its own activities in what appears to be an effort to support Qasim's stand. This move, the NDP leaders argue, demonstrates their party's obedience to Qasim's wishes and leaves the Communists isolated. It may have the effect of also leaving the field of mass political

activity even more open to the Communists.

Since 16 May Cairo's press attacks on the Iraqi Communists have been sharpened with charges that the party intends to "go underground" to prepare an uprising.

Economically, Iraq is still suffering from administrative chaos, growing labor unrest, and a general exodus of Western businessmen and technicians; there is a distinct possibility that a new round of wage demands, spurred by Communist elements in the labor unions, will produce inflationary pressures which would in turn provide further opportunities for Communist agitation. Lack of coordination between Iraqi Government departments has resulted in such situations as the boycott--for doing business with Israel--of a petroleum firm which supplies the bulk of the Iraqi Air Force's jet fuel. The "purge committees" which have demoralized government offices are being extended to private enterprise.

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