TO: BUNNY FOR THE PRESIDENT

SECRET

THE FOLLOWING CONCLUSIONS APPROVED BY THE U.S. INTELLIGENCE BOARD ON THE BERLIN SITUATION MAY BE HELPFUL:

"THE U.S. INTELLIGENCE BOARD HAS APPROVED THE FOLLOWING CONCLUSIONS REACHED BY ITS SPECIAL BERLIN SUBCOMMITTEE WHICH REVIEWED THE SITUATION FOR THE PERIOD 9 THROUGH 29 MAY 1961:

1. KHRUSHCHEV STATED TO AMBASSADOR THOMPSON ON 23 MAY THAT HE CONSIDERS BERLIN THE MAIN TOPIC FOR DISCUSSION AT VIENNA. WE DO NOT FEEL, HOWEVER, THAT HE IS SETTING THE STAGE FOR A SHOWDOWN WITH THE PRESIDENT. KHRUSHCHEV'S
INTEREST IN NEGOTIATING A SETTLEMENT IS STILL EVIDENT.
NEVERTHELESS, IN HIS CONVERSATION WITH AMBASSADOR THOMPSON
AND IN A SIMILAR TALK WITH THE WEST GERMAN AMBASSADOR LAST
MONTH KHRUSHCHEV IMPLIED A DEADLINE OF LATE 1961 OR EARLY
1962 FOR A FINAL SOVIET DECISION WHETHER TO GO AHEAD WITH
A SEPARATE TREATY. HOWEVER, HE HAS BEEN CAREFUL TO AVOID
COMMITTING SOVIET PRESTIGE TO AN EXACT SCHEDULE IN PUBLIC.

2. KHRUSHCHEV MAINTAINED HIS POSITION THAT THE USSR
WILL SIGN A PEACE TREATY WITH EAST GERMANY AND TRANSFER
CONTROL OVER ALLIED MILITARY ACCESS IF NO AGREEMENT CAN BE
REACHED. KHRUSHCHEV REPEATEDLY EMPHASIZED HIS PREVIOUS
CONTENTION THAT AS A CONSEQUENCE OF A SEPARATE TREATY, THE
WEST WILL NOT HAVE FREE ACCESS WITHOUT COMING TO TERMS WITH
THE EAST GERMAN REGIME.

3. THE TIMING OF THE 23 MAY CONVERSATION WAS INTENDED
TO MAKE EARLY NEGOTIATIONS AN ATTRACTIVE ALTERNATIVE TO THE
THREATENED CONCLUSION OF A SEPARATE PEACE TREATY. KHRUSHCHEV’S
STATEMENTS TO AMBASSADOR THOMPSON PROVIDE FURTHER EVIDENCE
THAT MOSCOW INTENDS TO CONCENTRATE ON OBTAINING WESTERN
4. While Khrushchev's remarks undoubtedly serve the Soviet Premier's tactical purposes in preparing for his talks with the President, they also point up his basic dilemma. On the one hand, Khrushchev's long-standing and repeated commitments to sign a separate treaty if he fails to obtain satisfaction from the West probably act as a form of pressure on the Soviet leader. On the other hand, despite Khrushchev's repeated expressions of skepticism regarding the West's willingness to resort to war over Berlin, his actions during the past two and one-half years suggest that he is not sufficiently certain that the Western response in a crisis would be and that he still prefers a negotiated solution.