State Dept. review completed
USSR - Laos: Soviet delegate Pushkin, a member of the Soviet Communist party's central committee, informed Ambassador Harriman on 14 October that he had canceled earlier plans to return to Moscow for the 22nd party congress. He said he had done this on instructions from Gromyko as a result of the latter's talk with President Kennedy. Pushkin urged that the USSR and US should proceed rapidly to work out a compromise agreement on the two most critical issues -- ICC voting procedure and the SEATO protocol on defensive guarantees for Laos. Earlier last week, Pushkin delivered a letter from Khrushchev to Ambassador Harriman in which the Soviet premier maintained that a Laotian agreement would have a favorable effect on the peaceful settlement of other East-West issues.

USSR: Gromyko told Prime Minister Macmillan last week that a Berlin settlement should not be contingent on prior agreements for a Warsaw Pact - NATO nonaggression treaty and denial of nuclear and rocket weapons to West and East Germany. This account, received from the British Foreign Office, contrasts with Gromyko's position during his US talks in which he said that, if there was to be a Berlin solution in the absence of US agreement to a German treaty, there would have to be an "understanding" on the question of a prohibition on nuclear weapons for Germany. Gromyko also gave the impression that the USSR might not insist on adding a contingent of Soviet troops to the Western garrisons in West Berlin as part of the Soviet guarantees for a free city. On the general question of access, Gromyko said that the Soviets intended "no blockade under any circumstances," but he reportedly struck a "negative note" on the question of civilian access. In his opening remarks, Gromyko recognized that both sides were "deeply committed publicly" and that a settlement therefore should not injure either side's prestige.
West Germany: West German Vice Chancellor Erhard told General Clay on 13 October that the position of Adenauer's Christian Democratic Union on Berlin was the same as that of the US. He said that while the CDU would dislike having to recognize publicly the Oder-Neisse line, the party knew it existed and therefore was prepared to accept it. The CDU, said Erhard, could not recognize an East German government or look with favor on recognition by any of the Western powers. Bonn would, however, expand its technical contacts with East Germany in such fields as transportation, mail, and trade. Erhard did not mention nuclear weapons but emphasized that Bonn could not accept any terms which would place it in a lesser status than the other Allies.  

Poland: Poland has recently contracted to buy 450,000 tons of wheat from Canada and Finland. These transactions, together with 200,000 tons purchased earlier this year from Canada and 400,000 tons expected from the USSR, will make up the estimated 1,000,000-ton grain deficit in Poland for the consumption year ending in mid-1962. Under the agreement with Canada, Poland will purchase 300,000 tons of wheat this year on a three-year credit basis, with the bulk of the payments not due until two years from the shipment date. The Finnish-Poland agreement involves the shipment of 150,000 tons of Russian wheat which Finland is obligated to purchase from the USSR under a bilateral agreement.

Turkey: According to unofficial late returns, the Republican People's party (RPP), which is favored by the ruling junta, won no more than 200 out of 450 seats in the lower house of the legislature in the 15 October elections. Lacking a majority, the RPP now will try to negotiate a coalition with the smaller parties or with individuals who break away from them. The Justice party, which has appealed to the followers of
Gromyko Modifies Position on Berlin and German Armaments

Gromyko's apparent willingness to drop the link between a Berlin settlement and a prior agreement on the prohibition on German possession of nuclear weapons suggests that the bloc may hold over the question of restrictions on German armaments for future negotiations on European security. In line with this approach, the bloc may sign a truncated treaty with East Germany which would either exclude or reserve any military provisions. Ulbricht hinted at the possibility of such an abbreviated treaty when he indicated on 6 October that a separate bloc peace treaty with East Germany would be left open for Bonn's accession at any time.

The 1 October Soviet memorandum to the UN reflected a shift in emphasis from a German peace treaty to the more general subject of European security as the framework for bloc efforts to limit and delay West German rearmament. Under the general heading of measures to "ease tensions," the USSR proposed a list of steps, such as reduction and withdrawal of foreign troops from Germany, prevention of the spread of nuclear weapons, and creation of a nuclear-free zone in Central Europe. The memorandum stated that the problem of a German peace treaty should not "hamper the examination" of a plan for a one-third reduction in foreign forces stationed in Germany—a proposal which was included in the 1959 Soviet draft peace treaty. Along this same line, a Soviet diplomat, obviously speaking for Western consumption, is reported to have stated that negotiations on Berlin might be held separately, but in the "long run" could not be divorced from negotiations on the "security question."

The same Soviet official said on 2 October that stationing of Soviet troops in West Berlin was not "absolutely required." Although Gromyko repeated this proposal to Macmillan, he failed to make a "vigorous response" to the prime minister's statement that he failed to "see the logic" of the Soviet demand. An earlier indication of possible Soviet flexibility on this point was indicated by Prime Minister Nehru's press conference statement in Tashkent.
that as a concession, Khrushchev would not insist on the addition of Soviet troops; however, Moscow did not publish this part of Nehru's statement.

Bloc diplomats are speculating that an East-West foreign ministers' conference will be the next step after the CPSU congress. A Czech official in Paris expects Khrushchev to state his readiness for a four-power summit conference next month but to indicate willingness to hold a foreign ministers' meeting if the West prefers. One Soviet diplomat predicted a four-power foreign ministers' meeting, with both Germanys participating. Another Soviet diplomat told a Western journalist in Paris that the USSR would propose a foreign ministers' conference.

Ambassador Menshikov, before departing for the party congress, also emphasized privately to an American businessman that prospects for negotiations have improved. He described the current phase as a "fair weather period," which was conducive to "rewarding negotiations." Menshikov echoed the line taken by Gromyko in London and stated that the USSR would consider favorably any agreement which would guarantee against a loss of prestige for either side. He indicated that the USSR believed it was important for the US to invite some top Soviet leader to the US and inquired whether an invitation could be arranged for First Deputy Premier Kosygin.