

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY USSR

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- Anastas I Mikoyan was asked by [REDACTED] why the USSR is "so suspicious of the US." Mikoyan cited these causes -- "Your ring of bases" around the Soviet Union, the arming of West Germany with atomic weapons, military aid to Turkey and the military treaty with Iran and "those wipe-you-off-the-earth statements that keep coming from some of your generals." "But," said [REDACTED], "We had those bases in 1948 when our atomic military strength was far superior to yours. If we didn't use it against you then, why now?" Mikoyan replied, "But your rocket strength has increased greatly since 1948 and your attitude, which seems menacing to us, is unchanged."
- "At international conferences, particularly in the UN, the US also takes every opportunity to publicize the USSR as in the minority, which is not a good way to remove the distrust or acquire the good-will that is necessary. Even when your interests are not directly involved in an issue, you do that. If you were in the UN minority and your policy were ours, you would complain more than we do."
- "Would control of outer space be more hopeful for world peace if the USSR were excluded? Yet that seems at times to be what you would like to do. On all matters, we should work on a basis of equality. It would be better not to make invariable use of UN voting mechanisms and allow breathing-spells for everybody to calm down."
- [REDACTED] asked Mikoyan what kind of threat Iran could possibly offer to the Soviets and what was their interest there. "None," replied Mikoyan, "unless the US puts bases and troops there. When the Shah came to Moscow, we had very agreeable assurances that settled the frontier and fiscal issues. But then comes your new treaty with Iran, which we find objectionable, and so we take a tougher line. The proof of this is that in the similar kingdom of Afghanistan you offer no threat and we have seen that."
- [REDACTED] asked why Mikoyan proposed a conference without an agenda. He replied that experience shows it takes too much time to work out the issues in such meetings and the USSR is always outnumbered three to one in them, anyhow. But the USSR does not wish to divide the West, only to try to dispose of the lack of trust and remove the causes of the old differences. "Some of these have grown out of our domestic policies." But now we have no political prisoners and no political arrests, one of the many "departures"

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He was wrong about these things, also about over-centralization, and toward the end became "too old and aloof". We are now decentralizing; for example, we have turned over all criminal proceedings to the Republics. We were wrong in telling the collective farms what to sow, etc, to pay them too low prices for their crops, and in State ownership of the agricultural machinery. Now we don't do these wrong things; we have already sold 80 percent of the farm machinery to the collectives and will dispose of the other 20 percent in the same way. The Seven Year Plan needs these internal adjustments, and peace abroad, for attainment. We hate war because we know its devastation and horror better than any of you.

6. [REDACTED] Berlin. Did our reply to the Soviet note mean that Nikolai Mikoyan's six months delay period before changing the traffic procedures in and out of West Berlin would be reduced? "No," said Mikoyan, "six months means our stand. Our idea that the Allies and we should evacuate is not intended for our own advantage. Anyhow, you did not 'reject' the proposals in our note. We were delighted to see that you proposed negotiating the propositions."
7. Would the USSR accept UN administration of Berlin as a free city? "Yes, in part," was the reply. [REDACTED] inquired what guarantees there would be for Western access to a free city and how would these guarantees be given. Mikoyan replied that "All" would sign the guarantees, including East Germany and West Germany, and then all would be responsible for honoring them. "The present situation," he said, "cannot go on forever in Berlin, so when is the relief to come? Konrad Adenauer is the principal one in the way."
8. Turning to the East-West Germany situation, he said: West Berlin and West Germany we know have higher living standards than East Germany. One reason is there was more war devastation there, and, since we were not permitted to collect reparations from West Germany, lower living standards in East Germany were inevitable. But now these are steadily rising; we are paying our occupation costs and exporting raw materials to strengthen East Germany currency. What we should begin with on the German problem is a Federation of the West and East States and peace treaties with both Germans.
9. Asked again about his idea of an international conference, Mikoyan repeated that it would be useful only if all desired it and that was not yet the situation. Reverting to East-Germany and Berlin, he went on to say that "consideration" of the Rapacki Plan, with arms control in both Germanys, Czechoslovakia and Poland, and no atomic weapons and at least one-third reduction in the occupying troops, could be a beginning toward solution. A militarily sterile zone of 800 kilometers from the Oder should be created. [REDACTED] remarked that in view of modern weaponry, this would be meaningless. But it would be an earnest of a general desire for peace, replied Mikoyan. And despite the new weapons, no nation yet has planned a war without the use of troops. On that point, he continued, the US Allies once made a proposal that we reduce our troops by one-and-a-half millions. Though at this time your atomic weapons superiority and air and sea dominance, were very real and the proposal was one-sided in your interest, we accepted it. Then you rejected our acceptance. Later, you proposed a Soviet troop reduction of two-and-a-half millions. We accepted that and you rejected it again. This shows a lack of trust which we must somehow remove before we can get anywhere."
10. [REDACTED] asked whether a disarmament agreement would be "any good without China." "Why shouldn't China be in?" asked Mikoyan. Its inclusion would have great meaning because China is now without atomic weapons and a disarmament agreement would check the expansion of their possessions, which is most desirable. Later on, when I asked him about China, he said that we should not underestimate the intelligence and ability of its leaders; that the USSR and China understood each other very satisfactorily; that China, which had only 20 thousand kilometers of rail under Chiang Kai-shek, now has much more and plans to add 10 thousand kilometers in 1959; that he does not believe the institution of communes means that China believes this is the only means of establishing a full communist state, which the USSR has abandoned. But, he added, some of our own wrong ideas in the past have not yet been abandoned in China as we have abandoned them.

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11. Would the USSR, I asked, accept a nuclear control commission of three NATO powers, three Warsaw powers and one neutral, and did he regard India, Scandinavia or a South American state as neutral? He replied that the USSR would not give up the veto on such a commission since unanimity was indispensable to its decisions and they would be meaningless otherwise. As you know, he said, we can detect your nuclear explosions, though not always their volume, and we know that you can do the same with ours. So the stress on inspection is out of proportion. And we fear that you would misuse the power to try to find out other things about our country that are our private business. You have that reputation in some places, you know.
12. Asked by [REDACTED] about trade and currency, the principal point Mikoyan made was that the USSR always keeps wages from rising as high as increased productivity. If the latter goes up seven percent, the workers get a raise of five percent. They want more, he said, but obviously that is an inflationary economy.
13. [REDACTED] wanted to know the circumstances of his decision to come here. Mikoyan replied that it happened, "like all those things do", that he had a holiday and decided this would be the best way to spend it. However, said he, "I am not pretending that I have come here just as a tourist."
14. The general complaint voiced by Mikoyan, throughout his remarks, was this: "You reject all our proposals and offer no alternatives - except those you feel sure we won't accept." For example, he said, the US expected the USSR to reject the two ground troops reduction proposals and "when we accepted them, you rejected our acceptance."
15. In reply to [REDACTED] questions [REDACTED], Mikoyan said also:
 - a) "You won't believe us, but we are not asked to take any part in the budgets of the nations you call 'Satellites', and shouldn't, and we don't take any part;
 - b) The financial assistance to Egypt is for the "first phase" of the Aswan Dam; it is a loan, not a grant (we do not make grants); and it is to be repaid at 2½ percent interest after the dam is operating."

REC'D 10/15