Settlement in the Berlin Crisis, 1958-1962*

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The principal aim of this paper is to use various aspects of bargaining theory to analyze the process by which the 1958-1962 Berlin Crisis was resolved. But first it is desirable to go briefly into the background of this crisis and the circumstances of its beginning.

Origins of the Crisis

An important part of the background of this period was the supplying of atomic weapons to NATO troops in West Germany in December 1957. During 1958, the Soviets responded to this with various warning notes, the Rapacki plan, proposals for mutual troop reduction, etc. In the words of Adam Ulam, "The acquisition by the West Germans of even a token nuclear force was (and remains) . . . a contingency that produced unfeigned, acute anxiety. With even a few nuclear weapons, a militarist group in West Germany could blackmail the Soviet satellites or even the U.S.S.R. itself."[1] In this view, the arming of NATO convinced Khrushchev that it was necessary to move rapidly toward a peace settlement that "would make it impossible for West Germany to obtain nuclear weapons."[2]

The supplying of atomic weapons to NATO was such a significant event, and it appears to have alarmed the Soviets so severely, that it might be considered the proximate cause of the crisis, and therefore, in a sense, its beginning. Nonetheless we begin our analysis of the crisis itself almost a year later, in November 1958. In the intervening months the Soviets evidently believed that they were faced with a grave threat, but their actions were not such as to produce a sense of crisis in other capitals. It seems clearest to date the onset of the international

crisis in November 1958 when Khrushchev sent notes proposing negotiations and threatening or warning of negative consequences if the West did not negotiate.[3] These notes produced a sense of alarm and a flurry of diplomatic activity in Western Europe and the U.S., and appear to mark a clear beginning of a period of open inter-state crisis.

The Soviet notes threatened that a separate peace treaty would be signed with the Deutsche Democratische Republik (DDR) within six months. Presumably the six-months deadline was included as a means of getting the West to the table, since it was subsequently qualified and finally withdrawn. However, the fear that this action might be taken at some later time almost certainly had a coercive effect on the West during the negotiations that followed. We could make an analogy between this threat and statements about the possibility of a strike in labor-management negotiations.

While the timing of these Soviet notes, and hence of the crisis they precipitated, can be largely attributed to the arming of NATO, other considerations may also have played a part in Soviet thinking. By this time, the Soviets had developed a considerable nuclear capability, and it seems reasonable to assume that they wanted to test the implications of their new status as a nuclear power. The development of these weapons could be construed as effectively balancing the U.S. "massive retaliation" capability. Certainly the Chinese thought so, and were pressing their Soviet allies to practice coercive diplomacy vis-a-vis the West. The Chinese saw Soviet policy as excessively timid in two earlier 1958 crises--Lebanon and Quemoy. This leads us to the other possible component of Soviet motivation, the Soviet alliance with China. Strains were already developing in that alliance, but

this was not known in the West, and the Soviets had reason to believe that coercive moves would be more successful in 1958 than at some future time when they might lack the support of China.[4] Ulam[5] also argues that in 1958 the Soviets still had hopes of preventing China from becoming a nuclear power, and may even have hoped to try to trade a nuclear-free China for a nuclear-free Germany. While this is speculative, it offers another reason for the Soviet sense of urgency in 1958.

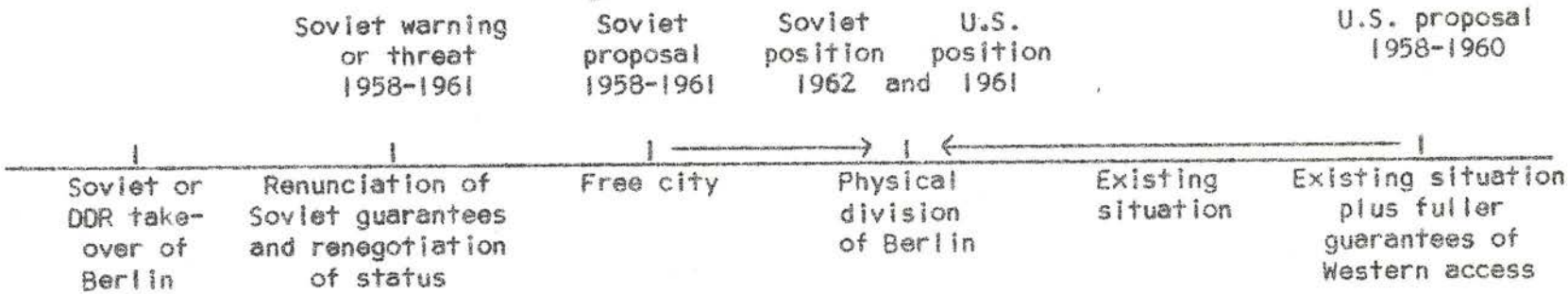
Some Basic Bargaining Models

Bargaining in the Berlin Crisis concerned three principal issues: the status of Berlin, the status of Germany (or the Germanies), and German armament (BRD control of nuclear weapons).[6]

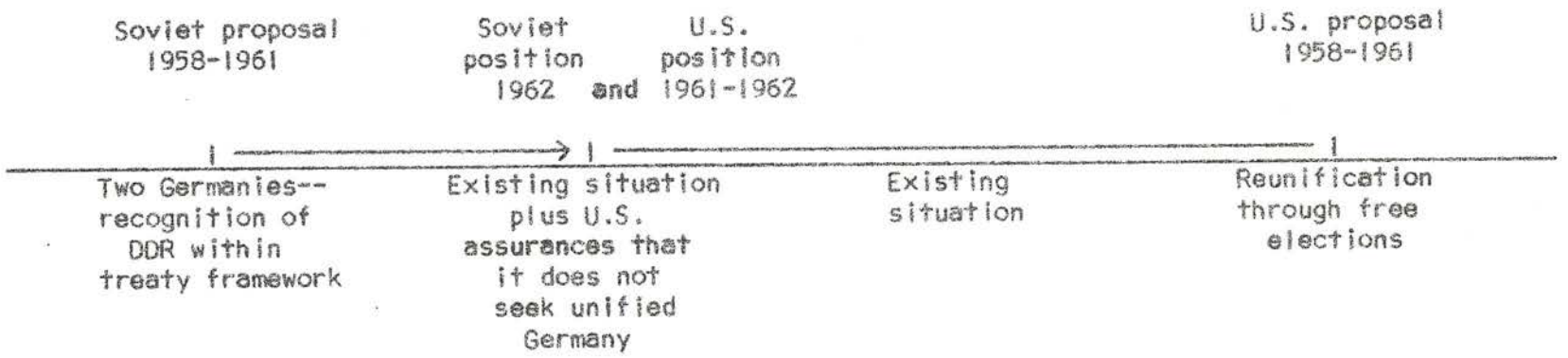
Figure 1 employs a unidimensional graph model that is often useful in the analysis of bargaining.[7] The issues are represented by three horizontal lines. On the left-hand end of each line is the option most preferred by the Soviet Union for that issue and on the right-hand end the option most preferred by the United States. Other options are arrayed along the dimension in order of preference for the two parties. The arrows show the concessions that were made in the bargaining on these three issues. The U.S. had made all of its concessions by mid-1962, but the Soviet Union did not accept the points of agreement shown in this figure and end the Berlin crisis until after the Cuban Missile Crisis, in November 1962.

While useful, unidimensional graphs of the kind shown in Figure 1 have two deficiencies: they do not indicate with any precision how valuable each option is to each of the parties and they cannot accommodate an option that is better or worse than some other option for both parties. These

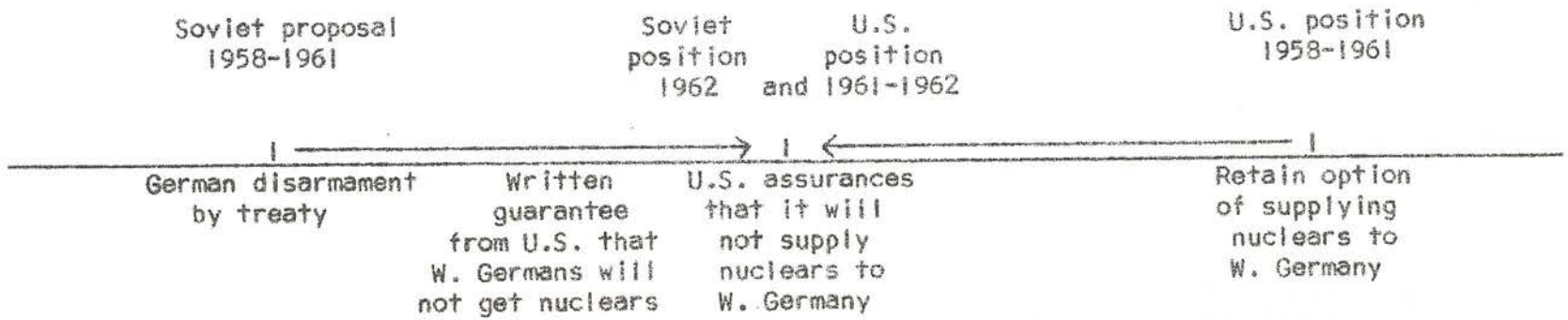
Figure 1. The three main dimensions on which bargaining took place during the 1958-1962 Berlin Crisis.



A. Status of Berlin



B. Status of Germany



C. Nuclear armament of W. Germany

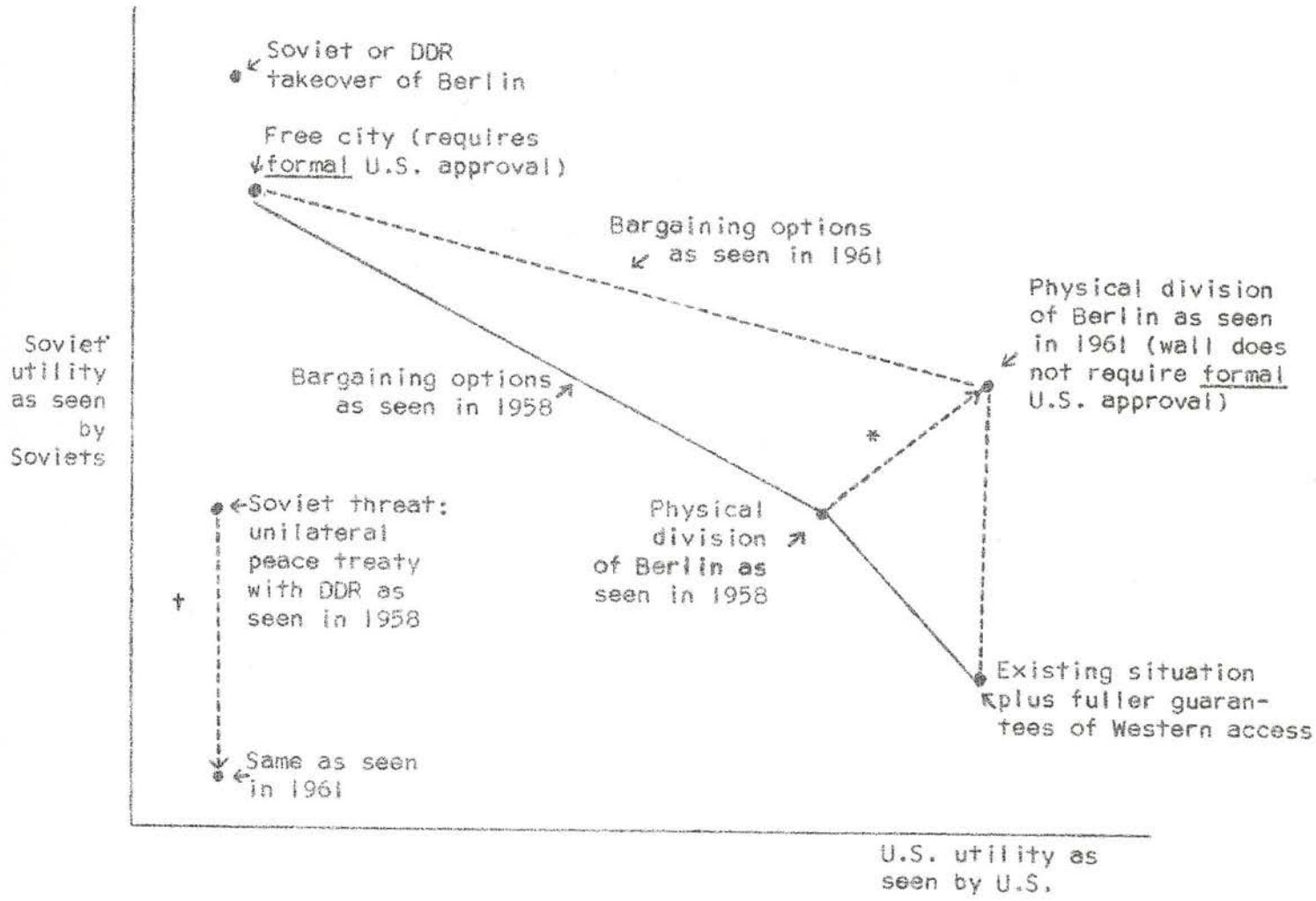
deficiencies are resolved in a bidimensional graph of the kind shown in Figure 2 for the status of Berlin issue.[8] The abscissa in this diagram represents the value or utility of options to the United States as seen by the United States; the ordinate is a comparable dimension for the Soviet Union. Points in this two-dimensional space represent the various options available for resolving the status of Berlin, the value of an option being shown by the projection of the point corresponding to that option onto one or the other utility dimension. The dashed arrows represent changes over time in the utility of certain options. The curves marked "bargaining options" correspond conceptually to the unidimensional Berlin-issue graph shown in Figure 1.

We turn now to a description and analysis of the bargaining over the status of Berlin, which will be guided by the diagram shown in Figure 2. This topic will be discussed further in the subsequent section, where concepts from theories of tacit bargaining and indirect communication will be introduced. Following that will be a description and analysis of the bargaining over the status of Germany and the nuclear armament of West Germany, which will be guided by the diagrams shown in Figure 1.

Bargaining Over the Status of Berlin

Throughout most of the period between 1958 and 1962, the Soviet Union advocated the free-city option, which was highly favorable to itself and unfavorable to the U.S., as shown in Figure 2. The U.S. expressed interest in a solution highly favorable to itself and unfavorable to the Soviet Union, the existing situation plus some guarantees of Western access. The Soviet Union also mentioned the possibility of a unilateral peace treaty with the

Figure 2. Options with Respect to Berlin.



†Utility of threat point presumably diminished for Soviets as a result of Kennedy's efforts to make credible the U.S. intention to defend Berlin.

*Utility of dividing Berlin improved for the Soviets as the refugee problem intensified and improved for the U.S. as it came to be seen as a way to defuse the crisis by helping the Soviets solve the refugee problem.

DDR, which was a classical bargaining threat, since it was unfavorable for both parties in comparison to one or more of the bargaining options. The Soviet Union apparently believed, or at least hoped, that the free city would be preferred by the U.S. to a unilateral peace treaty. However, as shown in Figure 2, the U.S. actually preferred the unilateral peace treaty, since the free city was equated, in U.S. thinking, with DDR take-over of Berlin. The U.S. would not accede to the free city, and would fight the DDR if necessary to maintain its position in Berlin. In the 1959 negotiations the U.S. may not have communicated this preference effectively to the Soviets; the Soviets waited out the rest of Eisenhower's term and then tried again with Kennedy, presumably thinking it likely that the U.S. would not fight for its position in Berlin and would accept the free city proposal rather than take a chance on a future military conflict with the DDR.

At Vienna with Kennedy, in the spring of 1961, Khrushchev reactivated, in effect, the note of November 1958.[9] With minor differences, he was again proposing that West Berlin become a "free city," and that peace treaties with the two Germanies, under the terms of which they would be demilitarized, be signed. If not, the Soviet Union would sign separately with the East Germans, and turn over East Berlin to them. We have to consider the question of timing; the Sino-Soviet alliance was in deep trouble by this time, and Khrushchev could not realistically have had the same hopes and fears in relation to it that he held in 1958. However, his nuclear position remained good, and perhaps his opportunities in relation to Germany looked better to him. Here was a new U.S. President who might be more responsive than his predecessor. Khrushchev may have believed that his

renewed threat would get bargaining started that would lead to solution of the Soviet anxieties about West German rearmament and the strain on the DDR caused by western presence in Berlin. Khrushchev heightened the credibility of his threat by making it public.[10]

Kennedy now took a number of steps that were presumably designed to strengthen the credibility of the U.S. commitment to West Berlin.[11] These steps were probably initiated, in part, to guard against the outside chance that the Soviet Union was planning to move militarily against Berlin. But it is likely that they were also in part designed to demonstrate that the U.S. was prepared to resist DDR efforts to change the rules on Berlin if a separate peace treaty were signed and thus to show the Soviet Union that (a) it would be dangerous to sign this treaty inasmuch as it would give the DDR control over war and peace and (b) the U.S. was prepared to face the consequences of the signing of a separate peace treaty. These latter two goals are clearly relevant to the ongoing bargaining over the status of Berlin (and the other two issues, as well). In terms of the diagram shown in Figure 2, Kennedy's aims can be construed as (a) to reduce the utility to the Soviet Union of the separate peace treaty (shown by the downward moving dashed line) and (b) to prove to the Soviet Union that the U.S. preferred the separate peace treaty to the free city plan (as shown by comparing the projection onto the U.S. utility dimension of the points corresponding to these options in Figure 2). It is not clear how successful the U.S. was in achieving these aims. Khrushchev chose to publicly interpret the U.S. credibility-building actions as hostile moves,[12] but we have no information about his private reaction to them. In the spring of 1961, a

crisis within the crisis arose. The refugee traffic across Berlin became so heavy that it raised the danger of internal collapse of the DDR. The Soviets felt constrained to help the DDR solve this acute problem. Khrushchev's threat to end the four-power status of East Berlin had apparently contributed to this problem.[13] Khrushchev apparently preferred to deal with this problem by means of negotiation with the West. But time was running out. Contingency plans called for a unilateral move, sealing the border between East and West Berlin, if other refugee control measures proved ineffective. But the Soviet leaders must have worried about how NATO would react to this move. Then Kennedy made a speech, on July 25, outlining three essential goals of U.S. Berlin policy that did not include Western rights in East Berlin.[14]

Kennedy's speech arose out of a reexamination of U.S. priorities in Berlin, which had proceeded hand in hand with the credibility-building moves mentioned earlier.[15] This reexamination was initiated because the U.S. did not want to risk war for nonessential interests. Furthermore, Kennedy may have been aware that Soviet actions arose out of apprehensions as well as ambitions. He sought to learn the nature of Soviet fears and hoped to be able to alleviate these fears so as to reach a modus vivendi between the two major world powers. His speech revealed that the United States was planning to defend its position by military means, if necessary; it defined U.S. interests in Berlin (and excluded East Berlin altogether); and it communicated a generalized U.S. interest in negotiations, in removing "actual irritants." Presumably the credibility-building moves and definitions of minimal interests made it possible, in Kennedy's thinking, to avoid the image loss that might be associated with showing an interest in

"actual irritants."

Kennedy's failure to mention East Berlin in this speech was apparently interpreted by the Soviet Union as an index of U.S. willingness to allow the border across Berlin to be closed, and a similar interpretation was apparently made of a later statement by Senator Fulbright suggesting that the DDR put up a wall across Berlin.[16] Fifteen days after Fulbright's speech, the Soviet Union started to try out the wall in an incremental way. The wall went up by slow degrees.[17] At the same time, the Soviets through a Warsaw Pact communique (August 13) assured the Western powers that there would not be another blockade of West Berlin.[18] They appeared to be concerned lest the U.S. misinterpret the wall (essentially a defensive move) as an aggressive move, and overreact. The U.S. did not, however, react directly to the wall at all. The U.S. greeted the wall "with some relief" because it would prevent the refugee traffic issue from leading to a military confrontation with the Soviet Union. The U.S. did not consider that the "three essentials" were being threatened.[19] Some days later, the U.S. took steps to shore up morale in West Berlin, which had sagged in reaction to the wall more than had first been anticipated.[20] These steps were also taken because "with the announcement from Moscow on August 30 that the Soviet Union would resume nuclear testing, the administration concluded that the Kremlin leadership had misjudged the U.S. response to the wall."[21] However, the U.S. did nothing to encourage any uprising in East Germany, nor did it take any significant steps with respect to the wall itself.

The episodes just described suggest that, by the middle of 1961, the physical division of Berlin had become a preferred solution for the U.S.,

better than the previously existing situation because it had the potential of solving the refugee problem and thus relieving one of the irritants to the Soviet Union that presumably underlay the periodic heating up of the crisis. While the Soviet Union probably preferred the free city option, physical division had become the best solution that could be taken unilaterally, without a negotiated agreement with NATO. Hence it was the best available solution. These changes in the acceptability of physical division are shown by the upwardly slanting dashed line in Figure 2.

At the time that the wall went up, neither side realized that it would become the solution to the Berlin question.[22] It was quite far from initial Soviet aspirations relative to Berlin (see Figure 2) and both the United States and the Soviet Union were anxious to get into negotiations, which materialized in the fall. However, in 1962, after a series of fruitless talks and the Cuban missile crisis, the Soviet Union apparently accepted the wall as a solution to the status of Berlin. (The circumstances underlying this acceptance will be discussed later.)

Tacit Bargaining Analysis

The final solution to the problem of the status of Berlin was developed by means of tacit bargaining, in the sense that neither the American concession in 1961 nor the Soviet concession in 1962 emerged from negotiation. Rather each side searched for a workable strategy in the realm of overt moves and adjusted its aspirations to what seemed feasible.

Two analytical concepts seem useful for understanding the tacit bargaining over the status of Berlin: prominence and signalling sequences.

Schelling has pointed out that the solution in tacit bargaining (and

sometimes in explicit bargaining) often involves an option that has achieved some prominence or salience for the bargainers--an option that is "qualitatively distinguish(ed) . . . from surrounding positions," such that one party can "dig his heels in" it and make the other believe that he cannot be moved.[23] This implies that bargainers who wish to use the strategy of positional commitment[24] should make their stand on such an option, because its prominence will enhance the credibility of the commitment.

The notion of prominence may be useful for understanding the bargaining over the status of Berlin inasmuch as the political boundary separating East and West Berlin, where Kennedy chose to make his stand in the "three principles" speech, was clearcut and salient in people's thinking. Perhaps more important than the conceptually distinct feature of political boundaries is the fact that they are notoriously the places where statesmen dig in their heels and refuse to be moved. Hence it can be argued that Kennedy was essentially relying on Khrushchev's knowledge of the psychology of political boundaries to reinforce the credibility of his pledge to defend West Berlin.

The alternative to a commitment to defend the boundary separating East and West Berlin, for Kennedy, would have been a commitment to the entire previous arrangement in Berlin. Such a commitment might well have been more decisively challenged by the Soviet Union because, unlike Kennedy's three principles, the previous arrangement involved a complex and unusual formula that had already suffered erosion. In addition, of course, the commitment to defend West Berlin helped the Soviet Union solve the refugee problem and was thereby less likely to be challenged than a commitment to all of Berlin.

In more general terms, we can argue that it may be highly desirable for a nation such as the United States which relies on the credibility of its commitments to abandon what it conceives to be the status quo when an alternative commitment involves a more prominent, more psychologically defensible boundary and when it is judged that the status quo seriously inconveniences the adversary or is likely to be very difficult to defend.

Tacit bargaining over the status of Berlin was apparently facilitated by a sequence of signals that helped coordinate each side's intentions with the other side's expectations. Such sequences have been described in formal negotiation,[25] and it is reasonable to assume that they also have a role in tacit bargaining of the kind with which we are dealing here.

The most prominent part of this postulated sequence was Kennedy's failure to mention East Berlin in his "three essentials" speech and Fulbright's public suggestion that the DDR put up a wall. We noted earlier that these events were interpreted by the Soviet Union and its allies as indices of U.S. willingness to tolerate such a wall. What is being suggested now is that these statements by U.S. leaders were signals of intent,[26] i.e., that Kennedy and Fulbright were hoping that their remarks would be so interpreted, out of the conviction that such a wall would resolve the refugee problem and thereby mitigate the crisis. Hopefully documentary or interview evidence will eventually become available to support or refute this speculation.

If Kennedy wished to communicate a willingness to see the wall erected, why not do it clearly and openly, in so many words? The problem presumably lies in a fear that the Soviets might view a clearcut statement as an index

of weakness and engage more vigorously in coercive bargaining and/or that American citizens and citizens of other countries would think ill of the United States Government for advocating such a coercive device as the Berlin wall.

As is often the case with signals that facilitate coordination in bargaining, it is possible to identify an earlier communication from the Soviet side to which Kennedy and Fulbright may have been responding. (Hence, we may well be dealing with a sequence of signals.) This was a statement to the press by Ulbricht on June 15 in response to a question of whether the sector border would become a state boundary when West Berlin became a free city. In dramatic disregard for the content of the question, Ulbricht responded, "I take your question as asking whether we will build a wall along the sector border. We have no such intention."[27] It may seem far-fetched to assume that a statement that a wall would <u>not</u> be built was meant to be a signal of the possibility that a wall would be built. But such signals are common in other kinds of bargaining.[28]

It can be argued, in addition, that events in Berlin immediately preceding erection of the wall constituted further steps in this sequence of signals. The DDR put up a barbed wire fence several days before construction of the wall was initiated. Presumably, already encouraged by Kennedy's and Fulbright's remarks, the Communists were signalling their intention of erecting a more permanent barrier, yet waiting for American reactions before committing themselves irrevocably to this course of action. Logically speaking, the last signal in this sequence was U.S. failure to destroy the barbed wire fence. At this point, each side presumably clearly

understood the other's intentions, and a tacit bargain had essentially been reached.

U.S. Concessions on the Other Two Issues

There were two other issues besides the status of Berlin: the status of Germany as a whole and the nuclear armament of West Germany. After the wall had gone up, Kennedy was apparently concerned that his various credibility-building steps might have created a poor atmosphere for negotiation, even while he entertained the contrary apprehension that the U.S. might have appeared too "soft" by not responding to the wall. Besides, he really wanted to get into negotiations with the Soviets, as explained above. Hence, on August 28, 1961, Rusk proposed exploratory discussions with Gromyko, and a few days later, Kennedy wrote to Khrushchev. This was in answer to a letter from Khrushchev dated August 29, and was the beginning of a private correspondence between the two men which was to last for two years, and play a role in the Cuban missile crisis a year later.[29] Little is known about the details of this correspondence, but it may well have contributed to solution of the other two issues, since the solution lay largely in American assurances about its future intentions.[30]

There were also various pieces of overt evidence that presumably reassured Khrushchev about American intentions. On the question of the status of Germany (see Figure 1, line 3),[31] the Soviets may well have learned, from U.S. acceptance of the wall, that the U.S. actually had a preference for a "two Germanies" policy, or at least would tolerate it. "They had noticed at Vienna that Kennedy seemed more concerned about the practical problem of Western access to West Berlin than about any other aspects of the Berlin conflict,"[32] and they tested this concern about

access with a series of probes in the fall of 1961 and in early 1962 in the air corridors. In the formal negotiations that began late in 1961, the U.S. put the question of access out front. It proposed DDR membership on an international access authority.[33] Apparently the U.S. was willing to live with the DDR, and would not try to undermine that state. The Soviets learned that the U.S. had much more circumscribed ambitions than did the BRD, and that U.S. support of its West German ally had definite limits. The formal negotiations broke down for complex reasons, an important one being the attitude of the BRD. Strains in the U.S.-BRD alliance were evident to the Soviets, and may have helped reassure them that the U.S. position was not so extreme, after all. The U.S. now gave no signs of supporting "roll-back." Of course, there was a credibility problem for the Soviets, as there often is in solutions that bind one party for the future; but as time wore on, through late 1961 and 1962, there were more and more reasons for believing what the U.S. said about its German policy. However the Soviets did not at first show signs of being affected by the U.S. concessions, possibly because they were hoping for more.

The various assurances about American intentions with respect to the two Germanies and the evidence supporting these assurances are interpreted as a concession by the United States in line B of Figure 1. This interpretation may seem odd at first since Kennedy was presumably clarifying to the Soviets his actual intentions. But we regard these assurances as concessions because we believe that they entailed considerable cost to the United States and were made primarily in the hope of persuading the Soviet Union to deescalate the crisis. The cost was first in the reaction of the BRD

which was visibly annoyed by these assurances and second in the fact that these assurances presumably limited the freedom of the United States to change its intentions at a later date.

Progress was also made on the issue of West German armaments (see Figure 1, line C), although again at first the Soviets did not appear to realize it, or to acknowledge that the problem had actually diminished for them. Kennedy appears to have recognized Soviet concern with this issue, and to have tried to meet it. In late 1961, he gave Adzhubei, Khruschev's son-in-law and the editor of Izvestia, a two-hour private interview. The interview was printed on the front page of Izvestia. In it Kennedy stressed his desire to work out a solution in Central Europe which would end all fears for both sides, and he reassured the Russians that West Germany would not be armed with nuclear weapons.[34] In his correspondence with Khrushchev, he repeatedly stressed the U.S. awareness of the legitimate Soviet apprehensions about Germany.[35] Besides these personal reassurances, U.S. interest in preventing either Germany from gaining nuclear weapons was revealed in the U.S. negotiating proposal prepared after the sessions at Geneva in the spring of 1962, which suggested that the U.S. and Soviet Union agree to forego transferring nuclear weapons to governments currently not possessing them.[36] Partly because of the attitude of the BRD, these negotiations failed. However, in formulating its proposal, the U.S. had revealed its willingness to guarantee that the BRD would not gain control of nuclear weapons, provided that the U.S.'s own position in West Berlin was guaranteed by the Soviets. As on the question of the status of Germany, the U.S. contributed to a compromise solution by giving assurances about its priorities and its future behavior. Again, as in the instance of the

status of Germany issue, strains in the U.S.-BRD alliance may have helped reassure the Soviets about the limits of U.S. ambition. However, the Soviets did not yet appear to be satisfied with the position reached on this issue in mid-1962. Perhaps they were still hoping for a formalized agreement.

Soviet Concessions -- The Cuban Missile Crisis

After 1962, the Soviets stopped pressing to have new arrangements in Central Europe formalized in a written agreement, and seemed to accept, as minimally adequate, U.S. concessions on all three issues (see Figure 1, arrows that point to the right on all three lines). Why did the Soviets stop the pressure at that time?

We propose that, at some point late in 1962, the Soviet leaders became acutely aware of the relative weakness of their position in the struggle for further concessions and, on reassessment of their situation, came to the conclusion that their German problems were not sufficiently severe to warrant continuation of the crisis. Part of this hypothetical perception of weakness may have arisen from the fact that the U.S. made no further concessions, causing the Soviets to become painfully aware that the recent spectacular advances in their nuclear capability were not easily translatable into diplomatic gains. The perception of weakness may also have arisen, in part, from continued deterioration in the Sino-Soviet Alliance. But the Cuban missile crisis appears to have been the most dramatic source of this perception.

From the time that the Berlin wall was built until shortly before this crisis, the West continued to experience considerable pressure from the Soviet Union. Attempts were made to interfere with Western air communications.

The Soviet Union resumed atmospheric nuclear tests with a statement that even small conflicts might escalate into nuclear war. A few days before the Cuban missile crisis, in a meeting with Kennedy, Gromyko indicated that the status of Berlin and Germany "must be solved promptly after the elections on November 6. Otherwise the U.S.S.R. would be compelled to sign a treaty with East Germany."[37] After the missile crisis, which was certainly a diplomatic defeat for the Soviet Union and indeed a considerable embarrassment, pressure on the U.S. to renegotiate arrangements in Central Europe stopped. "Though Khrushchev continued to insist that the problem of West Berlin must be solved and a German peace treaty signed, he stated these requirements without any time limits or making any bombastic threats."[38] Surely this is more than a coincidence.

Ulam argues that Khrushchev may have had some complex hopes or plans in relation to China as well as Berlin and larger European issues when he moved the missiles into Cuba. The missiles, he argues, were to be used as a fait accompli, and their removal from Cuba was to be bargained for U.S. concessions not only in Berlin but on broader German and European and possibly even Asian questions.[39] Whatever the Soviet motives in Cuba, it can be hypothesized that a change in the apparent, and perhaps in the real, balance of forces resulted from the outcome of that crisis. The U.S. came out ahead, and the Chinese became more estranged than ever. Following this line of reasoning, it can be argued that after the Missile Crisis, the Soviets had to question whether they <u>could</u> make further headway on their Central European problem. This in turn led them to <u>reassess the extent</u> of their Central European problems. Presumably they concluded that the

wall plus U.S. assurances on reunification and nuclear armament of Germany, plus various reasons for believing these assurances made the problem less acute than they had been thinking. The problems were no longer sufficiently acute to run the risks of more crises, since (in the light of the Cuban Crisis) these risks seemed particularly great, and the possibility of influencing U.S. policy through threats or warnings seemed particularly remote. Apprehensions were lessened, and so were ambitions.[40]

Modes of Conflict Resolution

There are four ways in which a conflict of interest (such as those upon which the Berlin Crisis was based) can be resolved. These can be termed "modes of conflict resolution."

1. The use of force (e.g. war) and a decision through victory or stalemate.

2. Bargaining, including both tacit bargaining and explicit negotiation.

3. Loss of interest on the part of one or both parties, such that the issue is seen as not worth an argument.

4. A change in the actual and/or perceived balance of forces such that one of the parties decides it is not in a position to continue the struggle.

Two main theories have been advanced to account for the termination of the Berlin crisis: (1) One theory, essentially hardline, is that it ended by the fourth mode of crisis settlement. That is, the outcome of the Cuban missile crisis convinced the Soviets that the United States could not be coerced into making concessions, so they stopped threatening the security of West Berlin.[41] (2) The other theory, essentially softline, is that the crisis was settled through the second mode--that is, by means of tacit

bargaining.[42]

We believe that it is a mistake to view these two theories as mutually exclusive. The analysis which we have presented above suggests that the Berlin Crisis was resolved by means of a combination of the second and fourth modes. Agreement was reached on all three issues by means of tacit bargaining (with the concessions illustrated in Figure 1). Soviet willingness to accept the final positions endorsed by the U.S. on these issues was due to a recognition of the limits of their power resulting from their experience in the Cuban Missile Crisis.

This analysis resembles, in some ways, Diesing's notion of a search-and-adjustment process, by which agreement is often reached in tacit bargaining.[43] In this process one party (or sometimes both) initiates a series of "probes" in an effort to achieve his aspirations. If a probe occurs, the other party must reexamine his goals. Either he reduces his aspirations to more achievable proportions, or, if not, the first party must reduce his own aspirations. Such sequences may be repeated more than once. Eventually, by this process, the two goal sets become minimally compatible and the bargaining is over.

In the Berlin Crisis, probes were mostly initiated by the Soviet Union and were backed up by the continued threat to the status of West Berlin. At first, the United States reacted to these probes by reducing its aspirations and making concessions. But eventually a limit was reached to United States flexibility, and it was up to the Soviet Union to reexamine its goals and reduce its aspirations. This limit was only clearly recognized at the end of the Cuban missile crisis, when the Soviet Union presumably became fully aware that further probes were either too dangerous or doomed

to failure.

The cycle of probe and goal reassessment just described is also found in explicit bargaining (negotiation). But another method of reaching agreement is equally or more important there: the planned exchange of concessions.[44] Concession exchanges are more common in negotiation than in tacit bargaining, because they require a high level of coordination between the two bargainers of the kind made possible by direct discussion.

This leads to an interesting issue with respect to the Berlin crisis: Why was agreement reached through tacit bargaining rather than by means of negotiation? In other words, why search and adjustment rather than a planned exchange of concessions? Negotiation took place between the United States and the Soviet Union before and after, but not during, the acute phase of the crisis. At these times, it served to slow the crisis down. (A separate treaty with the DDR was not Khrushchev's preferred solution, and as long as he was in negotiations he had no reason to bring such a treaty into being.) But it did not contribute to the resolution of the crisis.

It is hard to be sure of the answer to this question, but one possibility lies in the difficulty of finding an exchange of concessions that looked like a proper quid pro quo from the perspective of the United States. The Soviets really had little to give up in the way of a substantive concession except possibly something minor in the area of guaranteed access to Berlin--and this concession was never forthcoming. In the end (as shown in Figure 1), the United States was forced to make several public and moderately costly concessions to reduce Soviet pressures and got nothing in return but an unspoken scaling down of Soviet aspirations. On Berlin, the U.S. agreed to relinquish the city's quadripartite status. On the

status of Germany, the U.S. acknowledged that reunification, or the destruction of the DDR, was not an operative goal; it would live with the DDR and the division of Germany. On nuclear weapons, the U.S. gave assurances that the West Germans would not gain control of them.

Had an "unequal" agreement of this kind emerged from negotiation, the government of the United States would have lost considerable prestige, at home and abroad. Therefore, the United States made its concessions in the form of unilateral moves, unsolicited statements and failures to sanction Soviet moves.

The point just made suggests a generalization that may apply whenever a nation that is very much concerned about its international prestige, such as the United States, is faced with the need to alleviate a crisis initiated by another nation. Such a nation will prefer to make unilateral concessions in the hope of relieving the crisis rather than to negotiate a formal agreement to exchange these same concessions for willingness to end the crisis. As is true of all generalizations derived from a single case, the one just stated must be viewed as tentative unless and until evidence supporting it is obtained from other cases.

Conclusions

The analysis presented in this article has hopefully persuaded the reader that the Berlin Crisis was resolved by bargaining, in which there was a real give and take on both sides. It has also hopefully illuminated the value of bargaining theory in general for understanding the resolution of international crises.

Most of the ideas used in this analysis have been drawn from standard writings on bargaining. But a few were developed by the authors as they

went through the case and hence are possibly novel. Case studies are often heuristic in this way. These ideas are:

(1) The observation that informal communication, such as sequences of signals or private correspondence, can lead to agreement in bargaining that is otherwise primarily tacit in nature. Earlier treatments of these forms of communication have usually viewed them as adjuncts to formal negotiation.

This suggests the tentative generalization that a crisis in slow motion (such as the Berlin Crisis) will be easier to resolve peacefully than a fast-moving crisis, because time is often required to set up such communication devices and build the trust in what is communicated through them that is essential for their effectiveness. It also seems reasonable to hypothesize that a friendly or objective attitude toward the adversary, as opposed to a hostile or stereotyped attitude, contributes to the development of such communication devices.

(2) The hypothesis that the Soviets would have preferred the free city plan but chose to build the Berlin wall because it was the best available solution to the pressing refugee problem that could be implemented <u>unilaterally</u>, without formal agreement from the United States.[45] This suggests the tentative generalization that a bargainer will rely more heavily on unilateral as opposed to bilateral solutions the less time he has to solve a problem.

(3) The notion that public clarifications of intent can often be treated analytically as a form of concession. Like other concessions, such clarifications can move the situation toward agreement and may be costly to the communicator, foreclosing future changes in intentions or,

as in the present crisis, alienating allies who hope to influence these intentions.

(4) The four modes of conflict resolution together with the notion that these modes need not be mutually exclusive.

(5) The hypothesis that a nation which is deeply concerned about its prestige will often prefer to make unilateral concessions in the hope of relieving a crisis that is initiated by another nation rather than negotiate a formal agreement to exchange these same concessions for termination of the crisis.

Footnotes

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[1]Adam B. Ulam, Expansion and Coexistence: The History of Soviet Foreign Policy, 1917-67 (New York: Praeger, 1968), p. 606.

[2]Ibid., p. 620.

[3]Documents on International Affairs, 1958 (London, 1962), pp. 146-164.

[4]Ulam, Expansion and Coexistence, pp. 616-619.

[5]Ibid., pp. 621-623.

[6]The linkages between these issues were extremely complex. Briefly, the status of Berlin was linked to the status of the two Germanies, and the status of the two Germanies was linked to the issue of German armament. The status of Berlin was not directly linked to the issue of German armament, or rather there was no logical necessity for it to be. But in actual fact, the settlement of the status of Berlin contributed to settlement on the armament issue as well as on the status of Germany issue, because it helped to clarify U.S. intentions vis-a-vis Germany.

[7]This model is employed by Richard E. Walton and Robert B. McKersie, A Behavioral Theory of Labor Negotiations (New York: McGraw-Hill, 1965), p. 23, and by Kenneth E. Boulding, Conflict and Defense (New York: Harper, 1962), p. 18.

[8]This model is discussed by R. Duncan Luce and Howard Raiffa, Games and Decisions (New York: Wiley, 1957), pp. 117-137.

[9]Ulam, Expansion and Coexistence, pp. 653-654.

[10]Jean Edward Smith, The Defense of Berlin (Baltimore: The Johns Hopkins Press, 1963), p. 236.

[11]Ibid., pp. 249-250.

[12]Herman Zolling and Uwe Bahnsen, Kalter Winter in August (Oldenburg and Hamburg: Stalling Verlag, 1967), pp. 109-110; Smith, The Defense of Berlin, p. 252.

[13]Smith, The Defense of Berlin, pp. 256-257.

[14]Ibid., pp. 249-250.

[15]Ibid., p. 243.

[16]Zolling and Bahnsen, Kalter Winter in August, pp. 111-112.

[17]Smith, The Defense of Berlin, pp. 258-288.

[18]Ibid., pp. 267-268.

[19]Ibid., p. 295.

[20]Ibid., pp. 298-303.

[21]Jack M. Schick, Berlin Crisis 1958-1962 (Philadelphia: University of Pennsylvania Press, 1971), p. 168.

[22]Paul Diesing, The (West) Berlin Crisis, 1958-1962, unpublished manuscript, p. 80.

[23]Thomas C. Schelling, The Strategy of Conflict (Cambridge, Mass.: Harvard University Press, 1960), p. 70.

[24]The strategy of positional commitment involves efforts to persuade the other bargainer that one will not be moved from one's present demand, so he (the other bargainer) must move if agreement is to be reached.

[25]The use of signal sequences in bargaining has been analyzed by Edward Peters, Strategy and Tactics in Labor Negotiation (New London, Conn.: National Foremen's Institute, 1955), pp. 148-162 and by Dean G. Pruitt, "Indirect Communication and the Search for Agreement in Negotiation," J. Applied Social Psychology (1971), 1, pp. 205-239.

[26]The distinction between indices and signals is drawn by Robert Jervis, The Logic of Images in International Relations (Princeton, N.J.: Princeton University Press, 1970), p. 18.

[27]Zolling and Bahnsen, Kalter Winter in August, p. 105.

[28]Signals that state the opposite of what is intended are described by Peters, Strategy and Tactics in Labor Negotiation, p. 157.

[29]Theodore C. Sorenson, Kennedy (New York: Harper, 1965), pp. 552-556, 599.

[30]Khrushchev's eagerness for informal, direct communication with Kennedy was also reflected in an episode later recounted by the New York Times reporter C. L. Sulzberger (New York Times, Nov. 6, 1966, Section 4, p. 10). Sulzberger was in Moscow on September 5 when Khrushchev asked him to carry a message to Kennedy. The message was that Khrushchev wanted to find a means, without damaging the prestige of the United States, to reach a German settlement on the basis of a peace treaty and a free Berlin. Kennedy later (on October 4) said to Sulzberger that he was not sure precisely what Khrushchev meant, but that "Khrushchev had been 'much softer' recently in his approach to the Berlin problem." "This," reported Sulzberger, "in brief, is how the ice jam began to break."

[31]A two-dimensional graph, such as that given in Figure 2, could be employed in the analysis of bargaining over these two issues. But this seems unnecessary since the same threat point applies to all three issues and has already been discussed above.

[32]Schick, Berlin Crisis 1958-1962, p. 160.

[33]Smith, The Defense of Berlin, pp. 316-318.

[34]Sorenson, Kennedy, pp. 556-557.

[35]Ibid., pp. 552-556.

[36]Smith, The Defense of Berlin, p. 333.

[37]Ulam, Expansion and Coexistence, p. 672.

[38]Ibid., p. 677.

[39]Ibid., pp. 668-669.

[40]The notion that tacit bargaining often proceeds by a process of trying out strategies and reviewing and reducing aspirations in the event that these strategies fail can be attributed to Diesing, The (West) Berlin Crisis 1958-1962, p. 64.

[41]This theory is advanced by Ulam, Expansion and Coexistence.

[42]This theory is advanced by Diesing, The (West) Berlin Crisis, 1958-1962, pp. 53-79, and by Oran R. Young, The Politics of Force (Princeton, N.J.: Princeton University Press, 1968), p. 135.

[43]Diesing, The (West) Berlin Crisis 1958-1962, pp. 64, 76.

[44]Pruitt, "Indirect communication..."

[45]Of course, as mentioned earlier, the United States may have informally approved of this move and communicated this approval indirectly.

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