

//EUROPE: THE BERLIN AGREEMENT NOW IN SIGHT WILL ADD POWERFUL IMPETUS TO THE MOVEMENT TOWARD DETENTE IN EUROPE.//

//ALTHOUGH CERTAIN DETAILS REMAIN TO BE NEGOTIATED BETWEEN EAST AND WEST GERMANY, PANKOW IS NOT LIKELY TO BE ABLE TO HOLD OUT AGAINST SOVIET INSISTENCE ON AN AGREEMENT. THE ENTIRE BERLIN PACKAGE MUST THEN BE APPROVED BY THE BIG FOUR. THIS STEP WILL OPEN THE WAY FOR THE BONN COALITION OF SOCIAL DEMOCRATS AND FREE DEMOCRATS TO PRESENT FOR RATIFICATION, WELL IN ADVANCE OF THE 1973 ELECTIONS, THE TREATIES SIGNED LAST YEAR WITH MOSCOW AND WARSAW.//

//AGREEMENT ON BERLIN WILL ALSO SATISFY THE CONDITION THAT NATO HAS MADE FOR MOVING TOWARD A CONFERENCE ON EUROPEAN SECURITY. SOVIET SPOKESMEN ARE ALREADY PUTTING NEW STEAM BEHIND THIS PROJECT. THE MEMBERS OF NATO, SOME OF WHOM WANT TO GIVE PREFERENCE TO THE ISSUE OF FORCE REDUCTIONS RATHER THAN A CONFERENCE DEVOTED LARGELY TO ATMOSPHERICS, WILL BE UNDER PRESSURE TO SPEED THEIR PREPARATION OF A NEGOTIATING POSITION.//

//IN A LARGER CONTEXT WEST GERMANY WILL REGARD THE AGREEMENT, ACHIEVED ON EVEN BETTER TERMS THAN BONN HAD ANTICIPATED AS A SIGNAL VICTORY FOR ITS OSTPOLITIK. THIS POLICY AIMS AT PROMOTING, OVER THE LONG TERM, A BROAD EUROPEAN RECONCILIATION WHICH, BY OVERCOMING SOVIET AND EAST EUROPEAN FEARS OF GERMAN INTENTIONS, BRANDT HOPES MIGHT ULTIMATELY MAKE POSSIBLE GERMAN REUNIFICATION. THE SUCCESS ACHIEVED TO DATE IS ALSO LIKELY TO MAKE BONN MORE CONFIDENT IN DEALING WITH ITS WESTERN ALLIES, IN PARTICULAR THE FRENCH, WHO HAVE NOT SHARED ALL OF BONN'S AIMS IN THE BERLIN TALKS AND WHOSE SUPPORT IS LESS NECESSARY NOW.//

//THE SOVIETS ALSO SEE THEMSELVES AS GAINERS. THEY WILL PORTRAY THE BERLIN AGREEMENT, TOGETHER WITH THE TREATIES

WHICH BONN WILL PROBABLY RATIFY IN DUE COURSE, AS A WATERSHED IN THEIR POSTWAR DIPLOMACY. THEY HAVE SOUGHT WESTERN ACCEPTANCE OF THEIR PRIMACY IN EASTERN EUROPE AND OF EAST GERMANY'S LEGITIMACY AS A SOVEREIGN STATE. WITH THE WAY CLEARED FOR FURTHER DETENTE INITIATIVES, THE USSR WILL DIRECT ITS DIPLOMACY PRIMARILY TOWARD REDUCING THE AMERICAN PRESENCE AND ROLE IN EUROPE. AT THE SAME TIME IT WILL NOT OVERLOOK OPPORTUNITIES TO PLAY OFF ONE WEST EUROPEAN NATION AGAINST ANOTHER, AND TO DELAY CONSOLIDATION OF THE EUROPEAN COMMUNITIES.//

//EAST GERMANY, IN CONTRAST, MUST TAKE AN UNHAPPY VIEW OF THE BERLIN AGREEMENT AND THE PROSPECTS WHICH IT OPENS. THE AGREEMENT ITSELF VOIDS PANKOW'S CLAIM TO

FULL CONTROL OVER ITS OWN TERRITORY, AND A PERIOD OF DETENTE THREATENS TO WEAKEN EAST GERMANY'S DEFENSES AGAINST BONN'S EFFORTS TO NORMALIZE RELATIONS BETWEEN THE "TWO STATES OF THE GERMAN NATION." EAST GERMANY WILL SEEK TO BLOCK ANY BROAD INTER-GERMAN ACCORD BY SETTING DIFFICULT PRECONDITIONS, SUCH AS FULL DIPLOMATIC RECOGNITION AND ADMISSION TO THE UN, BUT ITS CAMPAIGN TO LIMIT CONTACTS WITH WEST GERMANY WILL STAND IN SOME CONTRAST TO THE POLICY OF OTHER EAST EUROPEAN STATES AND WILL TEND TO ISOLATE IT FROM THESE ALLIES.//

//MOST OTHER EAST EUROPEAN STATES WILL WELCOME THE BERLIN AGREEMENT. THESE STATES WILL SEE IT ENHANCING THEIR NATIONAL SECURITY WITHIN UNQUESTIONED BOUNDARIES AND PERHAPS ALLOWING GREATER ACCESS TO THE WESTERN TECHNOLOGY AND FINANCING THEY HOPE TO USE TO EASE DOMESTIC POLITICAL AND ECONOMIC PRESSURES. OTHERS, PARTICULARLY ROMANIA, WILL SEE IT AS ABETTING THE PROCESS BY WHICH THEY HOPE TO LOOSEN SOVIET CONTROL.

(SECRET/NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND