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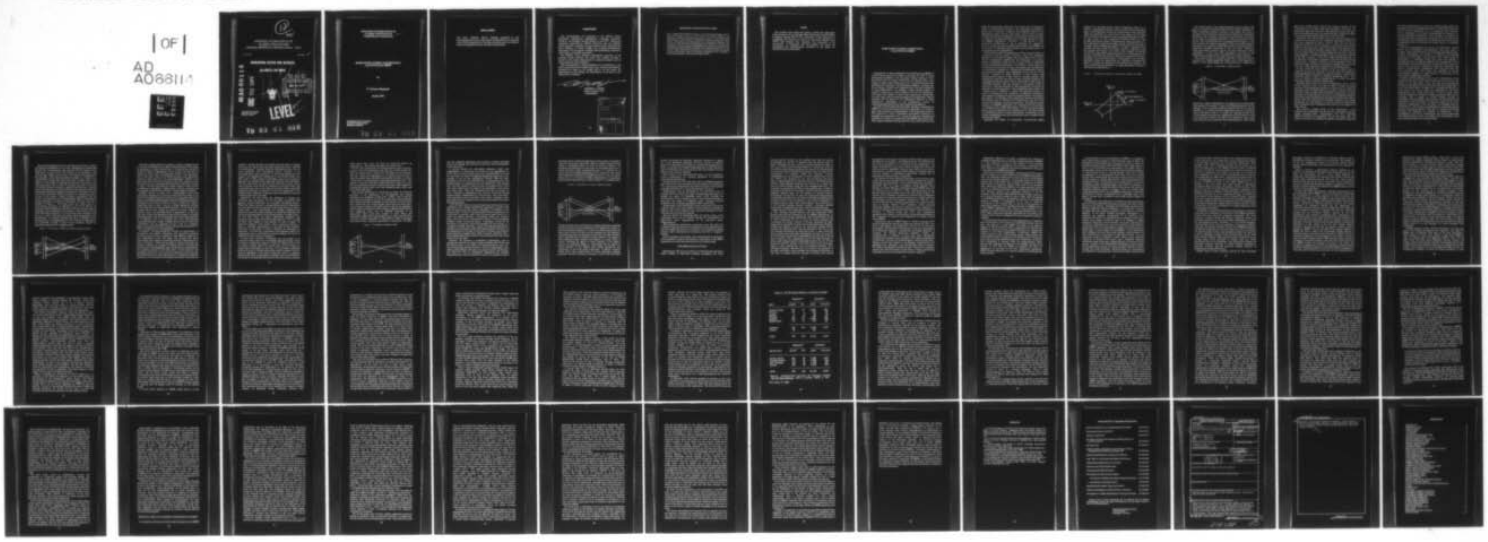

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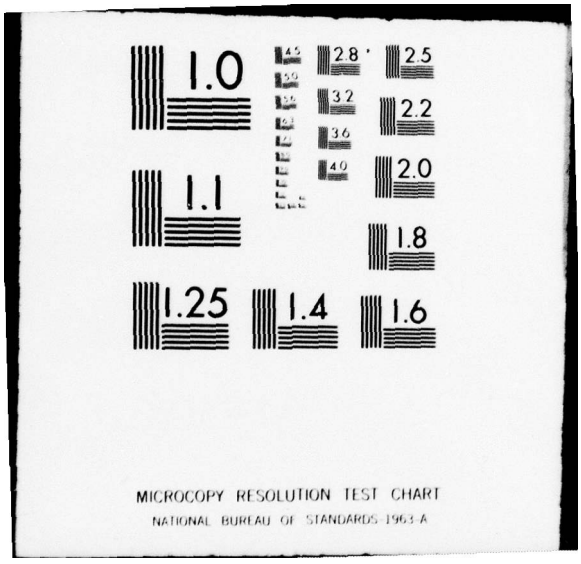
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BARGAINING WITHIN AND BETWEEN ALLIANCES ON MBFR

LEVEL II

STRATEGIC STUDIES INSTITUTE
US ARMY WAR COLLEGE
Carlisle Barracks, Pennsylvania

BARGAINING WITHIN AND BETWEEN ALLIANCES ON MBFR

by

P. Terrence Hopmann

31 July 1978

DISCLAIMER

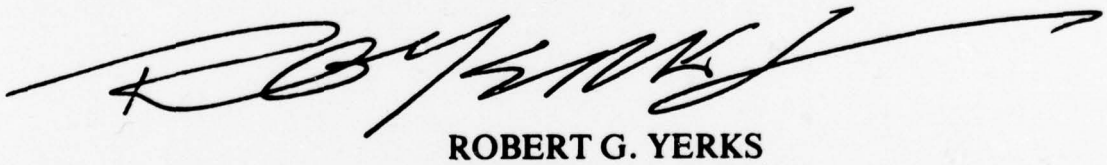
The views, opinions, and/or findings contained in this memorandum are those of the author and should not be construed as an official Department of the Army position, policy or decision, unless so designated by other official documentation.

FOREWORD

This memorandum was presented at the Military Policy Evaluation: Quantitative Applications workshop conference hosted by the Strategic Studies Institute in mid-1977. During the workshop, sponsored by DePaul University and the Strategic Studies Institute, academic and government experts presented the latest findings of formal models and statistical-mathematical approaches to the processes of military decisionmaking, assistance, intervention, and conflict resolution.

The Military Issues Research Memoranda program of the Strategic Studies Institute, US Army War College, provides a forum for the timely dissemination of analytical papers such as those presented at the workshop.

This memorandum is being published as a contribution to the field of national security research and study. The data and opinions presented are those of the author and in no way imply the indorsement of the College, the Department of the Army or the Department of Defense.



ROBERT G. YERKS
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Commandant

BIOGRAPHICAL SKETCH OF THE AUTHOR

DR. P. TERRENCE HOPMANN is Director of the Harold Scott Quigley Center of International Studies and an Associate Professor of Political Science at the University of Minnesota. He has also served as Co-Director of the World Order Studies Project at the University of Minnesota. Professor Hopmann has done research on bargaining in international arms control negotiations, especially in The Conference of the Committee on Disarmament, the Conference on Security and Cooperation in Europe, and the Mutual Balanced Force Reduction talks. He was a Fulbright-Hayes Research Fellow in Belgium and Luxembourg during 1975-76. His interests include international relations theory, international conflict and conflict resolution, world order studies, and American foreign policy. He is co-author of *Unity and Disintegration in International Alliances (1973).*

NOTE

The research upon which this paper is based was undertaken while the author was a Fulbright/Hays Fellow and a NATO Fellow in Belgium during 1975-76. He is grateful for their assistance in completing this research, as well as to the many officials from NATO and Warsaw Pact countries who consented to be interviewed in connection with this research. Of course, all conclusions and interpretations contained in this paper are exclusively those of the author.

BARGAINING WITHIN AND BETWEEN ALLIANCES ON MBFR

Negotiations on Mutual Balanced Force Reductions (MBFR) in Central Europe opened in Vienna on October 30, 1973. In these negotiations members of the two major military alliances of the post-World War II period, NATO and the Warsaw Pact, have sought to reduce their military forces in a Central European area including West Germany, the Netherlands, Belgium, Luxembourg, East Germany, Poland, and Czechoslovakia. The central objective of these negotiations is to establish a stable military balance in Central Curope and to reduce defense costs for all participants. This paper will attempt to assess these negotiations during their first four years, and to evaluate prospects for an agreement. Special emphasis will be placed on the multilateral character of these negotiations, particularly in the simultaneous process of conducting negotiations both within and between alliances.

In order to understand both the present obstacles to agreement in MBFR as well as the potential sources of agreement, it is useful to begin with a general conceptualization of the negotiation process. The objective of such a theoretical formulation should be to highlight the requirements for a successful outcome in multilateral negotiations in order to evaluate why the MBFR negotiations have been largely stalemated during their first four years and how they

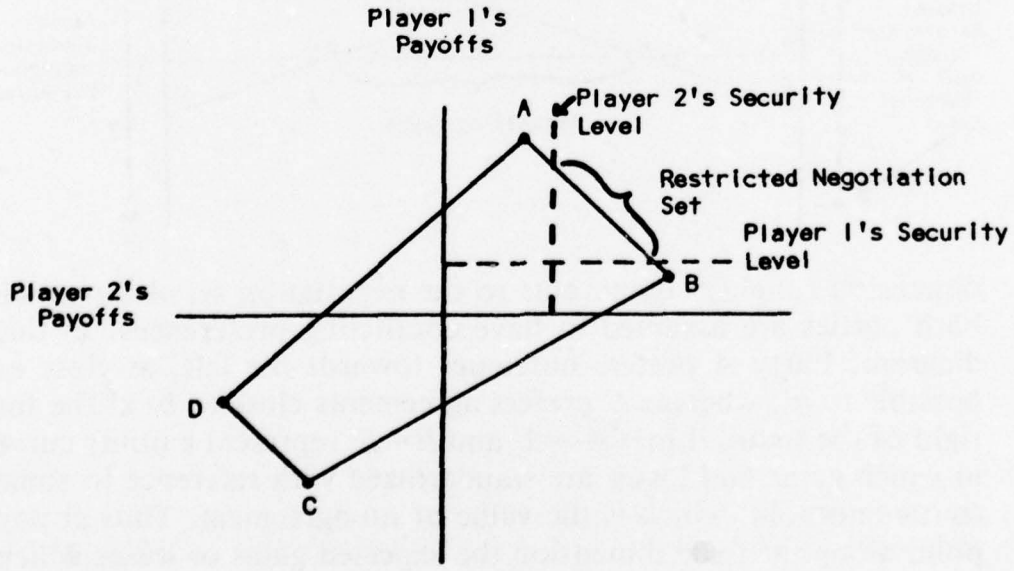
might be pursued more effectively. The current state of negotiation theory in international relations is not sufficiently developed to permit one to construct a rigorous and fullblown theory of the negotiation process. On the other hand, several central concepts from theories about bargaining in international relations may help to clarify the essential requirements for reaching agreement within the MBFR negotiations. Therefore, I shall present a brief theoretical introduction to aid in analyzing the negotiation process,[1] which may then be applied specifically to the MBFR case in an effort to elucidate both obstacles and potential points of convergence in these negotiations.

Most formal models of bargaining are based upon the theory of two-person, zero-sum games.[2] However, since most bargaining situations are far more complex than those dealt with in such a theory, considerable modification and elaboration is necessary before a bargaining model can be of much utility in explicating actual international negotiations. Nevertheless, certain aspects of the theory of two-person, non-zero-sum games may be applicable to international negotiations. Bargaining fundamentally involves non-zero-sum situations, since negotiations occur only in "mixed motive" situations in which elements of both conflict and cooperation are present. If there were no common interests, then negotiations could not take place as there would be nothing to be exchanged among the parties. On the other hand, if there were no conflicting interests, then the positions of the parties would be expected to converge naturally so that negotiations would not be necessary to attain agreement. Thus bargaining theory deals with "mixed motive" situations in which the individual interests of actors are partially but not completely overlapping. Furthermore, some aspects of negotiations may be treated in terms of two-person game theory. For example, direct negotiations between NATO and the Warsaw Pact or between the United States and the Soviet Union are essentially two person interactions. As noted previously, however, the MBFR negotiations are complicated by the presence of multiple actors within each alliance, so that two-person game theory must be expanded to the n-person case to take into account the multilateral nature of these negotiations. A discussion of this further complication may best be postponed until a simpler model has been developed.

Basically, the theory of two-person, non-zero-sum games

suggests two principal axioms about bargaining which are of interest to negotiation theorists. The first axiom of the negotiation game is that agreement should be reached along a line, generally called the *negotation set*, where *both* of the players are no longer able to improve their payoffs from a negotiated agreement *jointly*. In other words, in most negotiation situations there are some possible agreements which are dominated by other agreements, so that both players could receive higher payoffs jointly by arriving at mutually more profitable agreements. In Figure 1, agreements are possible anywhere within the polygon; however, anywhere inside the polygon both players can receive better payoffs by moving towards the upper-right except along line *A---B*. Along this line, by contrast, one player can do better only at the expense of the other, although it is in the mutual interest of both players to try to achieve agreement along this negotiation set. Therefore, assuming that players in a game are interested in maximizing their payoffs, one may conclude that all agreements in a negotiated game will tend to fall along the negotiation set.

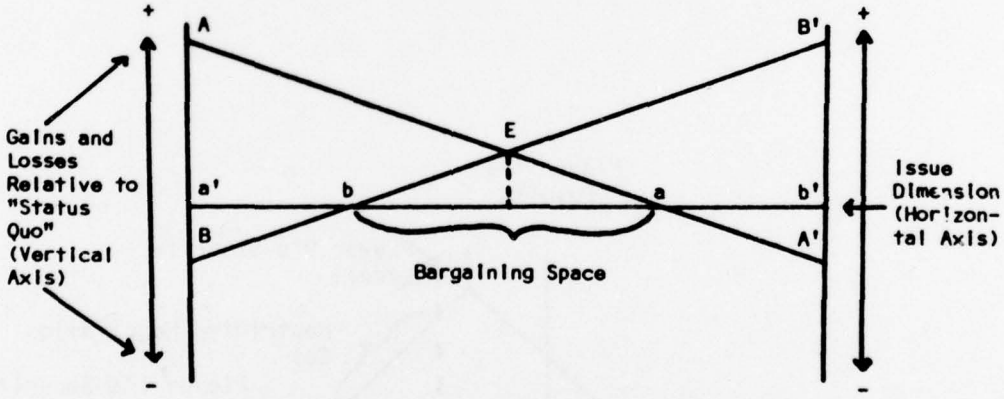
Figure 1: "The Payoff Polygon for a Two-Person, Non-Zero Sum Game"



The second axiom of the negotiated game is that no player will agree to a solution which leaves him worse off than by acting alone. When examining possible outcomes, each player will tend to calculate his own minimum outcome in the absence of a negotiated agreement. This outcome, known as the *security level*, sets a floor on the range of acceptable agreements. If the security levels of the players cross the negotiation set as diagrammed in Figure 1, then they constrain the range of agreements which is possible along the negotiation set to that area which falls between the security levels or minimum acceptable agreements of the two actors. Therefore, while game theory does not specify the precise outcome to most negotiations, it does posit that agreements must fall on the negotiation set and between the security levels of the two players.

The essential ideas of the game theoretic framework may be captured in a simple bargaining model, such as that depicted in Figure 2. This model depicts on a horizontal axis a simple issue

Figure 2: "A Simple Model of Bargaining Space"



dimension roughly comparable to the negotiation set along which both parties are assumed to have conflicting preferences. In this diagram, Party *A* prefers outcomes towards the left, as close as possible to a', whereas *B* prefers agreements close to b' at the far right of the figure. Lines *A*---A' and *B*---B' represent a utility curve in which gains and losses are standardized with reference to some status quo point which is the value of no agreement. Thus at any point along the issue dimension the expected gains or losses which

each actor would receive relative the neutral outcome of the continuation of the status quo may be located. This does not necessarily imply that the actors feel indifferent about the status quo in some absolute sense, but simply that their comparative gains and losses may be measured relative to some such point.

The points where these utility curves cross the neutral line thus represents the security level or minimum acceptable solution for each actor indicated by points *a* and *b*. Thus for actor *B* any proposed solution to the left of point *b* would represent a net loss relative to the status quo. Since *B* can always insure himself of at least the status quo by refusing to agree, there is no logical reason why he would accept any solution falling beyond point *b*. By the same argument, *A* would presumably refuse to accept any solutions to the right of point *a*. Thus this model demonstrates that no rational actor will accept a settlement which falls beyond his own security level. It follows, therefore, that all agreements must fall within the range between the minimum acceptable positions of the two actors. This range may be referred to as *bargaining space*.

In this model the *joint* utilities of the two players may be maximized at point *E*. However, this point does not represent a stable equilibrium since each actor may be tempted to maximize his *individual* utilities within the available bargaining space. Thus actors are likely to employ strategic devices in order to achieve outcomes in their own preferred directions.

Strategic devices may be used in bargaining to serve several distinct functions. First, they may be used to modify the actual structure of the bargaining situation to induce actors to accept an agreement which it might otherwise not prefer. Second, they may be used to affect the information available to negotiators, by either clarifying or obfuscating the structure of the bargaining situation. Thus the strategic considerations go well beyond pure game theory. Rather than just identifying the limiting conditions for possible agreements, it is also necessary to treat the process through which actors manipulate the information and even the overt behavior of other parties.

One common strategic device is the commitment, a firm statement by a negotiator that he will not compromise beyond a certain specified point. Commitments may serve somewhat different functions in bargaining. On the one hand, they may improve the state of information available to the parties when they

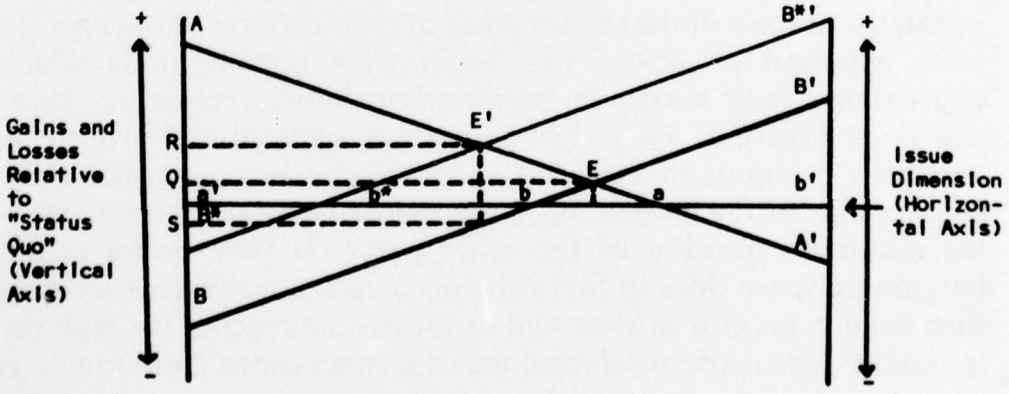
are used constructively as a device for communicating clearly the minimum levels of acceptable agreement. On the other hand, they may be used by negotiators to try to exaggerate their minimum level of agreement in the hope of augmenting the outcome in a direction favorable to themselves. Thus, in Figure 2, *A* might try to commit himself to a position just to the right of *b*. If he succeeds in establishing a firm commitment, then *B* has no choice but to accept an agreement there at little gain for himself and at a substantial gain for *A*.

There are several paradoxes in the use of commitments. If both parties use commitments simultaneously, they may create a situation which looks like there is no overlapping bargaining space. If these commitments are believed to represent true minimal conditions by both sides, then the actors may simply break off negotiations. A stalemate would then result even though in principle both actors could have gained from an agreement. If the commitments are not believed, then concessions may commence. But the first concession is difficult to make since whichever side makes it reveals that its commitments were not really valid. The first concession may thus reduce the credibility of further commitments, leading to a chain reaction of concessions by the party whose credibility has suffered.

Another possible difficulty in the use of commitments is that each party may not be aware prior to their use, if ever, of the true utilities of the other party. Thus, one side may misjudge the minimum acceptable position of the other side and commit itself to a more extreme position. In Figure 2, if *A* committed himself to a point left of *b*, then *B* would find agreement at this point unacceptable. This would then leave *A* with the hard choice between scuttling a potentially profitable agreement, albeit one less profitable than it sought to achieve initially through its commitment, and beginning a chain reaction of concessions which could leave it worse off than if it had never made such an overly ambitious commitment in the first place. As Schelling observes, commitments "run the risk of establishing an immovable position that goes beyond the ability of the other to concede, and thereby provokes the likelihood of stalemate or breakdown."[3] This misjudgment in the use of commitments may prevent agreements from being achieved which, according to the assumptions of the game theroetic model, were in fact possible.

The second strategic device to be considered is the threat. Threats go beyond commitments in not only establishing an immovable position but in associating some sanction with the failure of the other party to agree at the level desired by the threatener. This sanction may simply take the form of breaking off negotiations. For example, in the situation depicted in Figure 2, *A* might try to threaten *B* by saying that unless *B* accepts a solution just to the right *b*, he will break off negotiations and leave *B* at point *b*, his status quo point. This is worse for him than any point to the right of *b* which produces some gain, regardless of how little. A second type of sanction may come in the form of side payments which are introduced beyond the original considerations in the game. In this case *A* may tell *B* that if *B* does not agree to a solution favored by *A*, then *A* will remove a reward or apply a punishment. The net effect is to increase the cost of nonagreement relative to agreement, thereby altering the structure of the game. The new structure is depicted in Figure 3. The threat moves *B's* utility curve in a northwesterly direction, as indicated by line *B*---*B* (before the threat) and line *B*--*B*(after the threat). In this case the new point of agreement which maximizes joint utilities is moved well to the left in the direction favored by *A*. *A* is now able to get a solution to the left of *b*, which would have previously been unacceptable to *B*. Furthermore, *A's* payoffs increase from *Q* to *R*. Because of the increased costs of nonagreement for *B*, a solution at this point is now profitable, though in terms of the prethreat utilities his payoffs are reduced to *A*, a negative result.

Figure 3: "The Effects of Threats and Promises on Bargaining Space"



The third strategic device is a promise, which is a logical inverse of a threat. A promise occurs when *A* informs *B* that, if he accepts an agreement at a point favored by *A*, *A* will provide him with a reward or remove a punishment. Like a threat it has the effect of raising the value to *B* of an agreement relative to no agreement, only in this case it does so by raising the gains from agreement, whereas a threat raises the costs of nonagreement. Relative to the status quo point, however, the effect is the same, namely to raise *B's* utility curve in a northwesterly direction as depicted in Figure 3. Thus, it has the same effect as a threat, namely to open up new possibilities for agreement. Unlike threats, however, promises may not engender strong hostile responses or create negative attitudes.

Strategic devices, in short, are a double-edged sword when employed in negotiations. On the one hand, they may improve the state of information among the parties to the negotiation about the range of available bargaining space, thereby facilitating agreement. Furthermore, they may at times be used to modify the range of bargaining space in such a way as to make agreements possible which might not have been reached otherwise. On the other hand, strategic devices may readily be misused by actors seeking to maximize their own individual gains in negotiations. In this case they may confuse the negotiators about the real range of available bargaining space, and in some instances they create the appearance of a stalemate even if in principle the actors held mutually compatible positions. Finally, strategic devices such as threats and commitments may be employed in such a way as to engender negative attitudes and hostile responses thereby detracting from the ability of negotiators to reach agreement.

In addition to seeking agreement through the manipulation of information and utilities, negotiators may approach agreement through a process of the convergence of their different positions. In most negotiations actors will begin with opening bids which approximate their maximum preferred positions, represented by a^1 and b^1 in Figure 2. They then procede to explore and probe one another's positions in an effort to identify as best as possible the actual range of the bargaining space, particularly as represented by the minimum position of the other party. If they perceive that bargaining space does in fact exist on a particular issue, they may then begin a process of slow and cautious convergence through the initiation of new proposals and making concessions from previous

positions. At this time they may employ the full range of strategic devices as well. But in most successful negotiations some "splitting of the differences" through mutual accommodation must occur to reach agreement. This convergence process, however, is not necessarily linear and continuous. As Jensen has pointed out with regard to the negotiations leading up to the Partial Nuclear Test Ban Treaty of 1963, periods of divergence may set in as positions approach one another and as agreement becomes more imminent. The last concessions are often the most difficult to make, and in some instances some period of retraction of previous offers and concessions may occur in the midst of a process which is generally though inconsistently convergent.[4] In the end if agreement is to be obtained these tendencies to pull back must eventually be overcome so that positions may converge.

Negotiators are also faced with dilemmas in making new initiations and concessions. On the one hand, concessions may generate counter-concessions in a mutually converging process. Where the parties perceive a strong mutual interest in agreement, they may perceive that concessions by the other party are a sign of "good faith," thus reciprocating. For example, Hopmann and King have found that such reciprocity in concessions characterized the successful negotiations on the Partial Nuclear Test Ban Treaty.[5] On the other hand, the party undertaking initiations and concessions may be perceived by the other party as "soft," so that the latter may toughen its own position in order to exploit the perceived weakness in the former. Such a response, however, is likely to stalemate negotiations or even lead to their breakup. Therefore, as Ikle notes, in order to facilitate the attainment of agreement, "the rule that a concession by the opponent ought to be reciprocated with a concession by oneself combines the virtue of flexibility with the norm of reciprocity.[6]

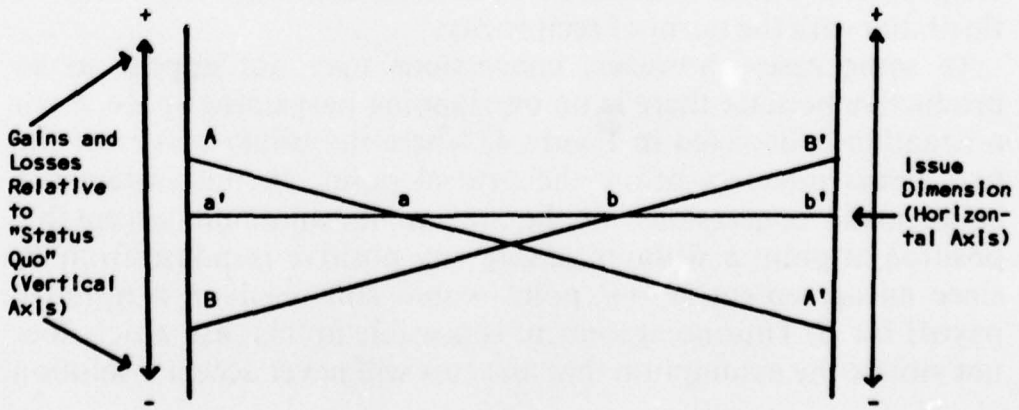
In some cases, however, concessions may not appear to be productive because there is no overlapping bargaining space. Such a situation is depicted in Figure 4, where the utility curves of the two actors intersect below the neutral point. In this instance *A* could make concessions all the way to its minimum acceptable position at point *a* without getting any positive response from *B*, since an agreement at this point would still result in a negative payoff for *B*. Thus no agreement is possible in this case which does not violate the assumption that an actor will never accept a solution

which leaves him worse off than he would be without an agreement, i.e., which leaves him below his security level.

The fact that negotiations are characterized by such a situation, however, does not necessarily insure that they will be broken off. There are several ways in which such stalemates can be overcome. The first, called issue aggregation, is to combine several issues in which the players have mutually incompatible positions to create a "supra-issue" or package upon which bargaining space exists. This requires a revision of the basic model depicted in Figure 2, so that the issue dimension becomes n-dimensional rather than simply two-dimensional, and the actors may seek bargaining space within such an n-dimensional space.

This may be illustrated by combining two issues on which the positions of the negotiators are incompatible and seeking agreement on a package in which actor *A* takes a loss on the first issue and actor *B* takes a loss on the second issue. Such a package may become mutually acceptable to both parties in several ways. First, each actor may receive greater gains from the issue that it wins on than its losses on the other issue, so that the net package is still mutually profitable for both. Second, as Barclay and Peterson have suggested, issues may be weighted according to the importance which each actor assigns to them. Once such importance weights have been assigned, actors may trade-off losses on issues of lesser importance to themselves in order to get gains from those issues of greatest importance to themselves.[7] In either

Figure 4: "The Absence of Bargaining Space"



case the composite agreement may produce mutually profitable results even though the positions of the actors were incompatible on the sub-issues.

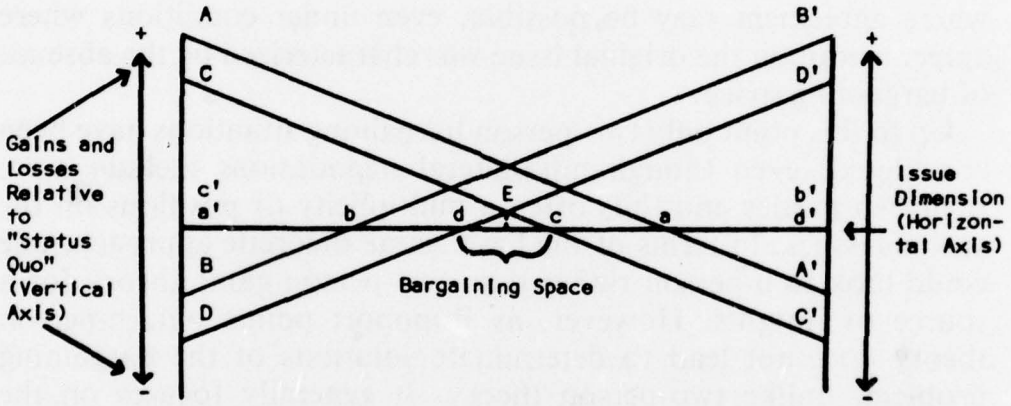
A second method for overcoming stalemate, called issue disaggregation, is effectively the inverse of issue aggregation. In such a case an issue is broken down into subcomponents in search for sub-issues on which overlapping bargaining space exists. For example, in the test ban negotiations between 1958 and 1963, agreement proved to be impossible on a comprehensive test ban largely because of a dispute over on-site inspections. This impasse was overcome, however, when the issue was broken down to deal only with a partial ban on testing in the atmosphere, outer space, and under water, where the inspection issue did not pertain. In short, stalemate in negotiations may often be overcome through seeking creative combinations of "supra-issues" and "sub-issues" where agreement may be possible, even under conditions where agreement upon the original issue was characterized by the absence of bargaining space.

Up to this point only two-person bargaining situations have been considered, even though multilateral negotiations include more than two parties and thus often a multiplicity of positions on the various issues. In terms of the basic game theoretic approach, one could look to n-person rather than two-person game theory for a source of insights. However, as Rapoport points out, n-person theory does not lead to determinate solutions of the bargaining problem, unlike two-person theory. It generally focuses on the formation of coalitions, which then bargain with one another in a two-person fashion. However, in most international negotiations, coalitions are performed, rather than being formed in the course of the negotiations on the basis of each actor's utilities concerning the issues discussed, as game theory tends to assume. Therefore, the n-person game theory tells us little of interest beyond what was found in the two-person case.[8]

However, the situation in multilateral negotiations, even in negotiations between two fairly cohesive alliances like NATO and the Warsaw Pact, is not likely to be characterized by pure two-person bargaining between the blocs. There are independent actors within such coalitions with their own special interests, preferences, and objectives. Thus in multilateral negotiations the available bargaining space must be defined in terms of the utilities of all of

the major actors, namely of those actors whose assent is required in order to consumate an agreement. Figure 5 expands upon the basic model of bargaining space set forth previously in Figure 2 by including the preferences on each issue of two additional actors, *C* and *D*, with their utilities represented by lines *C*—*C*' and *D*—*D*'. In such a case the available bargaining space is reduced to that which falls between the minimum acceptable positions of the two closest actors, that is to the lowest common denominator of agreement, depicted as the space between *c* and *d* in Figure 5. If coalitions have

Figure 5: "The Effects of Alliances on Bargaining Space"



formed, then the actor with the most stringent minimum acceptable position in effect sets the minimum for the coalition as a whole. In the case depicted in Figure 5, if *A* and *C* are allies and *B* and *D* are allies, then *C* and *D* in effect set the minimum for their alliances, and bargaining space for all parties is reduced to the area between *c* and *d*, assuming that the alliances remain cohesive. The degree to which alliances remain cohesive may depend on a wide variety of factors, including the degree to which members of the alliance perceive the opposing alliance as threatening and the degree to which members of the alliance have similar perceptions and evaluations of the issues under negotiation. If alliance cohesion breaks down, then *A* and *B* may, of course, negotiate a separate agreement between themselves, leaving *C* and *D* with the choice

between accepting the bilaterally negotiated agreement or opting out of the agreement altogether. However, insofar as alliances retain some minimal level of cohesion, multilateral negotiations are likely to constrain the available bargaining space in that agreement must not fall below the security levels of all of the members of each alliance whose assent is essential:

On the basis of this theoretical discussion, we may summarize several requirements for reaching agreement in multilateral international negotiations:

- Agreements must fall within the range of available *bargaining space*, that is they must maximize the joint benefits for both parties (i.e., fall along the negotiation set) and not go below the minimum acceptable positions (i.e., the security levels) of any party.
- Agreements may be facilitated by the constructive use of strategic devices to clarify the range of bargaining space and/or to enlarge the range of bargaining space, while avoiding the dysfunctional use of strategic devices for obfuscating information, narrowing the range of bargaining space, creating perceived stalemates, and/or enhancing negative affect and hostility.
- Agreements will be facilitated if actors reciprocate concessions made by other actors and attempt to break impasses through the judicious use of new initiatives and concessions designed to elicit reciprocation from the other parties.
- In the absence of bargaining space on specific issues, a new bargaining space may be created through the development of supra-issues (issue aggregation) or of sub-issues (issue-disaggregation).
- In multilateral negotiations, agreements must fall within the available bargaining space after the positions of all principal actors have been taken into account; for alliances, the minimal acceptable position will be determined by the security level of its "toughest" member.

In the remainder of this paper, these requirements for agreement will be applied to analyze the obstacles to agreement in the MBFR negotiations as well as potential sources for a breakthrough.

THE MBFR NEGOTIATIONS

Background. The issue of security in Central Europe has been a major problem of East-West relations throughout the entire

postwar period. Central to this problem has been the tension surrounding the division of Germany and the special status of Berlin. Proposals for arms control in Central Eurpoe date back at least to the 1955 Geneva Foreign Ministers' Conference, when the three Western participants proposed the creation of a demilitarized zone between Eastern and Western Europe as part of a plan for the reunification of Germany under free elections. Coming immediately after the rearmament of West Germany and its entry into NATO, this proposal was not well received by the Soviet Union. Approximately two years later, however, the Polish Foreign Minister Adam Rapacki proposed the creation of a nuclear free zone in Central Europe along with the nonaggression pact. This proposal was rejected by the West on the grounds that it tended to perpetuate the division of Germany and thus did not provide an adequate political base for the security of Central Europe. Consistently over the next 15 years the fundamental disagreement between East and West over the status of German reunification and of Berlin proved to be an obstacle to any serious negotiation of European security issues. Thus some solution, even a partial one, to the German problem became virtually a necessary political prerequisite to negotiations on arms control in Central Europe.

More than any other single factor, it was probably the *Ostpolitik* of West German Foreign Minister and later Chancellor Willy Brandt which laid the foundations for the MBFR negotiations. As part of this policy, Brandt negotiated a treaty with the Soviet Union in 1970 renouncing the use of force in mutual relations and recognizing the present frontiers of Europe, including the Oder-Neisse line as the border between the German Democratic Republic (GDR) and Poland as well as the previously existing border between the GDR and FRG. This was followed in 1971 by a treaty with Poland reaffirming the Oder-Neisse line, a point which the West Germans had continually challenged in the past. Later in 1971 the Four Powers which had occupied Berlin since the end of World War II signed a treaty regularizing access from West Germany to Berlin and creating a special relationship between the city of West Berlin and the FRG. Finally, in November 1972, the two Germanies signed a treaty opening the way to normalized relations. Thus, although permanent solutions were not found to the problems of Germany and Berlin, these problems were regulated sufficiently so that they no longer posed an obstacle to serious arms control

negotiations in the region. No longer could the West insist on the reunification of Germany, which had been put off indefinitely by the series of agreements, as a condition for any negotiations. No longer could tensions over access routes to Berlin and other such issues provide an immediate threat of open warfare in the region. Furthermore, the FRG and the GDR could now negotiate directly with one another in multilateral negotiations without fear of granting one another *de facto* recognition.

The interest in force reductions had been revived several years before these treaties dealing with the German problem were signed. Following the presentation to the NATO Ministerial Meeting in December 1967, of a report by Belgian Foreign Minister Pierre Harmel, the NATO Ministers decided to propose MBFR talks with the Warsaw Pact. In March of 1969, following armed clashes between Soviet and Chinese forces over their border dispute, the Warsaw Pact's Political Consultative Committee met in Budapest and proposed convening a general conference to consider questions of European security and peaceful cooperation. Then for some time the Warsaw Pact promoted negotiations on general security issues in Europe, whereas NATO proposed a more restricted negotiation dealing with concrete measures of force reductions. It was at the summit meeting between President Nixon and Secretary Brezhnev in Moscow during May 1972, that fundamental agreement was reached to hold separate but parallel negotiations in the Conference on Security and Cooperation in Europe (CSCE) and in MBFR.

Preparatory talks on MBFR began in Vienna in January 1973, and the negotiations themselves opened on October 30, 1973. Two levels of participants were established. The first set were the direct participants, those located in the potential treaty area, composed of the Netherlands, Belgium, Luxembourg, the Federal Republic of Germany, the German Democratic Republic, Poland, and Czechoslovakia. In addition to these states, direct participants included states having troops stationed in this region, including the United States, Canada, the United Kingdom, and the Soviet Union. Debate occurred over whether or not Hungary should fall into the guidelines area, although it was excluded upon Soviet insistence. The indirect participants included all other Warsaw Pact members and all other NATO members except France, Iceland, and Portual (although the latter has attended in an observer capacity).

Negotiation Objectives. In order to determine the location of available bargaining space on the issues under discussion in MBFR, it is first necessary to look at the objectives of the principal participants in these negotiations and, second, to determine how these objectives are translated into specific preferences with regard to the nature of an MBFR agreement.

Objectives of NATO Participants. Although the NATO nations share a number of very basic objectives in the MBFR negotiations, there are significant differences in their priorities and emphases with respect to these objectives. As the major power in the NATO alliance, the United States has a number of objectives in MBFR which differ in important respects from those of the European allies. One major American objective is to reduce domestic pressure in favor of unilateral American troop withdrawals from Europe. This domestic pressure was evidenced primarily in the US Congress, where Senator Mansfield led efforts to reduce American force levels in Western Europe as early as 1966. With the opening of the MBFR negotiations, this domestic pressure was considerably reduced, probably a consequence of the end of American involvement in the Vietnam War as well as of the prospect for negotiated withdrawls to be obtained through the MBFR process. If the MBFR negotiations fail, however, and especially if key members of Congress feel that the American administration or the NATO allies were at least partially responsible for that failure, then Congressional interest in unilateral US troop reductions is likely to reappear.

A second American objective in these negotiations is to maintain some momentum in the process of establishing detente with the East. The decision to open MBFR was taken at the Moscow Summit of 1972 at which the SALT I agreement was reached, and MBFR was viewed by some as a logical extension into conventional weapons of the SALT negotiations. Furthermore, MBFR was widely viewed as a part of the detente process within Europe and was intended in part to reinforce in the military sector the process which was occurring simultaneously in the Conference on Security and Cooperation in Europe. With the disillusionment about detente which followed the signing of the Helsinki accords in the summer of 1975 plus the failure to complete the SALT II negotiations on the basis on the 1974 Vladivostok Agreement, MBFR became important as a concrete vehicle for reaffirming the detente process.

A third objective of the United States in MBFR is to establish a more stable military balance in Central Europe, both to reduce the likelihood of war breaking out in the region as well as to offset any possible political leverage which the Warsaw Pact might gain as a result of a conventional force advantage in the region. There is considerable concern within the US government that an imbalance of conventional forces in Central Europe could have serious consequences. If a conventional conflict were to occur in Central Europe, then NATO might be forced to initiate the use of tactical nuclear weapons to offset a Warsaw Pact conventional superiority, especially in tanks. Furthermore, fear of being forced to cross the forbidding nuclear threshhold might cause NATO to acquiesce in any Eastern gains of a political nature in the region in the event of a significant political conflict of interest. Thus, the United States would particularly like to use the MBFR negotiations to obtain the withdrawal of Soviet conventional forces, especially tanks, from Eastern Europe and to establish a more stable military balance in the region.

Turning next to the objectives of the Western direct participants, there are several differences between their goals and those of their ally across the Atlantic. Although these European countries have different objectives among themselves, it is useful first to discuss the goals which they share to a greater or lesser degree. A primary objective of the major Western European participants is to minimize any negative consequences of an American force reduction in Europe. For reasons of both economics and domestic politics these nations would not like to be obliged to replace withdrawn American forces with their own forces, although most would see no alternative but to do so if American troops withdrew unilaterally. This is felt particularly strongly by the Dutch and the British and to a lesser degree by the Belgians. In the Netherlands and in Belgium there has been recent interest in the parliaments in force reductions in the presence of East-West detente. Yet such reductions would be difficult to make without some reciprocal reductions of Warsaw Pact forces, and a unilateral American withdrawal might necessitate compensating force increases by these nations. Leaders in the Netherlands and Belgium would perhaps find parliamentary support for these increases difficult to obtain, though they would be greatly concerned about the consequences for stability in Central Europe if the Soviet buildup continued and

if the United States withdrew without any compensating increases in their own forces. Nor would most of these countries be anxious to see the FRG compensate for any American withdrawals. With 345,000 troops, West Germany currently has 44 percent of the NATO ground forces in the MBFR reductions area. In addition they have 117,000 air force personnel for a total of 56 percent of NATO air manpower in the region. In the case of an American total withdrawal of forces from Central Europe and a man-for-man replacement by FRG forces, the Germans would account for an overwhelming 67 percent of NATO ground forces and a 75 percent of NATO air forces in the region. While most of the wounds of the two world wars have shrunk in significance throughout Western Europe, the memory of these events is still a factor in the eyes of some Western Europeans, especially in the Benelux countries. In addition, if West Germany were to become so militarily powerful as to be supplying between two-thirds and three-fourths of the military forces in Central Europe, combined with their economic dominance within the European Community, the result would certainly be detrimental to the successful advance of European integration. Indeed, many officials in the FRG would be reluctant to see such an imbalance of strength appearing within the European Community.

In addition to the perceived political consequences of a unilateral American force withdrawal in the absence of an MBFR agreement, concern also exists about the economic consequences. The recent economic recession among all Western industrial nations has produced constraints on increasing defense expenditures in all of the participating nations. However, it is the United Kingdom, suffering from severe recession and balance of payments problems, which has the greatest economic interest in an MBFR agreement. The British would find an increase in their forces on the continent virtually impossible to bear, and indeed they would very much like to have a rationale to reduce forces stationed there. On the other hand, British officials remain among the most skeptical of any in Europe about Soviet intentions in detente, and they would particularly like to avoid making a very hard choice between the perceived economic necessity to reduce defense expenditures, especially overseas, and the perceived strategic necessity of maintaining a strong NATO force.

Finally, there is some consensus among the West European

participants about the desirability of reducing tensions and the probability of military conflict in Central Europe. This appears to be the one fundamental element of consensus among NATO nations that has made their joint participation in these negotiations possible.

There is, however, a significantly different emphasis in the objectives of the Western European direct participants. On the one hand, the Netherlands and to a lesser degree Belgium are committed to the objective of reducing forces in their own national armies while promoting detente with the East. These nations generally feel that the security of all nations will be enhanced if forces are reduced and the military balance is improved in Central Europe. In most respects their objectives in MBFR tend to be close to those of the United States.

On the other hand, some nations in Western Europe tend to be less enthusiastic about MBFR. Thus, West Germany, which began the negotiations as a strong supporter of force reductions and detente as desirable ends in themselves, has become more cautious in recent years. This change in objectives has resulted from several factors, especially the domestic political situation. The sudden resignation of Chancellor Brandt and his replacement by Chancellor Schmidt removed from the leadership of the FRG one of its strongest proponents of detente with the East. Although Schmidt has not overturned Brandt's policies, he has been considerably more cautious in applying them. Furthermore, the precarious position of the coalition between the Social Democratic Party and the Free Democratic Party has tended to enhance the influence of the latter within the governing coalition. Of particular importance in this regard is the fact that Foreign Minister Genscher, the leader of the FDP, has tended to adopt a cautious attitude on MBFR. Thus the principal West German objective in MBFR has been to redress the conventional military balance in Central Europe in a diretion more favorable to NATO, and force reductions themselves are subordinated to this desire to create a more favorable stategic balance. FRG objectives also include the avoidance of several outcomes which they fear could result from the MBFR process. For example, they want to be certain that nothing in an agreement provides any significant increase in Soviet or Eastern European influence over NATO defense arrangements. Thus they seek to avoid any restrictions on force redeployment or

adjustments among NATO nations. They hope to avert any outcome that might jeopardize future efforts to reach greater defense cooperation or unification in Western Europe. They want above all else to avert any outcome which would make a special case of Germany or single it out for special attention. Some West Germans perceive that the MBFR negotiations are directed against them, and they are most interested in avoiding any discriminatory provisions that would place special restrictions on them.

Some of the West German reservations about NATO objectives in MBFR are also shared by their English allies, who have also taken an increasingly cautious attitude towards MBFR in recent years. Partly this is a result of the fact that Britain has terminated many of its overseas commitments in recent years and has focused its attention almost exclusively on its commitment to European defense. In the presence of a domestic economic crisis, furthermore, the issue of MBFR has received little public attention in England, leaving policy-making to a bureaucracy which has generally been skeptical of Soviet intentions. Within the Labour Party, left wing attention has been directed more towards the promotion of more radical disarmament proposals, so that little effort has been made in parliament to influence government policy on this issue. Thus the United Kingdom is strongly committed to achieving a conventional military parity in Central Europe. Unless the military balance can be changed in directions largely favorable to the West, the British would be reluctant to experiment with a different basis for security in Central Europe when they find the present structure relatively stable. Like the Germans, the British objectives include the avoidance of any severe restrictions in British defense policy or on any prospects for future European force integration.

Looking beyond the direct NATO participants, one finds that most of the indirect participants have objectives with regard to MBFR that are different from those of the direct participants. These nations, of course, have nothing to gain from MBFR in terms of reducing their own indigenous military forces. On the other hand, the flank states—Denmark Norway, Greece, and Turkey—have as their primary objective assuring that Soviet forces withdrawn from the reductions areas are not redeployed near their borders. This concern is not of overriding importance for the two Scandinavian members, as both are firmly committed to arms

control in general and specifically to an agreement which might reduce tensions in Central Europe. By contrast, Greece and especially Turkey consider this to be a primary concern, particularly since the latter shares a common border with the USSR. Outside of seeking assurances with regard to this issue, these nations have not played an active role in the negotiations.

One indirect participant, however, which has played an active role in these negotiations is Italy. The principal Italian objective is to avert any outcome from MBFR which might upset the political/strategic status quo in Europe. The Italians want to avoid significant reductions in NATO forces. Any such reductions, they fear, could weaken the Western position in a crisis in Europe, which could lead in turn to Eastern political gains. Furthermore, any agreement leading to the withdrawal of American forces could produce an even further weakening of the US commitment to defend Europe, especially by nonnuclear means. Finally, the Italians are concerned about possible domestic consequences of an agreement. Given the growing influence of the Communist Party in Italian politics, non-Communist officials fear that any rapprochement between East and West is likely to provide increased legitimacy for the Eastern regimes in the eyes of Western public opinion. This, they fear, may lead to the strengthening of the Italian Communist Party and its playing a greater role in the government. Some Italians fear that this would weaken Italy's commitment to NATO. Thus many Italian officials are concerned that almost any successful outcome from MBFR could upset a delicate situation in ways that they oppose. Although they would undoubtedly not wish to be accused of blocking an agreement, many Italian officials would probably feel that their objectives could be maximized if the negotiations were broken off without any agreement. If there is agreement, the Italian objective would appear to be to keep it as limited as possible.

Before concluding the discussion of NATO objectives, it is necessary to note briefly the objectives of one NATO nation not participating in the negotiations, namely France. The French central objective appears to be to preserve the military status quo in Europe and to try to obstruct agreement in MBFR in any way possible. As part of their general foreign policy goal of enhancing national autonomy, the French do not want to accept any international restrictions whatsoever on their military forces.

To summarize NATO objectives, four general attitudes seem to prevail. First, a group of countries including the United States and the Benelux countries seem to favor force reductions and a significant lowering of tensions in Central Europe. Second, several nations also favor force reductions but only if their main effect is to improve the conventional balance in Central Europe in NATO's favor; this would seem to characterize the recent orientation of both West Germany and the United Kingdom. Third, a group of flank states, including Denmark, Norway, Greece, and Turkey, are largely indifferent to the outcome so long as their security is not negatively affected by force redeployments. Finally, several nations such as France (a nonparticipant) and Italy seek to preserve the military status quo in Europe and are generally opposed to an agreement leading to significant force reductions in Central Europe.

Objectives of Warsaw Pact Participants. The objectives of the Warsaw Pact nations in MBFR differ somewhat from those of the NATO nations. While there are also differences of outlook on the part of the Eastern nations, these are also somewhat more difficult to identify than is the case for NATO. Clearly the Soviet Union's objectives tend to dominate within the Warsaw Pact, although in some important respects the goals of the Eastern European states diverge from those of the USSR.

The Soviet Union has a direct interest in achieving real force reductions in MBFR for their own sake. Like most other nations, the USSR has been affected by the high cost of defense. An agreement which would maintain the same level of security at a lower level of expense would undoubtedly be in the Soviet interest. Insofar as possible, however, the USSR would prefer to maintain a conventional manpower and tank superiority on the Warsaw Pact side to offset NATO advantages in armaments quality and in tactical nuclear weapons. Furthermore, it is probable, at least at the outset, that the Soviet Union would have liked to redeploy conventional forces from the European area to the Chinese border. As tensions with China have at least partially subsided in recent years, it is unlikely that this factor is as pressing as it once was. Nevertheless, the original Soviet interest in MBFR certainly seemed to coincide with the highest levels of hostility on the Chinese border.

A second Soviet objective in MBFR would seem to be the

continuation and extension of the detente process. There can be little doubt that Soviet Secretary Brezhnev has made a heavy personal investment in detente. The Soviet leadership probably shares with its American counterparts considerable frustration at the lost momentum of detente since 1972. This has probably been reinforced by the extensive criticism directed towards the USSR following the signing of the Helsinki agreement in 1975 from both Western governments and from Communist parties outside the Soviet Union. The Soviet Union would undoubtedly like to achieve a concrete result on the European security issue as a manifestation of its commitment to detente and to direct attention away from its alleged incomplete implementation of the provisions of the CSCE agreement calling for "cooperation in humanitarian and other fields."

A third objective of the USSR is to get some kind of control on the forces of the Federal Republic of Germany. The USSR has long criticized the West Germans as the inheritors of the Nazi tradition. Although some of this may be attributed to propaganda, it is likely that Soviet fear of German militarism is founded upon long enduring historical memories which cannot be erased with ease. Therefore, the Soviets appear to have a genuine fear of potential growth in the size of the Bundeswehr, and especially of its obtaining nuclear weapons. For them an MBFR agreement would appear to be one means through which they could get a commitment to limit the size and armament of the West Germans. Related to this is the Soviet interest in seeing to it that any American force withdrawals from Europe are not compensated for by increases in the forces of the FRG. Thus, ironically the Soviets seek to use MBFR to head off unilateral American troop reductions. It is interesting to note that Secretary Brezhnev proposed entering into negotiations on the reduction of armed forces and armaments in Central Europe on May 14, 1971, just at the time when it appeared likely that the Mansfield amendment might be passed in the US Senate blocking appropriations for 150,000 American troops in Europe. Although the Soviets would like eventually to see some American troops withdrawn from Europe, their central objective is to assure that this is accomplished within the context of a European-wide agreement that would assure that American forces will not be replaced by an equal or greater number of European troops, especially German ones.

Furthermore, it is likely that the Soviets would be opposed to total American force withdrawal under almost any circumstances. One of the consequences of Soviet-American detente has been the growth of a shared outlook between the two superpowers. Thus the Soviets probably perceive American behavior as more predictable than that of their NATO allies, and they tend to view the American presence in Western Europe as a restraining counterweight to West German dominance of NATO.

By and large, the Eastern European direct participants appear to share the Soviet objectives in MBFR, with some differences in emphasis. For one thing, the interest in gaining some control over West German forces is, if anything, likely to be greater for the East European states than for the USSR. The East Germans have some fears that a future West German regime might revive their interest in German reunification, possibly using force to achieve their objectives. Poland and Czechoslovakia also have vivid memories of German aggression, and excessive military power in the hands of any German state is likely to be of direct concern to them. In addition, the Eastern European states are likely not to be displeased by a reduction of Soviet forces stationed on their territory, which would provide them with some greater degree of independent action. Thus, they would probably like to see the USSR take a large portion of the troop reductions. By contrast, the Soviets would prefer to maintain a substantial reserve in Eastern Europe to reinforce their political influence in the region and also because they consider their own troops to be more reliable in combat than those of their Eastern allies.

The only overt deviance from within the Warsaw Pact, however, has been demonstrated by Rumania, an indirect participant in the negotiations. As has been the case in other arms control negotiations, the Rumanians have criticized the East and West alike for proposing insufficient measures of arms control in MBFR. It appears that Rumania is dissatisfied with the level of reductions proposed by both sides in MBFR. Furthermore, it is likely that they would favor an expansion of the geographical scope of the negotiations. The Rumanian objective in MBFR would thus seem to be to reach a significant reduction of all military forces in Central Europe with the goal of enhancing detente and reducing the bloc-to-bloc nature of political interactions in Europe. A reduction in right bloc structures through force reductions would support a

major overall goal of Rumanian foreign policy, namely achieving greater autonomy for national action.

In summary, like NATO, the Warsaw Pact objectives in MBFR include a reduction of forces to achieve security at lower cost. Of course, like the West they tend to emphasize the requirements of their own security. In addition, the Warsaw Pact would like to obtain some influence over NATO's defense planning, with a special interest in limiting the size of German armaments.

Differences Between NATO and Warsaw Pact Negotiating Positions. Having examined the objectives of the major participants in the MBFR negotiations, it is possible next to consider how these objectives have been manifested in the concrete positions of the two major alliances on specific issues under negotiation. In the first four years of the MBFR negotiations, four major differences have appeared on specific issues within these negotiations, although many other potentially devisive issues have been set aside as well until differences on these four main problems are overcome.

The first major difference between the positions of the two alliances concerns the method through which reductions will be calculated. NATO has proposed a two-phase reduction of forces. The first phase would involve a 15 percent cut in Soviet and American ground forces in the reductions area, amounting to about 29,000 US troops and 68,000 Soviet troops. The second phase would entail a further reduction of all NATO and Warsaw Pact forces in the area down to a common ceiling of approximately 700,000 ground forces on both sides. This would require reductions of about 63,000 additional NATO forces and about 130,000 more Warsaw Pact troops. Thus the main emphasis of the NATO position is upon obtaining approximate parity in the area in the form of a common ceiling on ground manpower.

There is fairly widespread consensus within NATO about the common ceiling proposal. Most nations consider that this is a minimum requirement for their security, since several other disparities work in favor of the Warsaw Pact. Of special importance is the fact that Soviet withdrawal would necessitate retiring troops only several hundred kilometers into Soviet territory, whereas American forces would have to be withdrawn across the Atlantic. Thus, in the event of war, Soviet forces could return to the area more rapidly than American units. While the

basic concept of the common ceiling is viewed as fundamental by all NATO nations, there are some differences in the degree of insistence on parity. The FRG and Great Britian have placed more emphasis on the desirability of achieving an absolute and precisely defined common ceiling, while the United States and the Benelux nations might be more willing to settle for an agreement based on a more loosely defined approximate parity.

By contrast, the Warsaw Pact proposal called for a three stage reduction in the original plan. The first stage called for a reduction of 20,000 troops for both alliances, followed by a second stage cut of 5 percent and a third stage reduction of 10 percent for all direct participants. Thus the overall effect would have been to reduce both sides' forces by about 17 percent. In February 1976 the Warsaw Pact modified their proposal slightly to include only two phases. Moving closer to the NATO position, they called for an equal percentage reduction of only US and Soviet forces in phase one combined with some reductions in equipment. In phase two equal percentage cuts would be applied to all countries with forces in the reductions area, except France.

The Warsaw Pact nations' reason, in the words of Soviet Ambassador Khlestove (Press Conference, January 15, 1974), that the present balance of forces in Central Europe "has been conducive to the maintenance of peace in Europe during the 28 postwar years." They believe that it should be possible to reduce forces in Europe in such a way as to preserve this stable balance but at lower force levels. Thus their proposal would result in less cost for maintaining forces in Central Europe without directly affecting the balance of forces. By contrast, in the view of Polish Ambassador Strulak (Press Conference, July 17, 1974), "the Western side pursues the aim of altering, through unequitable reductions, the existing stable correlation of forces in Central Europe to the detriment of Socialist countries."

A second major issue of difference between these two sides involves the scope of reductions. The original NATO proposal called for reductions only of ground troops plus one Soviet tank army with about 1700 tanks. This is based largely on the assumption that the major threat to the peace in Central Europe stems from the present disparities in ground forces, estimated by NATO to amount to at least 100,000 men and 9000 tanks. (See data in Table I.) NATO reductions would be taken through a force

thinout, whereas the Soviet Union would have to withdraw an entire tank army as a single unit. The original Warsaw Pact proposal called for reductions of air forces and nuclear weapons as well as conventional ground forces. The reductions would be taken by entire units, taking all of their armaments with them. The Warsaw Pact would also like to head off the deployment of new weapons systems in Western Europe, such as neutron warheads and ground-launched cruise missiles, which are viewed as very threatening to their security.

These two proposals tended to reflect the relative interests of the two sides. NATO sought cuts in the areas where the Warsaw Pact had the greatest advantages, while seeking to avoid cuts in areas where they had an advantage. The Warsaw Pact, on the other hand, sought to maintain a margin of superiority in those systems where it already had an advantage, while curtailing qualitative improvements in Western weapons systems deployed in Europe.

A number of arguments were advanced by NATO spokesmen for concentrating only on ground manpower in an initial MBFR agreement. Basically, NATO argued that the major significant disparity in Europe was in ground forces. Thus any attempted use of ground forces in combat would work to NATO's disadvantage, perhaps forcing the United States to initiate the use of tactical nuclear weapons in order to resist the East's conventional superiority. Furthermore, the United States wished to avoid equipment reductions in part to offset the geographical disparity. Thus withdrawn American forces could leave their heavy equipment behind in Europe. Should a crisis arise it would be far easier to transport their manpower rapidly to a battle zone in Europe with heavy equipment ready on the spot for their use rather than having to ship the equipment across the Atlantic. Finally NATO argued that an expansion of the scope of an agreement would increasingly complicate the negotiations. Appropriate force balances would be difficult to calculate, and equipment like aircraft which could enter the area from outside in very short times would make such a limitation for a small geographical area relatively meaningless.

In December 1975, NATO modified its position on this issue somewhat, by introducing a proposal which the United States had earlier presented to NATO but which has been held in reserve for the first two years of the negotiations. The revised NATO proposal

Table I: The Military Balance in Central Europe*

	Manpower**		Equipment	
NATO	Ground	Air	Tanks	Aircraft
United States	189	41	2,500	260
Britain	55	9	650	130
Canada	3	2	30	50
Belgium	64	20	325	140
Germany	345	117	2,400	580
Netherlands	78	21	525	160
Subtotal	734	210	6,430	1,320
France	58		325	
TOTAL	792	210	6,755	1,320

	Manpower**		Equipment	
Warsaw Pact	Ground	Air	Tanks	Aircraft
Soviet Union	455	60	7,900	1,300
Czechoslovakia	135	45	2,900	450
East Germany	105	36	1,700	400
Poland	204	63	3,200	850
TOTAL	899	204	15,700	3,000

*Source: International Institute for Strategic Studies. The Military Balance, 1976-77 (London: 1976), p. 104.

**In units of 1000.

would entail the withdrawal by the United States in phase one of the 29,000 troops plus 1000 nuclear warheads (out of about 7000) currently stationed in the region, 54 nuclear-capable F-4 aircraft, and 36 Pershing surface-to-surface missile launchers. This plan called for the USSR to withdraw one tank army of approximately 1700 (of about 7900) main battle tanks. In phase two the revised NATO proposal also called for including air force manpower (but not aircraft) in a revised common ceiling of 900,000 with a ground force ceiling still maintained at 700,000. Since NATO has approximately 210,000 air manpower in the region and the Warsaw Pact has about 204,000, raising the common ceiling by 200,000 would have virtually no effect.

NATO advanced its proposal as a concession towards the East designed to provide them with an incentive to make the asymmetrical reductions required by the common ceiling. Thus they continued to maintain that the major imbalance in Europe was in conventional manpower necessitating the adoption of the common ceiling, but they did concede implicitly that there were certain equipment asymmetries which have given NATO a relative advantage in tactical nuclear weapons and delivery vehicles and the Warsaw Pact the upper hand in tanks. Thus this proposal was put forth to begin to reduce these most serious imbalances.

This proposal had originally been presented to NATO as one of three options for an MBFR package during preliminary NATO consultations prior to the opening of the negotiations. Although NATO had decided to hold this "option three" in reserve, in June of 1975 the United States proposed that NATO reconsider introducing it in an effort to make other elements of the Western plan, which called for heavily asymmetrical Warsaw Pact reductions, more attractive to the East. This proposal was generally supported by the Benelux countries, which were anxious to use it to get the negotiations going. The British went along with it unenthusiastically. They felt that it might help to move negotiations along, though they felt that it was so difficult to equate tactical nuclear and conventional forces that this might create more problems than it would solve. They felt that the major incentive for the East to accept asymmetrical reductions was to convince them that guaranteed parity (at least indirectly limiting German forces) was preferable to an unguaranteed, short-term superiority which could be revised in the future. The Germans were

initially skeptical about the introduction of "option three," because they feared that this would open the door to the discussion of armaments and equipment in general, something to which they were strongly opposed. Nevertheless, they did not want to be held responsible for stalemate in MBFR by rejecting a proposal strongly favored by the United States. This they feared might reawaken American interest in making unilateral reductions. Furthermore, since all elements in the proposal were American systems, there was effectively nothing that the FRG could do to prevent this withdrawal in any event. Thus the FRG acquiesced in this proposal, but they stressed that it was a "one time" offer only. In other words, they made it quite clear that this proposal was not to be followed by a consideration of further reductions of equipment and armaments. Finally, the Italians were generally opposed to this proposal. They contended that it moved the negotiations beyond their original purpose which was to reduce conventional manpower in Central Europe. They further argued that it could reduce the NATO deterrent which depended on the threat of tactical nuclear weapons to offset Warsaw Pact tank superiority plus the geographical proximity of Soviet reinforcements. However, as an indirect participant Italy was not able to veto effectively this proposal, so that the position of the FRG largely tended to define NATO's minimum position on this issue which was advanced at Vienna in December 1975.

The Warsaw Pact responded by acknowledging that the NATO proposal represented a step in the right direction, but they argued that it didn't go far enough. They argued that it was still based on the concept of a common ceiling in manpower, which they continued to oppose. Furthermore, they objected to the fact that the proposal dealt only with American weapons and not with those of other NATO nations. Thus British and French nuclear weapons were not included as well. Given the objective of the Warsaw Pact to restrain the German forces particularly, this was apparently viewed by them as a serious deficiency. Thus in their counterproposal of February 1976, the Warsaw Pact largely ignored the NATO offer and reiterated their demand for equal percentage cuts.

A third issue of disagreement involves whether or not the force ceilings, however defined, should apply only to entire alliances or to individual nations. NATO has argued that the common ceiling

should be collective, whereas the Warsaw Pact contended that the percentage reductions should be taken equally by all nations, thus in effect establishing national ceilings. The NATO position on this issue largely reflects the strongly held opposition of the FRG to national subceilings. The Germans advance several reasons for this feeling. They are particularly concerned that some of their NATO allies might be forced by domestic considerations to reduce forces below their allotted national subceiling. In that case, West Germany would not be able to compensate for these reductions if they were restrained by a national ceiling on themselves, so that the balance might revert against NATO. This is particularly complicated by the role of French forces stationed in West Germany, which would have to be included in the common ceiling. Since France would not be a participant in an agreement, however, they could make unilateral changes in their force structure without the possibility of compensation by their allies. Although other NATO nations do not all have this concern, they are generally sympathetic to the West German attitude which stems largely from their geographical location on any potential "front line." Furthermore, they feel that Germany should not be singled out for special treatment by the East, and they understand German sensitivity on this issue.

Furthermore, the FRG, strongly supported by the Italians and to a degree by the British, does not want to have any provisions in an MBFR agreement which might infringe upon future Western European defense cooperation. They feel that national force limits would prevent any force integration and the creation of any supranational units which could not be fitted under these constraints. Indeed, many NATO nations perceive the Soviet position on this point as an attempt to prevent any further integration of Western European defenses, and they are anxious to resist any attempts to give the Warsaw Pact nations any influence over the course of West European integration. On the other hand, the Dutch and Belgians, though both proponents of European integration, do not feel that a hypothetical future structure in Europe should be given priority over reaching a concrete agreement in the present. They feel that any European unit could assume whatever obligation the individual states had assumed under an MBFR agreement, and that special provisions could be found which would minimize any constraints of an MBFR agreement on European unification.

The Warsaw Pact, on the other hand, is clearly concerned to insure that West German forces do not become overly dominant in the region; as noted before, this is one of their central objectives in the negotiations. If, under the NATO proposal, all NATO reductions were to be undertaken by forces other than those of the FRG, the latter could have 462,000 of the 900,000 ground and air manpower in the treaty area or 51.33 percent of the troops. Additional allied reductions, combined with some West German force increases permissable under the NATO plan, could increase the predominance of German forces even more. For example, if the 60,000 French troops now stationed in the FRG were withdrawn to France and replaced by an offsetting increase in the Bundeswehr, then almost 60 percent of the NATO forces in Central Europe would be German. Emotionally at least this is perceived as an unsettling possibility by virtually all members of the Warsaw Pact. Thus the Warsaw Pact is unlikely to accept any agreement which doesn't put some constraints on the size of West German forces.

A fourth major issue of disagreement involves the phasing of reductions. The basic position of NATO is that the agreement should be made in two phases. First, Soviet and American forces would be withdrawn, after which reductions by other European nations would be made. The phasing concept was advanced largely by the United States for several reasons. First, the United States wished to obtain quick reductions in Soviet forces, as opposed to the Eastern European forces which were viewed as less threatening. Second, by calling for specific levels of Soviet and American withdrawals in a separate phase, the United States could, in effect, obtain a subceiling over Soviet forces in the area without yielding on the principle of a collective ceiling with regard to the other participants. Third, the United States wanted withdrawals to procede in a controlled, calculable manner, and the phased withdrawal was thought to contribute to such an orderly process. Fourth, the Americans evidently feared that complicated negotiations involving European forces might drag on indefinitely, and the United Stated wanted to be assured of taking its own cuts as rapidly as possible. The United States felt that an agreement involving just American and Soviet forces could be expedited, leaving the thornier issues until later after US domestic pressure on the negotiations had been relieved. The European NATO nations have acquiesced in this phasing concept somewhat reluctantly.

Some have expressed the concern that this represents still another effort by the United States to deal bilaterally with the Soviets, leaving the European states to pick up the pieces. Some nations, including the FRG, the Netherlands, Belgium, and the United Kingdom, early in the negotiations expressed some concern that the United States might take its first phase cuts and then, with its own domestic pressure reduced, lose interest in them. Since all of these states wanted to participate in reductions in order to reduce their own defense budgets, they at least wanted some assurance that a phase two agreement would follow shortly.

The Warsaw Pact has insisted that all phases of an agreement be negotiated and agreed upon prior to signature. This can probably be explained largely in terms of their objective of obtaining limitations on European, especially German, forces as a higher priority than reducing American forces. Thus, the Warsaw Pact would be worried at the possibility of an agreement resulting in a binding reduction of Soviet forces in Eastern Europe, without any corresponding restraints on the Bundeswehr. In their proposal of February 1976, the Warsaw Pact moved somewhat closer to the NATO position on this issue. They agreed for the first time that only US and Soviet forces would be reduced in phase one, but they insisted on prior agreement to reduce other nations' forces in the reduction area before they could agree to take the first phase reductions. Such a concession, assuring a substantial level of Soviet withdrawal in phase 1, was probably endorsed enthusiastically by most Eastern European states.

One point which stands out in this summary of positions is that the stands taken by NATO and the Warsaw Pact in Vienna represent the lowest common denominator of agreement within each alliance. Thus while some allies may perceive room for concession on some issues, others may not, and it appears that those nations favoring the most restricted positions have tended to prevail. One thing that is virtually certain, then, is that any proposed compromise or redefinitions of issues are likely to reopen intense intra-alliance negotiations, especially in NATO.

In addition, the initial bargaining positions which the different nations have assumed in the MBFR negotiations reflect fairly accurately the differences in their objectives and strategic interests. Not surprisingly, each nation and both alliances have tended to advance proposals that would enhance their own objectives at the

expense of others. Thus at present they have tried to move the agreement as close as possible to their own preferred position, and little effort has been made to move in directions which might produce joint gain for all participants. The essential factor determining the outcome of these negotiations will thus probably be whether or not both alliances are willing and able to make concessions from their relatively maximalist positions in a reciprocal and mutually beneficial fashion.

The Use of Bargaining Strategies in MBFR. During the initial four years of negotiation there was little serious bargaining in MBFR in the sense of extensive trading of demands and concessions. Thus strategic devices do not appear to have been employed with great frequency. The negotiations focused primarily on establishing and clarifying the positions of the various participants. The one strategic device which the negotiators employed to some extent in order to do this was the commitment.

With regard to the first major issue of disagreement in MBFR, the method for calculating reductions, both NATO and the Warsaw Pact committed themselves fairly firmly to apparently mutually exclusive positions. NATO made the goal of a common ceiling the cornerstone of its position, and NATO spokesmen suggested that the West does not intend to sign an agreement which ratifies any asymmetry in favor of the East. Early in the negotiations, Dutch Ambassador Quarles (Press Conference, July 17, 1974), speaking on behalf of NATO, stated the following:

> It should be evident that this (Warsaw Pact) approach of seeking to preserve the status quo at lower levels would do nothing to enhance stability and security in Central Europe. It would enshrine in an International agreement the present imbalance of ground forces. Indeed, from our point of view, it would tend to make an already unsatisfactory situation worse. The existing advantage of the East in ground forces would not only be maintained, it could be increased and would therefore give the East a considerable unilateral military advantage.

By contrast, the Warsaw Pact firmly committed itself to the position of equal percentage reductions and rejected any asymmetrical cuts. Polish Ambassador Strulak (Press Conference, July 17, 1974) charged that, "The Western side pursues the aim of altering, through unequitable reduction, the existing stable correlation of forces in Central Europe to the detriment of Socialist countries."

The second issue of disagreement, the scope of reductions, was characterized by somewhat less firm commitments, especially on the NATO side. At the outset of the negotiations, NATO tried to commit itself to an agreement embracing only conventional ground manpower. The presentation of "option three" in December 1975, including in the package US tactical nuclear warheads and delivery vehicles plus air manpower, obviously indicated a willingness to compromise on this issue. Although NATO, largely at German insistence, argued that this was a one time only, final offer to attempt to extract from the Warsaw Pact an acceptance of the common ceiling, it is likely that the commitment to no further concessions was not fully credible to the Soviets and their allies. Once NATO accepted the principle of redressing some armaments imbalances, the Warsaw Pact was likely to seek further modifications in the Western position. Although the Eastern alliance remained more firmly committed to its position in favor of across-the-board reductions in all systems, it is likely that they were somewhat less less firmly committed on this issue than on several others.

The third major source of disagreement involves the commitment to a collective ceiling versus national ceilings. The NATO side was firmly committed to its opposition to inflexible national ceilings, largely because the FRG made it quite clear that they could under no circumstances accept an agreement with such a provision. By contrast the Warsaw Pact became firmly committed to an agreement with some restrictions on national force levels. They refused to sign an agreement which did not include at least some restrictions, either directly or indirectly, on the West Germans. However, they did not seem to be firmly committed to the exact form that such restraint should take.

On the fourth difference involving phasing, the two sides appear to have made commitments which are not mutually exclusive and which leave open some bargaining space. NATO, largely at American insistence, committed itself to having two separate phases to force reductions, with the first phase involving only US and Soviet forces. The Warsaw Pact committed itself to requiring an agreement on the second phase reductions prior to putting first stage reductions into effect. The Warsaw Pact compromised in February 1976 on its initial position of demanding cuts by all parties in all phases. Thus on this issue neither side appeared to have committed itself so firmly as to preclude agreement.

Theoretically, commitments were predicted to have somewhat different effects depending upon whether they were used for issue clarification or for disguising true positions. Undoubtedly they have been used for both purposes in MBFR, although they were employed primarily to express strongly felt preferences. This perhaps helped to clarify some of the limits for possible agreement for some of the major issues under negotiation. In several instances, however, especially on the issues of percentage reductions versus a common ceiling and of collective versus national ceilings, the two alliances appear to have committed themselves to mutually exclusive positions. If these commitments really do represent minimum acceptable positions, then the negotiations are likely to end in stalemate. If they are not firm minima, then one side or the other must break its commitments and offer a concession. It is at this point, however, that the paradox of commitments sets in. Whichever side offers a concession runs a risk. On the one hand, its concessions might be met by reciprocal concessions leading towards agreement. On the other hand, backing down on its commitments may reduce the overall credibility of its positions, causing its concessions to be exploited by the other party. As a result of the uncertainty produced by this paradox, both sides are reluctant to initiate concessions.

Furthermore, each alliance's position on these issues may also become the subject of intra-alliance disagreement. Within NATO at least there appear to be different perceptions of the nature of these commitments. Some participants on the NATO side view these not as firm commitments but as initial statements of positions. Thus they looked forward to a sequence of reciprocal concessions which will bridge the gap between the initial positions. On the other hand, some of the NATO participants viewed these as firm commitments which cannot be compromised; for some significant compromise would lead in all probability to outcomes that would leave them worse off than no agreement. In this view, then, agreement was not likely to be reached unless the Warsaw Pact modified its position to accept an outcome virtually identical to the NATO proposals.

BRIDGING THE GAP: POSSIBLE AGREEMENTS IN MBFR

In conclusion, the issues currently under discussion in the MBFR

negotiations may be examined in the light of the theoretical requirements for reaching a negotiated agreement to determine whether agreement is possible and, if so, what form it might take. Given that the positions of NATO and the Warsaw Pact are quite divergent at the time of this writing, any such suggestions must necessarily be speculative. It is particularly difficult to determine the minimum acceptable positions of all participants, at which point they would prefer to break off negotiations without an agreement rather than concede. Yet the preceding analysis of objectives, bargaining strategies, and positions taken by the various parties to MBFR may provide some clues about the outline of an agreement which might fall into n-dimentional bargaining space and at least be minimally acceptable to all relevant parties.

The first issue which must be bridged involves the question of reducing forces to a common ceiling based on parity as proposed by NATO versus equal percentage reductions favored by the Warsaw Pact. If the data generally available in Western sources about force levels are at all accurate, these two principles would appear to be incompatible. Throughout most of 1977, the MBFR negotiations focused on a discussion of data tabled by both NATO and the Warsaw Pact in a largely unsuccessful effort to eliminate the disrepancies between conflicting estimates of force levels. There is at least some possibility that agreement might be achieved on specific reductions emerging from such a data discussion, even if there is not absolute agreement upon either the data or upon the principle which such reductions would embody. Such an outcome could be built upon the very ambiguity which has made the discussion of data so difficult. For example, there are ambiguities in the methods used for counting troops, including distinctions between combat and support troops and between militia and general purpose forces, which may be counted in different ways depending upon an essentially arbitrary set of counting rules. These ambiguities probably account for some of the differences in the data tabled by NATO and the Warsaw Pact in Vienna thus far. Perhaps a sorting through of these counting rules might suggest possible outcomes which would have the effect of "splitting the differences" between the positions of the two sides without appearing to do great violence to the principles of either.

Such an outcome would undoubtedly have to move in the direction of reaching an approximate parity between the manpower

levels of NATO and Warsaw Pact forces in the region. Although some NATO nations have insisted upon an absolute parity of manpower, this in not likely to be acceptable to the Warsaw Pact, at least without some significant asymmetrical reductions of armaments with NATO taking the largest cuts. It must be noted that the Warsaw Pact's formula based on equal percentage reductions would require greater absolute reductions by them than by NATO if Western data are corrct. This indicates their willingness to accept somewhat greater manpower reductions than would be taken by NATO nations. Perhaps a specific formula for reductions can be calculated which would produce greater manpower reductions for the Warsaw Pact than for NATO, but reductions which would not be vastly different from those which would have resulted from the percentage reductions called for in their own proposals. Alternatively, reductions could be staged so that differences in manpower levels would be reduced but not eliminated in a first phase, leaving the attainment of approximate parity in ground forces for future MBFR negotiations. This would achieve the major Warsaw Pact objective in the short run, leaving room for further compromise later after greater trust has been established. Although this would fall short of NATO's short run goals, it would produce a military balance in Central Europe which was preferable to NATO than the status quo, with the prospect of reaching NATO's major objective in the long run formally embodied in the treaty. This shold thus alleviate Western fears about "contractualizing" present manpower asymmetries through a formal agreement enduring into the indefinite future.

In short, the first major difference between the two alliances might be bridged through a process of "splitting the difference," somewhat covered by an intentional ambiguity. While there are dangers in ambiguous agreements for both sides, this technique has certainly been employed previously to overcome what would otherwise be an insuperable impasse. Furthermore, such ambiguity might enable each side to claim that its fundamental principle has been embodied in the agreement, even though the actual agreement would represent a kind of midpoint between two inherently contradictory principles.

The second major issue involves whether reductions should be limited to manpower only, as favored by NATO, or whether they should embrace arms and equipment as well. There may be several

ways of overcoming this difference. The first way would involve creating some kind of complex formula which would also "split the difference" between the competing positions. When NATO put forth its "option three" proposal in December 1975, it made a move towards such an outcome by introducing some reductions of American armaments into the negotiations in exchange for the withdrawal of an entire Soviet tank army. Most compromise proposals along these lines would probably have to entail some extension of this proposal. One possibility would be for NATO to allow the Soviet Union to reduce its tank forces by some kind of thin out procedure. The Warsaw Pact objected strongly to the NATO proposal which would require them to open a large hole in their defenses by withdrawing an entire tank army. Thus NATO might advance towards their position by suggesting that the reductions could come about through the withdrawal of divisions, one each from a tank army, still totalling the 1700 tanks proposed previously. Another possibility would be for NATO to extend its own proposed armaments reductions beyond those contained in "option three." This might include some additional tactical nuclear weapons, since the 1000 proposed for withdrawal have been widely regarded as obsolete weapons scheduled for withdrawal anyway. It might also include additional nuclear delivery vehicles, perhaps some currently under the control of the European allies. These latter proposals are likely to be strongly opposed by the FRG, however, perhaps with sufficient strength to make them unacceptable. Finally, NATO might propose limitations or prohibitions on the deployment of a new generation of neutron warheads on tactical nuclear launchers, thus heading off a qualitative arms race in an area where the United States appears to have a significant lead. All of the above possibilities would entail some advances by NATO towards the position favored by the Warsaw Pact by expanding the range of armaments to be covered. Yet all involve selected weapons systems rather than across-the-board reductions of armaments which are almost certainly unacceptable to virtully all NATO nations.

A second possible method for bridging this gap might be through aggregating the first two issues and making a tradeoff between the positions favored by the two alliances on these two issues. The major objection of the Warsaw Pact to the NATO proposal is that it would entail asymmetrically greater reductions of ground

manpower where the Pact has an advantage numerically, while preserving the present armaments balance in which NATO is generally considered to have the upper hand. Therefore, if NATO insists on a common ceiling, then the Warsaw Pact would seem to favor applying it across-the-board rather than selectively. This way the present military balance would not be upset by such an agreement in favor of the West. On the other hand, if NATO opposes significant armaments reductions, then the Warsaw Pact nations reason that the resulting asymmentry in armaments must be offset by countervailing asymmetries in their favor in categories such as geographical proximity of forces to the Central European front and manpower advantages.

If this reasoning is pursued further, the possibilities for a tradeoff are also evident. If NATO were to agree to reduce armaments to a level of approximate parity with the Warsaw Pact, then the latter might be more likely to accept the principle of parity applied to manpower as well. However, deep cuts in armaments are not likely to be acceptable to most European members of NATO, especially to the Germans. Therefore, agreement might be more likely to be reached by the opposite tradeoff. In this case, the Warsaw Pact might drop its insistence on across-the-board reductions of armaments in exchange for a relaxation by NATO of its insistence on absolute manpower parity between East and West. In effect, each side would have its essential interests preserved on one issue of major importance, although each would also have to compromise on another important issue. NATO would achieve its desire to see reductions of armaments kept to a low level, but at the price of compromising on the common ceiling. The Warsaw Pact would be permitted to maintain some manpower advantages, albeit less than at present, although it would not succeed in obtaining extensive NATO armaments reduction across-the-board. Whether such a tradeoff would in fact be acceptable to all parties is not clear, but such a compromise may be essential if agreement is to be reached in MBFR.

The third issue of difference involves the question of imposing collective ceilings on each alliance or specific national subceilings, with NATO favoring the former and the Warsaw Pact supporting the latter. Although this issue is highly sensitive, especially to the West Germans, it is likely to be amenable to some compromise. For example, it might be possible to agree on collective ceilings, but

with the provision that no one nation could increase its forces beyond some percentage (e.g., a maximum increase on 10 percent) above its preagreement forces. Alternatively, there might be a limit on the percentage of forces within a collective ceiling (e.g. 60 percent of the alliance total as a maximum) that could come from any one country. From the point of view of the Warsaw Pact, this proposal would place some limits on either the absolute or the relative number of forces which any one country could employ under a collective ceiling. Thus, although there would be no specific national subceiling defined as such in the treaty, this provision would effectively limit the size of the West German army, preventing it from becoming overwhelmingly dominant within the Western alliance. Thus the principle reason for insisting on national subceilings, namely limiting the West German army, would be achieved. From the NATO perspective, this provision would preserve the basic principle of a collective ceiling, and no single nation wold be singled out by name in the treaty. Furthermore, nations would be permitted some limited flexibility to compensate for force reductions below the ceiling by their allies. Although the West Germans might receive such a proposal with some initial skepticism, it would at least protect their basic interests and avoid the two major problems which they would face if national subceilings were established. Finally, from NATO's point of view either of these proposals would also result in a beneficial outcome in that it would limit the absolute size of Soviet forces in Eastern Europe in just the same way that West German forces would be limited in the West.

In order for this compromise to be acceptable to the FRG and Italy, it would also have to include some provisions that would assure that it did not directly interfere with possible future military cooperation among the states of Western Europe. Thus a provision would probably have to be included to specify how any integrated force which superceded national armies would be treated. In such a case the limitations of individual nations would probably have to apply to the country origin of soldiers belonging to any integrated force.

The fourth outstanding issue between the two alliances involves the question of phasing the implementation of an agreement. On this issue the two sides have moved closer over the course of the negotiations, and agreement on it certainly seems possible. Such an

agreement might preserve the concept of two phases for the implementation of an agreement, while establishing at least tentative agreement about the nature of second phase reductions prior to the implementation of the first phase. The first phase would be restricted to reductions solely of American and Soviet forces, as initially proposed by NATO and as accepted by the Warsaw Pact in February 1976. The second phase would be agreed to in advance, but implementation would take place only after all parties had expressed satisfaction that phase one reduction had fully been carried out. The second phase would involve reductions in the forces of the European direct participants and Canada. Since only the United States has so far insisted on an absolute separation of the two phases, preferring to implement phase one while negotiating on a second phase, it is possible that a concession might be initiated unilaterally by the United States. Since the European allies of the United States were somewhat skeptical about the American phasing proposal anyway, American concessions on this point should cause them little concern.

These proposals suggest some ways in which impasses over the four major issues currently debated in MBFR might be overcome. Although many of these proposals might approach the minimum acceptable positions of some important nations, an overall agreement still might appear valuable enough for most to make them willing to make such concessions at least in the long run.

Even if these issues are settled, however, other issues are likely to arise. For example, some noncircumvention provisions would have to be negotiated which would assure that withdrawn forces would not be redeployed on the borders of flank states. Furthermore, verification measures, which have not been debated extensively to date, would have to be worked out. Since verification has traditionally been a difficult problem for arms control negotiations, there is no reason to believe that it can be settled easily in MBFR, especially since verification of manpower may be quite difficult in some instances. Thus certainly a good deal of hard bargaining will have to take place before an MBFR agreement can be achieved.

Finally, it is important to note that any agreement along the lines suggested in this paper would not result in any significant arms reductions in Central Europe. Indeed, it is possible that such an agreement might leave significant loopholes which would permit a

qualitative arms race to continue in Central Europe, thus falling short of the goal of creating a stable military situation in this region. Yet the major objective of MBFR at this stage is not to create dramatic steps towards disengagement or disarmament in Europe. Rather it is to strengthen further the political foundations of East-West detente and to avoid explosive crisis situations which could destroy the gains already made in reducing East-West tensions on the European continent. An improved political environment which could result from even a modest MBFR agreement along the lines developed above could provide the foundation for more extensive arms control and tension reducing measures in a future round, MBFR II. All parties would appear to have something to gain from reaching an agreement, and these political gains could exceed the costs of any compromises which they may have to make to reach agreement. Therefore, in spite of the many obstacles to agreement in MBFR, the potential rationale for agreement remains valid for all participants and should keep alive the hope that these negotiations may eventually be brought to a fruitful conclusion.

ENDNOTES

1. A further development of this theory may be found in an earlier version of this paper: P. Terrence Hopmann, "Bargaining Within and Between Alliances on MBFR: Perceptions and Interactions," paper presented to the annual convention of the International Studies Association, Saint Louis, Missouri, USA, March 16-20, 1977.

2. For a review of the relevant literature see Anataol Rapoport, *Two-Person Game Theory*, Ann Arbor, Michigan: University of Michigan Press, 1968, especially Chapter 8.

3. Thomas Schelling, *The Strategy of Conflict*, Cambridge, Massachusetts: Harvard University Press, 1960, p. 28.

4. Lloyd Jensen, "Approach-Avoidance Bargaining in the Test Ban Negotiations," *International Studies Quarterly*, Vol. 12, No. 2, 1968.

5. P. Terrence Hopmann and Timothy King, "Interactions and Perceptions in the Test Ban Negotiations," International Studies Quarterly, Vol. 20, No. 1, 1976.

6. Fred Charles Ikle, *How Nations Negotiate*, New York: Praeger, 1964, p. 104

7. Scott Barclay and Cameron R. Peterson, *Multi-Attribute Utility Models for Negotiations*, McClean, Virginia: Decisions and Designs Incorporated, 1976.

8. See Anatol Rapoport, *N-Person Game Theory*, Ann Arbor, Michigan: University of Michigan Press, 1970.

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Negotiations on Mutual Balanced Force Reductions (MBFR) in Central Europe opened in Vienna on October 30, 1973. In these negotiations, members of the two major military alliances of the post-World War II period, NATO and the Warsaw Pact, have sought to reduce their military forces in Central Europe. The central objective of these negotiations is to establish a stable military balance in Central Europe and to reduce defense costs for all participants. This paper assesses these negotiations during their first

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four years, and evaluates prospects for agreement. Special emphasis is placed on the multilateral character of these negotiations, particularly on the simultaneous process of conducting negotiations both within and between alliances.

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