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GERMAN PRISM

West-Berlin: After the Four-Power Agreement

by Dr R. Niemeyer, Berlin *

After the representatives of the Four Powers had initialled the framework agreement on West-Berlin in principle, another major step had been completed for dismantling the confrontation between East and West. It has taken a full quarter of a century before Berlin, at last, is given the chance to expand its economy under normal conditions, and to benefit from its exposed geographical position.

The agreement made and initialled by the Ambassadors of the Four Powers on September 3, 1971, is of worldwide and historical importance. It had taken 18 months of hard bargaining to hammer out a compromise, which is to regulate even some details about overcoming the most sensitive aspects of the problem of Berlin, and therefore, it may well be assumed that the consensus between the Four Powers, in opening the door for the hoped-for transition "from confrontation to cooperation", will be the taking-off point for an entirely novel development.

Practical Improvements

It had been the aim of the negotiations to obtain practical improvements for Berlin without affecting the legal status of the Allies adversely, and this aim has been achieved. Written guarantees for the rights of access and the security of civilian traffic—fateful omissions from the period immediately after the last war—have now been made good through a formal Four Power Agreement. This means that, now for the first time after World War II, and after many years full of alarms and crises, the city has been placed on a firm foundation, and this means that its capacity to survive has been established. What the Four Powers have jointly signed embodies, among other things, the following basic rights:

□ the rights exercised by the three Western Allies in West Berlin continue to exist;

□ the ties between West Berlin and the Federal Republic will be maintained and developed further (this means that Berlin will be safely embedded

in the legal, economic and financial system of the Federal Republic);

□ the Federal Republic will be entrusted with representing the interests of West Berlin abroad, including East European states, in the same way as has been the long-established practice in all other countries;

□ rail, road and inland waterway traffic to and from Berlin will henceforth be free of arbitrary interference and chicanery.

This will deflate numerous fears, notably in business circles. Ties existing between West Berlin and the Federal Republic will not only continue in being but may even be evolved further. For the first time, they are no longer open to objection, because they have been embedded in a formal treaty and entrenched in the power of the four sovereign states who are the ultimate holders of sovereign rights over the whole of Berlin. The fact that West Berlin is part and parcel of the economic, financial and legal system of the Federal Republic will be respected also by the Soviet Union.

Unhindered Access

Of fundamental importance for further economic growth of West Berlin is the safeguarding of untrammelled traffic of persons and goods, for which detailed rules and regulations have still to be tested in forthcoming day-to-day practice. Arbitrary frontier controls, penetrating searches, delays in transports of goods should cease to exist after the agreement has been enacted. In past years, the refusal to let certain people and/or goods pass has been a highly damaging obstacle for healthy development. Pursuant to the de-

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cisions in principle of the four Ambassadors, a simple control procedure has been devised by intra-German negotiations, which will expedite traffic to and from Berlin, ease deliveries and the supply of manufacturing orders. The simple fact that through-traffic will no longer have to pay transit dues and road taxes individually, since lump sums will be handed over in lieu of such dues, will reduce costs and time lags considerably.

In this context, too, the Soviet Union, for the first time, has assumed responsibility to let civilian traffic pass through to and from Berlin without hindrance. Under the Four-Power Agreement, traffic to and from Berlin is to be handled in the simplest and quickest way possible, as they are practised internationally. Goods traffic is to go through in carriages and/or containers which will be officially sealed on the West Berlin and Federal Republic sides, thus making it possible to simplify and speed up transit traffic controls when these consignments pass through the German Democratic Republic. Individual travellers, too, are to be exempted from irksome controls, the frontier formalities to be restricted to simple identification of travelling persons.

It may thus be assumed that these guarantees, designed to ease travelling and transport, will increase the feeling of security among Berliners, which in turn will greatly enliven business activities. Normalisation of the conditions under which West Berlin's economy may operate enables businessmen and operators to make longer-term plans safely, to calculate costs with reasonable certainty, and to make decisions for the future.

Representation Abroad

It is of immense significance that the Federal Republic's right to represent West Berlin abroad has now officially been recognised. For many years, a barren dispute over this problem was dragging on — for example, about the question whether West German trade agreements were permitted also to include West Berlin, if such agreements were made with East European governments. More and more obstacles were placed in the

path of West Berlin, as time went by, against the representatives and inhabitants of the city attending international events, e.g. trade fairs, exhibitions, conferences, together with exhibitors and delegations from the Federal Republic. Where and when West Berlin had been discriminated against in this way in the past, this will now cease. Full liberty to take part in material and intellectual exchanges, which had always been possible for West Berliners in the West, will now be fully guaranteed to them also in the East.

This affords new opportunities to Berlin — to benefit from its location between East and West more fully. West Berlin will be able to improve decisively its position as a favourable venue for international congresses and exhibitions, to strengthen its metropolitan attractiveness, and to grow into one of the great centres of international exchanges for trade and of the service industries in the widest imaginable sense.

Future possibilities of deepening East-West trade, whose relative attractions are increasingly seen by western countries, will prompt West Berlin to make its own contribution. As the new agreement enables citizens both of the Federal Republic and of West Berlin to cooperate in their attendances at international trade fairs, exhibitions, and conferences, starting positions for initiating new trade with eastern Europe and conditions for fostering it will be improved, though the difficulties with which this trade is fraught are not ignored.

The Soviet Consulate-General

In close connection with all this, there has been agreement by the Four Powers about establishing a Soviet Consulate-General in West Berlin. Both the size and the activities of this consulate are subject to Allied and German laws, which are strictly defined. The consulate will not have any political functions. In the same way as other consulates, it will be accredited with the three Allied commanders in West Berlin. After West Berlin has obtained safeguards for its foreign representation by the Federal Republic, there could not possibly be any objection to establishing a Soviet consulate in West Berlin. Offices of



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Soviet foreign trade agencies, of Intourist, Aeroflot, and entrepôts for Soviet manufactures will follow and may assume interesting economic significance by making it easier to build up business contacts with the Soviet Union.

Normalisation in Berlin

All these innovations may enable West Berlin to become an even more important centre of commercial and cultural encounters. It is not impossible that Berlin may, in this way, gain some compensation for the loss of its functions as a national capital city, through its new initiatives. Not only projects which are already in the pipeline, including construction of a modern congress centre and supporting tourist accommodation in hotels, etc., will have to be carried out but also completely new approaches for transforming Berlin into an international attraction will have to be undertaken. Future developments in the eastern part of the city must, in this context, on no account be ignored.

Last but not least, the agreement does away with inequitable treatment of West Berliners, compared with other people, who visit East Berlin and the German Democratic Republic. Laying firm foundations now for visits to relatives, business trips, and tourism to these areas, and improving telecommunications by telegraph and telephone, are also steps leading to normalisation in Berlin and strengthening the city's links with the outside world. This increases the value of Berlin as a residential area, because the attractions of a big city with its highly diversified entertainments may then be strengthened for people migrating to the town from the outside. Free access to East Berlin and the German Democratic Republic for visitors could increase the possibilities for leisure activities in the wider environment. Rising residential and leisure time attractions of a big city of currently 2.1 mn inhabitants with a GNP of DM 26 bn per annum, 940,000 gainfully employed persons, of which 240,000 work in industry, will, without doubt, also add to the area's economic viability, as Berlin is still the largest German industrial centre. Choice of the place of employment is largely dependent on these factors, which also makes such a centre equally attractive for business enterprise.

Tasks of Economic Policy

Not all outstanding problems can be overcome by the new agreement. There will still remain the old economic bottlenecks: scarce supplies of labour and of building sites, far-away market outlets, and the lack of "home counties" round the city. This imposes on economic policy as its main task the build-up of compensations for the handicaps for

economic development due to location. Over the years, highly-diversified tools of great adaptability to improve regional and structural planning have been forged. As to the economic impact of the new agreement, this will come to full fruition only in the longer term, dependent mainly on immigration of labour and on growth of industrial investment.

Berlin's economic policy will be determined by its new political ambience. Hitherto, it had to serve mainly the security and efficiency of Berlin's local economy, reacting largely defensively to changing political threats, but now, it might become possible to plan economic policy for the longer term and with greater foresight. After the political foundations for West Berlin's survival are stabilised, economic facts, too, will lead to better conditions for business activities, for the propensity to invest, for choosing Berlin as the location for new companies, and for the will of people to settle here.

Future Possibilities

For the future, it will be of great importance to strengthen Berlin's integration with the network of international transport, which makes it necessary for its traffic links to be diversified and intensified. If and when Berlin attracts more trade fairs and exhibitions and becomes a true centre for international and national congresses and conferences, this will stimulate its catering trade and service industries. In the long term, it will also be necessary to improve its energy supply by linking the city to existing grids. To strengthen Berlin's economy in its importance for eastern and western foreign markets presupposes also an increased exchange with the German Democratic Republic, which has been the aim of the city's economic policy for a long time. True, western trade, especially with the countries of the EEC, will always have priority value for Berlin, but future possibilities of trade with the East must not be neglected. With all this, Berlin cannot operate its economic policies in isolation. They must remain part and parcel of West German economic policies, which is only another of the aspects of Berlin's integration with the economic, financial, and social system of the Federal Republic.

Yet, though prospects seem now bright, economic possibilities must be judged soberly. Certainly short-term changes of Berlin's basic economic situation cannot be expected, but the process of normalisation has been initiated. It ought to soften up scepticism and to dismantle rigid old attitudes. All this needs time, which means that economic policy, working for a gradual improvement of the relations between the two parts of Germany, will have to operate with a great amount of patience.