

**THE STRATEGIC PLAN  
THAT WON  
THE COLD WAR**

**National Security Decision Directive 75**

**by**

**Norman A. Bailey**

**The Potomac Foundation** supports and conducts public policy research to contribute to improved understanding of national and world issues in the areas of international security, economic development, and education. The Potomac Foundation is an independent, tax-exempt institution founded in 1988.

© 1998 The Potomac Foundation  
McLean, Virginia  
All Rights Reserved  
Telephone (703) 506-1790  
FAX (703) 506-8050  
1311 Dolley Madison Boulevard, Suite 2-A  
McLean, Virginia 22101

**THE STRATEGIC PLAN  
THAT WON  
THE COLD WAR**

**National Security Decision Directive 75**

**by**

**Norman A. Bailey**

## TABLE OF CONTENTS

Dedication .....	i
Acknowledgments.....	ii
Foreword by William Clark.....	iii
Part I    The Cold War in Perspective .....	1
Part II   National Security Decision Directive 75 .....	11
Appendices:	
A. National Security Decision Directive 75 .....	27
B. National Security Decision Directive 66 .....	39
C. Chronology of the Cold War, 1981-1985.....	45
About the Author.....	53

## DEDICATION

This monograph is dedicated to the memory of my beloved wife, Suzin, who passed away during its preparation. She never for a moment wavered in her belief in President Reagan, in the eternal American values, and in me.

## ACKNOWLEDGMENTS

This monograph is intended as a tribute to President Ronald W. Reagan, and to the men and women who assisted him in designing, formulating, and implementing the policies and strategies that destroyed the "Evil Empire" and ended the Cold War without plunging the world into a nuclear holocaust, precisely what generations of "wise men" of various political persuasions had said could not be done.

No effort will be made to name them all—they know who they are. Equally, those who had no role in that heroic and ultimately successful effort, or who actively opposed it, know who THEY are—despite recent efforts by some of them and others to alter or obfuscate the historical record in an effort to give or take credit where it is not due.

Special thanks, however, must be bestowed on those who assisted in the preparation of this monograph: Carnes ("Carey") Lord, Paula Dobriansky, Roger W. Robinson, Jr., Richard Pipes, and Gus Weiss, all of whom served on the staff of the National Security Council with me during the first Reagan term; John Lehman, secretary of the navy, and George ("Jay") Keyworth, science advisor to the president during the same period.

Thanks also to Daniel F. McDonald, president of The Potomac Foundation, whose belief in the importance of setting the record straight has made the publication of this monograph possible.

Finally, the nation itself owes a very great debt to Judge William P. Clark, who in his two years as national security advisor to President Reagan, did more than any other individual to help the President change the course of history and put an end to an empire that was, indeed, the embodiment of "evil."

Norman A. Bailey  
May 1998

## FOREWORD

President Reagan's strategy to accelerate the demise of the Soviet Union consisted of five pillars: economic, political, military, ideological, and moral. While the penetrating truths of the president's message to the Soviet leadership and the American people had historic consequences evident to most analysts and historians, the economic dimension of the strategy is less well understood. Put simply, the president did not believe the legions of "experts," both inside and outside the government, who asserted that the Soviet Union was an invincible and immutable juggernaut on the geopolitical landscape. Such advisors and analysts warned that the Kremlin would not be meaningfully harmed by unilateral U.S. action to inhibit Moscow's access to Western financial resources, energy markets, and militarily-relevant technology.

Soviet hard currency earnings and cash flow, however, were fundamentally weak, as was the country's export sector, which was limited primarily to oil, gas, arms, and gold. The president worked closely with his National Security Council (NSC) team to configure a security-minded economic strategy that would constrict financial and other forms of Western life-support being tapped by the Kremlin. National Security Decision Directive (NSDD) 66 and the economic section of NSDD 75 (prepared in November 1982 and January 1983, respectively) provide the best illustrations of this critically important dimension.

The economic stress on the rigid Soviet economy caused by these measures and the robust U.S. military build-up were debilitating. Furthermore, Director of Central Intelligence Bill Casey's challenges to Moscow's adventurism in Third World countries and the promise of the Strategic Defense Initiative added to the president's strong moral compass to ultimately accomplish his goal of freeing the world of a totalitarian empire that had enslaved some 300 million people.

In this monograph Dr. Norman Bailey takes a commendable step in correcting the sometimes murky writings relating to the Soviet Empire's defeat. Unfortunately, much written of this era is less than accurate, self-serving, or partisan in nature.

With greater scholarship and more liberal declassification, history will reveal this national security staff of 120 dedicated men and women—assembled from our intelligence services, diplomatic corps, military, academia, and private life—was highly effective in serving President Reagan. The NSC team prepared, presented, and advanced the critical issues, options, and recommendations through the Department of Defense, Central Intelligence Agency, and the State Department to implement President Reagan's winning policy of Peace Through Strength. The record will one day show that—in a relatively short period—a brilliant but selfless NSC staff played a vital part in bringing about the end of the Cold War.

William P. Clark  
Former National Security Advisor



PART I  
THE COLD WAR IN PERSPECTIVE

*"Ronald Reagan was right. This is an evil empire."  
—Soviet official, as quoted by  
Jack F. Matlock, Jr. in Autopsy on an Empire*

## INTRODUCTION

History records a number of protracted conflicts, lasting over decades or even centuries. Among the most famous were the Punic Wars between Carthage and Rome (264-146 B.C.), the Crusades (1095-1270 A.D.), the Byzantine-Turkish struggle of 1071-1453, the Hundred Years' War between England and France (1337-1453 A.D.), the pan-European Thirty Years' war (1608-1648), the Anglo-French rivalry from Louis XIV to Napoleon, and the French-German wars of 1870-1945.

The Cold War (1947-1991) should be seen in this historical perspective. Not only was it, like the others, a protracted conflict between major world powers, it was also an epic struggle between conflicting and incompatible ideologies: the utopian, totalitarian vision of universal communism, represented by the Soviet Union and its client-states, and the pragmatic and humanistic ideal of individual liberty and political pluralism, represented by the United States and its allies. In this, it resembled the Crusades and the Thirty Years War more than the other historical precedents. Unlike previous conflicts, however, the Cold War could not end in stalemate, because the totalitarian ideal rested on universal premises that could be validated only through continuing expansion. Based on false and self-destructive political and economic premises, it collapsed by implosion when further expansion was definitively blocked, and it was forced to feed upon itself—a process which led to its unexpectedly rapid demise.

The Cold War was, in other ways, a war like previous protracted conflicts, with major battles called to as "the Korean War" and "the Vietnam War," with numerous additional small armed conflicts, and with enormous expenditures of resources on both sides. At the same time, it was an ideological conflict, with occasional truces (*detente*). Of special interest to students of geopolitics and strategy, the Cold War was also a conflict between the "heartland," (to use MacKinder's phrase<sup>1</sup>) occupied and dominated by a largely land force expanding outward from its core, and the opposing peripheral power, depending largely on naval, air, and space power to oppose the heartland's expansion, thereby illustrating and ultimately validating Admiral Mahan's alternate strategic vision.<sup>2</sup> In this case, the periphery eventually emerged

---

<sup>1</sup>Sir Halford John MacKinder, *Democratic Ideals and Reality* (1919).

<sup>2</sup>Alfred Thayer Mahan, *The Influence of Sea Power upon History*, first published in 1890 and often reprinted.

triumphant, as was true in the 123-year protracted conflict between Venice and Byzantium(1081-1204), due to the decay of Byzantine economic and naval power. This was not always the case, however. In the Punic Wars the land power (Rome) eventually prevailed over the sea power (Carthage) because it systematically built up its own naval strength, while staving off catastrophic defeat at the cost of repeated tactical retreats until it was able to counterattack successfully and definitively. On the other hand, for more than three centuries, Great Britain, prevailed over all opposing European continental land powers: Spain, France, and Germany. Not until 1947 was it forced to accept strategic subordination to the new dominant peripheral power—the United States.

In the 1980s, the convulsive and enormously expensive Soviet effort to match U.S. sea, air, and space power was easily countered and surpassed by the United States, when the Soviet scientific-military complex was denied meaningful access to Western military and militarily-significant technology, and Soviet reliance on its weapon of true projective power, its missile force, was threatened by a technology-driven defensive strategy (Strategic Defense Initiative—SDI). The final humiliation suffered by the Soviet-equipped Iraqi army and air force in the 1990 Gulf War simply confirmed the already half-acknowledged technical inferiority of Soviet weaponry.

During the first phase of the Cold War(1947 to 1953), U.S. policy was guided by President Truman, who faced a triumphant and highly aggressive Stalin. The wartime alliance of convenience between the Soviet Union, Great Britain, and the United States against the Axis powers quickly fell apart. This was inevitable, given their totally incompatible, indeed frontally opposed, social, political, and economic systems, and the determination on the part of the Soviet Union to expand its system without limit. In 1947 the U.S. assumed the strategic responsibilities of the much-weakened United Kingdom (Truman Doctrine); the Marshall Plan was conceived to reconstruct a Western Europe under direct Soviet threat; Winston Churchill gave his unforgettable "Iron Curtain" speech and George Kennan published the famous "Mr. X" article in *Foreign Affairs*.<sup>3</sup>

After Stalin's death, Presidents Eisenhower and Kennedy established the policy guidelines of the second and longest phase of the Cold War (1953-1981). This phase was characterized by a policy of "containment" (for propaganda purposes often called "peaceful coexistence"). It was implemented by purely defense strategies which were pursued through two sizeable "hot" wars, other armed conflicts, and periods of so-called "*detente*." Whenever the Soviets succeeded in pushing the West back at some part of the East-West dividing line, the new configuration was accepted by the Western Alliance; thus, the dividing line could move in only one direction.

---

<sup>3</sup>"Mr. X" (George Kennan), "The Sources of Soviet Conduct," *Foreign Affairs*, vol. 25, no. 4, July 1947.

The most severe setback suffered by the U.S.S.R. during the second phase of the Cold War was not attributed to any actions taken by the West. The gradual loss of mainland China to the Soviet Bloc (1956-1971) was due entirely to internal Chinese policy decisions. As a result, although the Western Alliance had expended huge sums and many lives in pursuing a policy of containment, at the beginning of 1981, the Soviet Bloc was triumphant everywhere (with the exception of China), having even established beachheads in the Western Hemisphere in Cuba, Nicaragua, and Grenada and threatening the Persian Gulf and its energy resources from Afghanistan. The Western Alliance was in retreat everywhere, having achieved only stalemate in Korea and having suffered a psychologically crippling defeat in Vietnam. Meanwhile, the U.S.S.R. was rapidly closing in on what had once been a large Western lead in nuclear and missile technology, and it was engaged in a massive effort to counter and (at least in submarines) surpass traditional U.S. predominance in naval power.

The third phase of the Cold War (1981-1989) corresponds to the administration of President Ronald Reagan. In the Reagan era, the policy of containment was changed from maintenance of the *status quo* to the goal of eventual ending the war through victory. Thus the strategic posture changed from defense to rollback. In other words, the Reagan administration designed and carried out a radical paradigm shift in the way the United States pursued the Cold War, from the war aims themselves to the strategies and tactics used to implement the new objectives. This final phase of the Cold War was succeeded by a short, less well-focused, coda from the inauguration of the Bush administration in January 1989 to the final collapse of the Soviet Union on Christmas Day, 1991. President Bush attempted to restore a policy of preserving the *status quo*, which would have permitted the Soviet Union and Soviet bloc to survive. The Bush administration adopted a strategic posture of extreme caution, similar to *detente*-mode containment.<sup>4</sup> Reagan era officials were denigrated and dismissed wholesale.<sup>5</sup> Attempts were made to legitimate Soviet dominance over Eastern Europe<sup>6</sup> and the Baltic states.<sup>7</sup> Continuous

---

<sup>4</sup>See David Pryce-Jones, *The Strange Death of the Soviet Empire* (New York: Henry Holt, 1995), esp. pp. 119 and 150.

<sup>5</sup>James A. Baker III, *The Politics of Diplomacy* (New York: Putnam's, 1995), p.68. Also Jack F. Matlock, Jr., *Autopsy on an Empire* (New York: Random House, 1995), p. 185.

<sup>6</sup>Matlock, p. 190.

<sup>7</sup>Baker, pp. 243-244.

support was given to Soviet President Mikhail Gorbachev<sup>8</sup>—a policy adopted by U.S. allies<sup>9</sup> and Western business leaders as well.<sup>10</sup> When the coup against Gorbachev took place in August 1991, support was initially offered to the authors of the *coup*<sup>11</sup> and Gorbachev was immediately abandoned by the administration in an effort to preserve the system. But all was in vain—neither the Soviet Bloc nor the Cold War could be rescued.<sup>12</sup> The policies and strategies of the Reagan administration had worked too well to be reversed or stopped, even by a subsequent U.S. Administration of the same political party.

## HISTORICAL REVISIONISM

In the years following the final collapse of the Soviet Union and the end of the Cold War in 1991, a whole school of historical revisionism has grown up. It characterizes the Reagan administration as headed by an amiable dunce and peopled by dangerous right-wing fanatics, whose misguided policies not only were *not* responsible for the end of the Cold War but, quite to the contrary, so energized Soviet resistance that the Soviet bloc's collapse, due entirely to internal decay, was actually delayed. It is hardly surprising that this revisionism is found principally among liberals, many academics, and much of

---

<sup>8</sup>Matlock, p. 528, describes President Bush praising Gorbachev to the leaders of the Baltic states.

<sup>9</sup>Matlock, pp. 440-441. "Like juveniles in a secret club, his enemies were their enemies and loyalty was measured by commitment to one another as persons." This effort reached the extreme of violating the confidences of Moscow Mayor Gavriil Popov and thus endangering his life to try to save Gorbachev. Matlock, pp. 544-545.

<sup>10</sup>Matlock, p.415.

<sup>11</sup>Matlock, pp. 587-589.

<sup>12</sup>Reagan, who assumed that there could be changes for the better and that he could influence them, would most likely not have made the mistake Bush did on the morning of August 19, 1991. He would have had instinctive confidence that his statement would make a difference and that he should design it not to curry favor with a hateful regime but to bring it down....Bush, on the other hand, was uncomfortable with change." Matlock, pp. 590-591. "By making diplomacy their politics, President Bush and his Secretary of State were absent at the creation of our remarkable post-Cold War world.", Adrian Karatnycky, review of Baker, *op. cit.*, *Wall Street Journal*, October 18, 1995.

the press. Denigration of the administration's role has become virtually routine.<sup>13</sup>

Comment by former Soviet figures is sometimes forthrightly confirmatory of the Administration's role and success,<sup>14</sup> but is more commonly highly ambivalent. In the latter category the voluminous memoirs of long-time Soviet Ambassador to the U.S. Anatoly Dobrynin can serve as a typical example.<sup>15</sup> Generally, Dobrynin is contemptuously dismissive of the Administration, characterizing it as "primitive and incompetent."<sup>16</sup> Occasionally, however, he praises the president<sup>17</sup> and presents a remarkably positive final assessment.<sup>18</sup> Nevertheless, he cannot resist concluding that the collapse of the

---

<sup>13</sup>A typical off-hand comment: "The author is perhaps too generous toward Ronald Reagan,...." Peter Galuszka, review of Matlock, *op. cit.*, *Business Week*, December 11, 1995. Denigration of the Reagan administration role has sometimes reached truly ludicrous proportions. Jay Winik, in *On the Brink* (New York: Simon and Schuster, 1996) claims that the policy's successes were due primarily to Democrats in the administration. Gregory Vistica, in *Fall from Glory: The Men Who Sank the U.S. Navy* (New York: Simon and Schuster, 1996) makes the astonishing claim that Secretary of the Navy John Lehman destroyed the navy. This is the dramatic opposite of the truth as noted in the review of the book by Lord Chalfont in the *Wall Street Journal*, February 22, 1996. Perhaps the most famous example of this tendency [denigration of Reagan's role] was the January 1, 1990 issue of *Time* magazine celebrating the virtual end of communism and proclaiming Mikhail Gorbachev "Man of the Decade." The role of Ronald Reagan in all of this was scarcely mentioned, hardly any notice was given to the fact that the establishment view had been mistaken at every step along the way. Instead, *Time* concluded that the collapse of communism proved the 'doves' had been right all along! Edwin Meese III, *With Reagan* (Washington: Regnery Gateway, 1992), p. 173.

<sup>14</sup>Pryce-Jones, p. 363, quoting former KGB General Leonid Shebarshin: "I have grounds for knowing they [Reagan administration] did everything possible to destroy the Soviet Union economically and politically."

<sup>15</sup>Anatoly Dobrynin, *In Confidence* (New York: Times Books, 1995).

<sup>16</sup>Dobrynin, p. 490.

<sup>17</sup>Dobrynin, p. 477.

<sup>18</sup>Dobrynin, pp. 606; 608-610.

Soviet Bloc and system was due primarily to internal factors.<sup>19</sup>

A second group of revisionists consists of members of the Reagan and Bush administrations who either had little or no role in developing or carrying out the policies and strategies that won the Cold War or actively opposed them<sup>20</sup>

The most outstanding (but by no means only) representative of this tendency is undoubtedly James Baker, chief of staff to the president and secretary of the treasury under Reagan and then secretary of state under Bush. Despite continuous opposition when in office to the winning policy/strategy mix, Baker claims credit for the "move away from containment" as an initiative of the Bush administration.<sup>21</sup> Reality was the exact opposite, as the Bush government tried (unsuccessfully) to return to a policy of containment and support for the survival of the Soviet system. In his memoirs, Baker, who occupied high positions in President Reagan's government for eight years despite having supported Bush for the nomination in 1980, praises the president exactly once<sup>22</sup> Even Matlock, in a generally more balanced presentation,<sup>23</sup> makes the incredible statement that when he joined the staff of the National Security Council in 1983, there was no coherent policy towards the U.S.S.R.<sup>24</sup>

## THE REAGAN STRATEGIC PLAN

The fact is that the first Reagan administration adopted, designed, and successfully implemented an integrated set of policies, strategies, and tactics specifically directed toward the eventual destruction (without war) of the Soviet

---

<sup>19</sup>Dobrynin, p. 611. Dobrynin lists prominent Americans and others who advised him, and through him the Soviet government on how to attack the Reagan Administration on the occasion of the 1984 elections, including Vatican Secretary of State Casaroli, Jimmy Carter, Tip O'Neill, Ted Kennedy, and George Kennan, as well as such Republicans as Henry Kissinger and Lawrence Eagleburger. Pp. 547-549, 598-599.

<sup>20</sup>Astonishingly, Dobrynin claims that then Vice-President Bush advised him on how to deal with President Reagan at the Reykjavik summit, p. 581.

<sup>21</sup>Baker, p. 562.

<sup>22</sup>Baker, p. 652.

<sup>23</sup>Matlock, pp. 669-670.

<sup>24</sup>Matlock, p. 79. See also Michael Dobbs, *Down with Big Brother*, New York, Knopf, 1996; Fred Coleman, *The Decline and Fall of the Soviet Empire*, New York, St. Martins Press, 1996; and Robert Gates, *From the Shadows*, New York, Simon and Schuster, 1996.

Empire and the successful ending of the Cold War with victory for the West.<sup>25</sup>

Policy guidance was set by President Reagan in the opening section of National Security Decision Directive ("NSDD") 75 dated January 17, 1983, and announced to the American people in his famous "Evil Empire" speech on March 8, 1983 in Orlando, Florida.

This kind of integrated policy/strategy set is extremely rare in American history. By and large Americans have lacked in a sense of history and strategy, and have depended repeatedly on geographic isolation and the ability to deploy overwhelming economic and military resources for last-minute tactical responses to imminent threats. Among the very few exceptions are the Monroe Doctrine and its sequels, which, however, when originally enunciated, depended not on our own strength but upon the British navy for implementation with the U.S., finally assuming responsibility only some 80 years later (ironically directed at that time against the British).<sup>26</sup> Manifest Destiny can also be considered an exception, although it was perhaps more an aspect of the national psyche than a consciously adopted policy. Nevertheless, it was upheld for decades and successfully implemented by a complementary set of military and diplomatic strategies. Wilsonianism, although ultimately unsuccessful, was also an example of an integrated set of policies and strategies designed to implement them. Beyond these, history shows no other important cases of true U.S. strategic planning prior to 1981.

Furthermore, the Reagan policies were adopted and executed with astonishing rapidity, against powerful opposition, not only from the Soviets but also from the administration itself and from U.S. allies.<sup>27</sup> Less than 11 years after the inauguration of the Reagan administration, the Cold War was over, the Soviet Bloc dissolved, and the Soviet Union no longer existed. All this was achieved by a small group of men and women inspired by President Reagan and led by the extraordinary team of Secretary of Defense Caspar Weinberger,

---

<sup>25</sup>Dobrynin has an excellent summary of the policy/strategy mix. *Op. cit.*, pp. 477-481. See also Meese, chapter 12, "The Man Who Won the Cold War," especially his six-point summary on pp. 168-169; Peter Schweitzer, *Victory: The Reagan Administration's Secret Strategy That Hastened the Collapse of the Soviet Union* (New York: Atlantic Monthly Press, 1994); and Richard V. Allen, "The Man Who Changed the Game Plan," *The National Interest*, no. 44, Summer 1996.

<sup>26</sup>On the occasion of the conflict between Britain and Venezuela over the border between Venezuela and British Guiana: "Today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition...its infinite resources combined with its isolated position render it master of the situation and practically invulnerable against any or all other powers..." (Secretary of State Olney, 1895). The British backed down.

<sup>27</sup>Meese, p. 103.



National Security Advisors Richard Allen and William Clark, and Director of Central Intelligence William Casey. These policies were strongly supported by other major administration figures, such as Edwin Meese and Donald Regan, but they were bitterly opposed by other high-level administration figures and by whole bureaucracies in the Departments of State and Commerce.

Nevertheless, the effort proceeded so effectively that the Soviet Empire crested in the summer of 1983, when the two blocs were closer to hot war than at any time since the 1962 missile crisis. The moment passed and thereafter Soviet decline was precipitous. Against the almost unanimous advice of his advisors, President Reagan held firm for SDI at the Reykjavik Summit despite Gorbachev's last desperate diplomatic effort to kill it. In January 1987 the plenum of the Central Committee of the Communist Party of the Soviet Union admitted that victory in the Cold War was impossible; four years later it was all over. During this final phase of the Cold War, President Reagan visited Moscow in 1988. His visit was triumphant. An observer described it thus: "Our friend the poet Andrei Voznesensky...was effusive. 'Reagan's visit is one of the greatest events in all of Russian history....' In December 1989, a year after Reagan left office and 18 months after his visit, a poll of Soviet citizens found that 16.5 percent picked him as man of the year."<sup>28</sup> It can be considered the capstone of his presidency.

---

<sup>28</sup>Matlock, pp. 124-125.

PART II

NATIONAL SECURITY DECISION  
DIRECTIVE 75

*"I believe that communism is another sad, bizarre chapter in human history whose last pages even now are being written. I believe this because our source of strength in the quest for human freedom is not material, but spiritual. And because it knows no limitation, it must terrify and ultimately triumph over those who would enslave their fellow man."*

*Ronald W. Reagan, March 8, 1983*

On January 17, 1983, after almost exactly two years in office, President Reagan signed National Security Decision Directive (NSDD) 75, entitled "U.S. Relations with the USSR." This extraordinary document resulted from a two-years U.S. effort to refine its policy and strategy during the last years of the sclerotic Brezhnev regime. The full text of NSDD 75 is reproduced in Appendix A.

NSDD 75 is a complete strategic document and as such is unique in the history of U.S. foreign relations. It is also remarkable in that its policy prescriptions and strategic plans were implemented vigorously and were ultimately (and in a very short time) entirely successful. Within eight years of the signing of this document, the Cold War was over, the Soviet Bloc had disintegrated, and the Union of Soviet Socialist Republics.

NSDD 75 was partially based on previous sector-specific directives, such as NSDD 45 on propaganda and NSDD 66 on economic and financial strategies (NSDD 66 is reproduced in Appendix B). It was officially developed by an Interdepartmental Group (IG) chaired by Deputy Secretary of State Walter Stoessel, but its intellectual author was Richard Pipes, who was completing two years on the staff of the National Security Council, responsible for U.S. policy towards the Soviet Union. The IG agreed unanimously in the final text with the exception of two passages. The State, Treasury, and Agriculture departments objected to the statement: "...to induce the USSR to shift capital and resources from the defense sector to capital investments and consumer goods." The same three departments, joined by the Commerce Department, objected to this: "...to refrain from assisting the Soviet Union with developing natural resources with which to earn, at minimal cost to itself, hard currency."

These passages were omitted from the final document which was approved by the president at the meeting of the National Security Council on December 17, 1982. The omissions were unimportant because the relevant points were covered in the earlier NSDD 66 (see Appendix B). That unanimity was reached on all other aspects of the final document was remarkable.

## POLICY

NSDD 75 begins with a comprehensive statement of policy:

"U.S. policy toward the Soviet Union will consist of three elements: external resistance to Soviet imperialism; internal pressure on the USSR to weaken the sources of Soviet imperialism; and negotiations to eliminate, on the basis of strict reciprocity outstanding disagreements."

Those statements represent two "sticks" and one relative "carrot". The document then details the elements of grand strategy within the parameters of policy:

"1. To contain and over time reverse Soviet expansionism. This will remain the primary focus of U.S. policy toward the USSR. 2. To promote...the process of change in the Soviet Union toward a more pluralistic political and economic system.... 3. To engage the Soviet Union in negotiations to attempt to reach agreements which protect and enhance U.S. interests and which are consistent with the principle of strict reciprocity and mutual interest..."

The decision directive goes on to outline the elements of strategy utilized to implement the policy and grand strategy directive in all operational areas: diplomacy, propaganda, economics, subversion, military display, and war.

## DIPLOMACY

Diplomacy, meaning international negotiation, must be an element in any international strategic mix; however, diplomacy without collateral strategic elements can accomplish little. All the strategic elements of NSDD 75 are suffused with a diplomatic content, but in parts the diplomatic element is more central, especially when discussing specific bilateral relations, such as with China, Afghanistan, Cuba Yugoslavia, and the Third World in general. Arms control negotiations and cooperative exchanges are specifically addressed, but the fullest treatment of diplomacy as such is entitled "Official Dialogue:" "The U.S. should insist that Moscow address the full range of U.S. concerns about Soviet internal behavior and human rights violations, and should continue to resist Soviet efforts to return to a U.S.-Soviet agenda focused primarily on arms control. U.S.-Soviet diplomatic contacts on regional issues can serve U.S. interests if they are used to keep pressure on Moscow for responsible behavior. Such contacts can also be useful in driving home to Moscow that the costs of irresponsibility are high..."

## PROPAGANDA

Ronald Reagan was the first Cold War president to realize the importance of public diplomacy in the strategic mix:

"U.S. policy must have an ideological thrust which clearly affirms the superiority of U.S. and Western values of individual dignity and freedom...over the repressive features of Soviet Communism....The U.S. should...Expose at all available fora the double standards employed by the Soviet Union in dealing with difficulties within its own domain and the outside....world" and "Prevent the Soviet propaganda machine from seizing the battle of ideas through appropriation of such terms as 'peace'."

In addition the directive addresses the importance of explaining and justifying U.S. policies and strategies to allies, neutrals, and not least, to the American people.

President Reagan implemented these directives by upgrading the personnel and increasing the budgets of the United States Information Agency, the Voice of America, the Board for International Broadcasting, Radio Liberty and Radio Free Europe. He established Radio Marti for broadcasting into Cuba. Both before and after NSDD 75, a series of national security directives set policy objectives and reorganized the public policy agencies to better implement these objectives (NSDD 45 [1982], NSDD 77 [1983], and NSDD 130 [1984]).

In all of this, it was made clear that public diplomacy programs should be understood to be "a strategic instrument of U.S. national policy, not a tactical instrument of U.S. diplomacy," and thus they were not to be automatically sacrificed to other considerations. Public diplomacy direction was centered in the White House where the national security advisor chaired a special planning group established for the purpose.

Other initiatives involved overcoming Soviet jamming of U.S. broadcasting, establishment of the WORLDNET television broadcasting capability, and the "Project Truth" counteroffensive to Soviet disinformation and misinformation efforts. The most effective weapon in the Reagan-era propaganda wars, however, was President Reagan himself. His masterful articulation of the doctrine of political and economic freedom, included his launching of "Project Democracy," in an historic speech before the British parliament in 1982 and his famous "Evil Empire" speech in 1983 in which he articulated eloquently the themes set forth in dry detail in NSDD 75:

"While America's military strength is important...I've always maintained that the struggle now going on for the world will never be decided by bombs or rockets...The real crisis we face today is a spiritual one; at its root, it is a test of moral will and faith..."<sup>29</sup>

## **ECONOMIC STRATEGIES**

One of the many unique aspects of NSDD 75 was its focus on economic and financial concerns: "U.S. policy on economic relations with the U.S.S.R. must serve strategic and foreign policy goals as well as economic interests." According to the document, U.S. objectives in the economic sphere were:

- Above all, to ensure that East-West economic relations do not facilitate the Soviet military buildup. This requires prevention of the transfer of technology and equipment that would make a substantial contribution directly or indirectly to Soviet military power.
- To avoid subsidizing the Soviet economy or unduly easing the burden of Soviet resource allocation decisions, so as not to dilute pressures for structural change in the Soviet system.
- To seek to minimize the potential for Soviet exercise of reverse leverage on Western countries based on trade, energy, supply and financial relationships.

---

<sup>29</sup>Speech in Toledo, Ohio, in March 1983.

-- To permit mutual beneficial trade—without Western subsidization or the creation of Western dependence—with the USSR in non-strategic areas, such as grains.

Prior to the inauguration of President Reagan, the atmosphere of *detente*, the great international lending frenzy of the 1970's and lax to nonexistent government or industry oversight led to massive Western funding of the Soviet Bloc. Soviet hard currency earnings were concentrated in the petroleum sector, with minor contributions from minerals, chemicals, and gold exports and negligible manufactured exports. Early in the 1970's the Soviets decided that natural gas exports must supplement, if not replace, oil as the principal hard currency earner. The initial major gas pipeline to Western Europe, the Orenburg Pipeline, was financed from Western commercial and officials sources at approximately twice its true cost, with the excess diverted to other uses as determined by the Soviet government and the Communist Party.

Other major projects were similarly over-financed. At the same time, Western banks began to make untied balance of payments loans to the USSR and its satellites, and short-term interbank lines extended by Western financial institutions to the network of Soviet-controlled banks in Europe and Asia were routinely diverted for medium- and long-term purposes, without any controls whatsoever.

The Reagan administration determined early that putting a stop to this hemorrhage of financial assistance to uncreditworthy and hostile borrowers would have to stop. Among other initiatives was an effort to trace financial transactions involving the Soviets and their allies, using human and signal intelligence, which came to be called the "Follow the Money" program. The same techniques were later applied to tracing the financing of terrorists and guerrilla movements, illegal technology transfer, and boycott and embargo violations.

The twin strands of the huge Yamal gas pipeline project were especially targeted for attack, to prevent abuses similar to those of the Orenburg project and to avoid excessive Western European dependence on Soviet gas, in case of East-West hostilities. Initial approaches to the European allies and the Japanese on Yamal and the parallel Sakhalin gas project in the Far East revealed no willingness on their part to cooperate in the limitation of Western funding, equipment supply, or energy dependence. Then in December of 1981 the Soviet-inspired imposition of martial law in Poland provided the pretext for the imposition of a wide-ranging series of economic sanctions on the Polish military regime and on the Soviet Union. In the face of noncooperation by the Western allies and a complete breakdown of negotiations at the May 1982 economic summit in Versailles, the administration in June 1982 extended the pipeline sanctions to U.S. subsidiaries and licensees abroad, in the face of hysterical opposition from the English, French, Italians, and Germans as well as several American companies. At the same time, the Senior Interdepartmental Group—International Economic Policy (SIG-IEP) was

established, chaired by the secretary of the treasury, to coordinate international economic policy in all its aspect. No such mechanism had existed since President Carter abolished the Council on International Economic Policy (CIEP), which had been established during the Nixon administration.

Refusal on the part of the Reagan administration to reverse or modify its decisions led to negotiations with the allies in La Sapiniere, Canada. The results of these discussions were outlined in National Security Decision Directive 66 (NSDD 66) and were ratified at the Williamsburg economic summit in May 1983. Measures included lessening of export credit interest rate subsidization by the West, tightening of technology export controls, and exploration of alternative gas supply sources for Western Europe. The results were an increase in the cost of the first strand of the Yamal Pipeline to closer to true cost, effective cancellation of the second strand, contraction of European and Japanese credit relations with the USSR and satellites (which were defaulting on their foreign debts during the same period), curtailing the Soviet financial lifeline, and a deepening the Soviet economic and financial crisis.

One of the most imaginative and interesting initiatives undertaken by the Reagan administration was in response to the injunction of NSDD 75 already quoted: "...U.S. objectives are...to ensure that East-West economic relations do not facilitate the Soviet military buildup. This requires prevention of the transfer of technology and equipment that would make a substantial contribution directly or indirectly to Soviet military power."

In 1970, the Soviet Union was about 15 years behind the U.S. in computer and microelectronic technology. In that year the Soviet government gave the KGB principal responsibility for intelligence gathering in science and technology. The KGB organized an operational unit called "Line X" for this purpose. Most of the collection activities were carried out by Line X along with the GRU (military intelligence) and the intelligence agencies of the satellite countries. The period of *detente* considerably aided these efforts, especially because under its aegis, a large number of joint U.S.-Soviet scientific and commercial commissions were established—perfect covers for Soviet collection activities.

By 1981 the Soviets had closed the 15-year technology gap to three to four years. President Reagan came to office intent on reversing what he saw as the "window of vulnerability" that favored the Soviets in strategic weapon systems. Serendipitously, in early 1982 French intelligence obtained 4,000 Line X documents from a Western agent in the KGB which President Mitterrand gave to the United States. Along with the documents, over 200 Line X officers in 10 Western countries were identified. The Line X documents demonstrated that the Soviets had obtained thousands of blueprints and sample items since 1970 to the extent that Western science and technology were supporting the Soviet military machine in a wide range of areas such as radars, computers, machine tools, semiconductors, and even nuclear missile fusing and firing devices.



NSC official Gus Weiss used this material to design a massive deception program that was unparalleled in the history of the Cold War. With the collaboration of the CIA, the FBI, and the Pentagon, products were modified and made available to Line X collection channels. The products were designed to appear genuine upon receipt but to fail later. Line X operatives and Soviet manufacturers blamed each other for faulty collection efforts or for the inability to copy correctly the blueprints. Later, NATO governments expelled or compromised scores of Soviet collection officers and their sources, causing the collapse of Line X operations in Europe. It was a serious blow to the Soviet military buildup, coming as it did at the same time the U.S. was increasing naval strength, initiating the Strategic Defense Initiative, and completing the first stealth bombers and fighters.<sup>30</sup>

---

<sup>30</sup>See Gus W. Weiss, Jr., "The Farewell Dossier," *Studies in Intelligence*, United States Central Intelligence Agency, Washington, DC, vol. 39, no. 5, 1996; Oleg Gordievsky and Christopher Andrew, *KGB: The Inside Story* (New York: Harper Collins, 1991), and Roald Z. Sagdeev, *The Making of a Soviet Scientist* (New York: John Wiley & Sons, 1994), pp. 298-301.

## SUBVERSION

"The primary U.S. objective in Eastern Europe is to loosen Moscow's hold on the region while promoting the cause of human rights in individual East European countries" (NSDD 75).

In a sense, of course, the new U.S. programs in public information were a very effective aspect of the strategy of subversion. But much more was done to accelerate the internal rot in the Soviet empire. The acceptance of Soviet hegemony over Central and Eastern Europe enshrined in the Yalta Agreement at the end of World War II was legitimized in the period of *detente* and formalized in the Helsinki Final Act of 1975. The Reagan administration never accepted this "fact" as immutable, and outlined an aggressive policy of subversion of the Soviet Bloc in NSDD 54 in 1982. The centerpiece of this directive was support for the Solidarity labor union movement in Poland, which had been driven underground by the declaration of martial law in that country on December 13, 1981. In response, a wide array of tactics was designed and implemented, including the imposition of economic sanctions on both Poland and the U.S.S.R. (see above), and humanitarian assistance provided to the Polish people provided by an underground Catholic Relief Service program, Project Hope medical assistance, CARE food relief, and a private farm assistance program. Working with the AFL-CIO as well as allies and neutral organizations, \$10,000,000 in cash and material assistance was provided to Solidarity cells. The provision of similar assistance to Charter 77 in Czechoslovakia and anti-communist movements in other countries in the region, contributed to the collapse of the satellite regimes during 1989.

In the same manner, NSDD 75 outlined collateral programs involving Cuba, Afghanistan, Soviet allies in the Third World, China, and Yugoslavia.

## MILITARY DISPLAY AND WAR

"The U.S. must modernize its military forces—both nuclear and conventional—so that Soviet leaders perceive that the U.S. is determined never to accept a second place or a deteriorating military posture" (NSDD 75).

This strategic stricture of NSDD 75 was carried out in a number of different ways, but there is no doubt that the manifest discouragement of the Soviets in the face of a strikingly rapid U.S. military and technology buildup was most spectacularly demonstrated by the 600-ship Navy program and the Strategic Defense Initiative (announced by the president in March 1983).

Since 1967 the U.S. Navy had been declining in size and personnel, being halved during the 1970's. The Soviets, in the meantime, decided to challenge Western dominance of the seas by continuing to expand their

submarine forces while at the same time turning what had been essentially a coastal force (except for a large submarine fleet) into a truly operational, two-ocean, blue-water navy with capabilities also in the Indian Ocean. A huge building and staffing effort was launched, much of the results of which are now rusting in docks in Sebastopol, Vladivostock, Kaliningrad, and elsewhere. The Reagan administration decided to counter this effort by rebuilding the U.S. Navy to its previous peacetime maximum of 600 combat vessels, including aircraft carriers and their planes, attack submarines, Aegis cruisers, and destroyers; as well as improvement and deployment of Tomahawk missiles and equally important reforms in shipbuilding, research and development, procurement, recruitment, and training. In terms of military display, the resulting increased U.S. capabilities, created and deployed in an astonishingly short time, were used in extensive fleet exercises, especially in Norwegian waters (through which the bulk of Soviet submarine forces had to pass), the northern Pacific, and the Black Sea. This served to demonstrate that no matter how the Soviets increased their naval capability, we could and would surpass them, and that in the event of hostilities, they would be defeated at sea, and blockaded, and attacked in their homeland.

It would be hard to exaggerate the despair that this response caused in Soviet governmental, political, and military circles after they had expended gigantic sums and huge resources in a convulsive effort, which had been countered with ease in a very short time. It would also be difficult to exaggerate the degree to which the naval buildup put heart into the NATO Alliance, which had been discouraged by previous policies, particularly the waffling of the Carter administration. Results were dramatic with Soviet naval doctrine being revised to a homeland defensive strategy as early as 1985.

Equally important, along with convincing the Allies to permit MX missile basing, was the initiative announced by the president in a speech on March 23, 1983, of the beginning of a massive program to change the entire thrust of U.S. nuclear strategy from one of "mutual assured destruction" (appropriate within the context of an overall policy of passive containment) to one of active missile defense. Thus was born the Strategic Defense Initiative (SDI), disparagingly dubbed "Star Wars" by those who immediately, with little or no analysis, assumed that a missile defense was impossible. This is not the place to discuss the technological feasibility of missile defense. As an element of a strategy of military display, however, it was a brilliant success. It terrified the Soviets, who clearly believed that it held the promise to render ineffective decades of effort, expense, espionage triumphs, political hold over satellites, and threat to neutrals and opponents. Andropov declared that SDI was "...not just irresponsible; it is insane," a sentiment echoed by certain allies (even Prime Minister Thatcher) and a large part of the domestic foreign policy and national security "establishment." Nevertheless, the follow-up to the president's decision, as with most other elements of the strategic matrix of NSDD 75, was efficient and effective despite the continuous opposition of the State Department. The president's steadfastness at the subsequent Geneva and Reykjavik Summits, the

latter against the advice of almost all of his advisors present, convinced the Soviets that the program would continue and increased by several orders of magnitude their existential despair.

The SDI was an act of leadership which revealed the president's solid grasp of Soviet vulnerabilities, reversed the "preemptive cringe" approach to arms control which had become habitual to the U.S. in previous years, drew effectively on Western strength and Soviet weakness, and elevated the national consciousness by rejecting the immorality inherent in traditional nuclear deterrence.

The ultimate strategic element in the context of grand strategy is war. That the Reagan administration did not shrink from the active deployment of armed forces was demonstrated by the invasion of Grenada, undertaken at the same time the U.S.S.R. and its Warsaw pact allies were posturing along the border between East and West, as well as the bombing of Tripoli which had the salutary effect of taking Libya largely out of the terrorism business. After a time, the Soviets never had the slightest doubt that the Reagan administration was completely free of the so-called "Vietnam syndrome." I recall being approached at a diplomatic reception by then Deputy Chief of Mission of the Soviet Embassy Bessmertnykh, who took me aside and said, after initial niceties, "...but your president is a madman..." He undoubtedly assuming I would make some self-deprecatory response but, I looked at him, smiled, and said "Yes, he is," and turned away.

## SOVIET REACTION

The Reagan administration began in early 1981 and by the time the president left office in 1989 the Soviet Bloc was already in the early stages of its final dissolution, bringing with it the collapse of the Soviet Union itself and the end of the Cold War. There were four general secretaries of the Communist Party of the Soviet Union during President Reagan's term of office. Leonid Brezhnev died in 1983, after presiding over a country suffering from a general decline in industrial and agricultural production and significant reductions in hard currency earnings; a society corrupt from top to bottom, with the proliferation of Mafia-like criminal organizations, a significant decline in the standard of living of the Soviet people, and near-total disillusionment with the ideology of communism. In the face of all this, huge resources were poured into maintaining the military-industrial complex while a non-stop war continued in Afghanistan and signs of increasing unrest were seen, especially in Poland, but also elsewhere in the Bloc. His successor, Yuri Andropov, tried to reverse the economic and social decline while maintaining a posture of confrontation with the West. When he died, Konstantin Chernenko tried to turn the clock back to Brezhnevite repression, also without success. His demise followed shortly and led to the appointment of Mikhail Gorbachev in 1985 as a compromise between hardliners and "westernizers" in the Politburo.

e  
f  
d  
o  
v  
al  
r

Gorbachev's reaction to the Reagan policies and strategies was to attempt a restructuring and liberalization ("perestroika" and "glasnost") of the economy and society—to create "socialism with a human face". His foreign policy was designed to overturn Western sanctions and find a way out of economic crisis and increase hard currency earnings. He sought to establish new relations with the satellites and end the Afghan war without humiliating the armed forces. He pursued these goals while continuing the military buildup and maintaining the control of the Communist Party. He failed, and the rest is history.

.  
f  
e  
e  
e  
a  
n  
g  
ie  
s,  
e  
"

e  
ts  
ie  
st  
d  
al  
n  
e  
ie  
ie  
o  
n  
it  
ie  
h  
o  
id  
en

## APPENDICES

APPENDIX A  
NATIONAL SECURITY DECISION DIRECTIVE 75  
(January 1983)

~~SECRET~~     ~~SENSITIVE~~

January 17, 1983

National Security Decision  
Directive Number 75

Declass: ~~SI/Released~~     2/16/94  
under provision: E.O. 12958  
by D. Van Tassel, National Security Council  
894-1102

U.S. RELATIONS WITH THE USSR (S)

U.S. policy toward the Soviet Union will consist of three elements: external resistance to Soviet imperialism; internal pressure on the USSR to weaken the sources of Soviet imperialism; and negotiations to eliminate, on the basis of strict reciprocity, outstanding disagreements. Specifically, U.S. tasks are:

1. To contain and over time reverse Soviet expansionism by competing effectively on a sustained basis with the Soviet Union in all international arenas -- particularly in the overall military balance and in geographical regions of priority concern to the United States. This will remain the primary focus of U.S. policy toward the USSR.
2. To promote, within the narrow limits available to us, the process of change in the Soviet Union toward a more pluralistic political and economic system in which the power of the privileged ruling elite is gradually reduced. The U.S. recognizes that Soviet aggressiveness has deep roots in the internal system, and that relations with the USSR should therefore take into account whether or not they help to strengthen this system and its capacity to engage in aggression.
3. To engage the Soviet Union in negotiations to attempt to reach agreements which protect and enhance U.S. interests and which are consistent with the principle of strict reciprocity and mutual interest. This is important when the Soviet Union is in the midst of a process of political succession. (S)

In order to implement this threefold strategy, the U.S. must convey clearly to Moscow that unacceptable behavior will incur costs that would outweigh any gains. At the same time, the U.S. must make clear to the Soviets that genuine restraint in their behavior would create the possibility of an East-West relationship that might bring important benefits for the Soviet Union. It is particularly important that this message be conveyed clearly during the succession period, since this may be a particularly opportune time for external forces to affect the policies of Brezhnev's successors. (S)

~~SECRET~~     ~~SENSITIVE~~  
Declassify on: OADR

~~UNCLASSIFIED~~

by 16 of 12 copies



Shaping the Soviet Environment: Arenas of Engagement

Implementation of U.S. policy must focus on shaping the environment in which Soviet decisions are made both in a wide variety of functional and geopolitical arenas and in the U.S.-Soviet bilateral relationship. (S)

A. Functional

1. Military Strategy: The U.S. must modernize its military forces -- both nuclear and conventional -- so that Soviet leaders perceive that the U.S. is determined never to accept a second place or a deteriorating military posture. Soviet calculations of possible war outcomes under any contingency must always result in outcomes so unfavorable to the USSR that there would be no incentive for Soviet leaders to initiate an attack. The future strength of U.S. military capabilities must be assured. U.S. military technology advances must be exploited, while controls over transfer of military related/dual-use technology, products, and services must be tightened. (S)

In Europe, the Soviets must be faced with a reinvigorated NATO. In the Far East we must ensure that the Soviets cannot count on a secure flank in a global war. Worldwide, U.S. general purpose forces must be strong and flexible enough to affect Soviet calculations in a wide variety of contingencies. In the Third World, Moscow must know that areas of interest to the U.S. cannot be attacked or threatened without risk of serious U.S. military countermeasures. (S)

2. Economic Policy: U.S. policy on economic relations with the USSR must serve strategic and foreign policy goals as well as economic interests. In this context, U.S. objectives are:

- Above all, to ensure that East-West economic relations do not facilitate the Soviet military buildup. This requires prevention of the transfer of technology and equipment that would make a substantial contribution directly or indirectly to Soviet military power.
- To avoid subsidizing the Soviet economy or unduly easing the burden of Soviet resource allocation decisions, so as not to dilute pressures for structural change in the Soviet system.
- To seek to minimize the potential for Soviet exercise of reverse leverage on Western countries based on trade, energy supply, and financial relationships.
- To permit mutual beneficial trade -- without Western subsidization or the creation of Western dependence -- with the USSR in non-strategic areas, such as grains. (S)

The U.S. must exercise strong leadership with its Allies and others to develop a common understanding of the strategic implications of East-West trade, building upon the agreement announced November 13, 1982 (see NSDD 66). This approach should involve efforts to reach agreements with the Allies on specific measures, such as: (a) no incremental deliveries of Soviet gas beyond the amounts contracted for from the first strand of the Siberian pipeline; (b) the addition of critical technologies and equipment to the COCOM list, the harmonization of national licensing procedures for COCOM, and the substantial improvement of the coordination and effectiveness of international enforcement efforts; (c) controls on advanced technology and equipment beyond the expanded COCOM list, including equipment in the oil and gas sector; (d) further restraints on officially-backed credits such as higher down payments, shortened maturities and an established framework to monitor this process; and (e) the strengthening of the role of the OECD and NATO in East-West trade analysis and policy. (S)

In the longer term, if Soviet behavior should worsen, e.g., an invasion of Poland, we would need to consider extreme measures. Should Soviet behavior improve, carefully calibrated positive economic signals, including a broadening of government-to-government economic contacts, could be considered as a means of demonstrating to the Soviets the benefits that real restraint in their conduct might bring. Such steps could not, however, alter the basic direction of U.S. policy. (S)

3. Political Action: U.S. policy must have an ideological thrust which clearly affirms the superiority of U.S. and Western values of individual dignity and freedom, a free press, free trade unions, free enterprise, and political democracy over the repressive features of Soviet Communism. We need to review and significantly strengthen U.S. instruments of political action including: (a) The President's London initiative to support democratic forces; (b) USG efforts to highlight Soviet human rights violations; and (c) U.S. radio broadcasting policy. The U.S. should:

- Expose at all available fora the double standards employed by the Soviet Union in dealing with difficulties within its own domain and the outside ("capitalist") world (e.g., treatment of labor, policies toward ethnic minorities, use of chemical weapons, etc.).
- Prevent the Soviet propaganda machine from seizing the semantic high-ground in the battle of ideas through the appropriation of such terms as "peace." (S)

B. Geopolitical

1. The Industrial Democracies: An effective response to the Soviet challenge requires close partnership among the industrial democracies, including stronger and more effective collective defense arrangements. The U.S. must provide strong leadership

UNCLASSIFIED

and conduct effective consultations to build consensus and cushion the impact of intra-alliance disagreements. While Allied support of U.S. overall strategy is essential, the U.S. may on occasion be forced to act to protect vital interests without Allied support and even in the face of Allied opposition; even in this event, however, U.S. should consult to the maximum extent possible with its Allies. (S)

2. The Third World: The U.S. must rebuild the credibility of its commitment to resist Soviet encroachment on U.S. interests and those of its Allies and friends, and to support effectively those Third World states that are willing to resist Soviet pressures or oppose Soviet initiatives hostile to the United States, or are special targets of Soviet policy. The U.S. effort in the Third World must involve an important role for security assistance and foreign military sales, as well as readiness to use U.S. military forces where necessary to protect vital interests and support endangered Allies and friends. U.S. policy must also involve diplomatic initiatives to promote resolution of regional crises vulnerable to Soviet exploitation, and an appropriate mixture of economic assistance programs and private sector initiatives for Third World countries. (S)

3. The Soviet Empire: There are a number of important weaknesses and vulnerabilities within the Soviet empire which the U.S. should exploit. U.S. policies should seek wherever possible to encourage Soviet allies to distance themselves from Moscow in foreign policy and to move toward democratization domestically. (S)

- (a) Eastern Europe: The primary U.S. objective in Eastern Europe is to loosen Moscow's hold on the region while promoting the cause of human rights in individual East European countries. The U.S. can advance this objective by carefully discriminating in favor of countries that show relative independence from the USSR in their foreign policy, or show a greater degree of internal liberalization. U.S. policies must also make clear that East European countries which reverse movements of liberalization, or drift away from an independent stance in foreign policy, will incur significant costs in their relations with the U.S. (S)
- (b) Afghanistan: The U.S. objective is to keep maximum pressure on Moscow for withdrawal and to ensure that the Soviets' political, military, and other costs remain high while the occupation continues. (S)
- (c) Cuba: The U.S. must take strong countermeasures to affect the political/military impact of Soviet arms deliveries to Cuba. The U.S. must also provide economic and military assistance to states in Central America and the Caribbean Basin threatened by Cuban destabilizing activities. Finally, the U.S. will seek to reduce the Cuban presence and influence in southern Africa by energetic leadership of the diplomatic effort to achieve a Cuban withdrawal from Angola, or failing that, by increasing the costs of Cuba's role in southern Africa. (S)

UNCLASSIFIED

cy 16 of 12 copies

UNCLASSIFIED

- (d) Soviet Third World Alliances: U.S. policy will seek to limit the destabilizing activities of Soviet Third World allies and clients. It is a further objective to weaken and, where possible, undermine the existing links between them and the Soviet Union. U.S. policy will include active efforts to encourage democratic movements and forces to bring about political change inside these countries. (S)

4. China: China continues to support U.S. efforts to strengthen the world's defenses against Soviet expansionism. The U.S. should over time seek to achieve enhanced strategic cooperation and policy coordination with China, and to reduce the possibility of a Sino-Soviet rapprochement. The U.S. will continue to pursue a policy of substantially liberalized technology transfer and sale of military equipment to China on a case-by-case basis within the parameters of the policy approved by the President in 1981, and defined further in 1982. (S)

5. Yugoslavia: It is U.S. policy to support the independence, territorial integrity and national unity of Yugoslavia. Yugoslavia's current difficulties in paying its foreign debts have increased its vulnerability to Soviet pressures. The Yugoslav government, well aware of this vulnerability, would like to reduce its trade dependence on the Soviet Union. It is in our interest to prevent any deterioration in Yugoslavia's economic situation that might weaken its resolve to withstand Soviet pressure. (S)

### C. Bilateral Relationships

1. Arms Control: The U.S. will enter into arms control negotiations when they serve U.S. national security objectives. At the same time, U.S. policy recognizes that arms control agreements are not an end in themselves but are, in combination with U.S. and Allied efforts to maintain the military balance, an important means for enhancing national security and global stability. The U.S. should make clear to the Allies as well as to the USSR that U.S. ability to reach satisfactory results in arms control negotiations will inevitably be influenced by the international situation, the overall state of U.S.-Soviet relations, and the difficulties in defining areas of mutual agreement with an adversary which often seeks unilateral gains. U.S. arms control proposals will be consistent with necessary force modernization plans and will seek to achieve balanced, significant, and verifiable reductions to equal levels of comparable armaments. (S)

2. Official Dialogue: The U.S. should insist that Moscow address the full range of U.S. concerns about Soviet internal behavior and human rights violations, and should continue to resist Soviet efforts to return to a U.S.-Soviet agenda focused primarily on arms control. U.S.-Soviet diplomatic contacts on regional issues can serve U.S. interests if they are used to keep pressure on Moscow for responsible behavior. Such contacts can

UNCLASSIFIED

~~SECRET~~

~~SENSITIVE~~

UNCLASSIFIED

also be useful in driving home to Moscow that the costs of irresponsibility are high, and that the U.S. is prepared to work for pragmatic solutions of regional problems if Moscow is willing seriously to address U.S. concerns. At the same time, such contacts must be handled with care to avoid offering the Soviet Union a role in regional questions it would not otherwise secure.

A continuing dialogue with the Soviets at Foreign Minister level facilitates necessary diplomatic communication with the Soviet leadership and helps to maintain Allied understanding and support for U.S. approach to East-West relations. A summit between President Reagan and his Soviet counterpart might promise similarly beneficial results. At the same time, unless it were carefully handled a summit could be seen as registering an improvement in U.S.-Soviet relations without the changes in Soviet behavior which we have insisted upon. It could therefore generate unrealizable expectations and further stimulate unilateral Allied initiatives toward Moscow. (S)

A summit would not necessarily involve signature of major new U.S.-Soviet agreements. Any summit meeting should achieve the maximum possible positive impact with U.S. Allies and the American public, while making clear to both audiences that improvement in Soviet-American relations depends on changes in Soviet conduct. A summit without such changes must not be understood to signal such improvement. (S)

3. U.S.-Soviet Cooperative Exchanges: The role of U.S.-Soviet cultural, educational, scientific and other cooperative exchanges should be seen in light of the U.S. intention to maintain a strong ideological component in relations with Moscow. The U.S. should not further dismantle the framework of exchanges; indeed those exchanges which could advance the U.S. objective of promoting positive evolutionary change within the Soviet system should be expanded. At the same time, the U.S. will insist on full reciprocity and encourage its Allies to do so as well. This recognizes that unless the U.S. has an effective official framework for handling exchanges, the Soviets will make separate arrangements with private U.S. sponsors, while denying reciprocal access to the Soviet Union. U.S. policy on exchanges must also take into account the necessity to prevent transfer of sensitive U.S. technology to the Soviet Union. (S)

Priorities in the U.S. Approach: Maximizing Restraining Leverage over Soviet Behavior

The interrelated tasks of containing and reversing Soviet expansion and promoting evolutionary change within the Soviet Union itself cannot be accomplished quickly. The coming 5-10 years will be a period of considerable uncertainty in which the Soviets may test U.S. resolve by continuing the kind of aggressive international behavior which the U.S. finds unacceptable. (S)

~~SECRET~~

~~SENSITIVE~~

UNCLASSIFIED

cy 16 of 12 copies

S The uncertainties will be exacerbated by the fact that the Soviet Union will be engaged in the unpredictable process of political succession to Brezhnev. The U.S. will not seek to adjust its policies to the Soviet internal conflict, but rather try to create incentives (positive and negative) for the new leadership to adopt policies less detrimental to U.S. interests. The U.S. will remain ready for improved U.S.-Soviet relations if the Soviet Union makes significant changes in policies of concern to it; the burden for any further deterioration in relations must fall squarely on Moscow. The U.S. must not yield to pressures to "take the first step." (S)

The existing and projected gap between finite U.S. resources and the level of capabilities needed to implement U.S. strategy makes it essential that the U.S.: (1) establish firm priorities for the use of limited U.S. resources where they will have the greatest restraining impact on the Soviet Union; and (2) mobilize the resources of Allies and friends which are willing to join the U.S. in containing the expansion of Soviet power. (S)

Underlying the full range of U.S. and Western policies must be a strong military capable of action across the entire spectrum of potential conflicts and guided by a well conceived political and military strategy. The heart of U.S. military strategy is to deter attack by the USSR and its allies against the U.S., its Allies, or other important countries, and to defeat such an attack should deterrence fail. Although unilateral U.S. efforts must lead the way in rebuilding Western military strength to counter the Soviet threat, the protection of Western interests will require increased U.S. cooperation with Allied and other states and greater utilization of their resources. This military strategy will be combined with a political strategy attaching high priority to the following objectives:

- Sustaining steady, long-term growth in U.S. defense spending and capabilities -- both nuclear and conventional. This is the most important way of conveying to the Soviets U.S. resolve and political staying-power.
- Creating a long-term Western consensus for dealing with the Soviet Union. This will require that the U.S. exercise strong leadership in developing policies to deal with the multifaceted Soviet threat to Western interests. It will require that the U.S. take Allied concerns into account, and also that U.S. Allies take into equal account U.S. concerns. In this connection, and in addition to pushing Allies to spend more on defense, the U.S. must make a serious effort to negotiate arms control agreements consistent with U.S. military strategy and necessary force modernization plans, and should seek to achieve balanced, significant and verifiable reductions to equal levels of comparable armaments. The U.S. must also develop, together with the Allies, a unified Western approach to East-West economic relations, implementing the agreement announced on November 13, 1982.

- Maintenance of a strategic relationship with China, and efforts to minimize opportunities for a Sino-Soviet rapprochement.
- Building and sustaining a major ideological/political offensive which, together with other efforts, will be designed to bring about evolutionary change of the Soviet system. This must be a long-term and sophisticated program, given the nature of the Soviet system.
- Effective opposition to Moscow's efforts to consolidate its position in Afghanistan. This will require that the U.S. continue efforts to promote Soviet withdrawal in the context of a negotiated settlement of the conflict. At the same time, the U.S. must keep pressure on Moscow for withdrawal and ensure that Soviet costs on the ground are high.
- Blocking the expansion of Soviet influence in the critical Middle East and Southwest Asia regions. This will require both continued efforts to seek a political solution to the Arab-Israeli conflict and to bolster U.S. relations with moderate states in the region, and a sustained U.S. defense commitment to deter Soviet military encroachments.
- Maintenance of international pressure on Moscow to permit a relaxation of the current repression in Poland and a longer-term increase in diversity and independence throughout Eastern Europe. This will require that the U.S. continue to impose costs on the Soviet Union for its behavior in Poland. It will also require that the U.S. maintain a U.S. policy of differentiation among East European countries.
- Neutralization and reduction of the threat to U.S. national security interests posed by the Soviet-Cuban relationship. This will require that the U.S. use a variety of instruments, including diplomatic efforts and U.S. security and economic assistance. The U.S. must also retain the option of using of its military forces to protect vital U.S. security interests against threats which may arise from the Soviet-Cuban connection. (S)

Articulating the U.S. Approach: Sustaining Public and Congressional Support

The policy outlined above is one for the long haul. It is unlikely to yield a rapid breakthrough in bilateral relations with the Soviet Union. In the absence of dramatic near-term victories in the U.S. effort to moderate Soviet behavior, pressure is likely to mount for change in U.S. policy. There will be appeals from important segments of domestic opinion for a more "normal" U.S.-Soviet relationship, particularly in a period of political transition in Moscow. (S)

It is therefore essential that the American people understand and support U.S. policy. This will require that official U.S. statements and actions avoid generating unrealizable expectations for near-term progress in U.S.-Soviet relations. At the same time, the U.S. must demonstrate credibly that its policy is not a blueprint for an open-ended, sterile confrontation with Moscow, but a serious search for a stable and constructive long-term basis for U.S.-Soviet relations. (S)

*Paul Ryan*



APPENDIX B  
NATIONAL SECURITY DECISION DIRECTIVE 66  
(November 1982)

~~SECRET~~

THE WHITE HOUSE  
WASHINGTON

System II  
90920

~~UNCLASSIFIED~~  
with SECRET ATTACHMENT

November 16, 1982

MEMORANDUM FOR THE VICE PRESIDENT  
THE SECRETARY OF STATE  
THE SECRETARY OF THE TREASURY  
THE SECRETARY OF DEFENSE  
THE ATTORNEY GENERAL  
THE SECRETARY OF COMMERCE  
THE SECRETARY OF ENERGY  
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
THE UNITED STATES REPRESENTATIVE TO THE  
UNITED NATIONS  
THE UNITED STATES TRADE REPRESENTATIVE  
THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: East-West Economic Relations and Poland-related  
Sanctions (U)

The President has approved the attached National Security  
Decision Directive on East-West Economic Relations and Poland-  
related sanctions. (U)

FOR THE PRESIDENT:

*William P. Clark*  
William P. Clark

Attachment  
NSDD 66

~~UNCLASSIFIED~~  
with SECRET ATTACHMENT

DECLASS USE  
26 JEP 95

of 13 of 13 copies  
TCS

~~SECRET~~SYSTEM II  
90920~~SECRET~~

THE WHITE HOUSE

WASHINGTON

November 16, 1982 *JR*NATIONAL SECURITY DECISION  
DIRECTIVE NUMBER 66EAST-WEST ECONOMIC RELATIONS AND POLAND-RELATED SANCTIONS (U)

I have reviewed the "Summary of Conclusions" of the consultations with our Allies conducted by Secretary Shultz. This framework agreement establishes the security-minded principles that will govern East-West economic relations for the remainder of this decade and beyond. In putting these principles into practice, the Allies have committed to immediate actions on the key elements of East-West trade including: Agreement not to sign or approve any new contracts for the purchase of Soviet gas during the urgent study on Western energy alternatives; agreement to strengthen the effectiveness of controls on high technology transfer to the USSR, including examination of the necessity of multilateral controls on critical oil and gas equipment and technology; and agreement to harmonize export credit policies. I expect that firm allied commitments will emerge from the studies in each of these major categories in the next few months and that the resulting common policies can be reviewed publicly at the time of the Williamsburg Economic Summit presently scheduled for May 1983. The principal objectives of the United States during these studies are as follows: (S)

1. An agreement that countries participating in the agreement will not commit to any incremental deliveries of Soviet gas beyond the amounts presently contracted for from the first strand of the Siberian pipeline; not commit themselves to significant incremental deliveries through already existing pipeline capacity; and participate in the accelerated development of alternative Western energy resources principally Norwegian gas reserves. To accomplish this objective, the U.S. should undertake intensive work with our Allies bilaterally and within the IEA/OECD to encourage development of these Western alternatives and to ensure that adequate safety net measures are adopted to protect against a shutoff of Soviet gas. (S)

2. An agreement to add critical technologies and equipment to the COCOM list, harmonize national licensing procedures for COCOM, and substantially improve the coordination and effectiveness of international enforcement efforts. (S)

3. A quick agreement that allied security interests require controls on advanced technology and equipment beyond the expanded

~~SECRET~~

DECLASSIFY ON: OADR

*Declassify 26 SEPT 95**13 of 13 pages*

-2-

~~SECRET~~~~SECRET~~

COCOM list, including equipment in the oil and gas sector; development of a list of equipment in this category and an effective procedure, creating if necessary a new multilateral body, to control its transfer to the Soviet Union. (S)

4. An agreement that builds on the recent OECD agreement substantially raising interest rates to the USSR to achieve further restraints on officially-backed credits such as higher downpayments, shortened maturities and an established framework to monitor this process. (S)

#### Preparations within the U.S. Government

The Senior Interagency Group for International Economic Policy (SIG-IEP) will be responsible for the attainment of U.S. objectives in the context of the work program and studies called for in the "Summary of Conclusions." To this end, the SIG-IEP will develop instructions for U.S. participation in individual studies for approval by the President and will report to the President periodically through the Assistant to the President for National Security Affairs the progress of the studies in attaining the objectives listed above in the time-frame specified. (S)

Separate Interagency Groups will be established for each of the four principal categories of U.S. concern. The SIG-IEP will nominate chairmen of these groups for approval by the Assistant to the President for National Security Affairs. The U.S. delegations participating in the allied studies will include high-level participants from appropriate agencies and be led jointly by State and the NSC staff. (S)

#### Poland-related Sanctions

On the expectation of firm allied commitments in these four areas reflecting U.S. objectives emerging from the work program agreed to in the "Summary of Conclusions," I approved the cancellation of the December 30 sanctions on oil and gas equipment and technology to the Soviet Union and the June 22 amendment extending these controls to U.S. subsidiaries and licensees abroad. In addition, I have approved the resumption of case-by-case licensing for commodities under national security controls. Sanctions imposed against the USSR following the invasion of Afghanistan remain in effect, including a presumption of denial for exports of oil and gas technology for manufacturing equipment used for exploration and production. This decision was taken because we believe that the framework agreement represented by the "Summary of Conclusions" on an enduring and unified approach to East-West

~~SECRET~~

NY 13 of 13 copies

~~SECRET~~

SECRET

economic relations in a security context represents stronger and more effective measures to advance reconciliation in Poland and addresses our vital long-term strategic and security objectives toward the USSR. (5)

Ronald Reagan

~~SECRET~~

59-13 of 13... TOTAL P.1

APPENDIX C  
CHRONOLOGY OF THE COLD WAR, 1981-1985

## CHRONOLOGY OF THE COLD WAR, 1981-1985

- November 4, 1980      Ronald Wilson Reagan elected 40<sup>th</sup> President of the United States
- January 24, 1981      Secretary of State Alexander Haig warns Soviet Union about its behavior in Poland, Africa, and Afghanistan
- March 6, 1981      General Secretary Brezhnev sends a personal letter to President Reagan inviting him to begin a dialogue on foreign policy
- March 30, 1981      Attempted assassination of President Reagan by John W. Hinkley, Jr. in Washington, DC
- April 23, 1981      Secretary of State Haig proclaims the Soviet Union as the "primary source of danger to the world"
- April 24, 1981      President Reagan ends the U.S. grain embargo on the USSR
- April 25, 1981      President Reagan writes Brezhnev a personal letter on foreign policy while convalescing after the attempted assassination
- May 1981      Operation Ryan—*Raketno-Yadernoy—Napadenie* ("Nuclear Missile Attack") is secretly launched by KGB chief Yuri Andropov to collect intelligence on the U.S. nuclear threat
- August 8, 1981      President Reagan orders the neutron bomb into production
- August 19, 1981      Two U.S. Navy F-14 fighters shoot down two Soviet-built Libyan SU-22s after the Libyans fired on the Navy jets in the Gulf of Sidra, 60 miles from Libya

- October 2, 1981 President Reagan announces details of his military modernization program to include 100 MX "Peacekeeper" ICBMs, 100 B-1 strategic bombers, the "stealth" bomber, larger OHIO-Class Trident ballistic missile submarines, and improved C<sup>3</sup>I
- October 16, 1981 Secretary Brezhnev responds to President Reagan's letter, authorizing Foreign Minister Gromyko to begin negotiations with Secretary of State Haig on limiting nuclear weapons in Europe
- December 13, 1981 Martial law declared in Poland
- January 4, 1982 Deputy Secretary of State William Clark succeeds Richard Allen as White House National Security Advisor
- January 14, 1982 NATO nations threaten USSR with economic sanctions as a result of its backing of the Polish suppression of the Solidarity labor movement
- January 22, 1982 Progress in arms control negotiations is formally linked by the White House to Soviet-backed repression in Poland
- Spring, 1982 National Security Decision Directive 32 issued, stating U.S. policy toward the Soviet Bloc, authorizing both covert and overt means to loosen the Soviet grip on its satellites
- May 9, 1982 President Reagan speaks at Eureka College in Illinois on strategic arms reductions and U.S.-Soviet relations
- May 29, 1982 Pentagon announces plans study to fight a protracted nuclear war are under study
- June 4-6, 1982 Versailles economic summit—U.S. Allies refuse to cooperate on pipeline and financial sanctions
- June 15, 1982 Soviets pledge at the United Nations "no first use" of nuclear weapons
- June 18, 1982 At NSC meeting pipeline sanctions extended to U.S. subsidiaries and licensees abroad



June 25, 1982	Secretary of State Alexander Haig resigns; George Shultz replaces Haig
July 22, 1982	France announces it intends to fulfill its Soviet natural gas pipeline contracts despite opposition from the U.S.
July 24, 1982	Italy defies the U.S. by announcing it will supply parts for the Soviet gas pipeline
August 2, 1982	The U.S. House of Representatives fails to pass legislation calling for a nuclear arms freeze
October, 1982	Allies agree to joint pipeline, financing, and technology transfer measures in return for U.S. lifting of June sanctions enhancements at La Sapiniere, Canada
November 10, 1982	Secretary General Leonid Ilyich Brezhnev dies at age 75
November 12, 1982	Yuri Andropov, former head of the KGB, succeeds Brezhnev as general secretary of the Communist Party
December 21, 1982	USSR proposes Intermediate Range Ballistic Missile (IRBM) cuts from 600 to 162
January 17, 1983	NSDD 75 issued
January 31, 1983	President Reagan's budget requests 10 percent increase in military spending
February 15, 1983	President Reagan meets for the first time with Soviet Ambassador Anatoly Dobrynin
March 8, 1983	President Reagan delivers "Evil Empire" speech in Orlando, Florida
March 23, 1983	President Reagan unveils his Strategic Defense Initiative (SDI) and describes the Soviet threat in a televised address
March 29, 1983	President Reagan proposes the possibility of sharing SDI technology with the USSR

March 1983	"Intermediate Option" proposed by President Reagan in Los Angeles. The U.S. would only deploy one-half of its European-based cruise and Pershing II missiles in exchange for the USSR dismantling one-half of its SS-20 IRBMs
May 1983	Williamsburg economic summit confirms La Sapiniere agreements
June 9, 1983	British Prime Minister Margaret Thatcher wins reelection in landslide victory
September 1, 1983	Soviet fighter shoots down Korean Airlines flight KAL 007 killing all 269 aboard
September 5, 1983	President Reagan signs NSDD 102, "U.S. Response to Soviet Destruction of KAL airliner." It specifies direct action, specifically public diplomacy, to focus international and domestic attention on the shootdown.
October, 1983	United States invades Grenada and overthrows Cuban/Soviet-controlled government
October 17, 1983	Robert McFarlane named as National Security Advisor
November 2-11, 1983	A NATO command post exercise, code named ABLE ARCHER, commences. Its purpose is to simulate and practice command, control, and communications means to authorize the release of nuclear weapons in the event of war.
November, 1983	U.S. begins deployment of cruise missiles and Pershing II IRBMs in Europe
December 8, 1983	Soviet Union suspends, for the first time, strategic arms talks in Geneva
January 16, 1984	President Reagan delivers a major speech on U.S.-Soviet relations, calling 1984 a year of opportunities for peace Soviet Foreign Minister Gromyko offers to reduce its IRBMs if Germany does not allow the deployment of U.S. Pershing IIs
February 9, 1984	General Secretary Yuri Andropov dies

- February 13, 1984 Konstantin Chernenko confirmed as the general secretary of the Communist Party of the Soviet Union
- July 25, 1984 President Reagan ends ban on Soviet fishing in U.S. waters
- August 17, 1984 Soviet leadership forces Andrei Sakharov's wife to join her husband, a nuclear physicist and dissident, in exile in Gorky
- September 24, 1984 President Reagan addresses United Nations General Assembly and favors resuming strategic arms talks which the Soviets had abandoned
- September 26, 1984 Soviet Foreign Minister Gromyko received for the first time by President Reagan at the White House
- November 6, 1984 President Reagan reelected to second term
- November 23, 1984 U.S.-USSR announce resumption of arms control talks, now linking discussions on START, intermediate range missiles in Europe, and weapons in space
- January 31, 1985 General Secretary Chernenko sends letter to President Reagan claiming SDI will escalate the arms race in space
- February 12, 1985 The Pentagon announces a contingency plan that includes Canada, Iceland, Bermuda, and Puerto Rico as possible countries for deployment of nuclear weapons
- March 10, 1985 General Secretary Konstantin Chernenko dies at age 74
- March 12, 1985 U.S.-USSR begin arms control talks in Geneva, Switzerland
- March 13, 1985 Mikhail Gorbachev assumes position of general secretary of the Soviet Union. Vice President Bush presents a letter from President Reagan suggesting a summit meeting
- March 26, 1985 U.S. Army Major Arthur Nicholson shot and killed in East Germany by a Soviet guard

April 7, 1985	USSR announces a unilateral freeze on IRBMs
May 20, 1985	John A. Walker, a retired navy warrant Officer, was arrested on charges of espionage on behalf of the Soviet Union. Three others are later implicated, including his son, older brother, and a retired Navy colleague, Jerry Whitworth. All are subsequently sentenced to prison.
July 2, 1985	Foreign Minister Gromyko replaced by Eduard Shevardnadze
September 12, 1985	Oleg Gordievsky, senior KGB official in London, defects. Great Britain expels 25 Soviet intelligence officers
September 13, 1985	U.S. Air Force successfully tests an antisatellite weapon
September 30, 1985	USSR suggests limits on SDI in return for a 50 percent cut in nuclear weapons
October 24, 1985	President Reagan attacks Soviet imperialism in a speech delivered at the United Nations' 40 <sup>th</sup> Anniversary observance
November 21, 1985	The first U.S.-USSR summit in Geneva between President Reagan and Secretary Gorbachev
November 24, 1985	Ronald Pelton, former NSA employee, arrested for espionage
December 4, 1985	Vice Admiral John Poindexter succeeds Robert McFarlane as national security advisor

Sources:

Dobrynin, Anatoly, *In Confidence: Moscow's Ambassador to America's Six Cold War Presidents (1962-1986)*. New York: Times Books, 1995.

Richelson, Jeffrey T., *A Century of Spies: Intelligence in the Twentieth Century*. New York: Oxford University Press, 1995.

Daniel, Clifton, *Chronicle of the 20<sup>th</sup> Century*. Mount Kisco, New York: Chronicle Publications, 1987.

## ABOUT THE AUTHOR

Norman A. Bailey is an economic consultant and a senior fellow of The Potomac Foundation, McLean, Virginia. He holds degrees from Oberlin College and Columbia University. His U.S. Army service was spent in strategic intelligence and joint operational planning. After a career in investment banking and academics, he served in the first Reagan administration on the staff of the National Security Council, successively as director of planning and evaluation, senior director of national security planning and international economic affairs, and special assistant to the president for national security affairs. He was also the first executive secretary of the Senior Interdepartmental Group—International Economics Affairs (SIG-IEP). Dr. Bailey has been associated with several research institutes since his government affiliated service and is the author of numerous books and articles on international economics and politics.

### ***The Potomac Foundation Board of Directors***

Joseph V. Braddock  
Bernard J. Dunn  
Florian N. Hofer, Secretary/Treasurer  
Daniel F. McDonald, President

### ***Senior Fellows***

Norman A. Bailey  
Paul A. Goble  
Walter Hahn  
Phillip Karber

### ***Potomac Programs***

Director, Russian Studies  
Phillip A. Petersen

### ***Center for the American Founding***

Balint Vazsonyi, Director

### ***Administration***

Brenda A. Hunter

### ***Recent Publications***

A Zero-Cost Option for NATO Enlargement  
America on My Mind  
Russia's Volga Region  
The Battle for America's Soul  
Security Policy in Post-Soviet Central Asia  
Security Policy in the Post-Soviet Transcaucasia  
In Search of Guarantees: Partnership for Central Europe  
In Search of Guarantees: The Elusive NATO: Is Enlargement in Sight?  
In Search of Guarantees: The Case of Poland  
In Search of Guarantees: Hungary's Quest for Security  
Alternative Scenarios of the Disintegration of the Russian Federation

The Potomac Foundation  
1311 Dolley Madison Boulevard  
Suite 2-A  
McLean, Virginia 22101