


*The Ultimate Insider's Story
of Five Presidents and
How They Won the Cold War*



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From
the Shadows



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CHAPTER TWENTY-THREE

*Geneva to Washington**THE ROAD TO REYKJAVIK*

Everyone knew by the end of 1985 that Gorbachev desperately needed improved relations with the West, especially with the United States. Because of multiple crises at home, he needed to constrain the arms race, and new U.S. strategic programs in particular, to avoid new Soviet military expenditures and perhaps even allow some reductions in spending. Domestic crises compelled Soviet initiatives to relax tensions.

Throughout 1985 and 1986, Gorbachev tried to achieve that change in atmosphere on the cheap—without paying anything for it. He changed the tone and the face of Soviet foreign policy but not the substance. Military spending remained about the same, and maybe even rose a little. The Soviets continued to pour money into their client states and into their adventures in the Third World. Where Soviet military forces or advisers were directly involved in combat, as in Afghanistan and Angola, operations were intensified and offensives became even more aggressive. From the Geneva Summit in November 1985 through the Reykjavik Summit a year later, Gorbachev attempted to deflect attention from these realities and to kill SDI with dramatic arms control initiatives.

How to respond to Gorbachev and counter the public image of a Soviet Union leaning far forward to reduce the nuclear threat dominated debate in the Reagan administration in 1986. From this distant perspective, there was little difference in the administration

on the basic response: don't budge, and keep the pressure on the Soviets everywhere.

However, there was a real difference of views on how to pursue that strategy. Weinberger and Casey, because of their suspicion of Shultz and negotiators in general, were very leery of engaging with the Soviets at all. Shultz, no less unyielding on basic strategy, was convinced that Gorbachev had to move in our direction at some point and believed the United States could accelerate that process by engaging the Soviets on nearly every subject at nearly every opportunity. I think he believed that flexibility and modest concessions on our part would result in major, fundamental concessions on the part of an increasingly desperate Soviet Union. But the core U.S. strategy, agreed by all (though they'd never admit it), was very tough: stand firm on basic U.S. positions in arms control and aggressive actions in the Third World, and let Gorbachev come to us. As Shultz said all the time, "They're moving toward our agenda."

DISTRACTION

The United States, during the first half of 1986, also was preoccupied with Libya, the retaliatory raid after the bombing of La Belle Disco, and the follow-up. The April attack on Libya, a Soviet client, prompted Moscow to cancel the scheduled meeting between Shultz and Shevardnadze in mid-May.

Throughout May and June, there were intense debates in the Situation Room over launching a second air strike against Libya, promoting internal problems in Libya, and economic sabotage—from attacks on refineries to disruption of communications and computers. Casey was partial to the latter.

Internal disagreements in the administration over what to do in Libya that had plagued deliberations in 1985 returned after the bombing attack in April, with the result that—as usual—the action was handed to CIA. Casey sought operations for sabotage, disruption of Libyan communications and computers, and more.

At an NSC meeting on August 14, Casey reviewed what CIA had been doing to stir up trouble inside Libya and to keep Qaddafi off balance. The main purpose of these activities was to demonstrate Qaddafi's internal weakness to the Libyan population and to encourage any opposition to act. Our activities included launching balloons from ships of the Sixth Fleet (on August 23–24 to coincide

with the anniversary of Qaddafi's revolution) with messages to overthrow the government. When briefed on this, I said to make sure that the leaflets were specific that it was *Qaddafi* that should be overthrown. CIA's experience with balloons was not unblemished, and I could just see strong winds carrying the balloons with a generic "overthrow your oppressive government" into Egypt where they would be picked up. I didn't think Egyptian President Hosni Mubarak would be pleased. We also launched small empty boats from offshore to give the impression to Qaddafi and his henchmen that commando teams had been landed.

The use of U.S. Navy ships for these operations led to a fight between CIA and Defense that we thought was a joke and they thought was serious. I got a call from my friend Rich Armitage, then Assistant Secretary of Defense for International Security Affairs, who said that Defense would be billing us \$4.5 million for use of the ships. Armitage and I were always kidding around and so I thought he was pulling my leg. I told him I didn't realize we had been renting the Sixth Fleet, and if they were trying to catch up on their budget maybe they could rent it out for birthday parties and so on. Rich wasn't kidding. The next week, Deputy Defense Secretary Will Taft told me that they were having trouble collecting their money from us. I told him I regarded the bill as a joke: were we now being asked to pay for essentially routine operations of the Sixth Fleet? Taft then went to his fallback position and asked if we would pay for flying the balloons to the Mediterranean port where they had been loaded on the ship. I finally agreed that the Agency should reimburse Defense \$200,000 for that.

Armitage was an unusual person in Washington, one of those individuals at the sub-Cabinet level who wield tremendous influence. One of the most powerful officials in the Reagan Defense Department, Rich Armitage—like nearly everyone in Washington who gets anything accomplished—had a wide array of powerful friends and a few powerful enemies. A down-to-earth, funny guy, he was popular at all levels in Defense, but especially among the lower ranks. Physically intimidating, a sort of human Abrams tank, Rich was also smart and savvy, very knowledgeable about the world and international politics. He was as welcome and comfortable in the palaces of the Middle East and power centers of Asia as he was in the NCO Club. A man totally lacking any kind of ethnic or racial prejudice, he was supremely politically incorrect in his humor, drawing on the largest collection of dirty jokes in Washington. The

more effete the company, the more inclined Rich was to dredge up some really gross joke just to see the reaction. He was a great asset to Weinberger and later Carlucci, and brought wisdom, street smarts, and common sense to the highest councils of government.

BACK TO THE SOVIETS

In parallel with planning for the retaliation against Libya and subsequent actions, the administration battled in early 1986 over whether the United States should continue to adhere to the SALT II treaty. This was part of the larger struggle to determine the next steps in—and the overall direction of—the U.S.-Soviet relationship. As before, despite occasional tactical setbacks for Shultz, most often relating to negotiating positions affecting SDI, it became clear that he and the President were on the same wavelength in terms of dealing with the Soviets. Reagan believed, and said in meetings at the time, that Gorbachev was groping for an approach toward the United States, and that it might be that Soviet actions on divided families and other human rights problems were a way of testing what Reagan had told Gorbachev in Geneva—namely, that the U.S. represented no threat and there was no desire to harm them. Reagan said he wanted to give Gorbachev some ammunition to use with the hard-liners by expressing appreciation for those gestures, by pressing for more "collaborative" activities.

Originally, a meeting between Shultz and Shevardnadze in Washington on September 19 had been intended to focus on preparations for a planned summit. Instead, as so often happened in the relationship, the planned agenda had to be scrapped to deal with a dust-up—in this case, finding a way out of the Daniloff affair. Within an hour of final judicial disposition on September 30 of the Soviet spy Zakharov and his release, Reagan announced that he and Gorbachev would meet in Iceland on October 10–12.

REYKJAVIK: HIT OR MISS?

The so-called working summit between Reagan and Gorbachev at Reykjavik remains the most controversial U.S.-Soviet summit of the last half of the Cold War. What seems clear with the advantage of several years' perspective is that Gorbachev took a very high-stakes, high-risk gamble to set up Ronald Reagan, ambush him, and kill SDI. And the measure of how much the

Soviets feared SDI is how much they were prepared to give up to get rid of it.

The Soviet setup began before the summit convened. In the days before the leaders arrived in Iceland, the Soviets took extensive steps to shape U.S. government and public perceptions of their agenda. Publicly and privately, they tried to create the impression that the Soviet focus at the summit would be on INF and nuclear testing. During those days, dozens of Soviet diplomats and intelligence officers around the world told Westerners that the Soviets would be prepared to be flexible on these two issues. Few even mentioned SDI.

For a meeting billed as a “private” working summit, the Soviets took major steps to assure tremendous press coverage from their side. By the end of the day the leaders arrived, October 10, the Soviets already had held half a dozen different press conferences or meetings with the international press corps, and they broke an agreed press blackout on the 11th to announce Soviet offers and proposals of “historic proportion.”

During the sessions between the President and Gorbachev and parallel negotiations between Paul Nitze and Marshal Akhromeyev, the Soviets laid out an amazing cornucopia of concessions in nearly every area of arms control. Reagan got into the spirit of the occasion and repeated his July proposal to eliminate all ballistic missiles, and Gorbachev then proposed to eliminate all strategic offensive forces. Then they agreed to eliminate all nuclear weapons. The tabling of Soviet concessions and dramatic proposals previously regarded as pipe dreams left the American participants agog.

Then Gorbachev sprang the trap. Surveying all that was on the table, all the progress that had been made, a smiling Gorbachev said: “This all depends, of course, on you giving up SDI.” He had taken Reagan to the mountaintop, showed him a historic achievement, and tempted him. But there was a flaw in the plan—Gorbachev, like so many before him, underestimated Ronald Reagan. The President got mad. He realized he had been set up. He talked a little more about why the Soviets had nothing to fear from SDI and, as Gorbachev remained unyielding, Reagan got even angrier. Finally, as he later wrote, he turned to Shultz and said, “The meeting is over. Let’s go, George, we’re leaving.”

Gorbachev had hoped, and perhaps believed (like many Americans, including government officials), that SDI was a bargaining ploy for Reagan, a means to elicit Soviet concessions, something

that could be negotiated. Shultz earlier had learned differently. Reagan truly believed in SDI and that it promised a safer future for Americans and the rest of the world. And what he believed deeply could not be shaken.

Initially, the reaction was that the summit was a disaster. Some were disappointed that the remarkable progress made in nearly every arms control arena seemed to have been sacrificed for SDI. Others, including our allies and many at home, were horrified by Reagan’s agreement to eliminate all ballistic missiles and more, thus giving up our deterrent to superior Soviet conventional forces, and deeply relieved that all had come to naught.

Gorbachev’s ambush had failed and, in fact, it backfired badly. He had exposed at Reykjavik far-reaching Soviet bargaining positions in arms control that could not be erased or forgotten. We now knew what they could accept and how far they would go. Further, he had learned the hard way that Reagan had meant all along what he had said about SDI—and that the American President would not give it up.

The Soviets had come far toward American positions on INF and START, and we had moved very little. After Reykjavik, most knew that Gorbachev would keep coming because he had no choice.

In his memoirs, Shultz complains that at Reykjavik he saw “once again, how poor the quality of our intelligence was about the Soviet Union. We had no accurate help from the intelligence community about what to expect. . . .” That simply is not true. A few days before the summit, on October 7, Casey briefed at an NSC meeting: “We think Gorbachev will press hardest on limiting SDI. . . . He will have to use the appeal of nuclear reductions to get you to agree to constraints that would effectively block SDI and eventually kill the program. . . .” We also had made the point about SDI being Gorbachev’s key issue at the summit at various inter-agency meetings concerned with arms control.

CASEY’S LAST MONTHS: TRAGEDY AND WHITE HOUSE POLITICS

After the brief moments of euphoria in Reykjavik, the U.S.-Soviet relationship would spiral downward for several months. But if that relationship became a little frosty, Ronald Reagan’s Presidency went into the deep freeze after Reykjavik.

It started when the Republicans lost control of the Senate in