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MATLOCK CHRON OCTOBER 1985 (3/12)

FOIA

F06-114/3

Box Number

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1201

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ID Doc Type	Document Description	No of Pages		Restrictions
7884 MEMO	MCFARLANE TO PRESIDENT REAGAN RE PAPERS ON THE SOVIET UNION: GORBACHEV'S DOMESTIC AGENDA		ND	B1
	R 8/17/2011 M125/2			
7885 PAPER	GORBACHEV'S DOMESTIC AGENDA	4	ND	B1
	PAR 8/17/2011 M125/2			
7886 PAPER	THE SOVIET ECONOMY IN PERSPECTIVE	6	ND	В3
	PAR 4/13/2011 F2006-114/3			
7887 PAPER	USSR: THE ROLE OF FOREIGN TRADE IN THE ECONOMY	9	ND	В3
	PAR 4/13/2011 F2006-114/3			
7888 MEMO	MATLOCK TO BUCHANAN RE ANATOLY MICHELSON	1	10/7/1985	B1
	R 10/30/2007 NLRRF06-114/3			

Freedom of Information Act - [5 U.S.C. 552(b)]

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7309

FILE

THE WHITE HOUSE WASHINGTON

October 5, 1985

Dear Professor Johnston:

Many thanks for your expression of support for my August 19 Santa Barbara speech. It is particularly gratifying to know that people in the academic community will be following up on the themes of that speech.

I also enjoyed reading your column from the <u>Roanoke Times and World News</u> on Nicaragua. It is precisely this kind of support that enables us to pursue a principled, long-term policy in Central America.

Again, many thanks for your letter.

Sincerely,

Robert C. McFarlane

Professor Whittle Johnston
Woodrow Wilson Department
of Government and Foreign Affairs
232 Cabell Hall
University of Virginia
Charlottesville, Virginia 22901

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

October 2, 1985

ACTION

MEMORANDUM	FOR	ROBERT	C.	MCFA	RLANE
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FROM:

JACK F. MATLOCK

SUBJECT:

Letter of Support for Your Santa Barbara Speech

Attached at Tab A is a response to a letter received from Professor Whittle Johnston of the University of Virginia. Professor Johnston wrote to you to express his support for your August 19 Santa Barbara speech.

Ray Burghardt concurs.

RECOMMENDATION

That you sign the letter at Tab A.

Approve____

Disapprove

Attachments

Tab A

Response to Professor Johnston

Tab B

Letter from Professor Johnston

UNIVERSITY OF VIRGINIA
CHARLOTTESVILLE, VIRGINIA 22901
TELEPHONE 804-924-3192

7309 9-13-45

WOODROW WILSON DEPARTMENT
OF GOVERNMENT AND FOREIGN AFFAIRS
232 CABELL HALL

Sept. 6, 1985

RCM HAS SEEN

The Hon. Robert C. McFarlane
Assistant to the President for
National Security Affairs
The White House
Washington, D.C.

Dear Mr. McFarlane:

I have just received from the State Department the text of your address on August 19 in Santa Barbara. I was deeply impressed by it, and encouraged that it helps set the tone for the forthcoming Summit. I found the way you framed the central issue particularly Valuable, i.e. "what kinds of change would do the most to make Soviet-American relations more stable". I shall make use of the three military and three political issues you then discussed in my own lectures and writing on this subject. I shall certainly have my many students read your speech. In its directness, specificity, and strength it gives me sober encouragement.

I have also enclosed a little piece I did some months back in the on-going debate with the local press.

Sincerely yours,

Whittle Johnston

Professor

Stop Reds in Nicaragua

By WHITTLE JOHNSTON

I AM IN fundamental disagreement with the arguments expressed in the Roanoke Times & World-News editorial, "Nicaragua: Emotions blur facts" on April 19.

This opposition to the president's policy will, I fear, do grave damage to our nation's interests.

Let me summarize the newspaper's major points:

1. "The president is seeking authority to overthrow the government of a neighboring country with which the United States is not at war." The editorial describes this as "contrary to international law, to U.S. law and to our national principles."

2. The president's most recent proposals are "a maneuver intended to gain sanction for continuing the fighting" after 60 days. The editorial maintains that most Latin Americans see the contras as nothing more than "a surrogate U.S. force" that holds no territory and has not won "many hearts and minds outside the Reagan administration."

 Many congressmen cast wary eyes on the president's proposals for fear that the proposals could justify another Vietnam war.

4. What the administration wants to do in Nicaragua is "ill-advised, illegal and immoral;" Congress should say 'No more'."

gress should say 'No more' "
Argument 1 neglects the tyrannical and aggressive action of the Sandinistas to which the president's policy is a response. Support for the Nicaraguan revolution by neighboring states and the Organization of American States (OAS) in its resolu-tion of June 23, 1979, played important parts in the overthrow of the Somoza regime. In return for this support, the Sandinistas pledged to back free elections, political pluralism, a mixed economy and nonalignment. From the moment they acquired power, however, they have systematically violated all these pledges. The persistent goal of the president has been to hold the Sandinistas to their promises, and surely this is in accord with America's commitment to democracy and selfdetermination

The most blatant aspect of Sandinista illegality has been their commitment to a "revolution without borders," and the most threatening instance has been their backing of violent efforts to overthrow the democratically elected government of El Salvador.

The Salvadoran guerrillas themselves have acknowledged this support from the Sandhinstas. Under Article 51 of the United Nations Charter and Article 3 of the Rio Treaty, the United States was obligated to take measures to end the armed attack against El Salvador. Our aid to the Nicaraguan freedom fighters, and the mining of Nicaragua's harbors, is in accord with these obligations.

The political manipulation by Nicaragua of the World Court over the mining as a sorry instance of how the enemies of liberty may use the institutions of liberty. America could be brought before that court only if it voluntarily accepted its compulsory jurisdiction. Eleven of the 16 justices that claimed to sit in judgment on the United States represented countries that, like Nicaragua, did not themselves accept such jurisdiction. To allow Nicaragua to sue where it could not be sued would have been a violation, not a confirmation, of the rule of law.

Argument 2 omits the widespread evidence in support of the
popular base of the contra opposition. As one instance, many key
leaders of the opposition (e.g. Arturo
Cruz, Alfonso Robelo and Eden Pastora) are themselves former Sandinista backers who broke with them
when the Sandinistas betrayed the
revolution. As another instance,
Huber Matos, a seasoned Cuban
freedom fighter, recently traveled
with the rebel forces in Nicaragua
and confirmed their mass popularity. He reported that they constantly
met farmers who wanted to join
their ranks.

The congressmen whose fears were cited in Argument 3 of the editorial draw precisely the wrong lesson from the Vietnam war. The president and his chief commanders have made clear, repeatedly, their concern for avoiding direct American military involvement in Central America. They see materiel and diplomatic support to indigenous Ni-

caraguan freedom fighters as essential to avoid that involvement. If such indigenous forces should collapse, however, the risk of direct American involvement would sharply increase, as Secretary Shultz made clear last Feb. 22.

Another crucial lesson we all should have learned from Vietnam is that those who rule out the role of force simultaneously undercut the prospects for negotiation. Those congressmen who have tied the president's hands can expect only one "diplomatic" outcome: negotiated capitulation.

With regard to Argument 4, the House of Representatives has acted in accord with the advice of the Roanoke Times & World-News and said "no more." On April 24, it defeated the president's proposal by 240 to 180. On April 25 it defeated a Republican alternative by 215 to 213. Had the two Virginia congressmen (James Olin, D-Roanoke, and Frederick Boucher, D-Abingdon) who voted no on the second proposal supported it, it would have passed.

The problems our nation faces will not go away because we have, once again, found in our own supposed immorality and illegality excuses for inaction. They will, on the contrary, grow and confront us in the future with dilemmas far more difficult than those from which we have sought, for the moment, to turn away.

As Undersecretary of Defense Ikle has said, the real costs of our inaction won't come at once, but "in two to three years, when the expansionist phase begins" and Nicaragua "tries to destroy democratic government in the region."

The real targets are likely to be Mexico and Panama, where dry tinder, inviting the match, lies in abundant supply. The stakes will be quite different in kind from those we now confront.

At the root of the House's failure of prescription is a failure of diagnosis. Since the threat of Lenin's revolution was first posed in 1917 Americans have been of divided mind on the appropriate response. In World War I, House's counsel of patience prevailed over Lansing's call for action, and Lenin's rule was consolidated. In World War II. Roosevelt's pursuit of appeasement overruled Churchill's plea for counterbalance, and Stalin's empire was expanded to Eastern Europe. In the 1970s, proponents of detente were ascendant over advocates of containment and the Soviet empire now with its own blue-water navy consolidated worldwide, from Camranh Bay to South Yemen; from Afghanistan to Nicaragua.

Unless the president is now empowered to throw back this aggression from Central America, we shall next face it on our own borders.

Whittle Johnston, formerly of Roanoke, is a professor at the Woodrow Wilson Department of Government and Foreign Affairs at the University of Virginia.

7991

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

SECRET

October 7, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

JACK F. MATLOCK

SUBJECT:

Papers on the Soviet Union: The Domestic Agenda

Attached is the next group of background papers for the President on the Soviet Union. It deals with Gorbachev's domestic agenda, particularly the economic challenges he faces.

RECOMMENDATION

That you sign the memorandum at Tab I forwarding the papers to the President.

Disapprove That you approve Bill Martin's sending copies of the papers to Secretary Shultz and Don Regan.

> Disapprove Approve

Attachments

Memorandum to the President Tab I

> Gorbachev's Domestic Agenda Tab A

The Soviet Economy in Perspective Tab B

USSR: The Role of Foreign Trade in the Economy Tab C

Tab II Memorandum - Martin to Platt

Tab III Memorandum - Martin to Chew

SECRET Declassify on: OADR



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THE WHITE HOUSE

WASHINGTON



INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT C. MCFARLANE

SUBJECT:

Papers on the Soviet Union: Gorbachev's Domestic

Agenda

You have previously read three groups of papers on the Soviet Union. They dealt with the sources of Soviet behavior, the problems of Soviet society, and the instruments of control. The attached group looks at Gorbachev's domestic agenda, focusing particularly on economic concerns.

Gorbachev's domestic priorities can roughly be divided into three categories: consolidating his power, restoring public confidence, and revitalizing the economy. He has moved quickly in the first two areas, concentrating first and foremost on getting his people in key positions. By July, after only four months in office, he had already appointed more new people to the Politburo than either of his two immediate predecessors. This process is still underway.

To help restore public confidence in a leadership which had become tainted with corruption in Brezhnev's declining years, Gorbachev has vigorously carried on the anti-corruption drive begun under Andropov and supplemented it with an anti-alcohol campaign. In addition, he has carefully tailored his public appearances and meetings with the Soviet man-in-the-street to give the appearance of knowing and caring about the life of the average citizen.

Revitalizing the economy may well be the toughest challenge of them all - and if he does not succeed, he will be unable in the long run to restore public confidence in the Soviet leadership. Gorbachev has begun by replacing long-tenured, complacent bureaucrats in the Party's Central Committee and in the Council of Ministers. Only recently, on September 27, TASS announced the removal of the Council's Chairman, Nikolay Tikhonov, and his replacement by Gorbachev protoge Nikolay Ryzhkov.

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BY RW NARA DATE 8/17/1/



Such personnel changes mean more in the Soviet context than they would in a market economy. The Soviet economy is a centralized, command economic system in which the Politburo acts much like the board of directors of an enormous conglomerate. The Council of Ministers runs a huge government bureaucracy which sets specific output goals, determines wages and prices, allocates manpower and regulates incentives.

Personnel changes alone, however, are not likely to revitalize an economy plagued by low industrial productivity, declining efficiency of investment, rising consumer expectations, inefficient agriculture, and an outdated technological base. Gorbachev has publicly spoken of the need to "re-equip" the economy with technologically up-to-date machinery. This will require sharp increases in investments in machinery production. Gorbachev is likely to reveal further details of his economic thinking when he unveils the 12th five year economic plan at the Party Congress in February.

In financial terms, East-West trade is a relatively small factor in the Soviet economy, with the notable exception of Soviet imports of Western grain. The USSR continues to be the single largest buyer of grain from the United States. Soviet machinery imports, however, come largely from the East bloc, and in return the Soviets provide Eastern Europe with raw materials, particularly oil. The single greatest factor limiting Soviet purchases in the West remains Moscow's chronic lack of hard currency. Legal and illegal acquisition of advanced Western technology, however, is critically important to modernizing the Soviet technological base, particularly in the military area - which traditionally has absolute precedence over civilian industry.

Recommendation

OK	No	
		That you read the attached papers as
***************************************		background for your upcoming meeting with Gorbachev.

Attachments:

Tab	A	Gorbachev's Domestic Agenda
Tab	В	The Soviet Economy in Perspective
Tab	C	USSR: The Role of Foreign Trade in the Economy

Prepared by: Jack F. Matlock

GORBACHEV'S DOMESTIC AGENDA

Since coming into office four months ago, Mikhail Gorbachev has made rapid progress toward what historically has been every new party chief's foremost goal—the expansion of his political power. He is also off to an excellent start on another high priority task—the reinvigoration of the party and state apparatus. Much more, however, remains to be done to realize his most difficult domestic tasks—the acceleration of Soviet economic growth and the improvement of quality and performance throughout the Soviet economy.

I. Expanding and Consolidating Power

Gorbachev has initially concentrated on expanding and consolidating his political power. To realize the full potential of his office, the General Secretary must enjoy the active support of other members of the ruling Politburo and be master of the Secretariat, the party's principal executive agent.

In April, Gorbachev engineered the promotion of three of his closest allies--Yegor Ligachev, Nikolay Ryzhkov, and KGB chief Viktor Chebrikov--to full Politburo status. In July, he ousted erstwhile rival Grigoriy Romanov from the Politburo and Secretariat and elevated Georgian party boss Eduard Shevardnadze to full Politburo membership. Shevardnadze was then quickly appointed Foreign Minister. Former Foreign Minister Andrey Gromyko was promoted to the largely ceremonial post of head of state.

After only four months in office, Gorbachev has already engineered a greater number of promotions to the Politburo than either Yuriy Andropov or Konstantin Chernenko. He has also appointed as many party secretaries as were named during Andropov's entire fifteen months in office.

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Under Andropov three officials--Geydar Aliyev, Mikhail Solomentsev, and Vitaliy Vorotnikov--became full Politburo members and Chebrikov was given candidate member status. There were no promotions to the Politburo during Chernenko's tenure.

Ligachev, Ryzhkov, and Romanov became party secretaries under Andropov. There were no promotions to the Secretariat under Chernenko.



Despite this impressive display of power, there are hints that Gorbachev does not enjoy the unqualified support of all his Politburo colleagues. In a speech in Leningrad in May, for example, Gorbachev criticized the Politburo for being too timid in making a recent decision on agriculture. His criticism suggested that he had favored a bolder approach to the question. There also have been some unusual delays in the publication of major Gorbachev speeches—another possible indication of leadership disagreement. If Gorbachev's policies are indeed encountering opposition, the remaining members of the Brezhnev "old guard" are the most likely sources. Both former Premier Nikolay Tikhonov and Moscow city party boss Viktor Grishin are rumored to have opposed Gorbachev's accession to power.

II. Rebuilding Public Confidence

Rebuilding public confidence in the leadership and in officialdom is one of Gorbachev's major objectives, and he has skillfully tailored his public appearances and his media image to this end. He takes great care to orchestrate his meetings with the public, giving the appearance of knowing and caring about the life of citizens.

In addition, he has continued Andropov's anti-corruption drive and supplemented it with the anti-alcohol campaign. The uniformed police have been bolstered by a new political administration, and some 55,000 party members have been assigned to the police. While the results cannot be measured, there is evidence that Soviet officials are now far more careful about bribe-taking or other illicit activities. Accounts of arrests and massive sweeps of rural areas, however, suggest that priority has now shifted away from corruption to the anti-alcohol campaign. In any event, despite significant public approval for the struggle against drinking and corruption in principle, Gorbachev faces a long, difficult struggle before he can claim significant results in either area.

III. Revitalizing the Economy

A. Shaking Up the Party and State Apparatus

Gorbachev has also set himself the formidable task of reinvigorating the party and state apparatus through the replacment of long-tenured and complacent bureaucrats, including members of the Party's Central Committee. People on the Central Committee occupy critical posts in the party and state machinery; without their energetic support Gorbachev's domestic policy initiatives would be nothing more than paper proposals.

During the 1970s, Brezhnev's policy of cadre stability—a reaction to the frequent, often capricious personnel changes of the Khrushchev years—gave the members of the Central Committee a virtual guarantee of lifetime tenure. The resulting complacency and inertia contributed to a decline in economic growth and a rise in corruption.

Andropov launched a major campaign to replace incompetent and corrupt officials. His efforts, however, were cut short by his death. Under Chernenko, a champion of the Brezhnev old guard, personnel turnover slowed.

Gorbachev has picked up where Andropov left off. He has already replaced three heads of Central Committee departments, who play a major role in overseeing domestic policy, and appointed new party chiefs in the Georgian republic and Leningrad. The leadership of thirteen other regional party committees has also changed hands--more than during Chernenko's entire tenure.

Gorbachev has devoted particular effort to replacing poor performers among economic officials in the Council of Ministers. A deputy premier and ten ministerial-level officials have been replaced, several after humiliating public criticism. And only last week, on September 23, Tass announced that the Chairman of the Council of Ministers, Nilokay Tikhonov, had resigned -- allegedly for reasons of poor health.

Still, some of the most powerful bureaucratic posts remain in the hands of Brezhnev-era holdovers whose approach to their assignments is the antithesis of Gorbachev's activism. Nikolay Baybakov, for example, Chairman of the State Planning Committee (Gosplan) is an elderly Brezhnev-era holdover likely to oppose change in his powerful bureaucratic empire. Until he and many others like him are removed from their posts, they are likely to obstruct Gorbachev's campaign to transform the creaking state machinery into an engine for change.

B. Improving Performance

Even sweeping personnel changes, however, will not be enough to achieve the most difficult domestic goals that Gorbachev has set—the acceleration of Soviet economic growth and higher standards of quality and performance throughout the Soviet economy. Gorbachev has acknowledged that this will require a long-term effort.

The centerpiece of Gorbachev's economic strategy is a call for re-equipping Soviet factories and farms with state-of-the-art machinery--an effort that will require a major increase in investment in the machine building sector. He apparently recognizes that previous attempts to shift investment resources have been frustrated by entrenched bureaucratic interests. To avoid such problems he has indicated that a reorganization of the economic bureaucracy will be a major part of his strategy.

Gorbachev is also banking on a stepped-up labor discipline campaign to bolster economic growth while waiting for the more long-term benefits of his modernization program and his organizational changes. He is using the threat of penalties for poor performance and a pledge to increase material rewards for good performance, to encourage better labor productivity.

Gorbachev's economic strategy has much to recommend it. Increased investment in the machine building sector is long overdue and the economic apparatus is badly in need of change. The outlook for his critically important industrial modernization program, however, is problematical. Implementation would require a degree of innovation in manufacturing that historically has been lacking. In addition, there is the risk that stepped-up investment in machinery manuacturing could divert resources from consumer and defense industries to an extent the regime would find unacceptable. Moreover, the increasing inaccessibility of domestic oil, coal and iron ore could hamper prospects for achieving high growth targets.

Gorbachev's achievements in expanding his power and in at least partially reinvigorating the party and state machinery should enhance his chances of pressing through with his economic program, but will not guarantee the program's success. Like previous Soviet party chiefs, he may discover that bureaucratic obstructionism, though it may yield for a time, tends to reemerge.



Prepared by:

Donald Graves, Department of State

THE SOVIET ECONOMY IN PERSPECTIVE

The Soviet economy, the second largest in the world, has grown since 1950 from about one-third to more than one-half the size of the US economy. The basic tenets of Soviet growth strategy have been:

- o a high rate of investment in heavy industry, fuels and power, and construction; a lower rate in consumer goods and agriculture;
- o emphasis on modern, capital-intensive technology in the favored sectors; use of oldfashioned, labor intensive methods in the low priority sectors;
- o large expenditures on education and science to raise the technical skills of the population;
- acquisition of advanced Western technology and equipment in exchange for raw materials.

Making and Implementing Economic Policy

This is a "command economy". Basic economic decisions are made by central administrative fiat rather than in the market place:

- o The Politburo of the Communist Party makes the major economic decisions.
- o A huge bureaucracy -- headed by the Council of Ministers -- sets specific output goals, allocates manpower and materials, fixes wages and prices, and regulates incentives.
- O Lower down, state-owned industrial facilities and collective farms translate the economic plans into action.

The Politburo -- the highest executive arm of the Central Committee of the Communist Party -- acts much like the board of directors of an enormous conglomerate. As chairman of the board, General Secretary Gorbachev presides over weekly Politburo meetings where decisions on general economic priorities are reached. It is the Politburo that decides on the division of resources between military and civilian use and the distribution of investment between industry and agriculture.

The Council of Ministers -- the government's highest executive body -- can be likened to a senior management team

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of the conglomerate. The new Chairman of the Council, Nikolay Ryzhkov, has final responsibility for determining the output of all major commodities, distributing resources, and ensuring that plans are fulfilled. The organization under the Council includes the State Planning Committee (Gosplan), more than 50 functional economic ministries (such as ferrous metallurgy, foreign trade, and agriculture), and a host of state committees and main administrations concerned with finance, prices, supply, and the like. The State Planning Committee is now working on the Twelfth Five-Year Plan for 1986-90.

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Strengths

The Soviet economy has great crude economic strength, based on a wealth of natural resources, a labor force half again as large as that of the United States, a large and growing stock of industrial facilities, and an unchallenged leadership dedicated to continual expansion of industrial and military might. Growth has been maintained by the brute force method of allocating about one-third of national output to investment and by extracting as large a work force as possible out of the populance. This growth formula has enabled the Soviets to amass an ever increasing arsenal of sophisticated weapons, to continually expand their industrial base, and to provide some increase in living standards each year.

Weaknesses

A number of persistent problems that have plagued the Soviet system for years have become particularly troublesome since the mid-1970s.

- Low productivity and the declining efficiency of investment. Despite a growing volume of investment per worker, labor productivity in Soviet industry is only about half the US level. This is particularly serious since annual additions of men and equipment are becoming smaller, and productivity gains must be the future source of growth. An added difficulty is the gradual exhaustion of easily accessible natural resources and the rising cost of exploiting new resources, many located in remote and frozen areas of siberia.
- Technology gap. Although the latest technology is employed in some areas -- particularly in the defense and space industries -- technology in the civilian economy generally lags far behind that of the West. The Soviet system is particularly ineffective in moving new ideas and products from the research and development stage into full assembly-line

production. Moreover, Western equipment frequently is not as productive in a Soviet setting as it is on native ground. At the same time that the USSR is struggling to catch up, the United States, Western Europe, and Japan are forging ahead with still newer technology.

- Rising consumer expectations. Though well-fed and clothed compared with past generations, Soviet consumers are increasingly aware of the disparity between Soviet and Western living standards. Consumer grievances are especially acute as to housing, long queues, and the poor quality of durables and other consumer goods and services.
- o <u>Inefficient agriculture</u>. Nearly one-fifth of the labor force is still employed on the farm; equipment is badly operated and maintained; and the cost of producing grain and meat is far above world market prices.

Most of these problems are rooted in the Soviet system of planning and management, which is too centralized and clumsy for effectively managing the increasingly complex economy. Central planning, for example, becomes more difficult as the number of links between producers, consumers, and suppliers multiplies.

The Soviet incentive system is especially ill-equipped to deal with today's problems. Although it was effective in maximizing physical output in the 1950s and 1960s when resources and raw materials were cheap and readily available, in recent years it has led to industrial bottlenecks, encouraged waste and mismanagement of resources, contributed to irrational investment decisions, retarded scientific technological innovation, and stimulated widespread corruption and illegal economic activity.

As a result of these weaknesses, Mikhail Gorbachev inherited a decade-old economic slowdown punctuated by harvest failures, industrial bottlenecks, labor and energy shortages, low productivity, and declining efficiency of investment. Part of the problem has been the result of external factors:

- Harsh weather conditions that have depressed farm output.
- O Declining increments to the working age population that have led to labor shortages.
- o Rising costs and increasing difficulty of extracting and transporting energy resources and other raw materials, which have

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exacerbated the squeeze on labor and capital resources and intensified the impact of bottlenecks already present in key sectors of the economy.

But the key source of the USSR's economic slowdown -- as Gorbachev himself has implied -- is systemic: existing methods of planning and management are more and more incapable of coping with a modern economy.

Economic Prospects Under Gorbachev

Since coming to power in March 1985, Gorbachev has moved forcefully to place his personal stamp on economic policy, telling managers that they must change the way they do business or "get out of the way". His frankness illustrates the strong emphasis he is placing on the need for competent personnel and for tougher standards of performance evaluation. He seems to have a clear understanding of the economy's problems and is determined to deal with them. Gorbachev has described the acceleration of economic growth as his major domestic goal and laid out a growth strategy that includes increasing the pace of scientific and technological progress, restructuring investment, reorganizing management and planning, and tightening economic discipline.

The key element in implementing this policy is to be the "re-equipping" of the economy with high-quality, technologically up-to-date machinery. This, he says, will require sharp increases in machinery production and a larger share of investment in machinery producing facilities. The other significant known components of his plans for dealing with the economy are essentially continuations of policies introduced in recent years, but not effectively implemented. These include vigorous application of Andropov's discipline campaign which waned under Chernenko, linking wages more closely to productivity, implementing Brezhnev's 1982 Food Program of which he was primary architect, providing more operational autonomy for enterprise managers, and sharply curtailing the powers of the ministries.

Gorbachev has indicated that a reorganization of the economic bureaucracy will be a major part of his strategy. In a June speech he suggested that plans for such a reorganization have now reached an advanced stage and that they include the creation of superministerial bodies, starting with agro-industrial and machine-building sectors. His speeches also suggest that these super-ministries will be restricted to "strategic" planning and leave operational control of enterprises in the hands of the managers on the scene.

Gorbachev's program could result in improved economic performance if vigorously pushed. Priority development of the food industry, for instance, coupled with greater attention to transportation and storage facilities, could considerably reduce the present enormous waste and spoilage CONFIDENTIAL

of agricultural produce. Moreover, the discipline campaign, which was evidently a significant factor in the economic upswing during Andropov's tenure, could again have a favorable impact on economic performance. Gorbachev is gambling that an attack on corruption and inefficiency, not radical reform, will turn the economy around. Although his approach is risky -- previous attempts to redirect investment resources and other economic initiatives generally have been frustrated by entrenched bureaucratic interests-his prospects for success should not be underestimated.

How much economic improvement occurs and how long it lasts will depend largely on whether Gorbachev can deal successfully with problems inherent in the economic system itself. He has not, for example, squarely addressed such problems as the arbitrary nature of Soviet prices, which prevent planners from making economically rational decisions, or the lack of sufficient consumer input into decisions on what to produce. Nor has he explained how, in a period of likely resource stringency, with investment to grow at an accelerated rate and defense likely to have a strong claim on resources, the consumer's needs can also be addressed.

There have been hints, however, in Gorbachev's past and recent speeches, and in the statements of some knowledgeable Soviet officials, that the General Secretary may eventually tackle some of these problems. In his Lenin Day Address in April 1983, for example, Gorbachev stressed the importance of greater reliance on prices as an economic lever. He returned to this theme in his June 1985 address to the Science and Technology conference, calling for a more decisive shift from administration to economic methods of regulating the economy. In the same address he also called for an end to "the domination of the consumer by the producer".

Gorbachev may well have decided to refrain from translating such vague expressions of support for controversial measures into specific proposals until he has fully formulated his plans and/or consolidated his political strength. A Soviet political commentator privately characterized Gorbachev's current approach as one of first adopting uncontroversial economic measures while simultaneously working on a long-range and more far-reaching program. Alternatively, Gorbachev may have refrained from bolder measures because he hopes that the steps he has already proposed will be sufficient to remedy the economy's ills. Indeed, he has made clear that he remains committed to the basic system of central planning. In either event, the

political momentum he already enjoys augurs well for his future ability to take bolder steps, and the ambitious nature of the goals he has set increases the chances that he will have to do so. Nevertheless, he is likely to find that real improvements will be short-lived and limited so long as the system is kept intact.

Drafted by:

USSR: THE ROLE OF FOREIGN TRADE IN THE ECONOMY

Foreign trade plays an important, albeit not critical, role in Soviet economic development. Although the Soviet economy is largely self-sufficient--purchases from abroad account for only about 10 percent of GNP--imports have helped Moscow improve consumption, boost productivity, remove industrial bottlenecks, and modernize weapon systems.

East-Versus West as a Source of Imports

The USSR has traditionally favored its Communist allies in its foreign trade.

- o About 65 percent of the USSR's machinery and equipment imports come from its Communist allies, mostly the East European countries.
- o These imports represent nearly half of all Soviet purchases from Communist countries. (See Figure 1)

Although East European machinery and equipment is often of lower quality than Western equipment, it is equal to or better than Soviet produced goods in many instances. The USSR also looks to Communist countries for manufactured consumer goods to supplement its own production. More than half of such imports -- primarily clothing and furniture-are purchased in Eastern Europe.

While relying on Eastern Europe for much of its machinery and equipment needs, imports of Western technology and equipment have been essential to expand selected Soviet industries (e.g. chemicals and automobiles), despite difficulties in assimilation.

- o Imported chemical equipment in the 1970s was largely responsible for a doubling in the output of ammonia, nitrogen fertilizer, and plastics during this period.
- O Construction of the Kama river truck plant, which is based almost exclusively on Western equipment and technology, has resulted in a roughly 100 percent increase in Soviet heavy truck output over the past decade.

Imports from the West also have played a key role in supporting the energy sector.

o The rapid construction of the Siberia-to-Western Europe gas pipeline would not have been possible without purchases of Western turbines, compressors and pipe.

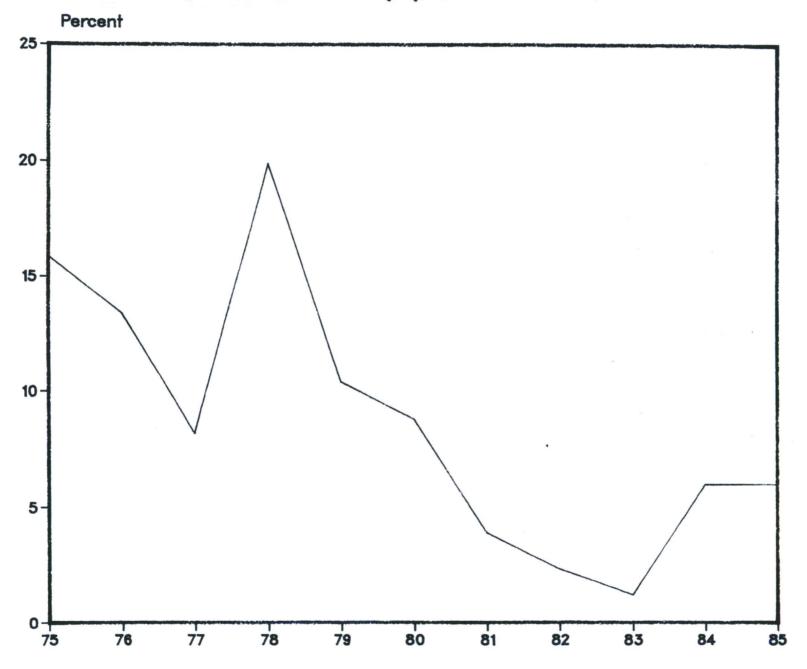
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BY NARA DATE 4/13/11

US Share of Soviet Equipment Orders, 1975-85



The value for 1985 is based on first half data.



o Deficiencies in Soviet drilling, pumping, and exploration have prompted Moscow to purchase almost \$20 billion in oil and gas equipment since 1975.

Imports of grain and other agricultural products have been the largest component of the USSR's western trade. A series of mediocre harvests during 1981-84 has pushed agricultural imports to record levels -- with average annual purchases of some \$10 billion during this period. Because of the limited ability of Communist countries to expand grain production, Moscow has had to rely almost entirely on Western countries to fill the gap between domestic output and requirements.

Finally, in addition to contributing to specific industrial sectors and overall consumer well-being, acquisition of gas and technology from the West has enhanced Soviet military programs.

- o Access to specific technologies has permitted improvements in a number of weapon and military support systems.
- o Gains from trade, in general, have improved the efficiency of the economy and thereby reduced the burden of defense.

Composition of Soviet Exports

In contrast to its imports, Soviet exports are composed mostly of raw materials, particularly energy. This concentration of trade has become particularly prominent since the mid-1970s as a result of rapidly rising fuel prices. By 1983, 70 percent of total Soviet exports to non-Communist countries and 50 percent of exports to Communist countries consisted of fuel shipments. (See Figure 2). Although arms exports to non-Communist countries are not specified in Soviet trade statistics, we estimate that this trade accounted for some 15 percent of total Soviet exports in 1983. Only 5 percent of Soviet exports are agricultural goods.

Soviet Trade With the Third World

Unlike Soviet trade with the developed West, which is essentially an exchange of Soviet industrial raw materials for technology and agricultural products, Soviet-LDC trade consists of an exchange of Soviet manufactures--mainly military supplies--for industrial and agricultural raw materials. The LDCs represent Moscow's only major outlet outside the Bloc for exports of civilian and military manufactures.

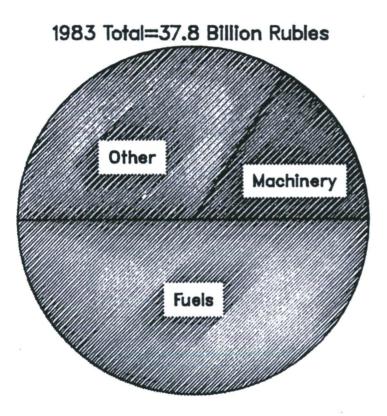
Soviet military exports are the largest and most dynamic element in LDC trade. Such exports totaled over \$9 billion in 1982 and 1983, an amount equal to almost 70 percent of



Soviet Exports by Commodity, 1983

Communist Countries

Non-Communist Countries



1983 Total=24.9 Billion Rubles

Other

Machinery

Fuels

Other includes ferrous metals, agricultural products, consumer goods and military trade.

total Soviet exports to the LDCs. The military sales program offers Moscow substantial benefits:

- o It is a major tool for establishing Soviet presence and expanding influence in LDCs.
- o It provides Moscow with one of the few export opportunities in which Soviet-manufactured goods are somewhat competitive in price and quality with Western products.
- o After credits and payments reschedulings are netted out, it generates perhaps \$5-6 billion per year in hard currency revenues or their equivalent.

US-Soviet Trade

With the exception of agricultural imports, Soviet trade with the US has been relatively small. The US did participate in the expansion in commercial relations that accompanied East-West detente in the 1970s.

- o US exports to the USSR totaled only \$100 million in 1970, or less than 5 percent of Soviet hard currency imports.
- o By 1979, US sales totaled \$3.8 billion, nearly 20 percent of hard currency purchases. (See Figure 3)

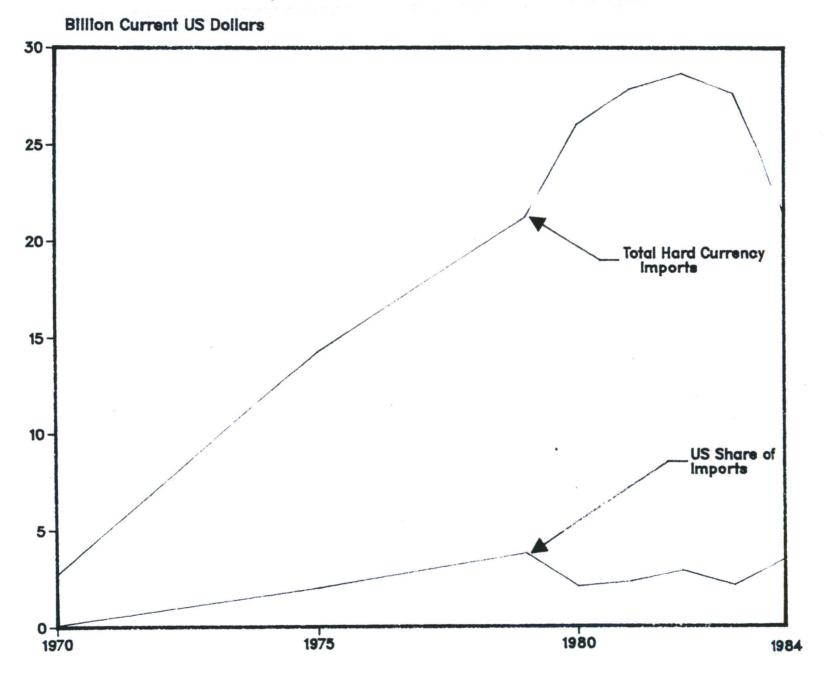
Following the sanctions imposed in the wake of Soviet intervention in Afghanistan and imposition of martial law in Poland, US-Soviet trade dwindled. US machinery and equipment sales suffered the most, plunging from a peak share of 20 percent of Soviet orders in 1978 to only one percent in 1983. Despite the partial grain embargo from January 1980 to April 1981, US-Soviet agricultural trade did not decline nearly as much. Although the Soviets have increasingly diversified their sources of grain supplies, the US, as the largest and most stable exporter of gain, remains an important source for Moscow.

- o The USSR continues to be the single largest buyer of grain from the US.
- During the 1984-85 market year, Soviet purchases of gain reached a record 22.7 milion metric tons.

Foreign Trade Under Gorbachev

Since taking over as General Secretary in March, Gorbachev has made it clear that improved economic performance is his top priority. His plan focuses on modernizing the industrial base with more and better machinery—a

USSR: Imports from the United States, 1970-84



24

strategy which could lead to an increased role in both Eastern Europe and the West.

Gorbachev is undoubtedly hoping for an increase in the flow of machinery from Eastern Europe and has spoken about the need for broader and tighter intergration within CEMA. While such rhetoric is not new--the USSR has long advocated joint production and specialization within CEMA as a means of getting the East Europeans to cough-up more--Moscow seems more intent than ever on pressing its allies to make firm commitments on this issue. In this regard,

- o An agreement signed by CEMA Prime Ministers in June pledged multilateral cooperation in designing and producing computer controlled systems.
- o The agreement follows a recent call in <u>Pravda</u> for a 50-100 percent increase in the rate of growth in machine-building in CEMA countries during 1986-90.

Moscow is probably limited in just how much it can get from its allies. Because most East European countries are constrained by their own resource and economic difficulties, any sharp increase in machinery exports to the USSR would have to come at the expense of much needed domestic investment or sales to the West that bring in hard currency. Such a shift would risk undermining growth prospects throughout the area which could cause serious political problems.

The limited prospects for sharply boosting imports from Eastern Europe increases Moscow's incentive to trade with the West. In particular, Gorbachev probably will look to the West for imports of technology and equipment for selected sectors—energy and electronics, for example — where no good supply alternatives exist. Moreover, Moscow is presently in a good financial position to increase its purchases of Western machinery and equipment — at least in the near-term.

- o With a relatively small debt and approximately \$10 billion in assets in Western banks at year-end 1984, Moscow can easily obtain commercial credits to finance new purchases.
- Most West European countries are also offering generous terms on government-backed credits in an effort to balance trade with the Soviets and spur their own economies.

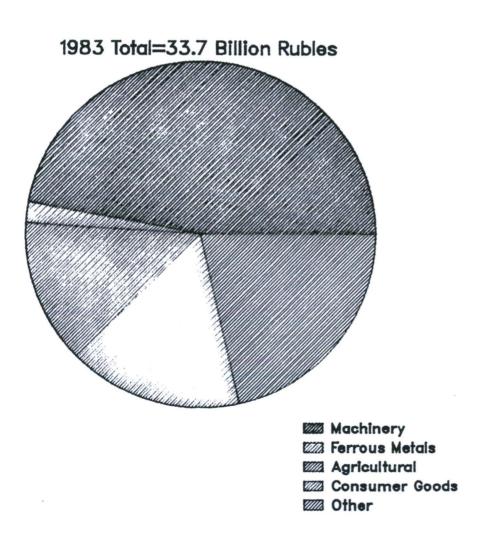
Over the longer term, however, Moscow's financial position is much less certain -- falling world prices for oil and declining domestic production could limit Soviet hard currency earning capacity.

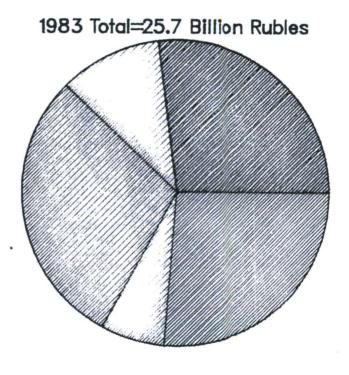


Soviet Imports by Commodity, 1983

Communist Countries

Non-Communist Countries





Looking to the US

Prospects for an expansion of Soviet purchases of US machinery and equipment appear good -- albeit from the extremely low levels of recent years. The share of machinery and equipment orders going to the US during first quarter 1985 -- 10 percent -- is substantially above last year's 6 percent figure and, if maintained, would be the highest since 1979 (See Figure 4). Moreover, the US-Soviet Joint Commercial Commission talks in May 1985 produced a Soviet pledge to:

- o Try to do more business with US firms.
- o Put interested US firms on bidders' lists.
- o Fully consider US proposals on their economic merit.

In this regard, we have seen an improved tenor in US-Soviet contract negotiations since the beginning of the year. The Soviets are currently discussing major deals with US firms for the sale of personal computers, energy equipment, and agricultural technology. Although these negotiations may be protracted, some signings appear likely.

Nevertheless, the vast majority of Soviet purchases from the US will continue to be agricultural products. Under the current long-term US-Soviet grain agreement (which expires in 1988), Moscow is committed to purchase a minimum of 8-9 million tons of grain per year, with a value of roughly \$1 billion at current world prices. In poor crop years, Soviet purchases can be expected to be much larger.

Prepared by:

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506



MEMORANDUM FOR MR. NICHOLAS PLATT

Executive Secretary Department of State

SUBJECT:

Background Papers for the President's Meeting with

Gorbachev

Attached for Secretary Shultz is a copy of the latest group of background papers for the President on the Soviet Union. It deals with Gorbachev's domestic agenda, particularly the economic challenges he faces.

William F. Martin Executive Secretary

Attachments

Tab A Gorbachev's Domestic Agenda
Tab B The Soviet Economy in Perspective
Tab C USSR: The Role of Foreign Trade in the Economy

DECLASSIFIED

White House Guidelines, August 78, 1997

By NARA, Date 177, 02

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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506



MEMORANDUM FOR MR. DAVID L. CHEW

SUBJECT:

Background Papers for the President's Meeting with

Gorbachev

Attached for Mr. Regan is a copy of the latest group of background papers for the President on the Soviet Union. It deals with Gorbachev's domestic agenda, particularly the economic challenges he faces.

William F. Martin Executive Secretary

Attachments

Tab	A	Gorbachev's Domestic Agenda	
Tab	В	The Soviet Economy in Perspective	
Tab	C	USSR: The Role of Foreign Trade in the	he Economy

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White House Guidelines, August 28, 1997
By NARA, Date 7

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DISPATCH.

THE WHITE HOUSE

WASHINGTON

October 7, 1985

Dear Ms. Schnur,

Thank you for your letter of August 20. We appreciate your views and the support of your organizations for our proposed handling of the U.S. Soviet agenda in the upcoming September and November meetings with Foreign Minister Shevardnadze and General Secretary Gorbachev.

This Administration clearly equates human rights with other issues such as arms control and trade. We have repeatedly stated that our concern for human rights, and Soviet Jewry in particular, is integral to our national interest and of major significance to our foreign polciy.

Please be assured that we will continue to press Soviet authorities on the issue of Soviet Jewry, both publicly and through diplomatic channels. Thank you again for your letter.

Sincerely,

Robert C. McFarlane

Ms. Zeesy Schnur Executive Director Coalition to Free Soviet Jews 8 West 40th Street, Suite 602 New York, New York 10018

THE WHITE HOUSE

WASHINGTON

October 5, 1985

Dear Mr. Kronish,

Thank you for your letter of August 20. We appreciate your views and the support of your organizations for our proposed handling of the U.S. Soviet agenda in the upcoming September and November meetings with Foreign Minister Shevardnadze and General Secretary Gorbachev.

This Administration clearly equates human rights with other issues such as arms control and trade. We have repeatedly stated that our concern for human rights, and Soviet Jewry in particular, is integral to our national interest and of major significance to our foreign polciy.

Please be assured that we will continue to press Soviet authorities on the issue of Soviet Jewry, both publicly and through diplomatic channels. Thank you again for your letter.

Sincerely,

Robert C. McFarlane

Mr. Herb Kronish Chairman Coalition to Free Soviet Jews 8 West 40th Street, Suite 602 New York, New York 10018

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

ACTION

SIGNED

MEMORANDUM FOR ROBERT C. McFARLANE

FROM:

JACK MATLOCK

SUBJECT:

Letter from the Coalition to Free Soviet Jews

Disapprove ____

At Tab II is an August 20 letter from Zeesy Schnur and Herb Kronish of the Coalition to Free Soviet Jews. They expressed their support for the Administration's Policy on human rights and the handling of the agenda for the upcoming meetings with the Soviets. Specifically, they refer to a New York Times article in which you are quoted as saying "even incremental improvements between the U.S. and the Soviet Union would be hard to achieve without changes in Moscow's approach and its thinking on major issues." (Tab III)

Attached for your signature at Tab I are replies to Schnur and Kronish thanking them for their support.

Sestanovich, Covey, Raymond, Mandel, Steiner concur.

RECOMMENDATION

Approve ____

That you sign the letters at Tab I to Schnur and Kronish.

Atta	chment	:s:	
Tab Tab		Replies to Schnur and Kronish Letter from Schnur and Kronish, August 20, 198	85
Tab	III	New York Times Article, August 20, 1985	



Free Sons of Israel, Hashachar, American Zionist Federation, New York Board of Rabbis,

United Synagogue of America, Representing concerned organizations in New York City, Long Island,

Rabbinical Council of America American Jewish Committe Center for Russian Jewr Bergen Counties. Westchester Jewish Conference

National Federation of Temple Sisterhoods, International Network of Children of Jewish Holocaust Survivors, New York Legislators Coalition for Soviet Jewry, B'nai B'rith Youth Organization, Women's League for Conservative Number of the State Sevent Sev N.Y. Legal Coalition to Free Soviet Jews, Survivors of Nazi Camps and Resistance Fighters, International League for the Repatriation of Russian Jews, Association of Orthodox Jewish Teachers, Poale Agudath Israel, Zionist Organization of America, Jewish Community Council of Canarsie, B'nai Brith Metropolitan Conference, Warsaw Ghetto Resistance Organization, Rockland County Committee for Soviet Jewry, Americans For Progressive Israel, Union of Orthodox Jewish Congregations of America, Jewish War Veterans, B'na Brith Hillel Foundation, United Jewish Community of Bergen County, Manhattan Coalition for Soviet Jewry, American Jewish Congress, Oceanfront Council for Soviet Jewry, Jewish Association of College Youth/Hille American ORT Federation, Queens Jewish Community Council, Emunah Women, Alumni Association Teachers Institute of Seminary College of Jewish Studies, Religious Zionists of America, B'nai Akiva, Student Struggli for Soviet Jewry, National Council of Young Israel, Economists for Ida Nudel, Jewish Community House of Bensonhurst, Women's American ORT, Board of Jewish Education, Jewish Teachers Association of Orthodox Jewish Scientists, Noar Mizrachi, Long Island Committee for Soviet Jewry, Jersey Action for Soviet Jewry, Washington Heights-Inwood Council for Soviet Jewry, Jewish Labor Committee, Young Israel Collegiates and Young Adults, New York Federation of Reform Synagogue, Workmen's Circle, Pioneer Women, Jewish American Political Affairs Committee, Hadassah, National Council of Jewish Women, B'nai Brith Women, Masada/Zoi-

8 West 40th Street, Suite 602, New York, N.Y. 10018 (212) 354-1316

Den we

CHAIRMAN Herbert Kronish EXECUTIVE DIRECTOR Zeesy Schnur HONORARY CHAIRMAN Flie Wiesel Hon. Robert Abrams

PAST CHAIRMEN Dr. Seymour P. Lachman Mervin Riseman Hon. Eugene Gold Stanley H. Lowell Rabbi Gilbert Klaperman VICE CHAIRMEN Irving L. Bernstein Edith Everett Hon. Howard Golden Prof. Howard Greenberger Seymour L. Katz Ezra Levin Rabbi Haskel Lookstein Alan Pesky Dr. Noam Shudofsky Kenneth Smilen Melvin Stein Rabbi Avraham Weiss RECORDING SECRETARY Naomi Cohen CORRESPONDING SECRETARY Nechi Shudofsky FINANCIAL SECRETARY Leonard S. Kesten Joshua Vogel EXECUTIVE COMMITTEE David Bar-Illan Andrew Benerofe Dorothy Bergman Jacob Birnbaum Dr. Judith Bleich

Bernard Breslin

Cecile Feder Rabbi Myron Fenster

Blu Greenberg Hon. Kenneth Gribetz

Rabbi David Hill Dr. Albert Hornblass

Bernard Kabak

Naomi Lippman Sharon Mann Matthew J. Maryles Prof. Robert B. McKay Hon. Manfred Ohrenstein

Lynn Singer

Dr. Ronald B. Sobel Dorothea Steindl David Weil Supported by the United Jewish Appeal of Greater New York

Abraham S. Karlikow Marilyn Katz Alisa Kesten George Klein

Dr. Harold Proshansky William Rapfogel Burton Resnick Irwin Robins Judith Shapiro Hon. Sheldon Silver

Pearl Hack Alvin Hellerstein

Hon. Karen Burstein

Samuel Eisenstadt Henry Everett

Hon. Stanley Fink Hon. Harrison J. Goldin Sally Goodgold August 20, 1985

Robert C. McFarlane National Security Advisor 2201 C. Street, NW Washington, D.C. 20520

Dear Mr. McFarlane:

On behalf of the Coalition to Free Soviet Jews, and our 85 affiliated organizations, we would like to take this opportunity to voice our support for your administration's proposed handling of the U.S.-Soviet agenda in the upcoming September and November meetings with Foreign Minister Shevardnadze and Soviet Premier Gorbachev, respectively.

As you implied in the August 20th New York Times article, the United States must not be deterred by Soviet public relations gimmickry, but rather must look deeper into the pre-existing framework of negotiations, and act within that context. To date, the Soviets obligated themselves to a number of treaties and agreements not the least of which are the Helsinki Accords, which place great emphasis on the basic human rights of family reunification and the freedom of emigration and repatriation to one's homeland. It is not until there is an indication of progress in this area that flexibility can be excercised.

The agenda of the upcoming meetings with the Soviets are of major significance. We applaud the Reagan administration's understanding of the need to equate the importance of Soviet advancement in human rights to other pressing issues such as arms control and trade.

We thank you for your support.

Sincerely

Zeesy Schnur Executive Director

Herb Kronish

Chairman

SOVIET MUST SHIFT ON MAJOR ISSUES, M'FARLANE INSISTS

CITES ARMS AND RIGHTS

The National Security Adviser
Draws Dark Picture in Talk
on Russian Motives

By GERALD M. BOYD Special to The New York Times

SANTA BARBARA, Calif. Aug. 19—Robert C. McFarlane, President Reagan's national security adviser, said today that "even incremental improvements" in the relations between the United States and the Soviet Union would be hard to achieve without changes in Moscow's approach and its thinking on major issues.

In a speech that examined Russian motives and behavior in both internal and external policies, Mr. McFarlane drew bleak conclusions as he asked questions related to such issues as arms control, regional concerns and human rights.

The speech, made before a local group here while the President is on vacation, came as the White House announced that Mr. Reagan and his top advisers would meet in Washington with the new Soviet Foreign Minister, Eduard A. Shevardnadze, on Sept. 27. The meeting, the first between the two men, will be in preparation for the Geneva meeting between Mr. Reagan and Mikhail S. Gorbachev, the Soviet leader, Nov. 19 and 20.

Propaganda Campaign Seen

Mr. McFarlane's speech was broad in scope and appeared as a response to claims by the Administration that the Russians would be engaging in a propaganda campaign between now and the summit meeting. Earlier in the day, Larry Speakes, the White House spokesman, played down an offer by Mr. Gorbachev to hold an international conference on the militarization of space.

Mr. Speakes said the two powers had agreed in January to work out effective agreements aimed at preventing an arms race in space and terminating it on the earth.

"We are committed to those goals and will continue to seek to engage the Soviets in serious negotiations in Geneva," Mr. Speakes said, referring to the current round of arms-control talks. "If the Soviet Union has serious proposals to make, they should do it in the forum both sides have established and agreed to in Geneva."

U.S. Conducts Atomic Test

Mr. Speakes's statement was similiar to a recent dismissal of a mortatorium on underground testing of nuclear weapons begun on Aug. 6 by Mr. Gorbachev. The United States has proposed allowing Soviet inspections of an underground test site in Nevada, a measure the Russians have rejected.

In Washington, the Department of Energy said today that it had exploded an underground nuclear device at its Nevada test site on Saturday, the first American nuclear explosion since the Soviet Union declared its testing mora-

The department said the explosion, which was the first since July 25, was

related to weapons testing. American officials, in refusing to join the Soviet test moratorium, said continued testing was needed as part of an effort to catch up with Moscow in the drive to modernize nuclear weapons.

Advisor's Power Seen Growing

The McFarlane speech, entitled "U.S.-Soviet Relations in the Late 20th Century," was delivered to local civic groups — the Channel City Club and the Channel City Women's Forum. A text was later made available by the White House press office here.

It was the second time in recent days that the national security adviser had delivered the Administration's thinking on a major issue, and it was considered to be yet another sign that his power and influence was growing within the Administration in the development and articulation of foreign-policy objectives.

Last week, Mr. McFarlane gave the Administration's response to a speech by President P. W. Botha of South Africa. Mr. McFarlane declined to criticize a lack of major concessions to the black majority in that country.

The tone of Mr. McFarlane's speech was reflected by assertions that the Russians were undertaking an "extremely large" research effort on defensive nuclear weapons systems. While doing so, he said, it had criticized American research efforts and had insisted in public statements that it be ended.

Trouble Establishing a Dialogue

"And in a masterpiece of chutzpah, they insist repeatedly that ours is a program designed to acquire a first-strike capability," he said. "In short, we're having a lot of trouble establishing a real dialogue."

Mr. McFarlane said the Soviet leadership "should know that President Reagan is ready, patiently and methodically, to take small steps foreward and that we will respond in proportion to what we see from them."

"But at this time of questioning in the Soviet Union," he went on, "it seems to me that we should ask more of ourselves and of the Russian side as well. We know cosmetic improvements when we see them and we know the meaning of the value of major change. We should ask those questions and insist on the answers that point the way."

In discussing the Soviet Union. Mr. McFarlane raised questions about why it had decided to produce chemical weapons, which he said had forced the United States to begin production of its own such weapons after a 15-year ban.

Similarly, he said, Moscow had decided to deploy within striking distance of Western Europe a new mediumrange nuclear missile, the SS-20, which he called the most "formidable" ever fielded by the East.

"The President has committed himself to meet the Soviet Union half way in developing responsible solutions to outstanding problems," Mr. McFarlane said. "I can restate that commitment today.

"But without some change in the Soviet approach to security issues, in fact in the thinking that underlies it. I fear that even incremental improvements will be extremely hard to reach. And they will be much less likely to gather momentum to build on each

Mr. McFarlane also used a sharp tone as he talked about so-called regional issues, including Soviet assistance to Cuba and Libya and its combat role since 1979 in fighting the Afghan insurrection.

"Today, 120,000 Soviet soldiers there are waging the most brutal war now under way on the face of the earth," he said. "For what? It's not so easy to say."

say."
"Soviet officials say that they need a friendly Afghanistan on their borders," he went on. "But how is friendship to be built? Our proposition to the Soviet leadership is that their present policy is only increasing the Afghan people's hatted."

NEW YORK TIMES August 20, 1985 NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506 Matter 35

INFORMATION

October 7, 1985

MEMORANDUM FOR ROBERT C. McFARLANE

RCM HAS SEEN

FROM:

WALTER RAYMOND, JR. W

SUBJECT:

Wick Letter to Zamyatin

Attached at Tab I is the letter from Wick to Zamyatin. For your information, I have also attached a letter at Tab II that Wick received from 66 Congressmen endorsing the Wick initiative, plus Charlie's transmittal note to the President (Tab III) concerning the Zamyatin letter.

Attachments

Tab I Wick to Zamyatin Ltr, Jan 25, 85

Tab II Ltr to Wick fr 66 Congressmen, March 21, 85
Tab III Wick Transmittal Ltr to President, Apr 6, 85

cc: Jack Matlock

United States Information Agency

Washington, D.C. 20547



January 25, 1985

Mr. Leonid M. Zamyatin Chief, International Information Department Central Committee, Communist Party of The Soviet Union Staraya Ploshchad' 4 Moscow, USSR

Dear Mr. Zamyatin:

In recent months Soviet media have levied a number of attacks on U.S. public diplomacy and the U.S. Information Agency, especially on the Voice of America and our new WORLDNET satellite television service. Your article in Literaturnaya Gazeta ["Impasses of Confrontations and Horizons of Cooperation," November 28, 1984] summarizes most of the charges and typifies the underlying mindset. I am prompted to respond at this time to the continuing stream of attacks because in a period when our two governments are engaged in serious exploration of vital issues, such attacks are a disservice to more positive relations.

My hope is to generate a constructive dialogue. To initiate that dialogue I extend two concrete offers. First, I ask that you offer your good offices to facilitate using broadcast media to further mutual understanding. In this regard, I suggest that you arrange for Soviet television to carry an address by one of our top leaders which would be reciprocated on American television by one of your top leaders. There is a precedent for this: Mr. Brezhnev and Mr. Nixon made such speeches several years ago with considerable positive effect.

Second, I propose that we carry further the dialogue by having you and other Soviet officials and journalists take part in the WORLDNET program of which you are so critical. Let us jointly plan a one— to two-hour satellite television dialogue on WORLDNET in which Soviet journalists interview senior U.S. officials on issues of mutual concern. At the same time, you should plan with U.S. media a similar program in which American journalists freely and spontaneously question senior Soviet officials. Coming at this important time in our relations, such ventures could help make communication more reasoned and reciprocal.

Incidentally, I am not surprised by your unwarranted criticisms of WORLDNET and of our Agency. I have come to expect it. However, you should understand that our country does not claim, as you do, that opposing ideas "subvert" our system. We recognize instead that diversity of public opinion is one of the great strengths of America. Thus, our society freely permits Soviet spokesmen

to state their views on American television and in print. In this regard, I might note that Soviet journalists and Soviet officials are interviewed on American television literally dozens of times per year. Surely the time has come for greater equality of treatment.

If the United States can confidently tolerate opposing views without fears of "loosening" the system, why then should the Soviet government act so restrictively, even to the point of jamming our broadcasts in direct violation of several international agreements to which the USSR is a signatory? Why not allow greater independent public inquiry about your government's decisions and policies? Why should American officials, in turn, not be permitted to state their views on Soviet television and in the Soviet media? Our society has never walked away from a fair challenge, and we look forward to engaging in a peaceful contest of ideas with the USSR.

Your article is evidence of the need for this reasoned and open dialogue. Charges of "piracy of the air," "radio warfare," "subversive purpose," and "television propaganda aggression" only exacerbate the "impasses" and "confrontations" to which you allude and delay our search for "horizons of cooperation." Coming at this time, when the leaders of our two countries are seeking new means for considering meaningful arms reduction efforts and ways to stabilize relations, your attacks are most unfortunate. Surely, everyone concerned about U.S.-Soviet relations has a right to expect greater restraint and accuracy.

Although I will not attempt in this letter to deal with the many errors and distortions in your article, I would like to clarify the role and purpose of the U.S. Information Agency, particularly the Voice of America and WORLDNET.

- USIA is not in the business of misrepresenting Soviet foreign policy, as you allege. Its primary purpose is to present America to the rest of the world and to explain U.S. foreign and domestic policies to people around the world. In so doing, we present the news, good and bad.
- The Voice of America is a distinguished source of news and information about the United States -- our policies, society, culture, and values. By U.S. law, VOA is required to present "accurate, objective, and comprehensive" information, to be truthful, and to be "seen as a consistently reliable and authoritative source of news." Over 100 million people throughout the world listen to VOA each week, all voluntarily, many of them at risk to their safety.
- In modernizing and improving our communication facilities and seeking a wider audience, our purpose is to allow a greater proportion of the world's population to know what is going on in the world and be better able to reach independent judgments on these events.
- WORLDNET is a modern television system linking Washington via satellite with U.S. embassies, information centers, and a number of TV studios throughout the world. WORLDNET is not forced on receiving nations.

Journalists in the participating nations freely choose the programming that they wish to broadcast or write about or not use at all.

- WORLDNET enables foreign journalists to ask probing, unrehearsed questions instantaneously, via satellite, directly to high-level American officials. Your representatives from TASS, <u>Pravda</u> and other Soviet publications are welcome at official U.S. press conferences. They are welcome, too, as observers in our WORLDNET studio.

Permitting a free flow of information is in the best interests of both our societies and a necessary response to the times. The irreversible revolution in communications, enabling prompt and comprehensive dissemination of news, will make it increasingly harder to limit peoples' access to information.

All nations should ultimately welcome this: misunderstanding and ignorance only serve to exacerbate tensions in the conduct of international relations. Our nations need to know more about each other; we Americans are firmly committed to providing the peoples of the Soviet Union -- and the world community -- with an accurate picture of the United States. Similarly, we hope to broaden our nation's understanding of the USSR.

I hope that you will enable Soviet journalists and television commentators to participate actively, and very soon, in WORLDNET interviews of U.S. leaders to be broadcast in the USSR. In turn, American journalists should have an equal opportunity to interview your leaders for broadcast in the USA. This direct dialogue would broaden the "horizons of cooperation" that you did not discuss in your article, but that you, too, must want to see attained.

I look forward to your response to my offers that we exchange televised interviews by top U.S. and Soviet leaders and that Soviet journalists and officials participate in a WORLDNET dialogue with senior U.S. officials on issues of mutual concern.

Sincerely,

Charles Z. Wick

Director

Congress of the United States pouse of Representatives

Mashington, D€ 20515

March 21, 1985

Dear Mr. Wick,

We are writing to you today to express our support for your recent proposal to Mr. Leonid M. Zamyatin, Chief of the International Information Department of the Soviet Union, to initiate a constructive dialogue with the United States to further mutual understanding.

We are convinced that increased communication between the United States and the Soviet Union will reduce the chance of conflict caused by misunderstanding. A program to increase communication could be effectively implemented through the follow two proposals outlined in your letter to Mr. Zamyatin.

First, the offer to use your offices to arrange for a high level Soviet official to appear on American television if Mr. Zamyatin would do likewise for a top American official on Soviet television.

Second, your proposal to begin the joint planning of a one-to-two hour satellite television dialogue on USIA's Worldnet satellite facilities in which Soviet journalists would interview U.S. officials on issues of mutual concern. This would be reciprocated by a similar program in which American journalists would freely and spontaneously question Soviet officials.

In conclusion, we strongly agree with your statement that, "permitting a free flow of information is in the best interests of both our societies and a necessary response to the times."

We, the undersigned Members of Congress, would like to lend our support to further the implementation of your proposal. Onl by opening new avenues of communication can we hope to establish a more peaceful and open relationship with the Soviet Union.

Sincerely,

DICK ARMEY

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BARNEY FRANK

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Washington, D.C. 20547

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A. Kingon



April 5, 1985

Dear Mr. President:

I wish to apprise you of a recent development concerning the proposal made by me to Mr. Leonid M. Zamyatin, Chief of the International Information Department of the Soviet Communist Party, for a constructive dialogue via international satellite television.

On January 25, I extended two concrete offers to Mr. Zamyatin:

- 1. To arrange for a top level Soviet official to appear on American television if Mr. Zamyatin would do likewise for a top American official on Soviet television;
- 2. To plan a one-to-two hour satellite television dialogue on USIA's WORLDNET satellite facilities in which Soviet journalists would interview U.S. officials on issues of mutual concern. This would be reciprocated by a similar program in which American journalists would freely and spontaneously question senior Soviet officials. (See Tab A)

As you may recall, this proposal was in response to an article published by Mr. Zamyatin in the Russian language magazine Literaturnaya Gazeta entitled "Impasses of Confrontations and Horizons of Cooperation." In this article, Mr. Zamyatin sharply criticized the international activities of USIA and charged it with "television propaganda aggression."

In response, I said that "permitting a free flow of information is in the best interests of both our societies and a necessary response to the times." And, for this reason, I urged him to respond favorably to my proposal.

To date, we have received no reply.

The President
The White House

However, domestic support is beginning to grow. On March 28, I received in my office a letter signed by 66 members of the U.S. House of Representatives. This letter, bipartisan in nature and representative of a broad political spectrum, expresses strong support for the Zamyatin initiative. (See Tab B).

I shall keep you informed of other developments on this matter as they unfold.

Sincerely,

Charles Z. Wick

(Dictated but not signed by the Director in his absence from the office.)

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

SECRET

October 7, 1985

MEMORANDUM FOR PATRICK J. BUCHANAN

FROM:

JACK F. MATLOCK

SUBJECT:

Anatoly Michelson

We have repeatedly raised Michelson's case with the Soviets, but as his 30 years of fruitless efforts indicate, the case is a particularly difficult one. The Soviets are never pleased to let spouses of American citizens emigrate, and are even more hard line when the situation involves a Soviet defector.

It is hard to know whether a public mention of Michelson by the President would be helpful at this point. As you suggest, if he does so it would be best to include his name with others.

At the same time, it may be more effective if the President personally presents Gorbachev with a list of names during a private session in Geneva. If such a representation is made, we will make sure that Michelson is included.

cc:

Bud Korengold Judyt Mandel

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NLRR F06-114/3 = 17888 BY Q/ NARA DATE 10/30/07

THE WHITE HOUSE

WASHINGTON

October 1, 1985

MEMORANDUM FOR JACK MATLOCK

FROM:

PATRICK J. BUCHANAN

Anatoly Michelson, who defected from the Soviet Union in 1956 in Vienna, and who has spent 30 unsuccessful years trying to get his wife and daughter exit visas, came in to visit the other day. According to State (1977), his is the oldest unresolved divided family case on record. If the President -- in any radio speech on Helsinki/human rights -- does listing of Helsinki violations (Scharansky, Sakharov, etc.), can we include Michelson's name among those we would like to see adressed in the atmosphere of the Summit.



DEPARTMENT OF STATE

Washington, D.C. 20520

May 25, 1978

Mr. Anatoly Michelson 3235 Fine Valley Drive Sarasota, Florida 33579

Dear Mr. Michelson:

With reference to your May 22 conversation with Mr. William H. Luers, Deputy Assistant Secretary of State for European Affairs, I am writing to confirm that, to the best of my knowledge, your case is the oldest unresolved divided family case among the US-Soviet cases.

Sincerely,

Leonard F. Willems

Bilateral Relations

Office of Soviet Union Affairs



COMMISSION ON SECURITY AND COOPERATION IN EUROPE

CONGRESS OF THE UNITED STATES
WASHINGTON, D.C. 20515

February 10, 1977

The Honorable Jimmy Carter The President The White House Washington, D.C. 20500

Dear Mr. President:

As you may know, the Department of State has in recent years made a number of representations to the Soviet government in behalf of Mr. Anatol Michelson of Columbus, Ohio, who has been trying for over twenty years to bring his wife Galina, and daughter, Olga, from Moscow to this country to be reunited with him. These representations, as well as requests from several Members of Congress, have so far proved unavailing.

The Michelson family dilemma is unique in that no other immediate relatives of a U.S. citizen have been unsuccessful for so long in their efforts to be reunited. Presumably, Soviet authorities are still punishing Mr. Michelson for leaving the USSR on a tourist visa in 1956 and seeking refuge in the West. The situation is further complicated by Mr. Michelson's poor health and his need for heart surgery.

In light of the extraordinary circumstances of this case, it appears that extraordinary action is necessary. Mr. Michelson requests your personal intervention to attempt, at the highest level, to persuade the Soviet authorities to allow his family to be reunited. I would appreciate your serious consideration of his plea.

Mr. Michelson has advised me of his availability to meet with you or any member of your staff regarding this matter.

Thank you for your attention to this case.

Sincerely,

DANTE B. FASCELL Chairman Commission on Security and Cooperation in Europe

√cc: Mr. Michelson

DBF/mld

95TH CONGRESS S. CON. RES. 33

IN THE SENATE OF THE UNITED STATES

JULY 11 (legislative day, MAY 18), 1977

Mr. Metzenbaum (for himself, Mr. Riegle, Mr. Weicker, Mr. Durkin, Mr. PROXMIRE, Mr. HUMPHREY, Mr. BAYH, Mr. MATSUNAGA, Mr. EAGLETON, and Mr. Hollings) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations

CONCURRENT RESOLUTION

Urging the Soviet Union to grant visas to Galina and Olga Michelson.

Whereas Anatol Michelson has been a citizen of the United States for nine years, and has been separated for twenty years from his wife, Galina Michelson, and daughter, Olga Michelson, who are citizens of the Union of Soviet Socialist Republics;

Whereas Galina Michelson and Olga Michelson seek to rejoin Anatol Michelson, in the United States, and have been denied permission to emigrate by the Union of Soviet Socialist Republics;

Whereas the Department of State of the United States has made extensive diplomatic initiatives on behalf of the Michelson family;

Whereas many citizens of the United States have petitioned the Congress to act for the relief of the Michelson family; and

Whereas the United States and the Union of Soviet Socialist Republics have agreed to the Universal Declaration of Human Rights and the subsequent Helsinki accord, which acknowledge the right of an individual to leave his country: Now, therefore, be it

- 1 Resolved by the United States Senate (the House of
- 2 Representatives concurring), That it is the sense of the
- 3 Congress that Galina Michelson and Olga Michelson should
- 4 be granted exit visas by the Union of Soviet Socialist Repub-
- 5 lies for the purpose of allowing their reunion with Anatol
- 6 Michelson, their husband and father, respectively.

Dear Mr. Michelson:

Thank you for your letter of August 2nd with the accompanying enclosures. I am referring your material to the appropriate White Bouse office for consideration.

Best regards.

Sincerely,

Patrick J. Buchanan Assistant to the President

Mr. Anatoly Michelson 1700 Ben Franklin Drive Sarasota, FL 33577

c: W/copy of inc to Fred Fielding c: C. Vedlik, Room 93

PJB/CV/lynn (8PJB)

ANATOLY MICHELSON

. 8

1700 Ben Franklin Prive . Saraso

Sarasota, Florida 33577 .

Phone (813) 388-1252

Csaba-Should we refer then to Counsel's ofc?

August 2, 1985

Honorable Patrick J. Buchanan Assistant to the President White House Washington, D.C.

Dear Mr. Buchanan:

For almost three decades(!) Soviets are terrorising this American's family. The essence of the matter is more clearly and objectively disclosed in the attached copy of Senator Packwood's speech than could be written by me here.

29 years experience had clearly shown that a routine approach of Department of State to the subject matter is absolutely ineffective.

Only the White House can undertake realy effective actions. As stated in enclosed letter of former Senator R. Schweiker, the uniqueness of my case does justify extraordinary action!

I implore you to help me to bring this matter to the personal attention of the President and to meet with a member of his staff. Acting on this matter might also help the American people better understand the terroristic nature of the Soviet regime.

Long experience has proven that referring this matter to the Department of State is tantamount to ignoring it, since the Department has no power to solve the problem.

I am looking forward to your favorable reply.

Sincerely,

A. Michelson

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Enclosures:

MARRISON A, WILLIAMS, IR., N. J., CHAIRMAN JACOB K. JAVITS, N.1. RICHAHI I SCHWEIKER, PA. ROBERT TAFT, JR., OHIO HINGS BANDOLPH, W. VA. CLAIBURNE PILL R.I. DWARD M. KENNEUT, MARS. J. GLI NN BEALL, JR., MD. MORERT T. STAFFORD, VT. GAYLORD NELSON, WIS. WALTER F. MONDALE, MINN. THOMAS F. EAGLETON, MO. ALAN CRANSTON, CALIF. Mniled States Senate PAUL LAXALT, NEV. WILLIAM D. HATHAWAY, MAINE DONALD ELISMING, GENERAL COUNSEL LABOR AND PUBLIC WELFARE MARJORIE M. WHITTAKER, CHIEF CLERK WASHINGTON, D.C. 20510 July 28, 1975 Honorable Henry A. Kissinger Secretary of State Washington, D.C. 20520 Dear Secretary Kissinger: As you are aware, the Department of State has in recent years made a number of representations to the Soviet Government on behalf of the wife and daughter of Mr. Anatol Michelson, who for 19 years has attempted to obtain exit visas in order to emigrate to the United States. These representations, as well as requests from several members of Congress, have so far proved unavailing. The Michelson Family dilemma is unique in that no other immediate relatives of a United States citizen have for so long been unsuccessful in efforts to be reunited. In view of the pressing and unequaled humanitarian considerations, Mr. Michelson requests your personal intervention to attempt on a higher level to persuade Soviet authorities to allow his family to be reunited. It is believed that the extraordinary circumstances of the extraordinary situation mandate extraordinary action. I would appreciate your serious consideration of his plea. Mr. Michelson has advised of his availability to meet with you or any member of your staff regarding this matter. Thank you for your attention regarding this matter. Richard S. Schweiker United States Senator RSS:s1b bcc: Mr. Anatol Michelson





Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, SECOND SESSION

Vol. 126

WASHINGTON, WEDNESDAY, FEBRUARY 27, 1980

No. 31

Senate

ANATOLY MICHELSON

Mr. PACKWOOD. Mr. President, for almost 2 years I have patiently heeded the advice of State Department officials in the attempt to rectify one of the most heart-rending human tragedies in the last quarter century. Today, I must turn away from their advice and relate to my colleagues and the American people the story of one American's personal ordeal and mental anguish suffered at the hands of an insensitive Soviet Government.

Mr. President, in June 1956, in a small Moscow apartment, Anatoly Michelson kissed his wife, Galina, and his 7-year-old daughter Olga goodbye. The young, creative and talented engineer was then Director of the Soviet Central Engineering Bureau, and had been selected as a member of a group of Russian businessmen and government officials to visit Austria. Michelson knew he would not return to Russia, his family did not.

Several months before this scheduled trip, disillusioned with Soviet totalitarianism, Michelson had decided to defect, believing, naively that the Soviet

Government would permit his family to join him. After arriving in Austria, Michelson sought and received asylum and immediately began to appeal for his family's release. His 24-year nightmare had started.

Michelson spent the next 7 years in West Germany. While there his appeals were sent through the Soviet Ambassador in Bonn, the Soviet and German Red Cross, German Department of State and the International Red Cross. Nothing happened. In 1963 he moved to the United States and began to appeal for help from the U.S. Government

for help from the U.S. Government.

Over the next 16 years his cause was championed by 20 Members of Congress, including 15 Senators, 12 of whom are still here. Four administrations have made personal appeals through Secretaries of State or Presidents. Each time, except once, their efforts fell on deaf ears.

His story was published in newspapers in London and West Germany, Philadelphia, Pa., Canton, Ohio, Sarasota, Fla., New York, Washington, D.C., and Portland. Each one portrayed the agony, loneliness and frustration experienced by a family trying to deal with an intractable and heartless government.

Once, a short-lived ray of hope brightened Michelson's day. That was in March 1967, after the former Senator Hugh Scott had issued repeated pleas to Alleksey Kosygin and the London Sunday Telegraph reported on Michelson's plight just prior to the Russion Premier's visit to England. Soviet officials unexpectedly informed Galina and Olga that their application for visas to travel to the Unitted States would be approved and for Anatoly Michelson it appeared a dream was about to come true. The U.S. State Department received the same signal. Over the next few months letters were exchanged between Galina, Olga, and Anatoly as the family anticipated an end to its ordeal and joyful reunion. It all fell apart, on June 30, 1967, when the Soviet Government showed its most cruel side. Galina and Olga were coldly notifled that their applications for visas had been disapproved.

One might ask why. We did. In response to queries from Members of Congress the Soviets wrote:

Please be informed that their application was thoroughly considered by proper Soviet authorities. At the present time the answer was unfavorable for Mr. A. Michelson.

Mr. President, since that unjust blow, Michelson has continued to seek freedom for his loved ones. Appeals have been made time and again by Members of this body. The White House has placed the Michelson case first on its list of hardship requests. The Red Cross had pleaded through the League of Red Cross Societies. The United Nations has appealed in his behalf, and the Comission on Security and Cooperation, which monitors the Helsinki accords, presented his case. All efforts were fruitless.

In 1977 Anatoly Michelson moved to my State, Oregon, and soon thereafter requested my help. I, too, have now experienced the frustration and anger of Senators Glenn, Muskie, Schweiker, Metzenbaum, McGovern, Stone, Percy, WILLIAMS, KENNEDY, and others before them. In a time of so-called detente, when we were appealing in the name of human decency, urging the Soviets to demonstrate good will and compassion, our pleas were met with callousness and implied disdain. I, personally, not only received this treatment in correspondence, but also in meeting with Ambassador Dobrynin.

Mr. President, we have recently witnessed, as a result of the Soviet invasion into Afghanistan, a flood of articles and editorials proclaiming and bemoaning the fact that détente is dead. Several claim that the United States has lost its chance to continue toward the goal of peaceful coexistence. I, for one, question whether that chance was ever a reality. I, for one, question the thoughts and motive of a government which seems to take a sadistic delight in punishing a family whose only crime is having a desire to be reunited in a free country. Some would say that one cannot translate an isolated incident to national foreign policy. I say that there are hundreds of cases such as this one, and that these are indicators that détente to us was a dream of world stability and to the Soviets it was a political expedient. Recent world events certainly lend credibility to that theory.

Mr. President, I do not intend to let this matter drop. I will persist in pressing the Soviets to attend to this matter and live up to the spirit and intent of the Helsinki accords. I welcome any of my colleagues who wish to join in this effort. This family has suffered enough. Galina is now 58 and almost blind from the work she was made to perform since her husband left. Olga is now 31. At age 8 she was humilated in front of her schoolmates and branded as the daughter of a traitor. She was later denied the chance to go to college. Anatoly, now 61, has a serious heart condition. Yet all this does not seem to make a difference to the Soviets who continue to display insensitive, singleminded and unforgiving attitude toward three helpless people.

Mr. President, the facts are clear. They show me that Soviet promises are empty, that Soviet attitudes toward human life are cold, ruthless, and based on political motives. It shows me that we, as a nation, can expect little from a country that totally disregards the dignity of a man and of all mankind.

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