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# GORBACHEV: THE ROAD TO REYKJAVIK

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*by F. Stephen Larrabee and Allen Lynch*

When Mikhail Gorbachev assumed power in Moscow in March 1985, many Western observers assumed that he would concentrate on domestic policy and that Soviet foreign policy would show little innovation, at least initially. At best he was expected to pursue old objectives more vigorously. A change in style, not substance, was foreseen.

Even before the 2 days that shook the world in Reykjavík, Iceland, in October, Gorbachev confounded these predictions with a wide array of policy initiatives, personnel changes, and reformulations of old Soviet positions. Moreover, there may have been more fire behind this smoke than was commonly realized. Gorbachev's actions and statements, particularly those since the 27th Communist Party Congress in February 1986, suggest that his foreign-policy perspectives differ significantly from those of his predecessors and could reshape the ways in which the Kremlin deals with the outside world. Specifically, the new Soviet leadership seems to recognize that serious economic and technological deficiencies jeopardize the Soviet Union's international position, and that reversing this trend requires not only major economic modernization but also many new foreign-policy approaches.

Gorbachev's impact on Soviet policy is most striking in arms control, where he has recast Soviet positions on intermediate-range nuclear forces (INFs), on deep reductions in strategic offensive nuclear forces, on verification, and on testing. The Reykjavík summit provid-

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ed only the most dramatic evidence of these changes. Now that the superpowers have stepped back from their meeting in Iceland and are reconsidering the political and arms control landscape before them, the time is ripe to examine systematically Gorbachev's priorities and intentions, his views of the Soviet Union's main global challenges and opportunities, and how his perspectives differ from the pattern of the past.

Gorbachev's foreign policy must be seen against the background of the policies of his predecessors. He inherited not only staggering domestic economic and social ills, but also a foreign policy that had become increasingly rigid and defensive. In relations with Western Europe, the United States, the Middle East, and the Far East, the Soviet leadership vacuum and attendant diplomatic inflexibility had reduced Moscow's options and limited its international influence. The Soviet invasion of Afghanistan had blackened Moscow's reputation among many nonaligned countries and in Western Europe. At the same time, the build-up of Soviet INFs—above all, the SS-20—had provoked NATO's double-track decision of 1979 to deploy new medium-range missiles in Western Europe aimed directly at the Soviet homeland. Moscow's walkout from the INF negotiations in November 1983 further damaged its image in Western Europe and allowed President Ronald Reagan to portray the Soviets as the main obstacle to arms control.

Moscow's INF walkout and the hardening line toward the West also troubled its allies in Eastern Europe, especially East Germany, Hungary, and Romania. Discord within the Warsaw Pact grew as all three, in their own ways, pursued a policy of damage limitation.<sup>1</sup>

Finally, the Soviet Union was faced with a major U.S. military build-up and a new sense of American political self-confidence that threatened to erode any transient Soviet advantages gained in the late 1970s. Reagan's Strategic Defense Initiative (SDI) gave this emerging trend greater impetus and increased Moscow's fears that the United States might

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<sup>1</sup>See Robert English, "Eastern Europe's Doves," FOREIGN POLICY 56 (Fall 1984): 44-60.

gain certain short-term political and military advantages and ignite a highly destabilizing offense-defense race. This concern was underlined by Gorbachev's attempt in Reykjavík to confine the SDI to laboratory research. Moscow worries that even if this missile defense scheme does not work, it will galvanize the American economy and widen the East-West technology gap, as well as force a diversion of sorely needed resources into new sectors of the military economy, which already monopolizes much Soviet scientific and technical talent. The SDI would thereby undercut Gorbachev's primary long-term goal—economic revitalization.

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**Gorbachev has voiced concern about a scientifically and economically recharged capitalist world seeking "social revenge."**

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In less dramatic ways, the situation Gorbachev confronts resembles that of the initial period after Joseph Stalin's death in 1953. Like Stalin's successors, Gorbachev has also sought a respite with the West in order to concentrate on domestic priorities. Gorbachev also faces a twofold task: to re-establish a more favorable correlation of external forces and to carry out a program of domestic modernization and reform. These goals have dictated a shift in course and an effort to achieve some limited accommodation with the West, especially the United States.

Gorbachev's report to the 27th Communist Party Congress outlined the essentials of his foreign-policy approach. He discussed the international situation in a manner strikingly different from the late Soviet leader Leonid Brezhnev's analysis at the 26th Communist Party Congress in 1981. Brezhnev had described a relatively rosy picture. The previous 5 years had been "years of further growth for the might, activeness and prestige of the Soviet Union and the other countries of the socialist commonwealth." Although recognizing "a good many difficulties," Brezhnev had suggested a continued belief that the correla-

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tion of forces was continuing to shift in Moscow's favor.

Gorbachev's report was completely devoid of such optimism. He acknowledged certain Soviet achievements since the last congress, but stressed the "signs of stagnation" that had arisen in the past 5 years and the need for change in foreign as well as domestic policy. Although speaking primarily of the domestic scene, on several occasions he referred to the "fundamentally new situation inside the country and in the world arena" and noted that as a result, the Soviet Union had reached "a turning point not only in internal affairs but also in external affairs." Moreover, he made a number of veiled but unmistakable criticisms of policies pursued by his immediate predecessors. Gorbachev acknowledged the importance of continuity in foreign policy but he pointedly warned that such continuity had "nothing in common with the simple repetition of what has already been covered, especially in approaching problems which have mounted up." "Firmness in upholding principles and positions" was necessary, but so were "tactical flexibility and readiness for mutually acceptable compromises—the aim being not confrontation, but dialogue and understanding." In short, the speech implicitly recognized the failure of old policies and the need for new approaches on many issues, especially arms control.

More important, the speech contained a number of new ideas concerning Soviet security policy. Noteworthy in this regard are first, Gorbachev's emphasis on the nonmilitary aspects of security, particularly "global problems" such as the environment, which he noted require "cooperation on a worldwide scale"; second, his emphasis on the "growing tendency toward interdependence," which also necessitates greater international cooperation; third, his observation that ensuring national security was increasingly becoming a political task; and fourth, his emphasis on the importance of mutual security—the notion that the security of one state cannot be achieved at the expense of another.

These elements were completely absent from Brezhnev's report. Moreover, since the

congress, they have gained prominence in several analyses by senior Soviet officials and specialists.<sup>2</sup> Taken together, they imply a belief not only that Moscow has relied too heavily on military approaches to security, but also that "objective factors," above all, the danger of nuclear war and changes in the international arena, demand a more flexible and multifaceted approach to security and greater cooperation with the outside world, especially the capitalist West. The extent to which this thinking will be translated into concrete policy remains to be seen. Nevertheless, it represents an important conceptual departure for Soviet leaders.

Gorbachev's report also revealed an important and continuing evolution in the Soviet view of capitalism, which also bears on the longer-term international environment facing the Kremlin. The new Soviet Party Program states that "present-day capitalism differs in many respects from what it was . . . even in the middle of the 20th century."

Gorbachev has integrated these perspectives into his analysis. At the congress he declared that "the present stage of the general crisis does not lead to any absolute stagnation of capitalism and does not rule out possible growth of its economy and the mastery of new scientific and technical trends." Most striking, Gorbachev observed that the situation "allows for sustaining concrete economic, military, political, and other positions and in some cases even for possible social revenge, the regaining of what had been lost before." This concern about a scientifically and economically recharged capitalist world contrasts sharply with the optimism of the 1970s, when the correlation of forces in the world was said to be constantly shifting in favor of socialism.

### *New Perspectives on the West*

Gorbachev's speech also reflected important changes in the Soviet view of the Atlantic alliance. He acknowledged the strong ties that bind the United States and its West European

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<sup>2</sup>See, in particular, Anatoly Dobrynin, "Za bez'yadernyi mir, navstrecbu XXI veka" (For a nonnuclear world, toward the 21st century), *Kommunist*, 1986, no. 9: 18-31.

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allies. Gorbachev informed the congress that "the existing complex of economic, politico-military and other common interests of the three centers of power [that is, the United States, Western Europe, and Japan] can hardly be expected to break up in the . . . present-day world." But Soviet analysts also see a growing divergence between West European and U.S. interests, particularly on security issues.<sup>3</sup> As a result, in the words of Aleksandr Yakovlev, the newly promoted Central Committee secretary and a close associate of Gorbachev:

The distancing of Western Europe, Japan, and other capitalist countries from U.S. strategic military plans in the near future is neither an excessively rash fantasy nor a nebulous prospect. It is dictated by objective factors having to do with the rational guarantee of all of their political and economic interests, including security.<sup>4</sup>

Gorbachev noted with similar language the same trends in his February 1986 speech. To exploit these trends, he has abandoned former Foreign Minister Andrei Gromyko's hard-line stance toward Western Europe and has pursued a more conciliatory policy. The most significant example has been the shift in Soviet policy toward West Germany. Gromyko's campaign against West German "revanchism," initiated in 1984, has been replaced by a more cooperative posture—hence the cordial treatment accorded to visiting West German Foreign Minister Hans-Dietrich Genscher in July 1986. There is even talk of a Gorbachev visit to Bonn after the January 1987 elections. The shift amounts to an implicit acknowledgment that no effective policy toward Western Europe can exclude West Germany.

In the economic area, during Italian Prime Minister Bettino Craxi's May 1985 visit to Moscow, the Soviet leader raised the prospect

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<sup>3</sup>See Yu. Shishko, "Inter-Imperialist Rivalry Escalates," *International Affairs (Moscow)*, May 1986: 28–36. Also A. Knyazyan, "Militarisation and Inter-imperialist Rivalry," *International Affairs (Moscow)*, April 1986: 47–54.

<sup>4</sup>Interview in *La Repubblica (Rome)*, 21 May 1985, 7. (Reprinted in *Foreign Broadcast Information Service, Daily Report: Soviet Union*, 24 May 1985, CC1.)

of recognizing the European Community (EC) as a political entity and offered to establish formal economic ties between the EC and its Soviet-bloc analogue, the Council for Mutual Economic Assistance (CMEA). Such ties would increase Soviet and East European access to trade and technology. But the offer also reflects Moscow's growing understanding that the EC plays a leading political role in articulating and coordinating West European policy with respect to the United States. Bloc-to-bloc relations between the EC and the CMEA would, for the first time, enable the Soviet Union to deal politically with Western Europe as a whole in a body where the United States is not represented.

In the military field there is a similar effort to encourage the West Europeans to take a more independent stand on security issues. An example is Gorbachev's unsuccessful 1985 offer to enter into direct bilateral negotiations with Great Britain and France over reductions in their nuclear forces (an offer repeated in his comprehensive January 1986 arms control proposal). Although the offer was rejected—as Gorbachev undoubtedly expected—his aim was clearly to encourage both countries to see their security interests as distinct from those of the United States and NATO. Similarly, Moscow has stressed the dangers that the SDI poses to West European interests.

In both the Stockholm Conference on Disarmament in Europe (CDE) and the INF negotiations in Geneva, the recent Soviet willingness to make important concessions appears in part designed to spur détente in Europe. The Soviets also hope that America's allies will increase pressure on the Reagan administration to be more forthcoming on other arms control issues, such as nuclear testing and the SDI. And Moscow's June 1986 call for an enlargement of the negotiating zone concerning conventional arms control "from the Atlantic to the Urals"—a phrase with distinctly Gaullist overtones—seems designed to appeal to the West Europeans as well. Such departures suggest that Moscow may increasingly stress solving European security questions, especially those related to conventional



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arms, within a pan-European framework in order to strengthen the West European voice.

Such moves, however, do not augur a "Europe first" strategy, as some Western observers have suggested.<sup>5</sup> Even leaders like Yakovlev recognize that better relations with America's allies are no substitute for improved relations with Washington. Neither singly nor in concert can America's allies pose the kind of global challenge to Soviet interests that the United States does. The debate, therefore, is about relative priorities; better relations with U.S. allies are widely seen as a complement, not an alternative, to improved relations with Washington.

To reinforce his changes in policy, Gorbachev has carried out a major restructuring of Soviet foreign-policy personnel and institutions. His aim has been to gain greater personal control over the formation and execution of Soviet policy. The most important change was the July 1985 replacement of Andrei Gromyko. In his 28-year tenure as foreign minister, Gromyko acquired a unique and unparalleled grasp of world affairs. But when the frail health of the late Soviet leader Yuri Andropov and the foreign-policy inexperience of his successor, Konstantin Chernenko, enhanced Gromyko's power, Soviet policy began to display increasing rigidity, particularly after the INF walkout. Indeed, many Soviet officials came to perceive this decision as a major blunder. It may even have contributed to Gromyko's eventual downfall. In addition, Gromyko focused almost exclusively on U.S.-Soviet relations, a preoccupation at odds with Gorbachev's goal of a more diversified foreign policy that would recognize the "new centers of power," particularly, Japan and Western Europe.

Gromyko's "promotion" to president ended his day-to-day control of Soviet foreign policy. His successor, Eduard Shevardnadze, a relatively unknown politician from Soviet Georgia, has scant experience in foreign affairs and owes his elevation entirely to Gorbachev. He is likely to remain for some time an executor

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<sup>5</sup>See Jerry Hough, "Gorbachev's Strategy," *Foreign Affairs* 64, no. 1 (Fall 1985): 33-55.

rather than an architect of foreign policy, giving Gorbachev even greater leeway to shape the Soviet world role.

Gorbachev's effort to build his own foreign-policy team has also included the retirement of Andrei Aleksandrov-Agentov, a speech writer for and adviser to Brezhnev, Andropov, and Chernenko, and a Gromyko aide in the late 1950s. Agentov's successor, Anatoly Chernyayev, who accompanied Gorbachev to Reykjavík, is a specialist on capitalist countries who, unlike Agentov, has spent his career in the party's Central Committee rather than the government's Foreign Ministry. Formerly one of the five deputies in the Central Committee's International Department, he is considered a pragmatist by many East European officials who have dealt with him.

In addition, Gorbachev has begun to restructure the Central Committee Secretariat dealing with foreign affairs and the Foreign Ministry. Boris Ponomarev, aged 81, head of the Central Committee's International Department for nearly 30 years, was retired from this executive post and from the ruling Politburo at the 27th Communist Party Congress. In those posts, Ponomarev handled liaison with nongoverning Communist parties. He strongly advocated Soviet activism in the Third World, especially support for "national liberation" struggles. His retirement from these positions may reinforce a general trend, visible at the 27th Communist Party Congress, toward more qualified support for Third World causes considered peripheral to Soviet national interests. Another key departure was that of Konstantin Rusakov, aged 77, a former Brezhnev aide who headed the Central Committee Department for Relations with Ruling Communist and Workers' Parties of socialist countries.

The new head of the Central Committee's International Department is Anatoly Dobrynin, for 24 years the Soviet ambassador to the United States. Joining Dobrynin as his deputy is Georgi Korniyenko, former first deputy foreign minister and one of the Foreign Ministry's top Americanists. Dobrynin's appointment and Korniyenko's transfer suggest that the International Department's focus will

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turn from the Third World toward U.S.-Soviet relations and arms control. Soviet sources also report a shift in the locus of decision making on foreign policy from the Foreign Ministry to the Central Committee, another development strengthening Gorbachev's personal role in overall policy formulation.

Buttressing this impression are recent efforts to strengthen the Central Committee's expertise on arms control. Within the International Department Dobrynin has created a new section to coordinate arms control policy headed by Major General Viktor Staradubov, who has served as Soviet representative to the Standing Consultative Commission, the super-power arms treaty compliance forum, as well as on the Soviet SALT and INF negotiating teams. The move will strengthen the party's technical expertise on military issues and provide Gorbachev with an important source of outside advice on arms control issues.

A second significant change within the Central Committee Secretariat is the elevation to the post of Central Committee secretary in charge of propaganda of Yakovlev, former ambassador to Canada and head of the prestigious Institute of World Economy and International Relations. Yakovlev has emerged as an increasingly important figure. He accompanied Gorbachev on his highly successful visit to Britain in December 1984 and played a very visible role at the Reykjavík summit. A particularly outspoken and harsh critic of current U.S. policy, he has argued for giving greater priority to relations with Western Europe and Japan. His background represents a counterweight to Dobrynin's more U.S.-oriented approach and suggests that the Kremlin will step up its efforts to court Western Europe and Japan, both as ends in and of themselves and in order to influence U.S. policy.

Major changes have also taken place within the Foreign Ministry, as two former Dobrynin protégés have moved into positions of prominence. Yuli Vorontsov, former Soviet ambassador to France and Dobrynin's Washington deputy in the early 1970s, replaced Korniyenko as first deputy foreign minister. A second Dobrynin deputy in Washington,

Aleksandr Bessmertnykh, the former head of the American Department, has become a deputy foreign minister.

Another potentially important move is the creation of a new arms control department within the Foreign Ministry that is likely to provide another important source of arms control expertise. Viktor Karpov, the leader of the Soviet delegation to the Strategic Arms Reduction Talks in Geneva and one of Moscow's top arms control specialists, has been named to head it. Finally, the respected and pragmatic disarmament specialist Vladimir Petrovsky has been promoted to deputy foreign minister.

Personnel changes in foreign policy have been accompanied by changes in top military personnel. There Gorbachev has moved more slowly because unlike Nikita Khrushchev, Brezhnev, and Andropov, he does not have strong ties to the armed forces. Nevertheless, during the last year, two military leaders closely linked to Brezhnev have left the scene—the late General Aleksei Yepishev, head of the Main Political Administration of the Army and Navy, and Admiral Sergei Gorshkov, aged 76, commander in chief of the navy. Replacing them are 56-year-old Colonel General Aleksei Lizichev and 58-year-old Admiral Vladimir Chernavin. They represent a new breed of officers, whose outlook is no longer dominated by the experiences of World War II, in which neither fought. Since summer 1985 Gorbachev also has installed younger men as chief of the Strategic Rocket Forces, as heads of the Group of Soviet Forces in Germany, in Poland, and in Hungary, and as commanders of the Moscow and Byelorussian military districts.

In his effort to gain control, Gorbachev has been careful to exclude the military from the top ranks of the Politburo. Marshal Sergei Sokolov is the first defense minister since 1973 to be barred from full membership in the Politburo. In addition, the military has lost two of its most prominent civilian champions: Defense Minister Dimitri Ustinov, who died in December 1984, and Grigory Romanov, who was ousted from the Politburo in July 1985.

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Although these changes mean a military more in tune with Gorbachev's policy, disputes over such sensitive issues as military spending levels are not likely to end. Since 1976 the annual growth in Soviet defense spending has declined from between 4 and 5 per cent to about 2 per cent, with stagnation in overall weapons procurement. This slowdown appears to represent a conscious policy decision by the political leadership, not a consequence of technological problems or bottlenecks.

The military was unhappy about this slowdown under Brezhnev and apparently remains disgruntled today. In July 1985, 4 months after becoming general secretary, Gorbachev flew to Minsk for a closed-door meeting with the top military leadership. According to some reports, Gorbachev warned the generals and admirals not to expect large increases in the defense budget. In addition, the new party program, adopted at the 27th Communist Party Congress in March, appears to give the party greater flexibility in determining defense appropriations. Thus the party has pledged to make every effort to ensure that the Soviet armed forces "remain at a level that rules out strategic superiority of the forces of imperialism." Previous statements pledged to provide the Soviet military with whatever it needed to defend the homeland reliably. Yet if U.S.-Soviet relations deteriorate, with little progress made in arms control, military pressure for higher defense expenditures will be more difficult to counter, threatening Gorbachev's economic program.

In addition, the military may not be enthusiastic about some of Gorbachev's arms control positions. Gorbachev reportedly was able to win its support for a small concession to allow some SDI research only in return for agreeing to raise the limit on offensive warheads.<sup>6</sup> Some parts of the military also seem to have had qualms about extending the moratorium on nuclear testing. Indeed, the inclusion of Marshal Sergei Akhromeyev, who did not attend the Geneva summit, in the Soviet

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<sup>6</sup>Michael Gordon, "Star Wars Debate," New York Times, 3 July 1986.

delegation to Iceland, and his designation as head of the working group on arms control, may have been designed to assure the military that its interests would be protected.

### *Moscow's About-face*

Gorbachev has shown the greatest degree of initiative in arms control. The centerpiece of his policy has been his comprehensive proposal, which was launched with great fanfare on January 15, 1986, and which skillfully blended propaganda and substance. The former included the call for the complete elimination of nuclear weapons by the year 2000. The proposal for deep (50 per cent) cuts in strategic offensive arms that had been advanced the previous September was unacceptable to the United States because it would have required scrapping the MX missile and the Trident II submarine as well as prohibited SDI research. Yet the INF section represented a virtual about-face on Moscow's part. Where Moscow had adamantly rejected Reagan's "zero option"—the removal of all medium-range missiles from Europe—at the INF talks, it now endorsed the idea. And the Soviets dropped their insistence that the French and British nuclear forces be included in the negotiations. Instead, they would be "frozen." Moreover, progress on INFs at the time was not made contingent on an agreement on the SDI, opening the way for a separate agreement on medium-range forces.

Shortly before Reykjavík, Gorbachev also agreed to drop even the new demand for a freeze on British and French nuclear forces and to accept intra-allied transfers of nuclear technology needed to modernize the British nuclear deterrent.

Gorbachev's concessions do not signal a fundamental change of long-range Soviet objectives, but rather a change of approach. Gorbachev apparently sees an INF agreement as the first step in a process that will eventually lead to the withdrawal of all nuclear weapons from Western Europe. The January 15 proposal explicitly envisaged a second stage after an INF agreement, aimed at removing tactical and short-range missiles. This step would greatly help the Soviets, for NATO

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strategy rests on the U.S. nuclear guarantee to Western Europe to counter the importance of Soviet conventional superiority.

To allay Western concerns on this score, Gorbachev also has advanced new proposals on conventional arms control. At the June meeting of the Political Consultative Committee of the Warsaw Pact in Budapest, the Soviet bloc recommended:

- a wider negotiating zone (“from the Atlantic to the Urals”) that would include the European part of the USSR, a move Moscow has resisted in the past;

- phased troop reductions of up to 500,000 soldiers and airmen by the early 1990s, beginning with a reduction of 100,000–150,000 troops within 2 years; and

- cuts in tactical nuclear aircraft and nuclear weapons with ranges of over 1,000 kilometers (620 miles).

These measures are to be supplemented by a series of confidence-building measures (CBMs) on the model of the recently concluded Stockholm conference, and by “reliable and effective verification” through national technical means and international procedures, including on-site inspection. Thus the Budapest proposal goes beyond the framework of the Mutual and Balanced Force Reduction (MBFR) talks currently being conducted in Vienna in four ways: by expanding the negotiating zone to include the European part of the USSR; by proposing significantly greater reductions in conventional personnel; by including nuclear elements; and by offering to include in the negotiations European countries not currently involved in the MBFR talks. Indeed, the proposal may be designed to lay the groundwork for an eventual merger of the MBFR and the CDE and to provide a push for the second stage of the CDE. This scenario would be in keeping with the long-standing Soviet effort to promote pan-European security schemes as well as with the Soviet insistence that the second stage of the CDE focus on “disarmament.”

Gorbachev has also shown a willingness to compromise and to abandon long-held positions in the CDE itself. The accord signed in Stockholm on September 22, 1986, contains

important provisions for prenotification and observation of military exercises. The aim is to reduce the possibility of surprise attack and the outbreak of accidental war. The final agreement is essentially a scaled-back version of the original Western proposal and incorporates none of the major original Soviet demands, such as the creation of chemical- and nuclear-free zones and a pledge of no first use of nuclear weapons. Moreover, in contrast to measures agreed to at the 1975 Helsinki Conference on European Security, CBMs in the Stockholm agreement are mandatory, cover all of Europe, including the western part of the Soviet Union, and most important, provide for on-site inspection. This last element represents a Soviet first and could set an important precedent for other agreements, particularly on chemical weapons.

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**Gorbachev may not enjoy living with Ronald Reagan's America, but he has learned that he cannot simply ignore it.**

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Finally, the talks on nuclear and space arms in Geneva have also witnessed a small but important Soviet shift. Moscow continues to oppose deployment of any space-based anti-missile systems, but its June 1986 proposal accepts "laboratory research" on antimissile systems. The previous Soviet position had made any significant offensive reductions contingent on a total abandonment of the SDI. The new proposal also accepts the view that U.S. forward-based systems—fighter-bombers based in Europe and on aircraft carriers—are not strategic and allows cruise missiles on submarines but not on surface ships. And Moscow has proposed new verification measures, including monitoring weapons as they leave factories, restricting their deployment to easily surveyed areas, and mounting them on railroad cars.

All these moves were reflected in the Soviet stance at Reykjavík. In Iceland Gorbachev also appeared willing to accept significant cuts in Soviet missile forces (up to 50 per cent in some



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areas) in return for U.S. agreement to confine SDI research to the laboratory and to abide by the antiballistic missile (ABM) treaty for the next 10 years. The offer, though rejected by Reagan, remains on the table, and after a significant interlude both sides may begin to try to narrow their differences.

Within the Soviet bloc, Gorbachev has given top priority to re-establishing a greater sense of cohesion and unity. He has turned the Warsaw Pact into a key body for coordinating and publicizing Soviet foreign-policy initiatives. "Multilateral working meetings" have increased and been institutionalized at a variety of levels. In 1985 national party leaders held four such meetings, and the CMEA prime ministers conferred twice. These conclaves have been complemented by regular senior-level conferences designed to set the guidelines for the lower levels. Since 1985, for example, the regular meetings of pact countries have been expanded to include economic secretaries, with a view toward restoring bloc cohesion.

Within the CMEA, Gorbachev has stressed increasing both efficiency and economic integration. Priority has been given to coordinating economic plans, increasing East European involvement in long-term cooperative arrangements and joint projects with the USSR, and improving the quality of goods delivered to the Soviet Union. Joint projects in the area of high technology have also received great attention. At the same time, Gorbachev has stepped up pressure on Moscow's East European allies to improve the quality of their exports to the USSR.

The new emphasis on economic efficiency should not be confused with a Soviet willingness to encourage deep structural reform. Hungary has been allowed to continue its economic reform, but there has been no indication that Gorbachev sees it as a model for the rest of the bloc or for the Soviet Union itself. However, he does seem to appreciate that the alliance can no longer be run on a "push button" basis, as the pattern of more consultations shows. Within certain strictly defined limits he has been willing to allow individual East European countries to pursue

their own interests as long as they do not endanger Soviet policy goals.

Some of Gorbachev's more interesting policy departures concern regional issues. In the Middle East he has begun to woo some of the moderate and conservative Arab states such as Jordan and the United Arab Emirates. In September 1985, Moscow established diplomatic relations with staunchly pro-Western Oman. Gorbachev has also sought to encourage the various quarreling factions of the Palestine Liberation Organization (PLO) to patch up their differences. After quietly distancing himself from Yasir Arafat when the PLO leader and Jordan's King Hussein began to talk about a possible peace deal with Israel, Gorbachev met with Arafat in East Berlin in April 1986. The meeting appears to have been intended to elicit Arafat's support for an international peace conference, attended by the Soviet Union, the United States, Israel, and several Arab states, to settle the Palestinian problem.

At the same time there has been an important shift in the Soviet attitude toward Israel. In summer 1986 the USSR gave Poland the green light to establish an interests section in Tel Aviv, and Israeli and Soviet representatives held talks in Helsinki on a broad range of issues, including Jewish emigration. These were followed by a surprise September meeting at the United Nations between then Israeli Prime Minister Shimon Peres and Shevardnadze—the highest-level official contact between the two countries since the USSR severed relations with Israel in 1967. How far this new policy approach will go remains to be seen, but at a minimum, Gorbachev has instilled a flexibility and vigor into Soviet policy toward the Middle East not seen since 1967.

### *The Asian Equation*

The greater tactical flexibility in Soviet policy toward East Asia is even more impressive and can be seen chiefly in five areas. The first is an effort to speed up the improvement of state-to-state relations with the People's Republic of China. In the last 2 years a variety of cultural and economic agreements have been signed, including an accord in March

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1986 for the exchange of technicians and engineers and an upgraded consular agreement in September 1986. For the first time since 1960 Soviet experts are working in China. Further, the foreign ministers of the two countries have met three times in 1986. The Soviet media have also begun to comment more favorably about Chinese internal developments.

Until recently, Moscow has shown little willingness to address the three Chinese conditions for a fundamental change in the relationship. In a major July 1986 speech in Vladivostok on Asia and Pacific policy, however, Gorbachev took a tentative first step toward meeting two of the three Chinese demands. He announced that negotiations would soon begin with Mongolia concerning a partial withdrawal of Soviet troops from that country, and that Moscow would be pulling six regiments out of Afghanistan. In addition, Gorbachev offered concessions on the long-standing dispute over the Sino-Soviet border along the Amur River. He also suggested renewing joint water management projects begun in the 1950s, as well as resuming construction of a railway linking the Sinkiang Uighur autonomous region to the Kazakh Soviet Socialist Republic. The speech was followed by a Soviet proposal to discuss a balanced reduction of Chinese and Soviet forces along the Sino-Soviet border.

Beijing formally welcomed these initiatives but made clear their failure to address Chinese concerns adequately. The Chinese noted in particular that Gorbachev's speech glossed over the question of Soviet support for the large Vietnamese military presence in Cambodia, which they consider the main obstacle to better relations.

Nevertheless, Gorbachev has added new fluidity to the Asian equation. And if Beijing remains wary of Soviet intentions, it also is disappointed with U.S. policy on several issues, especially Taiwan. A further relaxation of tension with Moscow, especially in the military sphere, would allow Beijing to concentrate on its main priority: domestic modernization. Yet without more far-reaching

concessions on Moscow's part, a fundamental shift is unlikely.

Gorbachev has also shown a new interest in Japan. Political and economic exchanges between the two countries have intensified, symbolized especially by Shevardnadze's visit to Tokyo in January 1986—the first by a Soviet foreign minister in more than a decade. No dramatic breakthroughs were achieved, but during the visit Moscow revealed for the first time a willingness to listen to Japanese arguments about the southern Kuril Islands, which were occupied by the Soviets at the end of World War II. In addition to this departure from past Soviet policy, discussions on an eventual peace treaty were resumed after nearly a decade.

Despite a more flexible style toward Japan, however, the essentials of Soviet policy remain basically unchanged. Cosmetic gestures, such as allowing Japanese to visit the graves of relatives on the Kuril Islands, do not mean that Moscow intends to return the islands to Japan, as Gorbachev underscored during Japanese Foreign Minister Shintaro Abe's visit to Moscow in May 1986. Indeed, if anything, Moscow has attached increasing importance to the islands. Since 1983, the Soviet garrison on Iturup has been expanded and upgraded, and the Soviets' recent naval build-up in the Far East has objectively increased the strategic value of the islands, possession of which helps ensure naval passage from Soviet Far Eastern bases to the Pacific Ocean.

As part of its new Asia policy, Moscow has also begun to pay greater attention to the South Pacific. In June 1986 the Soviet Union established diplomatic relations with the island republic of Vanuatu, and it is currently negotiating a fishing agreement with the island that would permit Soviet vessels to dock for repairs, refueling, and supplies. In 1985 Moscow concluded a fishing agreement with Kiribati (formerly the Gilbert Islands), and the Soviets are also pushing the idea of turning the area into a nuclear-free zone, which would constrain the movement of U.S. nuclear submarines. Yet because Soviet Asian territory is not included, the Soviet proposal has limited regional appeal.

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Finally, Moscow has intensified ties to North Korea, particularly in military affairs. Soviet combat ships have gained access to North Korean harbors, and in 1985 Moscow delivered MiG-23s and SA-3 surface-to-air missiles to North Korea, ending a hiatus of more than a decade (mainly for economic reasons) on significant military assistance to P'yongyang. In return, North Korea has permitted Soviet aircraft to fly over North Korean territory when staging military reconnaissance flights from the Soviet Far East. Moscow thus gains easier access to sensitive Chinese industrial areas in Manchuria as well as air-strike capability against key shipping lanes in the Yellow Sea.

Gorbachev's recent initiatives need to be seen against the Soviet military build-up in the Far East. In the last 20 years the Soviet Pacific Fleet has nearly doubled in size. It is now the largest of Moscow's four fleets and accounts for nearly one-third of all Soviet naval assets, with at least 120 submarines, half of which are nuclear-powered, and 98 surface combatants. The Soviet naval base at Cam Ranh Bay in Vietnam is now the largest Soviet base outside the Soviet Union. Meanwhile, ground forces in the Far East have been increased from 200,000 to 450,000 soldiers. None of these moves reflects a fundamental shift in Soviet policy. But they do indicate that henceforth the USSR will be an important regional actor in East Asia, one fully capable of competing with the United States. Any real strategic shift in the Far East, however, will depend on Moscow's willingness to make greater substantive concessions on the key bilateral disputes with Japan and China.

In recent years Soviet perspectives on the Third World have changed markedly as well. In contrast to the Khrushchev years, when "national democrats" and "wars of liberation" supposedly heralded the developing world's irreversible march toward socialism—and alignment with Moscow—Soviet analysts today are cautious and even skeptical about the prospects for Third World economic and political development.<sup>7</sup> Twenty-five years of

<sup>7</sup>See Jerry F. Hough, *The Struggle for the Third*

unstable regimes, disloyal clients, and open-ended claims on scarce Soviet resources have prompted major second thoughts in Moscow. Soviet experts are now more hesitant to identify "socialist" patterns of development in the Third World. The obstacles inherent in often backward societies, and the incomparably superior economic influence wielded by the West in many regions, limit the possibilities for truly socialist progress and Moscow's ability to build lasting influence.

Gorbachev has fully embraced this more sober vision. Gone is the heady optimism of Brezhnev's addresses to the 25th and 26th Communist Party Congresses. Instead, Gorbachev noted at the 27th congress that socioeconomic transformation in the Third World had "encountered considerable difficulties." Western "imperialism," through "the most refined system of neocolonialist exploitation," had even managed "to tighten its hold on a considerable number of newly free states."

Although the more active posture adopted by Moscow during the late 1970s did enhance Soviet prestige, many Soviet leaders, including Gorbachev, have seemed to stress the very significant costs of these gains. The "burden of empire" has diverted resources from more pressing domestic needs. And Soviet Third World policy has also aggravated tensions with the United States and alienated many nonaligned countries.

Retrenchment, however, does not mean withdrawal or indifference. Where it has already established a strong presence, or where both geopolitical and ideological interests are closely intertwined—such as in Afghanistan, Ethiopia, Indochina, and the Middle East—the Soviet Union has no intention of withdrawing. Indeed, in Afghanistan, Angola, and Ethiopia, the Soviet Union has maintained or increased its involvement. In addition, Moscow has stepped up its military aid to Syria and Libya. Major new commit-

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World: Soviet Debates and American Options (*Washington, D.C.: Brookings Institution, 1986*); and Elizabeth Kridl Valkenier, *The Soviet Union and the Third World: An Economic Bind* (*New York: Praeger, 1983*).

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ments, however, are another matter. Henceforth, Moscow probably will take on fewer new clients and more rigorously distinguish vital from secondary interests.

### *A New Phase*

In one sense, Gorbachev has simply returned Soviet foreign policy to normalcy, to roughly the level achieved before senescence began to immobilize Soviet policymaking. In a more fundamental sense, however, Soviet foreign policy is entering a new phase. The new Soviet leadership is in the midst of a basic reappraisal of Soviet relations with the outside world. The aim is to make the Soviet Union able to compete more effectively in the coming decades, and particularly by the year 2000.

Whether this effort succeeds will depend on several factors. The first is Gorbachev's ability to convince powerful groups within the Soviet elite, including the military, of the wisdom and necessity of his policies. Many Western observers have overestimated his strength because of how quickly he has moved over the last year. Yet Gorbachev is still consolidating his power. He has managed to replace many top officials in the state and party bureaucracies, but the forces of continuity and stability remain strong at the local level. Although more than 40 per cent of the Central Committee is new, the retention in nonexecutive positions of such prominent Brezhnev-era holdovers as the former head of Gosplan Nikolai Baibakov, former Prime Minister Nikolai Tikhonov, and Ponomarev suggests that the change may not be as thorough as many Western observers assume.

Even within the Politburo Gorbachev's position is far from unassailable. Three members—Gromyko, Kazakhstan party chief Dinmukhamed Kunayev, and the Ukrainian party chief Vladimir Shcherbitsky—remain from the Brezhnev period. And five others—Prime Minister Nikolai Ryzhkov, chief of ideology Yegor Ligachev, Central Committee Secretary Lev Zaikov, Russian republic Premier Vitaly Vorotnikov, and KGB chief Viktor Chebrikov—were brought into the top leadership echelons in the early 1980s under Andropov. Indeed, the Politburo is as much Andropov's

as Gorbachev's. The two figures immediately below Gorbachev, Ligachev—the de facto number-two man—and Ryzhkov, who is in charge of the economy, were promoted to the Central Committee Secretariat by Andropov and can by no means be considered Gorbachev's creatures. In short, Gorbachev needs to achieve a consensus for his policy.

Gorbachev's success will also hinge on reaching an understanding with the West, and above all, the United States. Some control of tensions, particularly in the military sphere, is necessary for economic modernization and reform to proceed. As the summit in Reykjavík underscored, within this framework the SDI plays a central role in Soviet thinking. Having invested heavily in the military, especially in land-based missiles, for two decades, and having achieved rough parity with the United States, the Soviets now perceive a new challenge that threatens to nullify many of these gains and force them into unbridled competition in an area where they are weak and America is strong: high technology. Even if the SDI does not work—and many Soviet scientists doubt that it will—the Soviets fear that there will be major technological spin-offs, especially in conventional weapons and other areas. These could give the United States important, albeit temporary, political and military advantages. A full-blown defense race would also force the diversion of still more resources to the military sector and undermine Gorbachev's plans for economic modernization and reform.

Gorbachev came to Reykjavík well prepared and well briefed. In contrast to the Geneva summit, the agenda—arms control—was his. Other issues were relegated to secondary importance. Gorbachev made a number of sweeping concessions, especially on medium-range missiles. But by tying these concessions to a package deal on the SDI, he put the onus of failure on Reagan and made the president's commitment to missile defenses appear to be the stumbling block to any final agreement.

Gorbachev can use his strong performance to counter critics back home, especially in the military, who feared that he was yielding too much for too little in return. Moreover, hav-



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ing established a reputation for firmness at Reykjavík, he is in a better position to make future concessions. Perhaps most important, Gorbachev succeeded in refocusing attention back on the SDI. Within the U.S. Congress, the SDI program is likely to come under closer scrutiny in the coming months. And in Western Europe, where the SDI is regarded skeptically, Reagan will face increasing criticism.

In addition, many West European governments have already expressed unease with the manner in which Reagan, without any prior consultations, so casually accepted Gorbachev's offer to remove all medium-range missiles from Europe. As the West European reaction to Gorbachev's January 15 comprehensive proposal once again revealed, many of these governments, especially those of France and West Germany, are uncomfortable with the idea of eliminating these weapons completely. They worry that such a measure could weaken America's nuclear guarantee and encourage new pressures for more far-reaching schemes aimed at the complete denuclearization of Western Europe—while the Warsaw Pact preserved its impressive conventional edge on the Continent. But Washington may find it difficult to withdraw the zero-zero option now that it is on the table.

Reagan's offer to eliminate all ballistic missiles over 10 years also appears to have been made without his thinking through the implications for U.S. and NATO military strategy. Whether or not the Soviets ultimately accept this proposal, they are likely to exploit it for propaganda purposes, particularly in Western Europe. One of the summit's main outcomes could be a renewed Gorbachev effort to court Western Europe. Moreover, the skillful manner in which Moscow sent its top emissaries to brief Washington's West European allies at the conclusion of the summit demonstrates that Gorbachev clearly appreciates the potential gains to be made in the region. Indeed, one of the summit's striking aspects was the more sophisticated public relations approach displayed by the Soviets. A key role in this campaign was played by Yakovlev and other Soviet officials with vast experience dealing with the Western press, such as Georgi Arba-

tov, the chief Kremlin Americanist, and Valentin Falin, former Soviet ambassador to West Germany and current head of the Soviet press agency Novosti. From the beginning, they sought to create an atmosphere of expectation in Iceland.

The stalemate at the summit, however, is not likely to lead to a major rupture of U.S.-Soviet relations—as happened after the collapse of the INF talks in 1983—or to signal the end of arms control. Both sides have too much at stake. Indeed, Gorbachev made clear in his press conference at the summit's conclusion and later in his October 14 televised speech to the Soviet people that he was not closing the door.

Gorbachev takes this position for two reasons. First, he cannot rule out the possibility of coming to an understanding with the United States without fundamentally altering the assumptions undergirding his overall foreign and domestic policies. Gorbachev may not enjoy living with Reagan's America, but he has learned that he cannot simply ignore it. Second, were Gorbachev to secure Reagan's assent to an important arms control accord, arms control's validity and necessity would no longer be major American issues, as they have been since the early 1970s. The U.S. debate would turn to specific arms control plans.

Reykjavík was thus not a failure. On the contrary, the meeting showed how much can be achieved given enough political will on both sides. The two superpowers significantly narrowed their differences on INFs, testing, and deep cuts in offensive nuclear missiles, and, in principle, even on the types of missiles. The meeting also cleared the air and made apparent that the main obstacle to an offensive missile accord is the president's commitment to the SDI. The choice facing Reagan is now quite clear: deep cuts in offensive weapons and some constraints on the SDI, or no accord on strategic arms during his administration.

So far Reagan has refused to compromise and has vowed not to use the SDI as a bargaining chip. Yet a combination of factors—the sobering experience of Reykjavík, mounting budgetary constraints, West European pressure, and a desire to secure his place

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in history as a “peace president”—may cause him to reconsider. In addition, a more assertive Congress and his status as a lame duck could increasingly erode his bargaining leverage. Thus if Reagan wants a deal, there are good reasons to compromise while his political stock is high and he has an impressive pile of chips with which to bargain. Moreover, his vision of making nuclear weapons “impotent and obsolete”—as opposed to building an imperfect defense for missile silos—involves technology that will not be available until the end of the century—if then. Consequently, he can afford to accept a 10-year moratorium on testing and developing missile defenses, as discussed at Reykjavík, without sacrificing his long-term dream. Meanwhile, laboratory research could continue and deployment could be left for future negotiation.

Gorbachev himself may be tempted to wait Reagan out with the idea of negotiating a better deal with his successor. That approach would be a mistake. It takes a year to 18 months before any new president is ready to do serious business on arms control. In the interim any number of unforeseen events could derail superpower relations and prevent an agreement. Moreover, any new president, whether Republican or Democrat, will find it more difficult to get an arms control agreement ratified by the Senate than Reagan, whose anticommunist credentials remain impeccable.

In sum, a historic opportunity was not lost at Reykjavík. It is still “within our grasp,” to use Reagan’s expression. What is needed now are not mutual recriminations but renewed commitments on both sides to build on the substantial progress made at Reykjavík. The administration, however, must realize that Gorbachev is a far tougher and more skilled adversary than his decrepit predecessors. The days when the United States could gain advantages by default are over. The possibilities for significant progress in stabilizing relations have increased—but so have the costs of overconfidence and amateurism.