James Schlesinger

REYKJAVIK AND REVELATIONS: A TURN OF THE TIDE?

For much of its first six years, the Reagan Administration has cruised along in its foreign policy in a manner both serene and enviable. The errors in nuclear policy that had marred our relations with Europe in President Reagan's first year were attributed to growing pains. Mistakes such as the Euro-Siberian gas pipeline controversy with the Europeans and the Administration's initial hard line toward the People's Republic of China were repaired with little permanent damage. Even a major blunder, our ill-starred intervention in Lebanon, was terminated quickly—and our forces extricated with such tactical skill that little permanent damage was done (save to our prestige and influence within the Middle East). Certain other actions—our support of El Salvador, our move into Grenada and our attack on Libya—however controversial at the outset, turned out to be generally successful and much of the initial criticism died away.

Meanwhile the Soviet Union was passing through a time of troubles. International dynamics in a world still significantly bipolar reflect to a large extent a kind of counterpoint between the United States and the Soviet Union. Consequently, the position and prestige of one superpower tends to vary inversely with the gains or losses of the other. At least until the accession of General Secretary Mikhail Gorbachev, the Soviet Union appeared plagued by bad luck and unable to deal with its many internal and external problems. President Reagan had had the good fortune to come into office as the Soviet Union went through three succession crises in a row. In addition to its internal drift, the U.S.S.R.'s policies were also marked by a series of blunders—from the walkouts at the INF (Intermediate-range Nuclear Forces) and START (Strategic Arms Reduction

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Talks) negotiations in Geneva, the heavy hand and threats directed against Western Europe, and the shooting down of a Korean Air Lines passenger jet. For much of the early 1980s, therefore, the Soviet Union wore the black hat in international affairs—and the United States benefited correspondingly.

Much, perhaps too much, has been made of the Soviet geopolitical offensive of the 1970s, but the Soviets did make significant gains in the Middle East and elsewhere. And, indeed, a geopolitical tide had been flowing toward the Soviets, at least since Watergate and perhaps since our earlier entanglements in Southeast Asia. Whatever its origins, throughout the 1970s American institutions had been severely challenged and the society had lost its self-confidence. One of President Reagan's greatest accomplishments was his contribution to the restoration of America's self-confidence, which resonated among America's allies, who had been troubled by the faltering United States of the 1970s.

In short, during the 1980s, the geopolitical tide that had been flowing toward the Soviet Union in the 1970s was reversed—and began to flow toward the United States.

In the sixth year of the Administration, in part reflecting the more effective stance of the Soviet Union under Gorbachev and in part reflecting simply the law of averages, the Administration's foreign policy was suddenly beset with difficulties. Even before the embarrassments of November—the revelations that our anti-terrorist policy had been undermined by secret sales of arms to Iran and that the proceeds of those sales had in part been used to fund the operations of the anti-Sandinista guerrillas in Nicaragua (in clear defiance of a congressional ban)—our foreign policy had been marred by both a sense of drift and serious blunders.

I shall here concentrate on two issues: East-West relations, particularly as affected by the Reykjavik summit; and White House mishandling of Third World security problems, particularly as revealed by the Iran/contra affair. There have been, however, additional problems, if subsidiary ones, that have further reduced the Administration's stature. The dramatic override of the President's veto of the South Africa sanctions bill indicated a misreading and a mishandling of congressional sentiment. The Administration had fallen too far out of touch with the congressional mood. The brief flap over the disinformation program directed against Libya's Muammar al-Qaddafi reduced the credibility of the Administration abroad, but also

at home. The shooting down of an American cargo plane over Nicaragua (perhaps inevitable) with an American crew and an American survivor (certainly not inevitable) added to the Administration's vulnerability. Finally, the loss of Republican control of the Senate, particularly in light of the President's unprecedented campaigning, presaged further difficulties for the President.

The November revelations implied something far more serious than the normal lame-duck deterioration of an administration in its final years. They suggested a weakened executive—at best on the defensive, and quite possibly crippled. The fabled Reagan luck apparently had run out. The question now is quite simply: Has the tide that had flowed toward the United States in the early 1980s started to ebb?

II

The summit at Reykjavik represented simultaneously the culmination and the collapse (at least temporarily) of realistic hopes for arms control. To say that the summit was ill prepared is to indulge in classic understatement. Indeed, the entire performance at Reykjavik underscored the continuing validity of the diplomatic adage that leaders should go to summits not to negotiate, but to ratify what has already been agreed to. The President was led astray by an exaggerated faith in his powers of persuasion. There are indications that the summit's hasty design reflected the all too common domestic political priority: the quest for an arms control "success" before a midterm election. Not only was the summit ill prepared, it was quite badly executed with spur-of-the-moment proposals followed by spur-of-the-moment despair. It combined the worst aspects of earlier summits. It was as ill conceived as the Vienna summit of 1961; it had the worst outcome since the blowup of the Paris summit of 1960; and it rested upon utopian expectations not seen since the Yalta conference of 1945.

Nonetheless, the environment for a serious arms control agreement was the most favorable since the early 1970s. The auspicious environment had been created by the enhanced bargaining position of the United States, due to the Strategic Defense Initiative; by Mr. Gorbachev's strong desire to focus on improvements in the stodgy Soviet economy; and by the deep-seated Soviet wish to avoid a technological competition in arms with the Americans. At long last, the Soviet desire to avoid another turn of the screw in the arms competition seemed

to have overcome their long-term inclination to try to extract marginal advantages in such negotiations. The Soviets were prepared to offer sharp reductions in their bloated strategic offensive forces, which represented the potential for a serious agreement, if the United States had been adequately prepared to exploit it. Yet, finally, it all turned into nothing. Reykjavik represented a near disaster from which we were fortunate to escape. It has quite likely forfeited the possibility of a major arms control agreement for the balance of the Reagan term. Perhaps the summit's only useful result is that it has changed what had been the universal European clamor for an arms control agreement into a keen European awareness that such agreements might seriously damage their security interests.

At Reykjavik the American negotiators appeared to have been little informed either on the exigencies imposed by Western deterrence strategy or on several decades of discussion and debate regarding both the possibilities and the limitations of nuclear disarmament. Nuclear weapons remain the indispensable ingredient in Western deterrence strategy. For a generation the security of the Western world has rested on nuclear deterrence. Its goal has been to deter not only nuclear attack but also massive conventional assault from the East. Failing to achieve the force goals outlined at the Lisbon conference in 1952 and the subsequent "New Look" of the Eisenhower Administration, the Western alliance came almost to embrace its conventional inferiority. Indeed, with the trip wire strategy of the Eisenhower years, conventional forces were stated to exist solely to determine the proper moment for unleashing the Strategic Air Command. It was taken as axiomatic that the West could not match "the Soviet hordes." Whatever its limitations, that strategy worked as long as the nuclear threat was primarily unilateral and until the Soviets began to develop an adequate counterdeterrent.

Attitudes began to change in the 1960s with the move toward flexible response. By the mid-1970s the European allies had come to accept the importance for deterrence of a stalwart conventional capability. Perhaps that capability would not be sufficient in itself to protect Western Europe against an all-out conventional assault, but with the mutual reinforcements provided by the strategic and theater nuclear weapons (the other two legs of the NATO defense strategy), it could provide a comfortable level of deterrence. There NATO doctrine has rested for the past decade. Despite the bitter controversies

regarding new deployments, nuclear weapons provide the glue that has held the Western alliance together. Indeed, the controversies themselves reflect an unstated acknowledgment of this critical role.

The American position at Reykjavik seems to have reflected no understanding of these simple fundamentals. Indeed, at one point in the negotiations the President had accepted Mr. Gorbachev's proposal that both sides eliminate all strategic offensive arms by 1996. Happily, the Administration has now backed away from this breathtaking proposal and insists that it represents only a long-term goal. But that impulsive, if momentary, agreement underscores the casual utopianism and indifferent preparation that marked Reykjavik.

Surely we must be more cautious in casting aside the existing structure of Western security before we are assured that an alternative truly exists. In the absence of the nuclear deterrent the Eurasian continent would be dominated by that nation with the most powerful conventional forces. The President may win plaudits from the National Conference of Catholic Bishops or from the National Committee for a Sane Nuclear Policy or even from the left wing of the British Labour Party when he holds out his vision of "a world without nuclear weapons," but it endangers Western security and seriously weakens alliance cohesion.

Secretary of State George Shultz has expressed his confidence that, given their greater economic resources, the allies can create conventional forces superior to those of the Warsaw Pact. But such a view simply ignores the psychology, the long history, and even the geography of the NATO alliance. With serious economic strains, adverse demographic trends (sharply falling birth cohorts, particularly in Germany) and no draft in the United States, will the allies do in the 1980s what they were unwilling to do in the prosperous 1960s and early 1970s? Should we risk Western security on so flimsy a hope?

Even if we attribute the aberration of negotiators consenting to the elimination of all strategic weapons to their being swept away by the enthusiasm of the moment, what are we to make of the main American proposal to eliminate all ballistic missiles by 1996? It was put forward not on the spur of the moment but after some, albeit not very deep, reflection. It appears to have originated in the Department of Defense (under some suspicion of disingenuousness, in that the Soviets could never accept it and that it would "play well in Peoria"). The proposal

was included, in a general way, in President Reagan's July letter to Mr. Gorbachev without any suggestion of timing—more as a long-term aspiration than a concrete proposal. For that reason the Joint Chiefs of Staff did not take it very seriously. But at Reykjavik it was—without prior consultation with the Congress, the allies or the Joint Chiefs—put forward as a concrete proposal to be achieved in ten years' time. Although the President and Secretary Shultz have backed away somewhat from this proposal, it is still supported by some senior Administration officials and remains a part of our proposal in Geneva. While, happily, it lacks the quixotic heedlessness of the elimination of all strategic nuclear weapons, it raises very serious questions and has been subject to no serious analysis. Indeed, the National Security Decision Directive calling for the study of the military implications of the elimination of ballistic missiles was not circulated until several weeks after Reykjavik.

For a quarter of a century the value of the nuclear triad (bombers, intercontinental ballistic missiles and submarine-launched ballistic missiles) has been taken as axiomatic for America's military posture. Annually reiterated in the posture statements of various secretaries of defense, the value of the triad reflects not only the special features in targeting of each of the elements of the triad, but the desire to avoid putting all the principal deterrent eggs in one basket. As recently as 1983 the President, in accepting the report of the Scowcroft Commission, embraced this concept. The report pointed out that the triad would complicate any Soviet attack plan and would dissipate Soviet resources that might otherwise be concentrated against a single deterrent system: "Thus the existence of several components of our strategic forces permits each to function as a hedge against possible Soviet successes in endangering any of the others." The report went on to say, "the different components of our strategic forces would force the Soviets, if they were to contemplate an all-out attack, to make choices which would lead them to reduce significantly their effectiveness against one component in order to attack another." Space does not allow the spelling out of these technical details. Suffice it to say that at Reykjavik the Administration suddenly jettisoned 25 years of deterrence doctrine and the President's prior embrace of the Scowcroft Commission report. Without warning, without consultation with Congress or its allies, indeed without any prior analysis, the Administration proposed the abandonment of two of the three traditional legs of the triad.

Does no one in the Administration recall the days before ballistic missiles and the deep concern regarding the vulnerabilities of our bomber force, then deployed at only 55 Strategic Air Command (SAC) bases, susceptible to surprise attack? (That concern, needless to say, deepened with the initial Soviet deployments of intercontinental ballistic missiles.) The inevitable result, then and now, is the call for an airborne alert of the bomber force to limit its vulnerability on the ground. Does anybody in the Administration recall the lengthy dispute between the Congress and President Eisenhower, as the Congress pressed additional money on the Administration for airborne alert and the President argued that all it would lead to was "worn-out bombers"? A hypothetical bomber force of the 1990s would consist of many fewer bombers than in the 1950s, probably located on an even smaller number of main bases. Can anyone doubt that the concerns of the 1950s about its vulnerability would rapidly revive?

The ability of such a bomber force to penetrate Soviet air defenses would cause similar introspection and concern. The Administration itself has steadily emphasized that the Soviets invest far more than we do in "strategic defense." Most of that vast Soviet investment is in air defense. (By contrast, the United States, having accepted that Soviet ballistic missiles have essentially a free ride, has maintained only a skeletal air defense.) In the 1990s could our bombers be assured of penetrating the hundreds of radars, thousands of interceptors (with a look-down, shoot-down capability), and tens of thousands of surface-to-air missiles that will then constitute Soviet air defenses? Moreover, the Soviet air defenses would likely be even more formidable if we were to "share" our strategic defense technology with the Soviets, as the President has promised. How assured would we feel under those conditions?

For more than 20 years we have been confident that submarine-launched ballistic missiles (SLBMs) were invulnerable. At Reykjavik we proposed to dispose of this leg of the triad. Do we really want to rid ourselves of what we have regarded as the invulnerable part of our deterrent—and depend wholly on air-breathing vehicles? The Administration argues that submarine-launched cruise missiles could to a considerable extent maintain some degree of invulnerability, as we eliminate the SLBMs. Do we seriously want to reduce radically the range at which our submarines can operate, forgo the advantages of long range embodied in the Trident ballistic missile and force

our submarines to operate close to the Soviet Union with all the inherent increase in vulnerability? Do we want to depend on the capacity of cruise missiles to penetrate substantially enhanced Soviet air defenses?

Under the proffered conditions, the bulk of our retaliatory force would rest on bombers, located at a small number of bases and vulnerable to surprise attack. Would we really want to depend upon a surviving force of cruise missiles going against Soviet air defenses? Surely an administration that originally came into office stressing "the window of vulnerability" for our strategic forces should appreciate that under such conditions concern about the survival of our deterrent would once again escalate.

Finally, one must consider the budgetary consequences. Bombers, with their heavy requirements for manpower and fuel, tend to be quite costly, particularly if they are required to fly often in airborne alert. As we are procuring and operating this deterrent force of the future, and simultaneously rebuilding our air defenses and creating a ballistic missile defense, what portion of a relatively fixed defense budget would be absorbed? To what extent would our conventional military capabilities unavoidably be sacrificed—at the very moment that the need for further improvements in conventional defenses is being acknowledged throughout the alliance? At a minimum, it would appear that we should await the result of the belatedly ordered analyses before we press forward with the proposal to eliminate ballistic missiles.

One of the anomalies at Reykjavik was the contrasting treatment of the nuclear deterrent and the Strategic Defense Initiative. In Western strategy the nuclear deterrent remains the ultimate and indispensable reality. Yet at Reykjavik the President was prepared to negotiate it away almost heedlessly. By contrast, the Strategic Defense Initiative was treated and continues to be treated as if it were already a reality ("the key to a world without nuclear weapons") instead of a collection of technical experiments and distant hopes. The President proposed to deploy SDI in 1996. But by 1996 only a most rudimentary defense, based upon kinetic-kill vehicles, could be deployed. None of the well-advertised exotic defenses, including lasers and particle beams, could possibly be available until well into the 21st century. Thus, the proposed early deployment of this rudimentary ballistic missile defense would occur in the same year that the possession of ballistic missiles would

no longer be permitted. That would, of course, ease the problem of making the ballistic missile defense effective. (There is always a hypothetical ballistic missile threat sufficiently limited that it can make even a rudimentary defense effective.)

Even with the threat of ballistic missiles nominally eliminated, the President argues that an early deployment of a rudimentary strategic defense system is necessary as insurance against Soviet cheating. It would be very costly insurance indeed, and one may well wonder whether or not the resources invested in such a rudimentary defense would not be better invested in other military capabilities. However, the stakes would be high, much higher than the Administration understood at the time of Reykjavik. If we were actually to eliminate ballistic missiles and return to a retaliatory force based primarily on bombers located on a small number of SAC bases, our main retaliatory force would be extremely vulnerable. Even if the Soviets were to cheat only to the extent of hiding away a very small number of missiles, our main U.S. retaliatory force would be placed at risk.

One may be bemused by the President's preoccupation with SDI. At Reykjavik he was prepared apparently to sacrifice our entire strategic nuclear armament, but unprepared to compromise on outside-the-laboratory testing of SDI. One finds it hard to believe that preserving the freedom to test SDI is by itself of sufficient importance to determine whether to jettison or salvage the Western system of security based on nuclear deterrence. Nonetheless, we must accept the astonishing irony: it was the impasse over SDI that saved us from the embarrassment of entering into completed agreements from which subsequently we would have had to withdraw. Thus, SDI may already have made an invaluable contribution to Western security—not for the bright, if somewhat evanescent, future regularly proffered to us, but rather by preserving the elements of nuclear deterrence from our Administration's recklessness at Reykjavik. For that we must be permanently grateful to SDI—irrespective of the still uncertain outcome of the research and development effort.

To be sure, the preoccupation with SDI, plus Gorbachev's tactical blunder in failing to seize upon the President's acceptance of the notion of total strategic nuclear disarmament, saved us at Reykjavik. But one should pause and examine what might have been. For more than a decade we have sought to control the grossly inflated Soviet offensive forces, which in-

corporate a major counterforce capability. Gorbachev offered to reduce Soviet strategic offensive forces by 50 percent. If the offer was genuine—and that could only be determined by extensive negotiations—it might have achieved the true goal of arms control: enhanced stability in the military postures of the two sides. To Gorbachev's predictable demands that the 1972 Anti-Ballistic Missile Treaty be strengthened (can we really have been surprised by his insistence on this point after all the Soviet statements of the past three years?), we should have responded by seriously addressing his legitimate concerns about the scope of SDI testing, rather than pursuing the tack of eliminating all ballistic missiles by 1996, which led the discussions down the grandiose, if futile and dangerous, road toward total nuclear disarmament.

What have been the reactions to the events at Reykjavik since the summit? Reykjavik may have been a marginal electoral success for the midterm elections, but it has been a foreign relations disaster. On the first point the Administration seems to have been quite satisfied by its mastery of the political technique it calls "spin control." White House Chief of Staff Donald Regan commented: "We took Reykjavik and turned what was really a sour situation into something that turned out pretty well." What that says quite simply is that the public relations impact on the American electorate is all-important, while the substance of arms control and foreign reaction are of negligible importance.

In Europe, however, the reaction was one of consternation, as the substance and process of the negotiations at Reykjavik became better understood. The Europeans, needless to say, were vastly disturbed to discover that such revolutionary changes in the Western security system affecting Europe could be proposed and negotiated without any prior consultation. But they were perhaps even more disturbed by the sudden realization that the American negotiators apparently proceeded at Reykjavik without the slightest understanding of the basis of the system of Western security. At a more specific, and perhaps lower, level of concern, there was exasperation at the casual proposal to eliminate the missiles placed in Europe after so much political travail. We had made the argument that missiles in Europe were essential to deterrence by linking forces in Europe to the larger American strategic deterrent. While one can argue that the Euromissile issue is more symbolic and

psychological than military, still it is hard for us to abandon the initial rationale.

Amid considerable distress, a hasty round of conferences was held. Soon British Prime Minister Margaret Thatcher, bearing a portfolio for all the European allies, appeared at Camp David to deliver a *reclama* on Reykjavik. The outcome, which set priorities for arms control, was highly satisfactory. It was agreed that priority should be given to major reductions in intermediate-range nuclear forces and a 50-percent reduction in strategic offensive weapons, and in the context of the elimination of conventional disparities, a ban on chemical warfare and a reduction in shorter-range systems within the European theater. Perhaps most significant, the long-standing strategy of NATO was reconfirmed.

Once again, as with the earlier rhetoric of SDI replacing (immoral) deterrence, Mrs. Thatcher helped save the Americans from their own folly. The selection of priorities, while sensible, was rather belated. The normal procedure is to establish priorities *prior* to negotiation—just as the normal procedure would be to study the consequences of eliminating ballistic missiles *prior* to making such a proposal. The Administration does appear to have backed away from its breathtaking discussions at Reykjavik in a manner equally breathtaking. For that, at least, we should be grateful.

Nonetheless, the consequences of Reykjavik remain serious. Though allied governments have been eager to put as good a face as possible on the summit, beneath the surface of public support they remain deeply disturbed at both the substance and the procedure of the Reykjavik negotiations. Their confidence in American leadership has been significantly weakened. In the immediate aftermath of the summit some began to cast around for alternative methods, other than American protection, to provide for their security. Although the initial alarm has now diminished, some residue remains.

With our allies we have gotten the worst of both possible worlds. On the one hand, the confidence of West European governments in the capacity of American leadership to protect the general interests of the alliance in negotiations has been seriously damaged. On the other hand, the publics and much of the press in Europe have been excited by the promise of major arms control agreements, and particularly the elimination of the Soviet intermediate-range threat directed against Western Europe. They have been persuaded that the elimina-

tion of the dreaded SS-20 threat would have taken place had it not been for the American obstinacy about SDI. While the Soviets will remain unsuccessful in the near term in changing attitudes of governments, they have been given a fertile field to sow in the battle for public opinion.

Perhaps even more important in the long run, the President's embrace of the goal, both utopian and dangerous, of a world without nuclear weapons will inevitably weaken support for the strategy of nuclear deterrence upon which the defense of the West continues to rest. This is particularly true in Western Europe. It has already been seized by the British Labour Party and by the Social Democratic Party in West Germany in the run-ups to their respective elections. But it is also true in the United States. Once again, as with SDI, the President has been destructive in his judgment on deterrence. He has clearly done more to weaken deterrence than did the U.S. Catholic bishops in their 1983 pastoral letter.

The full effects of Reykjavik will probably never be known, as the summit has been wholly superseded in public discussion by the issues of arms for Iran and the illegal funding of the contras. Admittedly, these latter events appear more dramatic and have a greater impact on the public mind. They do constitute a serious embarrassment for the United States and provide the potential for a major diplomatic setback. Nevertheless, their inherent weight is much less than the negotiations at Reykjavik. They cannot significantly alter the military balance or significantly weaken Western security. By contrast, Reykjavik had the potential for upsetting the military balance, for suddenly vitiating Western military strategy, and for destroying the cohesion of the Western alliance. It is a pity that the more consequential shall have been overtaken by the less consequential if more dramatic. Reykjavik was a near disaster, and we should learn from it all that we can. Perhaps the best that can be said about the summit is that it was a *near* disaster. As the Duke of Wellington remarked after Waterloo: "It was the nearest-run thing you ever saw."

III

The tangled affair that falls under the rubric of the "arms scandal" has rocked both the government and the country. There has been public confusion regarding what our policies really are and a stunning drop in the President's approval rating. It has weakened and may cripple the Administration

far beyond the lame-duck status normally occurring at this stage in an administration. I do not intend here to attempt to disentangle the precise relationships among people and events, the contradictions and the illegalities; that is the task of the congressional review committees and the independent counsel. I shall instead attempt to examine the implications for American policy in the broadest sense and the impact upon our international position.

Whoever allowed this combination of events to proceed could not have designed his work more destructively. The combination of weapons supplied to the regime of the Ayatollah Ruhollah Khomeini (on the scale of the American public's dislikes, Iran ranks well above the Soviet Union), the ransoming of hostages (not only were arms traded, but ransom money was raised explicitly for that purpose), and the illegal diversion of funds to the contras (for whom public sentiment has varied between indifference and hostility) was put together in a package and planted in the White House complex. It was a ticking time bomb, ingeniously contrived and placed close to the President. It was only a matter of time before it detonated.

The origins lie well back in the Administration's reading, strongly touched by ideology, of recent history. The setbacks that the United States experienced in the 1970s were attributed in no way to the limits of American power, but simply to the lack of will. The solution was equally simple: American strength and American will. Be determined. Overcome all obstacles. A cult of toughness became the norm. There was a widespread failure to understand the real restraints on American power and the American public's deep-seated ambivalence about the use of force, including the disguised use of force.

In the long run, heroic posturing is as unsatisfactory a basis for foreign policy as is moral posturing. Some in the Administration seemed to view *Rambo* not just as a highly implausible adventure tale, but rather as a profound political treatise. Administration policies were shaped by ideologues who lacked familiarity with American politics and what the American people are prepared to accept. Covert operations were not just a tool, useful if somewhat distasteful. Instead they were regarded as a noble instrument, a righteous cause—of which one could be proud in public—almost a crusade. There was frustration with the restraints placed upon presidential control of foreign policy. There was resentment of the new oversight requirements that Congress had imposed upon intelligence operations.

From its earliest days the Administration appeared willing to run roughshod over congressional prerogatives and sensibilities in these matters.

The CIA's violation of the first Boland Amendment, which precluded actions to overthrow the government in Managua, and most particularly the mining of Nicaraguan harbors, led to the second Boland Amendment, cutting off military aid to the contras. With the CIA at least ostensibly removed, responsibility for directing Central American operations came to reside in the White House. The National Security Council staff was not an "agency" under the Boland Amendment (or so it could be argued) and staff members could be protected by executive privilege. Former National Security Adviser Robert McFarlane commented, "We cannot break faith with the contras," from which one might infer that the Administration felt less constrained in breaking faith with either the Congress or the law. For several years NSC staff members, notably Lieutenant Colonel Oliver North, raised money, provided intelligence and directed operations, all to sustain the contra effort and morale.

In order to avoid congressional oversight of the Central Intelligence Agency and to evade the intent of the Boland Amendment, these secret operations were effectively placed in the White House, close to the President. A generation's admonitions to keep all covert operations as far from the President as possible were discarded. The President himself seemed happy with the situation, ready to discuss the presumably covert operations in Central America. The borderline between overt and covert, sometimes difficult to define, became wholly obliterated. Also obliterated was the distinction between the permissible and the impermissible.

The seeds of the secret shift in policy toward Iran were sown in 1984 with the kidnapping of Americans, most notably William Buckley, whose abduction aroused the CIA. To the call to extricate our hostages was added the persuasive voice of Israel and the vague longing for a longer-term relationship with Iran. The massive political victory of the President in 1984 reinforced the frequently encountered White House hubris and further weakened a sense of limits to what the President could accomplish or what he was permitted to do. White House hubris was reinforced by a set of successes from Grenada to the *Achille Lauro.*

The selling of arms to Iran started in 1985 through the

Israelis, apparently in the belief that such transactions could remain secret. By 1986 weapons were being removed directly from service inventories for shipment to Iran. And then North and others on the NSC staff, already heady with past triumphs, truly went amok, diverting the bulk of the proceeds through a variety of secret bank accounts in Switzerland and the West Indies to the illegal support of the contra operation and perhaps to other beneficiaries, possibly including sympathetic politicians in the United States. The notion that this extensive network of operations, spanning at least 11 countries, could be kept secret reflected a touching, if naïve, faith in clandestinity.

The consequences hardly need to be spelled out. The nation is in an uproar. The Administration is in disarray. Its energies will be directed in large degree, at least until October 1987 (when the Senate says it will finish its investigation), toward attempting to control the damage. It has lost control over the national agenda. Public confidence in the President has been seriously eroded. The question remains whether the Administration can partially recover or whether it will be permanently crippled.

It should be noted that the principal damage in the public's view resulted from the shipment of arms to the despised ayatollah and the trading of those arms for the hostages. For the American public, this has counted far more than the "illegalities" associated with the diversion of public resources. Why?

America remains a nation with a strong idealistic bent. It does not believe that it is right to profess one policy, to press one's allies and others to follow that policy, and then in secret to do the reverse. The President, upon coming into office, asserted that terrorists should recognize that "retribution would be swift and effective." Countless voices have asserted that we will "never negotiate with terrorists." The public was urged to believe that this indeed was our policy. And here we suddenly are dealing with the hated ayatollah—with an Iran branded by the President as the principal example of those "outlaw states . . . run by the strangest collection of misfits, looney tunes and squalid criminals since the advent of the Third Reich."[1] Worse than that, here we are paying ransom,

[1] Address to the Annual Convention of the American Bar Association, July 8, 1985. The address was given a week or so before the President gave oral approval to the sale of arms through the Israelis. Apparently the President's speechwriters were not apprised of the prospective shift in policy.

arms for hostages—something that we proclaimed we would never do and have urged all others to refrain from doing. The public's shock was unavoidable. The diversion of funds appears far less reprehensible to the public.

A president must be true to his image. He is allowed a great deal of running room so long as he does not break an implicit social contract with the public: that he is a man who will not violate the public's deepest convictions, which he has come to personify. President Carter, rated high among presidents for his honesty, was sharply rebuked for his few fibs, which in sum were a fraction of those tolerated in other presidents. Why? Because the conviction that he conveyed to the public in 1976 was that he would restore goodness in Washington and never lie to the American people. Similarly, no one would ever expect President Reagan to be sending weapons to the ayatollah in exchange for hostages, or that his staff would be raising ransom money while the Administration proclaimed the need to stand up to terrorists. President Reagan was elected to be strong—to stand up to the nation's enemies. Trafficking with terrorists was not his image. It was not precisely Standing Tall.

The irony is that the President had both betrayed and been felled by that cantankerous American patriotism he had done so much to foster and had come to exemplify. The Republican governor of South Dakota, William Janklow, expressed it simply: "There are not five people out there who want to send arms to Iran. The only way we want to give them arms is dropping them from the bay of a B-1 bomber." Perhaps it was best put by a Chicago lawyer and Reagan appointee: "It's like suddenly learning that John Wayne had secretly been selling liquor and firearms to the Indians."

Much, far too much, has been made by the President's defenders of Roosevelt's trading overage destroyers to the British in 1940. It is a misleading parallel. This nation has moved beyond the Wilsonian notion of open covenants, openly arrived at. It accepts, although it is not happy with, the reality of secret diplomacy. But secret diplomacy in this country must be an extension of and in spirit with its open diplomacy. It cannot be the reverse of what we say publicly, especially (as in the Iranian case) when the secret action is in all-out opposition to what the American people want. Illegalities, which may excite the lawyers, although secondary in terms of public response, certainly do not help. All these marked the Iran/contra affair. The public outcry was scarcely surprising.

By contrast, none of this applies to Roosevelt's trading of overage destroyers to the British. Roosevelt had made no secret that he wanted the British to survive (and win!). His announced policy had been: all aid to the Allies, short of war. Nor had he made much of a secret of his loathing for Hitler's Germany. That had been clear since his "Quarantine the Aggressor" speech in 1937. Moreover, his foreign policy goal was one approved by the American people. The nation certainly preferred the Allies and disliked the Axis; it just did not want to become involved in the war. Finally, though no doubt of lesser importance, we got precisely what we traded for. We received bases that all admitted were valuable for the defense of the western hemisphere. That the Iranians conned us on the release of the hostages simply added insult to injury.

Finally, there is the national attitude toward clandestinity. While the country has moved well past Henry Stimson's "Gentlemen do not read each other's mail," it still remains deeply uneasy about clandestine operations, especially those originating from within the White House. Those who are fascinated by clandestinity, from the time of the White House plumbers to the time of Colonel North's operations, have failed to understand this deeply held public attitude. The public is prepared to accept clandestine activities, but only when they seem clearly required. Wholesale clandestinity brings to the surface all of the public's deep-seated ambivalence.

Adequate public support is fundamental to the carrying out of foreign policy in this society. The need for any secret diplomacy to be consistent with our open diplomacy and our publicly expressed goals is accepted by the American people, is manifest. The need to be circumspect about clandestine operations—and not to give way to the impulse of the "cowboys"—is essential for retaining public support. Those who advise any president, including Mr. Reagan, otherwise do not understand the spirit of the American democracy or the exigencies for carrying out foreign policy in this society.

IV

We must now assess the consequences of the arms scandal at home and abroad.

In the first place, the President has been dramatically weakened. His diminished credibility, with the Congress and with American elites generally, means that he will be able to provide little positive leadership in foreign policy for the balance of his

term. His proposals will be greeted with skepticism at best. Moreover, his standing with the public can be only partially restored—and then more in terms of affection than high regard for his leadership. One of the truly astounding reactions to the arms scandal was reflected in the response to one question in a recent *New York Times*/CBS poll: "Whom do you trust more to make the right decisions on foreign policy—Ronald Reagan or Congress?" The public chose Congress over the President 61 percent to 27 percent. The public may have its difficulty with the practical and constitutional questions involved, but it is a truly stunning judgment on the capability of the executive branch.

Yet the impact on foreign policy may be modest. Congress is firmly under the control of the moderates. American foreign policy thus should remain quite stable—perhaps too stable. The wilder blades of the Watergate Congress have been removed or have "matured." There will be little repetition of the bizarre attitudes and turbulent debates of the early 1970s. Nonetheless, it is equally clear that Congress is hard-pressed to provide useful new initiatives. Thus, American policy over the next two years will likely turn out to be a holding pattern.

The controversy regarding the arms scandal has acquired a momentum of its own. It will roll on, even to the point of public boredom. White House attempts to suggest that Oliver North "acted alone" or that rogue elephants at the NSC were out of control will prove ineffective. First, whatever their excesses, Poindexter and North clearly were responding to the policy vibrations within the White House. Second, to suggest that no one knew what the President's staff was doing is perhaps even less reassuring than that this activity was authorized. The "explanation" that the President's staff was out of control is a rather desperate alibi; its only utility is to obviate the charge of complicity in illegalities. After all, just who was nursing this would-be Ludendorff in the basement of the White House?

Finally, and perhaps most important: clearly it was the President who authorized the arms for Iran and the trading of arms for hostages. The rest, including the raising of ransom money and the illegal diversion and use of funds, may indeed have been extracurricular. But the propitiation of the ayatollah's regime (under the guise of working with Iranian moderates) and the willingness to ransom hostages—both in conflict with our stated policy—are acknowledged to be the President's responsibility. Those are the issues about which the public is

concerned. For the public the diversion of funds is a rather recondite legal point. Consequently hopes for a Reagan recovery—other than as a grandfather figure—would appear modest at best.

The consequences abroad complement those within the United States. The loss in credibility of American foreign policy has been serious. It will be a long time before any American attempt to obtain backing for an anti-terrorist policy will be regarded as more than a pretense—or will elicit as much support as derision. In Europe the distress over the inept performance of the Americans at Reykjavik was reinforced by the belief that the Americans had been both weak and deceitful in selling arms to Iran and in their stance against terrorists. Unlike Reykjavik, however, these matters do not seriously undermine Western European security. Confusing, irritating, embarrassing they may be, but they scarcely impinge on Europe's vital interests. As a consequence, the initial European response—unlike that after Reykjavik—was a mixture of scorn and irritation. After all, Europeans are not above a touch of schadenfreude when the Americans are making fools of themselves—so long as it does not threaten European security.

Europe's initial anger and contempt, however, rapidly turned into deep concern as it became evident that the United States was going into a serious political crisis, different from but perhaps as severe as Watergate. It suggested that the United States might be preoccupied with internal matters for two more years and that, at best, it could provide little international leadership and at worst might be entirely diverted from its international responsibilities. So the initial smugness has given way to serious alarm. But Europeans do tend to exaggerate the impact of a political crisis in the United States on its ability to function internationally. The separation of powers is regarded by foreigners as the bane of the American political system. There is little understanding of the beneficial aspects of the separation of powers or of how Congress to a large extent can substitute for and provide stability when the executive is in crisis.

The post-Watergate experience is misleading. American foreign policy will proceed largely unaffected. There will be no innovations, but there will be no drastic changes. But the perception of American weakness and political stalemate may be as important as the reality—especially coming after Reykjavik. Loss of confidence in the United States will certainly lead

to some loss of alliance cohesion and may lead to unwise actions by several of the European states.

The effect in the Middle East may be more far-reaching. In so volatile a region, it would seem hard to increase instability. But we may just have turned that difficult trick. The government of Israel has been embarrassed. The governments of the moderate Arab states (excepting Saudi Arabia) are angry and dismayed. The American position has been weakened throughout the Arab world, including Saudi Arabia, which was itself involved with the propitiation of Iran. Iran's and Khomeini's prestige have both been increased. (That has not helped the moderates, such as they are, within Iran.) The position of Iraq has been weakened—with all that this implies for control over Middle Eastern oil. If it has been our purpose to terminate the Iran-Iraq war, we have succeeded only in lengthening it.

Saudi Arabia has been encouraged to turn toward Teheran. Iranian influence in Riyadh has grown. The dismissal of Saudi Oil Minister Ahmed Zaki Yamani and the movement of Saudi products across the Persian Gulf to assist their hereditary enemy against their Arab brother bear witness to that. Within OPEC, Iranian influence has grown; this may be unimportant for now, but potentially highly significant in the 1990s.

As the political difficulties in the Middle East increase, we should be more aware than we are of the accelerating dependence of the United States on the oil fields of the Persian Gulf. Low oil prices—in the absence of any effort to sustain the domestic oil industry—are taking their toll. American production is falling by roughly half a million barrels a day each year. The rig count is off from its peak by more than 80 percent. By 1990 it appears that we will be importing more than 50 percent of our oil, over nine million barrels a day. And the decline in U.S. production will likely accelerate as we hit the decline curve at Prudhoe Bay. As we gradually, and more or less heedlessly, increase our dependency upon the Persian Gulf—and all that that implies in terms of reduced leeway for American foreign policy—we may have additional reasons to regret this series of actions that has further damaged our credibility in the Middle East.

V

The Reagan foreign policy record has no monuments like the breakthrough to China, the Egyptian-Israeli peace agreement or an effective arms control agreement. Until now it has

been characterized as "no hits, no runs, no errors"—although the last phrase must now regrettably be dropped. The great accomplishment of Ronald Reagan has been much more psychological and political. He has presided over, and through the ebullience of his personality contributed to, the restoration of American self-confidence and public confidence in our institutions, particularly the presidency. Abroad he has presided over a sharp rise in American prestige (and therefore perceived power), reinforced by a sharp decline in Soviet prestige during its recent time of troubles. These were major accomplishments, but they are now seriously threatened. Public confidence in our institutions has been shaken once again. There are signs of a return of public cynicism. Although one should not expect a return to the mood of the 1970s, none of this can help national strength and unity. Internationally our prestige and influence have received a serious blow, though perhaps more from Reykjavik than from the arms scandal. The great accomplishment of the Reagan years has been reduced, even if it has not been brought low.

The tide that began with the Soviet invasion of Afghanistan and increased in force in the early 1980s has now ceased to flow toward the United States and has begun to ebb. To what extent will that benefit the Soviet Union? To what extent will the tide flow strongly in the Soviet direction? No doubt, the Soviet Union will benefit. But the Soviet image has been badly marred by its blunders, by its relative technical backwardness and by its economic weaknesses. As a consequence, the Soviet Union fortunately does not now appear to be in a position to take full benefit from the regrettable setback to America's prestige.