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File Folder MATLOCK CHRON SEPTEMBER 1986 (7/9)

FOIA

F06-114/5

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1802

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
8553	MEMO	MATLOCK TO POINDEXTER RE SENATOR KENNEDY'S MEETING WITH SHEVARDNADZE R 11/29/2007 NLRRF06-114/5	3	9/24/1986	B1
8552	TALKING POINTS	SUGGESTED TALKING POINTS PRESIDENT'S MEETING WITH GEORGE WILL SEPTEMBER 25, 1986	1	ND	B6
8554	MEMO	SAME TEXT AS DOC #8553 R 11/29/2007 NLRRF06-114/5	3	9/24/1986	B1
8555	MEMO	MAJOR TO POINDEXTER RE OPTIONS AVAILABLE TO DEAL WITH THE DANILOFF ISSUE PAR 3/14/2011 F2006-114/5	3	9/25/1986	B1 B3
8550	MEMO	MATLOCK TO POINDEXTER RE LETTERS OF APPRECIATION	1	9/26/1986	B6
8551	MEMO	SAME TEXT AS DOC #8550	1	9/26/1986	B6
8556	MEMO	MATLOCK TO POINDEXTER RE THOUGHTS ON DANILOFF CASE PAR 3/14/2011 F2006-114/5	10	9/27/1986	B1 B3

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THE WHITE HOUSE
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Chron file

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9/24/86

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CJS 6/25/02

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET/SENSITIVE/EYES ONLY~~

September 24, 1986

INFORMATION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: JACK MATLOCK

SUBJECT: Senator Kennedy's Meeting with Shevardnadze

DECLASSIFIED

NLRR F06-114/5-# 8553

BY CU NARA DATE 11/29/07

Senator Kennedy called me Monday to say that he had met with Shevardnadze in New York for an hour and a half Sunday evening, and would be glad to provide a briefing. His assistant Gregg Craig came over yesterday to fill me in, on the same basis of confidentiality used earlier with Larry Horowitz. Highlights of the meeting were as follows:

Nuclear Testing:

Shevardnadze led off with a pitch for the Soviet moratorium proposal, in the process telling Kennedy that they appreciated the Congressional resolutions. He said that they felt that both Congress and the American public wanted a moratorium, and therefore, the Administration was "isolated" on the issue. He stated that the question is how to mobilize support so as to "have an impact on the Administration." (Craig did not brief me on the Senator's response to this, except to report that Kennedy told him that he thought the Administration would not accept the moratorium proposal.)

NST

Kennedy then asked whether there was movement on other issues. Shevardnadze replied by giving a run-down on NST issues which tracks closely with what he was telling Shultz in their meetings. So far as Soviet objectives are concerned, Shevardnadze presented them as follows:

(1) "Strengthening the ABM Treaty." He commented that the US wants time to "destroy" the treaty; Soviets want time to "strengthen it." Dismissed the offer of five-year non-withdrawal as meaningless since nothing could be deployed in that time frame in any event. He did imply that by "strengthening" they meant a non-withdrawal commitment for 10-15 years.

(2) "Avoid an arms race in space." Under this rubric, Shevardnadze spoke of banning space-to-earth weapons, implying

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Declassify: OADR

that that would be adequate. (That is, "space-to-space" would not be constrained except by the ABM Treaty.)

(3) Strategic Weapons: Either 30% or 50% reduction would be OK, dependent upon the degree to which the ABM Treaty could be "strengthened." Absent such "strengthening", however, no START agreement is possible.

Daniloff:

Kennedy brought up Daniloff at this point saying that feelings all over were very high, and that they covered the political spectrum; even liberal Democrats were screaming for blood. Shevardnadze said, "We have felt this," and then launched his usual spiel that this atmosphere of crisis had been created in an artificial way and was being used by "influential people" who wanted to make sure that a Summit meeting could not occur. He noted that the "whole affair" -- including the expulsion of the 25 in New York -- was timed so as to prevent his meeting with Shultz and the President, but said the Soviets would not fall into the "trap" laid.

Kennedy told him that the crisis was a genuine one since no U.S. Administration could remain indifferent to the arrest of an American citizen under such circumstances. Shevardnadze mumbled something about their being concerned with the "dignity of a Soviet citizen," and sang the standard refrain about pressure not being the way to deal with the Soviet Union. He added that Daniloff would be tried.

Kennedy said that putting Daniloff on trial would be a big mistake on the Soviet part: it would only play right in the hands of those elements which wished to wreck any improvement in U.S.-Soviet relations. Shevardnadze informed Kennedy that the Soviets were proposing either that both Daniloff and Zakharov be released without trial, or that trials be speeded up, both tried, then both expelled. He said that everything must be simultaneous, and on the basis of reciprocity and equality.

Kennedy told him that no American President could agree to such terms. We had said publicly that Daniloff is not a spy and Zakharov is. That precluded any direct trade of the sort he mentioned.

Shevardnadze then asked how Kennedy would propose to solve the matter if he were President. Kennedy said that he could answer only in terms of what he considered politically feasible for any U.S. President. In that respect, he felt that if Daniloff were

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released promptly and without a trial, then it should be possible to work out some arrangement whereby the Soviets release a few dissidents over the coming weeks (which they could explain on humanitarian or health grounds), after which there could be an understanding that Zakharov would be allowed to return to the Soviet Union. He said that, in his view, this was as far as any U.S. President could go in making advance understandings on the matter, and that the Soviets had to recognize that any straight swap or direct equivalence was simply politically impossible in the U.S.

COMMENT: Craig said that Kennedy considered the information in the last paragraph to be extremely sensitive, and that he recognized the danger of appearing to second-guess the President -- or unwittingly get in the way of negotiations we have in progress. However, he had made the statements in an effort to give credence to what he thought was the Administration's position.

If, indeed, Kennedy was as firm on the "political realities" as Craig claims (he read these statements to me from his notes), then I believe they could be helpful. Certainly we should be careful not to bend on a point which even Kennedy has told them is out of the question.

cham
6933

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

September 24, 1986

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: JACK F. MATLOCK *JFM*

SUBJECT: Talking Points for President's Meeting
with Syndicated Columnist, George Will
Thursday, September 25 -- 4:00 p.m.

Attached at Tab I is a memorandum for the President forwarding talking points for his meeting with George Will on Thursday, September 25, at 4:00 p.m. for 30 minutes, in the Oval Office.

RECOMMENDATION

That you sign the memorandum at Tab I.

Approve _____ Disapprove _____

Attachments

- Tab I Memo for President
- Tab A Talking Points
- Tab B "Downhill to a Summit" by George Will

THE WHITE HOUSE

WASHINGTON

6933

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER

SUBJECT: Meeting with George Will
Thursday, September 25 -- 4:00-4:30 p.m.
Oval Office

Attached at Tab A are suggested talking points for your meeting with George Will.

Attached at Tab A is a copy of a recent article by George, "Downhill to a Summit" published in the September 29 issue of Newsweek. Since he clearly misunderstands our current approach to the Daniloff affair and summitry, and is ignoring some important facts, it would be useful to bring these matters forcefully to his attention.

Attachment

Tab A: Talking Points

Tab B: "Downhill to a Summit" by George Will

Downhill to a Summit



Administration dithering in the Daniloff affair is a thread in a seamless web of ominous events

Like a cat crouched in front of a mouse's hole, Gorbachev waits. He is poised to make a leisurely meal of the Reagan administration as it staggers through the Daniloff debacle and toward a summit. Regarding Daniloff and summits, George Bush has weighed in with wonderment: "I don't understand this linkage in people's minds about the summit." Perhaps it is pointless to try to explain the obvious to people who need the obvious explained, but Bush should consider this. When we bombed Libya, the Soviets canceled a Shultz-Shevardnadze meeting. When they made an American a hostage, we did not let that disrupt a meeting. Who looks incontinently eager?

When one side signals an immoderate desire for a summit, the other side can exercise disproportionate control over the summit agenda, and hence the outcome. With Bush and others signaling that not even hostage taking dampens the administration's desire for agreements with the hostage takers, we are headed for a summit devoted disproportionately to arms control rather than such "peripheral" issues as human rights and regional strife, as in Afghanistan. The Soviet side can sit there like a row of stumps, serene in the confidence that concessions will be forthcoming from the U.S. side, which has accepted summitry as the key to foreign policy and has allowed Gorbachev to make arms-control agreements a precondition for summitry. Arms control on such Soviet terms may translate into crippling restrictions on the strategic-defense initiative. No wonder support for SDI, as measured by congressional willingness to vote funds, is eroding. Notice: the signal sent by dithering in the Daniloff affair is a thread in a seamless web of ominous events.

Cornered bear: "Proof" of Daniloff's guilt may be forthcoming from a regime that doctors photos to erase images of one of its founders (Trotsky). Then, perhaps, a deal will be struck for his release. But no deal can undo the damage done by the administration's having communicated to Soviet negotiators an overriding hunger for a summit. Surely that hunger explains the reluctance to retaliate. The day Daniloff was arrested the U.S. government should have expelled all "Soviet journalists"—pardon the oxymoron—and given Gorbachev a list of other sanctions that would be applied, a new one each day.

Explaining why the administration did not retaliate, a U.S. official said: "The bear when cornered is ferocious." Ah. We have the Soviet Union cornered. It is still holding Daniloff and has suffered nothing noticeable, and only Gorbachev can, when it suits him, get Reagan off the hook on which Reagan impaled himself by doing all the things his aides said would not be done. He allowed linkage between the cases of Daniloff and the alleged spy Zakharov; he allowed the semiswap that treated the cases as equivalent; he broke linkage between Daniloff and a summit. But at least we've got 'em cornered.

Gorbachev's hostage taking is an act characteristic and costless. Nora Beloff, a reporter expelled from Moscow in 1978, notes that Gorbachev was a political functionary at Moscow University in January 1953, during the anti-Semitic frenzy of Stalin's "doctor's plot." Beloff says Gorbachev "treated the assembled law faculty to such a virulent diatribe against 'Zionists and cosmopolitans' . . . that one liberal professor committed suicide and other teachers and students disappeared from view." Gorbachev's treatment of Daniloff is a thuggish act by a thug but is hardly a blunder. It has cost Gorbachev nothing and has cost the Reagan administration its reputation as restorer of national self-respect.

Early in this crisis The Washington Post warned against settling into "that bemused state of mind whereby we subtly transform an outrage into a way of life." Yet the sky is dark with to-ing and fro-ing Americans visiting Moscow about cooperation in space, fusion energy, trade, science, technology, even housing.

Display of disdain: Last Thursday, in an unprecedented display of disdain for a U.S. president, Gorbachev personally and in public branded Daniloff a spy. There had been calculated insult in the indictment of Daniloff after Gorbachev received Reagan's personal letter stating that Daniloff is not a spy. But that insult was eclipsed when Gorbachev personally and publicly insisted that Reagan is a liar. Gorbachev did that at the moment Shevardnadze was arriving in Washington. Clearly the administration policy regarding Daniloff has produced in the Soviet leadership the most dangerous attitude: contempt.

The day after Gorbachev's insult, Reagan saw Shevardnadze. This may have been done, in part, for domestic consumption—to convince conservatives that Reagan is quite cross about Daniloff. However, conservatives are concerned about Reagan's policy, not his passion. The disjunction between the two things is garbling the administration's message domestically. The day of Gorbachev's insult, Reagan had barnstormed for Senate candidates down south, where he said that under his administration America has taken off the "Kick me" sign and replaced it with "Don't tread on me." Reagan knows how thoroughly his political vitality is bound up with the nation's sense of having put behind it an era of humiliations. That sense is perishable and if it goes, so will Reagan's sway in Congress and the country.

Some Republicans, myopically focused on the task of keeping control of the Senate, are holding their breath, waiting to see if Democrats can summon the intellectual steel to subject the administration's policy to the withering analysis it deserves. Unfortunately, Republicans can relax. The parties are indistinguishable in their paralyzing belief that _____ [fill in the blank with one of these: the invasion of Czechoslovakia, the invasion of Afghanistan, the crushing of Solidarity, the KAL massacre, the murder of Major Nicholson, the kidnapping of Daniloff] should not be allowed to interfere with _____ [fill in the blank with one of these: summitry, détente, the arms-control "process"]. Henceforth it will be hilarious to hear Republicans stammering through their standard rhetoric about Democrats being too irresolute to govern America now that it is—remember?—"back and standing tall."

Cham 9

THE WHITE HOUSE

WASHINGTON

September 24, 1986

MEETING WITH GEORGE WILL

DATE: September 25, 1986
TIME: 4:00 p.m.
FROM: Frederick J. Ryan, Jr. *FJR*

I. PURPOSE

To meet with syndicated columnist, George Will.

II. BACKGROUND

This past Friday, September 19, you spoke briefly on the telephone with Mr. Will. This meeting is a follow-up to that conversation.

For your reference, the National Security Council has prepared some brief points on the Daniloff affair. (See Attached TAB A).

III. PARTICIPANTS

The President
George Will

IV. PRESS PLANS

White House Photographer

V. SEQUENCE OF EVENTS

- 4:00 p.m. - Mr. Will enters the Oval Office.
- A one-half hour meeting is held.
- 4:30 p.m. - Mr. Will departs.

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PRESIDENT'S MEETING WITH GEORGE WILL
September 25, 1986

Suggested Talking Points

- Disappointed by your criticism of the handling of Daniloff.
- You've misrepresented our attitude -- perhaps from misunderstandings, you seem to be unaware of a lot of the facts.
- First of all -- there is no "headlong rush for a summit." Soviets know very well they have to release Daniloff under conditions acceptable to us, or there can be no summit.
 - George Shultz made clear.
 - I made clear to Shevardnadze and in UNGA speech.
- Second -- when you say "Gorbachev has paid no price" for this outrage, you totally ignore a significant action on our part which had been an option from the beginning -- the only question was timing.
 - We have just decapitated their KGB operation in New York by naming 25 intelligence officers who had to leave by October 1. (Haven't gotten all of them, but we are taking out the leadership of their station there.) Can't say so publicly -- but Soviets certainly understand the score.
 - No other Administration has ever had the resolve to do this -- even under similar provocations. And it is an action that will not be reversed: Soviets will suffer a long-term disability in their intelligence operations here, since it will take them a long time to build back up -- and we won't make it easy for them.
 - Also -- look at how much Gorbachev has invested in his "new image" -- it has been shattered and a year and a half of PR effort has gone down the drain. Turns out he's not the PR genius many of your colleagues thought he was.
- Regarding a solution to Daniloff outrage: of course we will not agree to a swap -- one-on-one. The "remanding in custody" was done solely to get Nick out of a Soviet prison; we just couldn't leave him there for them to work over day after day.
- Regarding summitry: it is not we who are pushing for one; they are. And to get one, they're going to have to release Daniloff and also make further concessions on arms control -- we've made that clear.
- I would be irresponsible if I did not use the leverage that this situation creates. You seem to be advising nothing but a shouting match. If we do that, what happens? Within a few weeks the public and our Allies will turn against us and accuse us of endangering the peace. We have to be smarter than to fall for that.

George F. Will

178/300

Still Stalin's Children

Daniloff's problem is no Soviet aberration.

In Washington it sometimes seems that almost everything is legal, and absolutely everything is permissible—except simple declarative sentences, such as: Nicholas Daniloff shall be free within 24 hours or the Soviet ambassador shall depart these shores on the 25th hour.

When the State Department said it would not tolerate a link between the Daniloff case and that of Gennadi Zakharov, the U.N. employee recently charged with espionage, realists knew to expect the linkage in 24 hours. It came with President Reagan's offer to turn Zakharov over to Soviet custody pending trial in this country.

KGB agents pounced on Daniloff, Moscow correspondent for U.S. News & World Report, when a Russian acquaintance handed Daniloff a package that the KGB says overflowed with secret material. The crudeness of the frame-up justifies two inferences: Soviet authorities have reasonably concluded on the basis of recent experience that U.S. weakness in such episodes enables the Soviet Union contemptuously to dispense with subtleties. And Zakharov must have been involved in acutely sensitive matters, so eager are his employers to get their hands on him. That they now shall do, and shall administer psychological and perhaps chemical treatments to reduce his capacity for damage when— if—he comes to trial.

With metronomic regularity, the Soviet regime does something outrageous and the U.S. government indulges in perfunctory displays of indignation, to no effect. The most substantial response to the invasion of Afghanistan—the grain embargo—was ended by a rhetorically conservative president who, five years later, with the slaughter of Afghans

continuing, is subsidizing grain sales to the Soviet Union.

When the Soviet Union orchestrated the suffocation of Poland's Solidarity, he refused to use as a weapon the credits that sustain all the mendicant economies of the Evil Empire. To the Korean Airlines massacre, he responded with a rhetorical vigor inversely proportional to his policy response. In 1985, when a U.S. Army major was shot by Soviet troops while performing his duties in East Germany, and was left on the ground to bleed slowly to death, Reagan said such "episodes" whetted his appetite for summits.

Given this squalid record, who is mystified that in dealing with Reagan (who in 1980 said: by cracky, no one will take Americans hostage on my watch) the Soviets made Daniloff a hostage, and Reagan promptly offered to make a deal. Actually, The New York Times is mystified.

Its editorial, "Ominous Ghosts in Moscow," the tone of which is "Say it ain't so, Mikhail!" displayed the intellectual contortions of incorrigible détentists. There are, said The Times, several possible explanations of Daniloff's arrest "but none speak [sic] well of the Soviet government." How vexing: an incident that complicates speaking well of that government.

The Times wonders whether, if Daniloff was seized in response to Zakharov's arrest, the KGB acted "on its own," showing "alarming independence." On the other hand, if—say it ain't so!—the Politburo approved, The Times sees an "alarming" sign.

Read slowly: "a sign that [the Politburo's] bureaucratic interests take precedence over diplomacy and decency."

So, if the Soviet regime has lapsed this once from decency, it must have done so because of some quirky "interest." This is a way of defining the episode as aberrational, not characteristic.

The Times does wax stern: the incident is "an ominous reminder of how pendular may be the 'openness' promised" by Gorbachev. Not since Stalin's reign has a frame-up resulted in an American's being imprisoned, and The Times wonders: "Does Mr. Gorbachev really mean to summon up that ghost?"

Ghosts, yet. The problem is not Stalin's ghost, it is that Gorbachev and his colleagues are Stalin's children.

Next month, Oxford University Press publishes Robert Conquest's "The Harvest of Sorrow," his harrowing history of the terror-famine of 1932-33, by which Stalin crushed the Soviet peasantry and the Ukrainian nation, causing more deaths than were suffered in World War I by all the belligerents combined. Conquest notes that even in today's supposedly "de-Stalinized" Soviet Union, there is utter tendentiousness in the few references to that hidden holocaust. The Large Soviet Encyclopedia article on famine does not mention it. When the regime refers to the "so-called famine," it blames reactionary landowners. Perhaps that is "pendular openness."

Many in the West live by, and the West may yet die by, the hope that the Soviet system is evolving into something other than the system that caused the famine and today buries the truth about it beneath mountains of mendacities. The problem—Daniloff's problem—is not a ghost. The problem is Stalin's children and their filial piety.

George F. Will 178/300

Reagan Botched the Daniloff Affair

When an administration collapses, quickly and completely, like a punctured balloon, as the Reagan administration has done in the Daniloff debacle, a reasonable surmise is that the administration, like a balloon, had nothing in it but air.

The trouble began not in a peripheral crevice in the bureaucracy, but in the president's presence in Santa Barbara, where the first reaction to the hostage-taking was to say that the unpleasantness should not disrupt the Big Picture. Secretary of State George Shultz soon said "there can be no question of equating" the cases of Nicholas Daniloff and the accused spy Gennadi Zakharov, and there could be no trade.

But soon came the equation, in the form of the interim trade whereby Daniloff and Zakharov were placed in the custody of officials of their respective governments. The United States thereby paid the first—probably only the first—installment of the ransom (Henry Kissinger used that word to characterize the transaction) demanded by the hostage-takers.

Sen. Richard Lugar (R-Ind.), chairman of the Foreign Relations Committee and candidate to receive the administration's Good Soldier Trophy, says, delicately, "August is a difficult month, apparently, for administration coordination." So is September, so perhaps the problem is with thinking, not coordinating.

Totalitarians specialize in making victims collaborate in their victimization. It took Mikhail Gorbachev less than two weeks to

"Reagan's instinct has prevailed, and has been wrong. It has been identical to Carter's instinct in the Iranian hostage crisis."

U.N. ambassador, responding to the assertion that this crisis began when Zakharov was arrested, replied: "We began this chain of events 30 years ago when we started letting the Soviets fill up the U.N. Secretariat with spies, in direct violation of the Charter." The morning Moynihan said that, the lead story in The New York Times reported administration efforts to reduce cuts Congress has voted in subsidies for the United Nations. The cuts are intended to express "among other things" anger that the United Nations, where U.S. taxpayers pay one-fourth of the bills, is flagrantly used by the Soviet bloc for espionage.

What must they be saying in the Kremlin, in merry disbelief? "Next, will Reagan want U.S. taxpayers to subsidize grain sales to us?" In 69 years of U.S.-Soviet relations, no U.S. president has been treated with the disdain Gorbachev has now shown toward Reagan, which is especially rude considering that Reagan does indeed want U.S. taxpayers to subsidize grain sales.

George Carver, a senior fellow at Georgetown University's Center for Strategic and International Studies, says that the United States has, in effect, agreed to play by Soviet rules regarding espionage and has placed a mantle of protection over Soviet spies: "The next time the FBI catches a Soviet, the mattress mice in the State Department and the White House will be out wringing their hands and saying, 'Oh, no, we can't arrest him! We don't want another Daniloff thing; there's too much going on.'"

One of the things the administration is eager to have go on during the Daniloff affair is a "town meeting" with U.S. participants in Riga in the Soviet Union. When the interim trade was arranged, the administration wanted the Americans who had pulled out to go to Riga after all. The administration knew this would imply the respectability of the ransom payment. Several clear thinkers, including Jeane Kirkpatrick and Robert McFarlane, refused to be used, and stayed home.

Two Sundays ago an undersecretary of state evidently thought he was being stung

Jack Matlock

THE WHITE HOUSE
WASHINGTON

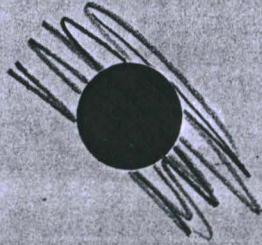
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Admiral Poindexter

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For ~~his~~ chron

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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September 24, 1986

INFORMATION

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BY CU NARA DATE 11/29/07

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17

released promptly and without a trial, then it should be possible to work out some arrangement whereby the Soviets release a few dissidents over the coming weeks (which they could explain on humanitarian or health grounds), after which there could be an understanding that Zakharov would be allowed to return to the Soviet Union. He said that, in his view, this was as far as any U.S. President could go in making advance understandings on the matter, and that the Soviets had to recognize that any straight swap or direct equivalence was simply politically impossible in the U.S.

COMMENT: Craig said that Kennedy considered the information in the last paragraph to be extremely sensitive, and that he recognized the danger of appearing to second-guess the President -- or unwittingly get in the way of negotiations we have in progress. However, he had made the statements in an effort to give credence to what he thought was the Administration's position.

If, indeed, Kennedy was as firm on the "political realities" as Craig claims (he read these statements to me from his notes), then I believe they could be helpful. Certainly we should be careful not to bend on a point which even Kennedy has told them is out of the question.

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

MEMORANDUM FOR SALLY KELLEY

FROM: RODNEY B. MCDANIEL

SUBJECT: Follow-up Reply to Congressional Letter on Slave
Labor Goods from the Soviet Union

Last June 130 House members wrote to the President asking him to enforce prohibitions against entry into the United States by goods made by slave labor in the Soviet Union. Will Ball sent them an interim reply last July.

At Tab A is State's draft follow-up reply with NSC changes.

Attachments

Tab A Follow-up reply to House Members
Tab B July draft for interim reply to House Members
Tab C June 27 Letter from House Members

NSC/ICS
40334
9/25/86

WHITE HOUSE
WASHINGTON

PRESERVATION COPY

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET~~

INFORMATION

September 25, 1986

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: DAVID G. MAJOR


SUBJECT: Options Available to Deal With the Daniloff Issue

Should we be unsuccessful in resolving the Daniloff/Zakharov affair by next week we will be required to put more pressure on the Soviets. The following represents some options available to us:

1. What do we do if the Soviets retaliate against our bilateral establishments in Moscow and/or Leningrad?

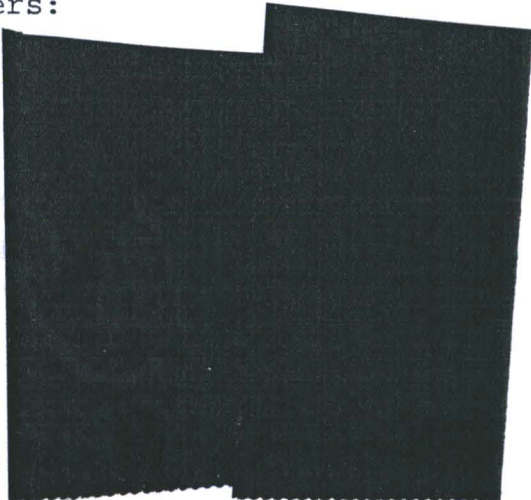
Clearly we have told the Soviets we will draw down their Washington and/or San Francisco diplomatic establishments to the size of our Moscow/Leningrad establishments. This would be a reduction of approximately 110 individuals.

The key question is, who selects the 110, the US or the Soviets?

 the KGB plans to insure these reductions are from MFA personnel and not the KGB. If the Soviets are allowed to select the personnel, the reduction will insure the Soviet Embassy is staffed with primarily intelligence officers instead of legitimate diplomats. This would fly directly in the face of Secretary Shultz's and the President's desire to eliminate the Soviet intelligence presence in the US.

The current Soviet bilateral numbers:

<u>Washington, DC</u>	<u>Total Numbers</u>
Aeroflot	2
Constructions Ofc.	8
Consular	10
Embassy	198
Fishery Affairs	3
Soviet Military Ofc.	22
Soviet Info Office	9
Soviet Trade Office	23
Soviet Maritime Ofc.	3
International Cotton Advisory	2
Total	280 *



*These numbers can slip 2-10 people each week, since the Soviets do not tell us if the departures are TDY or permanent. It usually takes 1-2 months to resolve this issue.

~~SECRET~~

Declassify on: OADR

FOIA(b)(1), (3)

DECLASSIFIED IN PART

BY RWJ NARA DATE 3/14/11

NLR/FDR-114/57-8555

In addition, there are 17 Soviet correspondents in Washington, [REDACTED]. However, these individuals are not counted as part of the Embassy. In addition, there are 76 Soviet working wives and approximately 146 construction workers who are here on temporary duty thus are not counted in the bilateral numbers.

San Francisco. There are 44 diplomats in the Soviet consular in San Francisco, [REDACTED]. Therefore there are currently 324 Soviets at risk if they retaliate against our reductions in New York.

Currently we have about 200 americans in Moscow and Leningrad not counting 44 working wives, 80 construction workers individuals on TDY. In addition, we have 10 teachers in Moscow who do not have diplomatic status. The Soviets have 12 teachers in Washington but are included in the ceiling level.

Thus the reduction would be 320 less 210 for a total Soviet reduction of 110 to come down to parity. [REDACTED]

II. What can we do to put pressure on the Soviets if they do not retaliate for the 25 New York expulsions?

1. Commercial expulsions. [REDACTED]

2. Place travel restrictions on Soviets in US. The Soviets make 100 trips per month.

3. Restrict use of retreats. Advise the Soviets they may not use their retreats at Oyster Bay, Glen Cove on Long Island in New York and Pioneer Point on the Eastern Shore in Maryland. OFM has advised we are within our authority to do this. It would require a commitment on our part in advance to take effective action should the Soviets refuse to comply with this order.

4. Telescope the United Nation's reduction.

a) Require the next 25 Soviets to leave by November 1, 1986 and we once again pick the 25. This would preclude the Soviets from backfilling and would impact directly on the KGB and GRU.

b) we could require the third group of 25 to leave by November 15 or December 1 and we pick them.

c) We could require the second and third group of 25 (50) to leave by November 1 and we pick them.

5. Reduce the SMUN level below 170 by the rate of 3 per week until Soviet release of Daniloff (Jack Matlock's original plan).

6. Interdict Soviet intelligence operations world wide.



7. UNSEC reduction.

8. Divest Soviets of retreats. OFM advised we have the right to order the Soviets to divest the property located at Glen cove and Oyster Bay, Long Island.

9. Remove UNSEC employees for Riverdale Complex. UNSEC employees are illegally residing at the Soviet Riverdale Complex which is for SMUN personnel. We could order them to vacate this facility.

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

September 26, 1986

ACTION

MEMORANDUM FOR RODNEY B McDANIEL

FROM: JACK F. MATLOCK *JFM*

SUBJECT: Reply to Letter on German Minority in the Soviet Union

At Tab I is a memo from you to Sally Kelley forwarding a reply (at Tab A) to a letter announcing the formation of "Americans for Soviet Germans," a group devoted to the plight of the German minority in the Soviet Union.

At Tab B is State's original draft reply with some editing. At Tab C is the original letter from Mr. Gary Stark.

RECOMMENDATION

That you sign the memo at Tab I, forwarding the reply for signature by an appropriate White House staffer.

Approve _____

Disapprove _____

Peter Sommer and Judyt Mandel concur.

Attachments

- Tab I Memo from McDaniel to Kelley
- Tab A White House Reply to Stark
- Tab B State draft response to Stark with NSC changes
- Tab C Letter from Stark

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

MEMORANDUM FOR SALLY KELLEY

FROM: RODNEY B. MCDANIEL

SUBJECT: Reply to Letter on Germans in the Soviet Union

At Tab I is a reply for signature by an appropriate White House staffer to Mr. Gary K. Stark. Mr. Stark wrote to the President to announce formation of "Americans for Soviet Germans," a group devoted to the plight of the German minority in the Soviet Union.

At Tab A is the State Department's original draft reply. At Tab B is Mr. Stark's original letter.

Attachments

Tab A White House Reply to Stark
Tab B State draft response to Stark with NSC changes
Tab C Letter from Stark

25

Draft Reply

Letter on Americans for Soviet Germans

Dear Mr. Stark:

Thank you for your letter of July 24 concerning the formation of Americans for Soviet Germans. Your organization's aim of drawing attention to the plight of Soviet Germans is a commendable one.

Let me assure you that the U.S. Government is also concerned over the difficulties experienced by Soviet Germans. We have been deeply disappointed to see the number of exit visas fall from 9,626 in 1976 to only 406 in 1985. As part of our efforts, we consult closely with the Government of the Federal Republic of Germany and are supportive of its efforts on behalf of Soviet Germans. In international human rights fora, U.S. representatives have worked to secure the rights of minorities, including those of Soviet Germans.

President Reagan and U.S. Government officials across the board have pressed the Soviets to permit the exercise of basic human rights. In a broader context, we have repeatedly urged the Soviet Union to honor its commitment in the Helsinki Final Act "to deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family."

Thank you again for writing.

Sincerely,

Draft Reply

Letter on Americans for Soviet Germans

Dear Mr. Stark:

Thank you for your letter of July 24 concerning the formation of Americans for Soviet Germans. Your organization's aim of drawing attention to the plight of Soviet Germans is a commendable one.

President Reagan and U.S. Government officials at all levels have pressed the Soviets to permit the exercise of basic human rights. *In a broader context, we have repeatedly expressed concern* It ~~is~~ *is* distressing that the Soviet Union does not honor its commitment in the Helsinki Final Act "to deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family."

urged the Soviet Union to

U.S. for Soviet Germans

Let me assure you that the U.S. Government is ~~aware~~ *also concerned over* the difficulties experienced by Soviet Germans. We have been *disappointed* deeply concerned to see the number of exit visas fall from 9,626 in 1976 to only 406 in 1985. *As part of our efforts,* We consult closely with the Government of the Federal Republic of Germany and are supportive of its efforts on behalf of Soviet Germans. In international human rights fora, U.S. representatives have worked to secure the rights of minorities, including those of Soviet Germans.

~~I read your letter with great interest, and I hope you will keep me informed of your efforts.~~ *Thank you again for writing.*

Sincerely,

21
3624883

5341 Bransford Drive
La Palma, CA 90623
July 24, 1986

434468

Mr. Linas Kojelis
Assistant to the President
Office of Public Liaison
The White House
Washington, DC 20500

Dear Mr. Kojelis:

The news media and the Congress are currently in a frenzy over South Africa. We are bombarded with minute details of the statements of dissidents, like Bishop Tutu, condemning our president and urging all sorts of aggressive actions against the Republic of South Africa.

Unnoticed, during all of the clamor the Soviet Union blythely continues its oppression of its minorities. Offensive as aparteid is it does allow emigration to those who chose it, which the Soviets do not.

One Soviet minority that has long suffered, virtually, unnoticed is the Soviet Germans. That group of about 2-million persons has been subjected to all sorts of persecution and discrimination. They were primary targets of Stalin's campaign to liquidate the 'Kulaks' in which thousands were killed. Tens of thousands lost their lives in the deliberate starvations in the Ukraine. During WWII the Soviet Germans were forcibly relocated to central asia where they struggle for survival today, while hoping to emigrate.

The Soviet Germans have been denied the right to emigrate and return to their ancestral homeland like the Soviet Jews. Yet the media and public officials do not include them in their condemnations of Soviet policy on emigration. To draw attention to their plight I have formed an organization called Americans for Soviet Germans (ASG).

There are about 2-million American citizens of German-Russian background in the United States. They care about distant relatives left behind but have not been active in their behalf. Americans for Soviet Germans hopes to serve as a focal point for the friends and families of Soviet Germans to voice their concerns. I have been a strong supporter of President Reagan and his policies and hope he will take cognizance of our efforts and share in our goal of human rights for Soviet Germans.

Sincerely,


Gary K. Stark

AMERICANS FOR SOVIET GERMANS (A, S, G)

WHO ARE WE? We are an alliance of Americans who wish to express concern over the human rights abuses inflicted upon all minorities in the Soviet union, particularly, the two-million ethnic Germans.

WHAT ARE OUR GOALS?

- 1. To inform the American citizenry and our leaders of the oppressions suffered by the Soviet Germans.
- 2. To urge our political leaders to work with West Germany in a cooperative effort to focus on Soviet German human rights and to promote free emigration for those who wish to return to their ancestral homeland, Germany.

WHAT ACTIVITIES WILL BE UNDERTAKEN?

- 1. Information about Soviet Germans will be gathered and disseminated through media outlets.
- 2. Politicians will be informed of Soviet German issues.
- 3. Books and articles written about Soviet Germans will be promoted to better inform the American public.
- 4. Prominent Americans of German background and German-American organizations will be called upon to take a stand for Soviet German human rights.
- 5. Legislation will be promoted to honor the accomplishments of Germans from Russia in America.
- 6. Efforts will be made to include the Soviet German human rights issue in future bi-lateral negotiations with the Soviets.
- 7. Regarding human rights as universal, we intend to work with groups representing other oppressed minorities toward our common goals.

AMERICANS FOR SOVIET GERMANS
P.O. Box 6185
Buena Park, CA 90622

A S G

ASK ABOUT ASG *

- ASG - ABOUT THE MOST UNPUBLICIZED PERSECUTED ETHNIC GROUP
- ASG - ABOUT THE DELIBERATE, MASS STARVATION INFLICTED UPON THEM
- ASG - ABOUT THE CAMPAIGN TO LIQUIDATE THE "KULAKS"
- ASG - ABOUT THE INFAMOUS "OPERATION KEELHAUL"
- ASG - ABOUT FORCED RELOCATIONS AND SLAVE LABOR
- ASG - ABOUT DENIAL OF HUMAN RIGHTS AND THE RIGHT TO EMIGRATE
- ASG - ABOUT SEPARATED FAMILIES
- ASG - ABOUT RELIGIOUS PERSECUTIONS
- ASG - ABOUT THE SOVIET GERMANS

*ASG = AMERICANS FOR SOVIET GERMANS
 CALL (714) 523-2252

30

8624883

THE WHITE HOUSE OFFICE
REFERRAL

AUGUST 12, 1986

TO: DEPARTMENT OF STATE

ACTION REQUESTED:
DRAFT REPLY FOR SIGNATURE OF:
WHITE HOUSE STAFF MEMBER

DESCRIPTION OF INCOMING:

ID: 434468
MEDIA: LETTER, DATED JULY 24, 1986
TO: LINAS KOJELIS
FROM: MR. GARY L. STARK
5341 BRANSFORD DRIVE
LA PALMA CA 90623
SUBJECT: AMERICANS FOR SOVIET GERMANS

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE, 20500

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

0165

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: Gary K. Stark

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Americans for Soviet Renewal
(GERMANS)

ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Action Code Tracking Date YY/MM/DD	Type of Response Code Completion Date YY/MM/DD
<u>OPL - Kojilio</u> <u>✓ State</u>	ORIGINATOR <u>CJ</u> Referral Note: <u>D CJ 8/10/81</u>	<u>NAN C 86, 8, 8</u> <u>8/10/81</u>
	Referral Note: _____	
	Referral Note: _____	
	Referral Note: _____	
	Referral Note: _____	

ACTION CODES:
 A - Appropriate Action
 C - Comment/Recommendation
 D - Draft Response
 F - Furnish Fact Sheet to be used as Enclosure

I - Info Copy Only/No Action Necessary
 R - Direct Reply w/Copy
 S - For Signature
 X - Interim Reply

DISPOSITION CODES:
 A - Answered C - Completed
 B - Non-Special Referral S - Suspended

FOR OUTGOING CORRESPONDENCE:
 Type of Response = Initials of Signer
 Code = "A"
 Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 4800 _____

Prime Subject Code: 00165 Secondary Subject Codes: HU _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C		Time: <u>11:11</u>	P-
DSP		Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence
 - n - 0 - Unknown
 - n - 1 - Ronald Wilson Reagan
 - n - 2 - Ronald Reagan
 - n - 3 - Ron
 - n - 4 - Dutch
 - n - 5 - Ron Reagan
 - n - 6 - Ronald
 - n - 7 - Ronnie

- CLn - First Lady's Correspondence
 - n - 0 - Unknown
 - n - 1 - Nancy Reagan
 - n - 2 - Nancy
 - n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence
 - n - 1 - Ronald Reagan - Nancy Reagan
 - n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

State's Draft Reply

Letter on Americans for Soviet Germans

Dear Mr. Stark:

Thank you for your letter of July 24 concerning the formation of Americans for Soviet Germans. Your organization's aim of drawing attention to the plight of Soviet Germans is a commendable one.

President Reagan and U.S. Government officials at all levels have pressed the Soviets to permit the exercise of basic human rights. It is distressing that the Soviet Union does not honor its commitment in the Helsinki Final Act "to deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family."

Let me assure you that the U.S. Government is aware of the difficulties experienced by Soviet Germans. We have been deeply concerned to see the number of exit visas fall from 9,626 in 1976 to only 406 in 1985. We consult closely with the Government of the Federal Republic of Germany and are supportive of its efforts on behalf of Soviet Germans. In international human rights fora, U.S. representatives have worked to secure the rights of minorities, including those of Soviet Germans.

I read your letter with great interest, and I hope you will keep me informed of your efforts.

Sincerely,

THE WHITE HOUSE
WASHINGTON

7022

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER
SUBJECT: Letter of Appreciation

Issue

Thank you letter to former NSC staff member.

Facts

Stella Brackman has worked on the staff of the National Security Council for two years. Attached at Tab A for your signature is a letter expressing your appreciation for her loyalty and dedication.

Discussion

Stella's team spirit and invaluable assistance in preparation for and during the Geneva Summit is noteworthy.

Recommendation

OK No

_____ _____ That you sign the letter at Tab A.

Attachment

Tab A Letter for Stella Brackman

Prepared by:
Jack F. Matlock

THE WHITE HOUSE

WASHINGTON

Dear Stella:

I very much appreciate your unrelenting support and tireless efforts during your two years of service on the staff of the National Security Council. Your team spirit and invaluable assistance in preparation for and during the Geneva Summit did not go unnoted.

Stella, you are a tribute to your profession. We will miss you.

With best wishes as you pursue your career in the Foreign Service -- and many thanks for a job well done,

Warm regards,

Mrs. Stella Brackman
205 Yoakum Parkway
2-1825
Alexandria, Virginia 22304

9/26 - Speechwriters - for clearance, please. 31
Thank you.

THE WHITE HOUSE
WASHINGTON

Mary W
X 5112

OK/MP
9/26

Dear Stella:

It is a pleasure for me to take a moment to let you know how appreciative I am for your loyal support and dedication during your tenure on the staff of the National Security Council.

As you leave on the road for what promises to be a bright and rewarding career, you have my gratitude and best wishes for many successes and much happiness in your new challenges.

God bless you.

Warm regards,

Mrs. Stella Brackman
205 Yoakum Parkway
2-1825
Alexandria, Virginia 22304

Cham 38

7023

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

September 26, 1986

ACTION

MEMORANDUM FOR RODNEY B. McDANIEL
FROM: JACK F. MATLOCK *JFM*
SUBJECT: Travel Authorization

The Institute for East-West Security Studies has invited me to attend a working dinner in New York on Friday, October 17.

RECOMMENDATION

That you approve my travel and participation.

Approve _____ Disapprove _____

Attachment

Tab I Travel Authorization

cc: Admin Office

79

NSC STAFF TRAVEL AUTHORIZATION

DATE: Sept 26, 1986

1. TRAVELER'S NAME: JACK F. MATLOCK

2. PURPOSE(S), EVENT(S), DATE(S): Attend Institute of East-West
Securities working dinner
on Friday, October 17, 1986

3. ITINERARY (Please Attach Copy of Proposed Itinerary):
Washington, D.C., to New York, N.Y., and return

DEPARTURE DATE 10/17/86 RETURN DATE 10/17/86
TIME pm TIME _____

4. MODE OF TRANSPORTATION:
GOV AIR _____ COMMERCIAL AIR POV _____ RAIL _____ OTHER _____

5. ESTIMATED EXPENSES:
TRANSPORTATION \$110 PER DIEM \$126 OTHER \$25 TOTAL TRIP COST \$261
Will stay in quarters & no cost #135

6. WHO PAYS EXPENSES: NSC OTHER _____

7. IF NOT NSC, DESCRIBE SOURCE AND ARRANGEMENTS: _____

8. WILL FAMILY MEMBER ACCOMPANY YOU: YES _____ NO _____

9. IF SO, WHO PAYS FOR FAMILY MEMBER (If Travel Not Paid by Traveler, Describe Source and Arrangements): _____

10. TRAVEL ADVANCE REQUESTED: \$ _____

11. REMARKS (Use This Space to Indicate Any Additional Items You Would Like to Appear on Your Travel Orders): _____

12. TRAVELER'S SIGNATURE: Jack F. Matlock
Jack F. Matlock

13. APPROVALS: _____

THE WHITE HOUSE
WASHINGTON

7022

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER

SUBJECT: Letter of Appreciation

Issue

Thank you letter to former NSC staff member.

Facts

Stella Brackman has worked on the staff of the National Security Council for two years. Attached at Tab A for your signature is a letter expressing your appreciation for her loyalty and dedication.

Discussion

Stella's team spirit and invaluable assistance in preparation for and during the Geneva Summit is noteworthy.

Recommendation

OK No

_____ _____ That you sign the letter at Tab A.

Attachment

Tab A Letter for Stella Brackman

Prepared by:
Jack F. Matlock

42

THE WHITE HOUSE

WASHINGTON

Dear Stella:

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Stella, you are a tribute to your profession. We will miss you.

With best wishes as you pursue your career in the Foreign Service -- and many thanks for a job well done,

Warm regards,

Mrs. Stella Brackman
205 Yoakum Parkway
2-1825
Alexandria, Virginia 22304

THE WHITE HOUSE
WASHINGTON

Dear Stella:

It is a pleasure for me to take a moment to let you know how appreciative I am for your loyal support and dedication during your tenure on the staff of the National Security Council.

As you leave on the road for what promises to be a bright and rewarding career, you have my gratitude and best wishes for many successes and much happiness in your new challenges.

God bless you.

Warm regards,

Mrs. Stella Brackman
205 Yoakum Parkway
2-1825
Alexandria, Virginia 22304

Matlock
E WHITE HOUSE
WASHINGTON

Chron - 9/27/86

~~EYES ONLY~~

Adm. Poindexter

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

CAS 6/25/02

PRESERVATION COPY

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET/SENSITIVE/EYES ONLY~~

September 27, 1986

INFORMATION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: JACK MATLOCK *JM*

SUBJECT: Thoughts on Daniloff Case

I drafted the attached paper yesterday to put down some of my thoughts regarding handling of the case in the hope that it would eventually be useful as a retrospective look of "lessons learned" when the matter is solved.

Although I am not aware of the present stage of negotiations, I think that some of my remarks may be relevant, even today.

The following things occur to me, in particular:

- 1) If we have not reached a settlement by Monday, we should definitely take further sanctions against the KGB presence here. Commercial installations in N.Y. should be the next target, and the Soviets should be given to understand that further steps will follow at regular intervals.
- 2) Under no circumstances should we consider in any way going back on our expulsion of the 25 -- aside from giving them a few more days to pack up and leave if there is a settlement. (But if there is none, the Oct. 1 date should stand firm.)
- 3) We should make sure that we have done the staffing to counter-retaliate if the Soviets retaliate on our installations in any meaningful fashion. (I do not believe this has been done yet, despite some preliminary work by Dave Major.)

The attached "think piece" is for you only. I suspect you already agree with what I have to say, but I thought it might be useful to try to put my thoughts down in coherent fashion. No one has seen this piece but me (I personally ran it off without giving it to my secretary) and I do not intend to give it to anyone else. But it does point up some real problems which worry me a great deal as I think about the future. If you have a chance to discuss them, I would welcome the opportunity.

Attachment:

"The Daniloff Case: Afterthoughts"

~~SECRET/SENSITIVE/EYES ONLY~~

DECLASSIFIED IN PART
NLRR F06-114/5 #8556
BY RW NARA DATE 3/14/11

The Daniloff Case: Afterthoughts

Taking advantage of lessons I have absorbed over the years in dealing with hostage situations created by the Soviets -- I would like to pass on a few thoughts about the Soviet attitude toward these situations. I have the feeling that some of our policy makers have misjudged the real Soviet attitudes, and that this has complicated our efforts to develop a consistent and prompt policy. Some of the misconceptions have a bearing on other negotiations, so that I believe it useful to state my views -- not in order primarily to critique the past, but in order to call attention to the problems created by projecting American attitudes on our Soviet interlocutors. I believe that the Soviet handling of the Daniloff case highlights certain important differences in the American and Soviet views of some very basic issues, and therefore a review of them may be enlightening.

Basic Soviet Attitudes

I am personally convinced of the following, although in some instances I cannot "prove" the case using American judiciary rules of evidence:

1. Daniloff was arrested primarily to obtain a hostage to free Zakharov, and secondarily to intimidate the Western press corps in Moscow and to put Soviet citizens on notice that unofficial contacts with the Western press can be dangerous.
2. It was primarily a KGB operation. Although it would have required approval on the Politburo level, this approval may have been perfunctory at the outset -- and conceivably may not have involved Gorbachev personally, since he was on vacation. Who approved it precisely, however, is not particularly important.
3. What is important is that the Daniloff arrest was almost certainly not intended to have an important effect on other matters. Past experience would have suggested to the Soviets that it would be unlikely to spill over, and that we would act promptly to do whatever is necessary to free an American citizen.
4. In Soviet minds, it was not particularly important whether Daniloff was innocent or guilty, except from the standpoint of public presentation. The set-up and arrest was a political act, not one of law-enforcement.
5. The tenuous evidence the Soviets had of some slight connection between Daniloff and U.S. intelligence would have been viewed by them as an asset in the sense that it could be used to blackmail us if we indicated that we were worried about these facts becoming public knowledge. They were not, however, relevant to a decision on whether to free Daniloff or not.

SECRET/SENSITIVE/EYES ONLY

6. In short: the Soviet decision to arrest Daniloff was a political decision to achieve a limited aim; it could be defeated only if and when the Soviets grasped that it would not achieve that aim -- and in addition could cause lasting damage to their intelligence assets and damage to other issues of interest to them.

The Burden of the Past

Past handling of such incidents complicated our task, since it gave the Soviets every reason to suppose at the outset that we would negotiate a trade of sorts which would meet their requirements, without either leaving them with any permanent disabilities as a result of their action, or impinging importantly on other issues.

Of the three previous hostage cases of this sort, Kennedy handled his most satisfactorily, but still imperfectly: he said Barghoorn was innocent and (so far as I am aware) negotiated on nothing until Barghoorn was released. Barghoorn was in fact released fairly promptly and the Soviet spy was subsequently convicted, remanded in custody, and had to stay in the U.S. for several years. Nevertheless, the KGB suffered no permanent disability from their action, since no moves were made against the KGB presence here. Result: more or less a draw.

The second case, in 1972, was by all odds the worse so far as U.S. handling is concerned: When an American was arrested, Kissinger made a deal within a few days for a straight swap. It was close to the 1972 Summit, and the Soviet conclusion was clearly that the hostage tactic is very effective from their point of view when summitry is in the air. Result: total Soviet victory, and trouble for the future.

The third case, in 1978, was handled much better than the one in 1972, but still was deficient. There was a mutual remanding in custody, followed by the release of the American, followed by a trial of the Soviet spies (who were remanded in custody pending appeal), and subsequently swapped for some dissidents. The convicted Soviets spent no time in jail and the KGB suffered no long-term disability. Result: No Soviet win, but also no longterm KGB disability which would have argued against use of the ploy against a subsequent Administration.

Rational U.S. Aims

Our objectives should have been four-fold: (1) Get Daniloff out as soon as possible; (2) Deter repeat performances in the future by exacting a tangible price on the organization that perpetuated the outrage (with the collateral benefit of improving our ability to guard our internal security); (3) Handle in a manner so that

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any spill-over to other issues could be used to the U.S. advantage in handling those issues; and (4) Position ourselves so that we get Daniloff out first, and then use the leverage Zakharov provided to extract the maximum number of individuals from the Soviet Union.

In pursuing these goals, it was important not to let any take absolute precedence over the others. In fact, the most effective strategy for each of them was to tackle the first three simultaneously, and bide our time on the fourth. In particular, the second goal was not an enemy of the first, but actually suggested instruments to achieve the first.

Particularly given past experiences, it was vitally important from the outset to let the Soviets know three things: (1) We would not link Daniloff with Zakharov in any fashion (despite their past experience); (2) We would exact a concrete price for their action, which would escalate with time, and which would leave the KGB with a permanent disability in their operations; and (3) The matter would spill over into other issues and endanger the summit if prolonged.

It was important to get these points across at the inception of the incident precisely because they would have represented a basic shift in U.S. treatment of such issues. How are the Soviets to know that U.S. policy has changed if we don't tell them?

The first message should have been given both privately and publicly; the second privately but unmistakably; the third indirectly in public (by not stating that Daniloff would have no effect on summit plans) and directly in private (summit unthinkable while Daniloff held).

Timing was critical, since the longer the situation persisted, the more public prestige of each side would become involved, and therefore the more difficult it would be to resolve it to U.S. satisfaction. Therefore, maximum incentive should be given to the Soviets, from the very start, to resolve the matter to our satisfaction with minimum delay. Only a signal that we would move, by escalating stages, against the Soviet intelligence presence in the U.S., and would not try to insulate the outrage from other issues had the potential for creating the proper incentives on the Soviet part.

Soviet Bureaucratic Factors

We will never know enough about internal Kremlin politics to hope for success in playing one faction off against another. However, we do know enough about bureaucratic imperatives to make use of obvious bureaucratic interests.

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Daniloff's arrest was a KGB move (doubtless with high-level political sanction) to achieve a limited goal: Zakharov's freedom. This meant that we could serve our ends by convincing the KGB, very early on, that if the matter were prolonged and escalated, their own parochial interests would suffer in a very tangible way -- and the longer the matter were prolonged, the more it would suffer.

To avoid unnecessarily engaging Soviet prestige, such a message should have been sent privately (e.g., the Vienna channel) within a couple of days of Daniloff's arrest, and gradual steps directed at the KGB presence in the U.S. begun immediately as a token of our seriousness.

This would have achieved several objectives: (1) It would have given the KGB tangible incentive to encourage the Soviet leadership to find a quick way out; (2) It would have left the KGB with a net disability, the magnitude of which would be commensurate with delay, when the affair was settled. (The latter is an important consideration in terms of deterring similar acts in the future.)

In sum, by moving immediately to affect KGB assets, we would have maneuvered to give the KGB incentives to ally themselves with us for a quick solution, before the prestige of the political leadership became inextricably engaged.

U.S. Tactical Mistakes:

1. We should never have taken any initiative to link the Daniloff and Zakharov cases in any fashion. Although the initial demarche Armacost delivered tried by artful wording to avoid linkage, in fact the very mention of Zakharov in the same meeting when we demanded Daniloff's release was read by the Soviets to mean that we were willing to link the two -- and therefore their hostage ploy had a good chance of success. (I believe that this is also at the root of Korniyenko's possibly honest remark to me that our handling of the matter convinced him of Daniloff's guilt. The fact is that, if we had set up an innocent Soviet citizen, the Soviets never would have allowed any linkage to anything else.)

What we should have done at that meeting was (1) to demand Daniloff's immediate and unconditional release; and (2) announce at least the first of what would be a series of sanctions (conveyed in more detail in the Vienna or another private channel). If the Soviets made any mention of Zakharov, the U.S. representative should have refused to discuss any aspect of his case at the same meeting, in order to drive home that we would not allow any linkage. He should have told them that if they wanted to discuss other, unrelated matters, they should seek an appointment to do so.

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2. We should have avoided any statements which indicated that Daniloff's arrest would not affect summit meetings or other issues. (It would not have been helpful to invoke publicly threats re the summit meeting early on, but we definitely should have avoided any hint that planning would not be affected.)

2. After putting in place a series of escalating sanctions -- and carrying them out with punctilious regularity -- we should have sat back and let the Soviets come to us with suggestions. Public pressure would build, but as each of the sanctions were announced, it would tend to be directed at the Soviets, and not at us for "inept handling."

3. If they did not solve the matter promptly (by simply expelling Daniloff), we could be certain that we would always have the option of agreeing to a mutual remanding in custody (if we felt that Daniloff's stay in prison was becoming too prolonged). However, if the Soviets had been the first to suggest this, we probably could have driven a much harder bargain -- at least not simultaneous -- and the clock would have been working in our favor.

By not having in effect a series of automatic and escalating sanctions against the KGB when we agreed to the remanding in custody, we put ourselves in a weak bargaining position -- and also created major problems in public perceptions of the President's resolve.

4. While it was fine to set as a U.S. goal the release of some dissidents in return for Zakharov eventually, it was a major tactical blunder to introduce this question when and as we did. Again, it signalled an eagerness on our part to bargain (rather than demand our rights, as the Soviets would have done, were the situations reversed).

5. The expulsion of the 25 was an important move in and of itself; it finally forced the Soviets to take serious notice of our stance and to begin to find ways out. However, it would have been much more effective if it had been combined with an indication (preferably not in a formal message) that other steps would follow at fixed -- and accelerating -- intervals. Without the latter, we relieved the Soviets of much of the time pressure and gave them incentive to try to whittle down or negate this move as part of a package.

6. We were correct to continue the full schedule of meetings on other subjects, but without the "sanctions" part of the package, this move, too, was subject to misinterpretation.

Why Didn't We? -- Misperceptions of Soviet Psychology

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Our failure to move promptly in what I would consider the only effective way was the product of many factors, the dispersal of senior decision-makers at the time Daniloff was arrested being one of them. I am convinced, however, that other, deeper factors were involved which we need to recognize and correct if we are not going to be subject to miscalculations in the future. The problem is not that anybody is a wimp, or lacked courage, ability, intelligence or judgment. This is definitely not the case. Everybody involved was highly responsible, intelligent and dedicated to doing the right thing.

What was missing, however, was a firm grasp of the way the Soviets viewed the matter, and, following from this, uncertainty regarding what sort of tactics which would be effective in dealing with the Soviets. This led to hesitations and to the choice of moves on our part that in fact made it more difficult to get Daniloff freed promptly, provide disincentives to repeat performances in the future, avoid damaging spill-over into other issues -- and even to maximize the number and importance of the dissidents we could "buy" with Zakharov.

Specifically, I believe that those who argued against the course suggested above (which I suggested to State Department officials the very day of Daniloff's arrest) did so from some combination of the following misperceptions:

1. Concern that forceful action would prolong Daniloff's stay in prison. This was a very legitimate concern, but it led us to actions and inactions which were almost certainly counterproductive. His release would probably have been accelerated if we had started a process of gradual sanctions earlier, and communicated this policy discreetly to the Soviets. Certainly, his release would not have been delayed by such action.

2. A feeling that the issue of Daniloff's guilt or innocence was an important one for the Soviets. In fact, this issue was relevant only to the public handling. Daniloff was not arrested because they thought he was guilty. Proving his innocence, therefore, was not relevant to a Soviet decision to release him. (This does not mean that we should not have stated his innocence and answered Soviet charges -- we of course should have done so, to protect our public position, if nothing else. But nobody should have had any illusions that all we had to do to secure his release was to convince Gorbachev that Daniloff did not work for the CIA. Gorbachev really doesn't care whether he does or not.)


3. A feeling that there were aspects which would be embarrassing if made public. Though nobody mentioned such factors explicitly, I had the distinct feeling that some felt that (1) FBI had acted rashly in arresting Zakharov (or at least in publicizing the arrest), that (2) [REDACTED]

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 -- and therefore, there were weaknesses in our position. The fact is that even if these worries had some real basis (I do not believe they do), it should not have affected our handling of the issue one iota. The basic fact was that the Soviets made a decision to frame Daniloff in order to secure a hostage. If we allow doubts or uncertainties regarding U.S. actions -- which have no bearing on the central issue -- to creep into our own thinking, it paralyzes straight and clear thinking on the issue. It is truly a case of being mesmerized by the possibility of mote in our eye and forgetting the beam in the Soviet eye.

The Soviets are very astute in reading symptoms of such an attitude, and adept in exploiting them. Unfortunately, some of our actions probably encouraged them to feel that we were "vulnerable" to "public exposure" and therefore the implicit threat to do so would make us more amenable to a deal on their terms.

4. A disproportionate fear of Soviet retaliation on us. No vigorous move is without its potential risks, and nobody can be certain that the Soviets will not attempt some retaliation against U.S. installations in the USSR if we move against the KGB here. Normally they do retaliate if they think they can get by with it, and normally they do not if they have good reason to believe that counterretaliation will leave them in a worse position than before. For example, they have not retaliated against the French for very large expulsions from Paris, because they know that the French will hit them even harder if they do.

Traditionally, we have always been too cautious on this score -- and have left all the wrong impressions with the Soviets. The proper attitude is to be willing to risk retaliation if required, but let it be known that if they do so, we will make them suffer even more. It might take one round of reciprocal expulsions to make the point -- but if so, they would hurt more than we would and would certainly call the whole thing off before it spiralled into a general bloodletting.

5. Taking the Soviets seriously when they say "This is not the way to deal with us." It is true that threats made publicly back the Soviets into a corner and make it very difficult for them to back down. The same is, however, not true of credible threats made privately. At times, this is the only way to deal with the Soviets effectively. The frequency with which they claim that this is not the way to deal with them only proves the point that it is precisely the way to do so, when you have the leverage and the will to make the threats stick. (B'r Rabbit and the briar patch is not a part of Russian folklore!)

6. Fear that vigorous action regarding Daniloff could get into the way of "bigger issues" -- such as arms control or summitry. Paradoxically, the fact is that absence of forceful action

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regarding Daniloff's arrest poses a greater threat to other issues that forceful action would.

7. Failure to recognize the importance of sending the right signals from the very start, before the sides are locked into a competition for prestige -- and the top leaders are involved.

8. Failure to give careful attention to modalities. With the Soviets, how you do something is often as important as what you do. The trouble with State is that nobody thinks of doing anything except officially, up front, with public announcements (or resigned anticipation that there is no way leaks can be avoided). In fact, many things are best done unofficially; some should be done only if they are done unofficially. Yet this aspect of policy rarely gets any attention at all. (And, unfortunately, when State does it, leaks do seem to be inevitable. However, the Vienna channel and the sensitive portion of Gorbachev's letter have not leaked -- and with a comparable super-close hold, other steps would not leak either.)

Conclusions:

I have written this analysis not to point fingers or to argue over what might have been. I have no stomach for either. I have written it because I sincerely believe that the way the Daniloff matter was handled has illustrated in the most striking fashion a vulnerability we face as we go into what will possibly be the most important series of negotiations we have had for several decades with the Soviet Union.

Aside from outlining, the very day Daniloff was arrested, to officers in State/EUR the general approach I felt would be effective (which they not merely ignored but in effect opposed by refusing to staff the details even as an option), I have not discussed these judgments outside the "Daniloff club" on our staff -- and have not discussed these thoughts with them in such comprehensive fashion. Nevertheless, from comments volunteered to me, I am convinced that every Soviet specialist who has extensive experience in dealing with the Soviets and who understands the psychology which lies behind Soviet actions would agree with me on virtually every particular. This is true of those both inside and outside the government; unfortunately those inside the government (except those on our own staff) have not been in the loop on these decisions.

The tragedy is that Secretary Shultz does not seem to have the benefit of the advice of anyone who has a firm grasp of the realities of Soviet psychology. Unless some way is found to correct this -- or at the very least to provide the President with more of these very essential insights -- we will face real

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problems in the future in conducting our affairs with the Soviets in the most effective fashion.

One other related point comes to mind. The Soviets make extensive and very effective use of unofficial probes, comments, and occasional outright disinformation. Except for the Vienna channel talks, we have not been in a position to do any of this to them. Nobody seems to think of this aspect of things and there is nobody around to orchestrate it. Yet it is potentially very effective.

For example -- as a supplement to the other things we were doing, we should have arranged for some of the CIA's or FBI's indirect contacts with Soviet officials (e.g., academics to talk to them and keep us informed) to spread stories that there is a faction in the USG determined to use Daniloff's arrest to queer the whole relationship -- they can only be thwarted by a quick release of Daniloff. And/or, that forces in the USG are pushing hard to wipe out the KGB in the US -- in a move that would make the British 105 look like a spat at a garden party -- and that they would likely be successful if Daniloff is not out PDQ. And so on ... Such "tidbits" flowing into the Moscow "Center" would encourage increasing nervousness -- if we were officially actually cutting them back -- and would cultivate some powerful incentives to cut bait in a hurry and put the matter behind us before "anti-Soviet forces" in the U.S. get their way.

This is a form of absolutely risk-free covert action which we seem to ignore totally. We should finally do something to activate such a capability. To be effective, it would have to be directed carefully -- and held very closely.

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