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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** MATLOCK, JACK: FILES

**Withdrawer**

JET 4/25/2005

**File Folder** DANILOFF (2)

**FOIA**

F06-114/6

**Box Number** 22

YARHI-MILO

2202

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
9040	MEMO	SESTANOVICH TO POINDEXTER RE DANILOFF AND THE SUMMIT <b>R 12/13/2007 F06-114/6</b> DOCUMENT PENDING REVIEW IN ACCORDANCE WITH E.O. 13233	2	9/12/1986	B1
9041	MEMO	WIC TO POINDEXTER RE USIA ACTIONS ON THE DANILOFF CASE <b>R 12/13/2007 F06-114/6</b>	1	9/16/1986	B1
9043	TALKING POINTS	SOVIET UN MISSION EXPULSIONS <b>R 1/30/2007 F97-024 #149 MJD 5/16/00</b>	2	ND	B1
9044	TALKING POINTS	CONNECTION TO DANILOFF CASE <b>R 1/30/2007 F97-024#149 MJD 5/16/00</b>	2	ND	B1
9045	CABLE	190939Z SEP 86 <b>R 12/13/2007 F06-114/6</b>	6	9/19/1986	B1
9047	MEMO	PLATT TO POINDEXTER RE PRESIDENT'S SEPTEMBER 22 BRIEFING FOR ALLIES <b>R 12/13/2007 F06-114/6</b>	1	9/21/1986	B1
9048	TALKING POINTS	TALKING POINTS <b>R 12/13/2007 F06-114/6</b>	6	ND	B1

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

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
9049	MEMO	CHRONOLOGY OF EVENTS RE DANILOFF AND ZAKHAROV <i>R 12/13/2007 F06-114/6</i>	4	ND	B1
9046	MEMO	COCKELL TO POINDEXTER RE BACKGROUND, OCTOBER 2, 1986 <i>R 3/19/2013 F2006-114/6</i>	1	10/1/1986	B1
9050	TALKING POINTS	DANILOFF AND ZAKHAROV <i>R 12/13/2007 F06-114/6</i>	6	ND	B1
9042	MEMO	CHRONOLOGY OF EVENTS <i>PAR 11/16/2015 F2006-114/6</i>	4	ND	B1

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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

~~SECRET~~

September 12, 1986

INFORMATION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: STEVE SESTANOVICH *SR*

SUBJECT: Daniloff and the Summit

At the outset of a new phase in the Daniloff case, it is important to re-examine its connection to other issues of US-Soviet relations, especially the prospects for a summit. We have heard the argument that because of our interest in these issues, the Administration should pull back from punitive retaliation. I believe this is exactly the wrong lesson to draw, for two reasons -- one hard-line argument, the other soft.

The first has to do with "linkage." People have disagreed about whether it works and how, but almost everyone (in this Administration at least) has agreed that the worst policy is what might be called "reverse linkage" -- in which we sacrifice a concrete national interest in the hope of keeping the arms control "dialogue" alive. This is precisely what the President himself accused Carter of doing. If the Soviets also have an interest in arms control, then such a policy is plainly unnecessary, but it's also unwise: the Soviets will read our flexibility on Daniloff as a sign of great eagerness for a summit, which will lead them to raise the price on other issues. As a result our bargaining position on these issues will be weakened. And if our allies see that we pull our punches so as to keep a good East-West atmosphere, they will feel obliged to trim their own positions too. Only Moscow wins if we start such a process.

The second reason is different, but equally important. To hold a summit in which there is real movement (and perhaps even to hold one at all), the President will need a great deal of negotiating flexibility and domestic maneuvering room. Only then will he be able to explore seriously a package of arms control formulas that would be acceptable to both sides. No bargaining process of this sort occurs without compromises and concessions; these are justifiable as long as they produce an agreement that is in our interest, but it is never easy to gain bureaucratic consensus about which specific concessions to make, and when. If the Daniloff affair sparks recriminations and charges that a desire for a summit led the Administration to step back from a tough, previously-chosen policy option, I believe the President's flexibility will be less, not greater. By contrast, if he carries through a swift, sure strategy on Daniloff that makes sense, he will strengthen his hand domestically, make clear who decides policy within the Administration, and show the Soviets

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Declassify: OADR

DECLASSIFIED

NLS F06-114/6 #9040BY LOJ, NARA, DATE 12/13/07

that his tolerance is limited. It is very possible that some delay in movement toward a summit will result, but our true strategic position vis-a-vis the Soviets will be stronger. A summit in conditions of weakness will be no great triumph.

These considerations suggest three guidelines for handling the Daniloff aftermath in the next several days.

First, our interest is best served by a quick, clean resolution that frees us for retaliatory measures. To force the pace, and avoid prolonged ambassadorial custody, we could go back quickly to the Soviets, saying that we intend to seek Zakharov's early expulsion, and asking whether Daniloff will be freed while we are seeking to get their man's charges dropped. With Daniloff out, we can then include Zakharov in the much larger list of expellees.

Second, it is important to keep elements of the US-Soviet relationship balanced, not linked. This means we should consider putting forward some new negotiating positions (either publicly or privately), while the personnel decisions are unfolding. The President's UNGA speech would be a good forum for this.

Third, as long as we have a firm policy, there is no need to humiliate the Soviets or fill the air with a lot of rhetoric. Rushing the expulsion order before Shultz meets Shevardnadze may be ill-advised. The irreversible decision to go forward should be made beforehand, however, and kept separate from whatever comes out of the meeting.

In sum: It is impossible to be sure when a summit can be held and what its outcome will be. But the most important decision the President must make is not the timing of the summit, but how to keep his position strong both before and at the meetings that eventually take place.

<sup>PAR</sup>  
Peter Rodman concurs.

cc: Bill Cockell  
Jack Matlock  
Dave Major

NATIONAL SECURITY COUNCIL  
WASHINGTON D.C. 20506

September 18, 1986

INFORMATION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: JACK F. MATLOCK 

SUBJECT: USIA Memo On European Press Reaction on the  
Daniloff Case

Attached at Tab A is a memo from Charlie Wick on European press treatment of the Daniloff case.

The European media recognize Daniloff's innocence and have given the US high marks for its treatment of the case. But the overall concern of European media focuses on the future of East-West relations. They do not want it to affect the Summit.

Paul Hanley, Walt Raymond and Steve Sestanovich concur.

Attachment  
Tab A Wick Memo

Prepared by:  
R. Scott Dean



September 11, 1986

MEMORANDUM FOR: Vice Admiral  
John M. Poindexter  
Assistant to the President  
for National Security Affairs  
The White House

FROM: Charles Z. Wick *MLS for CZW*

SUBJECT: West European Attitudes Toward the Daniloff  
Case: Support but Concern that the East-West  
Relationship not be Held Hostage to it

A survey of senior USIS officers in major West European capitals shows that Europeans agree that Daniloff is innocent. However, the continental Europeans (French, West Germans, Italians, Dutch and Swedes) stress that arms control negotiations and a U.S.-Soviet Summit meeting should not be held hostage to the Daniloff case. They view East-West relations as more important than the fate of one man.

In the UK, where Daniloff has many personal and professional contacts throughout the British establishment, there is emotional outrage over his arrest. British journalists are treating the Daniloff affair mainly as a major human rights case. They have focused to a much lesser extent on its potential implications for East-West relations.

In continental West Europe, the Administration has received high marks for its restraint in responding to the Soviet provocation. In the UK, the Administration has received high marks for its principled stand on the human rights aspects of the case.

There is a general hope that the Daniloff case is nearing resolution, but also continuing fear, especially in Germany, that it could slip out of control. European TV newscasts this evening gave wide play to U.S. news stories that Daniloff and Zakharov may be remanded to the custodies of their respective Ambassadors as an interim move.

RECEIVED 18 SEP 86

TO POINDEXTER

FROM WICK, C

DOCDATE 16 SEP 86

DECLASSIFIED  
White House Guidelines, August 28, 1997  
By smf NARA, Date 6/11/02

KEYWORDS: USIA

USSR

VOA

SUBJECT: USIA ACTIONS RE DANILOFF CASE

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ACTION: PREPARE MEMO FOR POINDEXTER DUE: 22 SEP 86 STATUS S FILES WH  
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FOR ACTION

FOR CONCURRENCE

FOR INFO

RAYMOND

LENCZOWSKI

MATLOCK

STEINER

SESTANOVICH

MANDEL

SMALL

HANLEY

RODMAN

DANZANSKY

COMMENTS

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**United States  
Information  
Agency**

Washington, D. C. 20547

Office of the Director

6787



September 16, 1986

~~CONFIDENTIAL~~

MEMORANDUM FOR: Vice Admiral  
John Poindexter  
Deputy Assistant to the President for  
National Security Affairs  
The White House

FROM: Charles Z. Wick *new*  
Director

SUBJECT: USIA Actions on the Daniloff Case

USIA is putting considerable effort into publicizing the Administration's position on the detention of Nicholas Daniloff. All Agency media -- the Wireless File, VOA, TV -- have extensively reported the story and the Administration's reaction to it. Our media reaction staff have carefully monitored foreign reporting on the incident. USIA field posts have been directed to seek out their journalist contacts and encourage public condemnation of the Soviets' action.

We have worked to ensure that foreign journalists understand the sense of outrage engendered in the American people -- and emphatically in American journalists. As the enclosed media reports show, foreign journalists initially viewed the Daniloff case from the limited perspective of its implications for superpower relations, arms control, and the like. (See Tab A). Later, as U.S. efforts to inform foreign opinion-makers took hold, they came to report it as a human rights case that speaks to the nature of the Soviet system. (See Tab B).

After Friday's events, however, foreign media reaction over the weekend took a turn for the worse. The concurrent releases of Messrs. Daniloff and Zakharov were portrayed as a swap involving "Diplomatic Defeat for Washington" (Switzerland's Tages-Anzeiger), or worse (e.g., "Kremlin Outsmarts White House on Daniloff" -- London Times; "Gorbachev Gets the Better of Reagan on Daniloff Case" -- Italy's La Repubblica). (See Tab C).

~~CONFIDENTIAL~~

Classified by: Charles Z. Wick  
Declassify or Downgrade on: OADR

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NLS F06-114/6#9041

BY LOJ, NARA, DATE 12/13/07

# SPECIAL REPORT

# Foreign Media Reaction

**United States Information Agency**

Tuesday, September 9, 1986

## DANILOFF AFFAIR

Reporting and comment on the Soviet Government's arrest and indictment of Nicholas Daniloff, U.S. News & World Report correspondent in Moscow, has been largely confined to major West European media.

Very few editorials have expressed outrage over the human rights violation or restrictions on freedom of the press exemplified by the incarceration of the U.S. newsman.

The conservative Times, in one of the few editorial expressing condemnation of the arrest, wrote: "On the evidence available, Daniloff is no less a hostage than U.S. citizens held in Lebanon. And if hostage taking of this order is to be discouraged, it has to be seen not to work. Which is why yesterday's admittedly sketchy reports of a deal between U.S. and Soviet authorities are disturbing."

A minor Austrian paper, the Socialist Party Neue AZ wrote that "what the KGB has done to this U.S. correspondent is absolutely villainous."

From the beginning, most commentators in West Europe and elsewhere have seen the Daniloff arrest as "a cloud over the summit." Two organs of opinion, immediately after the arrest, stated that the affair was "poisoning" the air.

Leftist La Repubblica of Rome said that "at a very delicate phase during the beginning of a decisive month," the detention of Daniloff "is poisoning the atmosphere." In Paris, Antenne-2 TV commented that "this affair is poisoning U.S.-Soviet relations."

Later in the week, Rome's conservative Il Tempo's Washington correspondent Marino de Medici was reporting that "the United States does not want 'the Daniloff case' to spoil the preparations for the summit, an objective strongly pursued by the Reagan Administration."

And in Hong Kong, pro-Taiwan Oriental Daily News remarked that "although the United States is furious, it is still preparing for a summit."

Comment along this line continued until today. Even after President Reagan's Colorado speech calling the arrest an "outrage" and warning that it could become "a major obstacle" to superpower relations, the conservative Daily Telegraph's Washington correspondent Ian Brodie reported that "the clear implication was that it could imperil plans for a second Reagan-Gorbachev summit..."

Tuesday, September 2

From the beginning, West European media have seen the Daniloff arrest as "a cloud over the summit." Two organs of opinion immediately stated that the affair was "poisoning" the atmosphere.

Leftist La Repubblica of Rome said that "at a very delicate phase during the beginning of a decisive month," the detention of Daniloff was "poisoning the atmosphere." In Paris, Antenne-2 TV commented that "this affair is poisoning U.S.-Soviet relations."

The conservative Daily Telegraph, on the day after the arrest, said that "the case serves as a sharp reminder that despite heartening trends in other areas, great influence is still wielded by the Soviet secret police."

Another tack was taken by a leading independent Hong Kong paper. In addition to believing that "the longer the Daniloff incident continues, the greater the impact will have on U.S.-Soviet relations, Ming Pao also thought "this incident has also hurt the new image Gorbachev so painstakingly built up....The espionage charge...immediately makes people feel that the USSR has not made not any real changes."

Wednesday, September 3

The conservative Daily Telegraph's Washington correspondent Ian Brodie reported that "the continued detention of an American correspondent in Moscow has not so affected President Reagan's pawns for a second summit with Mr. Gorbachev."

In France, liberal Le Monde thought that the arrest was "an insult to Reagan at a time when important arms negotiations are beginning."

In Italy, on the same day, conservative Il Tempo's Washington correspondent Marino de Medici was reporting that "the United States does not want 'the Daniloff case' to spoil the preparations for the summit, an objective strongly pursued by the Reagan Administration."

And in Hong Kong, pro-Taiwan Oriental Daily News remarked that "although the United States is furious, it is still preparing for a summit."

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Another angle was provided by Zurich's center-left Tages-Anzeiger: that "foreign correspondents are made-to-order potential spies if it suits the country's book to make them so....Nicholas Daniloff, grandson of the Czarist chief of staff in World War I, had the idea profile for the 'spy' label to be fastened onto him. Known for his criticism of Kremlin policy, he speaks Russian and known many Russians--too many, in the KGB's view..."

Oslo's conservative Aftenposten contended that Daniloff arrest "has already strained Soviet-American relations and could threaten the summit...as Vice President Bush has already signalled....If Gorbachev wants better relations with the West, there is only one thing for him to do, drop the KGB plot and release Daniloff unconditionally."

Sensationaist tabloid Dagbladet commented that "Reagan takes the arrest...very seriously, partly because he is annoyed, partly because is under pressure at home, and because he sees a chance to exploit the case politically...Both Reagan and the rest of us had actually expected better things from Gorbachev...We shall not demand of him that he admit the blunder, but we assume he will return Daniloff to the United States right away."

#### Thursday, September 4

By Thursday, foreign media were reporting that the Reagan Administration was believed to have prepared a plan to gain freedom for Mr. Daniloff. The conservative Times of London's Washington correspondent Christopher Thomas wrote that "under the proposals, which it is understood are now in the hands of the Soviet Union, Daniloff would be allowed to leave Russia in return for handing over Gennadi Zakharov."

The conservative Daily Telegraph's Washington correspondent Ian Brodie reported that "linking the cases is not a palatable idea to the American Government, which yesterday described Mr. Daniloff's arrest as an outrage, but at least the plan would still bring Zhakarov to court where he could be sentenced to life imprisonment."

The same paper on the same day expressed one of the few statements of opinion on the case: that the Russians, somewhat like the South Africans, "are so cut off from the main current of international affairs as to be incapable of perceiving the disastrous consequences of Mr. Daniloff...The Daniloff affair, one of far too many of its kind, serves only to remind us that when we look East, we are staring across a void.."

Also on Thursday, September 4, France-Inter radio reported that "behind the scenes, the United States is reportedly ready to exchange Daniloff for the Soviet man...The United States does not want to jeopardize chances for a Gorbachev-Reagan summit..."

On the same day, Rome's left La Repubblica's Washington correspondent Rodolfo Brancoli wrote that "the Daniloff case has not stopped preparations for the summit, the meetings are still on..." But he added, "The possibility of an exchange... while not officially rule out by the Americans, seems unlikely..."

A minor Austrian paper, the Socialist Party Neue AZ wrote that "what the KGB has done to this U.S. correspondent is absolutely villainous."

A pro-PRC paper in Hong Kong thought that Vice President Bush was "making a mountain out of a molehill" when he stated that the incident would "seriously affect U.S.-Soviet relations." And it added that this statement was "full of hegemonism."

Israel's middle-of-the-road Maariv said that "a Soviet decision to prosecute Daniloff for spying will mark the beginning of a confrontation between the USSR and the Western press which will seriously affect Russia's image in the free world."

Friday, September 5

The conservative Times, in one of the few editorials expressing outrage at the arrest, wrote: "On the evidence available, Daniloff is no less a hostage than U.S. citizens held in Lebanon. And if hostage taking of this order is to be discouraged, it has to be seen not to work. Which is why yesterday's admittedly sketchy reports of a deal between U.S. and Soviet authorities are disturbing."

And on the same day, the liberal Guardian's Washington correspondent Mark Train was still reporting that "the Administration is keen to get rid of this latest obstacle to preparations for an East-West summit meeting. U.S. officials are maneuvering behind the scenes to get the Soviet Union to accept a face-saving way to untangle the affair."

Meanwhile, French papers--pro-Socialist Le Matin and left-of-center Liberation--said that "in the long run, the affair could have negative consequences on the Reagan-Gorbachev summit..."

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Another Swiss journal, Geneva's independent La Suisse, called the arrest "this sordid case of blackmail" which "show that Gorbachev can be tough as well as tactful."

A Catholic weekly in Vienna, Die Furche, asked if the right hand knows what the left hand is doing. "The White House is indignant and is considering measures against Moscow. What do such measures look like?...The United States is delivering five million tons of wheat to the Russians...Canada and Australia, two allies..., are furious because they are unable to sell their wheat."

Sydney's nationally-distributed Australian ran a correspondent's view that "American anger toward the Soviet Union...means there is little likelihood of a Reagan-Gorbachev summit this year..."

#### Monday, September 8

By Monday of this week, even though the indictment of Daniloff was announced, comment and reporting had dropped off notably. Only British and French papers commented. The discussion still largely center on the affect the incident would have on U.S.-Soviet relations.

The conservative Times' Washington correspondent Christopher Thomas said, "The decision to bring him to trial is bound to plunge superpower relations into a new crisis and raises serious questions about the likelihood of a superpower summit." The liberal Guardian's Washington correspondent Alex Brummer wrote, "The Kremlin...appeared to scupper hopes of an early superpower summit...when it disclosed that it was bringing spying charges against...Nicholas Daniloff."

France-Inter radio's Washington correspondent Bertrand Vannier said that "it is clear that the incident is increasing tension between the two countries."

#### Tuesday, September 9

Papers reported President Reagan's Colorado speech calling the arrest an "outrage" and warning that it could become "a major obstacle" to superpower relations.

The conservative Daily Telegraph's Washington correspondent Ian Brodie reported, "The clear implication was that it could imperil plans for a second Reagan-Gorbachev summit..."

In an editorial, the same paper commented, "The Soviet leadership now has to be convinced that the political cost of keeping Mr. Daniloff in detention outweighs that of letting him go. If Mr. Gorbachev has decided that the summit is to be sacrificed for the sake of his personal authority at home, this is one less bargaining counter President Reagan has at his disposal."

Washington correspondent Alex Brummer filed in the liberal Guardian, "In Washington, Administration hardliners are pressing for an immediate cancellation of a scheduled open debate between top U.S. and Soviet officials to be held in Riga early next week, as well as a review of Mr. George Shultz's planned meeting with the Soviet Foreign Minister, Mr. Eduard Shevardnadze..."

# SPECIAL REPORT

# Foreign Media Reaction

**United States Information Agency**

Monday, September 15, 1986

## DANILOFF CASE

### Summary

In widespread coverage of the Daniloff-Zakharov "swap," a majority of foreign observers held that the "Kremlin out-smarted the White House" in this case.

The London Times, in story headlined "Kremlin Outsmarts White House on Daniloff" ran Washington correspondent Michael Binyon's report that "few doubt that the Russians have won a notable victory."

In an editorial, the same paper said, "The U.S. Administration wobbled indecisively....They gave away the point of principle they had initially declared sacred."

In Paris, liberal Le Monde's Washington correspondent Bernard Guetta contended, "It is an indisputable victory for Moscow and the pallor of Secretary Shultz during his brief press conference confirmed this."

Rome's influential, leftist La Repubblica headlined a story "Gorbachev Gets the Better of Reagan on Daniloff Case." Centrist Stampa Sera front-paged a report from Washington correspondent Ennio Caretto that "by accepting the exchange --even though it is a temporary one...the President is showing signs of weakness..."

In a similar line, Switzerland's center-left Tages-Anzeiger headlined the Daniloff-Zakharov case as a "Diplomatic Defeat for Washington; Tactical Success for Moscow."

Copenhagen's conservative Berlingske Tidende judged that "one can use the words of a former Secretary of State who said about the Cuba crisis that the two sides stood eyeball to eyeball and then one of them blinked. This time it was obviously the United States..."

There were at least two dissenters to this line of thought. Belgium's conservative La Dernière Heure held that "the Soviets are the ones who seem to be making the greatest concession in an issue in which appearances are what matters." In Bahrain, the pro-Government Gulf Daily News said, "Russia... backed down over the Daniloff affair..."



BRITAIN: "Kremlin Outsmarts White House on Daniloff"

These were London headlines this morning "Kremlin Outsmarts White House on Daniloff" (Times), "Reagan Accused of Losing the Daniloff Duel" (Daily Telegraph) and "Senators Angry on Daniloff Issue" (Financial Times).

"Few Doubt Russians Have Won a Victory"

The conservative Times Washington correspondent Michael Binyon reported, "The release of Mr. Nicholas Daniloff, though welcome to his friends and colleagues, may rebound damagingly on the Reagan Administration. Already questions are being asked here and accusations of ineptitude being bandied about in Congress and among the press, for few doubt that the Russians have won a notable victory..."

"The affair is bound to cloud relations. It will add a bitterness to the Shultz-Shevardnadze talks. It will make it harder for Mr. Gorbachev, if he comes here in November, to make a good impression."

Has a Summit Been Bought at the Expense of Principle?

The paper had this editorial comment, "The U.S. Administration wobbled indecisively. Having once insisted that the cases of Daniloff and Zakharov were in no way equivalent, they would have done well to hold out for more. Instead, they gave away the point of principle they had initially declared sacred."

"The Solzhenitsyns of this world who chide the West with lack of resolution in opposing the Soviet regime may not be entirely wrong, if a U.S.-Soviet summit has been bought at the expense of so vital a principle."

"High Price for Sustaining East-West Dialogue"

The conservative Daily Telegraph Washington correspondent Ian Brodie wrote: "The political price for sustaining the East-West dialogue has been high. It meant equating Mr. Daniloff with Mr. Zakharov, something the Reagan Administration had pledged was unthinkable."

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FRANCE: "Daniloff Affair: American Bitterness"

Paris headlines read today "Daniloff Affair: American Bitterness" (Le Matin) and "Daniloff Affair: End of Crisis" (Quotidien).

"An Indisputable Victory for Moscow"

Liberal Le Monde Washington correspondent Bernard Guetta contended, "It is an indisputable victory for Moscow and the pallor of Secretary Shultz during his brief press conference confirmed this."

WEST GERMANY: "Reagan and Gorbachev Still Want a Summit"

TV One's Washington correspondent Fritz Pleitgen said Friday night, "Secretary of State Shultz made clear in a press conference that this incident (Daniloff's detention) damages U.S.-USSR relations....But all of this does not change anything about the upcoming meeting between Shultz and Shevardnadze in Washington next week. Reagan and Gorbachev demonstrate that they still want the summit to take place."

"Tug-of-War About Daniloff Continues"

Typical FRG headlines included today "Daniloff Calls Interrogation by KGB Mental Torture" (Frankfurter Allgemeine and other papers), "Washington: Daniloff Arrangement Facilitates Summit Diplomacy" (Die Welt) and "Tug-of-War About Daniloff Continues" (Sueddeutsche Zeitung).

"Gorbachev Hopes Affair Will Be Settled in Moscow's Favor"

Conservative Frankfurter Allgemeine stated, "The way the United States has dealt with the Daniloff case may give rise to hope on Gorbachev's part that the case will be settled in Moscow's favor. The policy pursued by Washington in this case was contradictory from the beginning..."

"While he was in prison, Daniloff kept urging Washington to settle the case by exchanging him for Zakharov. Such a settlement would prove Gorbachev's calculation right."

ITALY: "Gorbachev Gets the Better of Reagan on Daniloff Case"

Weekend headlines were "Daniloff Case Resolved, U.S.-USSR Summit Is on" (Corriere della Sera) and "Gorbachev Gets the Better of Reagan on Daniloff Case" (La Repubblica).

"A Date for the Summit"

Centrist Stampa Sera today front-paged this report from Washington by Ennio Caretto, "The U.S. Department of State confidently predicts that the Shevardnadze-Shultz meeting will conclude with the announcement of the date of the Reagan-Gorbachev summit, roughly sometime between the middle of November and the middle of December. This confidence might seem out of place. First of all, the Daniloff case is not closed. Secondly, by accepting the exchange--even though it is a temporary one...the President is showing signs of weakness..."

"Soviets Obtained What They Wanted"

The Moscow correspondent for leftist, influential La Repubblica wrote Saturday, "There was no winner, there was no loser, but the Soviets played very ably and obtained what they wanted: freedom, although probationary, for their man in America..."

"The fact that the White House keeps repeating that Daniloff is not a spy while Zakharov is a spy does not change the substance. At least for now, the American and the Soviet are on the same level, they were released simultaneously and receive the same treatment..."

SWITZERLAND: "Diplomatic Defeat for Washington"

Center-left Tages-Anzeiger's headline this morning described the Daniloff-Zakharov case as a "Diplomatic Defeat for Washington; Tactical Success for Moscow."

BELGIUM: "Soviets Made the Greatest Concession"

A byliner in today's conservative La Derniere Heure held that "the Soviets are the ones who seem to be making the greatest concession in an issue in which appearances are what matters."

DENMARK: "U.S. Blinkered"

In an editorial yesterday, Copenhagen's conservative Berlingske Tidende judged, "The U.S. Administration went to the verge of a collapse of summit diplomacy because of this case but then gave way to acceptance of parallelism between the Daniloff and the Zakharov cases, something it continues to deny."

"One can use the words of a former Secretary of State who said about the Cuba crisis that the two sides stood eyeball to eyeball and then one of them blinked. This time it was obviously the United States..."

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SPAIN: "A Great Precedent for Spies"

Madrid's conservative ABC concluded in an editorial yesterday, "A clumsy pragmatism has ended up imposing itself to maintain at all costs the good climate between Washington and Moscow, and to save the Reagan-Gorbachev summit....It is the East, and not us, remember, who needs the summit desperately....A dangerous precedent for correspondents; a great one for the spies..."

SOVIET UNION: "Ample Evidence Daniloff Was a Spy"

According to Moscow TASS yesterday, "Nicholas Daniloff, the CIA agent released on the mutual agreement of the sides into the custody of the U.S. Embassy in the USSR, addressed a press conference...today..."

"It was noted at the briefing (by the Soviets at their Foreign Ministry on Saturday) that there was ample evidence that Daniloff was linked with U.S. special services. Acting on their instruction and using the cover of a foreign correspondent in the Soviet Union, he was engaged in spying activity, and gathered through various channels classified information for use against the USSR's national interests..."

SOUTH KOREA: "U.S. Made Overly Excessive Concessions"

Independent Joongang Ilbo Washington correspondent Chang Doo-sung remarked Saturday, "U.S. public opinion charged that the U.S. Government made overly excessive concessions by consenting to swap a spy with a U.S. journalist because of the its interest in realizing the U.S.-Soviet summit."

HONG KONG: Arms Race Will Result, Soviet Economy Will Collapse

An editorial in today's leading center-right Sing Tao Jih Pao predicted, "Zakharov's capture and the arrest of Daniloff will probably impede progress towards a second U.S.-Soviet meeting ....This is not what the Kremlin wants..."

"Now...what will take place is the indefinite postponement of the U.S.-Soviet summit, leading to an incessant bilateral arms race until the entire Soviet economy is brought down."

BAHRAIN: "Russia Backed Down"

The pro-Government Gulf Daily News declared Saturday, "Russia last night backed down over the Daniloff affair only hours after ludicrous and hypocritical claims that America was using it as an excuse to block a new superpower summit..."

# SPECIAL REPORT

# Foreign Media Reaction

**United States Information Agency**

Tuesday, September 16, 1986

## DANILOFF AND HUMAN RIGHTS

### Summary

In the week following President Reagan's September 8 remarks calling the arrest of Mr. Daniloff an "outrage," foreign media began to focus more on the human rights aspects of the case and what it revealed about the nature of the Soviet system.

Paris' liberal Le Monde said in an editorial, "The Daniloff case is unique because never--even under Stalin--has a Western correspondent in Moscow been arrested and detained for a long period, not to mention indicted or tried."

Leading independent South China Morning Post of Hong Kong put it more bluntly, "The improved image in the Kremlin is insubstantial; no matter how urbane Mr. Gorbachev appears, no matter how 'open' his Government seems to have become, the Soviet system has changed little."

And Stockholm's conservative Svenska Dagbladet contended, "the Daniloff case shows with what clumsy brutality the Soviet leadership has handled the situation."

In a similar line, Chinese-language Lianhe Zaobao of Singapore held, "The Daniloff affair shows that Gorbachev's innate character is no different from that of his predecessors."

Concern for the summit still overshadowed many comments, however. The liberal Guardian of London commented, "If either side allows the Daniloff debacle to sabotage the summit then ...they will be saying something profound about their real zeal for a more settled world."

Norway's conservative Aftenposten judged, "An entire world would be disappointed if the Daniloff affair were to prevent a summit. It would create serious doubts about Gorbachev's credibility and his interest in peace if he does not remove this stumbling block."

The point of view that "it is not worth sacrificing good relations with the USSR for the sake of one individual" led London's conservative Daily Telegraph to argue, "But to hand over the spy Zakharov in exchange for the journalist Daniloff would be tantamount to conceding to the Soviet Union the right to use any and all the members of its diplomatic, trade and cultural delegations in the West for the purpose of espionage."

Wednesday, September 10

Britain's liberal Guardian commented in an editorial, "If either side allows the Daniloff debacle to sabotage the summit then--cockup or not--they will be saying something profound about their real zeal for a more settled world. There is a lot to lose if Mr. Daniloff's mystery parcel should happen to change the path of history. But it will not be Daniloff who threw the parcel in the works."

A front-page editorial in France's liberal Le Monde remarked, "The Daniloff case is unique because never--even under Stalin--has a Western correspondent in Moscow been arrested and detained for a long period, not to mention indicted or tried....The KGB was careful not to irritate the media. This is why our first question is why Gorbachev 'The Great Communicator' would engage on such a path..."

Influential independent NRC-Handelsblad of The Netherlands said in a press roundup that the Soviets' detention of Mr. Daniloff "is a serious violation of the trust of the international press corps in Moscow....The prosecution of Daniloff appears to have the blessing of the top leadership in Moscow. There is every reason for the American authorities to react intrepidly."

The foreign editor of Swedish TV Two's morning program had this view, "The U.S. President has put the whole spectrum of U.S.-Soviet relations at stake....The affair throws a deep shadow over next week's meeting between the U.S. and Soviet foreign ministers and prospects of a U.S.-Soviet summit later in the fall..."

A byliner wrote in Finland's conservative Uusi Suomi, "The essential aspect in this surprising schism (over Mr. Daniloff) between the superpowers is the fact that once again they are allowing a single minor incident to grow into a comprehensive and fatal issue which overshadows much more important issues..."

In the view of Bahrain's English-language Gulf Daily News today, "The Americans are hinting that Daniloff's detention could spoil 'superpower relations.' The Russians say it won't. But whatever the result, Daniloff is the one who is suffering and his release should be immediately and unconditionally sought."

Thursday, September 11

An unattributed report in Britain's conservative Times said, "The Soviet Ambassador in London was yesterday warned of the anger of the British Government over the arrest of Mr. Daniloff and of the damage it could do to the prospects for an East-West summit..."

Britain's conservative Daily Telegraph pointed out, "It will be said, particularly in Western Europe, that it is not worth sacrificing good relations with the USSR for the sake of one individual.

"But to hand over the spy Zakharov in exchange for the journalist Daniloff would be tantamount to conceding to the Soviet Union the right to use any and all the members of its diplomatic, trade and cultural delegations in the West for the purpose of espionage."

"It would be difficult to conceive of a concession more likely to poison all contacts between officials of NATO and Warsaw Pact countries.

"The President's negotiating position at the most difficult summit of his career would be completely undermined by such a humiliation. In Moscow the talk is on an exchange; in Washington observers are amazed by the President's restraint. Slow to anger the Americans may be; but the Russians should not deceive themselves a second time."

West Germany's liberal Stuttgarter Zeitung said, "The fate of Nicholas Daniloff certainly is important, Soviet reaction is damnable, and U.S. efforts to bring about his release by means of exerting public pressure on the Soviets certainly are to be honored. However, if Reagan and Gorbachev really want to talk business...they should be in a position to settle the Daniloff case....If they could not settle even that case, what else could they settle?"

Norway's conservative Aftenposten judged today, "An entire world would be disappointed if the Daniloff affair were to prevent a summit. It would create serious doubts about Gorbachev's credibility and his interest in peace if he does not remove this stumbling block."

The English-language Times of Malta was of the opinion Tuesday that "The Daniloff affair certainly does not tally with Mr. Gorbachev's promises of more freedom for the press working in his country."

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In an editorial entitled "Summit Bid Must Go on Despite Daniloff," the leading independent South China Morning Post of Hong Kong said today, "The improved image in the Kremlin is insubstantial; no matter how urbane Mr. Gorbachev appears, no matter how 'open' his Government seems to have become, the Soviet system has changed little..."

Conservative El Heraldo of Mexico yesterday pointed out in an editorial, "It is a long-standing practice that when Soviet spies are detained and deported from various Western countries, the Soviets invariably expell innocent citizens from those countries assigned to the Soviet Union. This makes up for the defeat suffered by the Kremlin....President Reagan's strong response demonstrates to Gorbachev that he better carefully consider his actions since the consequences may be very serious."

Friday, September 12

West German TV Two's Washington correspondent Gerd Helbig judged last night, "Whether or not Moscow and Washington still want a summit meeting, it should not be jeopardized by the Daniloff affair. The damage is severe enough anyway: as a result of the affair, Gorbachev has lost much sympathy in U.S. public opinion..."

In the editorial opinion of pro-Social Democratic Neue Ruhr Zeitung of the FRG, "Nicholas Daniloff...has become a touchstone for U.S.-Soviet relations....Regardless of whether or not the rest of the world likes it: there will be no summit as long as Daniloff is not free."

Belgium's conservative La Dernière Heure commented under the above headline today that "Mr. Reagan's decision to take the matter personally in his hands to obtain the liberation of...Daniloff seems to be paying off..."

Labor Party-affiliated Arbeiderbladet of Norway headlined an editorial as above and commented, "Gorbachev has for the past year achieved a good deal of good will in Western public opinion by several proposals which the White House has rejected.

"He must be aware that he is wasting that by keeping hostage Daniloff imprisoned. Is the loss of prestige in admitting Daniloff's innocence by putting him on a flight to the United States too high a price to pay?"



With the headline "A Ray of Light for Daniloff," today's conservative Svenska Dagbladet of Sweden contended in an editorial that "the Daniloff case shows with what clumsy brutality the Soviet leadership has handled the situation..."

In editorial headed as above, Chinese-language Lianhe Zaobao of Singapore said today: "Gorbachev's recent speech in Vladivostok gave observers a new hope in Soviet foreign policy. However, the Daniloff affair shows that Gorbachev's innate character is no different from that of his predecessors, other than assuming a more friendly diplomatic posture."

Costa Rica's centrist La Nacion held that "the outrage perpetrated against Nicholas Daniloff is an affront to the press of the free world..."

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Lynn,

Attached are NSC cleared  
TPs for use, as appropriate,  
to discuss measures taken against  
Soviet Union.

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TALKING POINTS ON SOVIET UN MISSION EXPULSIONS

-- Today we have provided the Soviet government a list of 25 members of the Soviet Mission to the United Nations who must leave the United States by October 1.

-- The persona non grata notification was made in New York by the number two man in our UN mission, Ambassador Herbert Okun. He delivered his demarche at \_\_\_\_\_ p.m. to his counterpart,  
\_\_\_\_\_.

-- This action was taken pursuant to the President's earlier decision, that the Soviets had exploited the large size of their mission, and the Ukrainian and Byelorussian missions, for espionage activities. These three missions are in fact a major center of espionage against the United States.

-- On March 7 of this year, we informed the Soviet side that these missions must be reduced, in stages, over a period of two years.

-- The current size of the mission is 275. The new ceiling, to take effect on April 1, 1988, is 170. The first of four reductions, down to 250, takes effect October 1, 1986. Subsequent interim reductions will be required by April 1, 1987 and October 1, 1987.

-- Under the President's original determination, the Soviet government would have been free to make its own reductions. Since we notified them of this timetable, however, the Soviets have refused to provide information as to which positions would be eliminated and which members of the mission would be withdrawn.

-- As you know, on September 12 the Soviet ambassador to the UN, Alexander Belonogov, went so far as to say that they were making no reductions and continued to regard this requirement as "absolutely illegal."

-- We regret this decision to transform a quiet diplomatic process into a public confrontation. We preferred to cooperate in implementing this reduction. We avoided focusing public attention on the program and sought voluntary compliance with the President's directives.

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-- The President has therefore directed that we identify the specific members of the mission that must be withdrawn to meet the first deadline. These are the 25 names we turned over to them today.

-- Reflecting the purpose of the President's decision in March, we have today focused on those members of the Soviet mission most actively engaged in KGB or GRU intelligence activities.

-- The point of this action is simple: the Soviet Union is not free to commit espionage in our country with impunity. It has abused the legitimate diplomatic purposes of its mission to the UN, and the President wants that to stop.

Connection to Daniloff case?

-- There is no direct connection to the Daniloff case.

-- At the same time, it is obvious that Daniloff is, in a sense, a victim of the large intelligence operation the Soviets conduct in this country. In Daniloff's case, the Soviets once again demonstrated their propensity to seize hostages when their intelligence officers are apprehended in espionage operations. This unacceptable and reprehensible practice threatens the safety of any private American citizen who may be in the USSR at the time a Soviet agent is apprehended. It is important that the Soviets understand our view on this point, both as it relates to Daniloff, and as it may relate to future arrests of Soviet intelligence personnel who violate U.S. laws.

-- The Daniloff case made it even more important for us to show the Soviets that they cannot conduct espionage in this country with impunity, and that we will not tolerate hostage taking.

-- We have been considering options to accomplish this from the beginning, on a basis consistent with Daniloff's safety. Circumstances appeared to make this an appropriate time.

-- Beyond this, we are today simply enforcing a decision already made by the President.

Effect on Daniloff's release?

-- We have made it very clear how much we want Daniloff out. We don't know whether his release can be arranged soon or not.

-- But that doesn't mean that while the Soviet keep Daniloff in Moscow, they can expect immunity against any other decisions we might make.

-- That would mean that their decision to arrest him had succeeded. The President isn't going to accept that.

Expected Soviet reaction?

-- We can't predict what the Soviets will do. They won't like losing the heart of their espionage apparatus in New York, but we don't see any advantage for them in escalating this matter. After all, their presence here is much larger than ours in the Soviet Union.

-- As for their precise thinking on the matter, you'll have to ask them. We have done what we felt we had to do. The President has considered the possible consequences and made his decision.

Impact on Shevardnadze visit?

-- We see no reason for the visit to be postponed.

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-- Each side has a long list of important issues it wants to raise. The Soviets will doubtless want to raise this one, but we expected them to do so anyway. We feel it would be a mistake to cancel potentially valuable talks, but if the Soviets do so that is of course their responsibility.

Effect on summit?

-- The President is not making these decisions with the summit in mind.

-- He and General Secretary Gorbachev agreed to meet this year. The President naturally hopes that the meeting will take place. He believes it would be useful. But a summit doesn't mean we stop protecting our interests.

Why not wait until the Shevardnadze visit?

-- This decision implements a previous policy. It is now an administrative matter, and we saw no need to crowd it onto the President's agenda.

Difference between these cases and Zakharov?

-- The members of this group, intelligence officers assigned to the Soviet UN mission, have diplomatic immunity. They are being declared persona non grata.

-- Zakharov was employed by the UN secretariat. He lacks diplomatic immunity, and was therefore liable to arrest and prosecution.



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Daniloff*

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E.O. 12356:    DECL:    OADR  
TAGS:    UR, US, ASEC  
SUBJECT:    DANILOFF CASE:    MISHA FROM FRUNZE

1.    ~~C O N F I D E N T I A L~~ - ENTIRE TEXT

2.    SUMMARY:    THE FOLLOWING IS A REPORT BY AN EMBASSY OFFICER WHO ENCOUNTERED A MISHA IN FRUNZE IN 1980 WHO, IN ALL PROBABILITY, WAS WORKING FOR THE KGB AT THE TIME AND IS IDENTICAL TO THE MISHA WHO ENTRAPPED DANILOFF.    END SUMMARY.

3.    A CURRENT EMBASSY OFFICER, WHILE SERVING AS HEAD OF POL/INT, PAID A VISIT TO FRUNZE ON JULY 21-23, 1980, AND ENCOUNTERED A "MISHA" WHOSE APPEARANCE, BACKGROUND

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AND MODUS OPERANDI BEAR A CLOSE SIMILARITY TO THE MISHA WHO ENTRAPPED DANILOFF. DANILOFF, WHO HAS RECEIVED A DESCRIPTION OF THE 1980 MISHA FROM THE CHARGE, BELIEVES THAT HIS "MISHA" IS PROBABLY THE SAME PERSON, ALTHOUGH DANILOFF, IT SHOULD BE ADDED, FINDS IT DIFFICULT TO ACCEPT THE NOTION (WHICH THE INFORMATION BELOW, IN OUR JUDGMENT, POINTS TO) THAT HIS CONTACT IN FRUNZE WAS WORKING FOR THE KGB WELL BEFORE HIS FIRST ENCOUNTER IN MARCH 1982.

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NAME, AGE AND APPEARANCE OF MISHA  
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4. EMOFF'S MISHA GAVE HIS AGE AS 20 IN JULY 1980. DANILOFF (ACCORDING TO THE FINANCIAL TIMES) HAS INDICATED THAT HIS MISHA IS PRESENTLY 27. (COMMENT: EMOFF MAY HAVE BEEN TOLD MISHA WAS 20 IN JULY 1980, OR GUESSED AT IT, BUT THE AGES OF THE TWO MISHAS ARE IN ANY EVENT IDENTICAL OR ONLY A YEAR APART.)

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5. EMOFF'S MISHA IDENTIFIED HIMSELF AS MIKHAIL KUZNETSOV, WHO PREFERRED TO BE ADDRESSED AS MISHA, THE NATURAL NICKNAME IN RUSSIAN. DANILOFF AND HIS WIFE RECALL A DIFFERENT LAST NAME.

6. EMOFF'S DAUGHTER (THEN EIGHTEEN YEARS OLD), WHO ACCOMPANIED EMOFF ON THE FRUNZE TRIP IN 1980, RECALLS THAT MISHA WAS QUITE BLOND, TALLER THAN HER FATHER (WHO IS FIVE ELEVEN), BOYISH-LOOKING, KNOWLEDGEABLE ABOUT AMERICAN MUSIC, GREGARIOUS, AND AGGRESSIVE, WITH A GOOD COMPETENCY IN ENGLISH. DANILOFF AGREES WITH THE DESCRIPTION EXCEPT HE DID NOT FIND MISHA AGGRESSIVE AND DID NOT FIND HIS ENGLISH THAT GOOD. DANILOFF ADDS THAT HE SPOKE WITH MISHA IN RUSSIAN FOR THE MOST PART.

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BACKGROUND

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7. MISHA TOLD EMBOFF IN 1980 THAT HE WAS A STUDENT AT THE ENGLISH LANGUAGE FACULTY OF KIRGHIZ UNIVERSITY. HIS GIRL FRIEND, WHO SPENT THE EVENING ALONG WITH MISHA WITH EMBOFF AND HIS DAUGHTER (AS DESCRIBED BELOW), ALSO IDENTIFIED HERSELF AS A STUDENT AT THE ENGLISH FACULTY OF KIRGHIZ UNIVERSITY. DANILOFF INDICATES THAT HIS MISHA ALSO ATTENDED KIRGHIZ UNIVERSITY, AND WAS A TEACHER.

MODUS OPERANDI

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8. EMBOFF'S MISHA AND HIS "GIRL FRIEND TANYA SHCHERBAKOVA" INTRODUCED THEMSELVES IN THE DINING ROOM/NIGHT CLUB OF THE ALA-TOO INTOURIST HOTEL WHERE FOREIGN VISITORS ARE LODGED. THEY WERE AT AN ADJOINING TABLE. MISHA MADE THE FIRST MOVE BY ASKING EMBOFF'S DAUGHTER TO DANCE. THE TWO COUPLES THEN SPENT THE EVENING TOGETHER TALKING, DANCING AND DRINKING CHAMPAGNE. SINCE EMBOFF WAS TOURING CENTRAL ASIAN REPUBLICS TO ASSESS THE IMPACT OF THE AFGHANISTAN WAR, MUCH OF THE CONVERSATION

TURNED ON THAT SUBJECT. MISHA OR TANYA CLAIMED TO HAVE HAD FRIENDS AND RELATIVES WITH AFGHANISTAN-RELATED EXPERIENCES. AT THE END OF THE EVENING, MISHA INVITED EMBOFF AND HIS DAUGHTER TO MEET THEM IN THE MORNING IN FRONT OF THE HOTEL FOR A PRIVATE TOUR OF THE CITY. EMBOFF, WITHOUT HIS DAUGHTER, MET THE PAIR, AND AFTER A HALF-HOUR OF CONVERSATION, BEGGED OFF THE TOUR. MISHA LEFT A PRESENT WITH EMBOFF FOR HIS DAUGHTER. NEITHER MISHA NOR TANYA EVER SUBSEQUENTLY TRIED TO

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CONTACT EMBOFF, NOR HAS EMBOFF VISITED FRUNZE SINCE.  
TANYA, IT SHOULD BE ADDED, WAS AN EXTREMELY ATTRACTIVE  
AND UNUSUALLY PETITE (FOR A RUSSIAN) GIRL. SHE  
INDICATED SHE WAS A YEAR OLDER THAN MISHA.  
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EXDIS

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E.O. 12356: DECL: OADR  
TAGS: UR, US, ASEC  
SUBJECT: DANILOFF CASE: MISHA FROM FRUNZE

EXDIS

01. DANILOFF STATES THAT HE WAS APPROACHED BY MISHA  
IN THE LOBBY OF THE SAME DINING ROOM/NIGHT CLUB.  
ACCORDING TO THE IZVESTIYA ACCOUNT SEPTEMBER 9, MISHA  
"PROMISED", AFTER A FRIENDLY CONVERSATION, TO SHOW  
DANILOFF THE CITY AND ITS SIGHTS THE FOLLOWING DAY.  
DANILOFF INDICATES IN HIS SEPTEMBER 14 EMBASSY PRESS  
CONFERENCE THAT HIS RELATIONSHIP WITH MISHA GREW OVER  
THE ENSUING PERIOD OF TIME. THE CHAIRMAN OF U.S.  
NEWS AND WORLD REPORT ZUCKERMAN HAS STATED PUBLICLY  
THAT MISHA PROVIDED DANILOFF WITH PHOTOGRAPHS IN 1985  
IN CONNECTION WITH THE MAGAZINE'S PLAN TO PUBLISH AN  
ARTICLE ON "SOVIET TROOPS ON THEIR WAY TO AFGHANISTAN",  
WHICH WAS NEVER PUBLISHED. DANILOFF UNDERSTANDS THAT  
MISHA IS MARRIED BUT HAS NO INFORMATION ABOUT HIS WIFE.

WHITE HOUSE SITUATION ROOM

PAGE 02 OF 02 MOSCOW 6252

DTG: 190939Z SEP 86 PSN: 054587

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CONCLUDING COMMENT

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10. FRUNZE IS THE CAPITAL OF A CENTRAL ASIAN REPUBLIC. TALL, BLOND RUSSIAN MALES WITH AN ENGLISH FACILITY, WHO HANG AROUND THE INTOURIST RESTAURANT/NIGHT CLUB THERE, AND ENGAGE FOREIGNERS IN CONVERSATION, ARE NOT THAT COMMON. THE ABOVE INFORMATION CONSIDERABLY STRENGTHENS THE ARGUMENT THAT DANILOFF'S MISHA WAS FROM THE OUTSET A KGB OPERATIVE, EXPERIENCED IN DEALING WITH ENGLISH SPEAKING FOREIGNERS, WHO SET OUT TO ENTRAP HIM IN 1982.

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~~CONFIDENTIAL~~

revised cc: Rodman  
Cockell  
McDaniel  
Major  
Sestanovich  
Cobb  
Hanley

From: Jack Matlock

DRAFT PRESS STATEMENT  
(if President meets Shevardnadze)

The President met with Soviet Foreign Minister Shevardnadze today to convey his views about the continued refusal of the Soviet authorities to allow Nicholas Daniloff to return home.

Note: No more details should be given except the time and length of the meeting (if asked).

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White House Guidelines, August 28, 1997  
By smf NARA, Date 6/11/02

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

cc: Rodman  
Cockell  
McDaniel  
Major  
Sestanovich  
Cobb  
Hanley

From: Jack Matlock

DRAFT PRESS STATEMENT  
(if President meets Shevardnadze)

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Note: No more details should be given except the time and length of the meeting (if asked).

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White House Guidelines, August 28, 1997  
By smj NARA, Date 6/11/02

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# NATIONAL SECURITY COUNCIL EXECUTIVE SECRETARIAT STAFFING DOCUMENT

TIME STAMP

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86 SEP 22 A 9: 02

SYSTEM LOG NUMBER: 6849

ACTION OFFICER: MANDEL

## URGENT

DUE: IMMEDIATELY

- Prepare Memo For President
- Prepare Memo For Poindexter Keel
- Prepare Memo \_\_\_\_\_

- Prepare Memo McDaniel to Chew
- Prepare Memo McDaniel to Dolan to \_\_\_\_\_

### CONCURRENCES/COMMENTS\*

PHONE\* to action officer at ext. 3595

- FYI
- Brooks
  - Burghardt
  - Burns
  - Cannistraro
  - Childress
  - Cobb
  - Danzansky
  - deGraffenreid
  - Dobriansky
  - Donley
  - Douglass
  - Farrar
  - Grimes
  - Hanley
  - Kelly
  - Kissell
  - Kraemer
  - Laux

- FYI
- Lavin
  - Lenczowski
  - Levine
  - Linhard
  - Mahley
  - Major
  - Mandel
  - Matlock
  - May
  - Mingle
  - Morton
  - Murdock
  - North
  - Perry
  - Platt
  - Pugliaresi
  - Raymond
  - Reger

- FYI
- Ross
  - Sable
  - Sachs
  - Saunders
  - Sestanovich
  - Small
  - Sommer
  - Soos
  - Stark
  - Steiner
  - St Martin
  - Tahir-Kheli
  - Teicher
  - Thompson
  - Tillman
  - \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_

- INFORMATION
- McDaniel
  - Rodman
  - Poindexter (advance)

- Pearson
- Cockell
- Keel (advance)

- Secretariat
- \_\_\_\_\_
- \_\_\_\_\_

### COMMENTS

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Return to Secretariat



United States Department of State

Washington, D.C. 20520

6849

September 21, 1986

~~CONFIDENTIAL~~MEMORANDUM FOR VADM JOHN M. POINDEXTER  
THE WHITE HOUSE

SUBJECT: President's September 22 Briefing for Allies

Attached are cards containing suggested talking points for the President to use in his briefing in New York to allied foreign ministers on the results of the Shevardnadze visit. Contingency cards are also included on selected arms control issues.

*Richard W. Mueller*  
for Nicholas Platt  
Executive Secretary

~~CONFIDENTIAL~~  
DECL: OADR

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NLS F06-114/6#9047BY LOJ, NARA, DATE 12/13/07

40

~~CONFIDENTIAL~~

PRESIDENT'S BRIEFING FOR ALLIES

SHEVARDNADZE MEETINGS

- THANK YOU FOR JOINING US TODAY. PERSONALLY ATTACH GREAT IMPORTANCE TO ALLIED CONSULTATIONS AND SOLIDARITY.
- IT WAS REALLY IMPORTANT IN GENEVA LAST YEAR. ALLIED UNITY IS ABSOLUTELY ESSENTIAL IF WE ARE TO MAKE FURTHER PROGRESS IN EAST-WEST RELATIONS.
- I SEE TODAY'S SESSION AS KEY COMPONENT OF THIS CONTINUING CONSULTATION PROCESS.
- SOVIET FOREIGN MINISTER SHEVARDNADZE WAS IN WASHINGTON ON FRIDAY AND SATURDAY. I SPENT NEARLY AN HOUR WITH HIM. GEORGE SHULTZ WAS WITH HIM FOR TWO FULL DAYS. IN MY CONVERSATION I CONCENTRATED ON THE DANILOFF CASE.

DANILOFF

- WE APPRECIATE YOUR DEMARCHES TO THE SOVIETS.
- HOWEVER, THE CASE CONTINUES TO HANG LIKE A THREATENING CLOUD OVER OUR RELATIONSHIP.
- PERSONALLY MADE CRYSTAL CLEAR TO SHEVARDNADZE THAT THE LONGER DANILOFF IS DENIED FREEDOM, THE MORE IT WILL AFFECT U.S.-SOVIET RELATIONS.
- I AM CONFIDENT THE SOVIETS LEFT WASHINGTON IN NO DOUBT ABOUT THE IMPORTANCE AMERICANS ATTACH TO INDIVIDUAL LIBERTY AND TO THE RELEASE OF NICK DANILOFF.

SUMMIT PROSPECTS

- WE DIDN'T EXPECT A SUMMIT DATE.
- SHEVARDNADZE TOOK UPBEAT PUBLIC LINE ON SUMMIT.
- I SEE POTENTIAL FOR PROGRESS, BUT I DO NOT SEE HOW THERE BE A FRUITFUL SUMMIT IF THE DANILOFF CASE IS NOT SOLVED.

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NLS F06-114/6 #9048

BY LOJ NARA, DATE 12/13/07

~~CONFIDENTIAL~~

Drafted by:EUR/SOV:WMenold;EUR/RPM:MKlosson  
9/20/86 (1812M) x9806

Cleared by:EUR:TSimons  
EUR/SOV:MParris  
EUR/SOV:BBurton



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- 2 -

ARMS CONTROL

- SHEVARDNADZE DELIVERED GORBACHEV ANSWER TO MY JULY 25 LETTER, WHICH WE DISCUSSED WITH YOU BEFORE IT WAS SENT.
- THE GENERAL SECRETARY'S REPLY MADE IT CLEAR THAT MAJOR DIFFERENCES REMAIN IN IMPORTANT AREAS OF OUR ARMS CONTROL AGENDA. HE WAS, HOWEVER, SOMEWHAT POSITIVE ON INF. HE ALSO SUGGESTED WILLINGNESS TO ACCELERATE THE SEARCH FOR COMMON GROUND IN OTHER AREAS.
- SHEVARDNADZE'S APPROACH WAS SIMILAR: UNFORTHCOMING IN SOME AREAS, BUT POSITIVE IN OTHERS, AND INTERESTED IN CONTINUING THE PROCESS.

REGIONAL ISSUES

- LET ME TOUCH BRIEFLY ON OTHER ITEMS ON OUR AGENDA WITH THE SOVIETS.
- HAVE ALSO HELD MEETINGS WITH SOVIETS TO DISCUSS ISSUES INVOLVING ALL MAJOR WORLD REGIONS. SOME LIMITED PROGRESS, BUT FOR MOST PART TWO SIDES ONLY CLARIFIED EXISTING POSITIONS.
- WE WILL CONTINUE TO PRESS SOVIETS, AS I JUST DID IN MY SPEECH, FOR RESPONSE TO MY U.N. INITIATIVE OF LAST YEAR ON RESOLVING REGIONAL CONFLICTS.

HUMAN RIGHTS AND BILATERAL

- SOVIET RESPONSE TO OUR QUIET DIPLOMACY ON HUMAN RIGHTS IS DEEPLY DISAPPOINTING.
- JEWISH EMIGRATION AT 20-YEAR LOW. SOME PROGRESS ON DIVIDED FAMILIES. ALL OF US NEED TO URGE SOVIETS TO BE MORE FORTHCOMING.
- THERE HAS, HOWEVER, BEEN SOME REAL PROGRESS ON BILATERAL CULTURAL EXCHANGES AND OTHER ISSUES.

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- 3 -

LIBYA AND TERRORISM

- WANTED TO MENTION LIBYA. SEE GROWING SIGN OF LIBYAN PREPARATIONS FOR RENEWED TERRORISM. NEED MORE INTENSIVE COLLECTION, ANALYSIS, SHARING OF INTELLIGENCE.
- WALTERS TRIP TO EUROPE DISCUSSED NEXT STEPS AND MADE CLEAR U.S. RESOLVE.
- NEED TO SUSTAIN MOMENTUM THROUGH CONTINUED COOPERATION.

CLOSING

- AGAIN THANK YOU VERY MUCH FOR COMING.
- NOW WOULD LIKE TO ASK SECRETARY SHULTZ TO MAKE ADDITIONAL COMMENTS.

NUCLEAR TESTING  
(IF ASKED)

- AS LONG AS WE DEPEND ON NUCLEAR DETERRENCE, MUST ENSURE OUR WEAPONS ARE SAFE, SECURE, RELIABLE, AND EFFECTIVE.
- PRIORITY NOW IS IMPROVED VERIFICATION OF EXISTING TREATIES SO WE CAN RATIFY THEM.
- SOVIETS PUSHING THIS ISSUE HARD NOW, BUT IF WE ARE FIRM, SOVIETS MAY DROP IT, OR LESSEN EMPHASIS. ALLIED SOLIDARITY ESPECIALLY IMPORTANT.

COMPLIANCE/INTERIM RESTRAINT  
(IF ASKED)

- REMAIN COMMITTED TO MAY 27 DECISION -- CRUISE MISSILE BOMBER DEPLOYMENT WITHOUT COMPENSATING DISMANTLEMENTS. NO APPRECIABLE GROWTH IN U.S. STRATEGIC FORCES EXPECTED.
- CONTINUE TO SEEK TO CORRECT SOVIET NON-COMPLIANCE. WOULD LIKE NEW MUTUAL RESTRAINT REGIME.
- REACHING VERIFIABLE AGREEMENT ON REAL REDUCTION IS MY HIGHEST PRIORITY.

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- 4 -

ABM TREATY INTERPRETATION  
(IF ASKED)

- MY JULY 25 LETTER TO GORBACHEV DID NOT CHANGE U.S. POLICY ON INTERPRETATION OF ABM TREATY: BROADER INTERPRETATION OF OUR AUTHORITY FULLY JUSTIFIED, AND REFLECTS WHAT WE AND SOVIETS AGREED IN TREATY.
- BUT AS LONG AS SDI RECEIVES FUNDING SUPPORT NEEDED TO ACHIEVE GOALS, NO NEED TO RESTRUCTURE PROGRAM AWAY FROM CURRENT RESTRICTIVE INTERPRETATION.

CONVENTIONAL ARMS CONTROL  
(IF ASKED)

- I AM COMMITTED TO REALISTIC, VERIFIABLE ARMS CONTROL AND FORCE MODERNIZATION IN CONVENTIONAL FORCES.
- THE NATO ALLIANCE WORKED HARD TO MAKE A REALISTIC MBFR OFFER THAT RESPONDED TO EASTERN CONCERNS AND YET TOOK ACCOUNT OF OUR OWN LEGITIMATE SECURITY INTERESTS.
- WE HAVE YET TO RECEIVE A SERIOUS RESPONSE TO THIS OFFER--AND WE DESERVE ONE.
- IF AGREEMENT IS NOT POSSIBLE IN THE CURRENT MBFR FORMAT, IT IS DIFFICULT TO SEE HOW THE EXPANDED FORUM THE SOVIETS ARE SUGGESTING WOULD HAVE ANY BETTER LUCK.
- WESTERN COHESION IN STOCKHOLM HELPED US SECURE A SATISFACTORY OUTCOME IN CDE AND WE NEED THE SAME UNITY IN OUR APPROACH TO CONVENTIONAL FORCE REDUCTIONS.

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~~CONFIDENTIAL~~

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-5-

GLENN AMENDMENT ON SDI PARTICIPATION  
(IF ASKED)

- GLENN AMENDMENT RESTRICTING ALLIED SDI PARTICIPATION IS UTTERLY CONTRARY TO THE SPIRIT AND PURPOSES OF ALLIED COOPERATION ON DEFENSE POLICY
- WE ARE STRONGLY AND ACTIVELY OPPOSED TO THE GLENN AMENDMENT, AND OTHER PROTECTIONIST AMENDMENTS TO DOD AUTHORIZATION BILL.

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Matlock

46

SYSTEM IV  
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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

~~SECRET/SENSITIVE~~

C102

September 29, 1986

INFORMATION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: DAVID G. MAJOR *D*

SUBJECT: Background on Orlov/Daniloff/Zakharov

Per your request this morning, I have attached the following information at Tabs I through III.

- Background on Yuriy Orlov
- Keydates
- Chronology of Events

Attachments:

- Tab I Orlov Background
- Tab II Key Dates
- Tab III Events

DECLASSIFIED  
White House Guidelines, August 28, 1997  
By *smf* NARA, Date *6/11/02*

Please Process

Make Copies

AGK  
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PWR  
JFM  
LWC

SRS

~~SECRET/SENSITIVE~~  
Declassify on: OADR

YURIY ORLOV

Yuriy Federovich Orlov, age 60, physicist and former corresponding member of the Armenian Academy of Science, founded the Helsinki Monitoring Group in Moscow in 1975. He was arrested on February 10, 1977, and tried under violation of Article 70, anti-Soviet activity. During his trial his defense attorney was kicked out of the court room, Orlov was not able to present evidence in his defense, and was shouted down when he tried to speak. He was given the maximum sentence on May 18, 1978 of 7 years hard labor and 5 years internal exile.

Orlov currently lives in the most northern region of Yakutia, Siberia, in an eskimo village named Kobyai. This town of 1,000 is completely isolated with no roads or trains. The only way of getting to Kobyai is by plane. Orlov has indicated he feels very isolated in exile. The local citizens have been told Orlov is a traitor and instructed not to speak to him.

He lives in a one-room shack with no running water and no heat. It is reported that the stove does not even melt the ice in the shack during the winter. He works as a laborer and guard at an elementary school. All his teeth have been lost and one arm is useless due to a beating he received while in exile. He earns 68 rubles per month.

His wife Irina, lives in Moscow as an artist. She was fired from her job after she visited Orlov in Siberia in May 1985.

Key Dates - Daniloff and Zakharov

8/23/86 Zakharov arrested by FBI  
 8/30/86 Daniloff arrested by KGB  
 9/04/86 President sends first letter to Gorbachev  
 9/05/86 Zakharov indictment delayed at State's request  
 9/06/86 Gorbachev's response to President's letter  
 9/06/86 President sends letter to Gorbachev via hot line  
 9/07/86 Gorbachev's response to President's letter  
 9/07/86 Soviets indict Daniloff  
 9/09/86 Zakharov indicted  
 9/12/86 Both Zakharov and Daniloff released from prison  
 into custody of their respective embassies  
 9/17/86 25 Soviets are announced for PNG  
 9/17/86 Shultz and President meet Shevardnadze  
 9/22/86 President speaks at UN  
 9/25/86 President speaks at NSA  
 9/29/86 Daniloff released

Key Dates of Previous Cases -- Enger/Chernayev and Crawford

5/20/78 Rudolf Chernayev and Valkik'h Enger, Soviet Unsec  
 Officials were arrested by the FBI and charged  
 with espionage  
 6/12/78 Jay Crawford, US businessman in Moscow was  
 arrested by the KGB  
 6/22/78 Chernayev/Enger released to the custody of their  
 ambassador  
 Jay Crawford released to the custody of American  
 Ambassador in Moscow  
 9/01/78 Crawford charged with financial crime  
 9/05/78 Crawford put on trial  
 9/08/78 Crawford found guilty, sentenced 5 years,  
 suspended and he is expelled  
 10/78 Enger/Chernayev put on trial in Newark, New  
 Jersey, convicted and sentenced to 50 years,  
 released to custody of the ambassador  
 4/27/79 Enger/Chernayev exchanged for 5 Soviet dissidents

CHRONOLOGY OF EVENTS

Z = Zakharov Event  
D = Daniloff Event

- Z 8/23/86 -- Soviet United Nations employee Gennadi Zakharov on Saturday at 4:20 p.m. was arrested by the FBI after buying classified material from an individual cooperating with the FBI.
- Z 8/26/86 -- Soviet Ambassador Yuriy V. Dubinin requests Zakharov's release into his custody.
- D 8/30/86 -- U.S. News and World Report correspondent Nicholas Daniloff was arrested in Moscow , 3:00 PM Moscow time, 10:00 pm (EDT) the KGB after a setup in which a Soviet acquaintance, Misha, gave him a package of materials, allegedly containing secret documents.
- D 8/30/86 -- U.S. embassy in Moscow was notified by a telephone call from U.S. News and World Report, Moscow of Daniloff's arrest.
- D 8/30/86 -- U.S. embassy first demands access to imprisoned Daniloff at 6:30 p.m.
- D 8/31/86 -- U.S. consul General visit to Soviet Foreign Ministry secures permission to visit Daniloff in prison.
- D 8/31/86 -- Consular Officer and Mrs. Daniloff visit Daniloff in prison.
- D 8/31/86 -- Assistant Secretary Armacost delivers a strong protest to Soviet Minister - Counselor Sokolov - demanding Daniloff's release.
- D 9/4/86 -- President Reagan sent the first of two letters to Soviet leader Gorbachev, assuring him that American report Daniloff was not a spy and asking for his immediate release.
- D 9/4/86 -- Under Secretary Armacost calls in Ambassador Dubinin to emphasize importance U.S. places on prompt resolution.
- Z 9/5/86 -- Zakharov's indictment is delayed at State request.
- D 9/5/86 -- Secretary of State George Shultz voiced his

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NLS F06-114/6 # 9049

BY LOS NARA, DATE 12/13/07

outrage over the Soviet arrest of American journalist Daniloff and ruled out a direct trade of a Soviet spy for his release.

- D 9/5/86 -- Bessmertnykh personally given President's letter and asked to deliver to Gorbachev.
- D 9/5/86 -- Moscow charge' delivers REFTEL demarche to Bessmertnykh.
- D 9/6/86 -- Gorbachev sends reply to President via Ambassador Dubinin to Secretary Shultz.
- D 9/6/86 -- President sends Gorbachev second letter via Hot Line.
- D 9/7/86 -- American journalist Nicholas Daniloff, was indicted in Moscow on charges of smuggling.
- D 9/7/86 -- Gorbachev sends second letter to President via Hot Line.
- D 9/8/86 -- Daniloff indicted in Moscow on espionage charge.
- D 9/9/86 -- President returns to Washington and publicly terms Daniloff arrest an outrage.
- D 9/9/86 -- First meeting JMP/AK/SHULTZ/P regarding situation.
- Z 9/9/86 -- Accused Soviet spy Gennadi Zakharov was indicted by a Federal grand jury in Brooklyn. The action was announced by Attorney General Edwin Meese who warned that spies would be prosecuted vigorously.
- D 9/9/86 -- Soviet Ambassador Dubinin meets with Armacost and provides information concerning Daniloff's alleged activities and alleged CIA operations in USSR.
- D 9/10/86 -- Dubinin meets with Secretary Shultz, acknowledges receipt of Ridgway demarche, and offers "first step:" of having Daniloff & Zakharov remanded to the custody of respective ambassadors.
- D 9/10/86 -- Ruth Daniloff and U.S. News & World Report Bureau Chief Jeff Trimble talk with Nick Daniloff. He indicates he is being treated well and reiterates his 9 Sep suggestion that he and Zakharov be remanded to the custody of their respective embassies was his own.

- D 9/11/86 -- Charge' Combs advised, prior to meeting with Bessmertnykh, concerning official reaction to Dubinin's information on alleged espionage activities by Daniloff.
- D 9/11/86 -- Asst Sec Ridgway calls in Soviet Embassy Counselor Sokolov and provides response to Dubinin's previous proposal to Secretary Shultz. Emphasizes this is only first step of detailed proposal submitted previously by U.S. and outlines detailed list of conditions for Zakharov's release.
- D 9/12/86 -- Nicholas Daniloff and accused Soviet spy Zakharov were released from prison into the custody of their respective embassies.
- D 9/13/86 -- Soviet Ambassador to UN publicly states the Soviets have no plan to reduce the size of the Soviet Mission to the UN.
- D 9/15/86 -- Soviet Minister-Counselor gives Soviet response rejecting Ridgway 9 September proposal for release of Daniloff and trade of Zakharov for dissidents.
- D 9/16/86 -- Asst Secretary Ridgway restates to Sokolov that Nick Daniloff had no official relationship with the U.S.G. or a U.S. agency.
- D 9/17/86 -- The United States expelled 25 Soviet diplomats from the Soviet United Nations Mission. The group was ordered to leave the country by Oct 1. State Dept spokesmen said that the move was part of a previously announced plan to cut the Soviet Mission from 275 to 170 over two years and was not related to the Daniloff case.
- D 9/17/86 -- Four of the 25 designated Soviets are not in the country at the time of the expulsion order.
- D 9/18/86 -- Soviet Leader Mikhail Gorbachev publicly accused Nicholas Daniloff of being a spy in a statement interpreted in the West as amounting to a rejection of Reagan Administration claims and an escalation of the dispute.
- D 9/19-20 -- Soviet Foreign Minister Edward Shevardnadze was in Washington for two days of talks with President Reagan and Secretary of State Shultz. While the meetings were scheduled to discuss U.S.-Soviet relations and summit

preparations, the Daniloff case also figured prominently in the discussions.

- 9/19/86 -- Daniloff sends handwritten letter to Secretary Shultz emphasizing that Soviets should not get away with latest outrage.
- 9/22/86 -- In a speech to the United Nations' General Assembly, President Reagan indicated that the Daniloff case cast a "pall" over U.S.-Soviet relations.
- 9/23/86 -- Shultz and Sheverdnadze meet to discuss situation. Soviets offer additional concessions that are portions of previously submitted U.S. demands (release of Yuriy Orlov - founder of Helsinki monitoring group). U.S. held firm on October 1 deadline for SNUM reductions. Shultz offers "give ground" proposals - accept only Orlov release, Daniloff states publically he transgressed Soviet law (although is not a spy).
- 9/25/86 -- Secretary Shultz asks President for authorization to "deal" with Shevardnadze while he remain in U.S. U.S. position: Zakharov and Orlov released same timeframe, other dissidents as appropriate, stick to March schedule for SMUN reduction.
- 9/29/86 -- Status of 25 Soviets to leave U.S. by October 1 indicates 7 will remain in N.Y. by deadline, each are known Soviet Intelligence personnel.

RECEIVED 30 SEP 86 09

TO PRESIDENT

FROM DANILOFF, NICK

DOCDATE 16 SEP 86

KEYWORDS: USSR  
MP

HUMAN RIGHTS  
MEDIA

*File  
Daniloff*

SUBJECT: LTR TO PRES FM DANILOFF

ACTION: FOR RECORD PURPOSES

DUE:

STATUS C

FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

MATLOCK

MANDEL

HANLEY

COMMENTS

REF#

LOG

NSCIFID

( LB LB )

ACTION OFFICER (S)

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ACTION REQUIRED

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COPIES TO

DISPATCH \_\_\_\_\_

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(C)



National Security Council  
The White House

System # I

Package # \_\_\_\_\_

DOCLOG \_\_\_\_\_ A/O \_\_\_\_\_

06 SEP 67 11:27

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	_____	_____	_____
Rodney McDaniel	_____	_____	_____
Rodman/Cockell	_____	_____	_____
Al Keel	_____	_____	_____
Paul Thompson	_____	_____	_____
Florence Gantt	_____	_____	_____
John Poindexter	_____	_____	_____
Rodney McDaniel	_____	_____	_____
NSC Secretariat	<u>1</u>	<u>R/LOG for record</u>	_____
Situation Room	_____	_____	_____

I = Information	A = Action	R = Retain	D = Dispatch	N = No further Action
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cc: VP Regan Buchanan Other \_\_\_\_\_

COMMENTS \_\_\_\_\_ Should be seen by: \_\_\_\_\_ (Date/Time)

U.S. NEWS & WORLD REPORT  
WASHINGTON, D.C.

September 16, 1986

MOSCOW BUREAU:  
LENINSKY PROSPEKT 36  
KV. 53  
TEL: 137-50-24

*Collected*

Dear President Reagan,

Thanks to you and the incredible outcry of the American people against the Soviet Union's latest outrage, I am out of prison — still a hostage — but at least not in a prison cell with an open toilet.

When my wife Ruth informed me that you had spoken out on my behalf, I had hope for the first time since I was snatched off the street August 30 without an arrest warrant. Interrogated in total isolation, you begin to lose touch with reality. Rationally, I knew that even the Soviets would never send an American

U.S. NEWS & WORLD REPORT  
WASHINGTON, D.C.

MOSCOW BUREAU:  
LENINSKY PROSPEKT 36  
KV. 53  
TEL: 137-50-24

news man to Siberia. But emotionally it is hard to resist veiled threats of heavy prison sentences — including allusions to the death penalty.

How can I thank you enough? Not only did you speak out in my defense, but in the defense of all Western journalists working in Moscow. What happened to me could happen to any one of them.

There is no doubt in my mind that I am a political bargaining chip in the Soviet efforts to get Zakharov back. Taking hostages is an unacceptable instrument of foreign policy. And I could say that the Soviets underestimated the

U.S. NEWS & WORLD REPORT  
WASHINGTON, D.C.

MOSCOW BUREAU:  
LENINSKY PROSPEKT 36  
KV. 53  
TEL: 137-50-24

sharp reaction of the free world,  
and have delivered themselves a  
reverse propaganda blow.

I consider myself to be a hostage  
even though I am now living in a  
better hotel! The support and hos-  
pitality of the American Embassy  
in Moscow is helping me forget  
the hell of the last two weeks.

Release into the custody of embassies  
is not a swap. The exchange of  
an innocent journalist for a line  
KGB officer is extremely distasteful  
to me. However, I realize that  
for the sake of Soviet-American  
relations — to say nothing of my  
family — some kind of political  
solution must be reached.

U.S. NEWS & WORLD REPORT  
WASHINGTON, D.C.

MOSCOW BUREAU:  
LENINSKY PROSPEKT 36  
KV. 53  
TEL: 137-50-24

I believe this will require extraordinary diplomatic skill and may take a while. As far as letting the Soviets get away with this outrage: I do not think they will. They will hear the international propaganda propaganda scars for years to come -

Again, I want to thank you President Reagan, for your support.

Respectfully,

Nick Daniloff

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

~~UNCLASSIFIED W/  
CONFIDENTIAL ATTACHMENT~~

*File*  
*Daniloff*  
October 1, 1986  
*Zakharov*

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER  
FROM: WILLIAM A. COCKELL *WAC*  
SUBJECT: Backgrounder, October 2, 1986

At Tab I are suggested talking points for discussion of the Daniloff case at tomorrow's backgrounder.

They withhold very little of the story; but a fair amount of detail is necessary to get the fundamental points across.

I have included a veiled reference to the Vienna connection, without identifying locale of participants. It is an important element of the whole mosaic; and if you feel comfortable using it, it would add substantially to the press's understanding of how the pressures on the Soviets were orchestrated.

Chronology of the Daniloff case is at Tab II.

RECOMMENDATION

That you use the attached talking points for your backgrounder, October 2.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

*Matlock*  
Jack Matlock concurs.

Attachments

- Tab I Talking Points
- Tab II Chronology of Events

~~UNCLASSIFIED W/  
CONFIDENTIAL ATTACHMENT~~  
Declassify on: OADR

UNCLASSIFIED UPON REMOVAL  
OF CLASSIFIED ENCLOSURE(S)

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~~White House Guidelines, August 28, 1997~~  
By ~~FOI~~ NARA, Date \_\_\_\_\_

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TALKING POINTS

- Important to understand full Daniloff story to appreciate its significance for Soviets, and how it is likely to influence Soviet future behavior.

- US objectives from outset were:

-- To free Daniloff.

-- To separate Daniloff/Zakharov cases (and make Soviets acknowledge separation)

-- To deter future Soviet hostage taking.

-- Consistent with above, to limit damage to bilateral relationship.

- In the event:

-- Daniloff was freed unconditionally, without trial, consistent with our assertion of his innocence.

-- Zakharov was convicted and sentenced, consistent with our assertion of his guilt.

-- Orlov and wife will be released in exchange for Zakharov.

-- Foregoing sufficiently differentiated Daniloff/Zakharov cases, in our view.

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LOJ, NARA, DATE 12/13/07

-- Soviets additionally lost 25 key intelligence personnel from SMUN.

--- Ergo, from KGB's standpoint, cost was not 1 but 26 spies lost in U.S.

--- Included leadership and top management personnel of most important Soviet espionage apparatus in U.S. (NYC, not Washington, is their premier station in US).

--- KGB Resident, Deputy Resident, and others essential for effective functioning of NYC operation forced to leave.

--- Amounted to decapitation of SMUN intelligence organization.

--- Severe blow to KGB; and appropriately so, since KGB caused Daniloff problem in first instance.

--- Graphically pointed up leverage which US held in situation.

---- Contained implicit threat of further expulsions, by name; or further reductions of Soviet official presence in US.



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- Far more Soviet officials at risk in US than US officials in USSR (roughly 900 vs. 200; 2/3 of Soviets associated with UN/SMUN).
  - Assume KGB could do the numbers and draw own conclusions.
  - We held the high cards, and Soviets understood we were not reluctant to use them.
  - Lest point be lost, private communication to Soviets made very clear that we were going to stay the course, and that they were on a losing wicket.
  - We ensured KGB was aware of this message, since they had most to lose, and were obviously influential in Soviet decisions on Daniloff issue.
  - Soviets were expressly cautioned that retaliation for expulsion of the 25 would not be 1-for-1 but would reflect large disparity between size of official presences in each other's countries (approximately 4-1 ratio).
  - Message was: end it; cut your losses; damage will accelerate if you persist.

- President's consistency throughout was strong factor in affecting Soviet perceptions.
  
- August 5 letter to Gorbachev made clear Daniloff's innocence; emphasized "gravity with which situation viewed by US."
  
- Gorbachev's August 6 response, rejecting President's assurance, was considered offensive in tone, and warranting immediate reaction.
  
- To emphasize threat posed by issue to bilateral relationship, President's August 6 reply was sent on hot line.
  
- Reasserted Daniloff's innocence; indicated "if he continues to be held, we can only consider his detention an attempt by Soviet authorities to create a hostage, and react accordingly... There is no way very serious and far-reaching consequences can be avoided if Mr. Daniloff continues to be detained."
  
- President's subsequent public remarks in Denver and Shultz's Harvard speech calculated to reinforce strong message in President's letters.

- President's tone did not vary throughout episode; consistency was important to underline US resolve.
  
- Other important factors clearly influenced outcome as well, including:
  - Soviets' appreciation that they had seriously miscalculated likely reaction to Daniloff seizure.
  
  - Soviet pragmatism and willingness to disengage when they saw costs they would pay for continued Daniloff detention.
  
  - Soviet desire for a Summit and to avoid serious and protracted damage to bilateral relationship.
  
  - George Shultz's painstaking and effective diplomacy in working out details with Shevardnadze in the endgame.
  
  - Support for President of American public, press and Congress.
  
  - Setback to Soviets' global PR campaign caused by continued world press focus on Daniloff.
  
- The episode is essentially ended at this point.

-- Soviets have asked that we reconsider 2-3 names of 25 ordered out. If they can convince us those are not spies, we will substitute names of other spies; but 25 important Soviet intelligence officers, of our selection, will be gone NLT October 14.

- Other outcomes:

-- Soviets accept de facto principle that we can require reduction of excessive staffs.

-- Soviets understand we will be relentless in pursuit of persons who violate our espionage laws.

-- Soviets have clear foretaste of costs they can expect if they take hostages in future.

- In summary:

-- We are quite satisfied with the outcome.

-- We are pleased that the deterioration of US-Soviet relations occasioned by the Daniloff case has been arrested.

-- We hope lessons of the experience are clear to all, and that we can avoid such unnecessary crises in the future.

CHRONOLOGY OF EVENTS

(Items marked with asterisk are unclassified and releasable)

- \*8/22/86 -- Soviet United Nations employee Gennadi Zakharov was arrested by the FBI after buying classified material from an individual cooperating with the FBI.
- 8-26-86 -- Soviet Ambassador Dubinin requests Zakharov's release into his custody.
- \*8-30-86 -- U.S. News and World Report correspondent Nicholas Daniloff was arrested in Moscow by the KGB after a setup in which a Soviet acquaintance gave him a package of materials, allegedly containing secret documents.
- 8-30-86 -- U.S. Embassy in Moscow was notified by a telephone call from U.S News and World Report, Moscow of Daniloff's arrest.
- \*8-30-86 -- U.S. Embassy first demanded access to imprisoned Daniloff at 6:30 pm.
- 8-31-86 -- U.S. Consul General visit to Soviet Foreign Ministry secured permission to visit Daniloff in prison.
- \*8-31-86 -- Consular Officer and Mrs. Daniloff visited Daniloff in prison.
- \*8-31-86 -- Assistant Secretary Armacost delivered a strong protest to Soviet Minister-Counselor Sokolov demanding Daniloff's release.
- 9-1-86 --
- 9-2-86 -- Tasking for options given to Office of Foreign Missions.
- 9-2-86 -- U.S. Embassy in Moscow offered initial alternatives to secure Daniloff's release.
- 9-3-86 -- Office of Foreign Missions provided option list.
- \*9-4-86 -- President Reagan sent the first of two letters to Soviet leader Gorbachev, assuring him that American reporter Daniloff was not a spy and asking for his immediate release.
- 9-4-86 -- Under Secretary Armacost called in Ambassador Dubinin to emphasize importance U.S. places on prompt resolution.
- 9-4-86 -- Interagency meeting held to consider alternatives. NSC staff develops response which demonstrates U.S. resolve and pressures Soviets to release Daniloff.

- \*9-5-86 -- Secretary of State Shultz publicly voiced his outrage over the Soviet arrest of American journalist Daniloff and ruled out a direct trade of a Soviet spy for his release.
- 9-5-86 -- Second interagency meeting.
- 9-5-86 -- Armand Hammer contacted U.S. officials to offer assistance.
- 9-5-86 -- Bessmertnykh personally given President's first letter and asked to deliver to Gorbachev.
- \*9-6-86 -- Gorbachev sends reply to President via Ambassador Dubinin.
- 9-6-86 -- Option memorandum sent to President by NSC recommending swift, substantive actions be taken to demonstrate resolve.
- \*9-6-86 -- President sent Gorbachev second letter.
- \*9-7-86 -- Daniloff indicted in Moscow on charges of espionage.
- \*9-7-86 -- Gorbachev sent second letter to President.
- 9-8-86 -- 
NSC staff provided President detailed comparison of previous instances of Soviet hostage taking and emphasized importance of breaking precedent.
- \*9-9-86 -- President returned to Washington, termed Daniloff arrest an outrage.
- 9-9-86 --
- 9-9-86 -- FBI Director Webster sent NSC a listing of previous arrests of Soviets for espionage while employed by the U.N. as well as other Soviets presently engaged in covert intelligence activities.
- \*9-9-86 -- Zakharov was indicted by a Federal grand jury in Brooklyn. The action was announced by Attorney General Meese who warned that spies would be prosecuted vigorously.
- 9-9-86 -- Soviet Ambassador Dubinin met with Armacost and provided information concerning Daniloff's alleged activities and alleged CIA operations in USSR.

- 9-9-86 -- Assistant Secretary Ridgway made proposal to Sokolov for release of Daniloff and trade of Zakharov for dissidents.
- 9-10-86 -- Dubinin met with Secretary Shultz, acknowledged receipt of Ridgway demarche, and offered "first step" of having Daniloff and Zakharov remanded to the custody of respective ambassadors.
- 9-10-86 -- Ruth Daniloff and U.S. News and World Report Bureau Chief Jeff Trimble talked with Nick Daniloff. He indicated he is being treated well and reiterated that his Sept. 9 suggestion that he and Zakharov be remanded to the custody of their respective Embassies was his own.
- 9-11-86 -- Assistant Secretary Ridgway called in Soviet Embassy Counselor Sokolov and provided response to Dubinin's previous proposal to Secretary Shultz.
- \*9-12-86 -- Daniloff and Zakharov were released from prison into the custody of their respective Embassies.
- \*9-15-86 -- Soviet Minister-Counselor gave Soviet response rejecting Ridgway September 9 proposal for release of Daniloff and exchange of Zakharov for dissidents.
- 9-16-86 -- Assistant Secretary Ridgway restated to Sokolov that Daniloff had no official relationship with the USG or a U.S. agency.
- 9-16-86 -- U.S. reemphasized April orders for the reduction of Soviet presence in SMUN by 105 employees over a two year period.
- \*9-17-86 -- United States ordered expulsion of 25 Soviet diplomats, by name, from the Soviet United Nations mission by October 1. State Department spokesmen stated that the move was consistent with a previously announced plan to cut the Soviet mission from 275 to 170 over two years and was not related to the Daniloff case.
- 9-17-86 -- Secretary Shultz expressed reservations over wisdom and legality of President's SMUN directive
- 9-18-86 -- Soviet leader Gorbachev publicly accused Daniloff of being a spy in a statement interpreted as amounting to a rejection of Reagan Administration claims, and an escalation of the dispute.
- 9-18-86 -- Nick Daniloff's reconstruction of interrogation made available to U.S. authorities.
- 9-18-86 -- Soviet press criticized U.S. action to reduce size of Soviet UN presence as unwarranted.

9-18-86 --

- \*9-19/20-86 -- Soviet Foreign Minister Edward Shevardnadze was in Washington for two days of talks with President Reagan and Secretary of State Shultz. While the meetings were scheduled to discuss U.S.-Soviet relations and summit preparations, the Daniloff case figured very prominently in the discussions.
- 9-19-86 -- Hardline response from Kireyev in Vienna indicated little basis for near-term resolution of Daniloff case.
- \*9-19-86 -- Daniloff sent handwritten letter to Secretary Shultz emphasizing that Soviets should not get away with outrage.
- \*9-22-86 -- In a speech to the United Nations's General Assembly, President Reagan indicated that the Daniloff case cast a "pall" over U.S.-Soviet relations.
- \*9-23-86 -- Shultz and Shevardnadze met at UN to discuss situation. Soviets offered release of Yuri Orlov, founder of Helsinki monitoring group. U.S. held firm on October 1 deadline for SMUN reductions.
- 9-25-86 -- Secretary Shultz asks President for authorization to "deal" with Shevardnadze while he remains in U.S. U.S. position: Zakharov and Orlov released same timeframe, other dissidents as appropriate, stick to schedule for SMUN reduction.
- 9-29-86 -- Status of 25 Soviets to leave U.S. by October 1 indicates that all but 7 will remain in N.Y. by deadline.
- 9-29-86 -- Nick Daniloff released from Soviet Union with no charges; Zakharov to plead no contest to charges of espionage and exchanged for imprisoned dissident Orlov and Orlov's wife; expulsion of 25 Soviet employees in SMUN continues as planned.