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TIT FOR TAT: The 1986 U. S.-Soviet Diplomatic Expulsions

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(Author's note: The contents of this paper are sensitive from several perspectives. Because of this, Embassy position titles, rather than names, have been used in order to provide the participants some anonymity. Also, the events have been related entirely from memory in an effort to avoid a conflict with information which may have been, and would still be, classified. It is requested that no distribution of this paper outside of routine NWC processing be made without the author's consent.)

In the fall of 1986, a sequence of events occurred in the diplomatic relations between the Soviet Union and the United States which were both unusual and unprecedented. A series of diplomatic expulsions and staff reductions took place which were notable in that in their wake they left both of the countries' diplomatic representations permanently and fundamentally changed. Although analyzing Soviet decision-making has its perils, an attempt will be made to evaluate the decision-making of both countries as a result of these events.

In March, 1986, the Soviet Union was on its fourth General Secretary in the last six years. Mikhail Sergeyevich Gorbachev had been in office a year. The youngest person to have held that position, his place within the Politburo was still not completely settled, despite the introduction or elevation of such supporters as Ryzhkov, Chebrikov, Shevardnazdze and Yeltsin. He had already made some shifts in jobs, most notably moving Andrey Gromyko, the long-serving Foreign Minister who had nominated him to be General Secretary upon Chernenko's death, to the Presidium

and filling behind him with Eduard Shevardzadze, an unknown and internationally-inexperienced technocrat from Soviet Georgia; and in bringing Anatoly Dobrinin, the almost equally long-serving ambassador to Washington, back to Moscow as head of the Communist Party's International Section. Gorbachev had seemed sufficiently in control during the twenty-seventh Party Congress in early 1986 to have taken a hard line publicly on cleaning up corruption and economic inefficiencies. On the other hand, the Chernobyl disaster in late April had indicated that the government was still not operating as effectively as the image that they were trying to project.

And in spite of the relative success of the Fireside Chat Summit with Ronald Reagan in Geneva in mid-November of 1985, relations with the United States were still tense. The peripatetic decisions of Vitaliy Yurchenko, the Soviet military intelligence officer who defected to the U. S. in August only to re-defect in November (after having provided the U. S. with a considerable amount of valuable intelligence information) caused considerable consternation on both sides. The Soviet war in Afganistan was dragging into its sixth year, Jewish emigration was at a new low, SDI was underway, and Shevardnadze was in the midst of a major re-organization in the Ministry of Foreign Affairs.

The atmosphere in Washington toward the Soviets was also tense. In March of 1985, the same month Gorbachev assumed power, U. S. Army Major Arthur Nicholson was murdered by a Soviet soldier in East Germany while on a routine inspection, and neither an explanation nor an apology had ever been proffered.

The U. S. announcement that its Embassy employees had been "spydusted" in the fall of 1985 had never been adequately explained, by either side. In August, 1985 Soviet construction workers had been barred from further work inside the new Embassy building in Moscow. The results of initial inspections of the interior of the building were beginning to come in, and they were not good. Edward Lee Howard, who knew all of the names of the CIA personnel in the Soviet Union, disappeared and then re-appeared in Moscow in the hands of the KGB. The "evil empire" attitude toward the Soviet Union, never far below the surface during the Reagan years, was widespread.

In the midst of all of this, the FBI was becoming increasingly unhappy that there were so many Soviets in the U. S. that they were required to keep track of. A ceiling of 320 Soviet diplomatic personnel in the United States had already been established by the U. S., largely as a result of Congressional pressure. Assuming that the Soviets would reciprocate when this ceiling was imposed, the State Department still went along, because by employing Soviet nationals at both the Embassy in Moscow and the Consulate General in Leningrad to provide all of the support functions, the State Department did not anticipate getting anywhere near the ceiling with its American staff. The Soviets, on the other hand, who brought all of their support personnel with them, had been bumping the ceiling since the beginning, and the State Department had had to establish a full record-keeping system just to keep them from going over it.

But in addition to diplomatic personnel, the FBI also had to keep track of Soviet journalists, Aeroflot employees, and

others who were potential KGB agents under non-diplomatic cover. And they also had to keep track of all of the Soviets assigned to the Soviet Mission to the United Nations (SMUN), as well as all of the Soviets on the United Nations International Staff. Their resources for keeping track of all of these potential Soviet spies, plus all of the other communist country representatives in the U. S., were strained to the limit.

Probably through FBI efforts, the Congress--particularly the intelligence committees--became interested in this problem. It was felt that one of the best targets, as well as one of the most egregious examples of Soviet over-stepping of the boundaries of acceptable behavior, was the Soviet UN Mission, which had grown beyond all proportion to the work it was doing. While the U. N. Charter did not permit the U. S., as Host Country, to specifically limit the size of U. N. members' delegations, the feeling was that the Soviets had taken advantage of the Charter, and would continue to do so until challenged. The Reagan White House, never enthusiastic about the U. N. anyway, readily concurred; as did the President's Foreign Intelligence Advisory Board, or PFIAB. The State Department and the U. S. Mission to the U. N. (USUN), recognizing the inevitability of some action being taken and seeing this as the least-dangerous option, also went along.

Congress and PFIAB also used this opportunity to resurrect their conviction that the ceiling on Soviet diplomatic personnel in the U. S. was still too high. Sensing trouble on this one, the State Department cautiously discouraged any lowering of the ceiling, but knew that it still had a good deal

of flexibility on the issue as long as the Soviet support staffs remained. However, this, too, was under review. Even though most Embassies in the world hire staff locally for logistical and support functions, Congress and PFIAB grew increasingly dubious of this practice in the Soviet Union, feeling that the United States was giving away great quantities of free human intelligence to the Soviets. The State Department did everything it could to keep this issue under control, and the Ambassador told the intelligence committees that he felt it was actually beneficial to let the Soviets see close up how Americans lived and acted. While never raised to a decision level, both of these issues remained actively under consideration.

Partially to address the FBI's concerns, and partially just to address a situation that had gotten well out of balance, a decision was made in the spring of 1986 to reduce the Soviet staff at SMUN by 100 people, in decrements of 25 every six months over a period of two years. The Soviets were informed that the first reduction would have to be completed by October 1. While the Soviets had had to contend regularly with having their intelligence personnel sent home by various host governments--the most recent occurrence of which had been in September, 1985 when the U. K. expelled 31 Soviet "diplomats"--they probably felt themselves quite secure at the U. N. Nevertheless, they resisted vociferously. The issue quickly ended up on the desk of the Secretary General, who, while he may have been basically sympathetic to the U. S.'s problem, had to keep what were to him the larger interests of the U. N. in mind. It remained largely deadlocked between SMUN, USUN and the Secretary General over the

summer, but with the U. S. Deputy Representative regularly reminding his Soviet counterpart of the deadline, and implying that the U. S. had no intention of backing down.

Morale at the American Embassy in Moscow in the late summer was good. Chernobyl, which had tested the fabric of not just the American Embassy but the entire foreign community in Moscow, and which had all but destroyed the credibility of the Soviet Government in the eyes of this community, glasnost' notwithstanding, was receding into the past. Everyone had had their summer vacations, and many of the families were looking forward to moving into the new American-designed and equipped apartments in the new Embassy complex. General knowledge of the SMUN issue was low, and the Soviets had not budged an inch.

On August 24, the FBI caught Genady Zakharov, an SMUN employee who did not have diplomatic status, receiving classified documents from an American double agent, and arrested him. Since the FBI controlled the agent, it is possible that this was intended as a signal to the Soviets that the U. S. was serious about the SMUN issue. What is not clear is how well this decision had been coordinated, particularly with the State Department, who had considerable experience with Soviet retaliations over the years. At any rate, six days later, Nicholas Daniloff, the Moscow correspondent for U. S. News and World Report, was apprehended by the KGB, also while receiving "documents". While it is likely that both arrests were set up by the opposing security service, Daniloff's was clearly a retaliatory fabrication. Up went the level of tension, while the State Department tried to negotiate Daniloff's release without

giving up Zakharov, whom the FBI had documented as a real spy and wanted to prosecute.

Several days later, in early September, with no reaction as yet from the SMUN delegation on the reductions, the USUN Deputy Representative met with his Soviet counterpart and gave him a diplomatic note which reviewed the U. S. position on staffing at SMUN, noted that the Soviet Government had not yet responded, and therefore identified the first twenty-five people by name who would have to leave the United States within two weeks. It is likely that, given the opportunity to choose the names, the FBI cleaned house of all of the senior Soviet intelligence representatives at SMUN. The U. S. Ambassador concluded the meeting by telling the Soviet Ambassador that he expected no retaliation, and that if there was one, the U. S. counter-retaliation would be severe.

When word of the SMUN expulsions spread at the American Embassy in Moscow, the reaction among the staff was very positive. Most people thought it was a great idea. Most people also knew what the Soviet reaction would be to something like this, and some joked that there was a "sign-up list" outside the executive office for "volunteer expulsions".

In the meantime, both sides had been working feverishly on the Daniloff/Zakharov case. On September 11, an accommodation was worked out whereby Daniloff and Zakharov were each released from jail and remanded to the custodies of their respective Ambassadors. The American Ambassador being away, this responsibility fell on the Deputy Chief of Mission, or DCM--the number-two in the Embassy--who was the Charge. Thus, Nick Daniloff

moved into a vacant apartment in the Embassy compound, and he and his wife became, temporarily, de facto members of the Embassy staff.

About a week after the SMUN expulsions (each of the subsequent expulsions happened about a week after the preceding one, which indicates the amount of time the respective governments take to decide what to do next), the Soviets declared five American diplomatic personnel in the Soviet Union "personna non grata", or PNG, and gave them about a week to leave. The list included both--although not only--intelligence personnel and military attaches.

When it came, the U. S. response to the Soviet expulsions was as severe as promised. Seizing the opportunity to counter Soviet defiance, and over the State Department's deeply-felt but weakly-positioned opposition, the decision was made to lower the Soviet diplomatic ceiling in the United States, and thereby accept a lower ceiling in the Soviet Union. The Soviets were informed that the new ceiling would be a total of 251, 225 in Washington and 26 in San Francisco. In order to bring them into compliance with the new ceiling, the Soviets were given a second list of 55 names of their personnel in Washington and San Francisco who would have to leave, plus a list if five additional names of personnel who were declared "PNG", but who could be replaced. At the time it was made, this decision did not affect American diplomatic staffing in the Soviet Union, as it was still less than the new ceiling. Assuming the FBI again selected the names of the Soviet personnel who were to leave, in the space of two short weeks the Soviet intelligence operation in the United

States was probably decimated, and the FBI's workload had been improved better than could have been done by any budget increase.

But the story isn't over. This time, the reaction of the staff at the American Embassy in Moscow was one of awe. Washinton's action added new dimensions to the concept of "hardball", which few felt Washington had had the heart to play; and while support for Washington's action was again widespread, everyone was well aware that even if you couldn't translate "hardball" into Russian, the Soviets had no difficulty in understanding the concept. There was more than one family that started thinking about all of the details attendant upon a short-notice departure. The British Embassy was consulted as to how they had handled their mass expulsion-retailiation of the previous year, and contingency plans to support the departure of a significant portion of the American staff were drawn up.

In the meantime, the Zakharov/Daniloff issue was still being worked out. Finally, on September 30, both detainees were permitted to return to their own countries. In addition, Yuri Orlov, the founder of the Helsinki Monitoring Group in Moscow and a prominent dissident and human-rights activist, was released from internal exile in the Soviet Union and permitted to go to the United States.

When the last Soviet shoe fell, it caught just about everyone by surprise. At around 7:00 p.m. on a weeknight at the beginning of the second week in October, after all of the Soviet staff had departed for the day, the DCM, who was still acting as the Charge in the Ambassador's absence, and the Administrative Counselor were called to the Soviet Foreign Ministry. There,

they were informed by diplomatic note that the American Embassy would no longer be permitted to employ Soviet nationals for any purpose: as Embassy staff, as personal maids or nannies, as piano or ballet teachers for children, or even as car-washers. The Embassy would also be able to hire locally no more than five third-country nationals to work as Embassy staff. The Soviets also imposed the 225/26/251 diplomatic personnel ceiling on Moscow and Leningrad, but specifically limited this to employees, thereby exempting working spouses from the count. They also excluded from the ceiling all construction-related personnel who were working on the new Embassy complex. The Soviets also added a new wrinkle: henceforth, they would only approve visas for American temporary duty personnel to the Soviet Union for a maximum period of two weeks. They also declared another five people PNG--again, a mix of diplomatic staff, intelligence personnel and military attaches. In a single stroke, the Soviets themselves had solved Congress' and PFIAB's last remaining problem--how to get rid of the Soviet staff. In spite of the additional Soviet retaliatory PNGs, Washington felt at this point there was nothing further to be gained by prolonging the game, and it ended.

Assessing bureaucratic motivations is difficult enough when all of the players are known and the decision-making process can be identified. Attempting this with a bureaucracy as opaque and mysterious as the Soviets' is almost impossible, although careers have been made of it. There is also the added complication of applying American bureaucratic theory and assumptions to a very different culture (and begging, thereby,

the likelihood that bureaucratic theory is, in fact, culture-specific). Nevertheless, there are some likely conclusions that can be drawn from this example.

First, though, it is instructive to review the stakes and the outcomes. The emotional level was high for both sides throughout these events, and probably had an influence on the decision-making. But both sides entered the fray feeling it was low-risk: the U. S. side hoped there would be no Soviet retaliation for SMUN, but was confident it could respond if there was; the Soviets simply felt the U. S. would never bring any pressure to bear on its request. At each step, though, American gains and Soviet losses were magnified. Even the last step, which the Soviets took with the expectation that the Embassy would fold without the Soviet support staff and therefore set up the negotiation which would lead to the restoration of the old personnel levels in return for the Soviet staff, failed, and as a result they also lost all of their human intelligence capability within the Embassy and Consulate. A case can even be made that although the U. S. lost several of its intelligence personnel, because of Edward Lee Howard's revelations their effectiveness would have been limited anyway, and this was a convenient way of replacing them with new people under better cover.

How did the Soviets get themselves into this situation? The most likely answer is probably the most obvious one, given what we know about the environment at that time. "New thinking" had not yet taken hold, and there was still a very adversarial approach to U. S. relations, which had not been discouraged by the Reagan administration. At the same time, the Foreign Ministry

had still not settled down from its reorganization, there was still not a solid consensus in the senior levels of the Soviet government, and the old ideas and attitudes from the Brezhnev era still prevailed: "deny all accusations, admit nothing, and retaliate".

Working from these assumptions, then, the Soviet bureaucracy was confronted with a new problem in the request for the SMUN reduction with which they were ill-prepared to deal. Apparently no individual or group within the Soviet hierarchy felt this needed a fresh look, which was probably reinforced by the opinion that there was nothing the U. S. could do nor would do to enforce it. They therefore chose to deflect it, dealing with the Secretary General on it as a bureaucratic issue rather than with the U. S. as a potential intelligence issue, and assuming that nothing would ever come of it. The deadline was apparently never taken seriously.

The most interesting thing in this case would be to know the various Soviet bureaucratic positions after they realized the effect of the SMUN expulsions. The KGB was probably furious, and the Foreign Ministry was probably stunned at this unprecedented U. S. action. How, though, did they get to the position of deciding to retaliate? Pride, power and bureaucratic inertia probably had a great deal to do with it--they had never not responded before, and couldn't let this thrown gauntlet go unanswered. They probably hoped that five-for-twenty-five would be a small enough response for them to save face without prompting a reaction, even though a reaction had been promised. It is difficult to believe that someone in the Soviet government

wasn't aware that the U. S. was considering lowering the diplomatic ceilings, but was it taken into consideration? We don't know. At any rate, at both steps the Soviets took actions resulting from their bureaucratic process which implied that they did not expect the U. S. to take the action that it did. And they were wrong both times.

The final Soviet action, however, shows most clearly how poorly the Soviets understood Americans. By this time, the KGB must have been frantic; any attempts to explain the first two decisions as their being willing to "tough it out" even if they lost over their retaliation is belied by the desperateness of their last response. The only inference that can be drawn is that in order to restore their intelligence capability as quickly as possible in the U. S., they were willing to take a gamble by also giving up their intelligence capability (temporarily, they thought) at the U. S. diplomatic facilities in the Soviet Union. Again, though, they must have been aware that the U. S. was already moving on its own toward eliminating its Soviet staff; several changes had already been made. What they misunderstood, though, was that first, regardless of how bad conditions became at the Embassy and Consulate, the decision to ask for the Soviet staff back would be made in Washington, not Moscow; and that once the Soviet staff was gone, the Washington bureaucracy would never let it come back. And second, they simply underestimated American fortitude. The winter of 1986-87 was one of the worst and coldest in Moscow in years. Everyone on the staff had to take one day every two weeks to shovel snow or carry trash or unload mail or clean toilets, but morale remained high and no one

asked to be relieved or had to be relieved. An Austrian contractor who did apartment renovation work for the Embassy commented, upon seeing the Public Affairs Counselor and the Army Attache pushing snow off the Embassy compound driveway, "You know, Europeans would never do this for themselves. They would just go home." That is what Soviets would have done, too; and that is what they expected the Americans to do. But the Americans didn't. And so the Soviets lost all the way around.

The Daniloff/Zakharov/Orlov decisions are much more difficult to decipher. The SMUN-related issues probably had an effect on their decision-making for this, but it seems most logical that the decisions on the Zakharov problem were made largely independently of the other problems. They wanted Zakharov back without a trial in the U. S., and by this time they could afford to give up Orlov.

The explanation of the American actions is a good deal simpler. There was an underlying consistency of philosophy within the Washington bureaucracy, and the goals had already been considered, if not established. When the Soviets took their actions, it was relatively easy to chose the response and implement it.

By way of epilogue, the Reykjavik Summit proceeded as scheduled on October 11 and 12. In December, Andrey Sakharov was released from internal exile and permitted to return to Moscow. His wife, Yelena Bonner, was pardoned for her dissident-related conviction. The Soviets met each of the future SMUN reduction deadlines early and without protest. The diplomatic ceiling has gone back up again, although the SMUN staffing has not increased,

nor have the Soviet workers come back to the American diplomatic establishments. The resolution and decisiveness with which Washington handled this situation undoubtedly had a lasting effect on Soviet decision-making.