

HOW THE UNITED STATES WON THE COLD WAR

By Warren E. Norquist

Until 1981, the United States competed mainly on its side of the playing field. It was a good defensive effort called Containment, but it avoided taking the competition into the Soviet side. The new Administration would undertake to “*win the cold war*” by taking advantage of every Soviet weakness and U.S. strength to force changes in the Soviet system.

In November 1982, President Reagan received this report. “We must sustain our [effort] because in this decade the ... combined weight [will] cause such stress on the [Soviet] system that it will implode.”

SOVIETS' VIEW IN 1980

The Soviet leaders viewed their position vis-à-vis the West favorably—except for the USSR’s low economic growth, reliance on foreign sources for critical equipment and technology and its low labor productivity. The Soviets had recently worked to establish Communist governments and/or bases in Angola, Mozambique, South Yemen, Ethiopia, Oman, São Tomé e Príncipe, and Nicaragua. It would use the thousands of Soviet Bloc advisers in those countries to undermine nearby governments. “The ... Soviet airlift of Cuban troops to various destinations in 1978 without serious response from the U.S. [convinced them that President Jimmy Carter would not respond].” When the invasion of Afghanistan occurred December 28, 1979, Carter reacted by embargoing grain and fertilizer, boycotting the Olympics, and starting a small effort to arm the Afghans opposing the invasion. (Crozier, 1999, p.310, 233, 237, 325-7, 344, 354)

The USSR was earning hard currency by selling oil at three times its production cost and by selling weapons to oil rich countries such as Iran, Iraq, and Libya. Underway were gas and oil projects with Japan and Western Europe that would more than double Soviet hard currency earnings. West Germany would become dependent on Soviet gas. Western Europe was lending to the USSR at half the normal interest rate and helping it build industrial plants.

The USSR, with three times as many tanks as the West, felt it could easily overrun Europe in a non-nuclear war. The new SS-20 missiles could threaten Europe with a nuclear war separately from the U.S. The Soviets’ ability to buy or steal Western technology was saving billions of research dollars. “By 1981, the Soviets had shrunk a 15 year (computer) technology gap to 3 to 4 years.” (Bailey, 1999, p.18)

The **Soviet elites felt that they were winning** and they could continue to postpone making good on their many promises to improve the standard of living of the average Soviet citizen.

REAGAN ENDS CONTAINMENT AND DETENTE

The Reagan Administration came in believing that the Containment Policy embraced since Truman would eventually work against the West. Public support for defense in peacetime is usually brief after a new provocation. The Europeans, anxious to improve sales and reduce unemployment, were providing credits and loans to the USSR. Robert Gates wrote: “Reagan, nearly alone, truly believed in 1981 that the Soviet system was vulnerable ... right then.” (Gates, 1996, p.197)

Reagan’s first National Security Adviser, Richard Allen, wrote: “[Reagan] never believed as did many Western observers—including alleged experts—that the Soviet economy had the capacity to extract from its citizens limitless sacrifice for the sake of maintaining invincible military power.” (Allen, 1996, p.63)

The long-term plan that evolved was to:

- **Support internal disruptions with a special emphasis on Poland.**
- **Promote Freedom.**
- **Dry up sources of Soviet hard currency.**
- **Overload the Soviet economy with a technology-based arms race.**
- **Stop the flow of Western technology.**
- **Raise the cost of the wars the USSR was supporting.**
- **Demoralize the Soviets and generate pressure for change.**

In August 1999, I had the opportunity to join a group celebrating the 10th anniversary of the fall of the Berlin Wall. Former leaders from the Reagan Administration described in detail the policies they implemented, which were spelled out in recently declassified National Security Decision Directives. (Cold War Seminar, 1999) NSDD 75, the broadest, stated: Use “economic, military, and political initiatives ... [to] convince the Soviet ruling elite that ... unless it ... shared ... power with the Soviet people ... it would lose all of it.” (Shattan, 1999, p.250) (Bailey, 1999 p.27-35)

Reagan’s strategy was strongly supported by his closest ally, Margaret Thatcher, Prime Minister of Great Britain. She wrote in her memoirs, “I regarded it as my duty to ... further President Reagan’s bold strategy to win the Cold War, which the **West had been slowly, but surely losing**”. (Thatcher, 1993, p.157)

CASEY AND THE CIA

In February 1981, William Casey, the new Director of the CIA started two initiatives. One was: “pay attention to worldwide ‘intangible threats’ ... [like] subversion and ... terrorism...” Another was: develop “a new intelligence estimate” that would enable the U.S. to take advantage of U.S. strengths and the weaknesses of its adversaries. (Gates, 1996, p.203)

Casey was not an ordinary director. He was in the Cabinet, on every foreign policy decision-making body and on the five-member National Security Planning Group (NSPG). He had an office in the extended White House, met with the President twice a week, often alone, and was guaranteed open access to him. (Schweizer, 1994, p.3,6, interview with Herb Meyer) “Push. Push. Push. Casey...[continually forwarded his ideas and] those of others—for waging the war against the Soviets more ... effectively.” (Gates, 1996, p.256)

SOVIETS SUPPORT OF TERRORISM AND PEACE MOVEMENTS

CIA analysts had neglected the seamier side of Soviet activities. In March 1981 Secretary of State Al Haig asked the CIA for an analysis of how the USSR was sponsoring terrorism. The evidence first submitted were public quotes by Soviet leaders condemning terrorist groups. Casey asked for new study by the DIA using CIA’s historical records that the prior analysts did not have or request. (*Ibid.*, p.203-5)

A joint report by the CIA and the DIA, entitled *The Soviet Role in Revolutionary Violence*, described a worldwide effort. After the collapse of the Warsaw Pact, the CIA learned that even the second report had far understated Soviet support to terrorists. (*Ibid.*, p. 206)

Politburo records show Brezhnev secretly provided money to peace movements. Andropov increased the effort. We now know some of the movement leaders were working for the KGB and the East German Stasi. (Schweizer, 2002, p.220-27, 229-230)

ECONOMIC COMPETITION

“In 1958 General Secretary Nikita Khrushchev had begun to proclaim publicly that the Soviet Union would soon ‘bury’ the United States in an economic competition.” In 1961, the party adopted as doctrine that: “In the current decade—1961-1970—the Soviet Union, while creating a material-technical base for communism, will surpass in per capita production the most powerful and richest capitalist country—the United States.” (Brzezinski, 1989, p.34, 35)

The CIA had estimated the 1980 per capita GDP of the USSR at 46% of the U.S. (*Ibid.*, p. 285) The CIA primarily used published Soviet statistics and estimates based on photo reconnaissance. We now know both overstated output. The photos missed the losses resulting from uneconomic designs, inefficiency, and waste. Poor quality and a very short useful life were characteristic of Soviet non-military products. (Cold War Seminar, 1999)

“Up until [1975], the CIA had estimated that the Soviets spent 6% of their GDP on defense, about the same proportion as the U.S.” Then Brezhnev [in a secret speech] “boasted that military spending was 15% of Soviet GDP. ...the CIA...increased its estimate to 12%, but the DIA argued that it was closer to 30%.” (Hayward, 2001, p.423-4)

President Reagan and Casey believed that the CIA and others greatly overestimated Soviet GDP. Instead of looking at Soviet statistics and articles by academic economists enamored with the efficiency of a centrally planned economy, Reagan and Casey asked what was the USSR really like and what GDP level was consistent with that. (Cold War, Seminar 1999)

Casey hired Herb Meyer, who had written on the problems of the Soviet economy, as a Special Assistant. In a report to Casey, Meyer stated the USSR was: “terribly vulnerable economically.... It should be a matter of high national policy to play to these vulnerabilities.” (Schweizer, 1994, p.20-21)

EVIDENCE OF A LOW GDP

In 1980 most Soviets were inadequately housed. Not only were apartments tiny, but only two-thirds had running water and only a third had hot water. Only 18 households per 1000 owned a car. (Roberts, 1990, p.40, 52-4)

“Every Soviet employee of an international organization has to surrender to Moscow two-thirds of his monthly salary...[plus]...the money paid into the pension fund for him.” (Dzhirkvelov, 1987, p.364)

Assuming yields near free market ones helped lead the CIA to overstate Soviet output. For example: “In 1986 the Soviet Union produced 27.5 tons of paper and cardboard from 1000 cubic meters of ... timber while Finland got 155 tons and Sweden 144.” (Rowen, 1990, p.22) General Secretary Gorbachev also wrote: “We are spending far more in raw materials, energy, and other resources per unit of output than other developed countries. Our country’s wealth ... has spoiled ... us.” (Gorbachev, 1987, p.19)

“With no incentive to compete, to rationalize, or to innovate, [the Soviet Bloc countries] had become monuments to bureaucratic inefficiency and counter-productive extravagance.” A 1987 study reported that the Soviets used three times the energy per unit of product than France or West Germany used. (Brzezinski, 1990, p.36) The lack of a market economy meant artificial prices, which resulted in the unavailability of low priced items and gave no incentive to make spare parts. A plant manager often had to resort to bribes, connections, or buying stolen materials, parts and equipment. (Roberts, 1990, p.13-5,17)

The Soviet government subsidized food prices to discourage civil unrest. “Yet, ... private plots ... were limited to only 4% of arable land even though they were producing ... 25%

of the Soviet food....” In 1987 the Soviet health minister said: “...a large percentage of Soviet hospitals had no hot water, [and] inadequate sewerage....” (Brzezinski, 1992, p.37) “The distribution system was poor, with crops left rotting in rural areas.... Fuel scarcity ... meant inadequate heat ... despite reserves.” (Bush and Scowcroft, 1998, p.14)

Exports into the free market consisted mostly of natural resources and weapons. Soviet currency earnings useable in world markets were only \$32 billion in 1980. (Schweizer, 1994, p.42)

The National Intelligence Council headed by Henry Rowen and later with Herb Meyer as Vice Chairman, analyzed the raw data on the Soviet Union. William Casey and the NSPG over time concluded, based on all this information and not writing off anecdotal material as many “experts” did, that the **Soviet economy** was only **one-sixth of the U.S. economy**. (Vernon Walters at the Cold War Seminar, 1999) This meant **Soviet military spending for 1980 was about 33%** of its economy, not 12%.

Igor Birman, a former USSR economist who emigrated to the West in 1974 and is now a noted expert on the Soviet economy, suggests why the CIA overestimated in the 60’s and 70’s. “For the Western observer ... it is almost impossible to imagine what ... the Soviet rulers set aside for war preparations. Precisely this enables them to have *tremendous military strength with a weak economy*.” (Birman, 1987, p.177-8)

GETTING FREEDOM FOR POLAND

Reagan and Casey saw Poland as the key to disrupting the Soviet hold on Eastern Europe. The Soviets also believed if Poland broke away others would follow. The labor union, Solidarity, led by Lech Walesa had become a political movement challenging governments. During 1981 the U.S. pointedly warned the Polish and Soviet governments not to take action against Solidarity. (Schweizer, 1994, p.58-9) (Cold War Seminar, 1999)

On December 12, 1981, General Kulikov, commander of the Warsaw Pact forces, oversaw the imposition of martial law, forcing Solidarity underground. Reagan wanted to penalize Moscow. The Western European leaders were mute or worse, Instead of calling Polish loans, which some advocated, Roger Robinson, a former Chase Manhattan VP, suggested hitting Moscow. “Let’s delay the first strand of the pipeline and stop the second strand, halt subsidies ... and ... technology transfers....” His view was adopted and proved crucial. (Schweizer, 1994, p. 67, p.71-2)

REAGAN AND POPE JOHN PAUL II

On June 7, 1982, President Reagan and Pope John Paul II met in the Vatican including fifty minutes without advisers. Almost all the private discussion focused on Poland and the Soviet domination of Eastern Europe. “...Reagan and the Pope agreed to undertake a clandestine campaign to hasten the dissolution of the communist empire. ...Richard Allen, Reagan’s first National Security Adviser, [is quoted as declaring]: ‘This was one of the great secret alliances of all time’.” (Bernstein, 1992, p.28)

In October 1982 Poland outlawed Solidarity. With wide support, “President Reagan suspended Poland’s Most Favored Nation trading status...” This meant Poland lost \$6 billion/year in sales. (Schweizer, 1994, p.120, 265)

Until it was legalized in 1989, Solidarity was kept alive by the U.S. and the Vatican. The U.S. support grew to \$8 million per year to keep the underground leaders functioning. The concept of freedom became a major point of competition with the Soviets. High-tech communications equipment was smuggled in followed by copying machines, printing equipment, supplies, VCR’s, and freedom tapes. (*Ibid.*,p.76) (Bernstein, 1992, p.28)

In seven years some 1,500 underground newspapers and journals and 2,400 books and pamphlets were circulated. On many issues, the writers made more sense than the regime. (Brzezinski, 1990, p. 120) With CIA supplied equipment, Solidarity would insert slogans and messages at breaks during soccer matches. (Bernstein, 1992, p.35)

“[Casey] was convinced the Soviet system was failing and doomed to collapse ... and Poland was the force that would lead to the dam breaking. He demanded constant CIA focus on the major front, Eastern Europe. It wasn’t noticed because ... [the American media were focused on] Nicaragua and Salvador.” (*Ibid.* p.33)

Although Casey didn’t live to see it, he was right. Moral, economic, and political pressures forced the Polish government to relax, which then led to more strikes and demonstrations. In February 1987, in return for Warsaw opening a dialogue with the Catholic Church, Reagan lowered tariffs. In May 1987 Pope John Paul II “traveled across Poland demanding human rights and praising Solidarity.” In 1988, Gorbachev agreed that Solidarity’s cooperation was needed to rule Poland. “In December 1990, nine years after he was arrested and his labor union banned, Lech Walesa became President of Poland.” (Bernstein, 1992, p.35)

SPOILING SOVIET OIL PLANS

After martial law was instituted in Poland, “President Reagan on December 29, 1981 ordered all U.S. firms to break any contracts involving the Siberian dual pipeline and not to enter any new ones.” (Shultz, 1993, p. 5) This order also halted a Japanese Soviet oil and gas venture. Gone were four billion dollars in hard currency the Soviets had counted on from 1986 onward. (Schweizer, 1994, p.72).

After first agreeing to honor U.S. sanctions, the Europeans bypassed them with a new interpretation. The U.S. responded in June by “extending the sanctions to include European firms operating under American licenses.” The French “minister of industry ... threatened to ‘requisition’ any French companies that did not ship. ...” (*Ibid.*, p.111)

Reagan responded: any company that used “U.S.-licensed [pipeline] technologies” would be denied U.S. markets. (*Ibid.*, p.124, interview with Robert McFarlane) This led to a compromise by November 13, 1982: “...no new contracts for Soviet gas...strengthen...controls on transfer of strategic items...[start] monitoring financial relations with the Soviet Union and work to harmonize our export credit policies.” (Shultz, 1993, p.142)

The pipeline—reduced to only one pipe—suffered further delays from turbine breakdowns and fires. The two-year delay cost the Soviets over \$15 billion and a projected loss from plan of \$15 billion in hard currency per year in the 1990’s. (Schweizer, 1994, p.216, interview with Roger Robinson) **The Siberian Pipeline delay and reduction was a critical turning point in the Cold War** because it reduced the currency desperately needed to buy and borrow from the West.

BY 1983, SUCCESS IS ALREADY IN VIEW

In late November 1982, Henry Rowen, head of the new National Intelligence Council and former President of the Rand Corporation, told Reagan and the NSPG that: “We have simply got to sustain our military challenge to Moscow and cut off its Western life support, because **in this decade we are going to see the combined weight of that burden cause such stress on the system that it will implode.**” (*Ibid.*, p.127, interview with Robert McFarlane)

ARMS UPGRADE TRAPS SOVIETS

In 1980, since the Soviets believed they were far ahead in military capability, they wanted peace groups to push for a nuclear freeze and disarmament.

To catch up, the Reagan administration decided to **emphasize weapons that would make obsolete what the Soviets had built** in quantity. This would make U.S. conventional forces in Europe credible and put an additional burden on the Soviet economy. The Soviets' compulsion to be first militarily where possible and at least equal elsewhere, would lead them to match U.S. defense spending even when this meant more damage to their economy. (Cold War Seminar, 1999)

United States defense procurement allocations doubled by 1985 and R&D nearly doubled. New anti-tank weapons and anti-submarine sensors and weapons were being deployed and a start on the Strategic Defense Initiative (SDI) was well underway. In 1985, General Snow, head of NATO, reported on a speech to Soviet military leaders by a top Soviet Defense official. The Soviet official stated that the new weapons being deployed by the West meant that Western Europe could no longer be overrun by Soviet tank armies in a non-nuclear conflict. He was removed shortly thereafter. (Meeting author attended)

In 1979 "the Warsaw Pact outnumbered NATO by 3 to 1 in main battle tanks and artillery and 2 to 1 in tactical aircraft." (Thatcher, 1993, p.238) The Soviets based their military strength on quantity and were not prepared to compete against fewer but far superior weapons.

Oleg Gordievsky, a KGB officer in London, gave British intelligence documents showing that Soviet "military officials believed the SDI system might prove 90% effective". "[Moscow] made large-scale resource shifts to the military industrial sector..." (Schweizer, 1994, p.215, 250)

Caspar Weinberger was pivotal in the signing of SDI collaborative research agreements with five major countries. This created an effort the Soviets knew they could not match. A U.S. technology disinformation effort led Soviet spies to overstate SDI progress to Moscow. (Cold War Seminar, 1999)

By March 1985, when Mikhail Gorbachev succeeded Konstanin Chernenko, he knew the USSR was diverting too much to armaments. "The party had promised never to let the capitalists regain military superiority" but this pledge would prove very costly. Despite his economic concerns Soviet military spending rose another 45% in the years under Gorbachev on top of more than 45% during the previous five years. (Schweizer, 1994, p.197, 240)

Gorbachev initially continued the Andropov policy of trying to force people to be more productive, with little success. (Thatcher, 1993, p.469) Margaret Thatcher's comment that "[Gorbachev] thinks there are problems with the way the system works...he does not understand *the system is the problem*" is noted twice in Shultz' book. (Shultz, 1993, p.568, 699)

In June 1985, Reagan told his staff: "Mr. Gorbachev may or may not be a new type of Soviet leader. Time will only tell and it may not be for a decade. But I want to keep the heat on the Soviets. **I don't want to let up on anything we are doing.**" (*Ibid.*, p.236, interview with Ed Meese) Gorbachev badly needed to cut spending somewhere since military spending was then over 39% of GDP. (See following chart.) At the Reykjavik Summit in October 1986, Gorbachev offered Reagan cuts in missiles and a reduction in Soviet military power if SDI was stopped. Reagan's refusal led Gorbachev to "abandon the struggle". (Meese III, 1992, p.39)

U.S. & USSR (ESTIMATED) GDP & MILITARY EXPENDITURES
(IN BILLIONS OF US DOLLARS)

	U.S.*		USSR			
	GDP	MIL.	GDP	MIL.	%INC	%GDP
1980	2,732	134	455**	150		33 %
1985	4,137	253	553**	217	45%	39 %
1990	5,736	299	673**	315	45%	47 %
1999	9,130		314	Russia ***		
			168	The other 14 former Republics ***		

*U.S. GDP and Military (Federal Budget Historical Tables 10.1 and 3.1)

**1/6 of U.S. GDP and then an assumed 4% increase/year in Soviet GDP.

***1999 GDPs reported in 2001 Index of Freedom. (O'Driscoll, Jr., 2000, p.315) Note: the 1999 GDPs confirm that the Soviet economy was and had been a fraction of the U.S.

SOVIETS NEED TECHNOLOGY

Lieutenant General Ion Mihai Pacepa, head of DIE, the Romanian equivalent of the KGB, revealed the Romanian successes in stealing technology when he defected in July 1978. (Pacepa, 1987, p.41-2, 44-5)

The first warnings of one effort by the KGB came in June 1977 and February 1978 in very specific anonymous letters. These were forwarded to the Department of Commerce which had the legal responsibility for [export control]. If it did not act, ordinarily the FBI couldn't. Even in 1979 "Commerce was far more interested in promoting trade and détente with the Soviets than ... risking ... incidents." New sources complained and an investigation in February 1980 resulted in convictions. (Barron 1983, p.172-5) In spring 1981, the French passed to the CIA 4,000 documents it had received from a source in a technical branch of the KGB. These showed the "KGB was seeking specific items and how [they] set up ... to buy or steal the embargoed scientific material." (Schweizer, 1994, p.47)

HOW THE U.S. STOPPED THEM

By April 1982, a vulnerability assessment by Casey's experts disclosed that the Soviet economic system was "rigid and inflexible" and that "**the infusion of technology and equipment from the West was [a necessity]....**" Tighter export restrictions were implemented in 1982. (*Ibid.*, p.101-2) Prosecution of American firms increased from only three high-tech cases in the 70's to hundreds in the 80's. (Cold War Seminar, 1999) The U.S. wanted still tighter restrictions on technology to communist countries. This upset many Europeans but by May of 1984 a much tighter restriction agreement was ratified. (Schweizer 1994, p.162, 194-6)

Sweden had been buying and reselling technical hardware to the Soviets. It didn't like the U.S. economic warfare approach, but Sweden needed U.S. technology and the U.S. market. The Swedes stopped technology transfers to the USSR and agreed to take the lead in smuggling supplies to Solidarity. (*Ibid.* p.162-5)

The Soviets increasingly stole technology. But the U.S. sabotaged this effort by hiring engineering firms to design defects into the technologies and products the Soviets were stealing. As attractive but false technology and defective parts spread across the USSR, both research and manufacturing had many expensive failures. (*Ibid.*, p.186-7) NSC official Gus Weiss designed this massive deception program. (Bailey, 1999, p.18)

“EVIL EMPIRE” TALK WEAKENS USSR

In 1974 Soviet author Alexander Solzhenitsyn wrote: “The Soviet Union was doomed—provided the West held firm, prevented it from expanding further and refrained from providing the regime with the economic assistance it needed to maintain its precarious hold on life.” Neither Presidents Gerald Ford nor Jimmy Carter would meet with him, fearing it would offend the Soviets. (Shattan, 1999, p.170, 173-5)

President Reagan did not hesitate to call the Soviet Union what he felt it was: “the focus of evil in the modern world”. The word spread quickly through the USSR even to the Siberian labor camps. Promoting freedom became a major weapon. Although the State Department objected, Reagan issued a challenge that became both effective and famous: “Mr. Gorbachev, tear down this wall.” “...many Russians a decade later would acknowledge that, yes, it had been an evil empire.” (Gates, 1994, p.263) (Author’s own experience) (Meese III, 1992, p.36)

Since World War II, Soviet leaders had gained respect and prestige at home by meeting with Western leaders as moral equals. Reagan avoided letting them gain prestige this way.

Reagan’s first meeting with a top Soviet leader was with Gorbachev in November 1985. Gorbachev pressed the U.S. to stop SDI and threatened a new arms race. Reagan shrugged off the threat (the Soviets were already overextended by then) and restated the morality of defensive weapons and the immorality of MAD. Reagan emphasized: “Children...were suffering because of booby-trapped toys [from] Soviet aircraft. The Soviet Union was fighting national groups that ...wanted...freedom. **Are you still trying to take over the world? he boldly asked a visibly upset Gorbachev.**” (Schweizer, 1994, p.245-6)

“Of America’s nine Cold War presidents, none was as committed to the missions of the Radios (RFE and RL broadcasting into Communist countries) as Ronald Reagan.” (Puddington, 2000, p. 253) Soviet leaders continually underestimated the extent to which President Reagan could make freedom a weapon against them. (Cold War Seminar, 1999)

SOVIET WARS MADE COSTLY

Carter’s help to the Afghan guerillas was \$50 million of low quality weapons. Casey insisted on more and better weapons and training. By 1984 “the war was costing the Soviets three to four billion dollars per year.” The Soviets were funding political groups to encourage dissent in Pakistan. Pakistan was encouraged to train mujahedin who could stir dissent in the Soviets’ multi-ethnic empire. Korans, weapons, and pictures of atrocities against the Moslems in Afghanistan were smuggled into southern USSR. (Schweizer, 1994,p.10, 150-1, 214, 230, 271)

“In January 1985, the U.S. got detailed [information] from the CIA source on the Soviet General Staff” that the Soviets were going to make an all-out effort to win. The U.S. military planned countermeasures. Reagan opened a NSPG meeting with his decision to do what was necessary to assure that the Afghan guerillas would win. NSDD 166 stated the specifics. The Afghans received detailed satellite intelligence on the Soviet positions and burst communicators that allowed the guerillas to hide.. More equipment, including “10,000 rocket propelled grenades and 200,000 rockets,” allowed the Soviet bases to be attacked. (*Ibid.*, p.212-3, 230-1 & 251-2)

In 1986, after the success of the Stinger missiles in Angola, the U.S. really raised the cost in Afghanistan. With the arrival of the Stingers, a shoulder launched “fire and forget missile,” the odds changed dramatically. “...of the first 200 missiles fired, 75 percent hit aircraft.” The cost of the war to the USSR skyrocketed. (*Ibid.* p. 268-9) (Gates, 1996, p.347)

When “the Kremlin ... [retreated], the capital of Kazakhstan erupted in violence...” Signs read: “We want to join China” and “America is our friend”. (Schweizer, 1994,p.272-3, interview with senior Pakistani official)

THE FIGHT FOR AFRICA

“In 1975, Luanda, [the capital of Angola, a former Portuguese colony on the West Coast of Africa] was seized by the Soviet controlled MPLA and hundreds of Cuban troops.” By 1985, Cuba was providing 45,000 troops for a fee of \$12,000 per soldier/year. The MPLA launched 10 major offensives against UNITA. (Savimbi, 1986, p.18, 21,, 23-4)

On June 12, 1985, “Freedom fighters from Angola, Laos, Afghanistan, and Nicaragua met in Jamba, [the guerrilla capital, at the invitation of Dr. Savimbi] to sign the Jamba Accord...” [It stated]: “We who fight for Western values of democracy and freedom including the right to own one’s home and some land have joined together. Now we ask the West to join us.” (*Ibid.*, p.24)

From 1976 until its repeal in August 1985, the Clark amendment had prevented the U.S. from aiding such groups, but UNITA got aid from South Africa, China, Arab nations, and other black African countries. That aid didn’t stop Soviet helicopters from shooting the farmers. In February 1986, when the NSC approved, Stingers were sent and illiterate Angolan guerillas shot down 24 Soviet aircraft with the first 27. The American press had charged that Stingers were too difficult for American soldiers to use effectively. (*Ibid.*, p.23-4) (Gates, 1996, p.346-8)

Gorbachev tried again during the Bush Administration to overwhelm UNITA with over 200 tanks and many jets and helicopters. The guerillas called the private organizer of the Jamba accord, which resulted in an emergency meeting at the White House. That night, the critically needed gasoline and weapons, which had been **withheld by the State Department to force UNITA to join a coalition government with the Communists**, were finally released. UNITA won this critical battle.

CUTTING OFF HARD CURRENCY

The international bankers had believed that the USSR stood behind any loans to the Eastern Bloc. Following Roger Robinson’s advice, that theory was tested. The USSR’s growing economic weakness was clearly exposed when in 1982 it would not stand behind the \$30 billion in Western loans to Poland. Casey frequently spoke to business leaders with this message: “Business with Moscow is a bad idea.” (Schweizer, 1994, p.41, 73-74)

A number of American favors for Saudi Arabia that asked nothing in return rebuilt a relationship that had deteriorated. The two countries began discussing how stopping Soviet oil profits could be a major step to winning the Cold War. The crowning factor in cutting the USSR’s hard currency earnings was the sudden increase in oil production by Saudi Arabia. As production went from 2 million barrels/day in August 1985, to 9 by fall, the price of oil dropped from \$30 to below \$12 per barrel. **This was a catastrophe since Soviet oil exports would be at a loss.** The other major export, weapons, also dropped when Libya, Iran, and Iraq lost oil revenue. (Cold War Seminar, 1999) (Allen, 1996, p. 64) The business world got the message. “Dozens of large-scale industrial projects in the USSR were cancelled for lack of funds.” A Renault automobile plant refit and two British chemical plants at a planned cost of \$2.2 billion were three of these. (Schweizer, 1994, p.263)

The Soviets had earned \$32 billion in hard currency in 1980, but instead of increasing as planned, its earnings were falling. This chart shows factors that cost the USSR many billions at the same time military spending was taking more of the economy.

AID, ADDED COSTS, & SHORTFALLS IN PLANNED FUNDING
IN BILLIONS OF US DOLLARS

	1982	1985	1986-89	1990's
Aid to client states	10*	15**	11.7-13,7***	stopped

*(Brown 1988, p.138 quoted in (Brooks, 2000, p.23) ** (Rowen, 1990, p. 9) *** (Crozier, 1999, p. 507)

Added Costs

1. Increase in Oil Field Maintenance	3	3	3	
2. Aid to Poland	1	2	3	
3. War in Afghanistan	2	3	4	
4. Cost to Replace Western Technology	2	5	5+	
Subtotal	8/yr	13/yr	15+/year	

Shortfall in Export Sales, Foreign Investment, Credits, and Loans

1. Japan-Soviet Oil & Gas Venture Stopped			4	4
2. Siberian Pipeline Delayed	1	8	2	
3. Loss of Second Pipeline				15
4. Soviets loans to Warsaw Pact that the West no longer made	8	8		
5. Price of Oil ↓ from \$30+ to \$12/barrel			13+	
6. Lost Arm Sales			2	
7. Foreign Investment Stopped		1	5+	
8. Foreign Credits Stopped		2	8	
9. Drop in Gas Revenue			2	
10. Devaluation of U.S. Dollar (Soviet Sales in Dollars)		2		
Subtotal	9/yr	21/yr	36+/year	19

Aid, Added Costs, and Shortfalls	27/yr	49/yr	63.7+	19
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(Schweizer, 1994, p.72, 120, 194-5, 214-6, 256, 262-5, 273-4, 284) (Cold War Seminar, 1999)

The continual promises of a higher living standard and the actual decrease for the average Russian undermined morale. Even the elite began to question the system and cost of the Soviet Empire.

The change from détente to a policy of confrontation created the financial and other strains that caused the empire to implode. The Soviet inefficiencies forced them to give up trying to hold onto their empire when the West finally stopped aid and instead put burdens on the Soviet economy.

SOVIETS OVERLOADED THEIR ECONOMY

Comments made by Soviet officials during the Cold War and since confirm the success of the actions of Reagan, Thatcher, and Bush.

On October 14, 1986 just after Reykjavik, Mikhail Gorbachev spoke on Soviet TV and told his people: “The U.S. wants to exhaust the Soviet Union economically through a race in the most up-to-date and expensive space weapons. It wants to create various kinds of difficulties for Soviet leadership, to wreck its plans ... of improving the standard of living of our people, thus arousing dissatisfaction among the people with their leadership.” (Schweizer, 1994, p.240)

During a question period in the U.S., Gorbachev, was asked: “What was the turning point?” Without hesitation, he answered: “Oh, It’s Reykjavik.” (Adelman, 1999)

William Odum finds, “In interviews and in their memoirs, senior former Soviet military officers uniformly cited the burden of military spending as more than the Soviet economy could bear.” (Odum, 1998, p.225 *op. cit.* Brooks, 2000, p.31)

“Eduard Shevardnadze, the Soviet foreign minister under Gorbachev, stated in May 1990, “The Kremlin’s expansionist military first policies throughout the Cold War **‘made our people, the whole country, destitute’.**” (Friedenberg, 1990,p.A1)

FREEDOM BEAT SOVIET COMMUNISM

Gorbachev remained a communist, but tried to improve productivity through Glasnost (openness) and Perestroika (reform). (Bush & Scowcroft, 1998, p. 14) Glasnost revealed the distortions and corruptions in the Soviet system. Perestroika met resistance from ideology, politics of bureaucracy, corruption, and ignorance of market economics.

“On November 29, 1988, Gorbachev promised the Soviet republics ... more independence.” But then Gorbachev announced the invalidation of Estonia’s declaration of home rule. Thousands protested in Georgia and Lithuania and greater turmoil occurred in the Azerbaijan and Armenia. (Kirkpatrick, 1990, p.48-51)

The world had changed so remarkably that when the Soviets used military force in January 1991 in Lithuania, there were **demonstrations in Moscow**. “...100,000 marched in protest against the killings in Lithuania calling on Gorbachev, Yazov, and Pugo to resign.” (Crozier, 1999, p.442-444)

REAGAN PLAYED TO WIN AND DID

In 1980, Carter charged that: “Reagan would re-ignite the ‘arms race’ and would increase the risk of war.” “We’re already in an arms race,” Reagan remarked, “but only the Soviets are racing.” Reagan added: “...there’s...every reason to believe the Soviet Union cannot increase its production of arms.... They’ve diverted so much to the military that they can’t provide for the consumer needs....” (Hayward, 2001, p.691-692)

It is amazing that even with 20/20 hindsight some still defend détente. “The writings of Strobe Talbott, a former deputy Secretary of State, hold that the Reagan administration actually aggravated and prolonged the Cold War through constant provocation and mindless hostility.” (Allen, 1999, p.1)

However, until Reagan took steps, often opposed by a majority of his Cabinet, by many in Congress, by many in the media, and by some European leaders, the Soviet Union endangered the world with its behavior. President George Bush continued the steps until the war was won.

When the Soviet Union saw opportunity, it had made moves such as: Korea, missiles in Cuba, Vietnam, Angola, Mozambique, Nicaragua, El Salvador, Yemen, Ethiopia, Afghanistan, and Grenada. Commenting on this, Brent Scowcroft, President Bush’s national security adviser, wrote: “...these are but examples of the Soviet leaders periodically hitting us between the eyes to remind us of their aggressive ambitions”. (Bush & Scowcroft, 1998, p.13) (Cold War Seminar, 1999)

This aggression would result in increased defense spending by the West and an effort to stop Soviet expansion. When challenged, the Soviets would respond with a softer tone, expecting the West to relax again. **This time, however, the West**, with Ronald Reagan’s vision and determination, and George Bush’s follow though, **played the game to the end.**

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Warren Norquist 89 Bradford Road Weston, MA 02493 Email: Warren@Norquist.com

Warren Norquist worked at Westinghouse in staff and line positions. He was VP of Quality Control and then VP of Worldwide Purchasing and Materials for Polaroid Corporation. He has a BSE from the University of Michigan, and an MBA from Harvard. He was an instructor at BU for eight years. He has Coauthored two books and written numerous articles.

