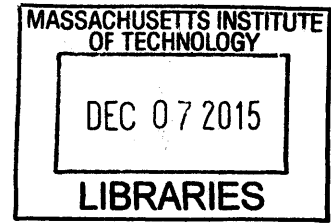The Politics of Peace: The End of Interstate Rivalries

by

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SUBMITTED TO THE DEPARTMENT OF POLITICAL SCIENCE IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF

DOCTOR OF PHILOSOPHY IN POLITICAL SCIENCE
AT THE
MASSACHUSETTS INSTITUTE OF TECHNOLOGY

SEPTEMBER 2015

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The Politics of Peace: The End of Interstate Rivalries

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Submitted to the Department of Political Science on August 27, 2015 in partial fulfillment of the requirements for the degree of Doctor of Philosophy in Political Science

ABSTRACT

Why do states that consider one another enemies opt to pursue cooperation instead of continue conflict? When do states replace military competition with normal interstate politics? This dissertation proposes and tests a new theory to explain the emergence of peace between rivals. It finds that economic crises create incentives for national leaders to pursue conciliatory behavior toward strategic rivals, but these incentives are disrupted when leaders face veto players within their government. Economic urgency motivates leaders to consider new policies, compelling them to focus their attention on revising rather than merely sustaining core elements of their state's grand strategy. Economic necessity is insufficient, however, since the presence of competing power centers within a government raises the political cost of pursuing new policies. Even when leaders perceive peace to be in the national interest, they are unlikely to be able to transform relations with a rival so long as internal veto players exist. Only when both economic need and political capability are present is rivalry termination possible.

To test this theory, this dissertation utilizes a mix of qualitative and quantitative methods. It employs process tracing and congruence procedure in detailed studies of the history of four cases: the U.S.-Soviet rivalry from 1964 to 1989, the Sino-Soviet rivalry from 1958 to 1989, the Sino-U.S. rivalry from 1958 to 1972, and the Indo-Pakistani rivalry from 1947-1999. These cases provide substantial within- and across-case variation in the variables important for domestic primacy theory, as well as variation associated with potential alternative explanations that might confound hypothesis testing if excluded from the analysis. These historical accounts are supplemented with quantitative data on the universe of over 100 strategic rivalries since World War II, 67 of which have terminated. Using this data, I demonstrate that rivalries are more than three times as likely to end when conditions are favorable according to domestic primacy theory than they are when conditions are unfavorable.

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# ACKNOWLEDGEMENTS

I decided on MIT, not just because of Peter's prodding, but also because of the unique collaborative environment created by its graduate students. After a decade in think tanks and government before my PhD, I have learned more from my MIT peers than I would have ever thought possible. Dan Altman, Noel Anderson, Mark Bell, Jeremy Ferwerda, Brian Haggerty, Chad Hazlett, Yue Hou, Sameer Lalwani, Krista Loose, Joseph Torigian, and Alec Worsnop deserve special attention. Nick Miller and David Jae served as important sounding boards throughout this project, though David disappeared before its conclusion (David, where are you?).

Much of this work took place during a Stanton Nuclear Security Predoctoral Fellowship at the RAND Corporation and a Managing the Atom/International Security Project Predoctoral Fellowship at the Belfer Center for Science and International Affairs. At RAND, Jonah Blank, Karl Mueller, Sarah Harting, and especially Paula Thornhill deserve thanks. At Belfer, Gene Gerzhoy, Marty Malin, Rupal Mehta, Ivan Rasmussen, and Rachel Whitlark were amazing colleagues. This project was also supported by a fellowship from the Tobin Project, a grant from MIT's Center for International Studies, and portions of this project were presented at the University of Pennsylvania's Center for Advanced Study for India, ably led by Devesh Kapur. Still others have improved this project, or at a minimum my morale while undertaking it: thank you, Mara Karlin, Dipali Mukhopadhyay, Jonathan Renshon, Paul Staniland, Ted Wittenstein, and especially Huss Banai.

A funny thing happened as I was writing this dissertation. I re-encountered someone I had met in passing several years ago. She had forgotten that meeting, but I hadn't. The next thing you know, we were married. Niloufer, you have made this dissertation better and, more importantly, made me better. Your intelligence, compassion, and loyalty made achieving this milestone possible. I am grateful to have you as a partner during the journey ahead.

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INTRODUCTION

## 1 Introduction

This is a dissertation about peace and about the circumstances in which peace is likely to emerge. Peace is not merely the absence of war. To be enduring, peace implies that even the fear of war is absent. This dissertation focuses on when, why, and how peace arises between states that previously feared one another. In doing so, it focuses on interstate rivalry. Rivals view one another as enemies, as threats, as the most likely causes of future war.[1] To understand the causes of peace, then, is to ask, when do enemies begin to view one another as something different, something more benign? When the rivalry ends, peace begins.

Once states begin to view each other as threats, it is difficult to alter those perceptions. The average rivalry lasts for decades. Indeed, rivalries that persist for longer than a human generation are not uncommon. Of the 44 ongoing interstate rivalries in 2007, 13 had persisted for over 50 years, and two had lasted for more than 150 years.[2] The perception of rivalry is resistant to change, but it is not impervious to it. Many more interstate rivalries have concluded than persist. Occasionally some combination of circumstances emerges that compels states to pursue a transformed relationship with a current foe. This dissertation seeks to explain when that transformation is most likely.

Preparing for war is costly. As later chapters will show, states that perceive others as rivals spend substantially more than states that perceive a more benign environment. States that perceive one another as threats limit their trade with one another, denying their citizens the efficiencies that come from international commerce. States that perceive each other as enemies risk entering a self-fulfilling spiral of misperception that can culminate in unnecessary conflict and war. States that

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[1] Karen A. Rasler and William R. Thompson, "Contested Territory, Strategic Rivalries, and Conflict Escalation," *International Studies Quarterly* 50, no. 1 (March 1, 2006): 151. Contrary to this definition, Alexander Wendt distinguishes between rivals and enemies, with the former having limited revisionist intentions and the latter maximalist ones. Wendt, *Social Theory of International Politics* (Cambridge: Cambridge University Press, 1999), 260-1. This volume will use the terms interchangeably, contra Wendt.

[2] See Appendix A. Data from William Thompson and David Dreyer, *Handbook of International Rivalries: 1494-2010* (Washington, DC: CQ Press, 2012).

engage in interstate rivalry are more likely to acquire nuclear weapons, heightening the risk of any conflict that does occur. Rivalry is costly and peace alleviates those costs. Understanding the causes of peace may make it possible to facilitate its emergence.

## 2 Domestic Primacy Theory and Alternative Explanations

This dissertation proposes and tests a new theory to explain the emergence of peace between rivals. I argue that economic crises create incentives for national leaders to pursue conciliatory behavior toward strategic rivals, but that these incentives are disrupted when leaders face veto players within their government. Economic urgency motivates leaders to consider new policies, compelling leaders to focus their attention on altering rather than merely sustaining core elements of their state's grand strategy. Economic necessity is insufficient, however, since the presence of competing power centers within a government raises the political cost of pursuing new policies. Many of these power centers may have parochial reasons to support continued rivalry, or might opportunistically support confrontation to gain political advantage over a leader considering peace.[3] Even when leaders perceive peace to be in the national interest, they are unlikely to be able to transform relations with a rival so long as internal veto players exist. Only when both economic need and political capability are present is rivalry termination possible. I call this hypothesized relationship *domestic primacy theory*.

Domestic primacy theory is not the first or only theory that purports to identify periods more prone to peace. *Democratic peace theory* proposes that democracies are unlikely to go to war with one another. If this were true, a natural extension of democratic peace theory would imply that the advent of democracy in both rivals ought to be associated with the end of rivalry. *Nuclear peace theory* proposes that the possession of nuclear weapons—or, in its more limited variant, the possession of

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[3] The best discussion of the difficulties caused by groups opposed to peace because of parochial interests is Christopher Darnton, *Rivalry and Alliance Politics in Cold War Latin America* (Baltimore: Johns Hopkins University Press, 2014).

a survivable and deliverable nuclear weapons arsenal—makes the risk of war to achieve political goals unacceptable, and as a consequence makes war between nuclear-armed opponents unlikely. By extension, the acquisition of nuclear weapons should foreclose military competition. Rivalries should conclude after the acquisition of nuclear weapons. *Common enemy theory* proposes that the presence of a common enemy that threatens both rival states should encourage them to resolve their bilateral dispute in order to confront their shared danger. Rivalries should end when common enemies emerge. Finally, *capability imbalance theory* proposes that rivalries persist and wars erupt because of a disagreement about the relative military capabilities of both sides. As such, rivalries should persist when the military capabilities of both rivals are balanced and near parity. Growing asymmetry should make peace easier by removing any doubt about which side would be victorious if conflict were to erupt.

## 3 Cases and Research Design

How can we assess the relative merits of these alternative explanations? This dissertation tests these competing theories across and within four cases: the U.S.-Soviet rivalry from 1964 to 1989, the Sino-Soviet rivalry from 1958 to 1989, the U.S.-China rivalry from 1958 to 1972, and the India-Pakistan rivalry from 1947 to 1999. The competing explanations make differing predictions about when peace is more likely within each of the above rivalries. Additionally, peace can only emerge if political, economic, and military initiatives are undertaken to alter the status quo. Peacemaking is an intermediate outcome that logically precedes peace. By comparing periods with divergent predictions from competing theories, it is possible to assess their congruence with peaceful outcomes *and* peacemaking initiatives. Just as conciliatory initiatives should be more likely when conditions are favorable, escalation within the rivalry should be less likely during such circumstances. This provides a rich array of observations that can be compared to theoretical expectations.

Each case provides an opportunity to test within case variation against potential theories, but the four cases were also selected for the cross-case variation they exhibit. While each is substantively important, these cases vary on many potentially meaningful attributes. They contain a mix of autocratic and democratic governments, with every possible combination emerging at some point across the four rivalries: autocracy rivals autocracy, such as the Soviet Union's troubled relationship with China, democracy rivals autocracy, such as the United States' competition with the Soviet Union, and democracy rivals democracy, such as periods of the India-Pakistan dispute. Some rivalries begin and persist despite a common enemy, such as the Soviet and Chinese mutual antipathy toward the United States in the 1960s. Other rivalries never experience a shared threat, such as India and Pakistan. All of these states acquired nuclear weapons during the course of their rivalries, but the periods assessed here cover an assortment of cases where rivals' nuclear statuses were sometimes asymmetric, such as the Sino-Soviet relationship before 1964, or the rivalries experienced prolonged periods where neither state possessed nuclear weapons, such as India and Pakistan prior to 1974. Militarily, some states were near-peers, such as the United States and the Soviet Union, while other rivalries began with stark power imbalances, such as India and Pakistan. Over the course of their rivalries, military advantage fluctuated up and down, but the United States and the Soviet Union were never as unequal militarily during the Cold War as India and Pakistan have always been during the course of their rivalry.

Rivalry involves a determination by leaders that another state is especially dangerous. One important factor, according to common enemy theory, that leaders consider in making that determination is the existence and severity of other threatening states. By examining the triangular politics of the United States, Soviet Union, and China, the case selection ensures that these mutually overlapping relationships receive appropriate analytic attention. Did U.S.-Soviet relations improve

because of Sino-Soviet deterioration? By examining both rivalries during the time period of shifting attitudes, it is far easier to determine the answer.

In addition to comparing outcomes in certain periods and in certain cases to theoretical expectations for those periods, there is additional evidence that can be marshaled to help distinguish between different candidate theories that might explain peacemaking within rivalries. In particular, this dissertation will often utilize what Steven Van Evera refers to as "speech evidence," which is contemporaneous assessments by knowledgeable observers as to the cause of some event. Speech evidence is not dispositive. The fact that a leader explained that her foreign policy sought to improve the economy does not eliminate other possible causes, but it does weaken the support for alternative hypotheses.

These detailed qualitative assessments based on the history of four rivalries are bolstered by a series of quantitative tests on rivalry outcomes from 1950 to 2007 involving 107 distinct pairs of states that have participated in rivalry. These tests help to demonstrate that the conclusions gleaned from the historical case studies are generalizable and represent common tendencies in international politics. The quantitative evidence provides strong support for domestic primacy theory. Rivalries are much more likely to end when leaders face economic difficulty at home but are unencumbered by competing power centers within their governments. Peace is the product of economic need and political ability.

## 4 The Failure of Existing Theories

There are already multiple possible theories that could explain the incidence of peace for rivals. A new study is necessary, however, because none of these existing theories is sufficient to explain the actual outcomes from past and ongoing rivalries. A cursory review of the cases illustrates the necessity for fresh causal inquiry. The U.S.-Soviet Cold War continued for four decades after

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both sides possessed nuclear weapons following the first Soviet nuclear weapons test in 1949. A shared U.S. enemy did not prevent the Sino-Soviet rivalry from beginning in 1958, and the Sino-Soviet rivalry ended in 1989 even as the Soviet Union was improving relations with the United States, decreasing the necessity to normalize relations with Beijing in order to put pressure on Washington. The Sino-Soviet rivalry did not conclude when Moscow had a profound military advantage along the Sino-Soviet frontier in the 1970s, but rather after the Soviet Union decided to decrease military troops along border in the late 1980s, bringing the military balance closer to parity after two decades of stark asymmetry. Similarly, the Sino-U.S. rivalry ended after Washington removed hundreds of thousands of troops from China's periphery beginning in 1969, not earlier. Finally, despite a total of almost twenty years of procedural democracy in Pakistan since 1947, and nearly uninterrupted democracy in India, the India-Pakistan dispute endures.

These are not isolated examples. Quantitative indicators introduced later in this volume also suggest that the probability of a rivalry concluding in a given year may be *less*—and certainly is not more—if a rivalry is jointly democratic, is symmetrically nuclear, shares a common enemy, or is militarily unbalanced. A new theory is needed, and domestic primacy theory succeeds in explaining rivalry outcomes where existing theories have failed.

**5 Plan of the Dissertation**

Chapter 1 provides the foundational logic for domestic primacy theory. In doing so, it seeks to widen the aperture beyond the immediate question of the sources of peace amidst rivalry. It situates domestic primacy theory and alternative theories in the broader universe of scholarship from which they emerged. The chapter examines why states pursue cooperation instead of conflict, what motivates policy change, and what prevents policy change in the context of changing circumstances. It examines how and why rivalry shapes international politics.

With this theoretical foundation, chapter 2 focuses on the mechanisms that link domestic primacy theory with rivalry termination. It identifies multiple pathways that make rival states experiencing economic crisis more likely to pursue conciliatory policies, but also explains why the presence of government veto players block those mechanisms from operating. Since domestic primacy theory argues that economic difficulty motivates strategic retrenchment, chapter 2 also examines theories of diversionary conflict, which posit that economic difficulty encourages crisis, not conciliation. This section explains that diversionary conflict is more likely to occur outside of rivalries than it is within them, but also that diversionary conflict is more probable when there are competing power centers within a government than when foreign policy authority is concentrated in one individual.

Having laid out the foundations and causal logic of domestic primacy theory, Chapter 3 then seeks to explain how domestic primacy theory can be tested. It explains in greater detail the research design that permits comparative assessment of the potential causes of peace within rivalry. It delineates how the emergence of peace can be identified after a period of heightened conflict, and also the conditions under which domestic primacy theory can be said to apply or not apply.

Having outlined the concepts, measurements of those concepts, and research design, I then turn to applying these analytic tools to specific cases. I first examine the U.S.-Soviet rivalry from 1964 until its end in 1989. Chapter 4 examines the changing political and economic conditions in Washington and Moscow that made the environment favorable to compromise after decades of Cold War confrontation. As both U.S. President Richard Nixon and Soviet general Secretary Leonid Brezhnev centralized authority, they were able to respond to difficult economic and budgetary conditions by moderating their policies toward one another. These policies became known as détente, and this period of superpower cooperation continued until 1973, when the fall of Nixon led to a fracturing of authority within the U.S. system and the increase in global oil prices led to windfall

profits that alleviated the Soviet Union's economic challenge. Chapter 5 discusses how these changed circumstances contributed to the collapse of détente, leading to a period of renewed U.S.-Soviet confrontation under an ailing Leonid Brezhnev negotiating with institutionally weakened U.S. presidents. Chapter 6 then traces the emergence of consolidated foreign policy authority in Washington under President Ronald Reagan and his secretary of state, George Shultz, and the ascendance of Mikhail Gorbachev in Moscow. Both American and Soviet leaders confronted budgetary and economic crises, especially after 1985, which created powerful incentives for them to moderate the rivalry, eventually leading to its termination in 1989.

Chapter 7 describes the complicated, triangular politics of the United States, Soviet Union, and China. It describes the origins of the Sino-U.S. rivalry and then outlines how Chinese leader Mao Zedong opted to pursue rivalry with the Soviet Union despite maintaining tense relations with the United States. It situates Mao's dangerous international choices in the context of his struggle to eliminate domestic competitors that might challenge his authority within the Chinese state. Chapter 8 focuses on the pivotal year of 1969. U.S. entreaties to repair relations with China, motivated by U.S. inability to continue to fund vast security commitments to both Asia and Europe, reached Beijing just as the Sino-Soviet conflict worsened. In Beijing, Chinese leaders attempted to return to political and economic normalcy after the chaos of the Cultural Revolution. Mao's vanquishing of political competitors permitted him to abruptly change Chinese policy toward Washington while also moderating it toward Moscow. Decisions made in 1969 led ultimately to the termination of the Sino-U.S. rivalry in 1972 with Nixon's visit to China. Chapter 9 examines the Sino-Soviet relationship after 1972. As Mao's health waned after 1973, factional politics paralyzed Chinese decisionmaking until Deng Xiaoping emerged as the paramount Chinese leader after 1978. It was not until 1985, however, with the emergence of Gorbachev that Deng had a partner that could credibly negotiate a political settlement to resolve the Sino-Soviet dispute. Gorbachev was eager to normalize Sino-

Soviet relations as part of his effort to shift resources away from Soviet defense in an attempt to repair a Soviet economy in deep crisis, and found a willing partner in Deng, who sought to manage China's own economic difficulties in the late 1980s.

Chapter 10 presents the final case study of the ongoing India-Pakistan rivalry, examining three episodes in which Indian and Pakistani leaders undertook major initiatives to improve bilateral relations, but were unable to sustain sufficient progress to terminate the rivalry. These episodes involve three very different peacemaking duos: Pakistani dictator Ayub Khan and Indian prime minister Jawaharlal Nehru from 1958 to 1960, Pakistani politician Zulfikar Ali Bhutto and Indian prime minister Indira Gandhi from 1973 to 1977, and Pakistani prime minister Nawaz Sharif and Indian prime minister Atal Behari Vajpayee from 1998 to 1999. During each episode, while progress was made during periods identified by domestic primacy theory as favorable for conflict resolution, when the underlying political or economic circumstances changed, the countries returned to confrontation and away from reconciliation.

Chapter 11 presents a series of quantitative analyses that seek to situate the findings from these four rivalries in the broader context of modern rivalry since 1950. These quantitative tests demonstrate that rivalries are more than three times as likely to end when conditions are favorable according to domestic primacy theory than they are when conditions are unfavorable. This is true even when accounting for alternative explanations, which are also measured and included in these quantitative tests.

The concluding chapter of the dissertation, Chapter 12, summarizes the case study and quantitative evidence, situates the findings and their implications for contemporary international relations scholarship, and identifies remaining avenues for research.

## Conclusion

Governments are large organization resistant to change. "When you try to turn the ship of state, a lot of people have to run around and pull lines and reset things and it doesn't happen easily," argues U.S. Ambassador Chas Freeman, recalling the difficulty in transforming Sino-U.S. relations.[4] Change is not merely bureaucratically difficult to achieve, but politically so as well. Governments both shape the societies that they govern, and are shaped by those societies. The determination that another state is a national enemy generates a series of political forces that make it difficult to reverse that decision. Vested interests emerge with incentives to propagate distrust and enmity. To transform relations with rivals requires enormous political effort that national leaders are hesitant to exert. They do so only under considerable stress. Often international signals and incentives are insufficient to generate policy change. Only when domestic economic life begins to suffer do leaders begin to pay close attention and reconsider basic beliefs about the world and the threats that inhabit it.

This is a dissertation about how change occurs in the context of an impressive collection of forces that favor continuity. Change is hard, but it does occur during periods of stress if leaders have sufficient authority to circumvent or overrule their opponents. By detailing how difficult it is to achieve change, domestic primacy theory helps explain why so many states remain stuck in outmoded conflicts that seem to detract from national wellbeing. The optimal path is frequently difficult to traverse, and national leaders are often deterred from attempting such challenging journeys.

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[4] Remarks at the conference on "Transforming the Cold War: The United States and China, 1969-1980," co-sponsored by the U.S. Department of State and George Washington University, September 25-27, 2006, https://history.state.gov/conferences/2006-china-cold-war/freeman.

CHAPTER 1: RIVALRIES, CONTINUITY, AND CHANGE: A LITERATURE REVIEW

## 1 Introduction

From May 15 to 18, 1989, Soviet premier Mikhail Gorbachev visited Beijing and Shanghai to normalize Soviet ties with China, ending a three decades-long rivalry between the two Asian nuclear powers and Communist neighbors. Gorbachev's historic visit has been subsequently overshadowed by the other events of 1989. In Europe, later that same year, the fall of the Berlin Wall in November punctuated months of dramatic improvements in the U.S.-Soviet relationship. When U.S. President George H. W. Bush and Gorbachev met a few weeks later in Malta, they "buried the Cold War at the bottom of the Mediterranean Sea," according to Gennadi Gerasimov, the spokesman for the Soviet foreign ministry.[1] Even in China, Gorbachev's visit to improve Sino-Soviet relations occurred during the height of the abortive reform protests that ended in bloodshed in Tiananmen Square on June 4, 1989.

The fact that Gorbachev's efforts that May were overshadowed does nothing to diminish their transformational effect. The meetings of 1989 capped a multiyear initiative by Gorbachev to improve Soviet relations with both of its principal antagonists. Why? Soviet interests had not changed. While its capabilities had declined, more peaceful relations with one foe ought to have permitted it to take a firmer stand with the other. Why pursue simultaneous transformations in its relations with both West and East? Moreover, why should any of the triad of states pursue peace at all?

Gorbachev was in trouble at home, as was his Chinese counterpart, Deng Xiaoping.[2] Why not resort to provocative gestures to divert the attention of restless publics? Soviet growth had

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[1] Archie Brown, *The Gorbachev Factor* (New York: Oxford University Press, 1996), 240.
[2] The leaders had different formal titles, but they were counterparts in the sense that both men clearly made the major policy decisions within their states.

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stalled. Budget pressures threatened to overwhelm the Soviet state. In China, rising urban inflation

provoked in part the social unrest that ended in Tiananmen. Why did they turn to cooperation

instead of conflict?

This dissertation provides an answer. One that is not unique to Gorbachev or Deng. Rather

this dissertation argues that their actions were a predictable product of the domestic economic

circumstances and the domestic configuration of power within their countries in the late 1980s.

More generally, then, this dissertation argues that when domestic economic challenges confront

leaders who have wide-ranging authority over their state's foreign policy, they are likely to pursue

conciliatory policies toward their international rivals. It will show that rivalries are most likely to

terminate in these circumstances, and less likely during periods of economic normalcy or when

leaders possess fractured authority over foreign policy.

Gorbachev's behavior in the late 1980s to pursue peaceful relations with multiple foes

simultaneously, then, was neither odd nor heroic. Gorbachev made similar choices to those of many

other leaders that confronted similar incentives and who had autonomy to act as they chose. In the

early 1950s, Yugoslav strongman Josef Broz Tito confronted twin droughts that wrecked agricultural

production in Yugoslavia, forced Tito to import food from abroad, and depleted Yugoslav's

currency holdings. Tito's response was to engage in a wave of peaceful overtures in all directions,

first repairing relations with the United States, then Greece, then Bulgaria and Italy, and finally the

Soviet Union. In the United States, in the late 1960s, President Richard Nixon pursued détente with

the Soviet Union while also negotiating secretly to restore relations with China. This has been

popularly remembered only as Nixon "playing the China card" against the Soviet Union, but

Nixon's twin rapprochement with Moscow and Beijing were motivated by the Vietnam War-induced

budget crunch. Nixon sought to improve relations with both rivals to alleviate financial pressures at

home from overcommitment abroad. In Egypt in the 1970s, President Anwar Sadat engaged in

personal diplomacy to repair frayed ties with Jordan, Syria, Saudi Arabia, and Iran in his early years in office. Despite increased Saudi aid as a result of his rapprochement with Riyadh, Sadat still believed more economic help was necessary to sustain Egypt's stagnant economy, and the Egyptian leader decided to pursue a negotiated settlement with Israel in order to gain access to ample U.S. aid. In the 1980s, in Argentina, President Raúl Alfonsín decided hyperinflation could only be tamed through an austerity program that shifted resources away from defense toward other ministries. He purged the military of those that opposed his program and made peace with Chile and Brazil.

Dictators and democrats, Communists and leftist and capitalists, be they in Europe, the Middle East, Africa, Latin America, or Asia, when confronted by a common set of circumstances and when possessing the freedom to act, responded in a similar fashion. Later chapters will detail the theoretical logic and constituent mechanisms of my argument. They will provide a detailed survey of historical evidence in favor of this dissertation's preferred explanation compared to theoretical alternatives. This chapter seeks to provide a foundation to understand this pattern of behavior.

Doing so requires us to look at past answers to three distinct questions. Why do states pursue cooperation instead of conflict? How do economic downturns alter state policy? How do domestic veto players affect policy outcomes? Drawing on answers from each of these research areas provides the basis for a model that can be used to explain the termination of rivalries.

## 2 Why Do States Pursue Cooperation Instead of Conflict?

This section will proceed in two parts. First, what are rivalries and why do they matter for international conflict? Second, why might states opt to pursue peaceful relations with historic foes?

## 2.1 What is Rivalry?

Imagine an elementary school playground in the morning before classes. Many students have arrived early and meander about the yard prior to the beginning of class. Teachers await them inside, so the students play without adult supervision. Some of the students know each other well; they share classes and they have played and learned together almost every day. Others barely recognize one another. When the average student encounters another student, that interaction is rarely characterized by fear. There are bullies—students that show an uncommon interest in predation—and even normal students may occasionally get into fights with one another as a result of disagreements. But most students, most of the time, get along just fine.

This situation—at a high level of abstraction—is reflective of that encountered by states in the international system. Most states get along just fine with most other states. They live in a relationship of stable peace, defined by Kenneth Boulding as, "a situation in which the probability of war is so small that it does not really enter into the calculations of the people involved."[3] Jane on the jungle gym and Jack on the teeter-totter do not live in constant fear. But perhaps Frank has bullied Jane and Jack in the past, and seeing him approach worries them. Jack and Jane do consider what to do when Frank is nearby. They prepare for the worst. That fear is a prominent part of their feelings about Frank, and shapes their actions toward him.

Rivalry is the analogous situation for states. Rival states view one another as military threats, as enemies.[4] Rivalry is not the norm for interstate relations. Since 1945, rival dyads have made up at no point more than 1.5 percent of the possible pairings of states globally. After decolonization and the concomitant increase in states in the international system, rivals make up closer to 0.3 percent—

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[3] Kenneth Boulding, *Stable Peace* (Austin: University of Texas Press, 1978), 13.
[4] Karen A. Rasler and William R. Thompson, "Contested Territory, Strategic Rivalries, and Conflict Escalation," *International Studies Quarterly* 50, no. 1 (March 2006): 151.

3 out of every 1,000—of global dyads today.[5] In other words, even in an anarchical international system, the vast majority of states view the vast majority of other states benignly.

States, *per se*, do not make assessments of other states. Rather individuals within the state, their political leaders and bureaucratic elites, make determinations about the world. Those determinations are observable—at least partially—by outside observers. Leaders must orient their military forces to face certain threats and must mobilize their diplomatic corps to manage particular challenges. They tell their publics about friends and foes, and ask foreign governments for support in defeating external threats. They order their security forces to skirmish or battle with those of their rivals. All of these indicators provide a signal that a relationship is not peaceful, but rather is characterized by fear and mistrust. These indicators permit scholars to identify rivals from non-rivals.[6]

The end of rivalries, then, is also observable. Leaders make statements about friendship and about peace. Embassies that were previously closed reopen. Sometimes they reach secret or open agreement with their formal rival to resolve a specific dispute, or they agree to renounce the use of force as a means to resolve their disagreement. Occasionally territory changes hands. Privately they tell domestic confidants and foreign officials that their assessments have changed. Militaries re-deploy to focus on new threats. New doctrines are issued. Violence along shared borders diminishes. Public opinion shifts. Trade expands. Rather than a relationship of fear, the rivals now interact normally. This dissertation examines the conditions that permit interstate relationships characterized by mistrust and threat to become normal again. It is concerned with the circumstances that permit peace between rivals, rather than the perpetuation of conflict.

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[5] These percentages draw upon my dataset of global rivals, described in detail in Chapter 3.
[6] Michael Colaresi and William R. Thompson, "Strategic Rivalries, Protracted Conflict, and Crisis Escalation," *Journal of Peace Research* 39, no. 3 (May 2002): 263-287.

## 2.2 Why Do Rivalries Matter?

Rivalries matter because they are predictively and causally related to future conflict. Rivalries are *predictive* of conflict because empirically states mostly fight the states their leaders have identified as threats in advance. Rivals have been opponents in 91.3 percent of wars since the conclusion of World War II.[7] "Random acts of violence" are rare in the interstate system. Normally there is a long-running dispute that predates the onset of hostilities. Rivalry is obviously not the only predictor of conflict. Geographic factors like proximity, the balance of national capabilities between states, the status of a state as a major power, characteristics of the governing regime such as its democratic status, and the existence of territorial disputes are all also predictive of future conflict. But even accounting for all of these other factors, rivalry is still a statistically and substantively significant predictor of disputes and war.[8] In fact, rivalry appears to strengthen the substantive effect of these other predictors of conflict.[9] This predictive capability of rivalry is not surprising since leaders have strong incentives to avoid "false negatives"—the identification of a state as a friend when it actually is a foe.

Rivalry also predicts other outcomes of interest. Rival states trade 63 percent less on average with one another than would be expected based on other characteristics of the states and their economies. States spend on average an additional 29 percent more on their military for each rival they face than do similar militaries with fewer or no rivals, even after accounting for many other

[7] Michael Colaresi and William R. Thompson, "Strategic Rivalries, Protracted Conflict, and Crisis Escalation," *Journal of Peace Research* 39, No. 3 (May 2002): 263-287.

[8] Karen A. Rasler and William R. Thompson, "Contested Territory, Strategic Rivalries, and Conflict Escalation," *International Studies Quarterly* 50, no. 1 (March 2006): 151.

[9] Michael Colaresi and William R. Thompson, "Strategic Rivalries, Protracted Conflict, and Crisis Escalation," *Journal of Peace Research* 39, No. 3 (May 2002): 263-287.

predictors of military expenditure.[10] Participation in a rivalry is associated with far greater likelihood of exploring, pursuing, and acquiring nuclear weapons capability.[11]

There is also ample reason to believe that the relationship between the perception of rivalry and future conflict is not merely predictive, but it is also causal. The act of labeling another state as a threat, and preparing for that threat, makes conflict more likely. There are two primary channels by which identification of an enemy can contribute to conflict with that enemy.

The first channel links individual beliefs to cognitive biases that alter how new information is processed by decision-makers. Data about other states is ambiguous, with a mix of hostile, friendly, and neutral signals being emitted at all times. Once an individual possesses an image of another state that image serves as an organizing framework that permits equivocal information to be sorted into tidier, more coherent bins consistent with the original belief. As a result, threatening signals from rival states are amplified: they both increase the threat in an objective manner, such as the building of more tanks or ships or airplanes, while simultaneously increasing the subjective perception of that threat by an outsider observer. In Robert Jervis's words, "[A]n increase in the other's military forces makes the state doubly insecure—first, because the other has an increased capacity to do harm, and, second, because this behavior is taken to show that the other is not only a potential threat but is actively contemplating hostile actions."[12] At its most extreme, initial beliefs of enmity can trigger a concatenation of biased perceptions and overreactions until fears become self-fulfilling, spiraling into real conflict.[13]

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[10] See Appendix B.

[11] Sonali Singh and Christopher Way, "The Correlates of Nuclear Proliferation: A Quantitative Test," *Journal of Conflict Resolution* 48, no. 6 (2004): 859-85. Bleek finds limited support for the proposition that a rival's pursuit of nuclear weapons makes a state more likely to explore nuclear options, though he does not find statistically significant support for the proposition that such states go on to pursue or acquire nuclear weapons. Philipp C. Bleek, "Why Do States Proliferate: Quantitative Analysis of the Exploration, Pursuit, and Acquisition of Nuclear Weapons," in *Forecasting Nuclear Proliferation in the 21st Century*, vol. 1, *The Role of Theory* (Stanford: Stanford University Press, 2010), 159-92.

[12] Jervis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976), 68.

[13] Jervis, *Perception and Misperception in International Politics*, 76-77. Also see John A. Vasquez, *The War Puzzle* (New York: Cambridge University Press, 1993), 75-83.

The second channel whereby belief in a military threat can lead to conflict with that perceived threat involves a social feedback loop, in which steps taken to prepare militarily empower social forces prone to advocate for conflict. Or in Joseph Schumpeter's concise phrase, "Created by wars that required it, the machine now created the wars it required."[14] When militaries are given greater resources as a result of external threats, they engage in several recurrent bureaucratic pathologies. Within the defense establishment, they push for doctrines and forces that are consistent with the organizational interests of militaries, which often means building the capacity to attack foreign states. Offense, for a variety of reasons, tends to be favored by military professionals over defense. More insidiously, militaries have strong incentives to spread "myths" into society regarding the necessity, even the desirability, of war. As Stephen Van Evera argues, "Militaries purvey these myths to convince society to grant them the size, wealth, autonomy, and prestige which all bureaucracies seek—not to provoke war. Yet these myths also support arguments for war; hence societies infused with military propaganda will be warlike, even if their militaries want peace."[15] Jack Snyder has similarly found that militaries tend to support aggressive and expansionist policies, and they are empowered in part by their close ties to the upper echelons of the state. He concurs with Van Evera that the ideas and policies advocated by militaries produce war as a "waste by-product."[16] Rivalries are important, under such a framework, because they provide a specific foe around which the military can organize its campaign for more resources and autonomy.

Terminating rivalries is important because doing so nudges individual assessments away from biased spirals of fear and also permits national leaders to weaken the institutions most prone to advocate for conflict. Without a *raison d'etre* such institutions have difficulty justifying their large size and expensive force postures, premised on yesterday's threats. If one or both mechanisms—

[14] Joseph Schumpeter, *Imperialism and the Social Classes*, trans. Heinz Norden and ed. Paul Sweezy (New York: A. M. Kelly, 1951), 33.
[15] Van Evera, "Causes of War" (PhD diss., University of California at Berkeley, 1984), 207-8.
[16] Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca: Cornell University Press, 1991), 33, 38.

heuristics or organizational behavior—operate as posited by past research, then there are strong

reasons to believe that rivalries make future conflict more likely and, as a consequence, the

termination of rivalry should decrease the risk of future violence. This should be true not just

predictively, but also causally.


## 2.3 Why Might Rivalries End?

Why might states with a history of conflict decide to pursue cooperation instead? Under

what circumstances are rivalries most prone to terminate? Many researchers operating within

distinct paradigms have provided possible answers. Even taken together, though, these candidate

explanations are insufficient.


### 2.3.1 The Failure of Realism to Explain When Rivalries End

Structural realists argue that the interactions of states create an international system, and that

system generates a set of incentives for its constituent states. Failure to respond to these incentives

increases the risk of harm for states operating within that system, perhaps threatening their very

survival. The system is predictable because each individual state within it faces the same incentives

and hence, in expectation, their behavior is predictable. The behavior of any one state is less

predictable than the behavior of the system as a whole. Structural realism provides a set of

predictions about equilibrium behavior in the international system, as well as predictions about what

will occur during disequilibrium to restore predictability to the international system.

Structural realism then describes the expected rewards and expected punishments that states

are likely to face as they pursue different courses of action. The primary expectation of structural

realism is that states motivated to preserve their survival ought to fear the emergence of a regional

hegemon within their region and great powers ought to fear the emergence of a global hegemon

outside their region. In order to prevent the emergence of a hegemonic power, states ought to

welcome the emergence of balancing coalitions to deter or defeat growing threats. If possible, states

prefer to buckpass and encourage another to shoulder the burden of containing a dangerous

potential hegemon. If that is not possible, states ought to participate in balancing coalitions, so long

as the addition of their national capabilities makes it likely that the balancing coalition is sufficiently

strong to check the threatening state. Only rarely do states engage in bandwagoning behavior, where

they serve as a member of a coalition on the same side as a revisionist, rising power that seeks to

overturn the balance of power through aggressive behavior. The principal danger of bandwagoning

is that it exposes the bandwagoner to opportunistic aggression by the hegemon if the hegemon is

successful in its bid for regional or global dominance.[17]

It is difficult to overlay the vocabulary of realist statecraft with the concept of rivalry. For

realists, *all* states capable of threatening another militarily should be perceived as potential dangers,

and hence rivals. Only much weaker states, or those too distant to project military power, should be

excluded from consideration as potential foes. In practice, there is considerable evidence that states

do not categorize their peers in such a hostile manner. Most states do not see themselves as

surrounded by a wilderness full of threats. Instead, only a few other states merit state resources and

planning as potential military dangers. And once a state identifies another as a threat and enters into

a rivalry with that state, this dissertation will show those rivalries have rarely ended because of

adversary weakness or distance alone.

An alternative translation of realist precepts adapts the realist concepts of balancing,

bandwagoning, and buckpassing to rivalry outcomes. States actively balancing against one another

might be considered rivals, while those states that seek instead to buckpass (and let others deal with

a potential threat) or bandwagon together are not rivals, at least not at that moment. Realists predict

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[17] Kenneth N. Waltz, *Theory of International Politics* (Long Grove, IL: Waveland Press, 2010), 125-7; John Mearsheimer, *Tragedy of Great Power Politics* (New York: W. W. Norton, 2001), ch. 5.

that rivals are most likely to set aside their disputes when one of the two rival states faces another threat and, especially, when both rival states face a common threat. "[I]f a great power confronts two or more aggressors at the same time, but has neither the resources to check all of them nor an ally to which it can pass the buck, the besieged state probably should prioritize between its threats and allow the balance with the lesser threat to shift adversely, so as to free resources to deal with the primary threat."[18]

Similarly, Robert Jervis argues that a shared third-party threat often impels states toward rapprochement. "The strongest force for consistency [balancing] is a common enemy, which can override even the sharpest differences between actors."[19] Jervis continues, "[T]here is a rough proportionality between the magnitude of the conflict with the enemy and the strength of the unifying force generated."[20] In his survey of the literature, Christopher Darnton concludes, "The most widely identified source of international cooperation among adversaries is the emergence of a common foe."[21]

Even a cursory review of the history of international rivalries suggests that a common or emerging threat is neither necessary nor sufficient for rivalry termination. Egypt's Anwar Sadat faced no foreign foe that led him to compromise with Israel's Menachem Begin, Mikhail Gorbachev's twin rapprochements with China and the United States were not driven by fear of some other state, and Argentina and Brazil's reconciliation in the 1980s was not out of concern of a Chilean bid for regional hegemony. Christopher Darnton in his study of Latin American rivalries demonstrates the presence of shared enemies was insufficient to overcome rivalries in Cold War Latin America.[22] This

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[18] Mearsheimer, *Tragedy of Great Power Politics*, 164-5.
[19] Jervis, *System Effects: Complexity in Political and Social Life* (Princeton: Princeton University Press, 1997), 221.
[20] Ibid., 222-3.
[21] Christopher Darnton, "Overcoming International Security Rivalry: Parochial Interest, Anticommunism, and the Domestic Politics of Cold War Latin America" (PhD diss., Princeton University, 2009),.19.
[22] Darnton, "Overcoming International Security Rivalry."

historical finding regarding the inadequacy of third-party threats to overcome rivalry served as an empirical starting point for many subsequent constructivist critiques, which will be introduced below.

In addition to new or common threats, realist thinking also points to another path by which rivals might opt to resolve or set aside their dispute: an asymmetry of power. Rivalries persist, under such logic, because of imperfect mutual deterrence. One or both states continue to harbor revisionist intentions toward the other (or are perceived as harboring them), but neither acts on those intentions because of the high costs of conflict and the low probability that military force will achieve the political, revisionist goals.[23] Neither side abandons a willingness to use force, because they can envision possible futures in which they will have the upper hand. Even if they do act on their revisionist intentions and use force, they are unable to achieve decisive political settlement. According to this logic, rivalries persist because there remains a disagreement about relative power, so both sides are unable to find a bargaining solution that settles the dispute.[24] Rivalries end when power asymmetries grow so wide that leaders realize military victory is impossible for their side now or in the future. Leaders determine that it is better to achieve a political settlement than expose oneself to a future conflict one is likely to lose.

Some realists believe that the possession of nuclear weapons dramatically increases the likelihood of peaceful relations between nuclear rivals.[25] This argument is a variant of the mechanism above. Even if nuclear states disagree about the balance of power, leaders of those states know that the use of military force against the other will lead to increased risk of the use of nuclear weapons.

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[23] This mechanism could operate under any rationalist materialist theory of international relations, but for organizational simplicity I have followed others in assigning it to the realist camp. See, for instance, Dale Copeland, *The Origins of Major War* (Ithaca: Cornell University Press, 2000), 11.

[24] Geoffrey Blainey, *The Causes of War*, 3rd ed. (New York: Free Press, 1988), 55-6.

[25] For arguments that nuclear deterrence substantially reduces conflict incentives, see Kenneth Oye, "Explaining the End to the Cold War: Morphological and Behavioral Adaptations to the Nuclear Peace?" in *International Relations Theory and the End of the Cold War*, eds. Richard Ned Lebow and Thomas Risse-Kappen (New York: Columbia University Press, 1995); Kenneth N. Waltz in Scott D. Sagan and Waltz, *The Spread of Nuclear Weapons: A Debate Renewed* (New York: W. W. Norton, 2003), 5, 33; and Waltz, "The Spread of Nuclear Weapons: More May Better," *Adelphi Papers*, no. 171 (London: International Institute for Strategic Studies, 1981).

No matter what revisionist goals they may harbor, the risk of nuclear use is too heavy a price to pay. Even limited conventional military attacks risk nuclear escalation, these realists argue.[26] "In a conventional world, one is uncertain about winning or losing. In a nuclear world, one is uncertain about surviving or being annihilated," Kenneth Waltz famously argued. Because of this, disagreements about the conventional military balance no longer lead to wars between nuclear-armed states. "Nuclear weaponry makes miscalculation difficult because it is hard not to be aware of how much damage a small number of warheads can do."[27] In practice, Kenneth Oye, among others, attributed the end of the Cold War to the realization among Soviet strategic thinkers that "the existence of nuclear weapons had eliminated 'the main traditional threat of an invasion from the West.'"[28] Others hypothesized that the advent of mutual nuclear capabilities in India and Pakistan might remove Pakistan's "fear of its larger neighbor" and hence "open up immense possibilities" to resolve the political disputes that propel the Indo-Pakistani rivalry.[29]

Even if Waltz and others are correct in theory and Oye is accurate in his historic assessment of the shift in Soviet strategy in the 1980s, such a "nuclear peace" can only obtain for a small portion of rivalries, and has not yet emerged in the India-Pakistan relationship. Peace between nuclear rivals accounts for less than 4 percent of the rivalries that have terminated since the advent of nuclear weapons in 1945. Even so, given the continuing debate about the consequences of nuclear proliferation, whether nuclear weapons make stable peace more likely between historic foes is one of the central questions in the contemporary study of international relations.

To summarize, those working in the realist tradition have advanced two principal explanations for the end of rivalry. First, leaders of one or both rival states may come to realize the

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[26] Robert Jervis, *The Illogic of American Nuclear Strategy* (Ithaca: Cornell University Press, 1984), 12-3; also Robert Jervis, *The Meaning of the Nuclear Revolution: Statecraft and the Prospect of Armageddon* (Ithaca: Cornell University Press, 1989).
[27] Waltz in Sagan and Waltz, *The Spread of Nuclear Weapons*, 9 and 44.
[28] Oye, "Explaining the End of the Cold War," 76.
[29] Scott Sagan and Kenneth Waltz, "Indian and Pakistani Nuclear Weapons: For Better or Worse?" in *The Spread of Nuclear Weapons: An Enduring Debate* (New York: W. W. Norton, 2013), 159.

inadequacy of state resources to deal with emergent or shared threats outside of the rivalry. They then determine their scarce resources can best be spent on those other threats rather than the rivalry. They seek a political settlement to achieve this goal. Second, leaders of both rival states must reach an agreement regarding the relative distribution of capabilities relevant to military conflict. Such an agreement is most likely when there is a strong asymmetry of capabilities or when nuclear weapons limit the political benefits from the use of conventional military force. That agreement serves as the basis for a political settlement.

Taking realist arguments seriously, there still often remains a substantial lag between the change in the materialist balance of power and when the leaders of states determine that balance now merits a political settlement and the termination of the rivalry. There is often another lag, discounted by realists, between when national leaders come to perceive the merits of political settlement and when those leaders can convince their political peers and opponents of this fact. As Aaron Friedberg writes, "Shifts in the distribution of power within an international system may be 'real' in some sense, but they may fail to have any impact unless and until they are perceived."[30]

Even if it is true that the Cold War ended when Soviet thinkers realized nuclear weapons provided sufficient security, such a realization occurred almost forty years after the Soviet Union conducted its first nuclear test. To take another concrete example from an earlier period, even if Great Britain decided to establish good relations with the United States and Japan in the early 1900s because it no longer believed it could confront the United States, Germany, and Japan simultaneously, Britain had been declining rapidly in relative terms for more than thirty years when it came to that realization. If realists are correct about the structural incentives generated by the changing balance of power, there still is a vast explanatory gap remaining about when those

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[30] Friedberg, *Weary Titan: Britain and the Experience of Relative Decline, 1895-1905* (Princeton: Princeton University Press, 1988), 6.

incentives are felt by the leaders of states and when those leaders are able to alter national policies to

conform with materialist changes.[31]

A group of scholars has proposed bridging that gap by identifying intervening variables that

transform changes in the relative balance of power into predictable changes in the foreign policies of

states. These scholars are sometimes called neoclassical realists, and emphasize the role of domestic

constraints and elite perceptions in conditioning state responses to structural forces. They seek to

"explain variations in the foreign policies of the same state over time or across different states facing

similar external constraints."[32] Neoclassical realism is an approach that can accommodate many

testable theories, since it leaves open exactly how domestic constraints and elite perceptions operate

as they confront changing international conditions. But it is a promising approach that might be

adapted in ways that permit explicit predictions as to when and why one rival state is most likely to

pursue conciliatory policies toward its adversary. Looking beyond realism may help to identify how

exactly domestic constraints and elite perceptions might affect a state's policies toward its rivals.

## 2.3.2 Liberalism Explains Some, But Not Most, Rivalry Terminations

Liberal theories suppose state actions are the product of individual preferences aggregated

through formal and informal state institutions into "state" preferences. Those preferences serve as

the basis for strategic calculations that precede state action.[33] Those strategic calculations may vary

depending on the international institutional context, which can alter the time horizons or

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[31] Also see William Wohlforth, "Realism and the End of the Cold War," *International Security* 19, no. 3 (1994-1995): 91-129.

[32] Jeffrey W. Taliaferro, Steven E. Lobell, and Norrin M. Ripsman, "Introduction," in *Neoclassical Realism, the State, and Foreign Policy*, eds. Taliaferro, Lobell, and Ripsman (New York: Cambridge University Press, 2009), 21.

[33] Andrew Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics," *International Organization* 51, no. 4 (Autumn 1997): 513-53; also Kenneth N. Waltz, *Man, the State, and War: A Theoretical Analysis* (New York: Columbia University Press, 2001), ch. 4.

information available to state decision-makers as they choose among competing alternatives.[34]

Liberal explanations of peace and international cooperation have tended to be organized around two levels of analysis: (1) that liberal polities behave peacefully toward other states or, at a minimum, toward other liberal polities, and (2) that liberal international orders encourage peaceful cooperation among their constituent members. While such theories may be correct, they at best explain a small portion of rivalry terminations that have occurred, even if one is interested in rivalry behavior after World War II when liberal institutions have been ascendant.

The first cluster of liberal theories of international cooperation locates the source of peaceful international conduct in the characteristics of domestic government. Liberal, democratic states, proponents argue, are prone to peaceful conduct with others. This argument has two primary variants. The first variation contends that democratic states face institutional and normative impediments to the use of violence. Democracies alter the preferences of their citizens through the inculcation of norms compatible with democratic politics and then, even to the extent passions for violence remain, it channels those preferences in ways that impair the ability for democratic polities to act rashly.[35] This state-level, or monadic, variant of the democratic peace has found little empirical support (democracies do not appear to behave more peacefully than dictatorships, on average), though it does have a coherent logic. The second variant of the democratic peace argues that the peace-making effects of democracy are felt most keenly when two democratic states interact with each other. Democracies may not differ in their willingness to use force against non-democracies (or they might even be more aggressive against non-democracies), but with other democracies they

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[34] Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984), 92-106.

[35] Bruce M. Russett and John R. Oneal, *Triangulating Peace: Democracy, Interdependence, and International Organizations* (New York: W. W. Norton, 2001), 53.

abstain from force, especially full-scale war.[36] For these theories, the unit of analysis relevant to

democratic peace is the dyad, the pair of states involved.

The theory of rivalry termination that this dissertation proposes, domestic primacy theory, is

indeterminate about the effects of democracy on rivalry termination. The public at large often feels

economic hardship more acutely than the political elite, so democratic systems may serve to transmit

public concern about economic downturns to elites with greater strength than in autocratic regimes.

While there are many exceptions, in general democracies have more veto players than non-

democracies, however, making it more difficult for democracies to change course. These dueling

theoretical effects—democracies both reflect the popular will but also have institutionalized restraint

to impair decisive action—might explain the lack of consensus in the empirical literature regarding

the effects of democracy on rivalry.[37]

Whatever the causal consequences of democracy on rivalry, there simply are not enough

jointly democratic rivalries for the democratic peace to explain the bulk of rivalry terminations

observed empirically. Only 11 percent of rivalries observed since World War II have experienced

any period in which both states were democratic at the same time. Only 6 percent of rivalry

terminations since World War II involved two democratic states. While the democratic peace has a

sound record in its prediction of the absence of violent conflict, it has done less well in predicting

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[36] On theoretical and empirical issues associated with monadic versus dyadic democratic peace theories, see David L. Rousseau, et al, "Assessing the Dyadic Nature of the Democratic Peace, 1918-88," *American Political Science Review* 90, no. 3 (September 1996): 512-33.
[37] The countervailing effects of democracy are similar to the tension between democracies' mobilization advantage compared to republican checks on action, as discussed in John Ferejohn and Frances McCall Rosenbluth, "Warlike Democracies," *Journal of Conflict Resolution* 52, no. 1 (February 2008): 3-38. On inconsistent findings on democracy and rivalry, see Paul Hensel, Gary Goertz, and Paul F. Diehl, "The Democratic Peace and Rivalries," *Journal of Politics* 62, no. 4 (November 2000): 1173-1188; Gary Goertz, Bradford Jones, and Paul F. Diehl, "Maintenance Processes in International Rivalries," *Journal of Conflict Resolution* 49, no. 5 (October 2005): 742-69; D. Scott Bennett, "Integrating and Testing Models of Rivalry Duration," *American Journal of Political Science* 42, no. 4 (October 1998): 1200-32; and Brandon Prins and Ursula Daxecker, "Committed to Peace: Liberal Institutions and the Termination of Rivalry," *British Journal of Political Science* 38 (2007): 17-43; also see Diehl and Goertz, *War and Peace in International Rivalry* (Ann Arbor: University of Michigan Press, 2000), 124-6 for a discussion of reverse causation. Part of the lack of empirical consensus may come from differing definitions of rivalry employed across different empirical works.

when rivalries will end and when rival democratic states will no longer perceive their democratic

rival as an enemy.

A second cluster of liberal arguments locates the source of international cooperation in the

nature of the international order. That order may initially be the product of hegemonic creation, as

was the case for the interlocking system of intergovernmental organizations, treaties, and trade

arrangements championed by the United States after 1945, but the order does not necessarily

depend upon hegemonic resources for its maintenance. Once established, the institutional

infrastructure that a hegemon creates can reduce uncertainty and increase the provision of

information, easing cooperation and outlasting its creator.[38] Moreover, the hegemon might be willing

to bind itself to certain institutions, norms, and processes—limiting its hegemonic power—in

exchange for the participation of secondary powers in the international order. While the hegemon

might retain and indeed exercise coercive influence over secondary powers, it might be far less

expensive to exhibit strategic restraint to achieve the same level of participation from subordinate

states. The promises of strategic restraint by the hegemon are more credible if that hegemon is open

and democratic, with a domestic institutional structure that makes it difficult to break commitments

but also a domestic environment that eases the flow of information about state decision-making and

hence provides warning and assurance to foreign states. In other words, liberal international orders

facilitate peaceful cooperation, but also liberal domestic governments facilitate the creation of liberal

international orders.[39]

While theories of international order are important for explaining systemic variation across

broad swathes of time, there has been remarkable constancy of international order since World War

II. At most, there have been two international orders since 1945: the United States-led, but

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[38] Keohane, *After Hegemony*.
[39] G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton: Princeton University Press, 2001).

circumscribed, order of the Cold War and the United States-led and largely universal order following the collapse of the Soviet Union. Even within the U.S.-led order of the Cold War, there was wide variation in whether states had a preexisting strategic rivalry, whether rivalry emerged despite the benign international order, and whether rivalry persisted or terminated.[40] There were rivalries within the less successful strategic order the Soviet Union attempted to create. Some rivalries persisted, some emerged, and some ended. And there were many rivalries that spanned the competing spheres, where states in the U.S. orbit competed militarily with states within the Soviet order. Some of these inter-bloc rivalries persisted, while others ended. Theorists of international order may be able to explain why some eras are more peaceful and cooperative than other eras, but they provide no explanation for why interstate rivalry might vary within the same international institutional context. Another theory is still required to explain when and why rivalries terminated after 1945.

Even if democratic peace and liberal international order are unable to explain variation in rivalry termination, liberal approaches still provide a basic insight that can contribute to any theory of rivalry termination: that is, social preferences are channeled through formal and informal institutions and become state preferences. A model of rivalry termination ought to identify circumstances that are likely to alter the balance of preferences within a society and whether those changing preferences can be transmitted institutionally in a manner that alters state behavior.

### 2.3.3 Constructivists Explain How Peace Emerges, But Not When or Why Rivalries End

The world sketched by the realists is inescapably competitive. In Mearsheimer's analysis, international politics is "tragic" since states are fated to repeat adversarial policies that lead to confrontation in their never-completed search for security. They are destined to do so, Mearsheimer

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[40] Christopher Darnton, "Overcoming International Security Rivalry: Parochial Interest, Anticommunism, and the Domestic Politics of Cold War Latin America" (PhD diss., Princeton University, 2009).

and others argued, because of the structure of international politics, not because of any flaws in their collective character.

Many scholars questioned whether the reality described by the realists was accurate empirically, while also doubting the theoretical mechanisms that moved realist theories from structure to unit behavior.[41] They agreed with liberals that the international structure shaped unit behavior in ways more benign than the realist expectation of unceasing competition, but they thought liberals missed how influential structural contexts might be. Liberals emphasized how international institutions could make it easier for even self-interested states to cooperate. This third group of scholars emphasized, instead, the role of identity in shaping political outcomes, and argued that the institutional environment not only regulated behavior, but altered preferences.[42] Scholars in the constructivist tradition identified three pathways that might explain why rivals would elect to terminate their competition: (1) because of an emergent collective identity, (2) because of normative change that proscribes violent competition, and (3) because of ideational change that alters the importance of rivalry to the attainment of national ends.

Early work in this tradition sought to understand the puzzle of Western political unity after World War II. The creation of the North Atlantic political community by the mid-1950s was surprising since divisions among Western nations had twice led to global war in the five decades preceding its creation. So these scholars searched for the conditions under which fractious polities in the past had managed to forge stable communities. Like the realists, they observed that shared threats often served as a "trigger" for cooperation that over time might eventually generate a sense

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[41] Emanuel Adler and Michael Barnett, "Security Communities in Theoretical Perspective," in *Security Communities*, eds. Adler and Barnett (New York: Cambridge University Press, 1998), 4-5.
[42] Peter J. Katzenstein, "Introduction: Alternative Perspectives of National Security," in *The Culture of National Security: Norms and Identity in World Politics* (New York: Columbia University Press, 1996), 1-32.

of collective identity.[43] Unlike realists, though, they noted that shared threats were neither necessary nor sufficient to generate such communal feelings. Karl Deutsch and colleagues wrote, "Even where foreign threats were present, their effects were transitory. Most often they provided an impetus toward temporary military alliances, while more permanent unions derived their main support from other factors."[44] They noticed that while sometimes foreign threats did appear to improve cohesion, other times "foreign military threats had the exact opposite effect: they induced a state of fear or at least of intense preoccupation among political elites of the privileged political unit and rendered them less able or less willing to pay attention to the needs of weaker or less privileged units, or to make concessions to them."[45] Moreover, they observed that communities often emerged around "cores of strength," which implied that constituent units failed to balance against a strong power in their midst, contrary to realist expectations.[46]

Instead of realist mechanisms, they emphasized how shared values and a sense of community presaged future political unity. "The kind of sense of community that is relevant for integration... turned out to be rather a matter of mutual sympathy and loyalties; of 'we-feeling,' trust, and mutual consideration; of partial identification in terms of self-images and interests," these scholars observed.[47] That shared identity was a product, at least in substantial part, from a steady stream of cross-national transactions in the economic, political, and social realms that integrated previously discordant societies.

While ground-breaking, this work was better at describing the process whereby states with normal relations could become integrated into a tight-knit community than it is at describing why enemies cease to view the other as a threat. Through transactions that forge a sense of community

[43] Emanuel Adler and Michael Barnett, "A Framework for the Study of Security Communities," in *Security Communities*, ed. Adler and Barnett (New York: Cambridge University Press, 1998), 37-38, 50.
[44] Karl Deutsch, et al, *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience* (Princeton: Princeton University Press, 1968), 45.
[45] Karl Deutsch, et al, *Political Community and the North Atlantic Area*, 45.
[46] Deutsch, et al, *Political Community and the North Atlantic Area*, 28, 37-9.
[47] Deutsch, et al, *Political Community and the North Atlantic Area*, 36.

that in turn facilitate still more transactions, already friendly nations can become communal. But states—through the decisions of their leaders, bureaucracies, and elites—undertake transactions with other states volitionally, not randomly.

As realist critiques would argue and subsequent constructivist scholarship would acknowledge, fear of exploitation limits the interdependence that competing states are willing to accept, making it an insufficient cause of collective identity formation.[48] As a result, subsequent constructivist scholarship emphasized the importance of strategies of self-restraint as pathway by which one state can alleviate the fear of exploitation of another. In particular, Wendt stressed the power of what he called "self-binding" initiatives that are visibly costly, such as the Soviet withdrawal from Afghanistan and Eastern Europe, and convey limited aims. Once states believe their peers harbor limited aims, they are more willing to permit interdependence to emerge and knit a nascent security community together. While the fear of exploitation might not disappear, it might attenuate sufficiently that states could take greater risks in trusting other states.[49] While cognizant that the security communities tradition skipped reconciliatory steps, Wendt's emphasis on self-restraint still concentrates on how collective identity might be forged, rather than identifying when states might choose to employ such strategies.

The literature on security communities answers an interesting and important question—how have some states that desire nonviolent relations managed to maintain zones of stable peace—but it does not explain the conditions that facilitate that initial preference for non-violence, and the decision to either resolve political disputes or set aside military force as a tool for their resolution.[50]

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[48] Alexander Wendt, *Social Theory of International Politics* (New York: Cambridge University Press, 1999), 348-9.
[49] Wendt, *Social Theory of International Politics*, 357-363.
[50] Recent work by Charles Kupchan seeks to explain "why enemies become friends," though upon examining his case selection it is clear that Kupchan's question is narrower: why do some attempts by enemies to become friends fail and others succeed. The question for this work is analytically prior to Kupchan's, in the sense that this dissertation is interested in both the conditions that are likely to foster *attempts* to improve relations as well as conditions likely to facilitate the *success* of those attempts. Kupchan, *How Friends Become Enemies: The Sources of Stable Peace* (Princeton: Princeton University Press, 2010).

In other words, the preference to end a rivalry is almost always prior to the decision to pursue self-binding strategies or increase the transactional relationships that might lead to communal ties.[51] This is evident in the empirical finding that rivalry suppresses trade and that ending rivalry allows trade to flourish.[52] Constructivist work explained how stable peace might be possible, but still left unanswered the question of when and why leaders try to end rivalries.[53]

So if one strand of constructivist scholarship emphasizes the creation of collective identity as the primary means by which former enemies might pursue peaceful conduct, an alternative strand focuses on changes in international norms regarding permissible behavior.[54] Some research sought to show that norms could alter state propensity toward war or peace, but had little interest in or explanation for normative change.[55] Such scholars often located the source of radical normative change in exogenous shocks, such as foreign imposed regime change.[56] New laws and transformed institutions could slowly alter social expectations resulting in new regulatory and, over time, constitutive norms. Cultural residue exerts a strong inertial pull, reducing the transformational likelihood of even concerted legal and administrative efforts to alter social behavior, but cultural inertia does not necessarily doom all efforts at social change.[57] Once institutionalized and culturally embedded, such norms could prove enduring, slowing responsiveness to changed circumstances.[58] While perhaps compelling in unique circumstances, the sorts of exogenous, transformational

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[51] Stephen R. Rock, *Why Peace Breaks Out: Great Power Rapprochement in Historical Perspective* (Chapel Hill: University of North Carolina Press, 1989), 5.

[52] Appendix B.

[53] Wendt would perhaps acknowledge this limitation. He proposes that "causal theories ask 'why?' and to some extent 'how?' Constitutive theories ask 'how-possible?' and 'what?'" *Social Theory of International Politics*, 78. I believe questions of causality are incomplete without an answer to "when?" as well.

[54] The strands have overlapping logics, since often the norms that regulate behavior within a group are more extensive than norms that govern actions with external entities.

[55] Peter J. Katzenstein, *Cultural Norms and National Security: Police and Military in Postwar Japan* (Ithaca: Cornell University Press, 1996); Alastair Iain Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in Chinese History* (Princeton: Princeton University Press, 1998).

[56] See Katzenstein, *Cultural Norms and National Security*, 57-8; Thomas U. Berger, *Cultures of Antimilitarism: National Security in Germany and Japan* (Baltimore: Johns Hopkins University Press, 1998), 22-54.

[57] Harry Eckstein, "A Culturalist Theory of Political Change," *American Political Science Review* 82, no. 3 (1988): 799-800.

[58] Thomas U. Berger, "From Sword to Chrysanthemum: Japan's Culture of Anti-Militarism," *International Security* 17, no. 4 (Spring 1993): 119-50.

episodes identified by these scholars—like the U.S. occupation of Japan and Germany after World War II—are rare. Only four rivalries that have terminated since World War II have ended in the aftermath of foreign imposed regime change, meaning other factors must explain the bulk of rivalry terminations.

Still other constructivist scholars were interested in the process of norm diffusion, often emphasizing the role of international governmental organizations or transnational actors in spreading nascent norms.[59] For such scholars, change could come gradually, through the spread of domestic norms internationally and the transmission of international norms to new domestic contexts. Such work sometimes took the form of an "existence proof," showing that in a specific setting attitudes about a specific problem were altered by international organizations or transnational activists in observable ways.[60] Research in this tradition did imply that exposure to international organizations made norm diffusion more likely, through socialization processes but also because international organizations acted as a sort of "coral reef" that supported a vibrant ecosystem of transnational activists that entrepreneurially sought to spread their ideas.[61] But even here researchers had to acknowledge that diffusion took place when norms elsewhere were "resonant" with extant domestic norms.[62] Rival states with a history of conflict provide particularly inhospitable grounds for new norms of non-violent conduct to take root. Empirically, it is difficult to identify cases where a rivalry has ended because its participant states came to believe violence was unacceptable way to resolve conflict, and applied that norm to the enduring rivalry.

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[59] Martha Finnemore, *National Interests in International Society* (Ithaca: Cornell University Press, 1996); Alastair Iain Johnston, *Social States: China in International Institutions, 1980-2000* (Princeton: Princeton University Press, 2008).
[60] "I offer no policy prescriptions or predictions in this book. My more modest claim is simply that the policy goals that will emerge for the next century will be formed at least in part by the international social context in which we live." Finnemore, *National Interests in International Society*, 149.
[61] Sidney Tarrow, "Transnational Politics: Contention and Institutions in International Politics," *Annual Review of Political Science* 4 (2001): 15-16.
[62] Tarrow, "Transnational Politics," 7; also Audie Klotz, "Norms Reconstituting Interests: Global Racial Equality and U.S. Sanctions against South Africa," *International Organization* 49, no. 3 (1995): 451-78.

Instead, there are some cases where state leaders came to believe military competition was not required to achieve state goals of security. The last cluster of constructivist scholarship focuses on ideational change more broadly, not just changes to norms proscribing certain behaviors. This separate group of scholars provided at least a partial answer as to when new ideas might be well-received, and focused especially on ideas relating to the necessity of security competition. These scholars argued that decisions to de-escalate conflict can be the product of ideational change among political elites. The Cold War ended when a set of national security elites in the Soviet Union fastened onto beliefs promulgated by the international arms control movement, these scholars argued, which gave Soviet leaders a set of arguments they could employ in internal political debates to justify drastic retrenchment overseas and cutbacks in Soviet defense expenditures.[63]

While stressing the importance of ideas, these scholars also emphasized that ideational change had to occur in a specific political and institutional context to alter foreign policy behavior. First, the fewer elites that needed to be convinced that new ideas were superior to old ideas, the more likely radical change might occur.[64] This sometimes meant that consolidation of power was a necessary precondition to the adoption of new ideas.[65] Second, elites are most keen to find new ideas during periods of political difficulty. During periods of crisis, "decision makers engage in information search and are thus more receptive to new ideas," creating "policy windows" where reform is more likely to be adopted.[66] This scholarship highlights an essential component for any

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[63] Matthew Evangelista, *Unarmed Forces: The Transnational Movement to End the Cold War* (Ithaca: Cornell University Press, 1999); also see Robert G. Herman, "Identity, Norms, and National Security: The Soviet Foreign Policy Revolution and the End of the Cold War," in *The Culture of National Security: Norms and Identity in World Politics*, ed. Peter J. Katzenstein (New York: Columbia University Press, 1996), 271-316.

[64] Thomas Risse-Kappen, "Ideas Do Not Float Freely: Transnational Coalitions, Domestic Structures, and the End of the Cold War," International Organization 48, no. 2 (Spring 1994): 185-214.

[65] Sarah Mendelson, *Changing Course: Ideas, Politics, and the Soviet Withdrawal from Afghanistan* (Princeton: Princeton University Press, 1998), 124.

[66] Jeffrey Checkel, *Ideas and International Political Change: Soviet/Russian Behavior and the End of the Cold War* (New Haven: Yale University Press, 1997), 11. For older discussions of how material changes lead to cultural strain and eventually ideational change, see Clifford Geertz, "Ideology as a Belief System," in *Ideology and Discontent*, ed. David Apter (New York: The Free Press of Glencoe, 1964), 64; and Eckstein, "A Culturalist Theory of Political Change," 796-8.

theory of rivalry termination. When will the institutional context and political circumstances be most favorable to foreign policy change? A theory able to identify such periods may be able to predict when rivalry termination is most likely.

## 3 Toward a New Theory of Rivalry Termination

This dissertation proposes a new theory of rivalry termination that builds on core insights of past research, but does so in a way that permits precise theorizing about when and why rivalry termination is most likely. Like neoclassical realist approaches, the theory proposed here argues that state responses to changing international circumstances are mediated strongly by domestic institutional arrangements. Consistent with liberalism's core tenets, it argues that national elites are responsive to changing social preferences, but in ways strongly conditioned by how state institutions aggregate societal interests. Drawing on the constructivist research program, the theory holds that ideational change is most likely during periods of strain and difficulty, but also that such change is more likely when fewer actors need to be convinced of the validity of an alternate worldview.

To address the analytic shortcomings of past theories, any successful theory of rivalry termination ought to be able to predict periods of policy change and policy continuity. This dissertation proposes a new theory of foreign policy that meets this fundamental requirement. Consistent with liberalism's economic primacy and constructivism's emphasis on strain as a source of ideational change, the theory presented here argues that economic downturns create incentives for policy reform, including reconsideration of the policies underpinning interstate rivalry. State behavior includes a mix of foreign and domestic policies, and each policy choice in the foreign and domestic realm requires resources to execute. Economic downturns decrease the resources available to policymakers as they attempt to achieve their objectives at home and overseas. Policymakers are faced with the conundrum of attempting to maintain the same foreign and domestic policies with

fewer resources, or alter their policies to better reflect the economic difficulties. In other words, if strategy is the practice of allocating national *means* to achieve national *ends*, economic downturns force policymakers to consider new strategies to more efficiently achieve national ends or reconsider the ends they seek to conform to the means they have.

Like neoclassical realist theories, the theory presented here emphasizes intra-elite bargaining.[67] The elite hold disproportionate influence within society, invested with formal authority over national security decisions as well as informal power to get things done. While the elite are mindful of the risks that would come from public antipathy toward their policies, they typically are more worried day to day with the competition for influence within the elite. States typically have one leader with preeminent legal authority to take national security decisions, though it is rare for a leader to be able to make decisions without securing agreement from other elites on the leader's preferred course of action.

The adoption of new national strategies or new policy objectives requires the initiative of the leader and the acquiescence of at least some portion of a country's national security elite. Each individual whose agreement is necessary to change a policy can be labeled a "veto player."[68] The theory presented here argues that more veto players within a state's foreign policy apparatus make it difficult for states to alter their policies to adapt to changed circumstances. More veto players are associated with policy continuity, including in the decisions that propel and perpetuate interstate rivalries.

This dissertation proposes that two factors are empirically associated with rivalry termination: economic downturns and foreign policy veto players. The next chapter will detail the mechanisms linking these two concepts with rivalry termination. The remainder of this chapter will

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[67] Steven E. Lobell, "Threat Assessment, the State, and Foreign Policy: A Neoclassical Realist Model," in *Neoclassical Realism, the State, and Foreign Policy*, eds. Taliaferro, Lobell, and Ripsman, 42-74.

[68] George Tsebelis, "Decision Making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism and Multipartyism," *British Journal of Political Science* 25, no. 3 (1995): 301.

introduce why and how past work suggests that economic downturns are associated with policy change and veto players with policy continuity.

## 3.1 Economic Downturns Spur Change

There is abundant research linking domestic economic downturns to changes in the international economic policies of affected states. When confronted with troubles in the domestic economy, how do policymakers react? Do they erect protectionist barriers to shelter their firms and workers so that they weather tough times, or do they view the downturn as a signal that economic reforms are needed? Do economic troubles increase, decrease, or have no effect on state economic policy? Early researchers found considerable evidence that economic downturns led to reactionary international economic policy, specifically through the erection of trade barriers during times of trouble. They found evidence that demands for protection increased during hard times,[69] and that governments responded favorably to those demands by dispensing protection as a means to maintain political support from endangered firms and workers.[70]

This early research found that the political system was tilted toward reaction rather than reform. Beneficiaries of the old economic order, these researcher argued, were likely to have resources and connections that permitted them to express their views to political elite, while beneficiaries of any reforms only gained resources if and after reforms were implemented. In fact, it was not just that beneficiaries of reform had fewer resources for political fights, such beneficiaries could not even know if and to what extent they would benefit from reform. This uncertainty about

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[69] Wendy E. Takacs, "Pressures for Protection: An Empirical Analysis," *Economic Inquiry* 19 (October 1981): 687-93; Michael Wallerstein, "Unemployment, Collective Bargaining, and the Demand for Protection," *American Journal of Political Science* 31, no. 4 (1987): 729-52.

[70] Giulio M. Gallarotti, "Toward a Business-Cycle Model of Tariffs," *International Organization* 39, no. 1 (1985): 155-87; Edward John Ray, "Changing Patterns of Protectionism: The Fall in Tariffs and the Rise in Non-Tariff Barriers, *Northwestern Journal of International Law and Business* 8, no. 2 (1987): 299; John Mark Hansen, "Taxation and the Political Economy of the Tariff," *International Organization* 44, no. 4 (1990): 539; and Alok K. Bohara and William H. Kaempfer, "A Test of Tariff Endogeneity in the United States," *American Economic Review* 81, no. 4 (1991): 952-60.

the future further tilted the playing field toward incumbent winners.[71] Leaders aware of the public

benefit of reform in the future also might be unwilling to accept the dislocation and public protest

likely to accompany painful reforms now, instability that might endanger a leader's political

survival.[72] The combined result was entrenched firms sought and received protection, despite any

welfare harm caused to the general public as a result.

The analogy with rivalry is imperfect, but present: beneficiaries of maintaining the rivalry,

such as the military and intelligence services, have resources today to fight off change, but

beneficiaries of ending the rivalry, such as economic actors that might benefit from trade and

investment are denied those resources by the perpetuation of the rivalry. In both realms of rivalry

and trade, the benefits of continuing the policy (confrontation or protectionism) are concentrated in

just a few sectors, while the benefits of changing the policy are diffuse.

A second wave of scholarship argued that these resource disadvantages were not

insurmountable. They argued that crisis could act as a spur for fundamental reform. During periods

of normalcy, yes, the forces for perpetuating the old economic order had the upper hand, but there

were windows during economic difficulties that permitted national leaders considerable latitude to

alter trade and regulatory policies.

While the first wave of scholarship emphasized the effects of recessions and rising

unemployment, this second wave focused on balance of payment and debt crises (which in turn

spurred recessions and unemployment).[73] The second wave argued that these economic difficulties

encouraged leaders to liberalize trade and economic policies to attract foreign investment or secure

loans and aid from international donors, steps that were taken either through unilateral legislation or

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[71] Raquel Fernandez and Dani Rodrik, "Resistance to Reform: Status Quo Bias in the Presence of Individual-Specific Uncertainty," *American Economic Review* 81, no. 5 (1991): 1146-55.

[72] Stephen Haggard and Robert Kaufman, *The Political Economy of Democratic Transitions* (Princeton: Princeton University Press, 1995), 157-8.

[73] Robert H. Bates and Anne O. Krueger, "Generalizations Arising from the Country Studies," in *Political and Economic Interactions in Economic Policy Reform: Evidence from Eight Countries*, ed. Robert H. Bates and Anne O. Krueger (Cambridge, MA: Blackwell, 1993), 452-3.

negotiated bilateral and multilateral agreements.[74] While the distributional concerns that had blocked

reform were still present, they could be overcome because the "perceived overall gain from restoring

the economy's health" now had greater salience politically. National leaders paired liberalization

policies with other economic stabilization measures, and were successful in smuggling reform into

these omnibus packages because of the political and economic tumult that motivated the policy

change in the first place.[75] Similarly, researchers found that efforts to constrain welfare state

expenditure were most pronounced during periods of economic difficulties, when pressures for

structural economic reform grew.[76]

　　While this work argued that crises increased the likelihood for reform, it also found that the

depth, breadth, and length of that reform were conditioned strongly by the political institutions in

the country experiencing economic difficulties.[77] Work focusing on transitional democracies stressed

the importance of economic crisis to motivate economic reform, but found that reform was most

likely be initiated by executives with concentrated authority and non-fragmented party systems and

more likely to be sustained in the absence of political party fragmentation.[78] Economic crisis

motivated reform, but politics and political institutions still shaped the success of reform efforts.

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[74] Stephen Haggard, *Developing Nations and the Politics of Global Integration* (Washington, DC: The Brookings Institution, 1995), 16-20; Dani Rodrik, "The Rush to Free Trade in the Developing World: Why So Late? Why Now? Will It Last?" in *Voting for Reform: Democracy, Political Liberalization, and Economic Adjustment*, ed. Stephan Haggard and Steven B. Webb (New York: Oxford University Press, 1994), 79.

[75] Rodrik, "The Rush to Free Trade in the Developing World," 82.

[76] Stephen Haggard and Robert R. Kaufman, *Development, Democracy, and Welfare States: Latin America, East Asia, and Eastern Europe* (Princeton: Princeton University Press, 2008), 194.

[77] Robert H. Bates and Anne O. Krueger, "Introduction," in *Political and Economic Interactions in Economic Policy Reform: Evidence from Eight Countries*, ed. Robert H. Bates and Anne O. Krueger (Cambridge, MA: Blackwell, 1993), 4; also Karen L. Remmer, "The Politics of Economic Policy and Performance in Latin America," *Journal of Public Policy* 22, no. 1 (2002): 29-59.

[78] Haggard and Kaufman, *The Political Economy of Democratic Transitions.*

## 3.2 Veto Players as a Source of Policy Continuity

Securing agreement from many different individuals and entities within a government slows government action. As mentioned above, any individual whose assent is necessary for policy change is a "veto player." Research on veto players has clustered around both veto players' paradoxical and their intuitive effects.

Those researchers emphasizing the paradoxical effect of veto players argued that the difficulty in changing policy direction was a good thing. Veto players served as a credible commitment by the state to property holders that it would not use its coercive capabilities to deprive them of their property rights. Especially since the state borrowed from wealthy property holders, national leaders had strong incentives to renege on contractual obligations to repay citizen lenders. Government veto players—such as the British Crown's requirement for parliamentary assent prior to tax levies or property seizure—made it more difficulty for national leaders to pursue predatory strategies. In general, this line of research argued that veto players provided policy stability, permitting investors to plan effectively over longer time horizons, and stimulating economic growth as a result.[79] Nor do just economic benefits accrue from states with institutional obstacles to policy change. More recent research has argued regimes with fewer veto players are more prone to initiate military hostilities since no one can stop leaders in such regimes or punish them if their military adventures fail.[80] In other words, veto players may prevent predatory behavior at home and abroad.

Research highlighting veto players paradoxical effect was clever and important, but veto players also have a straightforward effect: they complicate the ability of government's to take any policy change, be it malign or salutary. As George Tsebelis's formalization of the veto players concept demonstrated, additional veto players make the continuation of the status quo more likely,

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[79] Douglass C. North and Barry R. Weingast, "Constitutions and Commitments: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England," *Journal of Economic History* 49, no. 4 (1989): 803-832.
[80] Jessica L. Weeks, "Strongmen and Straw Men: Authoritarian Regimes and the Initiation of International Conflict," *American Political Science Review* 106, no. 2 (2012): 326-347.

resulting in policy stability but decreasing government decisiveness, that is government's capacity to solve problems as they arise.[81]

Veto players may even prevent policy change when national survival is at stake. Randall Schweller argues that for states to engage successfully in balancing behavior against rising threats, elites of that state must (1) agree what the threat is and (2) agree what the appropriate remedy to that threat is. Failure to do both will result in a strategy incommensurate to the threat.[82] In separate work, Stephen Krasner recounts the experience of late 18th century Poland, where "the Polish nobility was unable to overcome a legislative system that gave every member of parliament a veto. Even in the face of extreme external threats, coherent and unified military action was impossible and the Polish state was dismembered and disappeared from the map of Europe for 120 years."[83] Schweller and Kranser's work is consistent with more ideational centered accounts that stress in centralized systems fewer actors must be convinced of new ideas to alter national policies than in decentralized regimes where old ideas can linger and block change.[84]

The contradictory consequences of veto players may both be evident in rivalry behavior. Veto players may both make conflict less likely but also more persistent. States with more veto players may be less likely to enter into new rivalries. Institutionalized restraint might lead to more normal relations with neighbors. However, once rivalries emerge, once a dispute begins, it may be far more difficult for a state with many foreign policy veto players to resolve the dispute and terminate the rivalry. Policy debates within a state with abundant veto players gravitate toward the status quo, and away from the changes necessary for peace. It may even be more difficult for such a

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[81] George Tsebelis, "Decision Making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism and Multipartyism," *British Journal of Political Science* 25, no. 3 (1995): 289-325 and Tsebelis, *Veto Players: How Political Institutions Work* (Princeton: Princeton University Press, 2002).
[82] Randall Schweller, *Unanswered Threats: Political Constraints on the Balance of Power* (Princeton: Princeton University Press, 2006), 48-9.
[83] Stephen D. Krasner, "Sovereignty: An Institutional Perspective," *Comparative Political Studies* 21, no. 1 (April 1988): 71.
[84] Thomas Risse-Kappen, "Ideas Do Not Float Freely: Transnational Coalitions, Domestic Structures, and the End of the Cold War," *International Organization* 48, no. 2 (Spring 1994): 187.

state to end a rivalry when there is another serious threat that should occupy state resources and attention. Veto players provide continuity, for good and for ill.

## 4 Conclusion

This chapter surveyed past research examining how cooperation might emerge among competing states. While this research explained how cooperation might emerge if states desired it, it generally did less well in predicting when state preferences were likely to shift in more conciliatory directions. The chapter then introduced two specific factors—economic difficulties and foreign policy veto players—that have been associated with policy change and policy continuity in other research and in other domains of foreign policy. The next chapter will provide a detailed account of why economic downturns and veto players are not just associated with policy change and continuity in general, but how they are associated with policy change and continuity in the realm of interstate rivalry.

CHAPTER 2: THEORY: RIVALRY ENDS AT HOME

**1 Introduction**

This dissertation asks why interstate rivalries end. Rivalries exist when two states perceive

each other as military threats, often in the context of political disagreement that makes military force

attractive as a policy instrument for one or both rival states. Under what conditions do enemies

reconsider central elements of their foreign policy? When and how do national leaders decide that

foreign foes are no longer threats? In answering these questions, this dissertation focuses on the

domestic politics that regulate rivalry termination. It does so because empirically it finds that rivalries

end "at home."

This chapter introduces a set of hypothesized relationships among economic crisis,

concentration of executive authority, and rivalry termination, which it will refer to as *domestic primacy*

*theory*. Domestic primacy theory meets the requirements identified in the previous chapter of

explaining why, when, and how rivalry termination takes place. The theory posits that economic

crises create incentives for conciliatory behavior and strategic reassessment, and these incentives are

most likely to result in rivalry termination when a national leader holds concentrated authority over

foreign policy decisions. This theory explains the variation in rivalry behavior observed empirically,

even when accounting for alternative explanations of foreign policy. This chapter will articulate the

logic that propels the theory, while subsequent empirical chapters will demonstrate how historical

cases conform to the causal logic and empirical predictions of the theory.

This chapter proceeds in three major parts. First, it explains why states have stronger

incentives to reevaluate rivalries and pursue conciliatory behavior during periods of economic

difficulty. Second, it explains why the presence of multiple foreign policy veto players disrupts these

incentives for conciliatory behavior, and can lead to the persistence of rivalry even during periods of

economic troubles. Finally, it combines both factors to make distinct predictions about rivalry outcomes under different circumstances.

## 2 Why Do Economic Crises Lead to Conciliatory Behavior?

Economic crises lead to conciliatory behavior through five primary channels. Economic crises lead to austerity pressures, which in turn incentivize leaders to search for ways to *cut defense expenditures*. Economic crises also encourage strategic reassessment, so that leaders can argue to their peers and their publics that defense spending can be arrested without endangering the state. This can lead to *threat deflation*, where elites attempt to downplay the seriousness of the threat posed by a potential rival. If a state faces multiple threats, economic crises provoke elites to consider *threat prioritization*, a process that is deferred during periods of economic normalcy. Economic crises increase the political and economic benefit from international economic cooperation. Leaders *seek foreign aid, enhanced trade, and increased investment from abroad* during periods of economic trouble. This search is made easier if tensions are reduced with historic rivals. Finally, during crises, *elites are more prone to select leaders who are perceived as capable of resolving economic difficulties*, permitting the emergence of leaders who hold heterodox foreign policy views. Collectively, these mechanisms make it much more likely that a leader will prefer conciliatory policies compared to during periods of economic normalcy. This section reviews this causal logic in greater detail, while also providing historical examples that these mechanisms recur in practice.

### 2.1 Economic Crisis Leads to Austerity

Economic crises generate pressure for austerity. This relationship precedes three of the five mechanisms because it creates pressure for defense cuts, motivation for threat deflation, and incentives for threat prioritization. Government revenues are a function of national economic

production, so that when production diminishes through recession, revenues available for expenditure also diminish. Planning almost invariably assumes growth rather than contraction, so the deviation in available revenues compared to the planned expenditure can be sizable. When growth slowdowns are prolonged, the cumulative departure from planning targets can grow even further, even if no single quarter meets the technical definition of recession.

Pressures for austerity are felt most acutely in governments that face difficulty borrowing to finance deficit expenditures. This is especially the case when this borrowing relies on international sources of credit. Even for states that can borrow, however, intellectual attachment to balanced budgets as a means to restore confidence—a belief in what is sometimes called "expansionary austerity"—generates incentives to curtail expenditure. These incentives to cut occur precisely when populations are experiencing economic hardship, making reductions that target poverty alleviation, welfare programs, or economic subsidies especially painful. As a result, mass and elite constituents strongly resist such cuts. Welfare programs and other forms of public spending may be especially susceptible to a policy "ratchet effect," where people are very reluctant to forego benefits once they have become accustomed to their availability.[1] As Paul Pierson has argued, "The politics [of welfare state] retrenchment is typically treacherous, because it imposes tangible losses on concentrated groups of voters in return for diffuse and uncertain gains."[2]

## 2.2 Austerity Leads to Cutbacks in Defense Spending

At a minimum, the political costs of pursuing austerity through cutbacks in social and economic expenditures alone make such a path unappealing. In practice, this can spur policymakers to curtail national security spending as a way to balance budgets during periods of economic turmoil.

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[1] Evelyne Huber and John D. Stephens, *Development and Crisis of the Welfare State: Parties and Policies in Global Markets* (Chicago: University of Chicago Press, 2001).
[2] Paul Pierson, "The New Politics of the Welfare State," *World Politics* 48, no. 2 (January 1996): 145.

There is often more discretion over defense spending than over other areas in the budget, and it is frequently distantly connected to the welfare of the mass public. Many militaries need foreign arms and foreign ammunition for their militaries, so defense expenditures are doubly costly since they both take up valuable defense budget space while also sending hard currency overseas, rather than constituencies at home. Pursuing defense cuts may also conform to the preferences of the financial sector, which shows a strong aversion to military conflict even if that means policies of appeasement and conciliation.[3]

During periods of economic expansion, the opportunity costs associated with defense expenditure—the requirement for higher taxes or foregone spending in other areas—are real but acceptable. Economic contraction heightens the opportunity costs by forcing a choice between different types of spending. There is a constituency for defense spending in the armed services, intelligence agencies, and arms industries, but even in militarized economies this constituency tends to be numerically much smaller than those that favor social and economic expenditures over military ones. As will be discussed below, despite their size, sometimes this group has disproportionate clout because of its access to the tools of violence, a fact that sometimes disrupts the linkage between austerity and defense cutbacks.

## 2.3 Defense Cutbacks Encourage Rapprochement

An interest in defense cutbacks can lead to conciliatory behavior through two paths. First, the cutbacks themselves serve as a concrete signal to adversaries that the military threat posed by the economically distressed state is declining. This permits the other state to halt that portion of defense spending dedicated to keeping up, breaking the back of ongoing arms races through reciprocated, but non-negotiated moves. Unilateral conventional force reductions were a major element of

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[3] Jonathan Kirshner, *Appeasing Bankers: Financial Caution on the Road to War* (Princeton: Princeton University Press, 2007).

Gorbachev's foreign policy in the late 1980s, alongside negotiated strategic arms control, and diplomatic efforts to achieve political understandings with the United States.[4] Gorbachev similarly used force reductions in Afghanistan, Mongolia, and the Soviet Far East to signal to China in 1987 that he was serious about political negotiations.[5] Non-negotiated, tit-for-tat military redeployments facilitated Argentina-Brazil rapprochement.[6]

Second, leaders may believe cutbacks are necessary, but would be dangerous in the absence of negotiated improvements with traditional foes. Economic downturns can serve as motivation to pursue arms control or political settlement. During periods of normalcy, such outcomes would be positives, but are viewed as "too hard" by political leaders that move from one urgent problem to the next. During periods of economic crisis, however, arms control or political improvements might allow for much needed cuts in defense spending, and are pursued with greater vigor. The Johnson administration attempted both unilateral and negotiated arms limitations because of budgetary concerns as President Johnson and Secretary McNamara struggled to pay for the "Great Society" domestic programs and the increasingly costly Vietnam War. They first attempted unilateral "caps" on costly nuclear forces and anti-ballistic missile defenses and when this failed to lead to a reciprocal Soviet response they engaged in formal arms control talks. Détente continued in the Nixon administration, accelerating in 1971 and 1972, simultaneous with rising budget deficits and inflation so serious that Nixon instituted price controls. Nixon's decision to sharply limit anti-ballistic missile defenses to enable arms control talks was contrary to his strategic views, but necessitated by a difficult budgetary environment that made paying for more missile defense emplacements

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[4] Director of Central Intelligence, National Intelligence Estimate, "Trends and Developments in Warsaw Pact Theater Forces and Doctrine Through the 1990s," NIE-11-14-89, February 1989.
[5] Krista Wiegand, *Enduring Territorial Disputes: Strategies of Bargaining, Coercive Diplomacy, and Settlement* (Athens: University of Georgia Press, 2011), 272-3.
[6] Christopher Darnton, "Overcoming International Security Rivalry: Parochial Interest, Anticommunism, and the Domestic Politics of Cold War Latin America" (PhD diss., Princeton University, 2009), 272-3.

unrealistic.[7] As Nixon told his national security advisor Kissinger in an April 1972 discussion of

ballistic missile and anti-ballistic missile developments: "You know we've got a hell of a budget

problem. We've got to cut it down, we've got to cut 5 billion dollars off next year's defense budget.

So, I don't want to [inaudible: do it?] unless we've got some settlement with the Russians."[8]

In practice, unilateral defense cuts and force reductions are frequently combined with

negotiated political agreements in a sequential, iterative fashion, where a unilateral reduction will

signal seriousness that opens the way for political agreement, which in turn permits even deeper

reductions. Defense cuts and force reductions are not only a means to achieve rivalry termination,

but also a goal in and of themselves that rivalry termination helps secure. Leaders are seeking

resources from defense they can use elsewhere.

Thus when Argentine leader Raul Alfonsín campaigned for the need for drastic budgetary

austerity, his specific "platform was the reduction of military spending to use it for the other

ministries, connected with the concept of eliminating the hypothesis of conflict" with Argentinian

rivals, according to Adalberto Rodríguez Giavarini, who served in Alfonsín's ministry of defense

(and later was Argentina's foreign minister).[9] Similarly, according to contemporary U.S. Central

Intelligence Agency classified assessments, Gorbachev was motivated to reduce arms in the late

1980s because he determined it was necessary to cut Soviet defense spending and defense

production, and repurpose part of the defense industry to make consumer and civilian capital

goods.[10] Thus the "main reason" why strategic arms control breakthroughs occurred from 1986 to

1988 and the Soviet Afghan intervention concluded in 1989 was a realization within the Politburo of

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[7] See James Cameron, "The Development of United States Anti-Ballistic Missile Policy, 1961-1972" (PhD diss., University of Cambridge, 2013); Francis J. Gavin, *Nuclear Statecraft: History and Strategy in America's Atomic Age* (Ithaca, NY: Cornell University Press, 2012), ch. 5.

[8] "Conversation between President Nixon and his Assistant for National Security Affairs (Kissinger)," Washington, April 19, 1972, *Foreign Relations of the United States, 1969-1976*, vol. 14, *Soviet Union, October 1971–May 1972*, doc. 126.

[9] Quoted in Darnton, "Overcoming International Security Rivalry", 282, fn. 799.

[10] Director of Central Intelligence, National Intelligence Estimate, "Trends and Developments in Warsaw Pact Theater Forces and Doctrine Through the 1990s," NIE-11-14-89, February 1989.

"excessively high expenditures on defense," according to Nikolai Ryzhkov, Gorbachev's prime minister.[11]

## 2.4 Economic Downturns Provoke Strategic Reassessment: Threat Deflation and Prioritization

Economic downturns encourage leaders to seek new ideas to frame their policy problems. During periods of economic difficulty, elites can come to realize that their problems are not amenable to old solutions, and search for new ideas.[12] During an economic crisis, politics and policy are "more fluid," as old answers seem stale and insufficient.[13] An ideational entrepreneur that can link economic lemons to foreign policy lemonade can find a patron when leaders are casting about for ways to reframe the world in acceptable ways to their peers and publics.

The behavior of an old foe is often ambiguous, and can be viewed as either injurious to one's interests or neutral toward them. During periods of normalcy, the motivation of defense establishments is tilted toward threat and danger. During periods of economic crisis, national leaders have a counteracting motivation to downplay such dangers, so that the threats faced by a nation are manageable through available resources. Economic difficulties provide a motivation for leaders to view equivocal signals from the international system in a way that is benign. To the extent that rivalries are perpetuated because of threat inflation, economic downturns provide incentives to deflate the threat, potentially disrupting cycles of competition and enmity. South Korean president Kim Dae-jong came to power in the aftermath of the 1998 Asian economic crisis, pursued a "sunshine policy" toward the North, cut South Korean defense spending in nominal and real terms,

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[11] Quoted in William Wohlforth, "Realism and the End of the Cold War," *International Security* 19, no. 3 (1994-1995): 113.
[12] Jeffrey T. Checkel, *Ideas and International Political Change: Soviet/Russian Behavior and the End of the Cold War* (New Haven: Yale University Press, 1997), 9-10.
[13] Peter Gourevitch, *Politics in Hard Times: Comparative Responses to International Economic Crises* (Ithaca: Cornell University Press, 1986), 22.

and pursued a policy toward North Korea that political scientist Dong Sun Lee called "threat deflation" despite the growing North Korean nuclear weapons threat.[14] Leaders become confident that with adroit diplomacy they can transform the relationship. This may be irrational—a motivated bias—but such an irrational estimate of the prospects of peace can play a constructive role, as Richard Ned Lebow has argued.[15]

Economic crises can also spur strategic reassessment through another channel. If leaders view economic problems as structural, rather than a temporary gale, they may come to question whether available national resources are sufficient to confront all of the national threats identified in the past. This creates incentives to economize threats, seeking political settlements where possible in order to focus remaining resources on competitions that can be won. A concrete example: in 1904, the chancellor to the Exchequer wrote his cabinet colleagues: "[W]e must frankly admit that the financial resources of the United Kingdom are inadequate to do all that we should desire in the matter of Imperial defense."[16] The result was a British decision to minimize political disagreement with the United States and focus on other defense challenges. While such a decision was in line with realist advice, it occurred not when the power trajectories were first evident to British decision-makers but when the budget situation had reached a crisis that could no longer be ignored.

## 2.5 Economic Downturns Increase Incentives for International Economic Cooperation

Economic downturns not only create incentives to cut spending, they encourage vigorous pursuit of opportunities for economic cooperation. This, too, can engender conciliatory behavior. Economic downturns can increase motives to pursue trade and investment. Rivalries with old foes

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[14] Dong Sun Lee, "Democratization and the U.S.-Korea Alliance," *Journal of East Asian Studies* 7 (2007): 469-99.
[15] Richard Ned Lebow, "The Search for Accommodation: Gorbachev in Comparative Perspective," in *International Relations Theory and the End of the Cold War*, eds. Lebow and Risse-Kappen (New York: Columbia University Press, 1995), 179-80.
[16] Aaron L. Friedberg, *The Weary Titan: Britain and the Experience of Relative Decline, 1895-1905* (Princeton: Princeton University Press, 2010), 90.

often directly impinge on trade and investment with the adversary and may indirectly impinge on trade and investment with third parties, especially if the rivalry is viewed as being likely to generate disruptive military conflict. Additionally, economic aid is sometimes used as an inducement for adversaries to set aside a political dispute. This aid can either serve as a side payment from one rival to another, or it can be offered by a third party to one or both rivals as an incentive to set aside lingering disputes.

Such aid is more attractive during periods of economic turmoil than during periods of comparative normalcy. In South Asia, India and Pakistan struggled from 1947 to 1960 with how to manage water resources in the Indus Rivers basin, inheriting a canal system meant to service pre-partitioned India. Pakistan, suffering an economic downturn, and India, reliant on foreign aid to avert economic crisis, agreed to an Indus Waters Treaty in 1960 to resolve the lingering dispute, made possible in substantial part because of World Bank financing that was especially attractive to the struggling economies.[17] In the Middle East, Egypt and Israel made the hard choices necessary for the Camp David accord in 1979 precisely because the Sadat and Begin governments faced difficult economic situations at home that made the U.S. aid guarantee in exchange for a peace agreement especially attractive.[18] In 1982, the Yemen's People's Republic agreed to stop its attempts to destabilize Oman, because otherwise Yemen would not receive economic assistance from Arab oil-producing states that it desperately needed.[19] In the late 1990s, El Niño-induced flooding devastated Ecuador and Peru, spurring reconciliation as leaders sought to increase trade, secure investment, and slash military expenditures so they could be used at home.[20] As one Western diplomat assessed at the time, Ecuador and Peru "have decided it's better to see reason.... They see foreign companies

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[17] See India-Pakistan chapter in this volume.

[18] Janice Gross Stein, "The Political Economy of Security Agreements: The Linked Costs of Failure at Camp David," in *Double-Edged Diplomacy: International Bargaining and Domestic Politics*, eds. Peter Evans, et al (Berkeley: University of California Press, 1993).

[19] Fred Halliday, "Aspects of South Yemen's Foreign Policy, 1967-1982" (PhD thesis, London School of Economics and Political Science, University of London, April 1985), 203-4.

[20] Phil Davison, "El Nino Helps Wash Away Half a Century of Warfare," *The Independent* [London], March 8, 1998.

eager to invest in South America, and if Peru and Ecuador are in conflict, it makes them less

attractive than, say, Argentina or Brazil or Chile for investment purposes. That's the last thing either

country wants."[21]


## 2.6 Economic Downturns Can Cause Meaningful Leadership Change

The above mechanisms have identified how economic difficulties can alter the preferences

of an incumbent leader. Additionally, economic crises can lead to leadership turnover and, during

periods of difficulty, the selection process that determines new leadership can loosen ideological

strictures that relate to extant rivalries. Leaders may be selected based on judgments about their

ability to cope with economic problems, with greater elite acceptance of ideological heterogeneity in

foreign policy beliefs than in periods of normalcy.[22] In Stephen Brooks and William Wohlforth's

words, "If everything is going well or is stable, then why select leaders who might subvert the tried-

and-true identity? But if that identity is leading to increased material difficulties, pressure for change

will likely mount. In these circumstances, those who are willing to alter or adjust the hallowed

precepts of the existing identity and its associated practices are more likely to assume power."[23]

Economic crisis, then, can spur incumbent leaders to either abandon the "baggage" of rivalry or

facilitate the selection of new leaders that do not carry such baggage.

The most well-known example of an incumbent selectorate looking for a reformer, even one

without much foreign policy experience, involves Mikhail Gorbachev's ascension to the Soviet

premiership. In political scientist Jerry Hough's words, "If the rate of economic growth continued to

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[21] Anthony Faiola, "Peru-Ecuador Peace Treaty May be Near," *Washington Post*, February 8, 1998.

[22] For a similar argument about how political competition among elites can lead to foreign policy changes, see Richard D. Anderson, Jr., "Why Competitive Politics Inhibits Learning in Soviet Foreign Policy," in *Learning in U.S. and Soviet Foreign Policy*, eds. George Breslauer and Philip Tetlock (Boulder, CO: Westview Press, 1991), 100-131; also Gautam Mukunda, "The Paths of Glory: Structure, Selection, and Leaders" (PhD diss., Massachusetts Institute of Technology, 2011).

[23] Stephen Brooks and William Wohlforth, "Economic Constraints and the Turn towards Superpower Cooperation in the 1980s," in *The Last Decade of the Cold War: From Conflict Escalation to Conflict Transformation*, ed. Olav Njølstad (New York: Frank Cass, 2004), 86-7.

decline, if administrative and labor efficiency continued to fall, if corruption was not punished, these conditions would have dangerous consequences for the [Soviet Union in the] 1980s and 1990s.... Gorbachev's promotion was an answer to these concerns."[24]
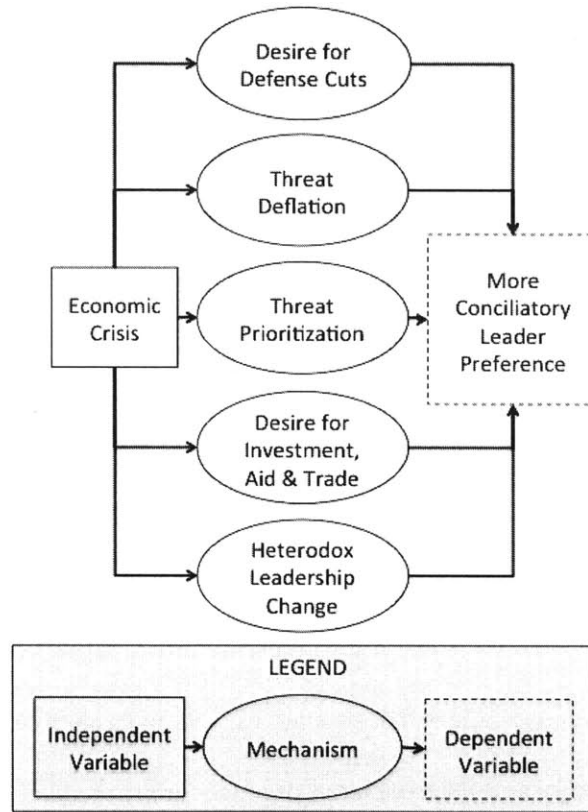


Figure 2.1: Economic Crisis and Conciliatory Policies

## 2.7 Conciliatory Behavior Can Lead to Rivalry Termination

The mechanisms as summarized in Figure 2.1 above impel national leaders toward more conciliatory preferences during periods of economic crisis. If leaders can translate their preferences into state policy, conciliatory behavior by one state can lead to improved rivalry outcomes—and maximally rivalry termination—through iterated, reciprocal cooperation that moves the relationship to a new, more positive equilibrium or by opening up bargaining space to permit a political settlement of outstanding disputes. Economic crises need not prompt an ideational revolution in

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[24] Jerry F. Hough, "Reagan and Gorbachev: Gorbachev's Strategy," *Foreign Affairs* 64, no. 1 (1985): 36.

how a rival state perceives the world, though that might occur. Rather, crises can still lead to major changes in dyadic outcomes by simply nudging a state toward more cooperative behavior and greater flexibility in negotiations. This is contingent on leaders having the political power to overcome domestic opposition, and even if they manage to secure consensus at home, conciliatory policies still can only be successful if they are reciprocated by rival governments. Both problems—political consensus at home and bargaining with rivals—are discussed in greater detail below.

## 3 Why Austerity and Not Stimulus?

An important element in the foregoing discussion was that economic downturns lead to austerity pressures in states that suffer from them. Austerity is not the only policy response that is available for policymakers. Since at least John Maynard Keynes's 1933 *Means of Prosperity* and 1936 *General Theory of Employment, Interest, and Money*, there has been a convincing theoretical rationale to increase government spending to counteract swings in aggregate demand from the private sector. Using government consumption, investment, and transfers to do so is generally referred to as economic stimulus, and the strategy of using stimulus to counteract economic downturns is referred to as countercyclical fiscal policy. (The cycle being counteracted is the business cycle of expansion and contraction.)

Stimulus may well be the "correct" (general welfare-enhancing) governmental response to economic downturns, but it is empirically not the policy followed by most governments.[25] Procyclical or acyclical policies are more commonly pursued. That is, governments either spend more when the economy is doing well and spend less when the economy is doing poorly (procyclical) or spending patterns vary little during periods of growth or contraction (acyclical). Nor are all procyclical policies the same. There is strong empirical evidence from Latin America, for

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[25] Mark Blyth, *Austerity: The History of a Dangerous Idea* (New York: Oxford University Press, 2013).

instance, that procyclical policies are asymmetric so that government expenditures increase during

good times, but decrease more in bad times than they increased in good times. In other words, the

pressure to curtail spending during downturns is stronger than the pressure to increase spending

during upturns.[26]

The reason such policies are pursued even when they may lead to suboptimal economic

outcomes is still an active area of research. Empirical work and formal modeling has tended to focus

on government institutional limitations, the role of interest groups in being able to secure

government munificence in good times and avoid taxation in bad times, and constrained access to

international finance during economic downturns.[27] Most of these problems are more acute in

developing countries. Additionally, there may be ideational trends regarding optimal economic

policy largely exogenous from state characteristics.[28] Prior to Keynes's writings, there was little

coherent intellectual justification for stimulus policies, even if occasionally governments pursued

stimulus without a coherent conceptual framework.[29]

In their review of detailed economic data from 1960 to 2006, Ethan Ilzetzki and Carlos A.

Vegh found "overwhelming evidence" that developing countries pursue procyclical fiscal policies.

Moreover, they found "substantial evidence" of procyclicality in higher-income countries, the

evidence muted somewhat since government expenditures as a whole are acyclical, while

government consumption habits (such as paying government or military personnel or buying

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[26] Michael Gavin and Roberto Perotti, "Fiscal Policy in Latin America," NBER Macroeconomics Annual 12 (1997): 11-72.
[27] Peter Hall, "Conclusion: The Politics of Keynesian Ideas," in The Political Power of Economic Ideas: Keynesianism across Nations, ed. Peter Hall (Princeton: Princeton University Press, 1989), 361-91; Aaron Tornell and Philip R. Lane, "The Voracity Effect," American Economic Review 89, no. 1 (1999): 22-46; Ernesto Talvi and Carlos Vegh, "Tax Base Variability and Procyclical Fiscal Policy in Developing Countries," Journal of Development Economics 78, no. 1 (October 2005): 156-190; Gavin and Perotti, "Fiscal Policy in Latin America"; Graciela Kaminsky, Carmen M. Reinhart, and Carlos Vegh, "When It Rains, It Pours: Procyclical Capital Flows and Macroeconomic Policies," NBER Macroeconomics Annual 19 (2004): 11-82.
[28] Blyth, Austerity.
[29] As Richard Samuels observes "'military Keynesianism' predated Lord Keynes by several decades in Japan." Samuels, 'Rich Nation, Strong Army': National Security and Technological Transformation of Japan (Ithaca, NY: Cornell University Press, 1994), 86.

equipment for the government or military) are procyclical.[30] The finding in wealthier countries of

overall acyclical spending even while consumption is procyclical is likely in substantial part a product

of the presence of "automatic stabilizers" in higher-income economies. On the taxation side, since

progressivity is common in developed country tax codes, a decrease in national income leads to

lower marginal tax rates for business and individuals. Government transfer payments to provide

unemployment compensation, medical care, or food and nutrition are often regulated by needs-

based criteria, rather than specific outlays. As a result, tax rates decrease and government transfers

increase absent any government decision during periods of economic difficulty. Acyclical fiscal

policy overall *requires* cutbacks in discretionary spending, such as in defense, in the presence of

automatic stabilizers. Developing economies, as their institutions have improved, are adopting

countercyclical (or at least less procyclical) fiscal policies at greater rates, but data from 2000 to 2009

still shows the overwhelming majority of developing countries pursue procyclical fiscal policies. In

terms of aggregate trends, any increase in countercyclical policies in the developing world has been

offset somewhat by increasingly procyclical fiscal policies in several developed economies, as

ideational commitment to austerity has become more popular in the developed world.[31]

For domestic primacy theory to be correct, one type of countercyclical fiscal policy should

be especially rare: military Keynesianism. Such a policy would attempt to increase government

consumption during economic downturns by increasing the size of the armed forces or acquisitions

of equipment and materiel for the military. Since World War II, it is difficult to identify many

examples of military Keynesianism. While associated most closely with U.S. President Harry

Truman's economic advisor Leon Keyserling, the Truman administration rejected military

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[30] Ethan Ilzetzki and Carlos Vegh, "Procyclical Fiscal Policy in Developing Countries: Truth of Fiction," *NBER Working Paper Series*, no. 14191 (July 2008). Vegh and Guillermo Vuletin find tax rates tend to be acyclical in industrial countries and procyclical in developing countries. Vegh and Vuletin, "How is Tax Policy Conducted over the Business Cycle," *NBER Working Paper Series*, no. 17753 (January 2012).

[31] Jeffrey Frankel, Carlos A. Vegh, and Guillermo Vuletin, "On Graduation from Fiscal Procyclicality," *Journal of Development Economics* 100, no. 1 (2013): 32-47.

Keynesianism as an intentional stimulus, though it did increase military spending after North Korea

invaded South Korea in 1950. Nor did the idea find fertile soil in the United States after Truman.

The Eisenhower administration's attitude toward military Keynesianism more closely accords with

the global norm after World War II. President Eisenhower and his advisors believed military

spending displaced more productive domestic spending and burdened private enterprise. Military

Keynesianism, rightly or wrongly, largely lost the battle of ideas to Eisenhower's sentiment that

"every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a

theft from those who hunger and are not fed, those who are cold and are not clothed..."[32] This is

not to say there have not been isolated episodes where leaders were attracted to military Keynesian

ideas, but they are rare. More common were beliefs that military research and development spending

had useful commercial spin-off applications,[33] but such beliefs do not imply countercyclical spending

and are not a threat to the link between economic downturns and austerity.

Before World War II, though, there were three major episodes of increased military

expenditure in response to economic downturns that remain well known because of their

substantive importance. All three of the future Axis powers of World War II, Germany, Italy, and

Japan, responded to economic turmoil in the 1920s and 1930s by increasing military expenditures.

Ironically, in none of the three countries were Keynesian ideas especially influential, even if fascist

(or militarist in Japan's case) economic policies pursued for fascist (militarist) reasons had Keynesian

side effects.[34] The causes and nature of these economic policies were unique in many respects, and

examining them helps identify how the linkage between downturns and austerity can breakdown.

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[32] John Lewis Gaddis, *Strategies of Containment*, Rev. Ed. (New York: Oxford University Press, 2005), 91-2, 131-2.
[33] See discussion in Samuels, *'Rich Nation, Strong Army'*, 18-22.
[34] Marcello de Cecco, "Keynes and Italian Economics," in *The Political Power of Economic Ideas*, ed. Hall, ch. 8; Harold James, "What is Keynesian about Deficit Financing? The Case of Interwar Germany," in *The Political Power of Economic Ideas*, ed. Hall, ch. 9; and Eleanor M. Hadley, "The Diffusion of Keynesian Ideas in Japan," in *The Political Power of Economic Ideas*, ed. Hall, ch. 11.

The economic breakdown of the interwar period grew out of specific features of the international economic system. First, all major economic powers relied upon the gold standard to facilitate trade, but adherence to it meant that the severe economic recessions led to deflation and that deflation led to domestic (and in the 1930s, international) financial crises that worsened the downturn.[35] With fixed exchange rates, such as the gold standard, deflation is necessary to decrease balance of payment deficits. Deflation, through a variety of mechanisms including its disproportionate punishment of debtors, led to widespread unemployment. Social spending, such as unemployment insurance, was viewed as counterproductive under the gold standard system because it slowed the necessary price adjustment for labor inputs that was required for competiveness.[36] Second, by the early 1930s at least, these economic problems were occurring in multiple countries, so deflation in Germany was insufficient to make exports more attractive in the United States since U.S. prices were also falling. This led to a push for protectionism and generally weakened internationally focused segments of the economy. The net result of these trends was a much more severe downturn than had occurred among the major powers in decades. Only when the gold standard was abandoned did recovery begin in the most severely affected economies.[37] By then, the economic pain was so severe as to thoroughly disrupt the political system in many states, but especially Germany and Italy.[38] In these states, radical groups gained sufficient support to overthrow the old order.

Though the sequence varied from locale to locale, in Germany, Italy, and Japan, all of these societies encountered their first major economic downturns while governed by systems with diffuse

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[35] Ben Bernanke and Harold James, "The Gold Standard, Deflation, and Financial Crisis in the Great Depression: An International Comparison," in *Financial Markets and Financial Crises*, ed. R. Glenn Hubbard (Chicago: University of Chicago Press, 1991), 33-68.

[36] Peter Gourevitch, *Politics in Hard Times: Comparative Responses to International Economic Crises* (Ithaca, NY: Cornell University Press, 1986), 40.

[37] Barry Eichengreen, *Golden Fetters: The Gold Standard and the Great Depression, 1919-1939* (New York: Oxford University Press, 1992), 21-2.

[38] Gourevitch, *Politics in Hard Times*, ch. 4.

political authority in domestic and foreign affairs. Multiple power centers vied for control. These fragmented systems were unable to manage the economic crises, and out of this unique economic dislocation emerged unique forms of political organization: fascism in Germany and Italy and militarism in Japan. As Jeffry Frieden observes, "Almost every European ultraright wing or ultranationalist movement found its principal base of mass support among small business people or small farmers, or both. These were the groups most fundamentally displaced by interwar developments...."[39] The old politics often gave the dispossessed nothing, believing that it was necessary to "liquidate" overpriced assets so that the system could correct itself. Workers did not accept "liquidation" and opted for political radicalism.[40] While fascism centralized authority in Germany and Italy, in Japan multiple power centers outbid one another to pursue increasingly hawkish foreign policies.[41]

The focus and empirical findings of this volume are on rivalries since World War II. The logic of the domestic primacy argument is situated in the very different international economic system that has emerged since World War II, one that is characterized by very different domestic economic structures that exhibit different patterns of welfare expenditures to deal with economic perturbations and crises. The modern system also has its flaws, but those flaws are less severe than those so evident in the performance of the previous system of the pre-war period. The Great Depression afflicted states that had sufficient extractive resources to be able to finance military expansion, but chose not to use those extractive resources to soften the economic pain of the populace. As Barry Eichengreen notes, the very idea of unemployment as a social problem that necessitated action was novel in the decades preceding the Great Depression. There is a reason why British commentators talked not about "unemployment" but "pauperism" or "vagrancy," that

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[39] Jeffry Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century* (New York: W.W. Norton, 2006), 171.
[40] Frieden, *Global Capitalism*, 176.
[41] Yale Candee Maxon, *Control of Japanese Foreign Policy: A Study in Civil-Military Rivalry, 1930-1945* (Berkeley: University of California Press, 1957).

American writers talked about "idleness" and "loafing."[42] This conceptual apparatus viewed social expenditure as counterproductive and the gold standard prevented accommodative monetary policy. The result was massive economic and social suffering. When the social order was overturned radically, sufficient state institutional capacity existed to permit substantial military expansion. Thankfully in the post-war era, there are far fewer states that have this unique mix of institutional capacity to act but ideational commitment to inaction during economic downturns.

The example of the 1930s also suggests, despite the overall argument of this volume, that there are limits to the general tendency of economic downturns to lead to moderation abroad. When states are ideologically committed to militarism and violence, the incentives generated by economic downturn will be muted by ideological bias. In the post-war era, the closest examples of such states are Mao's China, Pol Pot's Cambodia, and the Kim dynasty's North Korea. Most theories when grappling with the complexity of the international system must accept that outliers will occur, and those outliers may be meaningful states. Even so, as this volume will show, the tendency is for states with concentrated executive authority that encounter economic troubles to pursue austerity and conciliation, rather than militarism. Further, by examining U.S.-China rapprochement in the 1970s, it will demonstrate that even for ideological states, the mechanisms listed above are still evident. Domestic primacy theory suggests that the story is different in states with fractured domestic configurations of political power. Economic downturns that affect states with diffuse executive authority often encounter contrary forces that break the link between economic troubles at home and conciliation abroad.

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[42] Eichengreen, *Golden Fetters*, 6.

## 4 Why Does Diffuse Executive Authority Prevent Conciliatory Behavior?

Economic crises provide incentives for defense cutbacks, strategic reassessment, and reconciliation with traditional foes. The existence of these incentives is insufficient to lead to changed rivalry outcomes, however. In particular, diffuse authority over foreign policy decisions can lead to poor or even maladaptive responses to environmental incentives. Leaders with diffuse control of their foreign policy apparatus, who must struggle with multiple veto players when advocating policy change, suffer three recurrent problems that impair their ability to enact conciliatory policies. When leaders have domestic political opponents in their national security elite, they fear conciliatory policies will threaten their political survival. They may refuse to attempt conciliatory policies—or water them down so that they are merely symbolic—rather than take grave political risks. Even if they attempt to improve relations with foes, leaders struggle to manage insubordination, sabotage, and spoiling behavior from veto players at home who support continued rivalry. All of these behaviors jeopardize rapprochement. Finally, in fractured foreign policy apparatuses with multiple power centers, information about an opponent and one's own capabilities is politicized, complicating strategic assessment and, as a consequence, political bargaining.

### 4.1 Leaders Self-Censor and Stall When Afraid of Ouster

When leaders fear that opponents within their government threaten their political survival, that fear will often motivate them to avoid conciliatory policies that they might prefer on their merits. Leaders consider conciliatory policies but ultimately choose to avoid them, knowing that their pursuit might lead to a dangerous backlash from hardline power centers within their regime. In such cases, leaders *self-censor*, avoiding policy paths they view as dangerous. Sometimes leaders will view the constraints from hardliners as an immutable part of the political landscape, but other

leaders might view their opposition as something that can be eroded or overcome given time and successful political maneuvering.

When leaders hope that eventually they will secure control over discordant parts of their national security apparatus, through personnel changes or institutional reform, they will often tell domestic friends and foreign interlocutors that they want to pursue conciliatory policies, but just not now. Leaders *stall* in their behavior toward rivals, attempting to buy time. When Pakistan's Zulfikar Ali Bhutto told U.S. and Indian officials that he "may not survive back home" if he made concessions to India after the 1971 war, he was urging delay. He told Indian leaders that in three to five years he could turn the Kashmir boundary into a *de jure* border, but needed time to "stabilize [himself] in office." The result was a Simla accord ending the 1971 war that did not settle the most significant political disagreement between India and Pakistan.[43] Stalling is rarely auspicious for future reconciliation. Leaders either exit the political scene due to the normal tumult of politics or, if they manage to hold on and are successful in re-arranging institutional structures, the crisis often has dissipated, removing their motive for action.

Self-censoring and stalling are rational responses by leaders facing domestic foes and international rivals simultaneously. The domestic foes are likely to present a more certain and sudden threat to political survival than the foreign foe. When leadership tenure is uncertain, the bulk of leadership attention is spent on political survival. Challenging hardliners on foreign policy grounds generally offers a future payoff (future trade, future aid, future foregone defense expenditures) in exchange for the risk of their backlash tomorrow, next week, or next month. Better to accommodate hardline factions in order to buy time. Foreign policy choices that might be welfare

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[43] For a fuller discussion, see India-Pakistan chapter in this volume.

maximizing are avoided so long as a leader's rule is prolonged.[44] These tactical choices made for

domestic political reasons can lead to international strategic blunders.


## 4.2 Leaders Face Insubordination, Sabotage, and Spoiling

Factional infighting on foreign policy matters can prevent reconciliation even if a leader

desires conciliatory policies. Governments are composed of a series of principal-agent relationships.

When factionalism and divergent preferences are endemic, agents defect from their principal's

wishes. Just as national leaders may self-censor or stall when they view it as injurious to their

political future, lower level officials can do so as well. Such officials may avoid directly opposing

orders to pursue peaceful initiatives, but they may also avoid entrepreneurship. New opportunities

are not identified or exploited aggressively. Reconciliation proceeds much more slowly than it might

given greater harmony in preferences across actors. Many alleged that Under Secretary of State John

Bolton played this role in the Bush administration, especially with regards to U.S. policy toward

North Korea. In Rose Gottemoeller's contemporary analysis: "Throughout his career in the first

Bush administration, he was always playing the stopper role for a lot of different issues and even

when there was obvious interest by the president in moving things forward, Bolton often found

ways of stopping things by tying the interagency process in knots."[45] In Bolton's case, as is common

in such instances, he had allies among hawks in the executive (such as the Office of the Vice

President during the Bush administration) and the legislative branch, so removing him outright was

difficult even when he pursued policies at variance with the president's wishes.

Even more extreme, actors with divergent preferences can *spoil* or *sabotage* nascent efforts to

improve relations. Most seriously, they can exceed their authority on matters of violence toward the

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[44] This is analogous to a broader challenge identified by Barbara Geddes, *Politician's Dilemma: Building State Capacity in Latin America* (Berkeley: University of California, 1994), 18.

[45] Peter Baker and Dafna Linzer, "Policy Shifts after Bolton's Departure from State Dept," *Washington Post*, June 20, 2005.

rival. For example, the 1999 Lahore peace process between India and Pakistan ended when India discovered a large-scale Pakistani incursion into Indian-held territory in northern Kashmir near the town of Kargil, an operation that appears to have had only limited political approval from the civilian government of Pakistani Prime Minister Nawaz Sharif. This effectively ended the nascent peace initiative. In the modern era, terrorism has been an effective way for hardliners within a state to derail reconciliation processes, since they have plausible deniability to their own leaderships about whether they were involved in a specific attack. Spoiling and sabotage can be thought of as sending a signal about type (dangerous vs. benign state), but also a signal about the risks of a special type of commitment problem.[46] The existence of hardliners willing to employ violence means that even if a rival state does not have an incentive to renege on an agreement, sub-state actors within that rival might have an incentive to do so in the future. Short of violence, there are a thousand quotidian ways to stall reconciliation that state actors have at their disposal. In states with freedom of the press, unfavorable leaks about new intelligence regarding the adversary to media outlets, especially when timed coincident with important meetings or agreements, are a well-established tool to halt positive momentum.

Even when veto players can be overridden, doing so takes time and requires resources. Veto players may implicitly or explicitly demand costly side-payments in exchange for their consent, side payments that by definition decrease the benefits that are secured by an international political agreement with a rival. For instance, in recent years, U.S. nuclear arms control agreements have been accompanied by demands for increased U.S. expenditure on nuclear weapons research at home. There are many possible benefits of nuclear arms control agreements, but one obvious one is that the United States might be able to reduce expenditure on nuclear arms. U.S. veto players demanded a side payment that decreased the benefit of nuclear arms control. Greater funding, greater

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[46] Commitment problems are one of two major mechanisms James Fearon uses to explain why war occurs despite its inefficiency. Fearon, "Rationalist Explanations for War," *International Organization* 49, no. 3 (1995): 379-414.

autonomy, or greater hawkishness outside of the rivalry are often demands made by hardliners in exchange for approving conciliation with historic foes. Sometimes these side payments are more costly than conciliatory leaders are willing to incur. Together these mechanisms mean that veto players generate strong inertial pressure. They may be unable to execute more aggressive foreign policies, but they can halt dovish turns. The result is the persistence of conflict.[47] Edward Mansfield, Helen Milner, and Jon Pevehouse have found a similar pattern in trade pacts, where the number of new agreements declines as the number of veto players increases. They provide a formal model identical in logic to that provided above. One of the features of that model is that the declining ability to secure trade pacts as veto players increase is present whether or not side payments ("bribes") are permitted to overcome veto player concerns.[48]

## 4.3 Information Sharing is Corrupted in Fractured Regimes

The final path by which diffuse executive authority can stymy rivalry termination is through impaired information flows. Hardliners tend to reside in militaries and intelligence apparatuses, but also periodically inhabit foreign ministries. Hardliners within militaries, intelligence agencies, and foreign ministries have extra incentives to quash evidence of benign adversary behavior and highlight evidence of threatening behavior. National leaders that might have interest in exploring reconciliation will have difficulty updating their assessment of foes since the information they receive is one-sided. This complicates greatly the task of strategic assessment. Risa Brooks reports, for instance, that the head of Egypt's armed forces in 1967 used his influence to ensure that reports of a meeting between Soviet and Egyptian officials led President Nasser to believe the Soviet Union

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[47] For evidence from civil wars, see David E. Cunningham, "Veto Players and Civil War Duration," *American Journal of Political Science* 50, no. 4 (2006): 875-92.

[48] Edward D. Mansfield, Helen V. Milner, and Jon C. Pevehouse, "Vetoing Cooperation: The Impact of Veto Players on Preferential Trading Arrangements," *British Journal of Political Science* 37 (2007): 403-432. For similar results comparing autocracies and democracies, see Ana Carolina Garriga, "Regime Type and Bilateral Treaty Formalization: Do Too Many Cooks Spoil the Soup?" *Journal of Conflict Resolution* 53, no. 5 (October 2009): 698-726.

might intervene to aid Egypt in the event of a confrontation with Israel, when in fact the discussions

with the Soviet Union contained strong messages of just the opposite.[49] In other words, during

periods of diffuse executive authority, national leaders not only must calculate if making the correct

international strategic choice will have unacceptable domestic political ramifications, they often have

difficulty even knowing what the correct strategic choice is in a factionalized environment.

## 4.4 Veto Players Prevent Leaders from Pursuing Conciliatory Policies

Together, these mechanisms highlight multiple ways that the presence of foreign policy veto

players complicates the ability of leaders to achieve their policy goals, even if leaders want to pursue

conciliatory policies because of domestic economic woes. These mechanisms are summarized in
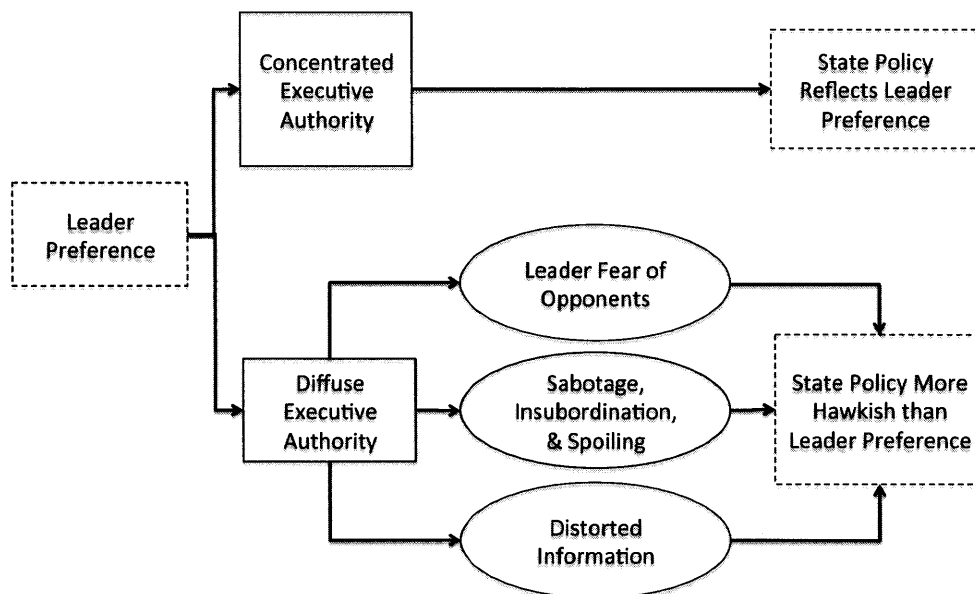
Figure 2.2 below.



Figure 2.2: Veto Players Prevent Leaders from Pursuing Conciliatory Policies

[49] Risa Brooks, *Shaping Strategy: The Civil-Military Politics of Strategic Assessment* (Princeton: Princeton University Press: 2008), 81-2.

## 5 Why Diversionary Peace and Not Diversionary War?

A theory that argues economic crises are likely to generate pressures to improve relations

with historic rivals is seemingly at odds with one of the most well-known concepts in security

studies: diversionary war. Diversionary war theories suggest that economic downturns or political

difficulties lead national leaders to instigate conflict oversees. Two distinct causal logics are often

posited: (1) that conflicts with external groups will generate greater feelings of "in-group" loyalty,

spurring a "rally around the flag" effect[50] or (2) that success in diversionary war could serve as a

substitute for failures in domestic policy, so that leaders might opt to "gamble for resurrection"

when domestic policies have failed but foreign policies might succeed.[51] Given these arguments, why

is it more plausible to believe diversionary peace is observed rather than diversionary war?

First, the empirical support in favor of diversionary war during periods of economic or

political disturbance is at best unconvincing. M. Taylor Fravel concludes, "[D]espite two decades of

renewed research, cumulative knowledge on diversion remains elusive. Quantitative studies contain

mixed and often contradictory empirical results regarding the relationship between internal and

external conflict. Some studies find a positive relationship between indicators of domestic

dissatisfaction and threats or uses of force in analysis of U.S. behavior and in cross-national studies.

By contrast, other research identifies a weak or nonexistent relationship between these same

variables."[52] Of particular interest, Williams, Brulé, and Koch find evidence in advanced economies

that voters punish foreign diversions during economic downturns, and they hypothesize that this

empirical finding stems from voters preference for marshaling resources at home during periods of

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[50] Georg Simmel, *Conflict*, translated by Kurt Wolff (New York: Free Press, 1964); Lewis Coser, *The Functions of Social Conflict* (New York: Free Press, 1956); Arthur Stein, "Conflict and Cohesion: A Review of the Literature," *Journal of Conflict Resolution* 20, no. 1 (March 1976): 144-5; Kenneth Waltz, *Foreign Policy and Democratic Politics: The American and British Experience* (Boston: Little, Brown, 1967), 275-9; John Mueller, *War, Presidents and Public Opinion* (New York: John Wiley & Sons, 1973), 208-213.

[51] George Downs and David Rocke, "Conflict, Agency, and Gambling for Resurrection: The Principal-Agent Problem Goes to War," *American Journal of Political Science* 38, no. 2 (May 1994): 362-80.

[52] M. Taylor Fravel, "The Limits of Diversion: Rethinking Internal and External Conflict," *Security Studies* 19, no. 2 (2010): 308-9. For a comprehensive literature review, see Fravel, "The Limits of Diversion," fn. 7, 8, 9, and 11.

economic trouble.[53] This empirical finding conforms to Geoffrey Blainey's more casual observation

four decades ago that starting trouble overseas during periods of economic difficulty is irrational

since paying for that conflict is more difficult because of those economic hardships at home.[54]

In addition to null findings in support of diversionary war's existence, there is limited

support for the opposite conclusion that domestic vulnerability might spur reconciliation abroad.

Christopher Darnton provided historical, qualitative evidence that economic downturns facilitated

rapprochement when rival states in Latin America shared a common enemy.[55] M. Taylor Fravel

examined China's willingness to undertake compromise in territorial disputes, drawing on Steven

David's concept of omnibalancing, in which national leaders seek to employ resources to best

manage both external and internal threats simultaneously.[56] Particularly for developing states, David

and others have argued, internal threats may present more acute risks to regime survival.[57] Fravel

argues that internal threats to territorial integrity or threats to internal political stability can create

incentives for states to compromise on disputes in order to free up resources for other tasks or gain

new resources as a result of the resolved conflict.[58] Finally, Krista Weigand has presented cross-

national quantitative evidence that states undergoing periods of domestic political turmoil have been

more likely to attempt territorial settlements than those with placid domestic conditions.[59]

Setting aside the overall levels of empirical support, there are other ways to reconcile

diversionary war with patterns of diversionary peace. It is possible that if diversionary war does

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[53] Laron K. Williams, David J. Brule and Michael Koch, "War Voting: Interstate Disputes, the Economy, and Electoral Outcomes," *Conflict Management and Peace Science* 27, no. 5 (2010): 442-60.
[54] Geoffrey Blainey, *Causes of War*, 3rd ed. (New York: Free Press, 1988), 87-8, 93, and 96.
[55] Christopher Darnton, "Overcoming International Security Rivalry: Parochial Interest, Anticommunism, and the Domestic Politics of Cold War Latin America" (PhD diss., Princeton University, 2009).
[56] Steven David, "Explaining Third World Alignment," *World Politics* 43, no. 2 (January 1991): 233–56.
[57] Also see Mohammed Ayoob, *The Third World Security Predicament: State Making, Regional Conflict, and the International System* (Boulder, CO: Lynne Rienner, 1995).
[58] M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton: Princeton University Press, 2008), 20-2.
[59] Krista Wiegand, "Territorial Dispute Settlement Attempts as Domestic Diversion," paper presented at the American Political Science Association annual conference, Seattle, WA, September 2011.

occur it is less likely to occur between rivals. While rivalries have emotional salience because of the enduring conflict, they also involve states that have been unable to resolve the rivalry through military force, as evidenced by the rivalry's continued existence. A war that a leader expects to lose is unlikely to be an attractive diversion from domestic woes.[60] As Amy Oakes notes, many weak states are seeking at most a "diversionary spectacle," by provoking controversy with a target "unlikely to fight back."[61] The median dyad in the international system is 71 percent more unequal in its distribution of capabilities than the median rival pair.[62] Rivals, on average, are less attractive targets for opportunism than other states.

Finally, if diversionary war does occur, domestic primacy theory would predict that it is most likely to occur when executive authority is fractured rather than concentrated. David Brulé finds that when congressional opposition prevents presidential policies to improve the economy, a president is more likely to resort to force precisely because Congress has fewer means to block the use of force overseas.[63] It is a peculiarity of many systems that there are more veto players whose agreement is necessary to achieve political settlement than there are veto players to the use of force. Multiple factions might also lead to conflict abroad through an out-bidding mechanism whereby factional infighting leads to nationalist appeals as an attempt to gain electoral dividends or other allies in the elite. Work by Stephen Van Evera, Jack Snyder and Karen Ballentine concluded that in periods of

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[60] Fravel makes a related point that diversionary war requires "possession of military capabilities sufficient for the execution of a limited aims operation (short of war) over the salient issue...." Fravel, "The Limits of Diversion," 313.

[61] Amy Oakes, *Diversionary War: Domestic Unrest and International Conflict* (Stanford: Stanford University Press, 2012), 7.

[62] If 0 is equal to perfect parity in national capabilities as measured by the Composite Indicator of National Capabilities, and 0.5 is equal to perfect imbalance, then the median dyad has an imbalance of .382, while the median rivalry has an imbalance of .222. The mean for all dyads is .330, while the mean for rivals is .223. National Military Capabilities, v. 4.0 dataset. Correlates of War data are described in J. David Singer, "Reconstructing the Correlates of War Dataset on Material Capabilities of States, 1816-1985," International Interactions (1987), 14: 115-32.

[63] Brulé, "Congressional Opposition, the Economy, and U.S. Dispute Initiation," *Journal of Conflict Resolution* 50, no. 4 (August 2006): 463-83.

imperfect competition between elites, in societies governed under neither total dictatorship nor established democracy, such trends might be especially dangerous.[64]

Taken together, there should be ample skepticism that diversionary war is a common occurrence in international relations. If diversionary wars do occur, they are less likely to occur between rivals. Further still, if diversionary wars do occur, they may be more likely to occur in states with fractured executive authority. In other words, this dissertation's claim that diversionary peace may occur in certain circumstances is not contrary to the limited cumulative findings that diversionary war might occur in different circumstances.

## 6 When is Rivalry Termination Most Likely?

If the arguments linking economic downturns to conciliatory preferences and concentrated executive authority with the ability to translate those preferences into policy are true, then combining these two factors generates a clear prediction of when conciliatory policies will be preferred by rival states. Only states facing economic difficulty have incentives to adopt conciliatory initiatives toward strategic rivals, while only those states with concentrated executive authority have the ability to develop, implement, and sustain such policy efforts.

In contrast, under different combinations of these two factors, rivalry termination is unlikely. During periods of economic normalcy, national leaders have little incentive to confront domestic hardliners and the persistence of interstate rivalries is the norm whether executive authority is concentrated or not. During periods of economic crisis but diffuse executive authority, national leaders may attempt to pursue conciliatory policies to free up resources that can then be employed

[64] Stephen Van Evera, "Hypotheses on Nationalism and War," *International Security* 18, no. 4 (Spring 1994): 33-4; Jack Snyder and Karen Ballentine, "Nationalism and the Marketplace of Ideas," *International Security* 21, no. 2 (Fall 1996): 5-40. Many of Jack Snyder's works have discussed patterns of elite competition under different institutional contexts and violence. Also see Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca: Cornell University Press, 1991); Snyder, "Nationalism and the Crisis of the Post-Soviet State," *Survival* 35, no. 1 (Spring 1993): 27-47; Snyder, *From Voting to Violence: Democratization and Nationalist Conflict* (New York: W. W. Norton, 2000); Edward D. Mansfield and Snyder, *Electing to Fight: Why Emerging Democracies Go to War* (Cambridge, Mass.: MIT Press, 2005).

to buttress domestic support, but those attempts fail because hardliners act as spoilers and often prevent reconciliation. The leader's preferences may be more conciliatory, but many acts of disobedience complicate the leader's ability to achieve that preference. In many cases, seeing the treacherous path before them, leaders choose not to even attempt conciliatory policies in such circumstances. The combined causal logics are shown in Figure 2.3.
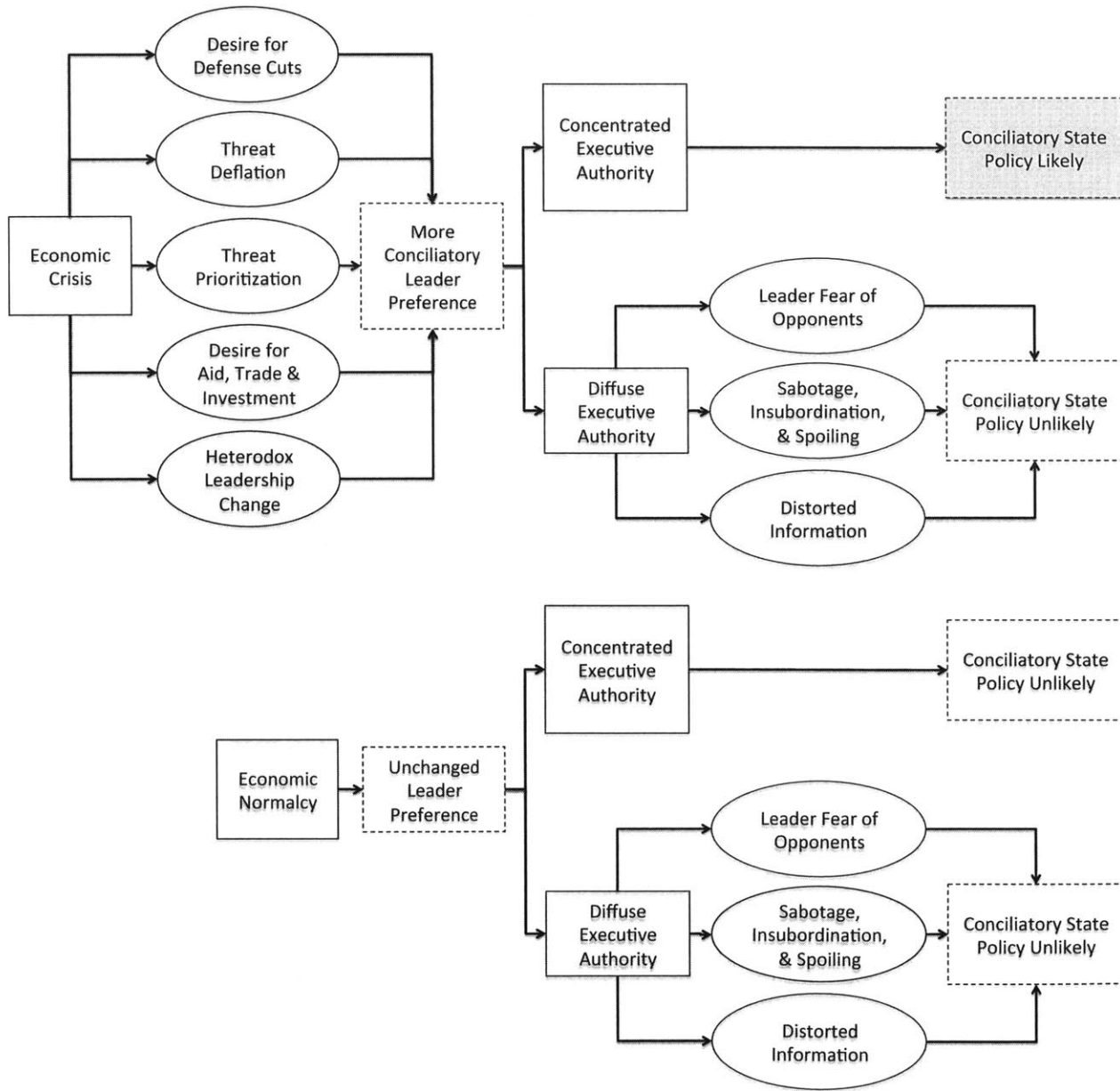


Figure 2.3: Economic Conditions, Concentration of Executive Authority, and Conciliatory Policy

Only during periods of domestic economic crisis and for leaders invested with concentrated executive power should we expect successful and sustained conciliatory initiatives. These predictions are shown in Table 2.1 below.

Table 2.1: Political and Economic Conditions and Policy toward Rivals

| State Prediction | | |
|---|---|---|
| | Diffuse Authority | Concentrated Authority |
| Economic Normalcy | Conciliatory Policy Unlikely | Conciliatory Policy Unlikely |
| Economic Crisis | Conciliatory Policy Unlikely | Conciliatory Policy Likely |

## 6.1 The Meaning of Half-Measures: Conciliatory Gestures Short of Rivalry Termination

Not every episode where a state pursues conciliatory initiatives toward its rival results in rivalry termination. It may take years of conciliatory initiatives to overcome a legacy of distrust or to provide space for political negotiations that can identify settlements for an enduring peace. Peacemaking is logically prior to peace. This implies that domestic primacy theory also makes predictions about intermediate outcomes short of rivalry termination. For each rival state, as described above, conciliatory policies are more likely when both economic urgency and political capability are present. For each pair of rivals, serious peacemaking initiatives should be more common when conditions are favorable according to domestic primacy theory, even if those initiatives do not result in the termination of the rivalry. In some circumstances, these initiatives may still result in rapprochement—serious improvement in bilateral relations—even when they do not lead to transformed relations. The timing and occurrence of conciliatory initiatives and rapprochement between rivals can help assess the validity of domestic primacy theory, as well as alternative theories of rivalry termination.

## 6.2 Bargaining between Rivals: A Two-Level Game

The theory identified above provides predictions for how economic crises shape leader preferences and how leader preferences are mediated through a state's foreign policy apparatus into state policy. Interstate rivalry, however, is a dyadic outcome. Rivalries persist because a political settlement is not found that can meet the minimal bargaining conditions of both sides. The monadic theory provided above predicts when those minimal bargaining conditions will become more accommodative, creating more space for a political solution. Economic crises motivate leaders to pursue conciliatory behavior, though this motivation can be nullified by the presence of veto players that have more stringent bargaining requirements than the national leader. When one state becomes more accommodative, the probability of a successful political settlement becomes somewhat more likely between a pair of states. State grievances that motivate the rivalry are "sticky." Minimally acceptable bargaining outcomes that were out of reach during periods of normalcy may come within reach when one or both rivals is favorably predisposed to terminate the rivalry. It is difficult for the adversary to exploit this greater accommodation because information is imperfect, and the adversary cannot know whether seeking more expansive aims will result in bargaining failure. Delay in reaching agreement entails continued costs in the form of increased military expenditure, decreased trade, and heightened risk of conflict.

Table 2.2: State Conditions and Rivalry Outcomes

| Rivalry Prediction | | |
|---|---|---|
| | State A Unfavorable | State A Favorable |
| State B Unfavorable | Termination Unlikely | Termination Somewhat Likely |
| State B Favorable | Termination Somewhat Likely | Termination Most Likely |

When both states face difficult economic conditions at home, but with governments characterized by concentrated executive authority, the possibility for rapprochement and peace is the greatest. Both states urgently seek to secure the benefits from rivalry termination, and prolonged delays run the risk of a lost opportunity to resolve the rivalry through negotiations. These dyadic predictions are shown in Table 2.2 above.

## Conclusion

This chapter has explained the logic of domestic primacy theory. Distinct combinations of domestic economic and political circumstances predispose states to conciliatory or hardline behavior. Whether circumstances are favorable or unfavorable in one or both rival states then determines the likelihood the rivalry can be resolved peacefully. The next chapter will compare domestic primacy theory with the major alternative explanations and provide a research design to test these competing theories.

# CHAPTER 3: OBSERVING RIVALRY: CONCEPTS, MEASUREMENTS, AND RESEARCH DESIGN

The foregoing chapters have described why some periods are characterized by policy change and others exhibit continuity, and how those general tendencies manifest themselves in interstate rivalries. This chapter will provide an analytic framework for use in testing the relationship hypothesized in the previous chapter. Only with clear concepts, precise measurements, and an appropriate research design is it possible to identify whether periods of economic crisis experienced by states with concentrated executive authority are indeed associated with rivalry termination. This chapter lays out those elements. First, I describe how I conceptualize and measure rivalry termination. Next, I review how I define and measure the two components of my theory: economic crises and concentrated executive authority. Following this, I recapitulate the major alternative explanations for rivalry termination that have been proposed previously. Finally, I describe the research design that will permit me to test my theory compared to the major alternative explanations advanced in previous scholarship.

## 1 Measuring Rivalry and Rivalry Termination

This dissertation contributes to and builds upon an ongoing research program that attempts to identify the occurrence of interstate rivalry. That program has bifurcated into two major camps: one that classifies rivalry based on interstate disputes and another that identifies rivalry based on the perceptions of the elites of those states. One camp infers rivalry from the behavior of states, while the other relies upon the beliefs of national leaders.

For scholars within the first group, a rivalry is present whenever a pair of states is involved in frequent militarized disputes with one another, especially if those disputes arise from the same set

of issues.[1] Within this research tradition, rivalries do not terminate, rather they fade away after crisis behavior attenuates. In these approaches, when the "density" of disputes—the number of crises in a particular time frame—drops below a certain threshold, the rivalries are assumed to end at some arbitrary date (five, ten, fifteen years) after that point. Gary Goertz and Paul Diehl explain, "One cannot pinpoint the exact year of termination for the rivalry according to these approaches."[2] Instead, Goertz and Diehl prefer the analogy of remission and recovery from cancer, where testing after treatment may allow a doctor to declare the patient cancer-free without knowing the precise time this salutary change took place.

This dissertation takes a different approach, one consistent with the work of the second group of researchers. This group argues that rivalries exist when elites of two states each view the other state as an enemy, specifically a military threat. This conceptualization is most closely associated with William Thompson and colleagues. This dissertation relies heavily on Thompson's work, especially the inventory of interstate rivalries that he created with David Dreyer. In that work, Thompson and Dreyer attempt to identify "which actor(s) is (are) most threatening at any point in time" as perceived by national decision-makers. One principal advantage of their approach is that it permits the assignment of a clear date for the rivalry's conclusion, even if making this determination in practice is challenging. "The onset of rivalry is usually easier to pin down than the termination date," Thompson and Dreyer argue. "Suspicions linger on sometimes for relatively long periods of time." As a result, in their empirical work "the primary effort is to pin down when governments no longer seem to consider each other as enemies."[3]

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[1] James P. Klein, Gary Goertz, and Paul F. Diehl, "The New Rivalry Dataset: Procedures and Patterns," *Journal of Peace Research* 43, no. 3 (2006): 331-48; and J. Joseph Hewitt, "A Crisis-Density Formulation for Identifying Rivalries," *Journal of Peace Research* 42, no. 2 (March 2005): 183-200.

[2] Diehl and Goertz, *War and Peace in International Rivalry* (Ann Arbor: University of Michigan Press, 2000), 38.

[3] William Thompson and David Dreyer, *Handbook of International Rivalries: 1494-2010* (Washington, D.C.: CQ Press, 2012), 12, 20-1.

Since this dissertation is concerned with explaining the circumstances that contribute to the end of interstate rivalries, identifying *when* rivalries conclude is especially important. I have scrutinized Thompson and Dreyer's data closely to validate their assessments. In doing so, I have looked to identify discrete public or private statements or agreements that precede a decrease in military disputes or military activity directed at the rivalry. I have also sought to find explicit political directives for militaries to focus on other threats. The following types of events often indicate serious improvement in bilateral relations:

- Unilateral or joint statements or agreements that renounce the use of force to resolve interstate disputes.

- Unilateral or joint statements or agreements that resolve the basis of an interstate dispute.

- International mediation or arbitration that resolves the basis of an interstate dispute, so long as both rivals accept it.

- Restoration of diplomatic relations if they have been suspended for a long period.

- Reopening of commercial relations and land, air, or sea lines of communication if they have been suspended.

- Redeployment of military forces away from a rival or the removal of military forces from a third-state if the conflict in the third-state is the basis of the rivalry.

- If public statements are not available, private assessments by influential elites that a formerly belligerent relationship is now normalized.

- If clear elite evidence is not available, public opinion indicators that a former rival is no longer perceived as a threat.

In addition to these indicators of a political decision to improve relations, I have scrutinized whether the positive development was followed by changes in military disposition.[4] When a positive event was followed shortly by a negative event, such as a border clash, I have discounted the importance of a positive event. I have drawn heavily from the work of the first camp of rivalry scholars—those that use dispute incidence to define rivalry—in validating the inventory provided by the second camp of rivalry scholars.[5]

These indicators play a prominent part in the qualitative, historical case studies that follow, but they also play a crucial role in ensuring the validity of the quantitative tests undertaken in Chapter 11. I have closely reviewed all rivalries identified by Thompson and Dreyer that conclude after 1950 or remain ongoing today, since that period is the focus of my subsequent quantitative analyses. In doing so, I sought to utilize the coding criteria for termination employed above to confirm Thompson and Dreyer's conclusions.

Since 1950, Thompson and Dreyer record the end of 65 rivalries. I concur that all of these rivalries did conclude after 1950 and my coding of the end year coincides with Thompson and Dreyer for 57 of those 65 rivalries, or 88 percent of the cases. In an additional case, I find a rivalry termination that they record prior to 1950 in fact took place later (Greece's rivalry with Bulgaria persisted until 1954, not 1947 as they record). In one final case, I conclude a rivalry ended (the Israel-Egypt rivalry in 1979) that they record as ongoing.[6] For the 11 episodes where my coding differs from theirs, the most common reason is that Thompson and Dreyer have made a conservative choice in their coding decision to wait for a leader associated with a rivalry to leave power before assessing that a rivalry is terminated. Thompson and Dreyer tended to use this

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[4] For a discussion of similar indicators, see Stephen R. Rock, *Why Peace Breaks Out: Great Power Rapprochement in Historical Perspective* (Chapel Hill: University of North Carolina Press, 1989), 22-3.

[5] Klein, Goertz, and Diehl provide summary narratives of each rivalry they identify to explain their coding decisions. Klein, Goertz, and Diehl, "The New Rivalry Dataset." Thompson and Dreyer provide similar narratives using their approach. Thompson and Dreyer, *The International Rivalries Handbook.*

[6] It seems possible that the Israel-Egypt rivalry re-emerged after the fall of Hosni Mubarak in 2011, but that was after three decades when neither country was a military priority for the other.

decision rule when data was sparse, such as with rivalries in Africa. I have reviewed contemporary news coverage, declassified documents, and secondary histories to more precisely identify when political settlements, statements, or agreements were announced and, when such an event is readily discernible, I have used that date instead of the one proposed by Thompson and Dreyer. When the precise date of termination remains ambiguous, I defer to Thompson and Dreyer's coding decisions. Additional details on the universe of rivalries are available in Appendix A.

## 2 What is an Economic Crisis?

Rivalry termination, the emergence of peace in a dyadic relationship previously characterized by conflict, is the outcome of interest for this dissertation. I argue that the conjoint occurrence of economic crisis alongside concentrated executive authority makes rivalry termination more likely. How can such circumstances be observed?

Economic crisis can be experienced in multiple ways, but all of them are discernible and measurable. Economic crises experienced by rivals in this study include (1) decreases in real gross domestic product either in aggregate or per capita terms, (2) prolonged periods of slow growth (less than 1 percent annually), (3) inflation at levels substantially above the historic trend, (4) a balance of payments crisis where a country is unable to finance its imports with its existing foreign currency reserves, (5) fiscal crises where countries have difficulty raising funds (through revenue or borrowing) to finance government expenditures, or (6) food shortages and famines.

Importantly, the crises described in this study all have in common that leaders come to believe they have insufficient means to satisfactorily achieve national ends, especially when this insufficiency is worse than prior expectations. It is this widening in the gap between means and ends that distinguishes periods of economic difficulty from those of economic normalcy. During periods of economic normalcy, resources to achieve national goals are increasing commensurate to those

goals or at a greater rate. During periods of crisis, the problems that require solutions grow, but the resources available to solve them dwindle.

Economic crisis brings to the surface the opportunity cost of rivalry persistence. These economic difficulties often lead policymakers to conclude that they cannot improve domestic welfare *and* protect their state adequately from foreign foes. They are forced to make a choice: (1) let domestic welfare suffer, with potential domestic political consequences, or (2) accept that military means will be insufficient to achieve foreign policy objectives against all rivals, exposing the state to greater international danger, or (3) decide a rivalry must be abandoned so that the limited means available can be used to enhance domestic welfare or deter other threats without further degrading domestic welfare.

As will be described in greater detail in Chapter 11, for the cross-national quantitative component of this study, I have employed a parsimonious definition of economic crisis—that of economic recession—to test the relationship between economic difficulties and rivalry outcomes across the widest possible range of cases. In the qualitative, historical case studies I have provided evidence of elite perceptions of the national economic circumstances wherever possible. It is important for my argument not just that economic downturns be associated with rivalry outcomes, but that the perception of economic downturns by elites be associated with those outcomes, since it is the decisions of elites motivated by their assessment of the situation that serve as the motor of my theory.

## 3 Measuring Concentrated Executive Authority

Measuring whether a state has concentrated or diffuse authority over foreign policy decisions is more challenging than measuring the existence of an economic crisis. Concentrated authority is the ability of a leader to make a foreign policy decision with confidence that it will be implemented

and without fear that others within the government will reverse it. As discussed in Chapters 1 and 2, it is most closely associated with the number of veto players in the government that have the authority and capability to resist the leader's preferences. Six indicators typically suggest that a leader has concentrated executive authority. These six indicators are not constituent elements of concentrated executive authority, since they are logically associated and empirically correlated. Rather, they are signs of concentrated executive authority. References to them by contemporary observers, by participants in the political process, and by historians help distinguish systems of concentrated authority from those where authority is diffuse or fractured. No system is perfectly concentrated or perfectly diffuse, but together the indicators below help locate a specific system at a specific time as being more concentrated or more diffuse.

*Unequal power relations.* Leaders with concentrated executive authority have unequal power relations even with their closest political peers. They do not engage in cabinet rule, or consultative, consensus-based politics. They are not referred to as "first among equals." They decide, others implement. This asymmetry is apparent in contemporary and historical assessments of their rule. Thus, Jawaharlal Nehru's biographer judged that the Indian cabinet during Nehru's rule was composed of "tame subordinates" after December 1950, when Vallabhbhai Patel, Nehru's deputy prime minister, died.[7] Sabrina Ramet described Croatian strongman Franco Tudjman's rule in an even more asymmetric way: "Just as the father in the family may set rules for his children to which he himself is not subject (such as bedtime or attention to homework), so too Tudjman, as Father of his country, could preside over a system in which he (and his inner circle) could be exempt from the rules and laws which applied to other people."[8] Analysts looking at rule in concentrated systems

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[7] Gopal, *Jawaharlal Nehru: A Biography*, vol. 2, *1947-1956* (Delhi: Oxford University Press, 1977), 303-4.
[8] Sabrina Ramet, "Politics in Croatia since 1990," in *Central and Southeast European Politics since 1989*, ed. Ramet (New York: Cambridge University Press, 2010), 259.

often regard the leader as having "hegemonic" or "imperial" control over the state, with leaders as diverse as Greek prime minister (and Field Marshal) Alexandros Papagos, U.S. president Richard Nixon, South African president P. W. Botha, and Guinea-Bissau's president João Bernado Vieira each described by analysts as having hegemonic or imperial rule over their respective systems.[9] Leaders are said to "dominate" national politics, a verb used to characterize the politics of Yugoslavia's Josef Tito,[10] Great Britain's Margarat Thatcher,[11] Serbia's Slobodan Milosevic,[12] and Senegal's Abdou Diouf,[13] among others. Sometimes the leaders themselves are open about the unequal state of power relations, such as when Guinea's Lansana Conté told the press bluntly in 2007, "I'm the boss; others are my subordinates."[14]

*Rule is Personalized and Centralized.* Consistent with these unequal power relations, all major decisions are referred to the leader. As a result, rule in states with concentrated authority is personalized and centralized. Analysts describe the government as being a "one-man show," as they did of Argentina's Raul Alfonsín[15] and India's Nehru,[16] "centralized, one-man rule" as they did for Pakistan's Ayub Khan,[17] or a "one-man dictatorship," as they did for Bulgaria's Valko Chervenkov[18] (whose nickname was "Little Stalin.")[19] They refer to the leader as the "sole decision-maker" on

[9] Papagos: George Manios, "The Relationship between the Party System and Military Intervention in a Transitional Society: The Case of Post-war Greece" (Master's thesis, McMaster University, 1979), 104-6; Nixon: James Schlesinger, *The Imperial Presidency* (New York: Houghton Mifflin, 2004), ch. 8; Botha: Nic Olivier, "The Head of Government and the Party," in *Malan to De Klerk: Leadership in the Apartheid State,* ed. Robert Schrire (New York: St. Martin's Press, 1994), 96; Vieira: Joshua B. Forrest, "Guinea-Bissau Since Independence: A Decade of Domestic Power Struggles," *Journal of Modern African Studies* 25, no. 1 (1987): 95-116.
[10] National Intelligence Estimate no. 93, "Probable Developments in Yugoslavia," Washington, DC, June 26, 1953, in *Foreign Relations of the United States,* 1952-1954, vol. 8, *Eastern Europe, Soviet Union, Eastern Mediterranean,* doc. 681.
[11] Anthony Hartley, "After the Thatcher Decade," *Foreign Affairs* 68, no. 5 (1989): 116.
[12] Sabrina Ramet, *Balkan Babel: The Disintegration of Yugoslavia from the Death of Tito to Ethnic War,* 2nd ed. (Boulder, CO: Westview Press, 1996), 31.
[13] Penda Mbow, "Senegal: The Return of Personalism," *Journal of Democracy* 19, no. 1 (2008): 168.
[14] Chris McGreal, "Lansana Conté: Death of an African 'Big Man'," *The Guardian,* December 23, 2008.
[15] Lydia Chavez, "Alfonsin's One-Man Show," *New York Times,* December 15, 1985.
[16] Gopal, *Jawaharlal Nehru: A Biography,* vol. 2, *1947-1956,* 303-4.
[17] Robert LaPorte, Jr., "Succession in Pakistan: Continuity and Change in the Garrison State," *Asian Survey* 9, no. 11 (1969): 847.
[18] Glenn E. Curtis, "Historical Setting," in *Bulgaria: A Country Study,* ed. Glenn E. Curtis (Washington, DC: Library of Congress, 1992), 46-7.
[19] R. J. Crampton, "Balkan Communist Leaders," *Journal of Southern Europe and the Balkans* 6, no. 3 (2004): 214-5.

national security issues, a phrase used to describe both King Hussain of Jordan[20] and General

Augusto Pinochet of Chile.[21] Modern Egypt has often been an archetypal case of concentrated

authority. In the words of Ali E. Hillal Dessouki, "foreign policy was the *domaine privé* of the

president and his close associates… [who] centralized and personalized the foreign policy-making

process, limiting the role of institutions. The influence of different individuals upon the process

depended not on their position in the cabinet or the bureaucracy, but rather on their personal

relations and access to the president…."[22] Leaders with concentrated executive authority often

create reporting channels on foreign policy matters that bypass the traditional bureaucracy. Jordan's

King Hussein not only hand-selected ambassadors to important countries, he often had them file

their sensitive reports directly to the palace, bypassing the foreign ministry entirely.[23] Richard Nixon

created back channels so that foreign heads of state could communicate directly with him without

the knowledge of his State Department or Secretary of State.[24]

*Decision-Making Autonomy.* Leaders with concentrated authority have the ability to take a

decision on national security issues autonomously, without waiting for deliberations from their

cabinets and advisors. They may consult as a matter of pragmatism, but they do not need the explicit

support of their peers to make consequential decisions. Again, modern Egypt offers the

quintessential example, described by one analyst as a system where "an authoritative decision-

maker… can act alone, with little or no consultation with other people or institutions except for a

small group of subordinate advisors. These advisors are appointed by the leader and have no

[20] Ali E. Hillal Dessouki and Karen Aboul Kheir, "The Politics of Vulnerability and Survival: The Foreign Policy of Jordan," in *The Foreign Policies of Arab States*, eds. Bahgat Korany and Ali E. Hillal Dessouk, 2nd ed. (Boulder, CO: Westview Press, 1991), 227-8.

[21] Directorate of Intelligence, Central Intelligence Agency, "Chile: Pinochet and the Military, An Intelligence Assessment" [no publication date, but intelligence cutoff of March 20, 1987 is provided], http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000451568.pdf.

[22] Ali E. Hillal Dessouki, "The Primacy of Economics: The Foreign Policy of Egypt," in *The Foreign Policies of Arab States*, eds. Bahgat Korany and Ali E. Hillal Dessouki, 2nd ed. (Boulder, CO: Westview Press, 1991), 168-9.

[23] Hillal Dessouki and Aboul Kheir, "The Politics of Vulnerability and Survival," 227-8.

[24] Henry Kissinger, *White House Years* (Boston: Little, Brown and Co., 1979), 29.

autonomous power base…. [This type] of decision-making results in a highly personalized diplomacy. It is also characterized by the ability to respond quickly and to adopt nontraditional behavior."[25] Even within Egypt, Anwar Sadat was the apotheosis of these tendencies: insisting "on his unilateral right to make foreign-policy" and taking "crucial decisions in defiance of elite opinion and in disregard of professional military and diplomatic advice."[26] Similarly, Syria's Hafez al-Assad could arbitrate which rival faction in his regime would prevail in a policy disagreement "and if he felt strongly about a course of action, a coalescence of other members of the elite against him was most unlikely."[27] If a rival did oppose Asad's course of action, "There is certainly no evidence that any elite actor has contested his role as final arbiter and survived politically."[28]

*Secure in Office.* Leaders with concentrated executive authority are not perpetually wary that they will be ousted from power before their term in office is complete. This security may come from a tradition of peaceful leadership transition or a history of stable civil-military relations, but frequently it comes from having eliminated political rivals and maintaining a network of political (or intelligence) operatives that are able to identify and manage threats before they become severe. Such leaders are able to anger hardliners within their government without worrying that these individuals will resort to force to try to resist conciliatory gestures. Leaders themselves, and those surveying the situation, assess that the regime is stable and secure. Thus the U.S. intelligence community concluded of Yugoslav strongman Josef Tito, "Yugoslavia remains a Communist dictatorship, with Tito in unquestioned control…. [T]here is almost no likelihood that [Tito's regime] will be overthrown in the foreseeable future…. The present regime owes its strength and stability in large

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[25] Ali E. Hillal Dessouki, "The Primacy of Economics: The Foreign Policy of Egypt," in *The Foreign Policies of Arab States*, eds. Bahgat Korany and Ali E. Hillal Dessouki, 2nd ed. (Boulder, CO: Westview Press, 1991), 168-9.
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[27] Raymond A. Hinnebusch, "Revisionist Dreams, Realist Strategies: The Foreign Policy of Syria," in *The Foreign Policies of Arab States*, eds. Bahgat Korany and Ali E. Hillal Dessouki (Boulder, CO: Westview Press, 1984), 299-300.
[28] Hinnebusch, "Revisionist Dreams, Realist Strategies," 389.

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measure to Tito's dominant position."[29] Sometimes this sense of security is misplaced. Pakistani

prime minister Zulfikar Ali Bhutto felt that his position was secure and that he had neutralized the

Pakistan Army until just a few months before he was overthrown.[30]

*Opponents Can Be Removed or Circumvented.* Leaders with concentrated executive authority are

secure in office in substantial part because they have demonstrated an ability to remove political

opponents or circumvent those opponents whose position they cannot directly manipulate. Thus

Pakistan's Bhutto felt secure because he had frequently reshuffled senior ranks of the Pakistan

military until he identified a leader of the Pakistan Army he trusted. After forcing 43 senior officers

in the Pakistan military to retire, it was Zulfikar's mistake that he trusted Zia ul-Haq to lead the

Pakistan Army.[31] Field Marshal Papagos of Greece removed 5,000 bureaucrats from civil service,

both as an austerity measure but also to ensure a responsive state apparatus, while reshuffling the

military leadership to remove political opponents from command.[32] It is exceptionally common for a

leader's early months or years in office to be tentative until the leader is forced or decides to openly

confront political opponents. That outcome of this confrontation can vary from political disaster for

the leader, a stalemate between rival power centers, or political dominance for the leader. Over and

over again, leaders who come to gain concentrated executive authority purge opponents from high

office or senior military command. In democratic set ups, they neutralize rivals by creating processes

that bypass them, or appointing them to august but powerless positions, or by forcing their

retirement.

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[29] National Intelligence Estimate no. 93, "Probable Developments in Yugoslavia," Washington, DC, June 26, 1953, in *Foreign Relations of the United States*, 1952-1954, vol. 8, *Eastern Europe, Soviet Union, Eastern Mediterranean*, doc. 681.
[30] Interview with retired senior U.S. diplomat, Washington, DC, April 21, 2014.
[31] Mohammad Waseem, *Politics and the State in Pakistan* (Islamabad: National Institute of Historical and Cultural Research, 1994), 295-6.
[32] "Greek Premier Orders Shake-up in Top Military," *Los Angeles Times*, November 21, 1952; George Manios, "The Relationship between the Party System and Military Intervention in a Transitional Society: The Case of Post-war Greece" (Master's thesis, McMaster University, 1979), 104-6.

*Government Power Centers are Controlled by the Leader or Allies.* A consequence of the ability to

remove opponents is having allies in institutional power centers within government. In authoritarian

states, this is often done through "stacking" government titles atop one another. Somali strongman

Siad Barre was an especially striking case of this phenomena. By 1979, Barre was president of the

Somali republic, commander-in-chief of the armed forces, secretary-general of the Somali

Revolutionary Socialist Party, president of the Politburo, chairman of the Council of Ministers, and

chairman of the Higher Judiciary Council. As Kenneth Menkhaus observes, "There were few, if any,

governmental authorities in a position to debate, let alone challenge, Barre's decisions."[33] In 1970s

Morocco, King Hassan II consolidated his authority over the military by abolishing the post of

minister of defense and the top two positions of the Army, and appointing himself commander-in-

chief of the armed forces.[34] Such steps are extreme. More commonly, leaders with concentrated

executive authority appoint individuals they trust into positions of power. Like Argentina's Alfonsin,

their cabinets end up being filled only with their "closest confidantes," or if for procedural reasons

they cannot shape the cabinet entirely to their liking, they create a "kitchen cabinet" (like Kenya's

Daniel Arap Moi) or "inner circle" (like Cote d'Ivoire's Félix Houphouët-Boigny) full of individuals

they trust that wields true authority in the state.


Throughout the case studies, I have measured this variable using a preponderance of

evidence rule to determine whether a regime exhibited concentrated executive authority in the

foreign policy domain in any given year. If leaders engaged in consensus cabinet government, if

decisions were described as decentralized, if leaders felt the need to consult extensively with other

stakeholders within their government, if leaders were fearful for their political survival through

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[33] Kenneth Menkhaus, "Muhammad Siyaad Barre," in *Political Leaders of Contemporary Africa South of the Sahara*, ed. Harvey Glickman (Westwood, CT: Greenwood Press, 1992), 31.

[34] Jim Hoagland, "After Latest Coup Attempt, Hassan Faces Future Alone," *Washington Post*, August 21, 1972.

ouster, if leaders were unable to remove political rivals, and if leaders faced opponents atop other government power centers, then that regime exhibited diffuse executive authority during that period. In the case studies, the evidence supporting the decision to label a regime as concentrated or diffuse is presented in the narrative. In the quantitative analyses in Chapter 11, I have exploited the fact that concentrated foreign policy authority is correlated with formal institutions. This correlation is not perfect, but using existing measures of institutional constraints on the executive branch helps identify states where concentration of authority is more or less prevalent. These proxy indicators of constraints on executive authority are described in greater detail in Chapter 11.

## 4 Alternative Explanations

Domestic primacy theory is not the only theory that has been advanced to explain the occurrence of rivalry termination. Some frameworks do not make explicit predictions about when rivalry termination is probable, such as many constructivist accounts that seek to explain how rivalry termination might unfold. Still other theories, such as those arguing that peace is more likely in liberal international orders, do not predict any variation in the period after World War II that is the focus of this inquiry. Several theories do, explicitly or implicitly, make predictions about when rivalry termination is most likely, and they merit focused testing to compare them to domestic primacy theory. In the case studies that follow, as well as the quantitative analyses of Chapter 11, four primary alternatives are tested.

*Democratic peace theory.* Dyadic variants of the democratic peace theory suggest that wars are extremely unlikely between democracies, though wars between democracies and autocracies may remain common. As a corollary, democratic peace implies greater likelihood of rivalry termination between democracies. While out of fashion, monadic theories of democratic peace suggest democracies are generically more pacifist than autocracies. Alternatively, other scholarship suggests

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that wars between democracies and autocracies may be more common than those within jointly democratic or jointly autocratic dyads.[35] The cases that follow exhibit all possible expressions of this theory. One of the rivalries involves two states that are autocratic (China and the Soviet Union), two of the rivalries involve mixed dyads where one state is democratic and another autocratic (the United States' rivalries with China and the Soviet Union), and a final rivalry experiences periods of joint democratic rule (India and Pakistan for short periods in the 1950s, 1970s, 1980s, and 1990s). The India-Pakistan case also permits observation of changes in rivalry behavior associated with changes in democratic status, since autocratic regimes have mostly governed Pakistan interrupted by periods of democratic rule, while democratic regimes have almost exclusively governed India except for one autocratic period. To exploit this within case variation, the India-Pakistan case study focuses especially on periods of regime transition toward or away from democracy.

*Nuclear peace theory.* Nuclear weapons ought to clarify that winning war is impossible for either party, making it easier for political settlements that are impaired by security fears. They may also increase the dangers that come from continuing the rivalry since nuclear weapons are associated with an unobserved risk of inadvertent nuclear use or nuclear accident. Rivalries might be resolved by a nuclear peace once both parties have the capability to produce and deliver nuclear weapons. On the other hand, the presence of nuclear weapons, by insulating states from the full costs of conflict, might make it easier to prolong a rivalry. Moreover, asymmetric nuclear possession where only one of the two rivals possesses nuclear weapons might enhance the ability of the state in coercive bargaining. The case selection utilizes within case and cross case variation to assess the effect of nuclear weapons on ongoing rivalries. One rivalry undergoes a prolonged period with neither state possessing nuclear weapons (India and Pakistan prior to 1974). One rivalry is characterized by joint

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[35] On theoretical and empirical issues associated with monadic versus dyadic democratic peace theories, see David L. Rousseau, et al, "Assessing the Dyadic Nature of the Democratic Peace, 1918-88," *American Political Science Review* 90, no. 3 (September 1996): 512-33.

nuclear possession for almost the entire duration of the rivalry (United States and Soviet Union from 1949 to 1989). The remainder of the episodes examined in the case studies transition from a situation of asymmetric nuclear possession (China's rivalry with the United States and the Soviet Union prior to 1964) to one of joint nuclear possession. It may not be sufficient for a state to possess a nuclear weapon, or even several nuclear weapons, if it does not have the ability to safeguard those weapons from an adversary first strike and credibly threaten to deliver the weapons against targets that an adversary values. So while the quantitative analyses in Chapter 11 focus on the possession of nuclear weapons, the qualitative case studies also assess changes to the rivalry that might result from the advent of a deliverable, second-strike capability even if that capability lags the possession of nuclear weapons by many years. In fact, in the Chinese case, it is unlikely that Beijing could threaten most major Soviet targets before the early 1970s, nor could it threaten virtually any American targets before the 1980s. Both variants of the nuclear peace—that premised on the possession of nuclear weapons alone and the alternative that requires deliverable and survivable weapons—are assessed in the case studies that follow.

*Common enemy theory.* When two rivals share a common enemy, they may determine their own fight is less important than the danger from the third country. They may seek to terminate their dispute to focus on the other challenge. In the case studies, I use a flexible definition of enemy based on leader perceptions, while in the cross-national quantitative work I use a more rigid definition: the presence of a shared rival according to the rivalry definition and coding scheme described above. The three overlapping Cold War rivalries—U.S.-Soviet, Sino-Soviet, and Sino-U.S.—experience a period where each pair of rival states shared the third state as a common enemy after the Sino-Soviet split in 1958 but before the termination of the U.S.-China rivalry in 1972. As a result, these chapters focus in detail on the role of triangular diplomacy in shaping rivalry outcomes.

*Capability imbalance theory*. Realist and broader set of rationalist explanations suggest that wars are often the result of disagreements with regard to the relative balance of power. Therefore, as the imbalance in national capabilities grows, we might expect rivalries to conclude at higher rates. As the imbalance worsens, one rival ought to conclude that peaceful settlement is preferable to a dispute that might lead to an unwinnable war. In the case studies, I provide descriptions of the changing balance of power within the rivalry over time, while in the cross-national quantitative analysis I describe in greater detail a continuous measure for the dyadic balance of capabilities. Each case study exhibits both within case variation as capabilities shift over time, even as certain rivalries are characterized by greater capability imbalance over the duration of the rivalry (such as the India-Pakistan rivalry), while others are characterized by relative parity (such as the U.S.-Soviet rivalry).

In addition to these theories that make changing predictions over time that corresponds to the specific conditions of the two rival states, there are two other alternative theories that make either global (rather than dyadic) or unchanging (rather than time-varying) predictions about when and which rivalries are most amenable to termination. One alternative posits that large *systemic shocks*, involving dramatic changes in the international structure, may facilitate strategic reassessments. Scholars arguing in favor of systemic shocks labeled two time periods as especially tumultuous since 1945: the decade following World War II and the period of decolonization from 1956 to 1962. They additionally argued that the effects of the shock linger, with consequences visible as long as a decade after the systemic change. They proposed that a ten-year window be extended from the end of the shock, meaning the entire period from 1945 to 1972 was one where the emergence and termination of rivalries was especially likely.[36] Using their criteria, the decade after the Cold War from 1990 to 2000 almost certainly corresponds to a systemic shock in addition to those they catalog prior to

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[36] Gary Goertz and Paul F. Diehl, "The Initiation and Termination of Enduring Rivalries: The Impact of Political Shocks," *American Journal of Political Science* 39, no. 1 (February 1995): 30-52.

1972.[37] Portions of the U.S.-Soviet, Sino-Soviet, Sino-U.S., and Indo-Pakistani rivalries occurred

during periods of systemic shock, but the qualitative evidence will demonstrate that systemic shocks

appeared to have played no role in changing rivalry outcomes. To assess the broader relationship

between systemic shocks and rivalry termination, I will include periods of systemic shock in the

quantitative tests presented in Chapter 11.

The final theory under consideration proposes that the presence of territorial disputes makes

rivalry termination less likely. Empirical work has indicated that *territorial disputes* are associated with

the persistence of conflict, while theoretical work has suggested that the divisibility of territory

(important for creating space for bargaining success) may be illusory because of the symbolic value

territory holds for combatants.[38] Under either logic, the presence of territorial disputes complicates

efforts at rivalry termination. In the narrative case studies, I describe in detail the territorial conflicts

for the two rivalries (India-Pakistan and China-Soviet Union) that experience them, and how salient

those disputes are to the rivalry over time. In the quantitative analysis, I rely on a large database of

territorial disputes to help control for the potentially confounding effect of territorial disputes on

rivalry termination.


## 5 Research Design

The remaining chapters of this volume implement a research design that exploits the

variation in rivalry outcomes found across nuclear rivalries in Asia. How did the United States and

China settle their most substantial disputes in the early 1970s? How did Beijing and Moscow

overcome major obstacles to normalization in the late 1980s? Why did the United States and the

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[37] The Cold War ended because the U.S.-Soviet Union rivalry terminated in 1989, so coding the Cold War shock as beginning with the rivalry termination would computationally lead to a correlation from reverse causation, hence the 1990 to 2000 window employed. In practice, a window from 1989 to 1999 or 1991 to 2001 compared to that employed here has negligible substantive or statistical effects on the results presented below.

[38] Paul K. Huth, *Standing Your Ground: Territorial Disputes and International Conflict* (Ann Arbor: University of Michigan Press, 1996); and Stacie E. Goddard, "Uncommon Ground: Indivisible Territory and the Politics of Legitimacy," *International Organization* 60, no. 1 (January 2006): 35-68.

Soviet Union decide in the late 1980s that their rivalry should conclude? How do these cases compare to the India-Pakistan rivalry, where leaders were unable or unwilling to secure lasting periods of peace? In addition to varied outcomes, these cases also contain many more episodes of attempted reconciliation. The remaining chapters examine periods when leaders sought more positive relations with historic foes, and trace the process whereby those efforts succeeded or, more often, failed.

## 5.1 Intermediate Outcomes and Unique Observable Implications

Domestic primacy theory makes predictions about *when* rivalry termination is most likely to take place, predictions that are frequently divergent from those of alternative explanations. But it also makes predictions about *why* and *how* rivalry termination ought to take place. In other words, domestic primacy theory makes unique observable predictions about intermediate outcomes that are also tests of the underlying logic of the theory. Using abundant evidence from the historical case studies, these tests help provide additional support for domestic primacy theory.

First, economic crises ought to shape leader preferences for conciliatory policy prior to a change in state policy. There should be evidence that the leader is worried about the consequences of economic difficulties and these worries motivate the leader to act through the five major mechanisms identified in Chapter 2. Even if veto players ultimately stymy conciliatory moves, indications that economic troubles changed leader preferences is evidence in favor of domestic primacy theory.

Second, when leaders prefer conciliatory policy but state policy does not change because of a lack of concentrated executive authority, this incongruence should be explained by the three mechanisms identified by the theory—fear, sabotage, and distorted information. There should be evidence of leaders trying to alter state policy and failing in the face of veto player opposition or

there should be evidence of leaders avoiding conciliatory policies because they are wary of the dangers posed by opponents for their political survival.

Third and finally, there should be certain tactics in the pursuit of conciliatory policy and negotiated rivalry settlement that are unique to the logic of domestic primacy theory. Specifically, if leaders do not have full control of their foreign policy apparatus at the outset, the consolidation of power should precede the greatest progress in international negotiations. Leaders are always trying to consolidate power, but domestic primacy theory makes a specific prediction about when consolidation of power occurs (first) and when breakthroughs happen in international bargaining (second).

Additionally, when a leader is unable to consolidate power to the extent that he or she desires, that leader will try to achieve a second-best solution by isolating bilateral negotiations from the influence of hardliners. Leaders will often create sub-groups of trusted advisors who are more fully aware of the status of bilateral negotiations and secret back channels where their personal envoy negotiates with a foreign foe outside of regular diplomatic lines of communication. Such efforts often fail, because eventually hardliners must be convinced or sidelined in order for rivalry outcomes to change. But such efforts are also only intelligible according to the mechanisms of domestic primacy theory. A focus on veto players, and the presence or absence of concentrated executive authority, helps elucidate the tactics leaders use to conduct diplomacy, as well as the outcomes they are trying to achieve.

Fourth, and finally, when conditions are favorable for rivalry termination, they are also favorable for peacemaking initiatives that substantially improve bilateral relations but do not end the rivalry. Such efforts are logically and temporally prior to rivalry termination. When both states in a rivalry agree to important compromises in an attempt to improve bilateral relations, they engage in *rapprochement*. For the remainder of this dissertation, I will use rapprochement to refer to periods

when bilateral relations improved between rivals, but when neither rival substantially altered its perception that the other state was an enemy. In the four rivalries examined in this dissertation, there are seven episodes of rapprochement, three of which conclude in rivalry termination. Theories that explain rivalry termination should also explain rapprochement. Any episode of rapprochement has the potential to terminate the rivalry (see Table 1).[39] Just as not all romantic relationships lead to marriage, not all episodes of rapprochement lead to rivalry termination.

Table 1: Hierarchy of Terms

| Outcome | Unit of Analysis | Conditions |
|---|---|---|
| Conciliatory preferences | Individual | More likely during economic crisis |
| Conciliatory initiative | State | More likely during economic crisis and concentrated executive authority |
| Rapprochement | Dyad | Somewhat more likely during economic crisis and concentrated executive authority in one rival state; most likely during economic crisis and concentrated executive authority in both rival states |
| Rivalry termination | Dyad | Consequence of successful rapprochement |

## 6 Conclusion

This chapter has provided a framework with which to assess the chapters that follow. It has provided definitions, measurements, and concrete examples of the three concepts that constitute domestic primacy theory: rivalry termination, concentrated executive authority, and economic crises. It has also described how the major alternative theories of rivalry termination can be evaluated alongside domestic primacy theory. It has explained how the causal chain between economic crisis and concentrated executive authority and the intermediate outcomes on the path to rivalry termination can be decomposed in order to provide more testable observations for rivalry

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[39] Also see Christopher Darnton, *Rivalry and Alliance Politics in Cold War Latin America* (Baltimore: Johns Hopkins University Press, 2014), 3.

termination and competing theories. Finally, it has outlined a research design that will be employed in the remaining chapters to do just that: test domestic primacy theory and its alternatives.

CHAPTER 4: THE U.S.-SOVIET RIVALRY AND THE ORIGINS OF DÉTENTE

## 1 Introduction

This chapter focuses on the first of two bursts of cooperative activity between the superpowers during the Cold War, which accompanied decreases in direct superpower conflict (see Figure 4.1 below). From 1969 to 1973, the U.S.-Soviet relationship improved substantially, though that process fell short of rivalry termination. This improvement occurred concurrently with U.S.-China rapprochement, which is described in Chapter 7.

Détente was a major shift in the politics of superpower relations, and had multiple causes. The goal of this chapter is not to say that other factors—such as the Sino-Soviet split or the dangers of nuclear war—were irrelevant to détente, but rather to argue that the logic of domestic primacy theory was operative and as important, if not more important, than alternative explanations. In particular, this chapter will show that the Sino-Soviet split might explain Soviet eagerness to compromise with the United States, but only domestic primacy theory can explain Washington's desire to reciprocate. Moreover, while the dangers of nuclear war may have added urgency to Washington and Moscow's efforts at dampening the superpower competition, those dangers were not new, nor did they prevent détente's breakdown in the late 1970s. Instead, domestic primacy theory can best explain détente's onset and its end, while other theories overpredict cooperation in the periods preceding and following détente.

This chapter will proceed by first examining the onset of the U.S.-Soviet rivalry, before assessing the predictions of domestic primacy theory for the U.S.-Soviet competition from the mid-1960s into the mid-1970s. In undertaking this test of domestic primacy theory, I will describe the changing nature of executive authority in Washington and Moscow, as well as the economic circumstances that national leaders confronted. This chapter is largely confined to describing the periods immediately before détente and after its onset, to better focus on what changed, why, and to

what effect. In Chapter 5, I will examine why détente collapsed after 1974. The evidence will show

that changes in the two variables associated with domestic primacy theory—executive authority and

economic crisis—most closely conform to the dramatic improvement in superpower relations under

U.S. president Nixon and Soviet general secretary Brezhnev's watch, and also provide abundant

evidence that policymakers attributed policy change to motives consistent with domestic primacy

theory. Finally, the chapter will consider alternative explanations, and the reasons they are less

compelling than domestic primacy theory in explaining the origins of détente.

## Militarized Disputes in Cold War Rivalries
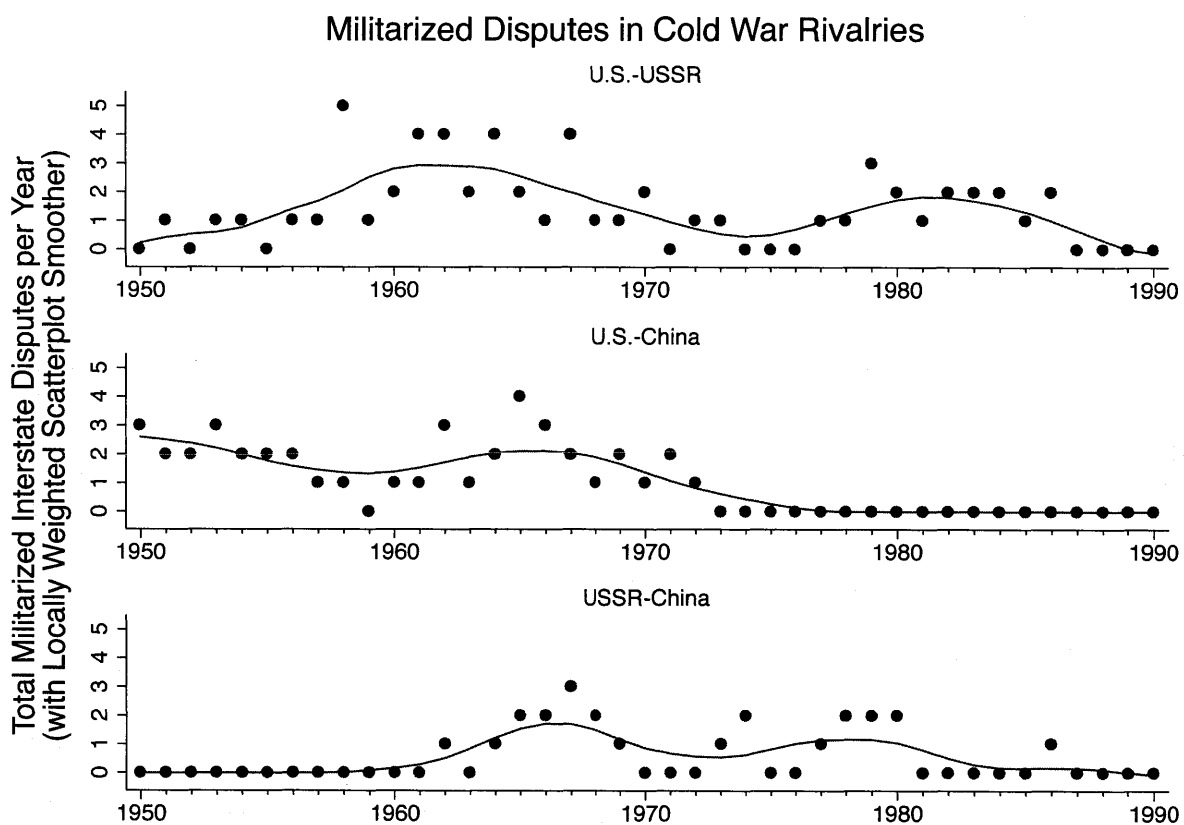


Figure 4.1 Militarized Disputes in Cold War Rivalries

## 2 The Origins of the Cold War

The U.S.-Soviet alliance against Nazi Germany and militarist Japan disintegrated quickly after

the defeat of both nations. The United States, largely unscathed by the global conflict, emerged as

the preeminent world power. The Soviet political economic system continued to expend Soviet energies on foreign and military policies, even as other great powers gave into exhaustion and focused on the task of recovery from the damages of war, enabled implicitly and explicitly by U.S. protection.

The postwar conflict did not seem inevitable during the war. Andrei Gromyko, then the Soviet ambassador to the United States, concluded in 1944, "In spite of all possible difficulties that are likely to emerge from time to time in our relations with the United States, there are certainly conditions for continuation of cooperation between our two countries in the postwar period."[1] In retrospect, after the emergence of bipolarity, it might seem that a clash between the Soviet Union and the United States was structurally determined. As Robert Jervis notes, however, "bipolarity was in part the *product* of the Soviet and American decisions to mobilize national resources and rally allies—decisions that followed rather than preceded their hostility."[2]

Indeed, an observer in 1945 might well have concluded unipolarity characterized the immediate post-war years. The Soviet Union emerged from the war "by far the weaker force" in any confrontation with the West, a point even U.S. diplomat George Kennan conceded in his alarmist appraisal of the Soviet threat.[3] The power imbalance between West and East strongly favored the United States during the initial years after World War II, when it was uncertain exactly what contours would define U.S.-Soviet relations.

The belief in the inevitability of U.S.-Soviet confrontation advanced by Kennan's "Long Telegram" was not universally shared in Washington in February 1946. Some, like Secretary of the

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[1] Quoted in Vladislov Zubok, *A Failed Empire: The Soviet Union in the Cold War from Stalin to Gorbachev* (Chapel Hill: University of North Carolina Press, 2007), 14.
[2] Robert Jervis, "Was the Cold War a Security Dilemma?" *Journal of Cold War Studies* 3, no. 1 (Winter 2001): 44-5.
[3] "The Chargé in the Soviet Union (Kennan) to the Secretary of State," Moscow, February 22, 1946, *FRUS*, 1946, vol. 6, *Eastern Europe*, 707.

Navy James Forrestal were convinced; "We must prepare for war," he told colleagues.[4] Likewise, W.

Averell Harriman, U.S. Ambassador to the Soviet Union during the war, argued to President

Truman as early as April 1945 that firmness with the Soviets was necessary to prevent the "barbarian

invasion of Europe."[5] Many concluded that Soviet weakness would prevent costly aggression by

Stalin, whatever the Soviet ideological predisposition. The U.S. Joint Chiefs of Staff (JCS) concluded

in February 1945 that the Soviet Union would not be prepared for major war until it had recovered

economically from its fight with Germany, a process that would last until 1952. Subsequent JCS

assessments in October and November 1945 reiterated that it would take ten to fifteen years for the

Soviet Union to rebuild its economy and only then would Moscow consider full-scale conflict.[6]

President Harry Truman, meanwhile, confidently assessed that "Russia couldn't turn a wheel in the

next ten years without our aid."[7]

In these initial years of conflict, Soviet and U.S. actions were read in the other capital as

revisionist and dangerous. Responding to such gambits required steadfastness. Stalin and his

minister of foreign affairs, Molotov, made it clear in post-World War II correspondence that they

believed, "the Anglo-Saxons are hostile, duplicitous, and anti-Soviet at heart, they understand only

the language of firmness and strength."[8] Truman contemporaneously told his advisors that he would

be "firm but fair" in his dealings with the Soviets; after all, he assessed the Soviets "needed us more

than we needed them."[9]

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[4] Quoted in David Mayers, *The Ambassadors and America's Soviet Policy* (New York: Oxford University Press, 1995), 162
[5] "Memorandum of Conversation, by Mr. Charles E. Bohlen, Assistant to the Secretary of State," Washington, April 20, 1945, *FRUS*, 1945, vol. 5, *Europe*, 232.
[6] Steven T. Ross, *American War Plans, 1945-1950* (Portland, OR: Frank Cass, 1996), 4-7
[7] Quoted in Arnold Offner, *Another Such Victory: President Truman and the Cold War, 1945-1953* (Stanford: Stanford University Press, 2002), 129.
[8] Vladimir O. Pechatnov, trans. Vladislav M. Zubok, "The Allies are Pressing on you to Break Your Will…: Foreing Policy Correspondence between Stalin and Molotov and Other Politburo Members, September 1945-December 1946," working paper no. 26 (Washington, D.C.: Woodrow Wilson International Center for Scholars, September 1999).
[9] "Memorandum of Conversation, by Mr. Charles E. Bohlen, Assistant to the Secretary of State," Washington, April 20, 1945, *FRUS*, 1945, vol. 5, *Europe*, 232.

The United States may have overplayed its hand, attempting to coerce the Soviet Union into accepting a postwar settlement favorable to U.S. interests in Europe and injurious to Soviet ones.[10] Crises over Poland, Turkey, Greece, and most significantly Germany locked the United States and the Soviet Union into rivalry by 1946. By 1946, JCS analyses and those of a new Joint Intelligence Committee had begun to emphasize that while the Soviets did not intend war, major war could emerge from Soviet miscalculation, with Soviet localized aggression in Turkey, the Middle East, or elsewhere triggering a wider conflagration not intended by Moscow. By 1946, Soviet goals were widely viewed in Washington as expansionist, leading civilians and military officials to conclude that the United States had to demonstrate its commitment to halting Soviet advances.[11] A cold war—a phrase first used by George Orwell in October 1945—had begun.[12]

## 3 Concentration of Executive Authority in the United States, 1964-1974

How, then, more than twenty years after the onset of the U.S.-Soviet rivalry did Washington proceed to substantially improve relations with Moscow? Domestic primacy theory suggests that a substantial part of the answer is that the economic circumstances in the United States and Soviet Union worsened in the late 1960s, while leaders emerged with strong executive authority by 1969 in Washington and Moscow. The remainder of this chapter will describe how circumstances favorable to rapprochement emerged in both capitals, and then detail the content of emergent U.S.-Soviet cooperation.

From 1964 until 1967, the United States observed a period of concentrated executive authority, which fractured briefly in 1968 under the strains of the Vietnam War. From 1969 to late 1973, the United States again experienced government characterized by centralized rule, until the

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[10] Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford: Stanford University Press, 1992), 99.
[11] Ross, *American War Plans*, 7-9.
[12] George Orwell, "You and the Atomic Bomb," *Tribune* [London], October 19, 1945.

Watergate scandal led to a period of greater institutional checks and balances combined with greater

factional conflict within the U.S. executive branch. This section describes these changing power

dynamics in Washington.

### 3.1 The Johnson Administration

Lyndon B. Johnson exercised concentrated authority over his administration's foreign policy

for much of his tenure as president, despite quite strong preference divergences within the

bureaucracy and to a lesser extent his leadership team. Johnson's force of will combined with the

personalities of his most senior aides to produce coerced unity during much of his tenure.

Johnson largely inherited President Kennedy's national security team, but his two principal

national security advisors—Secretary of State Dean Rusk and Secretary of Defense Robert

McNamara—valued loyalty almost above all else, and executed presidential direction even when they

harbored grave doubts. McNamara argued, "I don't believe the government of a complicated state

can operate effectively if those in charge of the departments of the government express

disagreement with decisions of the established head of the government." Similarly, Rusk explained,

"There is a delicate line between raising questions about policy and failing to support the policy.

When the president has decided what the policy shall be, an officer should either support that policy

or resign."[13] The president noticed these tendencies, telling a reporter in 1967, "If you asked those

boys in the Cabinet to run through a buzz saw for their President, Bob McNamara would be the

first to go through it. And I don't have to worry about Rusk either. Rusk's all right. I never have to

worry about those two fellows quitting on me."[14]

Johnson's control was a tenuous one, with the president forcing consensus or the illusion of

consensus even when there was dissension internally. But he did forestall revolts, especially from a

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[13] George C. Herring, *LBJ and Vietnam: A Different Kind of War* (Austin: University of Texas Press, 1994), 48-9.
[14] Interview with Neil Sheehan quoted in David Halberstam, *The Best and the Brightest* (New York: Ballantine, 1992), 434.

uniformed military that was deeply skeptical of the President's plan to gradually escalate in Vietnam so as to minimize the resource commitment, preserving funds for Johnson's cherished domestic policy agenda. "Debates were stifled and dissent was squelched," in historian George Herring's assessment.[15] Johnson effectively sidelined senior military leaders, so that "there was no meaningful structure through which the [Joint] Chiefs [of Staff] could voice their views—even the chairman was not a reliable conduit" with access to the president, in H. R. McMaster's conclusion.[16] The President especially relied on weekly meetings during lunch on Tuesday where his core civilian national security team could make decisions without the participation of potential skeptics. These decisions would either be executed directly or, if military or full National Security Council blessing was necessary, would be presented as *faits accomplis* to other bodies.[17]

Johnson's control would wane toward the end of his administration, as McNamara's doubts about the Vietnam War finally swamped his loyalty to the president, but very quickly Johnson emplaced McNamara at the World Bank where he could not stymie policy. McNamara's replacement, Clark Clifford, was harder for Johnson to manage, and ultimately waged a partially successful campaign to halt Johnson's acquiescence to growing military involvement in Vietnam.[18] Johnson viewed Clifford's actions as a betrayal, and as a result, "The President did not seek his advice, and Clifford's phone did not ring. He was even cut off from important cable traffic by the White House in the coming months."[19]

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[15] Herring, *LBJ and Vietnam*, 50.
[16] H. R. McMaster, *Dereliction of Duty: Lyndon Johnson, Robert McNamara, the Joint Chiefs of Staff, and the Lies that Led to Vietnam* (New York: HarperCollins, 1997), 329.
[17] Jonathan Colman, *The Foreign Policy of Lyndon B. Johnson: The United States and the World, 1963-1969* (New York: Oxford University Press, 2010), 18-9.
[18] Doris Kearns Godwin, *Lyndon Johnson and the American Dream* (New York: Harper & Row, 1976), 345-6.
[19] Halberstam, *Best and the Brightest*, 653; also see Robert Dallek, *Flawed Giant: Lyndon Johnson and His Times, 1961-1973* (New York: Oxford University Press, 1998), 566-9.

## 3.2 The Nixon Administration

While Johnson's strategy had sought to marginalize the military and create a veneer of consensus among the major civilian foreign policy advisors, President Richard Nixon "centralized power in the White House,"[20] and consciously sought to ensure that alternative centers of power were weak and to circumvent them whenever possible. Nixon and his national security advisor, Henry Kissinger, succeeded in that goal. They gave themselves "more single-handed control over foreign affairs than any two men in American history."[21] Nixon selected his first secretary of state, William Rogers, because Rogers had no prior foreign policy experience. Kissinger would later write, "Nixon considered Roger's unfamiliarity with the subject [of foreign policy] an asset because it guaranteed that policy direction would remain in the White House.... Few Secretaries of State can have been selected because of their President's confidence in their ignorance of foreign policy."[22] Even so, Nixon remained wary that Rogers might disrupt the intricate foreign policies Nixon hoped to craft with Kissinger, and Nixon sidelined his secretary of state rather than permit Rogers real influence over national security decisions. Again, in Kissinger's words, "As time went by, the President, or I on his behalf, in order to avoid these endless confrontations [with Rogers], came to deal increasingly with key foreign leaders through channels that directly linked the White House Situation Room to the field without going through the State Department—the so-called backchannels. This process started on the day after Inauguration."[23]

Nixon's secretary of defense from 1969 to 1973, Melvin Laird, was a capable bureaucratic infighter, but in a crisis he was "loyal" and supported "Presidential decisions, including those he had opposed in the councils of government."[24] Nixon was less praising in his 1970 assessment of Laird

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[20] Kissinger, *White House Years* (Boston: Little, Brown, and Co., 1979), 38.
[21] Rick Perlstein, *Nixonland: The Rise of a President and the Fracturing of America* (New York: Scribner, 2009), 371.
[22] Kissinger, *White House* Years, 26.
[23] Kissinger, *White House Years*, 29.
[24] Kissinger, *White House Years*, 33.

as "sneaky but manageable."[25] If anything Nixon's uniformed advisors were more pliant than

Secretary Laird. Kissinger documents that Nixon's chief military advisors, General Earle Wheeler in

Washington and General Creighton Abrams in Vietnam, were opposed to Nixon's Vietnam policy,

for instance, but "did not have the self-confidence to say this to their civilian chiefs."[26] Similarly,

Nixon's inherited Director of Central Intelligence, Richard Helms, was procedurally sidelined from

policy decisions—being present only to provide his classified information—and "never volunteered

policy advice beyond the questions that were asked of him," according to Kissinger's memoirs.[27]

Perhaps Kissinger's testimony is self-interested, but outside observers concur. Historian

Keith L. Nelson concludes, "At Nixon's direction, Kissinger and his staff were able to develop

procedures within the executive branch that centralized foreign policy authority, as never before, in

the National Security Council (NSC) and the national security advisors…. Thus Nixon and Kissinger

between them controlled the policymaking apparatus of the government and could literally bypass

even such highly placed officials as Secretary of State William P. Rogers, American ambassadors, and

the chiefs of the intelligence gathering agencies."[28] Similarly, historian Melvin Small attests that

"before the end of his first year in office, Nixon had shifted so much of the policy making and

implementation to the White House staff that virtually a new cabinet appeared, one that did not

have to be approved by Congress or even appear before Congress to explain policy."[29] The goal,

according to Small, was to create a structure that eliminated internal conflicts on policy, but could

also prevent White House deliberations and diplomacy from becoming public: "By removing the

State Department from a major leadership role in the NSC, the President hoped to avoid the

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[25] Quoted in Melvin Small, *The Presidency of Richard Nixon* (Lawrence: University of Kansas Press, 1999), 38.
[26] Kissinger, *White House Years*, 35.
[27] Kissinger, *White House Years*, 36-7.
[28] Keith L. Nelson, *The Making of Détente: Soviet-American Relations in the Shadow of Vietnam* (Baltimore: Johns Hopkins University Press, 1995), 76-77.
[29] Small, *The Presidency of Richard Nixon*, 44.

conflicts between State and Defense that had been endemic under the old system…. Above all, by

centering policy in the White House, Nixon would have an easier time maintaining secrecy."[30]

Nixon never achieved the secrecy he desired, something that would ultimately precipitate his

downfall. Each time he encountered "dissonance" from other parts of the U.S. government from his

efforts with Kissinger to concentrate decision-making, it confirmed the president's judgment "that it

was necessary to hold even more tightly the design of policy, and increasingly its implementation as

well," in Raymond Garthoff's assessment.[31] At points Nixon realized the extent he had succeeded in

excluding other parts of the government from foreign policy execution. In a June 1971 phone call,

lamenting the *Pentagon Papers* leaks, Nixon admitted to Kissinger, "Well, I just wish that we operated

without the bureaucracy." Kissinger laughed, interjecting, "Well, Mr. President…," leading Nixon to

admit, "We do."[32]


**4 Concentration of Executive Authority in the Soviet Union, 1964-1974**

During this same period, politics in Moscow centered on the collapse of Nikita

Khrushchev's authority, which had been most concentrated from 1958 to 1960 and diffuse from

1960 to 1964, ultimately ending in his ouster. It was not initially clear whether a member of the

coalition that removed Khrushchev would emerge preeminent, but by 1969 or 1970, Leonid

Brezhnev clearly prevailed over his colleagues and consolidated executive authority. Brezhnev would

direct foreign policy with considerable autonomy until his health began to fail him around 1975, at

which point power again diffused to multiple power centers within the Soviet system.

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[30] Small, *The Presidency of Richard Nixon*, 52.
[31] Raymond L. Garthoff, *Détente and Confrontation: American-Soviet Relations from Nixon to Reagan*, rev. ed. (Washington, DC: Brookings Institution, 1994), 30.
[32] Transcript of Telephone Conversation between Richard Nixon and Henry Kissinger, June 13, 1971, 3:09-3:22pm, available at http://millercenter.org/presidentialrecordings/rmn-005-059.

## 4.1 The Fall of Khrushchev

In the fall of 1964, Nikita Khrushchev was removed by his Politburo colleagues, Leonid Brezhnev, Nikolai Podgorny, Alexander Shelepin, and Vladimir Semichastny.[33] Khrushchev's years had been characterized by erratic control of the Soviet state and the Communist party. Khrushchev would sideline his opponents temporarily, giving him wide autonomy on the issues of the day, but they would regroup and challenge him anew at unexpected times. Khrushchev won major power struggles in 1953, 1955, and 1957 and marginalized opponents in lesser clashes in 1958 and 1961. While Khrushchev was clearly the most powerful and influential leader in the Soviet Union from 1955 to 1962, according to political scientist George Breslauer, he was only "ascendant" from 1957 to 1960.[34] Public and elite support for Khrushchev began to erode after 1960 and beginning in March 1964, unbeknownst to Khrushchev, his Politburo colleagues began to plot his removal as Soviet first secretary. After months of planning, Brezhnev and colleagues convoked Khrushchev back to Moscow in October to strip him of his party positions.[35]

Khrushchev came to power as part of a coalition in 1953 following Stalin's death, and worked slowly to eliminate his partners. Khrushchev conspired to have KGB chief Lavrentiy Beria killed in 1953 and premier Georgy Malenkov and foreign minister V. Molotov sidelined in 1955. The coalition that removed Khrushchev—Brezhnev, Podgorny, Shelepin, and Semichastny—could agree on removing Khrushchev, but not on much else. There was an especially notable lack of consensus on foreign affairs among the plotters.[36]

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[33] James G. Richter, *Khrushchev's Double Bind: International Pressures and Coalition Politics* (Baltimore, MD: Johns Hopkins University Press, 1994), 169.
[34] Breslauer, *Khrushchev and Brezhnev as Leaders: Building Authority in Soviet Politics* (London: George Allen & Unwin, 1982), 131-3. Also see William Taubman, *Khrushchev: The Man and His Era* (New York: W. W. Norton, 2004), ch. 14.
[35] Taubman, *Khrushchev*, ch. 1.
[36] Zubok, *Failed Empire*, 194.

## 4.2 Brezhnev's Rise

Brezhnev, having removed Khrushchev in 1964, then began to marginalize those allies that made Khrushchev's removal possible. Shelepin, briefly deputy premier, was stripped one by one of important postings beginning in 1965. Shelepin had mentored Semichastny, who had succeeded the former as KGB chief. Brezhnev replaced Semichastny with Yuri Andropov in 1967, weakening two potential opponents (Shelepin and Semichastny) simultaneously. Podgorny, who had conspired along with Brezhnev in 1964, was "promoted" to the mostly ceremonial post of head of the Supreme Soviet, the sham Soviet legislature, and lost his seat in the party secretariat in 1965.[37] "By 1968, Brezhnev became the uncontested head of the party apparatus: the keys of political power were now in his hands," assesses historian Vladislov Zubok.[38]

After 1968, Brezhnev, first secretary of the Communist Party, still shared state power with Alexei Kosygin, premier of the Soviet Union. Kosygin's power was less than his title might suggest, and he had the greatest influence over foreign and defense policy through the mechanism of budgetary allocations, with Brezhnev holding most other levers of power.[39] In 1968 and 1969, Brezhnev pushed for—and received—greater influence over foreign policy. Brezhnev continued to seek a "paramount governmental role," resulting in a leadership "minicrisis" in the spring of 1970, after which Kosygin appeared to accept Brezhnev's predominance, according to historian Keith Nelson.[40] Svetlana Savranskaya and William Taubman are less precise in dating Brezhnev's ascendance, but concur that Brezhnev "gradually prevailed" and "elevated himself over Kosygin" sometime after the Czechoslovakian crisis of 1968 and before the Central Committee plenum of 1973. "After this," Savransakaya and Taubman assess, "Brezhnev's dominance in domestic and

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[37] Nelson, *The Making of Détente*, 123-4; also Richter, *Khrushchev's Double Bind*, 180.
[38] Zubok, *Failed Empire*, 204.
[39] Richter, *Khrushchev's Double Bind*, 180.
[40] Nelson, *The Making of Détente*, 131.

foreign policy was never challenged again."[41] These retrospective historical accounts conform to contemporaneous U.S. intelligence estimates, which concluded by 1969 that Brezhnev "prevailed" among his colleagues in the Soviet leadership and "no other Soviet leader has so many levers of power within his grasp."[42] By 1971, Brezhnev's supremacy was such that the Soviet ambassador in Washington requested the United States stop sending formal correspondence from Nixon to Kosygin and send it to Brezhnev instead.[43]

## 5 Economic Pressures in the United States, 1964-1974

The U.S. fiscal situation was unsustainable by the late 1960s. Lyndon Johnson struggled to balance the demands of U.S. foreign policy—in Johnson's words, "that bitch of a war on the other side of the world" in Vietnam—with U.S. domestic needs, "the woman I truly loved—the Great Society."[44] His attempt to achieve ambitious goals at home and abroad led to fiscal crisis, with 1968 observing the worst U.S. budget deficit since World War II. Part of Nixon's appeal in 1968 was his hints that he could extricate the United States from the Vietnam conflict without new and expensive military commitments, promising in March 1968 that "new leadership will end the war."[45]

Upon taking office, his advisers pressed Nixon to stabilize the fiscal situation that he inherited from Johnson. As early as the spring of 1969, Nixon's defense and budget team sought to pare spending directly related to Vietnam in "a calculated risk that the Vietnam war will taper off substantially" by reducing expenditures on such items as munitions by over $1.1 billion (in 1969 dollars).[46] Nixon and his fiscal managers sought greater cuts, making public promises in October

[41] Savranskaya and Taubman, "Soviet Foreign Policy, 1962–1975," in *The Cambridge History of the Cold War*, vol. 2 *Crises and Détente*, eds. Melvyn Leffler and Odd Arne Westad (New York: Cambridge University Press, 2012), 143.
[42] Directorate of Intelligence, Central Intelligence Agency, "Leonid Brezhnev: The Man and His Power," *Intelligence Report*, December 5, 1969.
[43] William G. Hyland, *Mortal Rivals: Superpower Relations from Nixon to Reagan* (New York: Random House, 1987), 59.
[44] Johnson quoted in Doris Kearns Godwin, *Lyndon Johnson and the American Dream* (New York: St. Martins, 1991), 251.
[45] Robert Semple, Jr., "Nixon Vows to End War with a 'New Leadership,'" *New York Times*, March 6, 1968.
[46] William Beecher, "Defense Budget Cuts," *New York Times*, April 3, 1969.

1969 for an additional $4 billion in reductions. "The Nixon Administration has decided to get by with less than before," reported the *New York Times*, "so compelling does it feel the threat of inflation and the need to shift more resources to social welfare programs."[47]

In real terms, Nixon succeeded in his attempt to shift resources away from defense to other areas, managing to cut defense spending in real terms every year of his administration. Given that Nixon was simultaneously shifting away from conscription toward a volunteer military (which required higher pay scales), Nixon's cuts to capability likely exceeded the decline in expenditures.[48] Nixon could not be content with stabilizing defense expenditure; each successive cut was necessary because of the expansion of domestic expenditures after 1969, meaning that even as defense spending was decreasing in real terms, the U.S. deficit was still increasing (see Figure 4.2 below). With much of the expansion occurring in "entitlements" such as Social Security and welfare, fittingly referred to as "uncontrollables" at the time, the defense budget was one of the few areas that could be cut, since it accounted for over 60 percent of U.S. federal discretionary spending in 1969.[49]

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[47] William Beecher, "Nixon Defense Policy," *New York Times*, October 24, 1969.
[48] Kissinger, *White House Years*, 401.
[49] Tom Wicker, "In the Nation: Mr. Nixon vs. the Pentagon Budget," *New York Times*, April 13, 1969; Edwin Dale, Jr., "Nixon Finds It Hard to Tame the Budget," *New York Times*, December 28, 1969.

## U.S. Deficit and Defense Spending



Source: OMB, Historical Tables, 2014
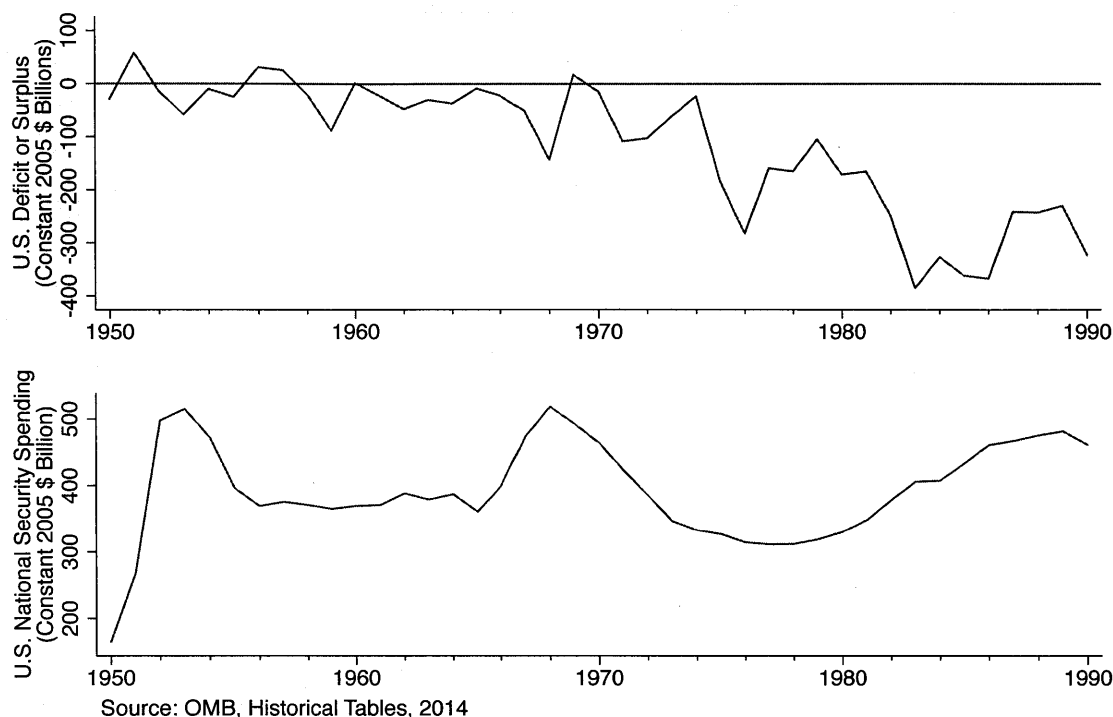
Figure 4.2: U.S. Deficit and Defense Spending, 1950-1990

Government spending also worsened another economic problem the Nixon administration

sought to manage: the perilous current account situation, where the United States was sending more

dollars overseas (to purchase imports and to repay public and private borrowing) than it was

receiving (for exports). The Nixon administration inherited a current account deficit, the first since

1959.[50] Internal studies noted that U.S. government expenditures, primarily defense spending,

contributed about $3.5 billion to the current account deficit.[51]

In such circumstances, orthodox economic thinking recommends decreasing spending,

increasing revenues, and raising interest rates (in the process, attracting foreign capital and

suppressing demand for imports). The U.S. government followed these prescriptions with spending

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[50] Allen H. Meltzer, *A History of the Federal Reserve*, vol. 2, *1970-1986* (Chicago: University of Chicago Press, 2009), 731.
[51] "Payments Effects of U.S. Government Transactions," Memorandum from the President's Assistant for National Security Affairs (Kissinger) to President Nixon, Washington, September 15, 1969, *FRUS*, 1969-1976, vol. 3, *Foreign Economic Policy, 1969-1972*, doc. 27.

cuts, temporary surcharges on income taxes in 1968 and 1969, and additional revenue through

closure of tax loopholes in 1969. The Federal Reserve, meanwhile, raised interest rates from 5

percent in March 1968 to 9.25 percent in August 1969. The combination of interventions tipped the

U.S. economy into a recession.

As Keith Nelson observers, "At the beginning of 1971 a number of unhappy trends came

together: inflation was more than 5.5 percent (despite vigorous efforts to dampen it); unemployment

was at 6 percent; balance-of payment deficits were the most severe in U.S. history; and speculation

against the dollar had become almost constant."[52] While the Federal Reserve cut interests rates from

1969 to 1971, the Nixon administration loosened fiscal policy by reducing taxes in an attempt re-

stimulate demand, but in the process worsened the deficit.[53] In August 1971, the Nixon

administration ended the Bretton Woods system by suspending convertibility between the dollar and

gold. The current accounts deficit could not be resolved without a transformation in the

international monetary regime.[54] The U.S. macroeconomic picture improved after 1971, but the

budget picture continued to deteriorate. If additional revenue was not possible given the parlous

economy and the upcoming 1972 election, and if destroying the old monetary order was insufficient,

only defense and other discretionary cuts remained.

Throughout Nixon's term, as quickly as his budget team could cut defense, domestic

programs sopped up the savings. When Nixon's budget team told him that even with optimistic

projections for a truce in Vietnam in 1969 (something that would not happen in reality till 1973)

there would still be a massive fiscal problem, Nixon was shocked. The president asked his economic

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[52] Nelson, *The Making of Détente*, 98.

[53] Allen J. Matusow, *Nixon's Economy: Booms, Busts, Dollars, and Votes* (Lawrence: University of Kansas Press, 1998), 7-54; Marc Labonte and Gail Makinen, "The Current Economic Recession: How Long, How Deep, and How Different from the Past," *CRS Report for Congress*, no. RL31237 (Washington, DC: Congressional Research Service, January 10, 2002), 23-4.

[54] Joanne Gowa, *Closing the Gold Window: Domestic Politics and the End of Bretton Woods* (Ithaca: Cornell University Press, 1983) and Francis J. Gavin, *Gold, Dollars, and Power: The Politics of International Monetary Relations, 1958-1971* (Chapel Hill: University of North Carolina Press, 2004), ch. 8.

advisor, Herbert Stein, "What happened to the peace dividend?" Stein replied, "The peace dividend will be there, but we have already committed it."[55] The following year, in 1970, Paul McCracken, Nixon's chairman of the Council of Economic Advisers, cautioned Kissinger that the projected federal budget would "scare [the] hell out of the financial community," forcing the Federal Reserve to hike interest rates to combat inflation from too much federal cash circulating in the economy. McCracken advised twice as large of a defense cut in 1970 as the White House was seeking, and the Defense Department was seeking no cut at all.[56]

The Defense Department lost those internal budget fights, despite Nixon's hawkish dispositions. Every year from 1969 to 1973, the national security budget fell in nominal and real terms. The result: defense spending was 46 percent of federal outlays when Nixon arrived in office, but only 30 percent when he resigned in 1974, while spending on entitlements and other domestic welfare programs rose from 33 percent to 50 percent. To some extent Nixon was reflecting popular opinion in addition to budget realities: more than 50 percent of respondents favored cutting defense when asked in 1969 compared to less than 20 percent who favored such cuts in the 1950s.[57] As the budget trend became apparent in 1970, Kissinger grew increasingly concerned with the "growing incongruity between our strategy and our force posture."[58] If extricating the United States from Vietnam was insufficient, if ending Bretton Woods was inadequate, how could U.S. strategy be made consistent with the limited means it had its disposal?

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[55] Matusow, *Nixon's Economy*, 37-8.
[56] Kissinger, *The White House Years*, 397.
[57] Bruce M. Russett, "Revolt of the Masses: Public Opinion on Military Expenditures," in *New Civil-Military Relations: The Agonies of Adjustment to Post-Vietnam Realities*, eds. John P. Lovell and Philip S. Kronenberg (New Brunswick: Transaction, 1974), 61.
[58] Kissinger, *The White House Years*, 398.

## 6 Economic Pressures in the Soviet Union, 1964-1974

In the United States, Johnson's Great Society programs combined with Cold War commitments and the Vietnam conflict to create an unsustainable fiscal situation in the United States. The fragile system tipped into recession when Nixon tried to restrain spending and the Federal Reserve sought to tame inflation, itself a partial product of U.S. government expenditure. The Soviet system also saw the confluence of multiple trends in the 1960s that made it almost impossible for Soviet leaders to meet domestic and foreign obligations simultaneously.

Khrushchev had inherited a Soviet military in 1955 that was still largely on a war footing. Early in his tenure, by downsizing Soviet military manpower, Khrushchev could finance much of the technical modernization needed to compete with the United States while keeping the military budget steady. Domestically, he sought to shift funds away from agriculture and toward consumer goods and light industry, attempting to make up the difference in lost agricultural productivity through mobilization campaigns and administrative reforms. In other words, Khrushchev attempted to do more with less agriculturally, so that he could meet growing citizen demand for consumer products. He argued that by cultivating "virgin lands" in Siberia, Kazakhstan, and elsewhere outside of the USSR's agricultural heartland, agricultural gains could be achieved inexpensively.[59]

By the late 1950s, that effort was failing. He could no longer fund military modernization with savings from manpower reductions, having already downsized the force substantially. By 1958, the Soviet leadership was delaying expensive missile modernization and pursuing modest efforts at arms control, while hoping economic growth would alleviate the need for more fundamental foreign policy change.[60] Similarly, Khrushchev's agricultural policies floundered. Without investment, agriculture would not grow at the rates necessary to meet Soviet needs. Things reached crisis proportions when Khrushchev could no longer meet his promises for consumer goods, agricultural

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[59] Breslauer, *Khrushchev and Brezhnev as Leaders*, 35-6.
[60] Richter, *Khrushchev's Double Bind*, 106-8; Breslauer, *Khrushchev and Brezhnev as Leaders*, 70.

production, and military expenditure beginning in 1961. Khrushchev attempted to hold down costs across all three areas, but his confrontational leadership style, which gave him autonomous control only briefly, began alienating elite allies after 1961. After all, Khrushchev had vanquished Malenkov in part by arguing that fundamental reforms were not necessary. Khrushchev had promised that his policies of exhortation and administrative reform would prevent an economic crisis, and when they failed to do so, his tenuous supporters were unwilling to give him the authority to resolve it as he so chose.[61] Khrushchev lost authority first on economic and budgetary matters, and then lost it altogether in 1964. His successors complained in a *Pravda* editorial immediately after Khrushchev's removal that his program consisted only of "actions based on wishful thinking, boasting, and empty words."[62]

The new team of Brezhnev and Kosygin bought time, funding agriculture and defense, while starving heavy industry. In Breslauer's words, they felt the need to "sacrifice long-term growth" to meet "short-term requirements."[63] Brezhnev was also willing to stymie the production of consumer goods, and squabbled with Kosygin, who favored meeting the growing demand of the Soviet Union's urban residents. Just as Khrushchev had the luck of being able to demobilize an overly large army to help fund his program in the initial years, Brezhnev had the luck of experiencing "unusually good weather conditions" that helped justify his agricultural investment.[64]

Brezhnev's luck faltered in 1969. Labor productivity dropped down to levels experienced during Khrushchev's period while industrial growth fell to its lowest level since 1928.[65] As Khrushchev had, Brezhnev attempted to juggle the needs of the Soviet Union's different sectors: heavy industry, light industry (for consumer goods), agriculture, and defense, but, like Khrushchev,

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[61] Breslauer, *Khrushchev and Brezhnev as Leaders.*
[62] Quoted in Breslauer, *Khrushchev and Brezhnev as Leaders,* 138.
[63] Breslauer, *Khrushchev and Brezhnev as Leaders,* 141.
[64] Breslauer, *Khrushchev and Brezhnev as Leaders,* 201.
[65] Nelson, *The Making of Détente,* 130.

the longer he was in office, the more promises he made that became difficult to keep. Riots in Poland in 1970 triggered by poor economic conditions led to Władysław Gomułka's ouster in Warsaw, and only further complicated Brezhnev's position since they reinforced to Soviet elites that there were limits in how much the workers could be squeezed before political stability might be threatened.[66]

With more demands than resources, Brezhnev needed a solution that would permit productivity increases, would keep food prices stable, and would increase the availability of consumer goods but without causing scarcity in any other sector of the Soviet economy. The solution Brezhnev elected to pursue was to manage the political and military relationship with the United States and U.S. allies in order to permit a moderating of the arms race while increasing trade with the West. Western technology could accelerate productivity growth, Western grain could keep Soviet food prices low, and the improved political relationship not only enabled this economic cooperation, but also enabled slower growth of the Soviet military budget.[67] As Brezhnev told his colleagues in 1971, "The improvement of the system of foreign economic relations is an important reserve for increasing the economic efficiency of the national economy."[68]

These needs persisted roughly until 1973, when the Soviet Union again experienced good weather and a record harvest, but more importantly benefited from the oil embargo triggered by the 1973 Arab-Israeli war.[69] The Soviet Union, as a net producer of oil, benefited enormously from the price shock. After 1974, Brezhnev and the Soviet Union no longer had an economic imperative to pursue political progress with the West in order to enable trade and technology transfer. They found

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[66] Nelson, *The Making of Détente*, 133; on the Polish riots, see Bogdan Mieczkowski, "The Relationship between Changes in Consumption and Politics in Poland," *Soviet Studies* 30, no. 2 (1978): 264.

[67] Nelson, *The Making of Détente*, 26-7.

[68] Leonid Brezhnev, "The Report of the CPSU Central Committee to the 24th Congress of the Communist Party of the Soviet Union," March 30, 1971.

[69] Nelson, *The Making of Détente*, 144.

a new source of revenue that did not require painful economic choices at home or difficult foreign policy decisions abroad, and they seized it.

## 7 U.S.-Soviet Conciliatory Behavior and Rivalry Outcomes from 1964 to 1974

What does domestic primacy predict for this period? While the United States began experiencing economic crisis in 1968, those difficulties emerged simultaneous to the breakdown in foreign policy consensus within the Johnson administration. Moreover, Brezhnev's economic luck did not fail him until 1969, coincident with his emergence as the preeminent leader within the Soviet system. The combination of economic urgency and leadership capability that propels domestic primacy theory was present in both countries beginning around 1969, with the sense of economic urgency fading in the Soviet Union in 1973 and the concentration of executive authority fracturing in the United States as the Watergate crisis worsened in 1973. Domestic primacy theory would predict the greatest progress on cooperative activity to occur between 1969 and 1973.

Consistent with that prediction, from 1970 to 1973, the United States and the Soviet Union took a series of actions that demonstrated that political actions and economic ties could alleviate conflict in the Cold War. Those steps did not lead to the termination of the U.S.-Soviet rivalry, for reasons that will be described in greater detail in Chapter 5. But they were meaningful and enduring.

Brezhnev first reached out to Europe, improving ties with West Germany through a trade agreement in February 1970, an agreement renouncing the use of force (the Moscow Treaty) in August 1970, the Quadripartite Agreement on Berlin in 1972 (restoring outside power responsibilities that the Soviet Union had claimed were abrogated as a result of the Berlin crises of 1959 to 1962), and the Basic Treaty of 1973 where West and East Germany recognized one another and established informal diplomatic relations. The Soviet relationship with West Germany which was unsettled in 1969 was essentially normalized over this period. The United States was an active party to some of these developments and acquiesced to others, but at a minimum these initiatives

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signaled Soviet interest in improving the East-West relationship and Washington's unwillingness to veto progress.

With the United States, Brezhnev focused on two tracks: expanding trade and negotiating arms limitations. Economically, Brezhnev sought to sell Soviet natural gas in exchange for U.S. capital equipment and food grains.[70] In Raymond Garthoff's account, "Beginning in December 1969, and especially during the years 1971-1972, as the foundations of Soviet-American détente were being laid, Brezhnev personally accepted and pushed more vigorously than any other top leader the policy of maximizing East-West trade."[71] A series of agreements opened up U.S.-Soviet commercial ties, with a corresponding increase in trade.

Moscow and Washington simultaneously forged new ground on arms control initiatives, agreeing in 1972 to limit strategic offensive missiles in exchange for even more expansive restrictions on the development and deployment of defensive anti-ballistic missile systems. Negotiations for the second round of Strategic Arms Limitation Talks (SALT II) began in November 1972. These important substantive measures were complemented by more symbolic gestures, such as the Agreement on the Prevention of Accidental Nuclear War signed in 1973. They also sought to contain the conventional military competition and prevent it from endangering the world, signing an Incidents at Sea agreements between the two navies in 1971, the first military agreement signed between the Soviet Union and the United States since World War II.[72] They began talks on Mutual and Balanced Force Reductions (MBFR) of conventional military capabilities, with preliminary negotiations beginning in January 1973. Why did this period yield these improvements, while earlier and later periods were less fruitful?

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[70] "Economic Issues," Paper Prepared by the National Security Council Staff, Washington, undated [in briefing book for May 1972 summit], *FRUS*, 1969-1976, vol. 14, *Soviet Union, October 1971- May 1972*, doc. 230.
[71] Garthoff, *Détente and Confrontation*, 101.
[72] Nelson, *Making of Détente*, 156-7.

## 7.1 Johnson's Failed Initiatives

The Johnson Administration had attempted some conciliatory steps, but largely failed to make sustained progress with the Soviet Union. Initiatives such as the Nonproliferation Treaty (opened for signature on July 1, 1968) preserved superpower advantages over middle powers and managed nuclear risks, but not in ways that necessarily reduced the military threat that Moscow or Washington presented to the other. U.S. escalation in Vietnam and intervention in the Dominican Republic led to a "controlled freeze" in U.S.-Soviet relations for much of 1965 to 1967.[73] This stasis is perhaps unsurprising given the new Soviet leadership team and their internal disagreements over the proper trajectory of foreign relations.

Attempts were made to start bilateral arms control talks in 1967 and 1968, but those efforts failed, despite positive atmospherics at a summit between Johnson and Kosygin in Glassboro, New Jersey, in June 1967. Johnson assessed that while Kosygin would agree to the "principle" that it was useful to obtain "some movement on arms limitation and on arms shipment and on disclosure and on reducing military expenditures, cutting our budget down for nuclear weapons or for offensive or defensive missile systems," Kosygin "never would set a time and never would set a place and never would get down to really executing it."[74]

The U.S. Embassy in Moscow assessed that factional infighting made it difficult for the Soviet Union to respond to U.S. proposals on arms limitation, "Some among the Soviet leadership are undoubtedly concerned about the tremendous cost and the practical futility of an unlimited arms competition with the United States. But they are almost certainly under heavy pressures from those, including the military establishment, who hope for an eventual breakthrough [to a state of Soviet

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[73] Telegram from the Embassy in the Soviet Union to the Department of State, Moscow, November 25, 1966, *FRUS*, 1964-1968, vol. 14, *Soviet Union*, doc. 186; also Zubok, *Failed Empire*, 198-9.
[74] "Telephone Conversation between President Johnson and Former President Eisenhower," June 25, 1967, *FRUS*, 1964-1968, vol. 14, *Soviet Union*, doc. 237.

strategic superiority], to avoid inhibiting commitments."[75] For much of 1968, Johnson sought a

meeting with Kosygin in the Soviet Union in late 1968 where they could make progress on the

principles for future arms control negotiations, but the summit was aborted as U.S. condemnation

of the Soviet intervention in Czechoslovakia grew.[76]

Despite the failure of the summit, U.S. and Soviet interest in arms control only heightened as

the economic situation worsened. Informal discussions between World Bank president McNamara

with Kosygin in November 1968 (nine months after leaving Defense), led McNamara to conclude

that "Kosygin displayed infinitely more interest in disarmament generally and in talks on limitation

and reduction of strategic delivery systems in particular than at Glassboro eighteen months ago."

McNamara further assessed "that [the] cost of escalating strategic arms and consequent impact on

other essential problems [in the Soviet Union] is vital ingredient of Kosygin's very apparent interest

in getting talks under way."[77]

Similar motivation existed on the U.S. side, with Secretary of Defense Clifford summarizing

the views of many in the waning days of the Johnson administration by assessing a trade was

possible where U.S. forbearance on deploying a missile defense system could be exchanged for

Soviet constraint on offensive arms, something the Soviet Union would be interested in since they

were "having problems with [the] cost of increased missile force," and with the United States

"concerned with… the solidity of the dollar" in the aftermath of "a serious monetary crisis,"

presumably referring to the collapse of the London gold pool earlier in the year.[78] In other words

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[75] "Airgram from the Embassy in the Soviet Union to the Department of State," Moscow, January 31, 1968, *FRUS*, 1964-1968, vol. 14, *Soviet Union*, doc. 265.

[76] See, e.g., "Memorandum from the Government of the United States to the Government of the Soviet Union," Washington, September 16, 1968, 1964-1968, vol. 14, *Soviet Union*, doc. 299; "Message from the Government of the Soviet Union to the Government of the United States," Moscow, undated [provided on October 2, 1968], *FRUS*, 1964-1968, vol. 14, *Soviet Union*, doc. 308.

[77] "McNamara-Kosygin Conversation," Telegram from the Embassy in the Soviet Union to the Department of State, Moscow, November 11, 1968, *FRUS*, 1964-1968, vol. 14, *Soviet Union*, doc. 314.

[78] Tom Johnson [aide to Lyndon Johnson], "Notes on Foreign Policy Meeting," Washington, November 26, 1968, *FRUS*, 1964-1968, vol. 14, *Soviet Union*, doc. 323.

the motives for an arms control agreement were present by late 1968, but needed political

circumstances that made serious and sustained negotiations possible.

## 7.2 Nixon Adjusts to Economic Constraints

The scope of economic challenges quickly became apparent to President Nixon as he

succeeded Johnson. As the new president came to terms with his budget woes, he changed his

rhetoric on defense policy. During the 1968 campaign, he had spoken of the need for strategic

superiority over the Soviet Union. By the time of his first press conference on January 27, 1969,

however, he argued that "sufficiency" was a better term for his force posture goals than either

"superiority"—which he now argued would spur the Soviet Union to arms racing as it sought to

escape the "inferior position"—or "parity."[79]

This recalibration from "superiority" to "sufficiency" was part of a broader economizing of

goals in the Nixon administration. Nixon and Kissinger worked to withdraw U.S. military forces

from the war in Vietnam, sought to diminish the cost of the U.S. commitment to other allies

(especially in Asia), succeeded in improving relations with rivals (not just the Soviet Union, but also

China), and seriously considered repairing relations with peripheral adversaries, such as Cuba.[80] Such

omnidirectional peacemaking efforts are consistent with domestic primacy theory given the

coincidence of economic difficulties and concentrated executive authority. Of the five mechanisms

introduced in Chapter 2, two are most evident in the behavior of Washington during this period: (1)

an economic downturn led to austerity pressures that motivated a search for cutbacks in defense

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[79] "The President's News Conference," January 27, 1969, http://www.presidency.ucsb.edu/ws/index.php?pid=1942; Garthoff, *Détente and Confrontation*, 14.
[80] Despite repeated efforts by Kissinger to pursue rapprochement with Cuba, Nixon had a strong personal antipathy toward Cuba that Kissinger was unable to overcome. The United States and Cuba did cooperate on airline hijacking during this period. William LeoGrande and Peter Kornbluh, *Back Channel to Cuba: The Hidden History of Negotiations between Washington and Havana* (Chapel Hill: University of North Carolina Press, 2014), 119-29.

expenditures so that more funds could go to domestic programs and (2) an economic downturn led to greater incentives for international economic cooperation to alleviate economic hardship.

The continuing cost of the Vietnam dispute was the proximate cause of the resource crunch that President Nixon inherited, forcing the president to pursue reconciliation overseas. The war exacerbated structural trends in the American economy that made ever expanding overseas commitments untenable. Historian Keith Nelson is explicit in this assessment, arguing, "In combination with other, longer-range developments—economic, military, and international—this painful and divisive war [in Vietnam] was central in producing that shortage in support and resources that ultimately led a conservative president to attempt to strengthen the status quo through accommodation with the superpower rival."[81]

Nixon regularly referenced the economic motives that undergirded his policy of détente. In October 1970, he briefed members of the press on "deep background," and stated the policy of détente had three objectives: "avoid war, reduce defense expenditures—at least don't see them go up—and third, the whole area of trade." He expanded on the second objective at length, "The United States and the Soviet Union also have a common interest in stopping the rise in defense expenditures. We know how hard it is for us. We think that a $70 billion defense budget is pretty tough with our huge GNP. The Soviet Union's defense budget—look at what burden it puts on the Soviet economy; at least twice, maybe two and a half to three times as great as ours because their economy is not as strong to begin with and their budget is probably larger."[82]

In 1972, in a private conversation with Kissinger, Nixon reflected on the value of reaching a deal with the Soviet Union on anti-ballistic missiles alongside limitations on offensive arms, explaining, "You know we've got a hell of a budget problem. We've got to cut it down, we've got to

[81] Nelson, *The Making of Détente*, xiii-xiv.
[82] "Background Press Briefing by President Nixon," Hartford, CT, October 12, 1970, in *FRUS*, 1969-1976, vol. 13, *Soviet Union, October 1970-October 1971*, doc. 1.

cut 5 billion dollars off next year's defense budget. So, I don't want to [do it?] unless we've got some

settlement with the Russians."[83] Nixon was wary that unilateral cuts would create defensive risks, so

he sought negotiated arms control agreements as one means to manage the budget crisis.

Nor was this logic just a one-off musing. Late in 1971, he told columnist Richard Wilson

that he assessed when he came into office that "we were reaching a time of nuclear parity with the

Soviets. I saw that we would have to make a decision to go one of two ways: we either had to make

a decision for negotiation... rather than confrontation, or we had to start rebuilding because

essentially in the 1960s we had lost our nuclear advantage. So it was either negotiate or escalate as far

as the arms race was concerned, and in other areas as well." Nixon chose to negotiate.[84] Later, in a

private meeting with the Congressional leadership in 1974, Nixon returned to the advisability of

arms control as a means to constrain defense expenditures: "There is still a gulf [in arms limitation

talks], but we hope we can agree on something. If we can't, they will go balls out, and with their

throw weight, it will be a problem. It would be a race no one would win. We are laying the

groundwork for a longer-term agreement.... Our general view is that all of us concerned with this

must not adopt the view of why bother to try for an agreement because we could win a race. But we

don't want a bigger budget—neither do the Soviets—but lacking an agreement, we will move and

have told them so."[85] Nixon, who had campaigned in 1968 on superiority, accepted the logic of

negotiated sufficiency as he sought to prevent the defense budget from overwhelming his other

governing priorities. This is altogether more remarkable given the hawkish, realpolitik inclinations of

the president, making it a hard test for domestic primacy theory.

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[83] "Conversation between President Nixon and his Assistant for National Security Affairs (Kissinger)," Washington, April 19, 1972, *Foreign Relations of the United States*, 1969-1976, vol. 14, *Soviet Union, October 1971–May 1972*, doc. 126.
[84] "Conversation between Richard Nixon and Richard L. Wilson," Washington, DC, November 10, 1971, Conversation 616-10, available at http://nixontapeaudio.org/chron2/rmn_e616b.mp3.
[85] "Joint Leadership Meeting on the Summit Trip to Moscow," Memorandum of Conversation, Washington, July 10, 1974, *FRUS*, 1969-1976, vol. 15, Soviet Union, June 1972–August 1974, doc. 200.

Nixon and his economic advisers were also attracted to the prospect of enhanced trade with

the Soviet Union, especially attractive during this period where a growing trade deficit was putting

novel pressure on the dollar. This urge was strongest early in the Nixon administration, but even

with the "closing of the gold window" in August 1971, the trade deficit continued to grow in 1972,

only beginning to shrink in 1973, before the advantages of a floating dollar were swamped by the

OPEC oil shock (see Figure 4.3 below). While trade deficits would become commonplace after

1975, they were exceptional before then, and their existence was viewed as a crisis that merited

urgent action. Nixon's aggressive action briefly arrested the structural trend toward trade imbalance,

before the U.S. plummeted into sustained large deficits.

## U.S. Trade Balance, 1960-1980



Source: U.S. Census Bureau 2015

Figure 4.3 U.S. Trade Balance, 1960-1980

U.S. interest in advancing East-West trade was also evident in Nixon administration

deliberations, and as mentioned earlier was one of the three primary rationales for détente Nixon

listed in 1970. While Nixon admitted to the assembled media members in 1970 that trade was

"several orders of magnitude" less important than averting war and arresting defense budgets, it still

was highlighted in his briefing because it was "still very important, on the plus side." He continued

his case by arguing trade would "serve the interest" of both countries because despite their status as

"the two major industrial powers of the world… the trade between us is virtually minuscule."[86]

Nixon was responding to continual prodding from within his administration, where the

Commerce Department and, to a lesser extent, the State Department were eager to liberalize East-

West trade, initiatives that Kissinger sought to slow in order to retain enhanced trade as a potential

economic carrot in future diplomatic negotiations to gain Soviet political concessions.[87] There was

also pressure from the U.S. Congress, which in December 1969 passed the Export Administration

Act, that simultaneously gave the president substantial discretion over export controls while

declaring that it was U.S. policy "to favor expansion of peaceful trade with the Soviet Union and

Eastern Europe."[88] At every opportunity, Secretary of Commerce Maurice Stans clamored for more

trade to the Soviet Union and its Warsaw Pact allies in order to improve the trade balance; a case

Stans found all the more compelling back in many cases U.S. allies in Europe would sell the Soviet

Union items when the United States would not.[89]

An interagency study in 1971 found that East-West trade totaled approximately $15 billion in

1970, of which the U.S. share was 4 percent. If the United States removed unilateral restrictions on

trade with the Soviet camp, the study group concluded that the value of U.S. trade to those same

countries would nearly triple, resulting in a quintupling of the trade surplus since the Soviet Union

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[86] "Background Press Briefing by President Nixon," Hartford, CT, October 12, 1970, in *FRUS*, 1969-1976, vol. 13, *Soviet Union, October 1970-October 1971*, doc. 1.

[87] "Actions Resulting from National Security Council Meeting of April 9, 1969," Action Memorandum from the President's Special Assistant for National Security Affairs (Kissinger) to President Nixon, April 15, 1969, *FRUS*, 1969-1976, vol. 4, *Foreign Assistance, International Development, Trade Policies, 1969-1972*, doc. 195.

[88] Kissinger, *White House Years*, 154.

[89] "Expansion of U.S. Commercial Relations with East Europe (including USSR)," Memorandum from Secretary of Commerce Stans to President Nixon, Washington, November 19, 1970.

needed more goods from the West than the United States needed from the Eastern bloc. The allure

of more exports to the Soviet Union grew as the trade deficit emerged. Nixon's international

economics advisor Peter Peterson commented in a memorandum to the president in July 1971:

"You know I'm sure that [sentiment in] the U.S. business community and the Hill is growing daily to

liberalize East-West trade, and our second successive month of trade deficits is being used as

another reason."[90] Nixon found it difficult to resist such pressures from below, even as he sought to

preserve trade as a bargaining chip for use to extract political concessions from Moscow. He

complained to Stans and Secretary of State Rogers in 1971 that "businessmen" were always "panting

around the Soviets so much that they are slobbering away and giving away our bargaining

position."[91]


## 7.3 Moscow's Limited Means

In Moscow, leaders found themselves confronting a similar set of circumstances as those

faced by their American peers, to which they responded in analogous ways. Of the mechanisms

linking economic downturns to rapprochement, the Soviet Union experienced (1) austerity pressures

to decrease defense expenditures, (2) austerity pressures to prioritize threats, which in this case

meant reducing the conflict with the United States while it faced heightened conflict with the

People's Republic of China, and (3) incentives to enhance international economic cooperation.

Just as Nixon had justified détente privately to media members on the basis of seeking to

avoid war, decrease defense budget, and increase trade, the Soviet leadership justified détente to the

Central Committee in May 1972 by arguing (1) "the more stable and normal our relations with the

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[90] "East-West Trade—Between Western Industrialized Countries and Eastern Europe and the Soviet Union," Information Memorandum From the President's Assistant for International Economic Affairs (Peterson) to President Nixon, Washington, July 7, 1971, FRUS, 1969-1976, vol. 4, Foreign Assistance, International Development, Trade Policies, 1969-1972, doc. 339.

[91] "Conversation among President Nixon, Secretary of Commerce Stans, Secretary of State Rogers, and the President's Deputy Assistant for National Security Affairs (Haig)," Washington, November 15, 1971, FRUS, 1969-1976, vol. 14, Soviet Union, October 1971-May 1972, doc. 12.

United States, the less the threat of world nuclear war," and (2) "a worsening of relations would

require heavier defense expenditures while normalization of relations would hold down such

expenditures."[92] By the late 1960s into the early 1970s, curtailing defense expenditures was especially

attractive to the Soviet leadership, which was spending more on defense as a share of the Soviet

economy than the United States even though the United States was still trapped in Vietnam.[93]

Moreover, new national security demands were being placed on Soviet coffers, including the

redeployment of manpower to the Sino-Soviet border as well as additional aid to Eastern European

allies. This latter commitment was acute after the Czechoslovakian crisis of 1968 and the Polish

crisis of 1970. In the aftermath of World War II, the Soviet Union had forced its Eastern European

satellites to purchase Soviet commodities. Rising global commodity prices and Soviet production

costs now meant that Soviet clients were getting a good deal, while Soviet producers felt

"victimized." Without alternative (Western) sources, without liberalizing East-West trade, the Soviet

Union could not curtail these implicit subsidies to its clients for fear of sparking greater political

instability.[94] As Garthoff recounts, "There was no escaping the fact that the economic resources" of

Eastern European client states—even with Soviet assistance—"were simply inadequate to meet the

needs of the member countries. These countries had to turn to the West as well and put their

internal economic systems in better shape."[95]

The combination of economic weakness at home, growing defense costs, and increasingly

expensive alliance management spurred action. In a contemporaneous account, an anonymous

Kissinger aide explained the U.S. assessment of this period, "After the Polish rioting, Brezhnev

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[92] The Central Committee meeting occurred after Nixon's mining of Haiphong harbor, which led Soviet hawks to question the wisdom of hosting Nixon for a summit in Moscow later in May 1972. The classified report of Brezhnev's address was briefly accessible to U.S. researchers, before many Russian archives were closed. Garthoff, *Détente and Confrontation*, 114-5.
[93] Nelson, *Making of Détente*, 33.
[94] Nelson, *Making of Détente*, 38; Randall W. Stone, *Satellites and Commissars: Strategy and Conflict in the Politics of Soviet-Bloc Trade* (Princeton: Princeton University Press, 1996), 35-9, 85-7
[95] Garthoff, *Détente and Confrontation*, 142.

realized that his hold on power had suddenly become more vulnerable; that he too could lose power, as Gomulka had, unless he drastically overhauled Soviet society—most especially the economy."[96] By early 1971, while Nixon and Kissinger had not been able to stop some easing of U.S. export restrictions to placate business interests eager to trade with Moscow, they still could dangle further trade in front of Soviet leaders, in essence suggesting "that the United States might be ready to help Brezhnev modernize the Soviet economy—if Brezhnev was ready to ease the position on a broad range of stalled political issues, such as SALT."[97] While Nixon viewed this policy as one of linkage, in fact both elements of détente helped the Soviet economy. Trade would permit industrial modernization, while progress on arms limitation, especially an anti-ballistic missile ban, would substantially decrease the funds necessary for the Soviet Union to maintain strategic parity with the United States.

On trade, one specific feature of Brezhnev's domestic agenda was to constrain Soviet investments in agriculture so as to divert revenue to other economic sectors. This would be made vastly easier with substantial imports of foreign grain. U.S.-Soviet negotiations in 1971 and 1972 centered increasingly over U.S. grain sales to the Soviet Union, which benefited Nixon electorally with farmers while easing Brezhnev's economic juggling. In preparations for the planned May 1972 Nixon summit meeting with Brezhnev, Kissinger expressed his "perfect astonishment" at the priority the Soviets attached to a trade deal. "Kissinger had gone to Moscow thinking the that the Soviets did not attach vast importance to an ambitious trade agreement. He came home convinced that such an agreement was one of their highest priorities," according to columnist Joseph Alsop who spoke regularly with Kissinger.[98] Perhaps Kissinger's surprise was disingenuous, since both

[96] Quoted in Marvin Kalb and Bernard Kalb, *Kissinger* (Boston: Little, Brown, and Co., 1974), 213.
[97] Kalb and Kalb, *Kissinger*, 213.
[98] Joseph Alsop, "A View from the Summit," *Washington Post*, May 24, 1972.

Russian media and the U.S. agricultural attaché in Moscow had reported since February 1972 of

substantial Soviet crop damage that winter.[99]

Progress on trade and agriculture preceded the breakthroughs in the Strategic Arms

Limitation Talks and continued after those political-military breakthroughs. Secretary of Commerce

Stans, who had been urging more East-West trade since at least April 1969, traveled to Moscow in

November 1971. Soviet Minister of Agriculture Vladimir Matskevich visited Washington in

December, while Secretary of Agriculture Earl Butz visited Moscow in April 1972, and was the first

U.S. official to meet Brezhnev in Moscow since 1963. In that meeting, Brezhnev stress to Butz that

he sought "big scale" trade.[100] The President did not conclude a major grain deal during his May

1972 summit with Moscow, though Brezhnev and Nixon did announce a new commercial

commission to increase trade.[101] The grain deal had been hampered because of fine print pertaining

to shipping rights that was too complicated to resolve quickly even with presidential interest.

Additional negotiations on the grain deal continued, with a Soviet deputy minister of agriculture

visiting Washington in July 1972, followed by a visit to Moscow of the new U.S. Secretary of

Commerce Peter Peterson (who replaced Stans in February), and concluding during Soviet trade

minister Nikolai Patrolichev visit to Washington in October 1972. That visit finalized a multiyear

U.S. commitment to sell grain to the Soviet Union grain, opened up U.S. and Soviet ports to each

other's commercial maritime vessels, and included a U.S. promise to seek most-favored nation status

for Soviet imports.[102] While trade had grown throughout Nixon's tenure, the negotiations of 1971

and 1972 led to a substantial expansion in East-West trade (see Figure 4.4 below), exactly what both

[99] Seymour Hersh, *The Price of Power: Kissinger in the Nixon White House* (New York: Simon and Schuster, 1983), 533.
[100] "Secretary Butz's Meeting with Brezhnev," Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon, Washington, April 14, 1972, *FRUS*, 1969-1976, vol. 14, *Soviet Union, October 1971-May 1972*, doc. 101.
[101] "U.S.-Soviet Trade and Economic Relations," Telegram from Secretary of State Rogers to the Department of State, Moscow, May 24, 1972, *FRUS*, 1969-1976, vol. 14, *Soviet Union, October 1971-May 1972*, doc. 268.
[102] Nelson, *Making of Détente*, 104-117; Richard Stevenson, *The Rise and Fall of Détente: Relaxations of Tension in U.S.-Soviet Relations, 1953-84* (Urbana: University of Illinois Press, 1985), 158-9.

Nixon's economic advisors and Brezhnev had sought. U.S.-Soviet trade in 1973 was twelve times the level it was in 1968, with the U.S. trade surplus growing by an equivalent amount.

## U.S. Trade with the Soviet Union, 1960-1980

Figure 4.4: U.S. Trade with the Soviet Union, 1960-1980

## 7.4 The Importance of Concentrated Executive Authority

The economic circumstances that confronted the United States and Soviet Union were substantial and contemporaneously apparent to leaders in both countries. Was concentrated authority also meaningful in shaping Washington and Moscow's reactions, or was economic urgency sufficient? There is abundant evidence that concentrated executive authority enabled détente. First, specific episodes show that both political power and economic arguments were sometimes necessary to overcome détente skeptics in Moscow and Washington. Second, the sequence of events also indicates the importance of concentrated authority since only after political predominance did major

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concessions occur despite unchanging economic circumstances. Third, historians have judged political predominance as making détente possible.

First, the combination of political power and economic arguments was sometimes necessary to overcome potential veto players. To take one example, in April 1972, Soviet hawks were briefly resurgent, after a U.S. bombing raid against North Vietnam hit four Soviet merchant ships, killing several sailors. In Politburo deliberations over whether to cancel a planned May 1972, economic arguments convinced most senior Soviet leaders, and for those unconvinced Brezhnev resorted to their removal from office.

Brezhnev and his foreign minister Gromyko argued that failure to proceed with the summit would halt progress on strategic arms limitation agreements. Brezhnev shouted down concerns from within his armed forces about the utility of SALT. He asked his hawkish defense minister Grechko, "If we make no concessions, the nuclear arms race will go further. Can you give me, the Commander-in-Chief of Armed Forces, a firm guarantee that in such situation we will get superiority over the United States...?" Grechko could not, leading Brezhnev to dismiss his arguments: "Then what is wrong? Why should we continue to exhaust our economy, increase military expenses?"[103]

Brezhnev and his allies also stressed that economic cooperation with the West was at a critical stage in mid-1972. Italy and the United States had begun work on large vehicle manufacturing plants at Tolyatti and Kama River. Moreover, U.S. technical assistance was being requested to construct gas and oil pipelines in difficult to reach permafrost regions of the Soviet Union. Failure to accept U.S. technical assistance meant, according to Minister of Oil Nikolai

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[103] Quoted in Zubok, *Failed Empire*, 220-1; also see Georgi Arbatov, *The System: An Insider's Life in Soviet Politics* (New York: Random House, 1992), 201-2.

Baibakov that "we will not be able to access the oil reserves of [Yakutia] for at least thirty more years."[104]

Argumentation appears to have been insufficient, however, despite economic urgency. At least one unconvinced skeptic had to be marginalized for the May summit to occur and be a success. Petro Shelest, first secretary of the Communist Party of the Ukrainian Socialist Republic and a Politburo member, reportedly said in advance of the summit, "I will not shake the hand that has been bloodied in Vietnam." Brezhnev turned to the other Ukrainian member of the Politburo, Vladimir Shcherbitsky, and asked if he supported Shelest in his opposition to Nixon's visit. Shcherbitsky did not. Brezhnev rebuked Shelest: "You see, Comrade, you can speak for yourself, but you cannot speak for all Ukrainians." Shelest was demoted and Shcherbitsky replaced him as first secretary.[105]

Simultaneous with Brezhnev's rebuke of Shelest in Moscow, Nixon ignored concerns from both Secretary of State Rogers and Secretary of Defense Laird over continuing the summit; if anything Rogers's concerns seem to have galvanized Nixon and Kissinger to proceed. Kissinger suggested it might be necessary "to pull the teeth of your Cabinet members who were going against our plan," in urging the president forward.[106]

Second, there is evidence that the emergence of greater political predominance led to stronger signals for rapprochement, even when economic circumstances were similar. While Brezhnev had the ability to prevail over his colleagues beginning in 1969 or 1970, as discussed above, Brezhnev's ascendency atop the Soviet system was apparent to even outside observers by the April 1971 24th Party Congress. Almost immediately, the sluggish peace agenda began to move more

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[104] Quoted in Zubok, *Failed Empire*, 220.
[105] Garthoff, *Détente and Confrontation*, 113-4.
[106] Summit deliberations were especially complex since Nixon and Kissinger were essentially presenting the NSC with a proposal to escalate in Vietnam by bombing Haiphong harbor, while also proceeding with the summit unless the Soviet Union cancelled. Some thought the escalation in Vietnam merited cancelling the summit as well. See transcript excerpts in "Editorial Note," *FRUS*, 1969-1976, vol. 14, *Soviet Union, October 1971-May 1972*, doc. 205.

rapidly. By April, U.S. observers could assess a majority of Politburo supporters for Brezhnev, a

modest demotion for Kosygin, and younger appointees who would give Brezhnev "clear

predominance" of the Politburo as older members "fall by the wayside." Kissinger assessed what

Brezhnev would do with this new authority in a memorandum for the president, "At the [24th Party]

Congress he identified himself with the consumer, at the expense of heavy and defense industry, and

with his 'peace program.' He reiterated both themes in his closing speech. More important may be

that he is gaining more power and therefore probably some more freedom of action. He may thus

be inclined to move on some of the international issues that we are engaged in—SALT, Berlin, etc."

While Kissinger worried that Brezhnev's ascendance might lead to countervailing forces as

Khrushchev's had, he concluded, "A reasonable net judgment would be (a) that Brezhnev has some

room for genuine negotiation, and (b) has an incentive for some stabilization with us to help him

accomplish his domestic goals and control divisive tendencies in his empire."[107]

In his memoirs, Kissinger reports Nixon wrote in the margin next to that analysis, "We will

have the answer in thirty days."[108] Almost like clockwork in May 1971 Brezhnev initiated a burst of

concessionary signals to the West, including the removal of Walter Ulbrecht in East Germany

(because of his opposition to détente), the announcement of Soviet willingness to sign a treaty

banning biological weapons, agreement to discussions to hold conventional force reduction

negotiations for Europe, and endorsement of a major breakthrough in the Strategic Arms Limitation

Talks.[109] Kissinger was too annoyed with Soviet hesitance to schedule a summit with Nixon to

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[107] "The New Soviet Leadership—Brezhnev Up," Memorandum from the Assistant to the President for National Security Affairs (Kissinger) to President Nixon, Washington, April 10, 1971, *FRUS*, 1969-1976, vol. 13, *Soviet Union, October 1970-October 1971*, doc. 205.
[108] Kissinger, *White House Years*, 834.
[109] Nelson, *Making of Détente*, 101-2.

notice these signals in Europe,[110] but Nixon's prediction was accurate, and indicated a clear link

between Brezhnev's unquestioned dominance and his "peace program."

Third, and finally, historians have also attributed the success of détente with the two

individuals atop the U.S. and Soviet systems. Raymond Garthoff is especially clear, "In the Soviet

Union, détente with the United States was adopted precisely in the period of 1969 to 1972 when

Brezhnev was establishing his preeminence in foreign relations."[111] Vladislov Zubok concurs that

while the Soviets faced an acute domestic economic problem, this was insufficient to motivate the

Politburo to act. Instead, Zubok concludes, "It was Brezhnev's personal and increasingly emotional

involvement and his talents as a domestic consensus builder that proved to be the most important

factor in securing the policy of détente."[112] While Brezhnev could goad his subordinates into action,

Nixon and Kissinger chose to marginalize dissenting voices, conducting a foreign policy that

"required a tight centralization of policy in order to manage foreign policy actions," in Garthoff's

assessment.[113] William Bundy, a foreign policy advisor to presidents Kennedy and Johnson, concurs,

arguing that before Watergate, "Nixon was not only the court of last resort and the ultimate decider

but the moving force most of the time. Opening channels to China was his idea, although its

execution in 1971 owed much to Kissinger. Likewise, starting a back channel with the Soviet

leadership was his doing, which again Kissinger developed to the full."[114]


## 8 Alternative Explanations

Domestic primacy theory correctly predicts the timing of détente, while also making sense of

considerable contemporaneous evidence that attributes economic motives to U.S. and Soviet

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[110] See Kissinger, *White House Years*, 834.
[111] Garthoff, *Détente and Confrontation*, 16.
[112] Zubok, *Failed Empire*, 223.
[113] Garthoff, *Détente and Confrontation*, 29-30.
[114] Bundy, *A Tangled Web: The Making of Foreign Policy in the Nixon Presidency* (New York: Farrar, Straus, and Giroux, 1998), 510.

decision makers as well as assessments that Nixon and Brezhnev's concentrated authority permitted détente's success. This section will show that neither a growing power imbalance, nor changing calculations of nuclear deterrence, nor the presence of shared enemies can better explain détente.

## 8.1 Power Imbalance

Especially compared to the early Cold War, where the balance of power heavily favored the United States, the 1960s and 1970s were a period of relative parity. Using military expenditures or the Correlates of War Project's Composite Indicator of National Capability as metrics generates the same trend: a modest shift in favor of the Soviet Union as the United States pared back military spending because of the budget crisis and the withdrawal from Vietnam (see Figure 4.5 below).
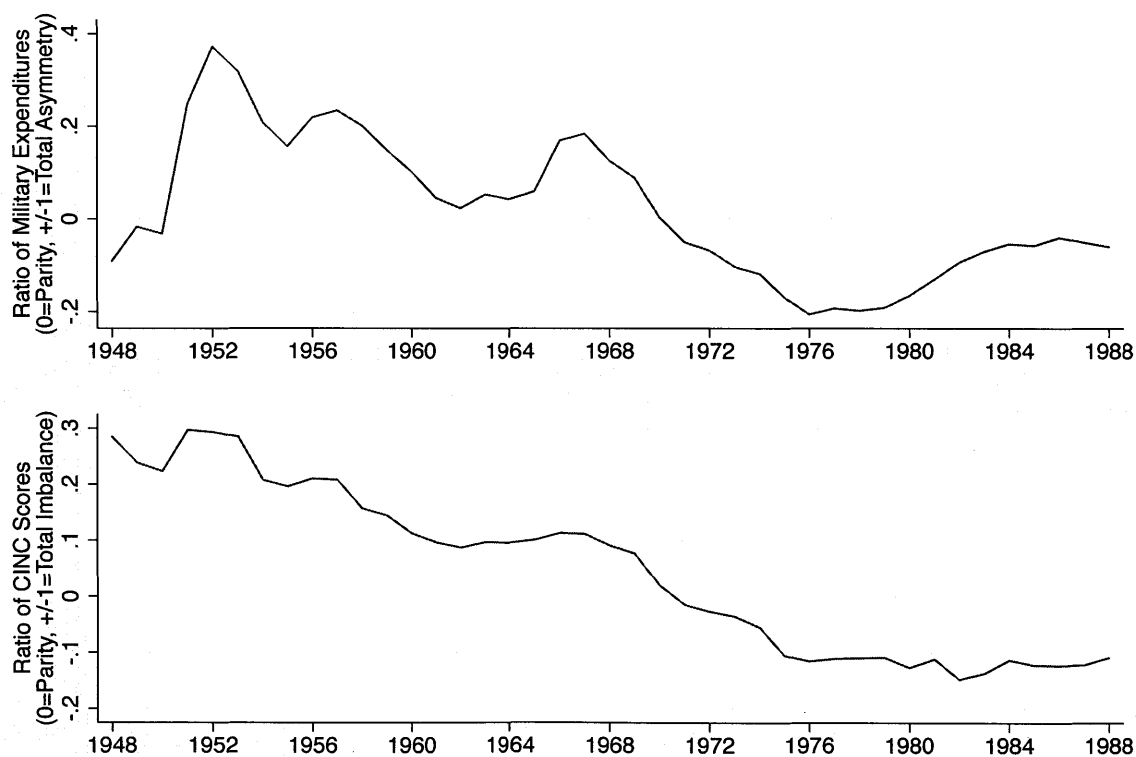


Source: Correlates of War Project

Figure 4.5: Indicators of the Balance of Power between the United States and Soviet Union

This gross shift in favor of the Soviet Union likely masks a relative stability from the mid-1960s into the late 1970s, as U.S. defense spending in the 1960s had been artificially elevated by expenditures on Vietnam that did not directly threaten the Soviet Union (about 25 percent of U.S. defense expenditures went to pay for the Vietnam war in 1968[115]), while Soviet expenditures starting in the late 1960s would be artificially elevated by a redeployment of resources toward the Sino-Soviet border (about half of increased Soviet ground forces manpower after 1965 went to man the Eastern border[116]).

The relative parity of this period ought to complicate bargaining, making cooperative projects more difficult than they would have been during periods of relative asymmetry in the mid-1960s or mid-1970s. Both sides could make credible arguments that they were winning the global Cold War struggle, which ought to have diminished their interest in making concessions. Instead, the period was the most cooperative one in the first three decades of the Cold War. Domestic primacy theory explains why.

## 8.2 Nuclear Peace

Though the United States would retain nuclear superiority until the late 1970s (see Figure 4.6 below), by the time of the Cuban Missile Crisis in 1962, the Soviet Union had more than 3,000 nuclear warheads in its inventory and all the necessary components for a nuclear triad in place (long-range bombers, ballistic missile submarines, and intercontinental ballistic missiles). In other words, by about 1962, it would be impossible for U.S. policymakers to believe a nuclear exchange could occur without unacceptable damage to U.S. population centers. For both Moscow and the United States, nuclear weapons ought to have overridden conventional security fears by the beginning of

[115] Stephen Daggett, "Costs of Major Wars," *CRS Report for Congress*, no. RS22926 (Washington, DC: Congressional Research Service, June 29, 2010), 2.
[116] National Foreign Assessment Center, U.S. Central Intelligence Agency, *The Development of Soviet Military Power: Trends since 1965 and Prospects for the 1980s* (April 1981), 14.

the 1960s and continuing until the end of the Cold War in 1989. Nuclear peace does predict progress in this period, but also predicts progress earlier and later. Theories of nuclear peace over-predict cooperation in the early 1960s, late 1970s, and early 1980s. Perhaps the prospect of nuclear destruction enabled détente, but some other theory is still needed to explain variation in superpower cooperation. Domestic primacy theory is able to do so.



Source: Kristensen and Norris, 2013
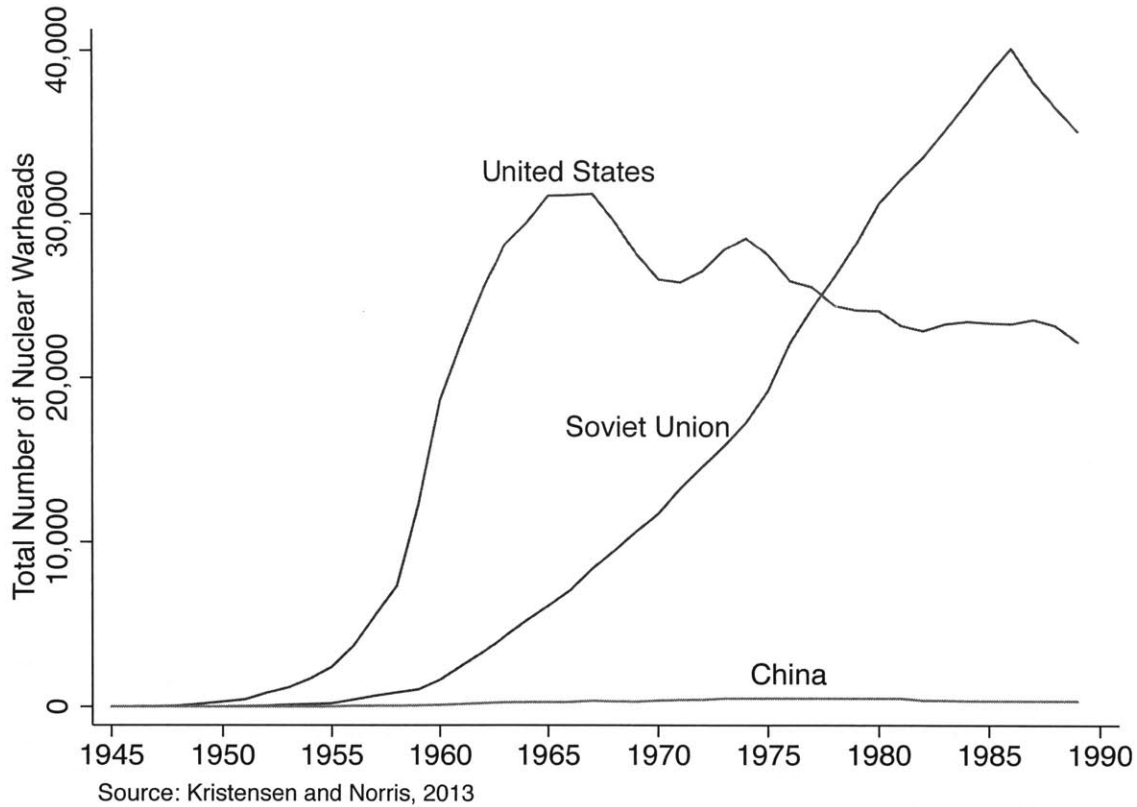
Figure 4.6: Nuclear Weapons Stockpiles during the Cold War

## 8.3 Common Enemies and "The China Card"

Perhaps U.S.-China rapprochement and Sino-Soviet conflict can explain détente. Is it possible to disentangle U.S.-Soviet détente from the simultaneous progress in U.S.-China relations? There are three reasons that suggest both U.S.-Soviet and U.S.-China rapprochement were

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motivated by the same source—the logic of domestic primacy theory—rather than U.S.-China

normalization "causing" U.S.-Soviet détente.

First, the worsening Sino-Soviet relationship and the improving Sino-U.S. relationship ought

to have made it easier for Washington to pursue a hardline against Moscow. Theories premised on a

common enemy inspiring peacemaking predict *either* Sino-U.S. rapprochement or U.S.-Soviet

détente, not both.[117] The United States could have pressed its advantage over the Soviet Union, but

opted against doing so. Why did Nixon not challenge the Soviet Union to a race until it could no

longer keep up? His answer to Congressional leaders in 1974 was short, "We don't want a bigger

budget." Instead, Nixon pursued negotiated arms control and sought other forms of political and

economic accommodation.

Secondly, the chronology of progress does not suggest Soviet intransigence until U.S.-China

rapprochement was apparent, only after which were concessions made. A U.S.-Soviet backchannel

was in place by February 1969, in the first month of the Nixon administration, but there was little

progress in the initial years because the Nixon administration prioritized extracting Soviet assistance

in negotiations with North Vietnam (the most costly element of the Cold War competition for the

United States) rather than the Soviet priority of strategic arms control (the most costly element of

the Cold War competition for Moscow).[118]

With little progress in the U.S. channel, Brezhnev himself opened a backchannel to West

Germany in December 1969, leading to a trade deal with Bonn in February 1970, and a political

treaty mutually renouncing the use of force between West Germany and the Soviet Union in August

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[117] "Strategic triangles" frameworks suggest that a pivot state can gain advantages from having better relations with two rivals than they have with one another. Lowell Dittmer, "The Strategic Triangle: An Elementary Game-Theoretical Analysis," *World Politics* 33, no. 4 (1981): 485-515. The problem with this as an explanation is that this logic is *always* true and cannot explain variation. Some other theory, such as domestic primacy theory, is required to argue when "pivot" status will be more or less attractive.
[118] Zubok, *Failed Empire*, 216.

1970.[119] Brezhnev's conciliatory moves to Western Europe were both useful in their own right (especially the trade flows they opened), but also signaled Soviet seriousness. The 24th Party Congress sanctioned Brezhnev's peace program beginning on March 30, 1971, before the Chinese government invited the U.S. table tennis team to visit China on April 6, one of the very first public indicators of Chinese interest in rapprochement with the U.S. government, and obviously one that was benign and symbolic.[120] The peace program announcement was followed by Brezhnev's major concessions in May 1971 discussed above: removing Ulbrecht in East Germany, on biological weapons, on conventional force reduction discussions, and endorsing SALT progress. The May moves occurred two months before Kissinger's secret visit to Beijing in July, only after which would President Nixon's visit to China be announced. Many observers conclude that the Soviets were "caught off guard" by Kissinger's visit, making it difficult to believe the May progress anticipated the later announcement.[121] Kissinger, in fact, sought to delay announcing progress on a treaty pertaining to the status of Berlin until after his return from China, so that progress in the U.S.-Soviet relationship might not inadvertently damage his Beijing trip.[122]

Finally, this timeline of separate tracks is consistent with the assessment of important participants in the process and the arguments that they made at the time. Kenneth Rush, U.S. ambassador to West Germany during this period and subsequently Deputy Secretary of Defense and Deputy Secretary of State in the Nixon administration. Rush assessed "China was not an appreciable factor in the bargaining" over Soviet-West German relations in 1970 and 1971, bargaining where the United States was often a crucial participant.[123]

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[119] Nelson, *Making of Détente*, 130.
[120] Bernard Gwertzman, "Brezhnev States Program: Peace and Consumer Gain Stressed at Soviet Parlay," *New York Times*, March 31, 1971; Associated Press, "U.S. Table Tennis Team Gets Peking Invitation," *New York Times*, April 7, 1971.
[121] Chris Tudda, *A Cold War Turning Point: Nixon and China, 1969-1972* (Baton Rouge: Louisiana State University Press, 2012), xiii.
[122] Nelson, *Making of Détente*, 136.
[123] Rush was interviewed by Nelson, *Making of Détente*, 102.

What instead motivated Brezhnev's outreach? When West German chancellor Willy Brandt visited Moscow in 1970, he reported back that Brezhnev had assumed "personal charge of important aspects of Soviet policy toward the West" and that in his discussions with the Soviet general secretary, "the first thing to emerge from our discussions was his interest in economic matters."[124] The same logic that motivated Brezhnev's outreach to Willy Brandt's West Germany simultaneously propelled his efforts with Washington, especially a desire to secure trade and technology to ease the Soviet economic crisis—or as he put it in 1971, that "foreign economic relations" served as "an important reserve for increasing the economic efficiency of the national economy."[125]. When Brezhnev visited West Germany in 1973, he would return to these themes. In a television address to the Germany people that was republished in the Soviet press, Brezhnev noted that the Soviet Union economic plans "proceed from the fact" that cooperation with the outside world, not just the socialist one, was necessary to achieve those goals.[126]

Alternatively, the debate in Moscow over the May 1972 summit is also instructive. There were those that doubted the wisdom of arms control agreements and those that opposed compromising with Nixon even as he was escalating in Vietnam. Brezhnev relied on arguments about (1) the importance of continuing rapprochement with West Germany, which was so important for high-technology imports, and (2) the unacceptable level of defense expenditures in the absence of an agreement. Three years after the last major flair up along the Sino-Soviet border, it would make little sense for Brezhnev to appeal to the urgent China threat as motive for concessions. Thus, while some U.S. observers assessed Soviet willingness to proceed with the May 1972 Moscow summit as a sign that the Soviet Union was fearful of permitting Sino-American rapprochement to

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[124] Quoted in Nelson, *Making of Détente*, 130.

[125] Leonid Brezhnev, "The Report of the CPSU Central Committee to the 24th Congress of the Communist Party of the Soviet Union," March 30, 1971.

[126] "Brezhnev's Television Statement," Moscow TASS in English May 21, 73, FBIS-FRB-73-099.

go forward unchecked,[127] Soviet accounts dismiss this logic. Former Soviet official Georgi Arbatov concludes, "Although the Chinese factor was mentioned during the debate in the Soviet leadership over whether to cancel the summit, it was not seriously discussed, as far as I remember. Concern over the fate of the agreements with the Federal Republic of Germany, which were to be ratified a few days before Nixon's arrival in Moscow, played an incomparably greater role in the decision. Moscow realized full well that a deterioration in relations with the United States could get in the way of the ratification...."[128] Anatoly Dobrynin, then Soviet ambassador to the United States, concurs with Arbatov on the importance of the German initiative, but also adds that Moscow "realized that refusing to receive Nixon would complicate our relations with the American administration for a long period, putting off the summit indefinitely, jeopardizing the ABM and SALT agreements, and promoting another round of the arms race."[129]

This does not mean that Nixon's visit to China did not contribute to the depth of détente, but rather that the interaction was more complicated and less one-sided than is often assumed. It was the confluence of strategic, political, and economic circumstances that created the era of détente.

## 9 Conclusion

Why did détente emerge almost twenty-five years after the beginning of the Cold War and twenty-years after the first Soviet nuclear weapons test? The answer is that Brezhnev and Nixon emerged with the political capability to enact fundamental changes in both nations' foreign policies, and they were motivated to act by resource limitations that made business as usual impossible. A counterfactual thought experiment helps illustrate this point. What if the oil shock had occurred in

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[127] See Hyland, *Mortal Rivals*, 51, 60.
[128] Arbatov, *The System: An Insider's Life in Soviet Politics* (New York: Random House, 1992), 184.
[129] Anatoly Dobrynin, *In Confidence: Moscow's Ambassador to America's Six Cold War Presidents (1962-1986)* (New York: Random House, 1995), 248.

the late 1960s rather than the mid-1970s? It seems likely that the Soviet regime would have been content to continue supporting military modernization, much beloved by its generals, and delay attempts to restructure the Soviet economy. In fact, many of these easier choices were made when détente broke down in the late 1970s after the Soviet Union was flush with oil revenues. Alternatively, what if Nixon had not inherited Johnson's twin commitments of U.S. military forces in Vietnam and the "uncontrollable" expenses of Great Society? Would Nixon and his hawkish predilections really have opted for détente with the Soviet Union and rapprochement with Red China? The evidence strongly suggests that it was the pairing of a resource crunch with leaders in firm control of their governments that allowed Nixon and Brezhnev to make rapid progress from 1969 to 1973. When those domestic and economic conditions changed in the mid-1970s, the basis for U.S.-Soviet cooperation eroded and détente collapsed. That experience is the focus of the next chapter.

CHAPTER 5: THE COLLAPSE OF DÉTENTE

**1 Introduction**

Détente failed. The Nixon administration indicated the goal of détente was an enduring peace, not just a transitory reduction in antagonism. In a series of documents entitled *U.S. Foreign Policy for the 1970s*, Nixon's foreign policy team showcased this theme with lofty subtitles: *A New Strategy for Peace* in 1970, *Building for Peace* in 1971, *The Emerging Structure of Peace* in 1972, and *Shaping a Durable Peace* in 1973. Despite the hype, détente proved short-lived and fragile. Looking back, Raymond Garthoff framed the puzzle: "An era of negotiation was proclaimed by President Nixon in 1969, and a Peace Program was solemnly adopted by the Twenty-fourth Congress of the Communist Party of the Soviet Union in 1971. There were four summit meetings in the early and mid-1970s; 11 bilateral commissions were created; and over 150 agreements on subjects ranging from health improvement to strategic arms limitation were reached. Why did all this deteriorate in the middle of the 1970s and collapse as the decade ended?"[1]

Domestic primacy theory explains détente's failure as the result of an improving Soviet economy combined with the fracturing of executive authority in both Washington and Moscow in the mid-1970s. The Soviet Union was no longer as eager to find cost savings from arms control and defense drawdowns, nor were leaders in either capital able to overpower resurgent hawks skeptical of conciliatory initiatives. These economic and political shifts led to détente's collapse.

So if Chapter 4 demonstrated how domestic primacy theory's mechanisms worked to push both superpowers toward cooperation, this chapter shows how those mechanisms operated in reverse in the late 1970s. The lack of an acute economic crisis, especially in the Soviet Union, meant that austerity pressures no longer encouraged defense cutbacks or strategic prioritization. The Soviet military-industrial complex funded by Soviet oil wealth was eager to provide largesse to Third World

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[1] Raymond L. Garthoff, *Détente and Confrontation: American-Soviet Relations from Nixon to Reagan*, rev. ed. (Washington, DC: Brookings Institution, 1994), 24-5.

clients and arm the Soviet state against all possible threats. Veto players emerged that blocked trade liberalization between the United States and Soviet Union, meaning the fruits of enhanced international economic cooperation were no longer within grasp of U.S. or Soviet leaders. The Ford and Carter administration could not overcome insubordination and sabotage from within the executive branch, especially within the Defense Department, and they were unable to ratify—literally and figuratively—agreements negotiated with the Soviet Union because they lost control of a U.S. Congress re-energized by Watergate. Finally, in the Soviet Union, information was also manipulated to win factional disputes, leading to poor strategic assessment as the Soviet Union considered interventions in the developing world. All of these trends led to the collapse of détente, ushering in an intense period of U.S.-Soviet competition that would endure until the mid-1980s.

## 2 The End of Détente

Détente was the product of the Nixon administration's imperial presidency, which used backchannels, secrecy, and concentration of authority to enable nimble diplomacy. Given extraordinary budget pressures, Nixon had strong incentives to improve relations with the Soviet Union, enhance trade, and curtail military expenditures through arms control. As a partner, Nixon was lucky to overlap with Leonid Brezhnev, ascendant after the Czechoslovakian crisis of 1968, and willing to argue with the Soviet military in favor of arms reductions. Nixon was removed—in part for imperial tendencies at home—while Brezhnev's health began to fail in 1974. Succeeding Nixon, the Ford and Carter administrations were bedeviled by infighting, while the Soviet Union suffered from infirm elderly leaders prone to foreign policy conservatism.

## 2.1 Concentration of Executive Authority in the United States, 1974-1980

For over a decade, starting with the growing Watergate scandal in 1973 through the end of the first term of the Reagan administration, foreign policy authority in Washington was fractured across multiple power centers. The form that this contested authority took varied from administration to administration, but in each there was a fierce battle over who served as the primary shaper of foreign policy, which manifested itself in heated bureaucratic skirmishes over the U.S.-Soviet relationship especially. The result was a series of U.S. governments that encountered great difficulty in making serious and sustained compromises, contributing to the collapse of détente.

### 2.1.1 The Ford Administration

The concentration of executive authority in the United States dissipated, beginning with the Watergate scandal, which consumed Nixon's energies after 1973 and diverted them from foreign policy. Vice President Ford, upon ascending to the presidency in August 1974, never concentrated authority to the degree that Nixon had. James Schlesinger, Secretary of Defense from 1973 to 1975, was more than willing to challenge the White House: both opposing initiatives of the President and Kissinger, with the latter individual dual-hatted from 1973 to 1975 as both national security advisor and secretary of state.

Ford had distaste for Schlesinger even while still Nixon's vice president, and continued to struggle with his inherited defense secretary. Kissinger and Schlesinger engaged in bitter bureaucratic warfare over the contours of the Strategic Arms Limitation Talks (SALT) with the Soviet Union. Kissinger in his memoirs called Schlesinger the "leader of the revolt" against SALT, and argued Schlesinger was in "open opposition" of the President and would normally have been subject to "immediate dismissal" if the White House had not felt "haunted" by Watergate.[2]

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[2] Henry Kissinger, *Years of Upheaval* (New York: Simon and Schuster, 1982), 1154-5.

Ford also was straddled with a more activist Congress, prepared to challenge the presidency given Nixon's abuses. Ford believed Schlesinger and his Director of Central Intelligence, William Colby, were too close to the U.S. Congress, which led them to act on occasion in ways contrary to White House goals. Schlesinger had a more or less open alliance with hardline senator Henry Jackson, which he used to stymie Ford's conciliatory moves toward the Soviet Union. Colby, meanwhile, concluded that in the post-Watergate era, that "the balance of power tilt[ed] so strongly toward Congress as to render the CIA less an institution of the Executive Branch than a virtual servant of Congress."[3] So on occasion he circumvented presidential orders in order to maintain cordial relations with Capitol Hill. The 1974 election increased Democratic control of both the House and the Senate. Even prior to their enhanced numbers, a Democratic-controlled Congress was able to override Nixon's veto of the War Powers Resolution in November 1973, and continued to enact a "catalog of new legislative restraints on executive power."[4]

Facing widespread criticism that his administration was characterized by "internal anarchy," Ford responded in late October 1975 by firing Schlesinger, replacing him with Donald Rumsfeld (previously Ford's chief of staff), stripping Kissinger of the national security advisor portfolio, and replacing Colby with George H. W. Bush, in what became known as the "Halloween Massacre" given the date of its occurrence. The extreme reshuffle did not eliminate rival power centers in the Ford Administration. As Peter Rodman, an assistant to Kissinger throughout this period, notes, "When Rumsfeld replaced Schlesinger at the Pentagon, the State-Defense deadlocks simply reappeared."[5] If anything, Rodman assesses Rumsfeld was even less willing to compromise with Kissinger than Schlesinger had been.[6] Bureaucratic infighting, powerful personalities, and

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[3] Peter W. Rodman, *Presidential Command: Politics, Power, and the Making of National Security Policy* (New York: Vintage Books, 2010), 112.
[4] Rodman, *Presidential Command*, 113-4.
[5] Rodman, *Presidential Command*, 88-95.
[6] Also see Garthoff, *Détente and Confrontation*, 493.

Congressional limitations all served to fracture executive authority through the entirety of the Ford administration. Given these circumstances, domestic primacy theory predicts little ability for the Ford administration to advance détente and avoid calls for renewed competition.

## 2.1.2 The Carter Administration

While Ford was flummoxed by fights between State and Defense, President Carter established a system where his national security advisor, Zbigniew Brzezinski, and his secretary of state, Cyrus Vance, were thrust into a bureaucratic turf war that did not end until Vance resigned in 1980, in the final months of Carter's only term. Brzezinski and Vance's fights were not petty, but substantive, since the former believed that Soviet power must be confronted—and might one day collapse because of internal frailties within the Soviet system—while the latter believed that it must be managed and accommodated in order to achieve global stability and U.S. goals. They had "fundamentally different views about the U.S.-Soviet relationship," according to historian Mary DuBois Sexton's assessment, a disagreement that Brzezinski and Vance would acknowledge after the Carter presidency.[7]

Critics then and subsequently have alleged that "the president's greatest failing was his inability to decide" between the "two conflicting strategic plans in his conduct of foreign affairs that came from his secretary of state and his national security adviser...."[8] Carter could have created a system where Brzezinski was dominant, such as that which had existed with Nixon and Kissinger. Instead, Carter "consistently affirmed that Vance was the administration's chief foreign policy

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[7] Mary DuBois Sexton, "The Wages of Principle and Power: Cyrus R. Vance and the Making of Foreign Policy in the Carter Administration" (PhD diss., Georgetown University, 2009), 89. Vance and Brzezinski both acknowledge strong disagreements over whether to respond to Soviet expansionism in Africa through linkages with arms control talks, as well as the extent that U.S. normalization with China should be framed as anti-Soviet. Zbigniew Brzezinski, *Power and Principle: Memoirs of the National Security Advisor, 1977-1981*, rev. ed. (New York: Farrar, Straus, and Giroux, 1985), 38; Cyrus Vance, *Hard Choices: Critical Years in America's Foreign Policy* (New York: Simon and Schuster, 1983), 87-8, 116.

[8] Robert A. Strong, *Working in the World: Jimmy Carter and the Making of American Foreign Policy* (Baton Rouge: Louisiana State University, 2000), 265.

spokesman," as DuBois Sexton observes, even as Carter "allowed and encouraged Brzezinski to articulate policies or interpretations of policies that undercut the consistent messages that Vance sought to convey."[9] He sought to cultivate a "cabinet government," where distinct voices would not monopolize the foreign policy process, but what he got instead was disunity.[10]

This may have been because Carter philosophically was closer to Vance, even while he found himself repeatedly persuaded by Brzezinski's arguments—arguments that benefited from Brzezinski's proximity to the Oval Office. George Ball—after his presidency, Carter would say it was Ball that he truly wanted to be his secretary of state, but whose views on the Middle East made his Senate confirmation unlikely[11]—would criticize Carter harshly for the institutional arrangements that Brzezinski oversaw:

> By appointing a national security advisor eager to advance his own views at the expense of the secretary of state, President Carter showed either his ignorance of recent history or his inability to learn from the mistakes of the past. Only a president who saw his options with clarity and was sufficiently experienced to make his own decisions could prevent the disastrous confusion implicit in that arrangement; Jimmy Carter was not such a president. Had he been, he would never have created such an operational monstrosity in the first place.[12]

The result, columnist Jack Anderson lamented at the time, was a foreign policy that was "schizoid" and "erratic," torn between Vance's dovish instincts and Brzezinski's hawkish ones.[13] The Carter administration, stricken with factional intrigue, should have been pushed toward more hawkish

[9] DuBois Sexton, "The Wages of Principle and Power," 64.
[10] Strobe Talbott, *Endgame: The Inside Story of SALT II* (New York: Harper and Row, 1979), 41-2.
[11] Douglas Brinkley, "Out of the Loop: Cyrus Vance, b. 1917," *New York Times Magazine*, December 29, 2002.
[12] George W. Ball, "Book Review: *Power and Principle*," *Political Science Quarterly* 99, no. 1 (1984): 96-7.
[13] Jack Anderson, "Carter's Schizoid Foreign Policy Decisions," *Sarasota Herald-Tribune*, February 24, 1980.

preferences according to domestic primacy theory. Confrontation was made even more likely by the fact that the Carter team interacted with a Soviet leadership equally prone to infighting.

## 2.2. Concentration of Executive Authority in the Soviet Union, 1974-1980

Brezhnev served as general secretary for over 18 years, from 1964 to 1982, but he only was able to actively dominate Soviet policy for a much briefer period: from around 1969 to 1974. Even during this period of ascendance, Brezhnev's health was frail. By the late 1960s, atherosclerosis in the brain led to periods of weakness after strain. Also around this time, Brezhnev began to take opiate-based sedatives, but when he overdosed on occasion, he would enter a coma like state, followed by a period of lethargy upon awaking.[14] Visitors were told that Brezhnev's absence from public events for over a month in the fall of 1972 was because of illness, though he reappeared in late November.[15]

Unsurprisingly, as he aged the symptoms worsened and the spells of inactivity grew longer. He undertook serious and intense negotiations at Vladivostock in November 1974 with President Gerald Ford, discussed below, which exceeded what his health allowed. Following one negotiating session, while the summit was still ongoing but out of sight from U.S. observers, Brezhnev suffered a seizure. Over the advice of his physicians, he returned to the talks the next day. On his return train journey to Moscow, Brezhnev again collapsed.[16] U.S. intelligence observed contemporaneously that between the end of November 1974 into March 1975, Brezhnev appeared to miss all but one Politburo meeting.[17] The general secretary recovered, but had difficulty reading after the episode.[18]

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[14] Vladislov Zubok, *A Failed Empire: The Soviet Union in the Cold War from Stalin to Gorbachev* (Chapel Hill: University of North Carolina Press, 2007), 241.
[15] Directorate of Intelligence, Central Intelligence Agency, "USSR: Brezhnev May Be Ill," *Central Intelligence Bulletin*, November 3, 1972; also Zubok, *A Failed Empire*, 229.
[16] Anatoly Dobrynin, *In Confidence: Moscow's Ambassador to America's Six Cold War Presidents* (New York: Random House 1995), 329; Zubok, *A Failed Empire*, 245.
[17] Office of Political Research, Directorate of Intelligence, Central Intelligence Agency, "Brezhnev's Personal Authority and Collectivity in the Soviet Leadership," Research Study, March 1976

In January 1976, Brezhnev suffered from a stroke that left him clinically dead for a short time.[19] Soviet medicine resurrected him again, but he was weakened further. Academic Georgii Arbatov, a frequent advisor to senior Soviet leadership, would assess, "Toward the end of the 1970s Brezhnev was incapable of making any political decisions on his own and couldn't even sustain an intelligent conversation for more than twenty or thirty minutes."[20]

"Brezhnev moved away from day-to-day control as he grew more decrepit," remarks the long-serving Soviet ambassador to the United States Anatoly Dobrynin, delegating responsibilities to others within the Politburo rather than actively manage contentious issues, such as Afghanistan, Poland, Cuba, or disarmament.[21] With Brezhnev increasingly home- and hospital-ridden, power devolved to a troika of officials: Foreign Minister Andrei Gromyko, the KGB's Yuri Andropov, and Minister of Defense Andrei Grechko. None of these leaders were young—the oldest Grechko would die in 1976, replaced by Dmitriy Ustinov, while the youngest, Andropov would survive long enough to become general secretary. All owed their careers to Brezhnev, and were hesitant to challenge him when he was lucid or try to replace him when he was ill. They sough to outlast him, and in so doing increase the chances they would succeed him as Soviet leader. They would "predecide" issues, which would then be "rubber-stamped" by Brezhnev.[22] As Zubok stresses, "the troika did not act as a cohesive team, but rather as an uneasy alliance of aging functionaries, involved in logrolling and back scratching.... They were also extremely reluctant to challenge each other's bureaucratic territory...."[23] The troika deferred strongly to Ustinov on military issues, and he in turn deferred strongly to the uniformed military leadership: "It seemed as if he were trying to prove that a civilian minister could get even more for the military than a professional officer could," Arbatov

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[18] Zubok, *A Failed Empire*, 246.
[19] Stephen White, *Understanding Russian Politics* (New York: Cambridge University Press, 2011), 4.
[20] Quoted in Sarah E. Mendelson, *Changing Course: Ideas, Politics, and the Soviet Withdrawal from Afghanistan* (Princeton: Princeton University Press, 1998), 55.
[21] Dobrynin, *In Confidence*, 443.
[22] Georgi Arbatov, *The System: An Insider's Life in Soviet Politics* (New York: Random House, 1992), 198.
[23] Zubok, *Failed Empire*, 251.

observes[24] The result was a foreign policy that lacked imagination, that favored military spending,

that was strongly biased toward the status quo, except for in the face of U.S. provocations or

perceived threats, when the troika would often overreact wildly. They were weary of their peers

being able to accuse them of having acted incorrectly. They sought to continue in the Politburo,

knowing their chance for ascendance depended on longevity rather than creativity. When in doubt,

their policies were reflexively hawkish. Given fractured authority in Washington, it would be difficult

for the two national leaderships to escape renewed confrontation. This was especially so because of

diminished economic urgency in the Carter years in the United States and throughout the latter half

of the decade in the Soviet Union.


## 2.3 Economic Pressures in the United States and Soviet Union, 1974-1980

Carter campaigned that Ford's policies had produced "the worst economic record since the

Depression," but Ford's failures led to a modest recession in 1974 and 1975 only.[25] In some ways,

Ford reacted to this economic crisis in ways consistent with domestic primacy theory. Ford oversaw

continuing declines in U.S. national security spending, which went from $333 billion in 1974 (in

constant 2005 U.S. dollars) to $312 billion in 1977, the last budget year that Ford oversaw. As the

sections below will demonstrate, what Ford was unable to do was translate this 6 percent decline in

defense spending into policies that aided in managing that decline. Veto players sat astride all of the

paths whereby Ford might be able to negotiate bilateral arms reductions, and they exercised those

vetoes. Ford oversaw a more confrontational policy even as he had fewer resources to carry out that

policy.

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[24] Arbatov, *The System*, 201.
[25] Daniel Sargent, *A Superpower Transformed: The Remaking of American Foreign Relations in the 1970s* (New York: Oxford University Press, 2015), 237.

The U.S. economy was in a strong recovery in 1976, growing at 5.8 percent a year, and it would continue to grow until it dipped into a modest recession again in 1980. This was reflected in the Carter administration's planning documents, which, unlike those of Nixon, were generally unconcerned with the risk of domestic economic crisis, especially in the form of a recession. In fact, despite the campaign rhetoric, Carter announced in April 1977 that he would not proceed with an income tax rebate that he had proposed in January, attributing the policy shift to improving economic circumstances.[26]

The Carter administration was obsessed with economic management, but its concern was managing international interdependence. Dependence or its variants were used in Carter administration internal documents and external statements an order of magnitude more often than the prospect of recession was raised. Only in mid-1979 did internal planning documents begin to worry that an imminent recession might constrain administration initiatives, and even these concerns were generally voiced at lower levels of Carter's team.[27]

These generally muted economic incentives meant that Carter never made a serious effort to curtail defense expenditures, and was quite willing to increase defense spending as recommended by the majority of his national security team. While U.S. national security spending went down in real terms from $518 billion in 1968 (in constant 2005 U.S. dollars) to $312 billion in 1977, Carter oversaw a gradual increase to $348 billion in his 1981 budget. "It was Carter," Daniel Sargent observes, "who initiated the return to elevated levels of defense spending, marking the end of détente's fiscal dividend."[28] The generally favorable economic picture meant that Carter could implement this modest increase without spending more on national security as a percentage of either total federal outlays or GDP.

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[26] Sargent, *A Superpower Transformed*, 241.
[27] Memorandum from the Deputy Director of the Policy Planning Staff (Kreisberg) to the Director of the Policy Planning Staff (Lake), Washington, July 13, 1979, *FRUS*, 1977-1980, vol. 1, *Foundations of Foreign Policy*, doc. 121.
[28] Sargent, *A Superpower Transformed*, 291.

The Soviet economic picture—though beginning to show signs of the structural frailties underneath—was also generally positive, with GDP expanding in real terms every year from 1974 to 1980, with average growth greater than 5 percent annually.[29] As will be discussed below, an increase in global oil prices yielded substantial oil revenues for the Soviet state that facilitated this favorable economic climate. The energy exports not only provided revenue to the Soviet state and hard currency for Soviet imports, they also provided an easy means to subsidize client states in Eastern Europe, with approximately 40-50 percent of Soviet energy exports going to Eastern Europe at concessionary prices. The extent of these implicit subsidizes to Eastern European states was substantial, approximately $10 billion annually in 1980.[30] While there is no doubt that Soviet growth was slowing throughout the 1970s,[31] it was still expanding at rates that did not cause alarm, especially since Soviet internal economic statistics overstated growth to the national leadership.[32] Even if there had been economic urgency, the fractured leadership in the Politburo would have been unlikely to respond. As it was, their inclination toward confrontation was unencumbered by difficult economic choices.

## 2.4 The Reemergence of Superpower Conflict

The beginning of détente's end can be traced to two overlapping events: the Watergate scandal and the Arab-Israeli October War. The former unraveled the concentration of executive

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[29] Expanded GDP Data, version 6.0. Kristian S. Gleditsch, "Expanded Trade and GDP Data," *Journal of Conflict Resolution* 46: 712-24. Gleditsch draws information on the Soviet Union from the Maddison Project database, http://www.ggdc.net/maddison/maddison-project/home.htm.

[30] Thane Gustafson, *Crisis Amid Plenty: The Politics of Soviet Energy under Brezhnev and Gorbachev* (Princeton: Princeton University Press, 1989), 273-5.

[31] See, for instance, Clifford G. Gaddy, *The Price of the Past: Russia's Struggle with the Legacy of a Militarized Economy* (Washington, DC: Brookings Institution Press, 1996), 51.

[32] Moisei Eydelman, "Monopolized Statistics under a Totalitarian Regime," in *The Destruction of the Soviet Economic System: An Insider's History*, eds. Michael Ellman and Vladimir Kontorovich (Armonk, NY: M.E. Sharpe, 1998), 76; and Gregory Khanin, "An Uninvited Advisor," in *The Destruction of the Soviet Economic System*, 85. Eydelman served in the Central Statistical Administration from 1979-1989, while Khanin was a prominent independent Soviet economist who came up with alternative measures for Soviet growth.

authority in Washington, breaking Nixon psychologically and weakening the presidency institutionally. The latter event triggered an unnecessary superpower crisis, but more enduringly led to an oil embargo by Arab oil producers, which had the unintended effect of dramatically increasing Soviet state revenue. After the crisis, the U.S. executive, hobbled by Watergate, found itself unable to take concessionary steps. Even those steps that it agreed to in principle, it was unable to execute in practice. Both superpowers found it easy to engage in competition in the Third World periphery. The Soviet Union's adventurism was subsidized by oil wealth, while the United States was unwilling to cede influence even in marginal states. The mid-1970s witnessed the reemergence of superpower conflict as a result.

### 2.4.1 The 1973 October War and the Loss of Nixon's Authority

Nixon and Kissinger had a history of viewing regional conflicts as superpower contests. Rather than think about U.S. regional interests independently, they saw themselves as engaged in global struggles, which given their scale merited more severe reactions than the specifics of a local provocation might indicate.[33] The October War—coming as it did when Nixon was already under great strain—was the apotheosis of this tendency. When Egypt and Syria launched a coordinated attack on Israel on October 6, 1973, Nixon and Kissinger saw "an East West blow-up," while outside observers saw the war for what it was: "an Arab-Israeli thing."[34] Quickly Kissinger concluded that the United States "could not tolerate an Israeli defeat" because "if another American-armed country were defeated by Soviet-armed countries, the inevitable lessons that anybody around the world would have to draw is to rely increasingly on the Soviet Union."[35]

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[33] See Nelson, *Making of Détente*, 132.
[34] Memorandum of Conversation between Ambassador of Great Britain and Secretary of State, Washington, DC, October 31, 1973, available at http://nsarchive.gwu.edu/NSAEBB/NSAEBB98/octwar-90.pdf.
[35] Transcript of Secretary's Staff Meeting, Department of State, Washington, DC, October 23, 1973, available at http://nsarchive.gwu.edu/NSAEBB/NSAEBB98/octwar-63.pdf.

The October War showed the immediate effects of Nixon's political and psychological

tailspin. Throughout the crisis, Kissinger worked with Al Haig, the chief of staff, in an attempt to

prevent the president from being able to steer the crisis in a more dangerous direction. Nixon was in

Florida at the outset of the crisis where Kissinger tried to keep him as long as possible. Kissinger

beseeched Haig to prevent Nixon from "hysterical moves," and cautioned: "I would urge you to

keep any Walter Mitty tendencies under control," referring to a fictitious character prone to heroic

fantasizing.[36] Kissinger was not only trying to control the president, he also had difficulty steering

James Schlesinger, the new Secretary of Defense. He railed privately to Haig that Schlesinger's

Pentagon was engaged in "massive sabotage" of U.S. diplomatic efforts, and asked rhetorically,

"How can he [Schlesinger] fuck everything up for a week"?[37] If these internal disputes were

insufficient, Vice President Spiro Agnew spent the first days of the war negotiating a plea bargain

with prosecutors over bribery charges, a bargain that would lead him to resign on October 10, the

first time a U.S. vice president had done so since 1832.[38]

The result was incoherent U.S. crisis diplomacy. Nowhere was this more evident than in the

president's unpredictable interventions. After dispatching Kissinger to Moscow, Nixon instructed

him on October 20 to pursue a joint agreement with the Soviet Union to "create the permanent

conditions necessary to avoid another war" in the Middle East, instructions that Kissinger essentially

ignored.[39] Kissinger's insubordination would have been difficult for the president to manage,

occurring almost simultaneous with Nixon's decision to fire a special prosecutor looking into the

Watergate investigation, a decision that led to the resignation of the attorney general and deputy

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[36] Walter Isaacson, *Kissinger: A Biography* (New York: Simon and Schuster, 2005), 514.
[37] Isaacson, *Kissinger*, 521; also see Kissinger, *Years of Upheaval*, 525-6.
[38] James M. Naughton, "Agnew Quites Vice Presidency and Admits Tax Evasion in '67," *New York Times*,
[39] Cable to Henry Kissinger from General Scowcroft, October 20, 1973, available at
http://nsarchive.gwu.edu/NSAEBB/NSAEBB98/octwar-47.pdf; Cable to General Scowcroft from Henry Kissinger,
October 21, 1973, http://nsarchive.gwu.edu/NSAEBB/NSAEBB98/octwar-48.pdf; also Isaacson, *Kissinger*, 529-30.

attorney general in what came to be known colloquially as the "Saturday Night Massacre."[40] As executive authority fractured, U.S. diplomacy became more confrontational, in line with domestic primacy theory.

A few days later, as the war continued, the Soviet Union became increasingly concerned that Israel might ignore a negotiated ceasefire and dismember Egypt's military. Brezhnev wrote Nixon and said that if combined U.S.-Soviet action (the very sort desired by Nixon, but not pursued by Kissinger) were not possible, the Soviet Union might have to intervene unilaterally.[41] Subsequent historical work suggests that the one Soviet sentence that concerned American readers on the night of the 24th had been added as an afterthought by Brezhnev, and was not intended to be especially threatening by the Soviet authors.[42] Perhaps Nixon would have realized this was the case, but the president, devastated by news that the House Judiciary Committee announced it would proceed with impeachment proceedings against him, was in a drunken stupor on the evening Brezhnev's letter arrived, and Kissinger and Haig decided not to consult him in formulating the U.S. response.[43] A meeting of national security principals, chaired by Kissinger, elected to respond to what they perceived as a Soviet threat—"a real piss-swisher" in the words of Adm. Thomas Moorer, chairman of the Joint Chiefs of Staff—by raising U.S. military alertness levels to Defense Condition 3 (DEFCON-III), a change in status that included both strategic nuclear forces and conventional military units.[44] This was the first global change in alert condition for U.S. military forces since the Cuban Missile Crisis.[45] Kissinger intended for the alert to be picked up by Soviet intelligence, but

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[40] Isaacson, *Kissinger*, 525.
[41] Message from Leonid Brezhnev to Richard Nixon, October 24, 1973,
http://nsarchive.gwu.edu/NSAEBB/NSAEBB98/octwar-71.pdf.
[42] Richard Ned Lebow and Janice Gross Stein, *We All Lost the Cold War* (Princeton: Princeton University Press, 1994), 266.
[43] Garthoff, *Détente and Confrontation*, 425, fn. 78.
[44] Adm. Thomas Moorer, Memorandum for the Record, CJCS Memo M-88-73, Washington, October 24/25, 1973, *FRUS*, 1969-1976, vol. 25, *Arab-Israeli Crisis and War, 1973*, doc. 269.
[45] Nixon had ordered an alert of Strategic Air Command in 1969. Scott D. Sagan and Jeromi Suri, "The Madman Nuclear Alert: Secrecy, Signaling, and Safety in October 1969," *International Security* 27, no. 4 (Spring 2003): 150-183.

was surprised it was also reported in the U.S. press.[46] The same gathering authored a mostly

conciliatory letter for Brezhnev ostensibly from Nixon and under his name, and dispatched it to

Soviet embassy without Nixon seeing it first.

Having literally slept through the crisis, Nixon took ownership of the hawkish line initiated

by his subordinates. His intent was to show he was at the center of U.S. crisis response, and

disowning the actions of his aides would have dispelled that lie. He sought to project authority—

those Walter Mitty tendencies Kissinger had worried about early in the war—and went too far.

While Kissinger had stressed in a press conference on October 25 that "we do not consider

ourselves in a confrontation with the Soviet Union" and "we are not talking of a missile-crisis-type

situation," Nixon moved to deepen the gravity of the crisis. He told the press on October 26 that he

led the United States through "a very significant and potentially explosive crisis," "a real crisis," and

"the most difficult crisis we have had since the Cuban confrontation of 1962."[47] Kissinger, who in

the past was able to coordinate precise messages with the president, failed this time, and as a

consequence Nixon's principal national security aide thought the president's rhetoric went

dangerously overboard. "The crazy bastard really made a mess with the Russians," Kissinger told Al

Haig. Kissinger sought to contain the damage, fearing Nixon's performance had humiliated

Brezhnev, and lamenting that the Soviets "cannot stand public humiliation."[48] Haig immediately

went to Soviet ambassador Dobrynin to tell him Nixon's comments were "overdrawn" and that the

president "did not intend" his message to be as strident as it had come across.[49] Nixon, rather than

being in charge of foreign policy was now an unpredictable force to be managed and contained by

his nominal subordinates.

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[46] Garthoff, *Détente and Confrontation*, 427.
[47] Garthoff, *Détente and Confrontation*, 438-9.
[48] Transcript of Telephone Conversation Between Secretary of State Kissinger and the White House Chief of Staff (Haig), Washington, October 26, 1973, 7:55pm, *FRUS*, 1969-1976, vol. 25, *Arab-Israeli Crisis and War*, 1973, doc. 285.
[49] Transcript of Telephone Conversation Between Secretary of State Kissinger and the White House Chief of Staff (Haig), Washington, October 26, 1973, 7:55pm, *FRUS*, 1969-1976, vol. 25, *Arab-Israeli Crisis and War*, 1973, doc. 285, fn. 5.

Contrast these erratic U.S. actions with Soviet ones, where Brezhnev throughout the crisis "deftly neutralized the hard-liners who wanted drastic outcomes," in Zubok's assessment[50] Even during the crucial hours of October 25 as they considered the U.S. military alert, Brezhnev overrode the recommendations of his defense minister, Grechko, who requested Soviet forces be counter-mobilized. Brezhnev countered, "What about not responding at all to the American nuclear alert? Nixon is too nervous—let's cool him down."[51] Unlike the American "principals" operating without Nixon, Brezhnev saw that failing to alert Soviet forces would not weaken the Soviet hand, and he was politically secure enough to tell his colleagues to wait. Brezhnev broke what could have been a tit-for-tat escalatory cycle, and created space for U.S.-Soviet diplomacy.[52] Brezhnev, with concentrated authority until the end of 1974, acted to preserve rapprochement, while Nixon's uncoordinated team sent an unpredictable mix of confrontational and concessionary signals.

### 2.4.2 The Jackson-Vanik Amendment and the Congressional Veto Player

The strains of Watergate prevented the Nixon administration from skillful execution of crisis diplomacy, but also hampered its ability to manage other risks to détente. In this weakened condition, Nixon and Kissinger were politically unable to repel the legislative efforts of a motley coalition of anti-Soviet hawks, human rights advocates, and Jewish groups who sought to condition U.S. allowance of most-favored-nation status to the Soviet Union on its allowance for free emigration.

While this provision—which would come to be associated with the authors of the amendment to a trade bill, Senator Jackson and Representative Vanik—was drafted with universal

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[50] Zubok, *Failed Empire*, 239.
[51] Victor Israelyan, *Inside the Kremlin During the Yom Kippur War* (University Park: Pennsylvania State University Press, 1995), 182-3. Israelyan was a member of Gromyko's staff during the 1973 war and was present in Politburo deliberations.
[52] Lebow and Stein, *We All Lost the Cold War*, 266-8.

language, it sought to target Soviet restrictions on its Jewish population. The Soviet Union relied on educated Jews throughout its bureaucratic, educational, and research institutions. Having expended substantial national resources in providing training and education to these individuals, the Soviet Union sought to prohibit—or at a minimum complicate—their ability to emigrate en masse to Israel. Moreover, any easy path to exit for Soviet Jews would highlight the difficulty faced by non-Jewish Soviet citizens in being able to travel or migrate.[53] The Soviet Union attempted to placate American proponents of the restriction by permitting higher levels of Jewish emigration than they preferred and ratifying United Nations human rights covenants, but would not accept binding agreements on emigration in public or private.[54]

Nixon cautioned Congressional leaders not to "torpedo our whole foreign policy because of this one issue," but they were unconvinced. Some concluded Soviet need for U.S. goods, especially grain sales, would compel them to accept U.S. demands on Jewish emigration, while still others were fine with undermining détente with an immoral Soviet regime if the conditions were not met.[55] The House passed an amendment conditioning U.S. market access on December 11, 1973, and—after long, failed triangular negotiations between the Soviet Union, the U.S. executive branch, and Senator Jackson—the Senate followed on December 13, 1974. Entirely consistent with domestic primacy theory, these three-sided negotiations proved unworkable in their complexity. By then Gerald Ford had replaced Nixon, who resigned in August 1974, but despite Ford's experience in Congress, he could no better stop the legislative attack than Nixon could. The Congress also moved to restrict Soviet access to U.S. government credit that normally facilitated bilateral trade.[56] The Soviet Union quickly made it clear it would not comply with the conditionality, which it viewed as contrary to the

[53] Dobrynin, *In Confidence*, 268.
[54] Garthoff, *Détente and Confrontation*, 401.
[55] Meeting between President Nixon and the Bipartisan Congressional Leadership, Washington, April 10, 1973, *FRUS*, 1969-1976, vol. 15, *Soviet Union, June 1972-August 1974*, doc. 94.
[56] Garthoff, *Détente and Confrontation*, 511.

spirit of equal relations that undergirded détente, irrespective of the specific issues at stake. Because

of legislative action, wholly unwanted by the Ford administration, "the heart of the official America-

Soviet trade component of détente had collapsed" in Garthoff's words.[57] "A pillar of détente had

crumbled," concurs historian Daniel Sargent, who adds, "Soviet-American détente endured after the

Jackson insurgency of 1973-1974, but its capacity for creative accomplishment was exhausted."[58] In

decreasing the economic benefit of détente, the Jackson-Vanik amendment would also mean that if

the United States or Soviet Union returned to economic crisis, they could not count on trade as a

mechanism to alleviate the economic hardship. In other words, the fracturing of authority on the

U.S. side blocked paths that might otherwise link economic difficulties to concessionary outcomes.


### 2.4.3 The Vladivostok Summit and the Limits of Presidential Authority

It was not just the trade path blocked by U.S. disunity. Negotiated arms reductions also

proved beyond the power of the cacophonous Ford administration. At the top, President Ford,

struggling to confront a recession in his first year in office, was eager to continue where Nixon had

left off with strategic arms control. He instructed Kissinger to proceed with plans for a summit for

later in 1974 with Brezhnev on the grounds that "anything that would bring the arms race under

control would be a plus for the entire world."[59] When the two leaders met in the Soviet Far East,

they pursued outcomes that reflected their individual preferences, without the complicating voices

of hawks in the military or legislature. Ford brought no military representatives with him to

Vladivostok, all the more remarkable since Ford's delegation included 140 people.[60] Brezhnev,

meanwhile, had left much of the Politburo in Moscow, eight time zones away, while excluding the

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[57] Garthoff, *Détente and Confrontation*, 513.
[58] Sargent, *A Superpower Transformed*, 213.
[59] Gerald Ford, *A Time to Heal: The Autobiography of Gerald R. Ford* (New York: Harper and Row, 1979), 33.
[60] Garthoff, *Détente and Confrontation*, 497, fn. 24.

Soviet military representatives from some of the more sensitive Vladivostok discussions.[61] Ford and

Brezhnev reached agreement in Vladivostok on November 23 and 24 to limit strategic forces to

"equal aggregate levels of ICBM launchers, SLBM launchers, and heavy bombers," with an "equal

sublimit for launchers of missiles with MIRVs."[62]

Despite Brezhnev's poor health, the Soviet leader showed one last glimpse of his control of

foreign policy, to "knock heads" in Kissinger's phrase, overruling objections by his minister of

defense—the combative Grechko—who balked at a Soviet concession to exclude so-called

"forward-based systems" in Western Europe from counting toward proposed strategic arms caps.[63]

Later, Gromyko's deputy, Georgy Kornienko, would complain to Americans trying to backtrack

from the framework that "Brezhnev had to spill political blood to get the Vladivostok accords."[64]

With Brezhnev's health weakened after Vladivostok, the Soviet leader had little ability thereafter to

overcome skeptics of détente. Dobrynin concludes, "History rarely has definable turning points but

this was one of them. If there was any point at which it could be said that détente had reached its

height and then begun to decline, it probably would have been at the very moment of Brezhnev's

seizure [in November 1974], for from that moment the summit process was inevitably slowed."[65]

Ford was less successful in controlling doubters. The agreement in Vladivostok was a

framework, leaving some details unresolved. Alone in a room, Ford could reach agreement with

Brezhnev. But once Ford brought that agreement back to his fractured national security team, he

lost control of it. After the summit, with bureaucracies in Washington and Moscow again involved

to flesh out specifics, resurgent hawks slowed the transformation of the framework into a workable

agreement. After the summit it took more than two weeks to negotiate even an aide-mémoire,

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[61] Garthoff, *Détente and Confrontation*, 517.
[62] Garthoff, *Détente and Confrontation*, 496-7.
[63] Zubok, *Failed Empire*, 245; Talbott, *Endgame*, 32; Dobrynin in transcript of conference on "Global Competition and the Deterioration of U.S.-Soviet Relations, 172; also see Arbatov, *The System*, 202.
[64] Quoted in Talbott, *Endgame*, 73.
[65] Dobrynin, *In Confidence*, 329.

normally a formality, since U.S. and Soviet negotiators disagreed over counting rules for air-launched cruise missiles aboard bombers.[66] Also, the agreement in Vladivostok was ambiguous as to what constituted a "heavy bomber," with Kissinger accepting the Soviet view that the new Soviet "Backfire" bomber should be excluded, but the U.S. Defense Department demanding it be counted. As Garthoff observes, "the Backfire became the albatross of SALT II."[67] Determining these details became all the more politically fraught as Ford sought to control another insurgency of conservative and neoconservative senators, including Senator Jackson, who accused the Soviet Union of circumventing the SALT I agreements.[68]

The fractures within his administration doomed his ability to overcome Congressional opposition, as Ford acknowledged in his memoires. "Opposition [to SALT] came from Secretary of Defense Don Rumsfeld and the Joint Chiefs of Staff, and I recognized that they held the trump card. The Senate would have to ratify the new accord. If Rumsfeld or the Joint Chiefs testified against it, there was no way that the Senate would ever go along with it."[69] By dragging out negotiations, these veto players on the U.S. side indirectly doomed the SALT II accord. For the Soviet Union's fiscal situation was improving dramatically, decreasing their need for structural arms control, and encouraging expensive interventions in the developing world. These interventions ultimately ended détente.

### 2.4.4 Soviet "Adventurism" without Economic Constraints

Besides exposing the fracturing of power in Washington, the October War had another effect on the superpower relationship. It substantially eased the Soviet Union's fiscal crisis by

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[66] Garthoff, *Détente and Confrontation*, 498.
[67] Garthoff, *Détente and Confrontation*, 500.
[68] Gathoff, *Détente and Confrontation*, 504.
[69] Ford, *A Time to Heal*, 357.

making Soviet oil and gas production much more profitable (see Figure 5.1), resulting in the Soviet

Union being the leading supplier on the world oil market by 1980.
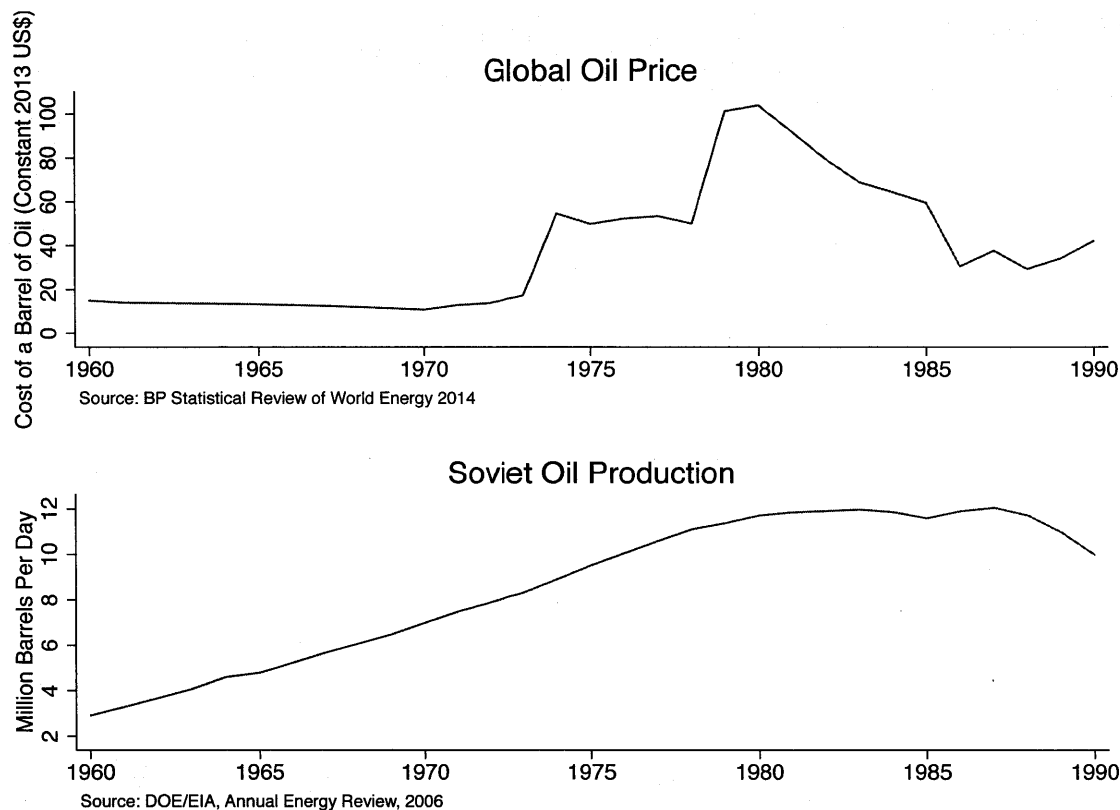


Figure 5.1: Global oil price and Soviet oil production, 1960-1990


Zubok argues, "During the 1970s, Soviet annual hard currency reserves from selling oil and natural

gas increased by 2250 percent and reached $20 billion. The rapid growth of this financial surplus

enabled the Kremlin to pay the price for imperial expansion in Africa."[70] Archie Brown explains,

"What was termed the 'oil crisis' in Western Europe—the sharp rise in price of 1973—turned out to

be an energy bonanza for the Soviet Union. The Brezhnev leadership's ability to keep various elites

content owed much to the sale at advantageous prices of its natural resources."[71] Domestic primacy

theory operates when an inability to satisfy domestic and foreign objectives with limited resources

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[70] Zubok, *Failed Empire*, 249.
[71] Brown, *The Rise and Fall of Communism* (New York: HarperCollins, 2011), 415-6.

forces tough choices and economizing instincts in national security. The Soviet Union's commodity exports obviated Soviet leaders from having to do so.

Money flowed into Soviet coffers at precisely the time that a physically weakened Brezhnev was increasingly incapable of fighting off hawks internally. Moreover, the benefit of détente for the Soviet economy had decreased after October 1973 even setting aside the more favorable Soviet economic picture. Skeptics in Washington stymied new arms control agreements and Congressional conditionality worsened trade terms with the United States. Bilateral U.S.-Soviet trade was also less necessary as the Soviet Union continued to expand commercial and technological relationships with Western Europe. Collectively, all of these trends greatly diminished the incentives for compromise for Moscow's leaders. When opportunities arose to gain advantage over the United States in peripheral crises in the developing world, Soviet leaders did so.

Both superpowers—along with China, Cuba, North Korea, and South Africa—funded and armed factions in Angola after the revolution in Portugal in April 1974 left a vacuum in the former colony. Major injections of outside ground troops occurred in October and November 1975, with South Africa and Cuba providing the largest contingents of regular troops, special forces, and military advisors. Notably, the Soviet Union provided logistics support to transport the Cuban force to Angola, after U.S. pressure prevented third party states from permitting access to the shorter-range Cuban transport aircraft.[72] Though in the United States Angola was often perceived as Soviet aggression, U.S. actions were as revisionist as Soviet ones. Wayne Smith, a U.S. diplomat responsible for Cuban affairs in the 1970s, recalled, "Both sides were guilty," both sides were "trying to take advantage of the situation," with "the Soviets no more so than the Americans." If U.S. officials pointed to Soviet support for Cuban forces, Smith acknowledges that the CIA had liaison officers in the South African intervening force and even if the United States did not encourage the South

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[72] Garthoff, *Détente and Confrontation*, 567.

African invasion, "we certainly indicated our acceptance."[73] Many Soviet senior leaders concluded

that they "were being dragged into" Africa by U.S. actions, in Andropov's words.[74]

Zubok notes that the first Soviet military assistance was authorized only after the

Vladivostok summit, and argues the early December 1974 timing suggests the outcome was in part a

product of "bureaucratic logrolling in the absence of Brezhnev's direct involvement."[75] Moreover,

there is evidence that in 1975 Brezhnev initially refused to again expand Soviet military assistance

there or to transport Cuban forces. Georgy Kornienko, appointed to be deputy foreign minister in

1975, has suggested the dramatic escalation of Soviet involvement through transport of the Cubans

occurred as a result of the Cubans lying to Soviet military representatives in Cuba, telling them

authorizations had been secured for long-range transport of the Cuban forces.[76] Karen Brutents, a

senior official in the Communist Party's International Department also reports that he and his

colleagues were not informed of the movement of Cuban forces, though he admits the KGB may

have known of it even if the Soviet leadership generally did not.[77] Dobrynin suggests that whatever

support was extended to Cuba in the African interventions was not the result of Politburo

deliberations, nor did the Politburo assess the likely effect of such a decision on U.S.-Soviet

relations.[78] Whatever led to the escalation, these accounts certainly suggest a policy of disarray. Once

committed, by late 1975, the Soviet Union decided to continue supporting its Cuban ally, not

wanting to abandon them again as they had in 1962.

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[73] Transcript of the Conference on "The Collapse of Détente: From the March 1977 Moscow Meetings to the December 1979 Invasion of Afghanistan," Pocantico Hills, NY, 22-24 October 1992, available at http://nsarchive.gwu.edu/carterbrezhnev/C-B%20-%20Pocantico%20Hills%20Transcript.pdf.
[74] Oleg Troyanovsky in transcript of a conference on "Global Competition and the Deterioration of U.S.-Soviet Relations, 1977-1980, Ft. Lauderdale, FL, March 23-26, 1995, 12, available at http://nsarchive.gwu.edu/carterbrezhnev/docs_global_competition/part7.PDF. Troyanovsky, a senior Soviet diplomat, references a personal conversation he had with Andropov.
[75] Zubok, *Failed Empire*, 252.
[76] Zubok, *Failed Empire*, 253. Kornienko was appointed in mid-October and the airlift began in November.
[77] Brutents in transcript of a conference on "Global Competition and the Deterioration of U.S.-Soviet Relations," 50.
[78] Transcript of the Conference on "The Collapse of Détente," 118-9.

Given its own complicity, the United States was initially hesitant to demand Soviet non-intervention in Angola since the United States was also intervening. Only with the introduction of Cuban troops, and the realization that U.S.-backed proxies might lose, did the United States begin to publicly and privately demand Soviet non-interference. But the fact that both major U.S. levers—trade and SALT II progress—were inaccessible in 1976 meant that the United States could only attempt suasion.[79] By March 1976, Kissinger would argue publicly that the process of easing tensions with the Soviet Union could not "survive any more Angolas."[80] Earlier that same month, under political pressure from conservative candidate Ronald Reagan, Ford decided to stop using "détente."[81] Banished from the lexicon, détente was over for the Ford administration.

### 2.4.5 Carter and the End of SALT II

Rhetorically, the new Carter administration revived détente. "I believe in détente," told an audience in May 1977, within months of assuming the presidency.[82] Substantively Carter was torn between the more confrontational Brzezinski and cooperative Vance, while institutionally Carter was constrained by hardliners in the U.S. Congress. Ultimately, Soviet actions made it easier for Brzezinski to win an increasing majority of bureaucratic skirmishes as the administration progressed, so that by the end the Carter administration oversaw the transition "from détente to confrontation," in Garthoff's words.[83] As noted above, this was not a coherent or consistent foreign policy line, but rather one that "zigzagged" as Carter intermittently favored Vance or Brzezinski's foreign policy preferences.[84]

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[79] Garthoff, *Détente and Confrontation*, 578-9.
[80] Address by Secretary of State Kissinger, Boston, March 11, 1976, *FRUS*, 1969-1976, vol. 38, *Foundations of Foreign Policy, 1973-1976*, doc. 71.
[81] James M. Naughton, "Ford Says 'In Time' He Expects to Talk with Nixon on China," *New York Times*, March 2, 1976.
[82] President Jimmy Carter, Address at Commencement Exercises at the University, University of Notre Dame, May 22, 1977, available at http://www.presidency.ucsb.edu/ws/?pid=7552.
[83] Garthoff, *Détente and Confrontation*, 621.
[84] Garthoff, *Détente and Confrontation*, 623.

Brzezinski's ultimate upper hand was aided by Carter's poor ability to overcome hawkish opposition on the Hill—again led by Senator Jackson—that doomed Carter's preferred choice as secretary of state (George Ball), Carter's preferred choice at the Central Intelligence Agency (Theodore Sorenson),[85] and wounded—but did not stop—Carter's preferred choice for director of the Arms Control and Disarmament Agency and chief negotiator at the Strategic Arms Limitation Talks (Paul C. Warnke). The Senate confirmed Warnke as SALT negotiator by a 58 to 40 vote, and Warnke's opponents in the Senate stressed that the vote signaled sufficient opposition to doom any treaties requiring Senate ratification.[86] The Senate acting as a veto player prevented Carter from assembling a national security team of his choice and did so in a way more hawkish than Carter's initial preferences, and even when it did approve Carter's dovish nominees it did so in ways indicating future potential influence. Even Warnke's supporters in the Senate, such as Senate majority leader Robert Byrd, used the occasion to stress that the Senate would play an active role in any future U.S.-Soviet arms agreements negotiated by Warnke, telling the press, "The Senate and the people will view a SALT II treaty with greater skepticism than was the case with SALT I."[87]

The administration's opening ploy on arms control—in a visit to Moscow by Secretary Vance in late March 1977—proved misplaced. Rather than build on the Ford-Brezhnev framework from Vladivostok, rather than finish SALT II, which Kissinger was fond of saying was "90 percent" complete, Carter would push for dramatic arms reductions. In doing so, Carter was responding to the advice of his hawks internally—Brzezinski and Secretary of Defense Harold Brown—but also hawks outside of the administration. Carter consulted with both Senator Jackson and Paul H. Nitze, who was then leading a conservative group called the Committee on the Present Danger. Jackson

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[85] Wendell Rawls, Jr., "Sorenson Withdraws, Bowing to Resistance to CIA Nomination," *New York Times*, January 18, 1977.

[86] Warren Weaver, "Senators Rallying Dissent on Warnke," *New York Times*, March 8, 1977; Rudy Abramson, "Warnke Wins Confirmation in the Senate, 58-40," *Los Angeles Times*, March 10, 1977.

[87] Abramson, "Warnke Wins Confirmation in the Senate, 58-40."

and Nitze also favored more radical arms reductions, in part because any such reductions would fall asymmetrically on the Soviet Union, which by the late 1970s had a numerical advantage in several categories of strategic forces. Carter thought that arms reductions—not just limitations preventing future increases—would appeal to liberal arms controllers and neoconservative hawks.[88] And they did, but they did not appeal to the Soviet leadership. In supporting "deep cuts," Carter overruled Vance, who had sought to first consolidate the gains from Vladivostok by completing the SALT II accord, rather than re-start negotiations on a host of new issues.

The Soviets were not pleased. Brezhnev told Vance that he "had read that allegedly Vladivostok was not binding on Mr. Carter," but, Brezhnev stressed, "that agreement had not been an agreement between Mr. Brezhnev and Mr. Ford, but an agreement between the Soviet Union and the United States."[89] Moreover, the specifics of the Carter proposal seemed to disproportionately cut fielded Soviet units and only hypothetical future American ones (as Senator Jackson likely intended).[90] Brezhnev told Vance the new proposal was "completely unacceptable... because of its one-sided nature."[91] Fallback efforts by the Carter administration to return to the SALT II understandings but bracket the contentious issues of the Backfire bomber and cruise missiles were also viewed as unserious, especially since Kissinger had agreed with Soviet views on the Backfire bomber.

U.S. disunity was broadcast to the world with Vance, Carter, and Brzezinski giving separate press conferences after Vance concluded his talks in Moscow, but while Vance was still en route home to Washington. "Even before Vance's return, the Carter administration divided into factions over whom to blame for the diplomatic disaster," in Talbott's retelling. Vance himself announced in

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[88] Garthoff, *Détente and Confrontation*, 886-887; also see Talbott, *Endgame*, 53-7.
[89] "U.S.-Soviet Relations," Memorandum of Conversation, Moscow, March 28, 1977, *FRUS*, 1977-1980, vol. 6, *Soviet Union*, doc. 17.
[90] Garthoff, *Détente and Confrontation*, 890.
[91] "SALT," Memorandum of Conversation, Moscow, March 30, 1977, *FRUS*, 1977-1980, vol. 6, *Soviet Union*, doc. 23.

Moscow the Soviet rejection of the U.S. proposals, making it more difficult for the Soviet Union to compromise in the future. Carter then addressed the press to emphasize the advisability of U.S. arms reduction proposals, but also his willingness to spend more on U.S. weapons if they were not accepted. While the next day Brzezinski argued the United States was willing to foreswear the "extremely, extremely threatening" MX missile system that could provide "a first-strike capability against" Soviet land-based missiles, but in doing so implied that the United States would develop these same systems without Soviet agreement.[92] All of this made it more difficult for the Soviet Union and the United States to back down from their initial positions. As each American speaker sought to inoculate himself against attacks from his domestic political and bureaucratic opponents, they made the task of managing the bilateral relationship more difficult.

Even when there was progress in bilateral negotiations, as occurred in the fall of 1977, those opposed to American concessions would leak the details of talks to Senator Jackson or Paul Nitze, who would then publicize the specifics of secret negotiations.[93] Perhaps the level of detail available to arms control skeptics was a result of the presence on the U.S. negotiating team of Lt. Gen. Edward Rowny, the military representative and longest-serving member of the delegation. Rowny had been retained by the Carter administration "largely because Rowny had Senator Jackson's confidence," which led may other Carter officials to refer to him privately as "our house spoiler," "Jackson's man here," or "a time bomb" waiting to wreck progress.[94] Thus U.S. domestic pressures led to harder lines in the negotiations, as well as delayed progress as doves and pragmatists waited for one political storm after another to blow through. By the time a treaty text was concluded in mid-1979, the Carter administration had minimal influence in the U.S. Congress, and the treaty had little chance of ratification. When the Soviet Union invaded Afghanistan in December, those slim

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[92] Garthoff, *Détente and Confrontation*, 892-893.
[93] Garthoff, *Détente and Confrontation*, 898.
[94] Talbott, *Endgame*, 140.

chances fully disappeared, and the Carter administration withdrew it from consideration by the Senate.

The Soviet Union also misplayed its hand during these years. Perhaps Brezhnev would have been willing, had he been well, to stare down Soviet hawks over the Backfire bomber and cruise missile issues, which in practice likely meant little to the overall equation of deterrence. Or perhaps Brezhnev might have been able to reach a one-on-one agreement with Carter, as he had with Ford at Vladivostok, in a summit meeting. But the Soviet Union made it clear in 1977 that it would not host a summit until the details of SALT II were decided.[95] Certainly Carter seemed to think that "if only I could get my hands" on Brezhnev, he could achieve a diplomatic breakthrough.[96] Retrospectively, Soviet sources indicate that Brezhnev was unable to conduct another set of Vladivostok negotiations, and as a result the specifics of a SALT II accord had to be settled by lower levels. Dobrynin—citing Gromyko as his source—reports, "Brezhnev, whose health was already poor, realized that without a guarantee in the form of a SALT [II] agreement ready to be signed, it would be difficult for him to go through a long and complicated discussion with Carter on a broad range of issues."[97]

Arbatov concurs, "I think that the failure of the first contacts with the Carter administration can be to a great extent attributed to the fact that Brezhnev was ill, that he had set much business aside, and that he could no longer take direct part in negotiations himself."[98] Arbatov found Brezhnev's decline especially evident in the failure of Vance's March 1977 visit to Moscow, arguing, "The talks showed that government by committee, without a leader who is ready to accept full responsibility, provides the opportunity to discuss problems, but it makes decision-making very difficult. This is particularly true when negotiations are involved, for negotiations presuppose the

[95] Zubok, *Failed Empire*, 257.
[96] Talbott, *Endgame*, 10.
[97] Dobrynin, *In Confidence*, 398.
[98] Arbatov, *The System*, 207.

inevitability of compromise, and concessions are always painful. A leader will be more ready to make concessions than a committee will, for he has the power and bears personal responsibility for the whole."[99] Brezhnev was no longer physically capable of conducting such negotiations himself, and each year of delay meant even greater declines in his ability to force his will on the Soviet system. Warnke, Carter's chief arms control negotiator, assessed, "The military and the political bureaucracy [in the USSR] turned out to be too constipated to digest the [March 1977] proposal."[100] A stronger Brezhnev might have forced them to do so, as he had in 1972 and 1974.

### 2.4.6 Confrontation on the Periphery

These delays also doomed détente by giving time for more confrontations along the periphery: first in the Horn of Africa and then, more seriously, in Afghanistan. Freed from resource constraints that discouraged new interventions in the early 1970s, and with hawks controlling key positions in both Moscow and Washington, the conditions were ripe for more activist policies. In Africa, both superpowers found themselves entangled in a local conflict between Ethiopia and Somalia over the largely barren Ogaden region (inhabited by many ethnic Somalis, but part of Ethiopia). Somalia, an historic Soviet ally, invaded Ethiopia, an historic U.S. ally. But a radical regime in Addis Ababa deposed the more conservative Ethiopian leader, Haile Selassie, in 1974, and engaged in widespread human rights abuses in the aftermath of the regime change. The new Ethiopian regime had much better socialist credentials than its predecessors, and began to improve relations with the Soviet Union and Cuba. As the United States sought to punish Ethiopia for its human rights abuses, U.S. allies in the Muslim world sought to win over Muslim Somalia if Somalia was willing to cut ties with the Soviet Union. Thus the groundwork was set for an ally "swap."

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[99] Arbatov, *The System*, 207-8.
[100] Talbott, *Endgame*, 76.

When Somalia decided to invade Ethiopia in August 1977, the Soviet Union was providing military training, equipment, and financing to both sides, while the United States had halted most aid to Ethiopia and had not yet started substantial aid to Somalia. The United States sought to make the Somali-Ethiopian war a regional one, without superpower involvement, but had difficulty preventing Soviet intervention on the behalf of Ethiopia since it was clear that Somalia was the aggressor. Moreover, the Soviet Union and Cuba believed the United States was "behind" Somalia's invasion, even further justifying their tilt in favor of Ethiopia.[101] In the context of the Angolan civil war and the fall of Saigon in April 1975, Ogaden became another symbol of Soviet intervention leading to U.S. defeat, even though U.S. "defeat" in this context meant the defeat of an historic Soviet ally aggressing against an historic U.S. ally, with Somalia announcing its withdrawal in March 1978.

While the Carter administration refused to explicitly "link" Soviet intervention in the Horn of Africa with progress on the SALT talks, administration spokesmen went out of their way to say they expected Capitol Hill, and the American public, to make such a linkage. Administration spokesman were not simply engaged in public "hand-tying"; they truly had little ability to influence the U.S. Congress on national security issues. In July Senate Republic leader Howard Baker, whose support was "considered essential" to achieve Senate ratification of the SALT agreement, urged all negotiations with the Soviet Union be stopped as a result of Moscow's interference in Africa.[102] Brzezinski would later suggest that the administration concluded it had "underreacted" to the Ogaden crisis, leading it to "overreact" to subsequent events. This causal logic led Brzezinski to conclude, "SALT lies buried in the sands of Ogaden."[103]

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[101] Wayne Smith in transcript of the Conference on "The Collapse of Détente," 101.
[102] Karen Elliott House and Kenneth H. Bacon, "Détente's Decline," *Wall Street Journal*, April 18, 1978; Dobrynin, *In Confidence*, 412.
[103] Donna R. Jackson, "The Ogaden War and the Demise of Détente," *Annals of the American Academy of Political and Social Science* 632, no. 1 (November 2010): 26-40; Louise P. Woodroofe, *Buried in the Sands of Ogaden: The United States, the Horn of Africa, and the Demise of Détente* (Kent State, OH: Kent State University Press, 2013); Garthoff, *Détente and Confrontation*, 695-719; Brzezinski, *Power and Principle*, 189.

There were skeptics in the Soviet leadership to these foreign involvements. Even though their costs were bearable because of Soviet oil wealth, some—notably the reform-minded premier Aleksei Kosygin and Politburo member Andrei Kirilenko—opposed the interventions, but they lost out to others who argued Soviet involvement was necessary and their costs manageable. Kosygin and Kirilenko might have had an ally in foreign minister Gromyko, who traditionally managed the U.S. relationship and sought to avoid serious confrontation with Washington. Gromyko, however, did not have primary responsibility for the developing world, which was managed instead by Boris Ponomarev, head of the party's International Department, and Politburo member Mikhail Suslov. Ponomarev and Gromyko "despised" one another, but Gromyko typically stayed out of Ponomarev's way on issues in the Third World.[104] Had the Soviet economy been in crisis, perhaps Kosygin or Kirilenko's fortunes would have propelled them over more hawkish voices in the Soviet leadership, but instead they were overruled and marginalized first in the Horn of Africa debate and later on Afghanistan. Inertia favored Soviet intervention in the Third World and absent "a dramatic shift in the fortunes of Soviet foreign policy or a fundamental top-down reconceptualization of that policy's aims" then a policy of intervention would continue.[105]

With a power vacuum under the ailing Brezhnev, top-down reconceptualization was not forthcoming. The ruling coalition in the Politburo became less and less willing to cut its losses when Soviet interests where endangered. Marshall Shulman, a senior advisor on Soviet affairs during the Carter administration, witnessed that Soviet leadership was characterized by "increasing immobility" during this period, rather than dynamism or compromise.[106] Without a dominant voice, the easier

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[104] Dobrynin, *In Confidence*, 404; Alexander Bessmertnykh and Dobrynin in transcript of the conference on "The Collapse of Détente," 107-9.
[105] Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (New York: Cambridge University Press, 2005), 286-7.
[106] Shulman in transcript of conference on "The Collapse of Détente," 46.

path was to pour in more resources. This led to a dangerous overreach for the Soviet Union when it decided to intervene in Afghanistan.

In Kabul, a young and violent Communist regime had been engaged in vicious factional infighting since it ousted the nationalist Dauod government in April 1978. Not only did the Afghan Communist elite hate one another, many Afghans with nationalist or Islamist inclinations actively hated the Communist government. In March 1979 an Islamist rebellion in Herat led that government to request Moscow to dispatch Soviet forces to quell the uprising. Moscow declined, with Kosygin arguing to the Afghan government that the nationalist backlash generated by foreign troops on Afghan soil would be counterproductive.[107] In the end, Afghan troops with Soviet military advisors were able to stop the revolt, at the cost of 5,000 dead. While declining to dispatch troops, the Soviets did increase economic and military aid to Kabul.[108] In order for this new investment in resources to make a difference, though, the Soviet Union needed a leader that would listen to their advice. Soviet diplomats in Kabul maneuvered to support one faction over another, and moved military forces to the Kabul airport and into the Afghan capital to be responsive to future emergencies and to coerce the Afghan regime to listen. These schemes, which included assassination attempts, failed. The Soviets were stuck with Hafizullah Amin, a leader who they found unpredictable and dangerous.

As the environment worsened in the summer and fall of 1979, decision-making in Moscow became more factionalized. Coordination broke down. Information that might contradict the growing interventionist course was stopped before it could make it to the senior-most decision-makers.[109] In Kabul, the Soviet government suffered from multiple, reappearing fissures: the largest being between the Soviet uniformed military (including its intelligence arm, the GRU) and the KGB,

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[107] Rodric Braithwaite, *Afgantsy: The Russians in Afghanistan 1979-89* (New York: Oxford University Press, 2011), 7.
[108] Westad, *Global Cold War*, 307-10; Braithwaite, *Afgantsy*, 49-50.
[109] Westad, *Global Cold War*, 318; Braithwaite, *Afgantsy*, 60.

but these groups also pursued different courses of action than their colleagues in the Soviet foreign service and those in the Ministry of Internal Affairs. As Soviet journalist Artem Borovik reports, "The chiefs of these groups acted autonomously, often sending contradictory information to Moscow and often receiving conflicting orders in return."[110]

In early December 1979, KGB head Andropov reported to Brezhnev that Amin might turn to the West for help. That year the CIA had considered opening listening stations in Afghanistan to replace those lost in the Iranian Revolution, and Amin had met multiple times with the U.S. Embassy in Kabul in 1979.[111] The Carter administration's increasingly strident rhetoric against the Soviet Union, rather than deterring intervention, made it easier for Soviet hawks to convince their colleagues that Amin's defection to the West was a real threat.[112] While Andropov favored a limited operation to depose Amin, he was convinced by Defense Minister Ustinov to accept a much larger force. In a meeting on December 8, Brezhnev, Gromyko, Andropov, and Ustinov met, and Brezhnev authorized direct intervention. The Soviet military opposed the initiative, but Ustinov overruled his officers.[113] On December 25, airborne troops and ground forces crossed into Afghanistan. On December 27, Soviet special forces attacked Amin's presidential palace, killing him, his aides, and his family.[114] Roughly 80,000 Soviet forces deployed to Afghanistan that month.[115] As British diplomat Sir Roderic Braithwaite has written, "The intentions of the Soviet government were modest: they aimed to secure the main towns and the roads, stabilize the government, train up the Afghan army and police, and withdraw within six months or a year. Instead they found themselves in a bloody war from which it took them nine years and fifty-two days to extricate themselves."[116]

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[110] Quoted in Braithwaite, *Afgantsy*, 61.
[111] Braithwaite, *Afgantsy*, 78-9.
[112] Garthoff, *Détente and Confrontation*, 1039-1040.
[113] Dobrynin, *In Confidence*, 438-9.
[114] Westad, *Global Cold War*, 319-325.
[115] Braithwaite, *Afgantsy*, 84.
[116] Braithwaite, *Afgantsy*, 8.

Many observers would later attribute the Politburo's blunder to its internal power competition, which often led to log-rolling instead of real assessment. Soviet diplomat Sergei Tarasenko is especially forceful on this point, concluding, "Brezhnev was ailing. The matter of succession was up in the air. These guys were cynical, they valued personal interest above the interest of the country. They were positioning themselves at least to stay on the Politburo when the guard was changed. Over this period there was a gang mentality: to stick together, to be tough, to show that you are a true believer, that you are indeed a Communist, that you are a Leninist, you do everything to guard the system. So if you will not take this cynicism into consideration, you will be wrong. You cannot find a believable motive why those guys did it [invade Afghanistan]. I know Gromyko, for example, valued his Politburo position above anything else. He would do anything to keep his position on the Politburo."[117]

These men did not intend—nor did they foresee—a crisis with the United States. They did not consult Dobrynin, their longtime ambassador in Washington, to consider possible American reactions.[118] In fact, the Politburo did not meet to discuss Western reactions until January 20, 1980, more than a month after they ordered the intervention.[119] To the extent they worried about U.S. "linkage," they doubted the prospects of SALT II given skepticism on Capitol Hill, and already had weathered reduced U.S.-Soviet trade flows.[120] Aleksandr Bessmertnykh, then a senior Soviet diplomat in Washington, recalled, "By that time, everybody involved in the decision had become convinced—absolutely convinced—that the SALT II treaty would not be ratified by the U.S."[121] Many Soviet officials would wonder later whether actions might have been different if SALT II had

[117] Quoted in William C. Wohlforth, ed., *Witnesses to the End of the Cold War* (Baltimore: Johns Hopkins University Press, 1996), 131.
[118] Dobrynin, *In Confidence*, 434, 439, 442.
[119] Dobrynin in transcript of the conference on "The Intervention in Afghanistan and the Fall of Détente," Lysebu, Norway, September 17-20, 1995, available at http://nsarchive.gwu.edu/carterbrezhnev/docs_intervention_in_afghanistan_and_the_fall_of_detente/fall_of_detente_transcript.pdf.
[120] Westad, *Global Cold War*, 318, 325; Garthoff, *Détente and Confrontation*, 1041.
[121] Transcript of the conference on "The Collapse of Détente," 179.

been concluded earlier.[122] But the Afghan intervention did trigger a crisis. Even before the invasion, Carter had lost control of many of Washington's power centers. Strobe Talbott reports that by the summer of 1979, "The Congress, even though it was dominated by his own party, seemed in a frenzy of defiance that amounted to a vote of no confidence. Almost every day brought a new setback, a new instance of the law-makers' seeking to block or reverse administration initiatives, particularly in foreign policy."[123]

As Brzezinski concluded retrospectively, having underreacted to earlier Soviet moves, the Carter team perhaps overreacted to this one. They cut back grain sales, stopped high-technology trade, recalled the U.S. ambassador, pulled the SALT II treaty from consideration by the Senate, boycotted the 1980 Moscow Olympics, and reinstated mandatory registration for selective service (a move to ease any future return to conscription).[124] The Carter administration offered substantial military and economic aid to Pakistan (which it declined, betting correctly that it could get more out of the next American administration) and began to covertly aid Afghan militants and encouraging Chinese, Saudi, and other contributions to the anti-Soviet *jihad*.[125]

Any remnants of détente were over. U.S.-Soviet confrontation had returned.

## 2.5 Alternative Explanations

Do any other theories predict such a dramatic worsening in theories in the immediate aftermath of rapprochement? Domestic primacy theory predicts—accurately—that the 1973-1974 period should be the point of inflection, as the U.S. government became less capable of acting coherently, as Soviet coffers swelled from oil revenue, and, finally, as a result of Brezhnev's

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[122] Arbatov, *The System*, 208.
[123] Talbott, *Endgame*, 4.
[124] Talbott, *Endgame*, 289; Garthoff, *Détente and Confrontation*, 1060-4.
[125] Dennis Kux, *The United States and Pakistan, 1947-2000: Disenchanted Allies* (Baltimore, MD: Johns Hopkins University Press, 2001), 245-55.

dramatically worsening health (and loss of political authority) in the final days of 1974. No other

theory both predicts rapprochement from 1969 to 1972 and a worsening of relations after 1974.

Perhaps the closest prediction might come from theories premised on common enemies

ameliorating tensions between rivals. The U.S. rapprochement with China culminating in Nixon's

visit in February 1972 might have made it easier for a relapse in U.S.-Soviet hostility, so the

argument might go. However one attempts to adapt the theory, it cannot predict the successful and

continued U.S.-Soviet rapprochement after February 1972—with major positive accomplishments

throughout the rest of that year—as well as the collapse of détente later in the 1970s. Either

rapprochement with China made détente possible or it led to détente's collapse. It seems difficult to

argue that it did both.

Stepping back, in assessing the effect of U.S.-China ties, there is evidence that U.S.-China

normalization during the Carter administration contributed to tactical setbacks in the U.S.-Soviet

relationship. In other words, a worsening threat environment—where two of its foes were drawing

closer together—led the Soviet Union to slow negotiations on SALT II, not become more

conciliatory. During a visit to Washington by Soviet foreign minister Gromyko in December 1978,

the U.S. and Soviet sides reached a tentative agreement on the outstanding SALT issues. But

simultaneous with that breakthrough, word leaked in Washington of a forthcoming visit by Deng

Xiaoping. Importantly Deng was scheduled to visit before any Soviet leader would be able to arrive

to sign the newly agreed upon SALT text. Given the tense state of Sino-Soviet relations, the

announcement was viewed as an intentional slight to the Soviets. Brzezinski leaked word of Deng's

visit while Vance was absent from Washington, with Brzezinski violating a previous decision

reached prior to Vance's departure to postpone publicity of the Deng visit. In other words, to the

extent that improving U.S.-China relations did affect U.S.-Soviet ties, they had a negative role—

Dobrynin would say years later that the announcement "severely hurt relations between us and the

United States."[126] The Soviet Union delayed signing the SALT accords for another six months,

another delay that made it more likely a blunder elsewhere would undo the arms limitation

agreement.

Theories of nuclear peace also fare poorly in explaining the worsening superpower relations.

The Soviet Union was modernizing its arsenal, but it is difficult to argue that either U.S. or Soviet

leaders thought they were more likely to escape the confines of nuclear deterrence in the late 1970s

and early 1980s than they had been in the early 1970s. Even James Schlesinger, associated popularly

with attempting to acquire a first strike capability that might give the United States advantages in

intra-war bargaining (though not escape nuclear devastation), made it clear that enormous

uncertainty would accompany any first strike attempt. He testified to the U.S. Congress in 1974, "It

is impossible for either side to acquire the degree of accuracy that would give them a high-

confidence first strike because we will not know what the actual accuracy will be like in the real

world.... We know that and the Soviets should know it, and that is one of the reasons that I can

publicly state that neither side can acquire a high confidence first-strike capability."[127] His narrow

focus on accuracy eschewed other problems of locating the other side's nuclear arsenal (including

sea-based weapons) and hitting them before they could be launched upon warning. Nor did this

basic fact of survivability change during the course of the Soviet nuclear modernization. At the end

of the Carter administration, when Carter's CIA director Stansfield Turner was briefing the newly

inaugurated Ronald Reagan, Turner stressed to the president that "even after a Soviet first strike, the

U.S. would have enough strategic nuclear weapons to destroy all Soviet cities with populations over

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[126] Transcript of the conference on "The Collapse of Détente," 132-4; also see Talbott, *Endgame*, 246-51.
[127] Schlesinger quoted in Fred Kaplan, *The Wizards of Armageddon* (Stanford: Stanford University Press, 1991), 428.

100,000."[128] Nuclear deterrence—if it is a force for rivalry termination—should have exerted its pacifying effects throughout the 1970s. Instead the later part of the decade was beset by crisis.

There was a change in the overall balance of power during the 1970s, with the Soviet Union likely growing in terms of military prowess as the decade progressed. This period of Soviet relative gains began in the Nixon years, but it was not until around 1976 that the ratio of U.S.-Soviet military expenditures (as well as comparisons of broader metrics of national power) stabilized. If clarity over relative power makes peace more likely, then if anything the latter part of the 1970s ought to have been more peaceful than the first years of the decade when parity prevailed. Nor does the data support a story where the Soviet Union was emboldened by a favorable correlation of forces. After all it was the United States, beset by internal veto players, that was unable to proceed with SALT II. If the Soviet Union were pulling away in the arms race, SALT II offered a means to slow the growing imbalance.

There is evidence that the changing balance of power was irrelevant in Soviet deliberations to intervene in the Third World. The Soviet leadership viewed these regional conflicts as local affairs that would generate localized—even if nontrivial—costs. Dobrynin reflected, "I think that if you asked Brezhnev or Gromyko at the time: 'are you worried about how Angola will undermine the SALT II treaty?'—they would have looked at you in amazement.… They would have told you there that there is no connection—no connection whatever—between Angola and SALT, between Ethiopia and SALT, etc., etc."[129] Garthoff, based on careful review of extensive declassified Soviet documents regarding the invasion of Afghanistan, reaches a similar conclusion with regard to that later case: "The decision to intervene was not motivated, or even influenced, by perceptions of American weakness, vacillation, or distraction." He continues, "Considerations of American military

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[128] Quoted in James Graham Wilson, *The Triumph of Improvisation: Gorbachev's Adaptability, Reagan's Engagement, and the End of the Cold War* (Ithaca: Cornell University Press, 2014), 23.
[129] Transcript of the conference on "The Collapse of Détente," 106.

weakness and of a changing strategic military balance between the two superpowers did not enter

the picture."[130] This argument makes explicable the fact that the Politburo did not even consult with

its embassy in Washington prior to the intervention.


## 3 Conclusion

The fracturing of power in Washington and Moscow led to many more constituencies that

could say "no" to progress in the U.S.-Soviet relationship. The fracturing of authority occurred first

in the United States. Hawks constrained international economic cooperation by conditioning

approval for expanded trade to Soviet emigration policies. They then began a rearguard action to

stop the compromises made by President Ford at Vladivostok from being ratified in a SALT II

agreement. The urgency for the accord was drained by the improving economic situation in both the

United States and the Soviet Union. Trying to avert nuclear war was an insufficient spur to action

when denuded of budgetary imperatives. The SALT II agreement was killed by delay, having been

"enormously complicated by the internal conflicts within each of the two sides, which resulted in

this prolonged period of negotiation which went beyond the period when [concluding negotiations]

might have made a difference on the atmosphere," in Marshal Shulman's assessment.[131]

The atmosphere was poisoned primarily by regional conflicts that achieved global

significance not because of their intrinsic importance but because one or both superpowers decided

to intervene in them. They almost invariably did so because they perceived failure to act would lead

to exploitation by the other side. In this politicized environment, without a strong leader in either

capital, information was politicized, and tended toward worst-case assumptions about the adversary.

Arguments for rapprochement lost political currency, especially in Washington. As Les Gelb,

Carter's assistant secretary of state for political-military affairs, recalled, policy advice was also

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[130] Garthoff, *Détente and Confrontation*, 1039-40.
[131] Transcript of the conference on "Global Competition and the Deterioration of U.S.-Soviet Relations," 181.

politicized, conditioned by fear of losing out in an internal power competition, which increasingly favored firmness as the 1970s advanced. "It was politically very difficult for any of us on our side to advocate restraint—very difficult. Very quickly one's effectiveness within the government, and in Washington in general, would be seriously undermined. So any time one thought to argue restraint, you thought twice, because of the effects on your own political position."[132]

In addition to this tilting of the playing field toward competition and confrontation, there was also a loss of policy coherence in both the United States and the Soviet Union. Factional infighting led to one element of government being unaware of what other components were doing. This tendency was most apparent in the Soviet government's apparently limited knowledge of Soviet aid to Cuban fighters in Angola. But less severe episodes also occurred on the U.S. side, such as the announcement of a visit by Deng Xiaoping at the exact time that it would be most likely to damage progress on a SALT II accord. Through insubordination and sabotage, any progress on rapprochement could be unwound. In fact, often the progress was not just nullified, but reversed, as officials came to conclude that the rival state was acting in bad faith.

The next chapter turns to the question of how both states, having relapsed into conflict, managed to extricate themselves from it. How did political circumstances in Washington and especially Moscow become more favorable for restraint and rapprochement? How did the Cold War end?

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[132] Transcript of the conference on "Global Competition and the Deterioration of U.S.-Soviet Relations," 36.

CHAPTER 6: THE END OF THE COLD WAR

**1 Introduction**

The Cold War ended in 1989. By that date, the United States and the Soviet Union had

negotiated important arms control agreements that halted the arms competition, while the Soviet

Union had concluded it no longer needed Eastern and Central European clients to safeguard its

security, nor did it need an offensive military doctrine to ensure the security of the Soviet homeland.

The Soviet Union abandoned revisionism as a policy and jettisoned those instruments of power that

made revisionism practicable. It did so based on "new thinking" about the nature of the military

threat from the United States, in particular. As a result, after 1989, the Soviet Union made a series of

decisions, most notably on East Germany but also on Iraq, that would have been impossible to

imagine during the Cold War. Importantly, the U.S.-Soviet rivalry ended before the Soviet Union

collapsed in December 1991. It was not as if one combatant just left the arena of competition.

Rather, the Soviet Union realized it could no longer achieve its domestic and foreign policy

objectives and worked assiduously to secure political settlements that made it possible to refocus its

energies at home.

Domestic primacy theory suggests that this pursuit of rapprochement was the rational

response to Soviet economic ills, and one made possible because of political circumstances in

Moscow in the late 1980s. Moreover, the emergence of a motivated and capable Soviet leader

occurred at an auspicious time. In Washington, the latter half of the 1980s saw a concentration of

authority within the U.S. national security apparatus after years of internal bureaucratic conflict.

Moreover, this greater coherence in U.S. foreign policy preferences occurred alongside a substantial

fiscal crisis in Washington. As the Soviet Union began to make compromises that brought arms

control within reach, the United States was able to take "yes" for an answer. This chapter will show

that only after Soviet leaders had consolidated power did they begin to make substantive conciliatory

gestures, and only after the U.S. administration obtained consensus on its Soviet policy was it able to reciprocate. In both cases, but especially in the Soviet case, they were propelled by economic urgency to solve bilateral problems now, rather than waiting.

This chapter outlines and explains the policy transformations that accompanied political and economic changes in both superpowers. It first reviews the political configurations in the United States and the Soviet Union throughout the 1980s. In Washington, the policy landscape was characterized by disorder in the initial years of the Reagan administration that only later evolved into coherence with the ascendance of George Shultz, Reagan's secretary of state. It then describes the situation in Moscow, where Mikhail Gorbachev emerged in 1985 as the first leader in the Soviet Union with concentrated authority since Brezhnev's health began to fail him in 1974.

The chapter turns next to the economic circumstances in both countries. The Soviet Union was experiencing a slow motion economic disaster, the severity of which became increasingly apparent in the initial years of Gorbachev's rule. The Reagan administration in the mid-1980s, meanwhile, struggled to come to terms with a budgetary crisis that it had inflicted upon itself after "supply-side" economics proved it could not magically escape fiscal realities. As a direct result of these changed circumstances, U.S.-Soviet diplomacy began to achieve progress after 1985, and especially after 1987. That progress led to the conclusion of the Cold War.


## 2 Concentration of Executive Authority in the United States, 1981-1992

U.S. policy toward the Soviet Union was beset by factional intrigues from 1981 to 1985, suffered from substantial friction from 1985 until 1987 as hawks sought to slow progress, and only gained coherence in 1987. U.S.-Soviet relations made their greatest progress in the years immediately after the consolidation of executive authority, and continued to make progress into the early 1990s as that concentration of executive authority was maintained even during a transition from one

presidential administration (that of Ronald Reagan) to another (George H. W. Bush's). The progress

of the late 1980s was directly enabled by the improved political circumstances in Washington.


**2.1 The First Reagan Administration, 1981-1985**

The United States had diffuse executive authority over foreign policy for the entirety of

Reagan's first term in office. Reagan's foreign policy team was composed of forceful and colorful

personalities that Reagan was unable and unwilling to control. Reagan's vice president, George H.

W. Bush, had served as U.S. ambassador to the United Nations in the Nixon administration and as

ambassador to China and director of central intelligence under President Ford. Casper "Cap"

Weinberger, who had served in budget and domestic policy positions in the Nixon and Ford

administration, was appointed secretary of defense. Jeane Kirkpatrick, a neoconservative intellectual,

became Reagan's ambassador to the United Nations, while William Casey served as director of

central intelligence, where he exercised a proclivity for covert foreign interventions to ward of

potential Communist threats. Al Haig, a retired Army four-star general, who had been a deputy

national security advisor and White House chief of staff under Nixon and Ford, was initially

President Reagan's secretary of state until 1982. George Shultz, a former treasury secretary (and old

bureaucratic rival of Weinberger), replaced Haig.[1] During his two terms in office, Reagan went

through a merry-go-round of national security advisors, with several mired in scandal. Richard Allen,

William Clark, Robert "Bud" McFarlane, John Poindexter, Frank Carlucci, and Colin Powell each

served as Reagan's national security advisor, with Clark, perhaps the most skeptical of conciliatory

initiatives toward the Soviet Union, serving from 1982 to 1983.

A collation of great resumes does not ensure great policy, and the early Reagan team was

thoroughly dysfunctional as a result of discordant foreign policy views, especially views of the Soviet

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[1] On the rivalry, see interview with Michael Deaver, May 8, 1990, Folder 12, Box 2, Don Oberdorfer Papers.

Union. James Baker, Reagan's chief of staff until 1985, would later write, "President Reagan's foreign policy apparatus… was often a witches' brew of intrigue, elbows, egos, and separate agendas. From day one, the level of suspicion and mutual distrust was utterly out of control among many of the major players."[2]

Charles Hill, a senior U.S. diplomat and close advisor to Shultz, describes a "split" in the early Reagan years between those who subscribed completely "to the idea of the Soviet Union as an evil empire and therefore you could never do any kind of work with" Moscow and those who thought "there are ways in which we can work with" the Soviets. The hardliners, according to Hill, "did everything they could to prevent or to stop or to turn back any attempt to even talk, even meet, even be in the same city with the enemy."

Hill emphasized that during this period, even if the President approved a conciliatory policy, the hardliners "wouldn't carry it out or would sabotage it," forcing the pragmatists to return "back and back and back" to the President for his support, slowing the implementation of any policy initiative.[3] Baker similarly recalls, "sometimes when the President decided a major policy issue, his subordinates would ignore his wishes and pursue their own policy schemes."[4] Jack Matlock, Reagan's aide for Soviet affairs at the NSC and later U.S. ambassador to Moscow, writes about less extreme versions of sabotage. Frequently, Matlock observers, Reagan would decide to give a speech signaling a willingness to negotiate with the Soviet Union on some matter, and immediately hawks from within the administration would tell the press that the speech was not "serious," seeking to undermine Reagan's intent by confusing potential Soviet observers.[5] Richard Perle, a notably hawkish assistant secretary of defense in the Reagan administration until 1987, would admit that in

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2 James Baker, *The Politics of Diplomacy* (New York: G. P. Putnam's Sons, 1995), 26.
3 Interview with Charles Hill, July 20, 1989, Folder 17, Box 2, Don Oberdorfer Papers, Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library, Princeton, NJ.
4 Baker, *Politics of Diplomacy*, 27.
5 Jack F. Matlock, Jr., *Reagan and Gorbachev: How the Cold War Ended* (New York: Random House, 2004), 85-6.

arms control negotiations with the Soviets he would sometimes raise concerns for "tactical" reasons

when "it was clear the irresolution" of an issue "was going to prevent an agreement from being

concluded" since he was "quite happy to slow things down."[6] Such insubordination and sabotage is

consistent with domestic primacy theory's prediction for periods of diffuse executive authority. With

little fear of removal, recalcitrant officials do their best to stop progress in bilateral relations.

Over time, however, the pragmatists led by Shultz grew increasingly powerful as the

President repeatedly backed his secretary of state over the hawks. Despite being famously non-

confrontational, Reagan eventually gained control of his own national security team through his

support of Shultz. Hill observes that things improved for Shultz as the administration progressed, so

that "at the outset it would take months and months and months" to implement a policy agenda,

"and only half" that agenda "would get done," but observing "as you went through the

administration, that time got shorter and more and more got done."[7]

Shultz's power derived from Reagan and the secretary of state went out of his way to keep

the president and national security advisor informed, even as he made every effort to prevent

obstruction from Defense or the CIA.[8] This was in contrast to Haig, who had sought to make

foreign policy in place of the president during Haig's short tenure at State, and who likely thought he

would have been a better president than Reagan.[9] When Haig resigned, Reagan wrote in his diary

that Haig "gave only one reason and did say there was a disagreement on foreign policy." But

Reagan continued, "Actually the only disagreement was over whether I made policy or the secretary

of state did."[10] Robert Gates, a senior official at the CIA during the Reagan years and occasional

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[6] Interview with Richard Perle, April 12, 1990, Folder 24, Box 2, Don Oberdorfer Papers.
[7] Oberdorfer Interview with Charles Hill, July 20, 1989.
[8] Oberdorfer Interview with Charles Hill, July 20, 1989.
[9] Interview with George Shultz, July 11, 1989, Box 3, Folder 2, Don Oberdorfer Papers; Interview with William P. Clark, Miller Center of Public Affairs, University of Virginia, August 17, 2003, http://millercenter.org/president/reagan/oralhistory/william-clark.
[10] Quoted in James Graham Wilson, *A Triumph of Improvisation: Gorbachev's Adaptability, Reagan's Engagement, and the End of the Cold War* (Ithaca: Cornell University Press, 2014), 35.

opponent of Shultz, writes that Shultz wanted to "call the shots" on the national security "team," but "unlike Haig," Shultz "always remembered who owned the team." Gates writes further that Shultz "acknowledged the primacy of the President and, between 1983 and 1988, he forged with Reagan one of the most successful partnerships of a President and Secretary of State in modern times."[11] From the outside, Soviet ambassador Dobrynin concurred: "It was evident from Shultz's behavior" in meetings with Dobrynin and Reagan "that Reagan was the real boss, and the secretary of state carried out his instructions."[12]

Even in the earliest years of his presidency, while the president issued harsh statements against the Soviet Union, "Reagan showed that he wanted to engage Brezhnev, but could not contain his administration," in historian James Graham Wilson's assessment.[13] Thus when Shultz replaced Haig in 1982, Shultz and his team very quickly concluded that the president wanted to work with the Soviets, even if much of Reagan's foreign policy team did not. While the hawks frequently wanted the more conciliatory Shultz to "be brought to his senses and locked up in a closet," the secretary of state had powerful allies from the beginning, despite also having formidable adversaries.[14] Vice president George H. W. Bush, chief of staff (until 1985) James Baker, deputy chief of staff (also until 1985) Michael Deaver, and first lady Nancy Reagan all worked to nudge the president toward more conciliatory policies toward the Soviet Union, a message that resonated with Ronald Reagan, who desired to be a transformative figure.[15]

The first hawk eased out was William Clark. Reagan, in part convinced by Bush, had directed Shultz to devise a plan for engagement with the Soviet Union, which Shultz did. The plan was intercepted by Clark, and did not make it to Reagan until Clark went on vacation in January 1983.

[11] Gates, *From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War* (New York: Simon and Schuster, 1996), 279.
[12] Dobrynin, *In Confidence*, 521.
[13] Wilson, *Triumph of Improvisation*, 27.
[14] Oberdorfer Interview with Charles Hill, July 20, 1989.
[15] Interview with Michael Deaver, May 8, 1990, Folder 12, Box 2, Don Oberdorfer Papers; Miller Center Interview with William Clark; also see Gates, *From the Shadows*, 282.

This sort of dysfunction, where information and documents are kept away from a national leader, is characteristic of regimes with diffuse executive authority. Clark's was profoundly skeptical of Soviet intentions, and Clark had Reagan authorize a strategic directive of containment and competition with the Soviet Union even as Shultz was formulating a plan for engagement.[16] While Clark was away, Shultz arranged for Soviet ambassador Dobrynin to visit the White House in February. Later that year, Clark retaliated and sent Reagan a written memo "pissing all over Shultz" according to Michael Deaver.[17] Clark would ask Reagan in July for formal responsibility for U.S.-Soviet dialogue, seeking to sideline Shultz, but failed to convince the president.[18] This sort of policy schizophrenia is indicative of administrations without concentration of executive authority.

Their clashes were not limited to the Soviet Union. Shultz threatened to resign in the summer of 1983 after Clark had sent his deputy (and future successor) McFarlane on a secret mission to the Middle East. The president convinced Shultz to stay, and moreover Shultz was given twice weekly meetings with the president to discuss foreign policy matters.[19] This gave Shultz far more access to the president than any of his bureaucratic rivals except those in the White House itself. Shultz would find that the only way to force the President to take sides in fights between aides was to threaten to leave, and the secretary of state would threaten to resign on at least four separate occasions during his tenure.[20]

Meanwhile, Deaver and the First Lady—who both supported Shultz—also maneuvered successfully to dislodge Clark from the national security advisor position. James Baker, Reagan's chief of staff from 1981 to 1985, joined them in seeking to remove Clark. Baker found Clark's free-lancing efforts counterproductive to coherent policy and dangerous, telling Deaver, "That's how

[16] Wilson, *Triumph of Improvisation*, 68-9.
[17] Interview with Michael Deaver, May 8, 1990, Folder 12, Box 2, Don Oberdorfer Papers; also see Gates, *From the Shadows*, 288-9.
[18] Don Oberdorfer, *From the Cold War to a New Era: The United States and the Soviet Union, 1983-1991*, updated ed. (Baltimore: Johns Hopkins University Press, 1998), 40.
[19] Interview with George Shultz, July 11, 1989, Folder 2, Box 3, Don Oberdorfer Papers.
[20] Oberdorfer, *From the Cold War to a New Era*, 42.

we're going to get into a war. You get the National Security Advisor not going through any kind of a procedure in this White House, we'll be in a mess."[21] The pragmatist group finally succeeded in moving Clark to the Department of Interior in November 1983.[22]

Even with Clark gone, hawks were still abundant and powerful in the administration. "Clark's departure made the secretary of state's job only slightly easier," concludes Wilson.[23] Baker and Deaver sought to have Baker assume the national security advisor position now that Clark was gone, but were blocked by Weinberger, Casey, and Edwin Meese, who served as counselor to the president. The hawks preferred Kirkpatrick, but the president approved McFarlane as a compromise candidate who was "everyone's distant second choice" to be national security advisor.[24] McFarlane did not have the gravitas or political skills of Baker, and more importantly "lacked the authority or the temperament to referee the interminable quarrels between Shultz and Weinberger," writes journalist and Reagan biographer Lou Cannon.[25] McFarlane supported U.S.-Soviet negotiations, so while he was not Shultz's preferred choice, he at least did not oppose the secretary of state.[26]

The first term concluded, then, with continuing factional intrigue that Reagan could not squelch, even if Shultz's relative position had improved somewhat by 1984. Writing of the early years of the administration, Gates recalls, "There was even more in-fighting, quarreling, back-biting, and jockeying for advantage among the senior members of the Reagan national security team than in the Carter administration." As the previous chapter described, the Carter administration was neither a model of consensus nor collegiality. Moreover, Gates continues, given weak national security advisors, "there was no one" who could coordinate the activities of the different departments and

[21] Interview with Michael Deaver, Miller Center of Public Affairs, University of Virginia, September 12, 2002, http://millercenter.org/president/reagan/oralhistory/michael-deaver.

[22] Frances FitzGerald, *Way Out There in the Blue* (New York: Simon and Schuster, 2000), 231-2.

[23] Wilson, *Triumph of Improvisation*, 78.

[24] Miller Center Interview with William Clark; Lou Cannon, *President Reagan: The Role of a Lifetime* (New York: Simon and Schuster, 1991), 429-36.

[25] Cannon, *President Reagan*, 597.

[26] Cannon, *President Reagan*, 743; Matlock, *Reagan and Gorbachev*, 75.

"make sure all were adhering to the policies determined by the President."[27] The conservatives could

still rouse themselves to block pragmatist appointments, and halt or slow conciliatory initiatives.

Shultz complained to a few of his top aides in the final months of the first term, in October 1984,

"that a situation in which Weinberger stays at Defense, Casey stays at the CIA and Jeane Kirkpatrick

becomes the National Security Adviser is a situation in which it is impossible to get anything done

on the major issues, including relations with the Soviets…."[28] The source of his frustration may have

been an attempt by hawks to yank the arms control portfolio away from Shultz by creating a "czar,"

an effort that Shultz stopped upon learning of it.[29]

In November 1984, just a week after being reelected, Reagan wrote in his diary. "We have

trouble. Cap & Bill Casey have views contrary to George's on S. Am., the middle East, and our arms

negotiations. It's so out of hand George sounds like he wants out. I cant let this happen. Actually

George is carrying out my policy. I'm going to meet with Cap & Bill & lay it out to them. Wont be

fun but has to be done."[30] Reagan never did meet with them, but even without directly ordering

Weinberger and Casey to desist, he did work to bolster Shultz in the second term, eventually

resulting in concentrated executive authority for the first time in the Reagan presidency.


## 2.2 The Second Reagan and George H.W. Bush Administrations

The first two years of Reagan's second term were characterized by Shultz continued

ascendance, resulting finally in coherence and concentrated executive authority by 1987. One by

one, Shultz either marginalized or outlasted his opponents until Reagan's foreign policy spoke with

one voice. Some members of the conservative faction realized that their own path to power was

[27] Gates, *From the Shadows*, 285.
[28] Kenneth Dam, Deputy Secretary of State, "Security Briefing," October 22, 1984, case no. F-2011-00929, foia.state.gov. Dam appears to have made contemporaneous dictations summarizing important events during his workday.
[29] George P. Shultz, *Turmoil and Triumph: My Years as Secretary of State* (New York: Charles Scribner' Sons, 1993), 490-1, 495.
[30] Quoted in Wilson, *Triumph of Improvisation*, 86.

blocked so long as Shultz had the president's ear. Kirkpatrick offered her resignation in January

1985 after she concluded Reagan would not be offering her a better job in the second term, despite

repeated efforts by conservative and neoconservative allies to propel her to greater authority.[31]

Edwin Meese, a frequent ally of anti-Soviet hawks, was largely sidelined from foreign policy debates

when Reagan appointed him to be attorney general, a post he assumed after congressional

confirmation in February 1985.

McFarlane seeing "paralysis" because of the infighting attempted to get Reagan to side with

Shultz and dismiss Weinberger, while Shultz suggested Reagan might be better served by dismissing

either Shultz himself or his frequent sparring partner at Defense. Reagan refused to intervene and

the disputes persisted. Internally, within the White House, McFarlane found himself increasingly

distant from a new chief of staff, Donald Regan, who had replaced Baker in early 1985. McFarlane,

"barely speaking" with Regan, began to pursue independent initiatives without fully informing

Regan, and in some cases without fully informing Shultz or Weinberger.[32] McFarlane's relationship

with Weinberger was especially bad. Weinberger was "increasingly hostile, challenging every decision

on U.S.-Soviet relations and complaining that his own views were not being fairly represented to the

President."[33] In this environment, no one in the U.S. government—not even President Reagan—

fully controlled U.S. policy, nor even had visibility on different lines of operation being pursued by

separate fiefdoms in the Reagan administration.

It is in this context that McFarlane launched an initiative to sell Iran arms to guarantee the

release of U.S. hostages held by Iranian proxy groups in Lebanon. In this pursuit, McFarlane had a

powerful ally in Casey at the CIA. White House staff obtained Reagan's approval for at least part of

the scheme while the President was in a hospital recovering from surgery, and in presenting the

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[31] George Skelton, "Kirkpatrick Officially Out—No Better Offer," *Los Angeles Times*, January 31, 1985.
[32] Cannon, *President Reagan*, 597-8.
[33] FitzGerald, *Way Out There in the Blue*, 318.

opportunity to the president they appear to have not been explicit about the fact they were asking

for approval for a "trade" between U.S. arms (held by Israel) and U.S. hostages (held by Iran).[34] The

scandal that would come to be known as the "Iran-Contra" affair is beyond the scope of this study,

but it indicates the degree that the executive branch lost coherence amidst infighting within the

White House and poor coordination among the White House, Defense, and State. Shultz, in

particular, seems to have concluded that the Iran endeavor was of minor strategic importance, and

that his time with the president should focus on more important matters, such as U.S.-Soviet

relations.[35] So while Shultz continued his ascent on U.S.-Soviet matters, he did not intervene to stop

amateurish plotting by some in the NSC and CIA to sell Iran arms. Casey worried he was losing

ground to Shultz, and was eager to pursue the initiative, perhaps hoping it would win him accolades

from Reagan, given how desperate the president was to retrieve U.S. hostages.[36] One consequence

of fractured authority is individual decision-makers can be obsessed with relative influence rather

than national outcomes. This tendency is present at all times, but when national leaders control the

process they can mitigate the consequences.

McFarlane resigned in early December 1985, "driven wild by rumors, which he blamed on

[chief of staff] Regan and his aides, that he had engaged in extramarital affairs."[37] All factions backed

John Poindexter, McFarlane's deputy, to become the next national security advisor. The collapse of

the Iran arms sales scheme throughout 1986 was a slow-motion tragedy for those involved in it.

Shultz either averted his gaze from the affair or, when he intervened, tried to stop it. As news of the

scheme became more widely known, one of its core plotters, Casey, tried and failed to have the

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[34] Cannon, *President Reagan*, 613-5.
[35] Cannon, *President Reagan*, 641.
[36] Gates, *From the Shadows*, 398.
[37] Cannon, *President Reagan*, 624.

president remove Shultz as a distraction from the widening scandal.[38] As the scandal grew,

Poindexter resigned on November 25, having survived as national security advisor for less than a

year. The covert warrior and consummate hawk, William Casey, suffered a seizure in his office on

December 15, which led to the discovery of brain cancer. He resigned the following month, and

died in March 1987. Donald Regan, the chief of staff, held on until February 1987, when he too

resigned. Alongside this march of resignations, "Shultz's influence in Washington, already great,

soared as his opposition to the Iran arms sales became known," recalls Gates.[39]

    As the second term unfolded, Weinberger found himself increasingly outflanked by Shultz

and with fewer and fewer allies within the administration. He held on longer than might have been

anticipated, both because of his long, personal relationship with Reagan, but also because of close

ties to conservative senators, pundits, and fundraisers that he utilized frequently as channels to

express his unhappiness, and especially to vent his frustrations with Shultz.[40] By 1985, during one

episode in which the White House struggled to contain Weinberger's hawkish instincts, then-deputy

national security advisor John Poindexter expressed his dismay, exclaiming to the NSC staff, "That

troglodyte again!"[41] Within the White House, the First Lady had grown skeptical of Weinberger even

as she "increasingly took Shultz's side." Given Reagan's respect for his wife's opinion, this change

was "no small setback" in Colin Powell's tactful assessment.[42] Richard Perle, Weinberger's

representative in arms control negotiations, announced his resignation in March 1987.[43] By August

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[38] Cannon, *President Reagan*, 697. Casey and Shultz also were feuding in this period over the handling of the arrest of a U.S. journalist who the Soviet Union accused of spying for the CIA. Gates, *From the Shadows*, 365-7, 410. Also see FitzGerald, *Way Out There in the Blue*, 384-6.

[39] Gates, *From the Shadows*, 420.

[40] Matlock, *Reagan and Gorbachev*, 90-91, 102, 114.

[41] Matlock, *Reagan and Gorbachev*, 113. Matlock was on the NSC staff at the time of the incident.

[42] Colin Powell with Joseph E. Persico, *My American Journey* (New York: Random House, 1995), 348.

[43] Michael R. Gordon, "Washington Talk: Perle is Bowing Out, His Goals and Acerbity Intact," *New York Times*, March 13, 1987.

of that year, it was clear privately to senior administration officials that Weinberger would resign

soon, even though the secretary's last day in office would not be until November.[44]

Almost without exception, the new members of the national security team were more

pragmatic than their predecessors. Frank Carlucci was first national security advisor after

Poindexter's resignation and later defense secretary after Weinberger left in late 1987 (he would

become the first of Reagan's ill-fated national security advisors to get promoted, rather than fired).

Howard Baker replaced Regan as chief of staff, while the FBI director, William Webster, shifted to

CIA. None of Shultz primary opponents from the first term were still in office by the end of 1987.

Shultz who had been favored since 1983, ascendant after 1985, now was unquestionably dominant

by 1987. Journalist James Mann writes, "Where previously the Reagan administration had bogged

down in fractious disputes over how to deal with the Soviet Union, the new team of Shultz,

Carlucci, Powell, and Webster worked together in relative harmony."[45] By the time Colin Powell

replaced Carlucci as national security advisor in late 1987, Powell recognized, "George Shultz was

the single minister of foreign policy," adding "I [Powell] made sure that the NSC understood that

and back him all the way." For the remainder of Reagan's term in office, his foreign policy team had

coherence where Shultz "determinedly managed to put the substance into Ronald Reagan's vision."[46]

When George H. W. Bush assumed the presidency in January 1989, he brought in his own

national security team, replacing the secretaries of state and defense and the national security

advisor. Bush consciously sought to design a system that would function better than that which he

observed as Reagan's vice president. Almost everyone that served at senior levels of the Reagan

administration recalled in later years how much discord existed within the Reagan foreign policy

apparatus before 1987, while almost everyone that served in the George H. W. Bush administration

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[44] Interview of Frank Carlucci, March 5, 1990, Don Oberdorfer Papers (MC 162), Box 2, Folder 8, Princeton University Library.
[45] James Mann, *The Rebellion of Ronald Reagan: A History of the End of the Cold War* (New York: Viking, 2009), 256.
[46] Powell, *My American Journey* 368.

emphasized the comparative coherence and harmony of the national security team. This was

especially true for people that served in senior levels in both administrations. James Baker, who

Bush would appoint at secretary of state, emphasizes how the Bush administration managed its

disagreements rather than engaging in the constant "backbiting" or "slugfests" that Baker had

observed in the Ford and Reagan administration. In choosing Baker for the secretary position, Bush

appointed a "very close" friend who he had known for nearly forty years, so close that President

Bush would sometimes refer to it as a "big brother-little brother" relationship.[47]

Bush appointed Richard Cheney to serve as his secretary of defense. Cheney had previously

served as chief of staff in the last two years of the Ford administration, and would later show

considerable independence a decade after his service as defense secretary when he was vice president

to George H. W. Bush's son. Under the elder Bush, however, Cheney, was a "team player," who

"didn't leak or try to play games behind people's backs" when his position failed to prevail in

internal discussions, according to Gates, who was deputy national security advisor and director of

central intelligence during the first Bush administration.[48]

Finally, Bush asked Brent Scowcroft to be his national security advisor. Scowcroft, like Baker

and Cheney, had observed dysfunctional administrations up close. Besides his time as Ford's

national security advisor, Scowcroft later served on a blue-ribbon panel to look into the mistakes of

the Iran-Contra affair (the so-called "Tower Commission," after its chair, Senator John Tower), and

consciously sought to run the National Security Council system in way that would avoid past

errors.[49] Gates, Scowcroft's deputy, thought Scowcroft's relationship to George H. W. Bush was "as

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[47] Baker, *The Politics of Diplomacy*, 18-22; also see George Bush and Brent Scowcroft, *A World Transformed* (New York: Alfred A. Knopf, 1998), 18.
[48] Gates, *From the Shadows*, 457.
[49] Baker, *Politics of Diplomacy*, 25-6.

close to family as you could get... and not be blood kin." Gates argues, "there has never been such a close personal bond between a President and his National Security Advisor."[50]

The team Bush assembled, then, concentrated decision-making with Bush, and was not subject to factional intrigues like the early Reagan years. Domestic primacy theory suggests that upon Shultz's emergence as the primary foreign policy actor in 1985, and certainly after he vanquished all of his major foes in 1987, the United States should have been more able to propose conciliatory initiatives of substance and execute serious compromises in negotiations. Did that occur? And did they have a Soviet counterpart that could also make serious efforts at peace?

## 3 Concentration of Executive Authority in the Soviet Union, 1980-1991

As described in the previous chapter, Brezhnev's years after 1974 were characterized by illness and policy inertia as the Soviet Union was increasingly governed by a committee of the very old. This basic arrangement persisted even after Brezhnev succumbed to his multiple ailments in November 1982. Neither Brezhnev's immediate successor, Yuri Andropov, nor Andropov's successor, Konstantin Chernenko, had time to consolidate power. Gerontocratic rule has its downsides. It was not until the next generation came to power, in the form of Mikhail Gorbachev, that a Soviet leader had sufficient time and the requisite political skills to consolidate power. Gorbachev did so adroitly, providing him with concentrated executive authority by 1986 or 1987. As he consolidated power, Gorbachev became bolder and bolder in the proposals for conflict resolution and arms reductions he made to the United States, exactly consistent with domestic primacy theory.

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[50] Gates, *From the Shadows*, 458.

### 3.1 Soviet Gerontocracy: Andropov and Chernenko

Yuri Andropov, longtime head of the KGB, survived long enough to ascend to the top of

the troika he shared with foreign minister Andrei Gromyko and defense minister Dmitriy Ustinov to

become general secretary upon Brezhnev's death in 1982. When Shultz met Andropov for the first

time at Brezhnev's funeral, he felt that Andropov "looked more like a cadaver than the just-interred

Brezhnev."[51] In truth, Andropov's health failed him almost immediately after assuming charge.

When Andropov died in February 1984, Soviet sources would admit that he had undergone dialysis

treatment for complete kidney failure beginning in February 1983, in other words within three

months of taking office.[52]

Andropov, in office for only fourteen months, "never got the opportunity nor had the

physical energy to change Soviet foreign policy," Dobrynin concludes.[53] Much of his short time in

office was spent developing a *modus vivendi* for rule. While Andropov had been selected as general

secretary, with the "full support of Ustinov and Gromyko,"[54] he still had rivals for power. He

granted Gromyko and Ustinov autonomy in exchange for their support of his ascendance over

Konstantin Chernenko, whose power flowed from his management of the party apparatus. Ustinov

oversaw defense policy,[55] but had to contend with Marshal Nikolai Ogarkov, chief of staff of the

armed forces. Andropov tried and failed to replace Ogarkov "at several points during his

[Andropov's] brief tenure," reports Selig Harrison.[56] In the end, Sovietologist Ilya Zemtsov

observed, "Andropov was the conductor but not the maestro."[57]

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[51] Shultz, *Turmoil and Triumph*, 126.
[52] "Medical Causes of Andropov's Death Reported," *Moscow Domestic Service*, February 10, 1984, FBIS-SOV-84-030.
[53] Dobrynin, *In Confidence*, 551.
[54] Zubok, *Failed Empire*, 272.
[55] Mikhail Gorbachev, *Memoirs* (New York: Doubleday, 1995), 144-5.
[56] Selig Harrison, "Making the Russians Bleed," in Diego Cordovez and Selig Harrison, *Out of Afghanistan: The Inside Story of the Soviet Withdrawal* (New York: Oxford University Press, 1995), 94-5.
[57] Quoted in Harrison, "Making the Russians Bleed," 94.

Chernenko fared little better—either in terms of his physical health or his ability to

consolidate power. Chernenko was 72, "already weakened by emphysema," when he entered office.

Dobrynin is unsparing in his assessment, writing in his 1995 memoirs that Chernenko, "lacking in

initiative, did not want to introduce drastic changes. Chosen by the Politburo as a deliberately

transitional figure, he usually joined the majority of the Politburo's members and guided himself by

their mood. He was the most feeble and unimaginative Soviet leader of the last two decades."[58] Jack

Matlock, then a White House official during Chernenko's rule and later U.S. ambassador to

Moscow, largely concurs, "He was, without a doubt, a passive mediocrity in the top office," "whose

leadership ability was as slight as his health was tenuous."[59] One consequence of this timidity is that

Chernenko never seriously attempted to remove or sideline Andropov's preferred successor, the

young Mikhail Gorbachev. In the background, Gorbachev worked to buttress supporters within the

party apparatus, including Gromyko.[60] As Chernenko ailed, it was Gorbachev who increasingly

chaired important Politburo sessions on foreign policy.[61] Chernenko died on March 10, 1985, having

ruled for just thirteen months.


## 3.2 Mikhail Gorbachev

Chernenko was 73 when he died. Within 4 hours of the announcement of his death, Mikhail

Gorbachev was proclaimed his successor, representing the fastest transition in Soviet history.

Gorbachev was almost two decades younger than Chernenko and represented generational change.[62]

While the final Brezhnev period and all of the Andropov and Chernenko years were characterized

by a governing troika of the general secretary, the foreign minister, and the defense minister, when

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[58] Dobrynin, *In Confidence*, 551.
[59] Jack Matlock, Jr., *Autopsy on an Empire: The American Ambassador's Account of the Collapse of the Soviet Union* (New York: Random House 1995), 47-49.
[60] Matlock, *Autopsy on an Empire*, 46-7.
[61] Dobrynin, *In Confidence*, 561.
[62] Serge Schmemann, "Chernenko Is Dead in Moscow at 73; Gorbachev Succeeds Him and Urges Arms Control and Economic Vigor," *New York Times*, March 12, 1985.

Gorbachev became general secretary, he quickly emerged as the dominant figure in Soviet foreign policy. He inherited a new defense minister whose selection he likely influenced in the waning days of Chernenko's rule and he handpicked a foreign minister in July 1985. He then continued to consolidate power in an energetic and encompassing fashion, fully controlling all levers of Soviet national security policy by 1987.

Unlike Andropov and Chernenko, the younger Gorbachev had time to build a governing coalition, a task that was substantially eased since Gorbachev had accumulated allies throughout the party apparatus and bureaucracy while Andropov groomed him for succession. Gorbachev was senior personnel secretary of the party from 1982, allowing him to place friends and reformers in key positions. Importantly, the legacy of Andropov's support meant he had backing from the KGB by late 1984, even before Chernenko's death.[63] The CIA concluded as early as June of 1985 that, "unlike his predecessors," Gorbachev "has already managed to firm up his base of support in the Politburo and Secretariat."[64]

Gorbachev moved to enact wholesale change in both the Central Committee and the Politburo. The 25th and 26th Party Congresses (of 1976 and 1981, respectively) had been showcases for stasis and continuity. After both occasions, only 10 percent of the membership of the Central Committee had been newly elected members. In contrast, in the 27th Party Congress in February 1986, the first overseen by Gorbachev, newly elected members constituted 38 percent of the Central Committee. "Equally sweeping" changes were taking place in the Politburo, within which Gorbachev had a working majority by 1986.[65]

[63] Sarah Mendelson, *Changing Course: Ideas, Politics, and the Soviet Withdrawal from Afghanistan* (Princeton: Princeton University Press, 1998), 104.
[64] Directorate of Central Intelligence, Central Intelligence Agency, "Gorbachev, the New Broom," Washington, DC, June 27, 1985, http://www.foia.cia.gov/sites/default/files/document_conversions/17/19850601.pdf.
[65] Mendelson, *Changing Course*, 103-4.

Gorbachev showed that he had the ability to appoint the foreign policy team of his choice. Eduard Shevardnadze became foreign minister in July 1985, while the previous incumbent, Gromyko, was appointed the chairman of the Supreme Soviet, a largely ceremonial position atop the Soviet faux legislature. Perhaps Gorbachev remembered that Brezhnev had removed the nettlesome Podgorny by appointing him to the same position in 1965 during Brezhnev's consolidation of power. In his memoirs, Gorbachev recalls Gromyko interrupting or correcting Chernenko on foreign policy issues. When it was Gorbachev's turn to rule, he "was determined to establish control over the activities of the Ministry of Foreign Affairs."[66] By "promoting" Gromyko, he removed a foreign minister called, "Mr. No," by U.S. interlocutors.[67] In contrast, Gorbachev had known Shevardnadze for 30 years, and trusted him even though Shevardnadze did not have prior foreign policy experience. Gorbachev and Shevardnadze appointed two new "first deputy" foreign ministers, seven new deputy foreign ministers (out of nine total), along with changing ambassadors to key countries by 1986, including new ambassadors to the United States and China. In total, in his first two years in office, Gorbachev replaced 60 percent of Soviet ambassadors overseas, including a majority of Soviet representatives to NATO countries, and replaced half of the chiefs of regional departments at the Foreign Ministry.[68] This was "dramatic" and "extensive" change.[69]

Gorbachev also took charge of the International Department of Party, which had encouraged intervention in the 1970s and frequently worked at cross-purposes with the foreign ministry. Gorbachev brought Dobrynin back from the United States to head the International Department, while bolstering Dobrynin with several new moderate deputies, many of whom were

[66] Gorbachev, *Memoirs*, 166, 179-80.
[67] Wilson, *Triumph of Improvisation*, 54.
[68] Mark Kramer, "The Role of the CPSU International Department in Soviet Foreign Relations and National Security Policy," in *Contemporary Issues in Soviet Foreign Policy: From Brezhnev to Gorbachev*, eds. Frederic J. Fleron, Jr., Eric P. Hoffman, and Robbin F. Laird (New Brunswick, NJ: Transaction Publishers, 1991), 449-50.
[69] Oberdorfer, *From the Cold War to a New Era*, 164.

experts on arms control or had a history of working with Dobrynin.[70] He also replaced Andrei

Alexandrov-Agentov, who had served as foreign policy advisor to every general secretary since

Breshnev, with Anatoly Chernyaev in 1986.[71]

Gorbachev inherited a less restive and more pliant Soviet military that he then bent even

further. Marshal Ogarkov, who had shown greater activism than the historic norm in Soviet civil-

military relations and survived despite repeated clashes with Andropov, was removed by the

Politburo in September 1984 having gotten "too big for his britches."[72] Overseeing the armed

forces, defense minister Ustinov had died in December 1984, just months before Gorbachev took

charge. He was replaced by Sergey Sokolov. Archie Brown concludes that "Gorbachev probably felt

he had little to fear from the 73-year-old Sokolov," and Gorbachev's abrupt end to a visit to Britain

upon news of Ustinov's death but prior to Sokolov's selection suggests that Gorbachev may have

helped sway the choice of defense minister. In any event, Sokolov would last less than eighteen

months as minister before Gorbachev dismissed him in favor of Dimitry Yazov in May 1987.[73]

Former U.S. intelligence official William Odom argues Yazov was "a mediocre officer," selected

primarily as Gorbachev sought to find "careerists who would follow orders, any orders" as he filled

the higher ranks of the Soviet armed forces with individuals of his choosing.

The extent of Gorbachev's purge of the senior ranks of the Soviet military, already underway

by May 1987, was incredible. Odom reports, "By the end of 1988, the minister of defense, all deputy

ministers but two, all the first deputy chiefs of the General Staff, the commander and chief of staff

of all of the Warsaw Pact forces, all the commanders of the group of forces and fleets, and all of the

military district commanders had been changed." In fact, Gorbachev made a greater change, in

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[70] Kramer, ""The Role of the CPSU International Department…," 449-50; Dobrynin, *In Confidence*, 619-20.
[71] Archie Brown, *The Gorbachev Factor* (New York: Oxford University Press, 1997), 98; Wishnick, *Mending Fences*, 100.
[72] Raymond Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War* (Washington, DC: Brookings Institution Press, 1994), 186.
[73] Brown, *The Gorbachev Factor*, 78.

percentage terms, in the top military leadership than even Stalin had during his purges in 1937-1938.[74]

The party also had a senior secretary that oversaw defense affairs who served on the Politburo. In early 1985, that position was held by Grigory Romanov, the second youngest individual on the Politburo and widely perceived as Gorbachev's rival for the general secretary position. Gorbachev immediately fired Romanov—"I let him know quite bluntly that there was no place for him in the leadership," according to his memoirs—and replaced him with Lev Zaikov. Zaikov quickly asserted authority over the military-industrial complex, bolstering Gorbachev on crucial committees overseeing defense production and arms control (since arms control had inherent implications for defense industry).[75]

Gorbachev was the first Soviet leader in over a decade to be truly in charge of the Soviet state.

## 4. Economic Pressures at the End of the Cold War

Domestic primacy theory predicts that as Gorbachev concentrated authority, he ought to be able to pursue more conciliatory policies in response to domestic economic pressures. By late 1986 and early 1987, Gorbachev's dominance of the Soviet system was unquestionable. Did the economic situation push Gorbachev toward greater urgency? And did he have a U.S. partner willing to reciprocate rather than wait? Domestic primacy theory suggests that the economic circumstances in the United States and the Soviet Union would condition the policies Gorbachev and Reagan would prefer. Both men, but especially Gorbachev, had incentives to compromise as they confronted economic challenges in the mid-1980s.

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[74] William E. Odom, *The Collapse of the Soviet Military* (New Haven, CT: Yale University Press, 1998), 110-1.
[75] Gorbachev, *Memoirs*, 181; Odom, *The Collapse of the Soviet Military*, 125-6.

## 4.1 Economic Pressures in the United States, 1980-1992

Reagan's election was facilitated by a modest recession in 1980. The Federal Reserve had

induced the recession as it sought to halt an inflationary spiral that had begun years prior with the oil

embargo in 1973, and worsened again in the late 1970s. The Reserve raised interest rates through

April 1980. Inflation stabilized, but by then the economy had tipped into recession. The economy

contracted less than 1 percent in real terms in 1980, but nearly 2 percent per capita given U.S.

population growth. Unemployment went from 6 percent in December 1979 to 7.8 percent in July

1980. By the time of the election in November it had inched downward, but was still at 7.5 percent.

Reagan's initial months continued to experience this slow crawl of improvement, with

unemployment down to 7.2 percent by July 1981. While inflation had moderated, Paul Volker's Fed

was committed to dampening it further, with high interest rates returning almost coincident with

Reagan's inauguration, and continuing until July 1981. Again the economy returned to recession, this

time with unemployment climbing to 10.8 percent by the end of 1982.[76]

Reagan did not respond to these economic headwinds by moderating his foreign policy or

working to curtail defense spending. Given the inflation in the economy, curtailing government

expenditure would have been an alternative way to slow price growth. Why did he not pursue this

path? First, at the outset, he blamed the Fed for the recession. Reagan wrote in his diary after

meeting Volker, "Our plan will get the economy moving only if the Fed allows."[77] This mindset

freed Reagan from having to consider budgetary solutions to the inflation he encountered upon

inauguration.

Over the longer term, however, the country's macroeconomic health did depend on the

decisions made by Reagan and his advisors. And here, Reagan was exceptionally ill-served by his

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[76] Federal Reserve Economic Data (FRED), Federal Reserve Bank of St. Louis, http://research.stlouisfed.org/fred2/;
H.W. Brands, *Reagan: The Life* (New York: Doubleday, 2015), Kindle e-book, loc. 5497.
[77] Quoted in Brands, *Reagan*, loc. 5937.

staff. In particular, his budget director, David Stockman, made three crucial mistakes in these early years that delayed the moment of fiscal reckoning, postponing difficult budget choices to the second term when they could no longer be ignored.

One, Stockman attempted to secure budget gains by cutting Social Security, even though nearly all of Reagan's political team viewed efforts to cut back on the entitlement for the elderly as being a political non-starter. As discussed in the theory chapter, welfare programs—especially universal ones such as Social Security—are defended strongly once they are in place, making them unattractive as a target for budget cutbacks during periods of austerity. Stockman knew that Reagan would be hesitant to cut the program, and he purposefully obfuscated his proposal in technical language when he took it the President, who approved it while still recovering from a March 1981 assassination attempt. When the proposal on Social Security was announced, it led to a political storm, and within months Reagan had to abandon it. Only by 1982 was a more politically palatable compromise on Social Security apparent that involved future savings, rather than the immediate cuts that Stockman had sought. By then months of the recession had unfolded while Reagan's team pursued an economic initiative that had little hope for passage.[78]

The second error was the tendency of the Reagan team to indulge in wishful thinking, relying on economic growth forecasts that proved wildly optimistic. During these early years, the Reagan economic team was fractured just like the Reagan foreign policy team. The economic fight involved mainstream Republicans and those that believed in supply-side economics. The latter group believed that decreasing marginal tax rates would stimulate the economy ushering in economic growth. So long as tax rates fell, spending in other areas might be acceptable because the overall increase in revenue would make the deficit manageable. "They seemed to expect that once the supply-side tax cut was in effect, additional revenue would start to fall, manna-like, from the heavens," Stockman

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[78] Cannon, *President Reagan*, 249-52.

would later write.[79] Moreover, if supply-side theories were true, cutting taxes could tame inflation.[80] In the early days of the White House, others not fully convinced by supply-side ideology also made optimistic projections on future growth, including Stockman. Collectively, the supply-side true believers and those willing to cherry-pick "rosy" forecasts meant that economic growth projections led the Reagan team to be able to "balance the budget on paper," even projecting a $28 billion surplus by 1986. Part of the balancing act, though, included Stockman's assumptions about immediate reductions in Social Security, which he hid in budget documents as "unidentified savings," a smokescreen that Senator Howard Baker referred to as the "magic asterisk." When the Social Security savings proved politically impossible and economic growth proved lower than hoped, the Reagan budget in the middle 1980s produced enormous deficits. The President by nature was optimistic, and in these early days was inclined to believe he could avoid tough choices, made easier by many on his economic team who suggested just that.[81] "I'm being stubborn," the President wrote in his diary. "I think our tax cuts will produce more revenue by stimulating the economy. I intend to wait and see some results."[82] The results were catastrophic, but Reagan's optimism could endure a few years of bad news before adjusting to that reality, especially with so many on his economic team inclined to feed the president's hopes.

Reagan's team failed him in a third way by making major decisions in an amateurish fashion, a process eased by the extraordinary bureaucratic conflict of the first Reagan term. Again, Stockman played a major role, this time in approving a request in the early months of the Reagan administration by Weinberger to increase defense spending by 7 percent annually from the 1982 base budget. Stockman confesses that he believed Weinberger was asking for a 7 percent annual

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[79] Quoted in Brands, *Reagan*, loc. 5410.
[80] Brands, *Reagan*, loc. 4667.
[81] Fareed Zakaria, "The Reagan Strategy of Containment," *Political Science Quarterly* 105, no. 3 (Autumn 1990): 380, fn. 29; Cannon, *President Reagan*, 245-53.
[82] Quoted in Brands, *Reagan*, loc. 5937.

increase over the Carter budget, but the 1982 budget already included initial Reagan administration hikes in defense spending. In essence Stockman approved an additional 3 percent per year increases in defense spending compared to what he thought he was approving, a multibillion dollar mistake that Stockman felt he could not claw back after the fact. Unbeknownst to Stockman, it appears that some on the OMB Director's staff, individuals committed to robust defense spending, may have aided Weinberger in the effort to secure greater funds than Stockman thought he was approving.[83]

These early missteps both prevented the Reagan economic team from being able to react quickly and effectively to the initial economic troubles that greeted them, but also ensured a growing fiscal crisis. The combination of the Reagan tax policy and defense modernization had created a fiscal disaster that was unsustainable, more than doubling the U.S. deficit from 2.6 percent of GDP in 1981 to 6 percent in 1983. About one-quarter of this increase came from increased defense spending, which went from 5 percent of U.S. GDP in 1981 to 5.9 percent in 1983, with much of the rest coming from Reagan's sweeping tax cuts (see Figure 6.1 below). The majority of Reagan's second term and much of George H.W. Bush's only term were spent trying to come to terms with the economic mistakes of the early Reagan years. Curtailing defense would have to be part of the answer to the budget mess. By the mid-1980s, journalist Lou Cannon remarks, "The deficits had forced a cutback in Reagan's vaunted defense buildup and required a series of disguised tax increases that raised $80 billion a year by 1986."[84]

[83] David A. Stockman, *The Triumph of Politics: The Inside Story of the Reagan Administration* (New York: Avon, 1987), 116-9; Nicholas Lemann, "Calculator Error or 'Calculated Error,'" *Washington Post,* July 10, 1986.
[84] Cannon, *President Reagan*, 253.

**U.S. National Security Spending and Deficits, 1980-1990**

Source: OMB, Historical Tables, 2014
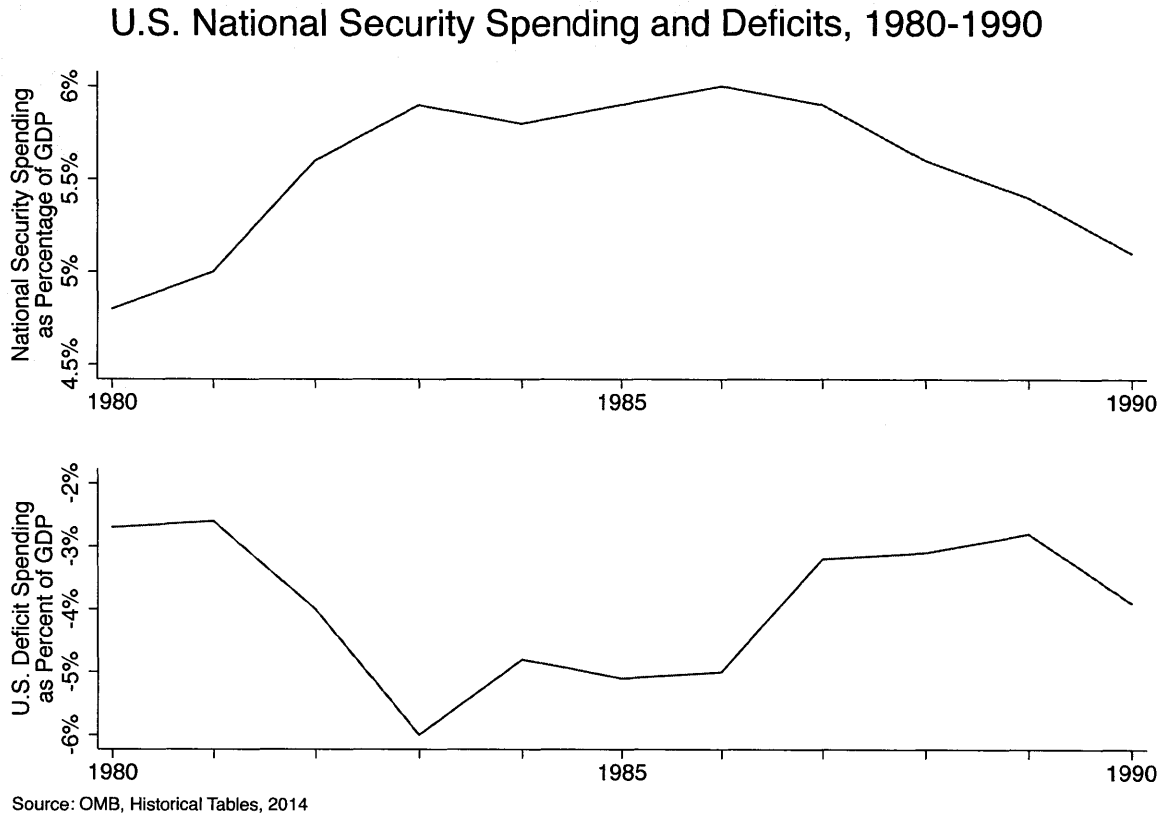
Figure 6.1: U.S. National Security Spending and Deficits, 1980-1990

## 4.2 Economic Pressures in the Soviet Union, 1980-1991

By the late 1970s, the Soviet economy struggled to increase productivity, and as a result

experienced progressively slower rates of growth. Soviet economic expansion had been fueled for

decades by investment, but by the 1970s accreting more physical capital was insufficient. The Soviet

Union needed human capital and technology, and the socialist economy struggled to produce both.

This structural slowdown might have been manageable if it had not been accompanied by

continuing high costs to maintain military requirements for the U.S.-Soviet and Sino-Soviet

competitions. These costs had increased in the late 1970s as a result of a breakdown in assertive

civilian control over the military and as a consequence of Soviet interventionism. The defense

budget was outgrowing the rest of the economy, taking up approximately 15-20 percent of Soviet

GDP (or 40 percent of the state budget) in the 1980s, with perhaps an additional 2 percent of GDP

spent on foreign aid.[85] While the rate of growth in military spending slowed in the early 1980s, as

budgetary pressures mounted, this only meant that the defense sector did not swallow more of the

economy.[86] The growth in military spending slowed roughly in line with the slowdown in overall

growth.

By the early 1980s, in the aftermath of the Afghan invasion, the Soviet leadership was well

aware of how expensive new clients and new interventions were, and sought to avoid additional

costs. When Poland experienced a serious political crisis in the fall of 1980, Andropov told an aide,

"The quota of interventions abroad has been exhausted." Andropov appears to have been especially

worried that overt intervention into Poland would harm Soviet political and economic ties with

Europe, which were especially important given the rupture of such ties with the United States in the

previous years.[87] Perhaps as a result of the Soviet choice to only indirectly intervene in the Polish

crisis, the Soviet Union succeeded in partially insulating its economic ties with Europe from U.S.-led

sanctions, and was able to obtain West German and French support for the construction of an oil

pipeline from the Soviet Union to Europe despite U.S. opposition.[88] Even without direct

intervention, the Soviet Union's efforts to prop up the faltering Polish regime were irritatingly

expensive for the Politburo. Ivan Arkhipov, the first deputy premier, told the Politburo in March

1981, "They're requesting $700 million from us. Of course we can't possibly come up with such a

sum." He went on to note that while they could not provide hard currency, they were providing

[85] Stephen Brooks and William Wohlforth, "Economic Constraints and the End of the Cold War," in *Cold War Endgame: Oral History, Analysis, Debates,* ed. William Wohlforth (University Park: Pennsylvania State University Press, 2003), 277; Gorbachev, *Memoirs,* 215; also Noel E. Firth and James H. Noren, *Soviet Defense Spending: A History of CIA Estimates, 1950-1990* (College Station: Texas A&M University Press, 1998), 134.
[86] Kirsten Lundberg, "CIA and the Fall of the Soviet Empire: The Politics of 'Getting It Right," June 1, 1995, http://www.foia.cia.gov/sites/default/files/document_conversions/17/19950601.pdf.
[87] Zubok, *Failed Empire,* 267.
[88] Zubok, *Failed Empire,* 271.

substantial quantities of oil to Poland at a 47 percent discount, meaning that Moscow was forgoing

"enormous" earnings (on the order of $7.5 billion dollars) to prop up the client.[89]

Soviet leaders were unwilling to begin new military entanglements, especially with the

Afghan campaign still underway, but they were not yet ready to retrench. Retrenchment requires

overruling veto players and is rare in the absence of concentrated executive authority, according to

domestic primacy theory. Further, while the Soviet economic situation was generally poor in the

early 1980s, Soviet economic planners "showed no signs of confusion or deep concern, or of

anticipating an impending collapse." Instead, Gennadii Zoteev, who was an official responsible for

long-range forecasts for the Soviet state planning committee (Gosplan), concluded at the time that

the system was "inefficient but stable," a position shared by many of his colleagues.

Starting around 1983, however, government economic forecasts became more pessimistic.

They concluded that oil prices had peaked (they were correct, oil prices peaked in 1980), and

Gosplan began to suggest that the "holy cows" of the Soviet economy, "defense and agriculture,"

had to "find less expensive ways to sustain themselves." Zoteev further recalls suggestions that

"fraternal" aid to Cuba, Vietnam, and Soviet Eastern European clients "had to be scaled down."

The conclusion of economic planners was simple: "the economy had exhausted its capacity to

support external expansion," something that senior Soviet leaders had intuitively grasped even

earlier than their economic analysts.[90]

Economically, everything worsened for the Soviet state in the late 1980s. Soviet growth was

anemic in 1985, the year of Gorbachev's transition, registering just 0.9 percent expansion compared

to the year before. The Soviet economy grew at a respectable 4.1 percent in 1986, Gorbachev's first

full year in office, but that figure dropped to an average growth rate of 1.6 percent from 1987 to

[89] Session of the CPSU CC Politburo, March 26, 1981, Working Notes,
http://digitalarchive.wilsoncenter.org/document/112757; also see Wilson, *Triumph of Improvisation*, 50.
[90] Gennadii Zoteev, "The View from Gosplan: Growth to the Year 2000," in *The Destruction of the Soviet Economic System: An Insider's History*, eds. Michael Ellman and Vladimir Kontorovich (Armonk, NY: M.E. Sharpe, 1998), 86-91.

1989 according to CIA estimates. Given slowing growth and other crises, the Soviet state tried to

expend more and more resources to keep the system afloat. The budget deficit was 2.4 percent of

GDP in 1985, but progressively worsened, reaching 11 percent in 1988 (see Figure 6.2). Internal

debt was valued at 20 percent of GDP in 1986, while it ballooned to 43 percent by 1989. The Soviet

current account position went from a modest balance of payments surplus ($600 million) in 1986, to

sizeable balance of payments deficits ($3.7 billion in 1989).[91] To stabilize the current account,

Moscow was increasingly reliant on borrowing from Western lenders, which made the Soviet Union

vulnerable to pressures from those lenders.[92]

## Fiscal Balance of the Soviet Union, 1980-1990

Source: IMF, World Bank, OECD, and EBRD, A Study of the Soviet Economy, 1991

Figure 6.2: Fiscal Balance of the Soviet Union, 1980-1990[93]

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[91] Brooks and Wohlforth, "Economic Constraints and the End of the Cold War," 282.
[92] Director of Central Intelligence, *Implications of the Decline in Soviet Hard Currency Earnings*, National Intelligence Estimate, NIE 11-23-86, September 1986,
http://www.foia.cia.gov/sites/default/files/document_conversions/17/19860901A.pdf.
[93] International Monetary Fund, World Bank, Organization for Economic Cooperation and Development, and European Bank for Reconstruction and Development, *A Study of the Soviet Economy*, vol. 1 (Paris: OECD, 1991). Accounting rule changes in the Soviet Union make pre-1985 figures not directly comparable to post-1985 figures, but

Oil, which had kept the economy afloat for so long, could no longer support the weight of the Soviet system. As Gorbachev observes in his memoirs, the "negative trends" in the Soviet economy in the 1960s and 1970s "were balanced by sharp increases in world oil and gas prices. We feverishly pumped oil from the fields of West Siberia without a thought for the future. But the rise in prices was followed by just as steep a fall and we were no better off than at the start."[94] Oil prices in 1986 were nearly half (in real terms) of what they had the previous year, and only 30 percent what they had been in 1980 (see Figure 5.1 in Chapter 5).[95]

Since the late 1970s, the Soviet economy relied on fossil fuel reserves that were more and more difficult to access. So long as the price of oil remained high, the problem was manageable, especially with Western—almost exclusively European, after 1979 U.S. sanctions—technology. As prices dropped, substantial portions of Soviet reserves were no longer profitable to extract. Soviet oil production (in terms of volume) peaked in 1987 and began a gradual decline as old fields did not remain viable and new fields were left unexploited.[96] This did not just deprive the state of revenue, it deprived the Soviet Union of hard currency that it had needed to finance imports of Western technology and food, especially grain.[97] There is some evidence that the United States sabotaged some of the equipment destined for Soviet oil fields,[98] though the most significant episode occurred in 1982 and was not coincident with the decline in production.

Gorbachev knew he inherited economic weakness that demanded reform, but initially sought reforms that could increase efficiency without requiring fundamental changes. He sought to increase purchases of equipment and other capital goods, rather than spending so much Soviet

those statistics are representative of what Soviet policymakers would have consumed prior to 1985, even if the actual economic situation may have been more fragile.
[94] Gorbachev, *Memoirs*, 216.
[95] BP, *Statistical Review of World Energy* (2014).
[96] Energy Information Administration, Department of Energy, *Annual Energy Review, 2006* (Washington, DC: Department of Energy, June 2007), 209.
[97] Philip Hanson, *The Rise and Fall of the Soviet Economy: An Economic History of the USSR from 1945* (New York: Pearson Education, 2003), 130.
[98] Thomas C. Reed, *At the Abyss: An Insider's History of the Cold War* (New York: Ballantine Books, 2004), 267-9.

investment on construction. This initiative was limited severely by Soviet hard currency constraints.

He attempted to create super-ministries to coordinate complex economic endeavors, such as the

energy industry. While these reforms were appropriate and beneficial at the margins, they had

modest and transitory effects on Soviet growth.[99]

Two months into his rule, Gorbachev launched a campaign to curtail endemic alcoholism in

Soviet society. When he asked, Gorbachev was told that 99 percent of the Soviet adult population

drank.[100] Soviet alcohol consumption was 16 liters per year in the 1980s (comparable to what it is

today), and resulted in an unusually large number of workplace accidents, frequent absenteeism, and

a death rate from alcohol poisoning 65 times that of the average for other countries.[101] Gorbachev

sought to achieve productivity gains as a result of the campaign, but at best this could provide a

"one-off" boost to Soviet productivity. It could not and did change the trajectory for Soviet growth.

Worse still for Gorbachev, the Soviet state derived 12-14 percent of its revenue from alcohol sales in

the mid-1980s. As a result of the campaign, the Soviet state lost about one-quarter of that revenue to

foregone sales, or approximately 3.5 percent of *total* revenue.[102] Rather than fix the problem of

economic growth, the campaign had marginal positive effects while substantially worsening the fiscal

balance. These limited reforms did lead to early optimism, which appeared justified at the outset.

The Soviet economy grew at 4 percent in 1986, admittedly growth that was "largely attributable" to a

record harvest.[103] But this aggregate state of affairs masked an economic disaster that also occurred

in 1986, requiring significant state expenditure at exactly the time state coffers were ill-equipped to

finance them.

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[99] Hansen, *The Rise and Fall of the Soviet Economy*,185-7.
[100] Wilson, *Triumph of Improvisation*, 89.
[101] Directorate of Intelligence, Central Intelligence Agency, *Gorbachev's Campaign against Alcohol*, A Research Paper, April 1986, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000500710.pdf; Hanson, *The Rise and Fall of the Soviet Economy*, 179.
[102] Hanson, *The Rise and Fall of the Soviet Economy*, 180-1.
[103] Robert C. Toth, "Soviet Economy Shows Rapid Growth in 1986," *Los Angeles Times*, March 27, 1987.

On April 26, 1986, an accident in the fourth reactor at the Chernobyl nuclear power plant

generated a catastrophic explosion, releasing radioactive fallout. The Soviet state began a lumbering

and eventually massive response to evacuate exposed populations, treat them, contain the radiation,

quarantine some areas, and clean up others. In his memoirs, Gorbachev assesses that the initial costs

of the Chernobyl disaster were 14 billion rubles ($20 billion at 1986 exchange rates), and subsequent

costs "swallowed up several more billions."[104] In addition to the direct expenses of evacuating

hundreds of thousands of civilians, mobilizing hundreds of thousands of civilian and military

personnel to respond to the disaster, using hard currency to import specialized equipment, and

providing medical care for those in the affected area, there were a variety of indirect costs: the

economic contributions that evacuees and mobilized reservists would have made, the lost electricity

of Chernobyl, the lost production from shutdowns of other Chernobyl-style reactors, and the

foregone hard currency from Soviet oil and gas retained for use in domestic electricity production

instead of sale on the foreign market.[105]

Even with the costly Chernobyl disaster, because of the aggregate economic growth in 1986,

Soviet leaders thought that the modest reforms might lead to sustainable growth. Acute fiscal costs

from Chernobyl would be manageable in a period of continuing economic expansion, where coffers

could be replenished. But in the early months of 1987, Politburo members realized that the 1986

figures were likely aberrant, not a new trend. Industrial production numbers for the first four

months of the year were only modestly expansionary in nominal terms, and stagnant or even

contractionary once inflation was taken into account. Gorbachev took the bad news as "an

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[104] Gorbachev, *Memoirs*, 190.
[105] Directorate of Intelligence, Central Intelligence Agency, *The Chernobyl' Accident: Social and Political Implications*, A Research Paper, December 1987,
http://www.foia.cia.gov/sites/default/files/document_conversions/17/19871201A.pdf; Directorate of Intelligence, Central Intelligence Agency, *The Soviet Nuclear Power Program after the Chernobyl' Accident*, A Research Paper, June 1987,
http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000500707.pdf.

unmistakable signal that the economy was unstable and that renewal processes were going badly."[106]

The poor state of affairs was partially attributable to "difficulty in importing components due to the growing tension in the balance of payment," but generally reflected the poor structural health of the economy. While the shortfall was papered over with more oil exports and additional sales of Soviet gold reserves, the Politburo realized in early 1987 there was a crisis that necessitated "radical economic reform," according to Vadim Medvedev, a member of the Politburo and a key Gorbachev ally.[107]

Given hard currency limitations, reforms meant that the Soviet Union's limited resources for capital investment needed to be allocated to productive tasks. But a huge portion of those resources were devoted to sustaining the Soviet military. As the U.S. Central Intelligence Agency concluded in 1988, Gorbachev's goal of "rapid modernization of the industrial base means that a larger share of the output of the machine-building and metalworking sector—which also produces military hardware—must go to the civilian sector." Gorbachev not only shifted funds from defense industry to the civilian sector, he forced the defense industry to manufacture and deliver durable consumer goods and capital equipment for civilian factories, and to provide management expertise and labor to civilian factories. All of this, the CIA concluded, meant that Gorbachev would continue to try to negotiate agreements with the United States that permitted reciprocal cuts in defense expenditures, but might eventually be forced to impose unilateral cuts.[108]

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[106] Gorbachev, *Memoirs*, 226.
[107] Medvedev, "Compromises at the Top," in *The Destruction of the Soviet Economic System*, 134; also Hanson, *The Rise and Fall of the Soviet Economy*, 193.
[108] Directorate of Intelligence, Central Intelligence Agency, *Soviet National Security Policy: Responses to the Changing Military and Economic Environment*, An Intelligence Assessment, June 1988,
http://www.foia.cia.gov/sites/default/files/document_conversions/17/19880601.pdf.

# 5 The End of the Cold War

At a rate that far exceeded outside expectations, the economic crisis led Gorbachev to

pursue massive retrenchment of Soviet foreign and defense policy. In all directions, Gorbachev

sought ways to divert funds to stabilizing the Soviet economy. That process eventually led to the end

of the U.S.-Soviet and Sino-Soviet rivalries, but even peace with the Soviet Union's principal

antagonists was unable to free sufficient resources to rescue the socialist system. But Gorbachev

tried, and the contours of U.S.-Soviet negotiations cannot be understood separate from these

austerity pressures.


## 5.1 Internal Disagreement and External Confrontation

The Reagan team was so riven by conflicts that Reagan's initial secretary of state opposed

any formal effort to agree upon a strategy toward the Soviet Union since "it would require a

consensus with those in the White House and Pentagon who favored a more confrontational

stance" than Haig.[109] After Haig's departure, almost exactly two years after Reagan's inauguration,

the eventual National Security Decision Directive on "U.S. Relations with the USSR," signed in

January 1983, was a compromise document that listed three strands of U.S. policy: (1) to contain and

eventually reverse Soviet expansionism, (2) to promote political and economic change in the Soviet

Union, and (3) negotiate "on the basis of strict reciprocity" to eliminate outstanding

disagreements.[110] Given these diverse objectives, doves and hawks could focus on whichever

elements of the strategy were consistent with their worldview. The hawks may have found more

language of their liking in the document, but doves had ample passages they could cite if needed.

Since the document was not dispositive, policy in these initial years emerged as a result of a series of

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[109] Garthoff, *The Great Transition*, 30.
[110] William Clark, for the President, NSDD 75 on "U.S. Relations with the USSR," The White House, Washington, DC, January 17, 1983, http://fas.org/irp/offdocs/nsdd/nsdd-75.pdf.

concrete decisions adjudicated by the factions in the Reagan administration. In practice, U.S. policy toward the Soviet Union comprised a few symbolic conciliatory initiatives (often championed by Reagan), no progress on arms control, and much increased defense spending.

In his earliest months in office, Reagan lifted the grain embargo against the Soviet Union. He wrote in his diary in February 1981, "I've always felt it hurts our farmers worse than it hurt [the] Soviets."[111] This instinct—entirely consistent with domestic primacy theory given the United States' poor economy at the time—was in tension with a worsening political situation in Poland in 1981, which many in the Reagan administration believed would invite Soviet intervention. In late March, his core national security team—Haig, Weinberger, and Casey—opposed any sign of weakness that might encourage greater Soviet involvement, even something as minor as grain sales. Weinberger said lifting the embargo "would be impossible" if the Soviets intervened, while Haig told the president not to send a signal of weakness over a "peripheral" issue and not to mix "domestic and foreign policy issues." Even so, Reagan overrode them. He countered Haig, telling his secretary of state "it is not a domestic issue to those people affected by the grain embargo," implicitly rebuking the secretary for diminishing needs of U.S. farmers.[112] In April, Reagan decided to permit the restart of grain sales to the Soviet Union. In April, he wrote Brezhnev and told him he was doing so to "contribute to creating the circumstances which will lead to the meaningful and constructive dialogue which will assist us in fulfilling our joint obligation to find lasting peace."[113]

The Soviets continued to find themselves enmeshed in Polish politics, supporting martial rule as Poland sought to restore normalcy in the face of anti-government strikes. When General Wojciech Jaruzelski declared martial law on December 13, 1981, many in the United States saw a

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[111] Quoted in Wilson, *Triumph of Improvisation*, 12.

[112] "Poland; Nicaragua/Central America; Southern Africa," Minutes, National Security Council Meeting, White House, Washington, DC, March 26, 1981, available at http://www.thereaganfiles.com/19810326-nsc-6.pdf.

[113] Letter from President Reagan to President [sic] Brezhnev, April 24, 1981, available at http://www.thereaganfiles.com/19810424-2.pdf.

replay of 1968 Czechoslovakia. The president initially raised the possibility of a total "quarantine" of the Soviet Union to punish it for instigating martial law in Poland, what Weinberger argued was an indirect invasion. As Reagan considered the issue over the next few days, his stance softened considerably. Reagan pushed back against his secretary of defense who called for cracking down on export licenses to the Soviets. As he had argued a year earlier, Reagan worried about the domestic economic costs of the U.S. response. The U.S. government was considering a large license for agricultural equipment sales to the Soviet Union and Reagan wondered, "On International Harvester, I find myself thinking, selfishly, does this hurt us more than it hurts the Soviets? Could International Harvester go belly up and throw people out of work?"[114]

Even so, it is one thing for the President to support international economic engagement during periods of economic hardship—especially trade unlikely to effect the Soviet ability to compete militarily with the United States—but another entirely for the President to pursue more substantive conciliatory initiatives when much of his cabinet comprised hawks. Reagan showed no eagerness in these early years to pursue substantive arms control, in part because he felt no urgency about the ballooning defense budget. Since the hawks desired a massive defense budget, they worked to sabotage nascent arms control efforts. Weinberger was especially "worried that a premature return to the days of détente would undermine public support for the military buildup."[115]

The Reagan cabinet rejected efforts of its nuclear negotiator, Paul Nitze, to find an interim agreement that would slow the deployment of intermediate-range nuclear forces in Europe. Weinberger was "apoplectic" over Nitze's informal suggestions to his Soviet counterparts in 1982 that perhaps the United States and the Soviet could limit the number of such systems, while other hawks sought Nitze's "scalp," according to Gates.[116] The Reagan team preferred zero intermediate-

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[114] Quoted in Wilson, *Triumph of Improvisation*, 29.
[115] Cannon, *President Reagan*, 310.
[116] Gates, *From the Shadows*, 259; also see Matlock, *Reagan and Gorbachev*, 71.

range nuclear forces, not merely limiting their numbers. Since the Soviet Union already had some medium-range missiles in Europe, the Reagan strategy looked to the Soviet Union like a proposal for "unilateral disarmament."[117] It would not be for another four years, after the United States had deployed intermediate-range nuclear forces to Europe and after the composition of national security teams in Washington and Moscow had changed substantially, that the superpowers would find it possible to compromise on the topic.

The failure to limit intermediate-range nuclear forces in the early 1980s meant that the United States would proceed to deploy new Pershing II ballistic missiles to Europe at a total cost of approximately $2.6 billion (in historical dollars) only to later bargain those missiles away in 1987, saving $1.2 billion in future expenditures.[118] In a way, this was representative of a broader tendency in the Reagan years, where the administration was willing to dig deep into government coffers to develop and deploy new weapons systems in the early 1980s, only to slow defense modernization in the mid-1980s as they began to cope with the fiscal disaster they had created. In the meantime, the Soviets walked out of arms control negotiations in November 1983 on the day Pershing II missiles arrived in West Germany.[119] "The suspensions left the superpowers for the first time in 14 years with no arms-control talks of any kind in progress," reported *Time*.[120]

## 5.2 Shultz Contains Hardliners and Resumes Talks

Shultz began to transform the U.S.-Soviet relationship, beginning with what he called "gardening," in the early years, preparing the soil for future productive uses. He sought to "turn the

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[117] Shultz, *Turmoil and Triumph*, 123.
[118] U.S. General Accounting Office, *INF Treaty: Cost of Weapon Systems To Be Destroyed and Possible Savings* (Washington, DC: GAO, March 1988).
[119] Shultz, *Turmoil and Triumph*, 375.
[120] George J. Church, "Men of the Year: Reagan and Andropov," *Time*, January 2, 1984.

relationship around: away from confrontation and toward real problem solving."[121] Hawks in the

White House intercepted his initial proposals on U.S –Soviet relations in January 1983. "There were

so many ideologues around here that they are picking it to pieces," Shultz recalls McFarlane

divulging at the time.[122]

Nevertheless, as mentioned above, Shultz outmaneuvered Clark—absent on vacation—and

obtained authorization to begin a dialogue with the Soviet ambassador in Washington, Dobrynin.

Next, Shultz arranged for Dobrynin to meet Reagan personally in February. Upon learning of it,

Clark tried to stop the meeting, but again Shultz prevailed and Dobrynin met Reagan privately. Even

after the meeting, Clark continued to wage an "internecine struggle" to stop the opening by

"détenteniks," but Shultz (and his White House allies, such as Deaver) had the advantage that the

president wanted to talk and wanted a changed atmosphere with Moscow.[123] When Reagan

convened a meeting in the White House on Soviet policy in March, the president pulled Shultz aside

and asked the secretary not to mention the talks with Dobrynin, indicating Reagan's own sense that

even those aides invited to the Oval Office might not be under the president's full control.

Unbeknownst to Shultz or Bud McFarlane, then Clark's deputy, Clark intentionally had loaded the

room with several officials skeptical of closer ties with Moscow, and went out of his way to call on

them in the subsequent meeting. Clark would later suggest in private that even he sometimes had

difficulty containing the hawks on his staff.[124]

Perhaps as a result of Clark's opposition, these early, secret talks with Dobrynin were largely

exploratory, only achieving concrete results on symbolic issues, such as securing exit for a group of

Pentecostals who were seeking to emigrate from the Soviet Union, agreement to upgrade the

dedicated communications link between Moscow and Washington that might be used in crisis, and

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[121] Shultz, *Turmoil and Triumph*, 159.
[122] Shultz, *Turmoil and Triumph*, 162.
[123] Shultz, *Turmoil and Triumph*, 164-5; Dobrynin, *In Confidence*, 517-20.
[124] Shultz, *Turmoil and Triumph*, 267-70.

U.S. openness to negotiating a long-term grain agreement with the Soviet Union. Hardliners on the

NSC blocked for months Shultz's efforts to open a new U.S. consulate in Kiev and Soviet consulate

in New York, despite the president's support.[125] Behind closed doors, the hardliners argued that

Soviet officials would see any concession—even one that might make sense on the merits—as a sign

of American weakness.[126] The result of this infighting was limited and halting progress, an outcome

that is unsurprising given the incomplete political control of either Reagan or Andropov, as well as

the lack of economic urgency in either capital, especially Washington. Shultz hoped that these

symbolic measures would "create the right background music" for later substantive proposals.[127]

In September 1984, Shultz arranged for Gromyko to visit Washington to meet Reagan.

Neither Gromyko nor any other member of the Politburo had been in the White House since

Reagan's inauguration, or in fact since the Soviet invasion of Afghanistan in December 1979.[128] The

meeting itself resulted in no breakthroughs. Gates reports that Shultz tried and failed to secure

agreement before hand on a specific proposal for Reagan to offer Gromyko, but was "utterly

isolated" in the NSC meeting previewing the meeting, and had to concede the point. Reagan did

agree, "We must follow the Gromyko meeting with specifics and make concessions," but for now

would only speak in generalities with the Soviet foreign minister. The Gromyko visit restarted the

momentum in U.S.-Soviet ties that had been halted by the walk out in arms control negotiations the

previous November. Both sides agreed to resume high-level encounters and meet again "soon."[129]

After the meeting, Shultz again sough Reagan's authorization for substantive arms

negotiations. Shultz asked the CIA to provide their forecast of Soviet missile developments in the

absence of arms limitations. The Agency concluded that the Soviet Union, unconstrained by arms

[125] Shultz, *Turmoil and Triumph*, 274; Dobrynin, *In Confidence*, 533-5.
[126] Wilson, *Triumph of Improvisation*, 84-5, 94.
[127] Shultz, *Turmoil and Triumph*, 270.
[128] Bernard Gwertzman, "Soviet Accepts Bid to Have Gromyko Meet with Reagan," *New York Times*, September 11, 1984; Shultz, *Turmoil and Triumph*, 480-1.
[129] Gates, *From the Shadows*, 325; Shultz, *Turmoil and Triumph*, 485.

control, would likely double the number of deliverable warheads over the next decade. Shultz

stressed to the president that "the effort to keep pace with them on ballistic missiles was very costly

for us, politically as well as financially." Reagan signaled his support for Shultz amidst interagency

quarrels, approved Shultz's preferred pick as chief arms control negotiator (Paul Nitze), and

authorized Shultz to meet again with Gromyko.[130]

Despite Reagan's support, Shultz spent months preparing for talks with Gromyko to take

place in Geneva. Hardliners sought to pack his negotiating team with potential naysayers, to remove

Nitze, to prevent agreement on a U.S. negotiating position, and to delay negotiations.[131] Shultz

squelched their efforts, but even so the final negotiating team "contained so many warring elements

of the administration" that the U.S. press labeled the aircraft carrying them to talks in Geneva "the

ship of feuds."[132] Despite the multitude of voices, Shultz structured the team so that the vast

majority of the entourage did not have veto authority, and Shultz and Gromyko agreed to restart

arms control talks. In Washington, Shultz prevailed over his interagency opponents in selecting

negotiators for each separate basket of issue to be considered in the forthcoming negotiations,

showing his growing dominance over the interagency process.[133]


## 5.3 A New Soviet Leader's Preference for Compromise

Unbeknownst to Shultz, in Moscow, the Politburo was increasingly led by Gorbachev, who

chaired its meetings during Chernenko's illness. The Gorbachev-led Politburo had authorized these

limited conciliatory moves in late 1984.[134] In March 1985, Chernenko died. Vice President Bush

represented the United States, along with Shultz, at the funeral, and hence in the first talks with the

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[130] Shultz, *Turmoil and Triumph*, 497-9.
[131] Shultz, *Turmoil and Triumph*, 500-512.
[132] Oberdorfer, *From the Cold War to a New Era*, 102.
[133] Shultz, *Turmoil and Triumph*, 521.
[134] Dobrynin, *In Confidence*, 479; Gorbachev, *Memoirs*, 162-4.

new general secretary, Gorbachev. Within the Politburo, Gorbachev had already told his colleagues that he sought "to stop and not to continue the arms race and, consequently, propose to freeze nuclear arsenals and stop further deployment of missiles; we want a genuine and large-scale reduction of accumulated armaments and not the creation of new arms systems."[135] Now, Gorbachev stressed to the American delegation that he sought for arms control talks to move quickly, decrying reports in the U.S. media that the talks might go on "years and years." He also told Bush of his desire to return U.S.-Soviet relations to "a normal channel."[136] Reagan and Gorbachev agreed in correspondence to the idea of a summit, and Gromyko and Shultz agreed on meeting in a third country, ultimately settling on Geneva.[137]

In advance of the summit, Shultz visited Moscow to prepare for the meeting of the two leaders. Gorbachev tried to appeal to the U.S. secretary of state in terms he thought would be persuasive, asking Shultz, "The big question is, is the United States interested in improving relations? You've got this big budget; a large part of it is due to military expenditure. Eighty percent is financed by borrowed money, and you've got high interest rates."[138] The economic costs—for both Moscow and Washington—of the arms race weighed on Gorbachev's mind.

In the run-up to Geneva, Soviet negotiators worked strenuously to find, at a minimum, symbolic language that indicated progress. By this point, Gorbachev had replaced Gromyko with Shevardnadze, and felt more in control of the Soviet apparatus. Shevardnadze struggled to overcome the "conservatism and parochialism of the military-industrial complex," often having to appeal to Gorbachev to intervene in internal deliberations as the Soviet bureaucracy prepared for

[135] Gorbachev, *Memoirs*, 167.
[136] Shultz, *Turmoil and Triumph*, 530-2.
[137] Letter from Ronald Reagan to Mikhail Gorbachev, March 11, 1985; Letter from Mikhail Gorbachev to Ronald Reagan, March 24, 1985; Letter from Ronald Reagan to Mikhail Gorbachev, April 30, 1985, all available at http://www.thereaganfiles.com/document-collections/letters-between-president.html; Shultz, *Turmoil and Triumph*, 564-6.
[138] Shultz, *Turmoil and Triumph*, 593.

Geneva.[139] The Soviet leader might not yet be able to make major substantive concessions—that would wait until his control of the military was even stronger—but he could attempt rhetorical compromise. Sitting with U.S. counterparts, Soviet negotiators seemed "desperate," asking them, "Can't we find some words?"

Meanwhile, as Shevardnadze tried to stare down hardliners at home, Shultz faced even greater difficulties in Washington. Historian H. W. Brands records that administration hawks first opposed a summit, but were overruled by the President who backed Shultz. "The decision altered the dynamics within the administration," writes Brands. "As the summit became inevitable, Weinberger shifted from opposition to sabotage."[140] Shultz recalls, "The mere thought of a joint communiqué with the Soviets alarmed Cap Weinberger and others in the Defense Department. They were driving Bud McFarlane wild with charges that he had to 'stop Shultz' from doing any such thing." Negotiators from Defense were joined by those at the CIA, who sought to edit and revise draft language, offering proposals that "neither the Soviets nor any other government would accept." Reagan intervened and decided to stop interagency deliberations on a pre-agreed statement. If need be, Reagan would agree to language in Geneva away from the bulk of the bureaucracy.[141]

As a parting shot, someone—"obviously" someone "from the secretary of defense's office," concludes Brands—leaked a copy of a letter Weinberger wrote to Reagan urging him not to compromise on several arms control issues while in Geneva.[142] Bud McFarlane told the traveling press that the leak was clearly designed to sabotage the summit.[143] Weinberger denies leaking the letter, as does Perle. But it is clear Weinberger felt his influence waning in advance of Geneva and

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[139] Gorbachev, *Memoirs*, 405.
[140] Brands, *Reagan*, loc. 8694.
[141] Shultz, *Turmoil and Triumph*, 596-7.
[142] Brands, *Reagan*, loc. 8805.
[143] Michael R. Gordon, "Weinberger Urges U.S. to Avoid Vow on 1979 Arms Pact," *New York Times*, November 16, 1985; Walter Pincus, "Avoid SALT II Pledge, Weinberger Bids Reagan," *Washington Post*, November 16, 1985; Lou Cannon, "Leak of Weinberger Letter Seen as Attempt at 'Sabotage'," *Washington Post*, November 17, 1985; Shultz, *Turmoil and Triumph*, 598.

was miffed that he had not been invited to participate. In Weinberger's recollection, "they [the White House] felt that I would be disruptive or they didn't think my views should be before the President or something. I wrote the President a letter." The letter did not ensure Weinberger's return to the high table in summits, and Weinberger concludes that it was not just Geneva, but that "the letter barred me also from Reykjavik." He was "considered banned," at least in his own mind.[144] Even as his power waned, he retained residual ability to influence U.S. positions from afar.

In Geneva, away from skeptics in Washington, Shultz and Reagan were able to find common language with the new Soviet leader. When they encountered difficulty on settling on an agreed text, they asked for Gorbachev's intervention and he overruled his negotiators.[145] The Geneva communiqué had an ambiguous, but important, declaration by the two leaders to reduce U.S. and Soviet nuclear arms by 50 percent, though with the caveat that this formula would be "appropriately applied," giving both parties wide latitude to negotiate specifics down the line. The statement also called for "early progress" on an "interim INF agreement." They agreed to resume air services, which had been severed after the downing of a civilian airliner, KAL 007, over Soviet airspace in 1983. The consulates in Kiev and New York, which had been stopped by hardliners in 1983, would now open. They agreed to "intensify dialogue" through meetings on a "regular basis."[146]

Rapprochement had begun in Geneva. Dobrynin's summary seems accurate: Geneva, he says, "was not a strategic breakthrough, but it did unquestionably yield a certain moral and political benefit and paved the way for the summits that followed." This progress was enabled, the Soviet ambassador assesses, because "Reagan and Gorbachev virtually refused to follow the agenda that

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[144] Interview with Casper W. Weinberger, May 23, 1990, Box 3, Folder 9, Don Oberdorfer Papers, Princeton University Library.
[145] Gorbachev, *Memoirs*, 410; Shultz, *Turmoil and Triumph*, 605; Dobrynin, *In Confidence*, 590.
[146] Joint Soviet-United States Statement on the Summit Meeting in Geneva, November 21, 1985, available at http://www.reagan.utexas.edu/archives/speeches/1984/112185a.htm.

had been prepared by their aides and instead engaged in a free-form discussion."[147] Historian H. W.

Brands explains Geneva somewhat differently. It may have been a turning point for Reagan, but not

for the hawks on his national security team. The President "now wanted to change course, but they

didn't. And he wasn't willing to overrule them."[148] The result was rhetorical and diplomatic

improvement, but a substantive muddle.


## 5.4 Gorbachev Bargains with a Divided Reagan Administration in 1986

After Geneva, Gorbachev quickly gained Politburo approval for his performance at the

summit and continued to consolidate power.[149] On firmer political terrain, the general secretary was

increasingly open about outlining his foreign policy vision. In January 1986, he sought to regain

international support, by announcing publicly his hope to eliminate nuclear weapons entirely by the

year 2000, and signaled willingness to compromise on intermediate-range nuclear forces. In

exchange, he sought a U.S. commitment not to test or deploy "space strike weapons," referring to

Reagan's ambitious—and likely technologically impossible—program to defend against ballistic

missiles, known in the United States as the Strategic Defense Initiative (SDI).[150]

In his report accompanying the 27th Congress in February 1986, Gorbachev explained the

logic that undergirded his more accommodating foreign policy vision, telling the Party Congress,

"The policy of all-out struggle and military confrontation does not have a future." And adding, "The

arms race, like nuclear war itself, cannot be won." Moreover, he stressed, "The aspiration to win

military superiority can, speaking in an objective terms, bring no political gain to anybody."[151] Like

Nixon in 1969, Gorbachev was increasingly emphasizing the value of sufficiency as the benchmark

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[147] Dobrynin, *In Confidence*, 592.
[148] Brands, *Reagan*, loc. 9036.
[149] Dobrynin, *In Confidence*, 593.
[150] Serge Schmemann, "Gorbachev Offers to Scrap A-arms within 15 Years," *New York Times*, January 16, 1986.
[151] Gorbachev, *Memoirs*, 185; Mikhail Gorbachev, *Political Report of the CPSU Central Committee to the 27th Congress of the Communist Party of the Soviet Union*, February 25, 1986 (Moscow: Novosti Press Agency Publishing House, 1986).

for deterrence, and telling Soviet hawks that superiority secured no advantage.[152] This thinking, while

sound, was motivated by the fact that the Soviet Union could no longer afford economically to

quest for advantage if Gorbachev's economic reforms were to be implemented.

In the United States, the U.S. intelligence community had some sense of the changing

landscape. In March 1986, the Central Intelligence Agency wrote, "Over the longer term, a

comprehensive arms control agreement, especially an accord that included sizeable reductions in

strategic forces and prevented or delayed deployment of a U.S. SDI program, would provide

substantial economic benefits in the USSR." This assessment was vague about the urgency

Gorbachev would confront, suggesting at some point that no breakthroughs should be expected for

"the next several years" while also indicating that if Gorbachev were successful in reaching an arms

control agreement, "he will be in a stronger position to maintain the momentum of his industrial

modernization program when the pressure for investment in plant and equipment for defense

programs becomes more intense later in the 1980s."[153] The CIA's analysis and its conclusions, then,

were in tension. The analysis showed that Gorbachev could live off of past investment in military

industry until the late 1980s, when he would need to re-invest to produce the next round of

weaponry. That gave Gorbachev a narrow window, and a fair amount of urgency, to make a deal

now, even if the CIA was also saying that such pressures would not build for "several years."

As it happened, while the CIA suggested in March that breakthroughs might only be

possible in the "longer term," Gorbachev felt urgency already. In May, he convened hundreds of

diplomats and officials in the Foreign Ministry and told them that Soviet diplomacy "must

contribute to the domestic development of the country." The "highest" goal was to "create the best

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[152] Roy Allison, "Reasonable Sufficiency and Changes in Soviet Security Thinking," in *Soviet Military Doctrine from Lenin to Gorbachev, 1915-1991*, eds. Willard C. Frank, Jr., and Philip S. Gilette (Westport, CT: Greenwood Press, 1992), 239-241.
[153] Directorate of Intelligence, Central Intelligence Agency, *Gorbachev's Modernization Program: Implications for Defense*, An Intelligence Assessment, March 1986,
http://www.foia.cia.gov/sites/default/files/document_conversions/17/19860301.pdf.

possible external conditions" for social and economic development, while maintaining peace, "without which everything else is pointless."[154]

This theme—economic development first—had obvious implications for arms control, which Gorbachev grasped intuitively. Worried over the drift in U.S.-Soviet relations since the Geneva summit in November 1985, Gorbachev proposed a short-notice summit to regain momentum. He offered a neutral site, such as Reykjavik, Iceland, for the meeting. Reagan agreed and a summit was planned and executed in just two weeks. As he prepared for the summit, Gorbachev explained his need to meet Reagan now, rather than let relations meander, telling his Politburo colleagues on October 8, 1986, "The United States has an interest in keeping the negotiations machine running idle, while the arms race overburdens our economy. That is why we need a breakthrough, we need the process to start moving." After describing the concessions he was willing to offer in Iceland, he continued, "The most important task is to prevent a new round of the arms race." That would be, he told his colleagues, "a loss for all sides, because first and foremost it [will] lead to a wearing out of our economy."[155] This analysis was why he would offer sweeping proposals to cut arms and stop SDI when he next saw Reagan in Reykjavik in November 1986.

There, Gorbachev proposed a two-phased reduction in nuclear arms. In exchange for the United States agreeing not to test SDI outside of the laboratory for 10 years, the Soviet Union and the United States would agree to reduce their nuclear arms by 50 percent over a period of five years to be followed by the remaining 50 percent in the next five years. In other words, Gorbachev was proposing an abolition of strategic nuclear weapons in the next decade, five years more rapidly than his public appeal in January, if Reagan could foreswear SDI. Moreover, Gorbachev brought to the table specifics on intermediate-range nuclear forces, lest the U.S. side think the goal of nuclear

[154] Oberdorfer, *From the Cold War to a New Era*, 162.
[155] Anatoly Chernyaev, "Notes from Politburo Session," October 8, 1986, http://nsarchive.gwu.edu/NSAEBB/NSAEBB203/Document08.pdf.

abolition was inherently propaganda. Here, Gorbachev offered to eliminate all intermediate-range missiles from Europe—essentially the U.S. proposal from 1981—and agreed to cap Soviet missiles in Asia at 100 systems, while further agreeing that the United States could deploy a small number of similar units in Alaska to maintain parity. Paul Nitze, the chief U.S. arms negotiator with a long history of experience, called it the "best Soviet proposal we have received in twenty-five years."[156]

Reagan countered that developments on SDI would make it all the easier to go to very low numbers of nuclear weapons. Let SDI testing continue, the president implored, and the United States would share the technology with the Soviet Union, resulting in a transition from an offense-dominated world to a defense-dominated one, so "that our populations could sleep in peace." Gorbachev refused. He felt the United States, if it did achieve an SDI breakthrough, would renege on sharing. "If you will not share oil-drilling equipment or even milk-processing factories, I do not believe that you will share SDI," he explained. The Soviet leader was understandably frustrated, telling Reagan, "The American side has essentially not made any concessions, not a single major step to meet us halfway." Gorbachev summarized his bottom line that there could be no testing in space, only in the laboratory. "It's 'laboratory' or goodbye."[157] Reagan opted for "goodbye." The Reykjavik talks broke down without any major arms control progress.[158]

Why was Reagan so hesitant to bargain on SDI? There is no doubt that Reagan had a personal, ideological commitment to a world where nation's could defend themselves instead of relying on nuclear destruction to deter one another.[159] It is also true that SDI's proponents repeatedly misled Reagan about the viability of the system, allowing him to indulge in this fantasy.[160] Carlucci, Reagan's national security advisor from 1986 to 1987, recalls, Weinberger "constantly

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[156] Shultz, *Triumph and Turmoil*, 760.
[157] Shultz, *Turmoil and Triumph*, 761-773; Brands, *Reagan*, loc. 10420.
[158] Wilson, *Triumph of Improvisation*, 112-4;
[159] FitzGerald, *Way Out There in the Blue*.
[160] See, for instance, FitzGerald, *Way Out There in the Blue*, 388-393.

telling the President that we were going to deploy SDI next year," even though the system was "nowhere near being deployed."[161] Moreover, Reagan was more prone than normal to believing that which he wanted to believe. Shultz, who normally is quite protective of Reagan, admits, "Many times I would try to correct the president on particular facts of a favorite story. It rarely worked. Once a certain arrangement of facts was in his head, I could hardly ever get them out."[162]

Reagan's refusal to bargain on SDI was also a direct reflection of the fractured authority within his administration. The secretary of defense, even prior to the summit, had vetoed the bargain that was on the table at Reykjavik. In May, Shultz had attempted to persuade the president to agree to some limitations on SDI, some delay in fielding the system in exchange for arms reductions. Shultz argued that SDI needed years of laboratory research anyway, and the prospect of its future deployment could be used to encourage future reductions by the Soviet Union. He argued it would be like trading away the "sleeves" of a "vest," you were bargaining away something that you never really had. SDI was not a reality at the time and would not be for years, so agree to a delay, he urged the president. When he was with Shultz, the president, chief of staff Regan, and national security advisor Poindexter, all seemed comfortable with the approach. But in June, after clearly having talked to Weinberger, Reagan told Shultz that no compromise would be possible. Any limitations would cripple SDI. Privately, Nitze despaired that his "battle" with Weinberger and Perle on arms control was "Sisyphean."[163] Any progress Nitze secured was undone immediately by the hardliners.

Jack Matlock, who worked on Soviet issues in the NSC before becoming U.S. ambassador to Moscow, observes, "Weinberger was utterly convinced that there was no potential benefit in negotiating anything with the Soviet leaders and that most negotiations were dangerous traps."[164]

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[161] Interview with Frank Carlucci, August 28, 2001, Miller Center for Public Affairs, University of Virginia, http://millercenter.org/president/reagan/oralhistory/frank-carlucci.

[162] Shultz, *Turmoil and Triumph*, 600-1.

[163] Shultz, *Turmoil and Triumph*, 716-9; FitzGerald, *Way Out There in the Blue*, 337-8.

[164] Matlock, *Reagan and Gorbachev*, 114.

Given Weinberger's strong views and the president unwillingness to challenge him directly, no U.S.-

Soviet arms control agreement was ever signed during his tenure at the Pentagon. After the 1986

summit, Paul Nitze—viewed as a hawk for the majority of his career—tried to tender his resignation

to Shultz, out of frustration that Weinberger would never take "yes" for an answer. With forty years

of government experience, Nitze found Weinberger too "arrogant and negative," and asked to leave

service.[165] Shultz refused, and as a result Nitze would outlast Weinberger.

In agreeing to walk away from Gorbachev's proposals, Shultz made a bet that the United

States could obtain the bulk of Gorbachev's concessions on strategic forces without having to

concede on SDI.[166] If Shultz were right, walking away from Reykjavik had few long-term costs for

the United States. As it turned out, as the Soviet economic situation worsened in the months

immediately after Reykjavik, and after Gorbachev removed virtually all hardliners in 1987, the Soviet

Union did return to the Reykjavik proposals within months of having walked away. Almost

immediately after Reykjavik, Gorbachev went back to Moscow and worked to convince his

colleagues to delink progress on an INF agreement with the requirement of U.S. abstinence on SDI

testing outside the laboratory.[167]

Shultz's bet was not that the United States could simply outspend the Soviet Union

indefinitely. There was creeping urgency in Washington, too. Prior to the summit, in March 1986,

McFarlane corresponded with his successor, Poindexter, and worried that given deficits and

increasing domestic spending needs that "the pressure to take more out of defense will be even

greater."[168] Immediately after Reykjavik, Shultz gave the president unsolicited advice on his

economic problems. The fiscal crisis at home was apparent even to those who focused on national

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[165] Shultz, *Turmoil and Triumph*, 778.
[166] Shultz, *Turmoil and Triumph*, 775.
[167] Matlock, *Reagan and Gorbachev*, 252-3.
[168] Robert C. McFarlane to John Poindexter, March 5, 1986, in Thomas Blanton, *White House E-mail: The Top-Secret Messages the Reagan/Bush White House Tried to Destroy* (New York: The New Press, 1995), diskette.

security issues. Shultz, trained as economist, told Reagan that he understood the president's top priorities to be: (1) provide for a strong defense, (2) reduce marginal tax rates, (3) reduce government spending, and (4) balance the budget. But now, Shultz assessed, "Your fourth priority (curing the budget deficit) is having the effect of undermining your first priority (security)." Shultz proposed a gasoline tax and entitlement reform as the solution, avoiding the difficult choice of cutting national security spending.[169] Reagan demurred, but the fact that Shultz felt compelled to provide him the advice suggests the gravity of the fiscal crisis in Washington. Not only Moscow confronted a sense of economic immediacy.

## 5.5 Breakthroughs and the Washington Summit of 1987

On the last day of February 1987, Gorbachev announced his willingness to eliminate all European intermediate-range nuclear forces even without progress on strategic arms more generally, SDI, or an elimination of intermediate-range nuclear forces held by U.S. nuclear-armed allies, France and Britain.[170] In July, Gorbachev agreed to eliminate such forces in Asia as well, going further than his proposal in Reykjavik to cap them at 100 on each side.[171] In so doing, he called Casper Weinberger's bluff, who in one last "act of defiance and sabotage" had secured agreement of NATO defense ministers in May 1987 calling for the global elimination of INF forces, not just the European limits agreed to at Reykjavik. In doing so, Weinberger was clearly hoping that the Soviet Union would bulk at eliminating the forces in Asia, and hence stop any agreement.[172] As the U.S. and Soviet negotiators met, it became clear that Gorbachev was not only willing to eliminate the systems, but also to accept intrusive verification of the accord to a degree never previously

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[169] Shultz, *Turmoil and Triumph.*
[170] Garthoff, *The Great Transition*, 305.
[171] Anticipating the only possible U.S. objection, Gorbachev stressed he was willing to overlook "the U.S. nuclear presence in Korea, the Philippines, and the island of Diego Garcia," though he added that "we would like to hope" that there will be no additional buildup in those locations. "Gorbachev Interviewed by Indonesian Paper Merdeka," *Pravda,* July 23, 1987, in FBIS-SOV-87-141.
[172] Shultz, *Turmoil and Triumph,* 899-900.

acceptable to the Soviet state. One by one, Shultz and Shevardnadze identified compromises and overcame obstacles to a summit, now scheduled for December in Washington.

The degree of Soviet concessions is worth emphasizing. Gorbachev was agreeing to provisions that were proposed by U.S. hardliners in the early 1980s to stymie negotiations. The U.S. National Intelligence Officer for the Soviet Union, Robert Blackwell, explained subsequently, "The INF Treaty was never meant to be said yes to by those who drafted it. By Ronald Reagan, yes, but not by Richard Perle. No one ever thought they would do it because it had all sorts of things in it. It was deliberately loaded so that it would never happen."[173] When Gorbachev overruled his advisors in April and offered to include a specific Soviet missile, the SS-23, among those prohibited by the draft treaty, Weinberger and other hardliners were flummoxed and worked to convince Reagan that it must be some sort of trick, a deception. Reagan was not swayed; the president found Gorbachev's concession to be sincere.[174] In fact, Gorbachev had overruled his military advisor on arms control and bypassed the Politburo in making the SS-23 decision, determining it was necessary to secure an INF treaty.[175] Gorbachev was willing to swallow many "poison pills," and those few he was unwilling to swallow, Shultz was able to remove.

This accelerated progress was made far easier after a series of hardliners left the U.S. Administration in 1987. First Richard Perle left in May 1987, followed by Casper Weinberger in November 1987 (days before the summit), and soon thereafter Perle's designated successor, the hardline Frank Gaffney, who was forced out by the new Secretary, Frank Carlucci. (Gaffney tendered his letter of recommendation, and said he did so because he opposed what he viewed as inappropriate pressures to negotiate an arms pact with the Soviet Union in advance of the

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[173] Quoted in Lundberg, "CIA and the Fall of the Soviet Empire."
[174] Wilson, *Triumph of Improvisation*, 133.
[175] Dobrynin, *In Confidence*, 623-4.

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Washington summit of 1987.)[176] Carlucci would recall that the Soviet deputy foreign minister,

Alexander Bessmertnykh, telling him during a visit to Washington that "the reason the Soviets were

now enthusiastic about the arms control process was that the American government had now gotten

its act together and you were producing positions and you could speak with one voice and it was all

happening."[177]

Overcoming the final resistance from hardliners also required presidential intervention. The

President made it clear to his staff that he wanted to finish the INF agreement, telling Howard

Baker, his chief of staff after February 1987, "I think I'm the only person left in the government

who wants to try and see the completion of the INF Treaty with the Soviets." The hyperbole

overlooked Shultz's efforts, but indicated that Reagan's preferences were aligned with the

pragmatists, not determined by dovish underlings. Reagan's new White House team of Baker and

national security advisor Frank Carlucci drew up a list of all of the unresolved issues, dozens of

them, that they thought needed presidential adjudication given splits in the administration. Over

several hours in a small session in September 1987, Reagan worked through them one by one.[178]

With presidential intervention, the path for an agreement was finally cleared off all the obstacles

placed there by hardliners.

The INF Treaty was signed on December 8, 1987 during Gorbachev's visit to Washington.

At the summit negotiators began serious work on a Strategic Arms Reduction Treaty (START). Both

sides agreed in principle to reduce their arsenals to 6,000 delivery vehicles, of which 4,900 could be

ballistic missiles.[179] Reagan did not relent on SDI, but Shultz's bet had been correct. Ample

concessions were possible even without foregoing SDI testing. As Gorbachev signed the INF treaty,

[176] Garthoff, *The Great Transition*, 325; Don Oberdorfer and Helen Dewar, "Carlucci Confirmed, Fires Arms Official," *Washington Post*, November 21, 1987.
[177] Interview of Frank Carlucci, March 5, 1990, Don Oberdorfer Papers (MC 162), Box 2, Folder 8, Princeton University Library.
[178] Interview of Howard Baker, June 26, 1990, Don Oberdorfer Papers, Box 2, Folder 4, Princeton University Library; Oberdorfer Interview of Frank Carlucci.
[179] Garthoff, *The Great Transition*, 328.

he explained his goal was a "happy life" for "our children and grandchildren" so that they could live

"without fear and without a senseless waste of resources on weapons of mass destruction."[180]

At the 1987 Washington summit, Gorbachev also stressed his desire to make progress on

conventional force reductions. As Brands writes, when Gorbachev turned to the topic, "He didn't

say so, but the principal appeal of a conventional-forces agreement was that it promised greater cost

savings."[181] While U.S. negotiators focused on nuclear arms control, Gorbachev had made a series of

signals since April 1986 that he sought to complement those initiatives with ones on non-nuclear

arms. Though U.S. observers were skeptical, Gorbachev had suggested he was willing to permit

intrusive inspections in order to make progress on conventional arms talks, indications that were

born out in subsequent INF treaty provisions.[182] In June 1986, Gorbachev secured Warsaw Pact

agreement to support a new, serious effort to obtain conventional force reductions.[183]

Gorbachev's December 1987 appeal in Washington sought to capitalize on the work he had

done within the Soviet Union to change war planning. In May 1987, Gorbachev had unveiled a new

military doctrine that made substantial reductions in conventional forces possible. While previously

Soviet doctrine had envisioned an offensive operation that would push west until Soviet forces

reached the English Channel, the new doctrine prescribed defensive warfare for a period of a few

weeks until a political solution could be negotiated.[184] The document was explicit that the new

Warsaw Pact doctrine was "strictly a defensive one," that Warsaw Treaty states "will never, under no

circumstances, start hostilities against any country or an alliance of countries, unless they become the

target of an armed attack themselves." Further, it emphasized that Warsaw Pact members "have no

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[180] Brands, *Reagan*, loc. 11866.

[181] Brands, *Reagan*, loc. 11881.

[182] James M. Markham, "Gorbachev Says Libya Raid May Hurt U.S.-Soviet Ties," *New York Times*, April 19, 1986; Jackson Diehl, "Gorbachev Says U.S. Acts Hurt Ties, But Offers 'New Initiative' on Forces,'" *Washington Post*, April 19, 1986.

[183] "Warsaw Pact Appeal to the NATO States and all European Countries Concerning a Program for Armed Forces and Conventional Arms Reductions in Europe," *Pravda*, June 12, 1986, translated by U.S. Foreign Broadcast Information Service, FBIS-SOV-86-114.

[184] Garthoff, *The Great Transition*, 530.

territorial claims to any state either in Europe or outside of it." The document stated that

"sufficiency for defense" was the appropriate requirement for force levels, and consequently

embraced the goal of "reduction of the armed forces and conventional armaments in Europe down

to level when neither side, in ensuring its defense, would have the means for sudden attack on the

other side, for starting offensive operations in general."[185]

While some may have doubted it at the time, we now know that the May 1987 statement was

not a public relations stunt. After the Washington summit, the Soviet Chief of General Staff Sergei

Akhromeyev gave a classified lecture to the Polish General Staff College in April 1988, which both

revealed the extent of the revolution in military thinking that the 1987 doctrine envisioned, and the

sincerity of the effort. Akhromeyev explained to the allied audience, "our earlier military doctrine

was seen as a system of thoughts about preparation for war and its conduct," while now, he

explained "its current fundamental thrust is to prevent war." If attacked, the new doctrine

envisioned counter-attack, but also anticipated that "the counter-attack will probably end when the

situation is stabilized and the front is seized." Akhromeyev referred repeatedly to the May 1987

announcement, and his presentation, even though it occurred in the spring of 1988, can be seen as

indicative of the thinking underlying that public document.[186] It would take the United States some

time to realize the extent of the changes that Gorbachev had authorized.

What explains the breakthroughs of 1987? As noted earlier, at the time the CIA thought

economic crises might impel the Soviet leader to change tack. If anything, the CIA underestimated

the relationship between Soviet economic difficulties at home and Gorbachev's concessionary

efforts abroad. Later, after the Cold War concluded, this linkage would dominate the assessments of

American officials trying to understand why the Soviet Union became so much more willing to

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[185] "On the Military Doctrine of the Warsaw Pact Member States," *Pravda*, May 31, 1987, translated in FBIS-SOV-87-104.

[186] Sergei Akhromeyev, "The Current State of Soviet Military Doctrine," lecture to the Polish General Staff College, April 14, 1988, translated by Jaroslaw Garlinski, available at http://digitalarchive.wilsoncenter.org/document/110647.

compromise after 1985. Robert Gates, a skeptic of Soviet reform and a frequent hawk in internal

U.S. debates, would assess later that "because of multiple crises at home, [Gorbachev] needed to

constrain the arms race, and new U.S. strategic programs in particular, to avoid new Soviet military

expenditures and perhaps even allow some reductions in spending. Domestic crises compelled

Soviet initiatives to relax tensions."[187] For Colin Powell, deputy national security advisor from 1986

to 1987, Gorbachev's "willingness to negotiate away" the INF missiles was a consequence of

Gorbachev's determination that "only by reducing East-West tensions could he cut the Soviet

Union's voracious defense spending and turn the country's resources to crying civilian needs."[188]

     Nor was it just outsiders looking in that saw this linkage. As noted above, Gorbachev used

this same language in explaining his positions in private, secret Politburo sessions. In 1991,

Shevardnadze told an interviewer why he pushed for conventional arms reductions. "For decades

ours was probably the most militarized country. Huge expenditures, gigantic proportions. We had to

come up with an initiative to ensure that cuts in arms and armed forces and hence spending took

place on a reciprocal basis. There was no awareness [in the military] that this was the important

thing. It was invariably argued, for example, that there was no reason why we should reduce our

armaments by, say, 10 or 16 items more than the other side. Yet the point at issue was to stop the

arms race. It was true that the Americans were ahead of us on some weapons. But there was no

stopping them unless we signed an agreement."[189] Elsewhere, he made it clear that similar logic

applied to strategic forces as well. He argued, "The possession of a bloated nuclear arsenal

undermined rather than augmented national defense, draining resources from the effort to ensure a

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[187] Gates, *From the Shadows*, 404.
[188] Powell, *My American Journey*, 341.
[189] Interview, Boris Pyadyshev, "Eduard Shevardnadze's Choice," *International Affairs* [Moscow] 11 (1991): 7.

high technical level of peaceful production, education, and health, and maximum satisfaction to the

population's needs."[190]

Economic crises lead to an inability to achieve both domestic and foreign policy goals,

making it more likely that leaders will reconsider their external strategies according to domestic

primacy theory. That is exactly what happened in the Soviet case. Given the need to retrench,

negotiations offered the best way to do so without exposing the Soviet Union to future American

superiority. There was a direct link between the changes in Soviet negotiating behavior and the

realization among the Soviet leadership that they needed to divert resources to civilian purposes.

American analyst Michael Krepon is fond of saying that the INF treaty "broke the back of

the arms race."[191] Even hawks, such as Gates, argued that the INF treaty was "unprecedented"

because it "marked a transition from 'arms control' to 'disarmament.'"[192] In other words, it was not

just about slowing the rate of future growth, but instead about actual decreases. If 1987 was the

turning point in bilateral negotiations, then 1988 was the year when Gorbachev sought to capitalize

on the bilateral progress by cutting Soviet forces overseas. U.S. interlocutors now widely believed in

Gorbachev's sincerity. By May 1988, Powell recalled, "The evidence was increasing that Gorbachev

was dead serious about wanting to end the economic burden of the arms race, dump Soviet puppet

states onto Western bankers, and get out of the wars-of-liberation business."[193]


## 5.6 The Beginning of the End of the Cold War

The progress in bilateral talks in 1987—combined with the fiscal pressures in Washington

and the all-around economic difficulties in Moscow—enabled both governments to pursue defense

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[190] Eduard Shevardnadze, *The Future Belongs to Freedom*, trans. Catherine A. Fitzpatrick (New York: Free Press, 1991), 54-5.
[191] Michael Krepon, *Better Safe than Sorry: The Ironies of Living with the Bomb* (Stanford: Stanford University Press, 2009), 73.
[192] Gates, *From the Shadows*,
[193] Powell, *My American Journey*, 376.

cuts. Arms reduction agreements both directly arrested costs, but more importantly signaled

seriousness for rapprochement that permitted both leaders to curtail expenditures. In Washington,

this was made substantially easier by Weinberger's departure. Already by 1987, Weinberger's last year

in office, the growth in U.S. defense spending had slowed rapidly because of budget pressures. In

Reagan's first 6 years in office, the defense budget had grown in real terms by an average of 5.7

percent a year. Beginning in 1987 and through the remainder of the term, the budget grew by less

than 1.5 percent a year. Since the economy was expanding during this period, defense spending

decreased both as a portion of total government expenditure and as a percentage of U.S. GDP after

1987.

As Weinberger's successor, Frank Carlucci, went through confirmation hearings, his remarks

indicated that "budget pressures have ended the Reagan military buildup," the press emphasized. He

suggested that both strategic acquisitions, such as the developmental Midgetman missile, might be

cancelled, while he also expressed openness to cutting the size of the conventional military and

terminating acquisition programs for new conventional weapons.[194] Nor was this cheap talk to win

confirmation. Carlucci's first budget angered the services, but especially the Navy, with its cuts,

ultimately leading to the resignation of James Webb, the Secretary of the Navy, who was aghast that

the budget required the Navy to cut 16 ships from the fleet.[195]

As the U.S. defense budget grew rapidly in the early 1980s, the Soviet Union responded with

a modest increase of its own from 1985-1988, even as it sought to extricate itself from the arms race

with negotiations. After 1988, it began cutting, and cutting quickly, with the 1989 budget 6 percent

less than that of 1988, and the 1990 budget 6 percent again. Both years cut procurement by an even

greater amount than the topline figure, cutting back purchases of equipment by approximately 10

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[194] Tim Carrington, "Carlucci Says He'd Consider Reductions In Military Force Because of Budget Cuts," *Wall Street Journal*, November 13, 1987;
[195] John Cushman, Jr., "Navy Chief Quits, Assailing Carlucci over Budget Cuts," *New York Times*, February 23, 1988.

percent each year.[196] Determining the actual levels of Soviet defense spending was a difficult challenge—for both Soviet planners and U.S. observers. CIA analysts concluded, "There is good reason to believe that Soviet leaders did not know, and perhaps could not know, the real cost of Soviet military programs." The CIA estimated that Soviet defense spending peaked as a percentage of GNP in 1987, at 15.7 percent, before declining modestly in 1988, and more rapidly in 1989 and 1990. Importantly these declines occurred before the breakup of the Soviet Union in 1991, after which there was an even more precipitous drop in spending.[197]

This effort to decrease spending occurred simultaneous to Gorbachev's implementation of the new defensive doctrine announced in May 1987. His senior military advisors worked on changing training exercises so they focused more on defensive operations, updating combat manuals, changing curriculum in military schools, and commissioned a variety of academic studies on the implications of the doctrinal changes.[198] By the end of 1988, Gorbachev made his most audacious military move, announcing major force reductions focused on Europe in a December 7, 1988, address to the United Nations General Assembly.

He told the gathering of global leaders that over the next two years, the Soviet Union would reduce its armed forces by 500,000 personnel "on a unilateral basis," and cut back by 50,000 troops those forces situated on the territory of Warsaw Pact allies. Further, they would withdraw and disband six tank divisions from Eastern and Central Europe, as well as withdraw a number of units focused on "river crossing" and other offensive missions, and reorganize the remaining divisions so that the new units would "become unambiguously defensive." Finally, he announced that the Soviet

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[196] Garthoff, *The Great Transition*, 506, fn. 7.
[197] Firth and Noren, *Soviet Defense Spending*, 130-4, 188.
[198] Akhromeyev, "The Current State of Soviet Military Doctrine."

armed forces would decrease its offensive equipment by substantial amounts: 10,000 fewer tanks, 8,500 fewer artillery systems, and 800 fewer combat aircraft.[199]

It was not just Europe, where Gorbachev was proposing transformational change. He proposed similar reductions in Asia (see Chapter 9) and urged international help to establish a ceasefire in Afghanistan. On Afghanistan, the Soviet leader had indicated since at least 1986 his intent to withdraw Soviet forces. An aide to Gorbachev privately told a visiting U.S. group in December 1986, "We know we have to get out, but we don't know how to get out. Please help us."[200] Despite these preferences, according to political scientist Sarah Mendelson, Gorbachev could only make "substantive changes" in Afghan policy beginning in 1987 and 1988, "after Gorbachev's political base and alternative sources of power and legitimacy had been established."[201] Mendelson argues, consistent with domestic primacy theory, that it was insufficient for Gorbachev to have different ideas about the future of Afghanistan. He had those from the outset of his tenure as general secretary. Rather, he could only enact those ideas once the institutional balance of power favored him in internal bureaucratic fights. Not just Soviet policy toward the United States, but Soviet policy toward Afghanistan reflected Gorbachev's growing concentration of authority.

Gorbachev returned home after his UN address in 1988 and again explained his actions to the Politburo. The scope of the concessions at the United Nations was necessary to quiet "prattling" in the West by those who argued Gorbachev's "new political thinking is just about words." The only way to break through decades of skepticism and doubt was to make a "huge impression." And it was necessary to change views on the Soviet Union because the economic situation was continuing to get worse, and military spending was bankrupting the economy. The Soviet Union could no longer spend half of its budget on the military—it could not afford to be like Angola, Shevardnadze

[199] "M.S. Gorbachev's United Nations Address," *Pravda*, December 8, 1988, translated by FBIS-SOV-88-236.
[200] Cannon, *President Reagan*, 781.
[201] Mendelson, *Changing Course*, 93-4.

interjected—but rather it had to reduce its spending to something closer to the U.S. proportion. Gorbachev reminded his colleagues of how the Soviet Union had arrived at a place where such drastic moves were required. "In our plans we build in military expenses that are twice as large as the growth of national income; then our national income turns out to be down the tubes; yet we stick to our military plans. So put two and two together about what is going on here."[202]

## 5.7 Denouement to Superpower Competition

Mary Sarotte correctly subtitles her book, *1989*, as, *The Struggle to Create Post-Cold War Europe.* If the prior three years had altered the trajectory of the Cold War, 1989 witnessed its conclusion. The outcomes were not foreordained, but the debates were more about how a post-Cold War order would unfold, not whether it would unfold. By the end of 1988, Gorbachev had made clear that the Soviet Union would no longer be able to pursue revisionist aims in Europe and would withdraw from Afghanistan, now he had to decide upon the autonomy it would grant its Warsaw Pact clients.

In the end, Gorbachev had little choice but to acquiesce to greater independence for Eastern and Central European allies. Past decisions made by Gorbachev in his attempts to reform the socialist economy had not worked, had in fact made the economy worse as the elaborate Rube Goldberg machine that was the centrally planned Soviet economy came apart. Past decisions made by Gorbachev and his predecessors to borrow from the West to finance the growing fiscal gap—a gap that resulted in large part from lower oil revenue—had made the Soviet leadership vulnerable to Western coercion. So, when thinking about East Germany, Mary Sarotte writes, "The USSR, facing severe food shortages and massive unrest, could not afford to alienate the only reliable source of

[202] "Minutes of the Central Committee of the Communist Party of the Soviet Union Politburo Session," December 27-28, 1988, Russian State Archive of Contemporary History, Fond 89, translated by Vladislov Zubok, http://nsarchive.gwu.edu/NSAEBB/NSAEBB504/docs/1988.12.27-28%20Politburo%20Session.pdf.

lending still available to it—namely, Bonn."[203] Similarly, as Gorbachev thought about ways to

maintain Poland in the Soviet orbit, he could do little. His foreign policy advisor, Chernyaev, recalls

thinking, "What can we do? Poland has a $56 billion debt. Can we take Poland on our balance sheet

in our current economic situation? No. And if we cannot—then we have no influence."[204]

The United States acknowledged these massive Soviet concessions. President Bush

announced in May 1989 that it was "time to move beyond containment" and "seek the integration

of the Soviet Union in the community of nations."[205] Slightly less than a year after Gorbachev's

United Nations speech, even before the fall of the Berlin Wall, Colin Powell, now Chairman of the

Joint Chiefs of Staff, accepted that it was time to curtail U.S. military expenditure. He concluded that

the Navy would have to reduce its fleet by about 20 percent, active-duty Army personnel would

need to be cut by over 30 percent, and U.S. ground troops in Europe would shrink to one-third of

their Cold War-levels. By mid-November 1989, Powell was presenting a defense budget that

proposed less spending, an occurrence so rare he joked that his listeners would "be thrown into

cardiac shock."[206]

By 1989, the Cold War had ended. Gorbachev's foreign policy advisor concludes that it

terminated in the Malta Summit of President George H. W. Bush and Gorbachev. After Malta, the

change in attitudes was such that the Soviet Union was willing to consider compromise on even vital

national interests. Chernyaev argues, "If we don't accept that the Cold War virtually ended in 1989,

then we will not be able to explain Germany unification, we would not be able to explain

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[203] Mary Elise Sarotte, *1989: The Struggle to Create Post-Cold War Europe* (Princeton, Princeton University Press, 2009), 195.
[204] Quoted in Brooks and Wohlforth, "Economic Constraints and the End of the Cold War," 292.
[205] Quoted in Rey Koslowski and Friedrich V. Kratochwil, "Understanding Change in International Politics: The Soviet Empire's Demise and the International System," in *International Relations Theory and the End of the Cold War*, eds. Lebow and Risse-Kappen (New York: Columbia University Press, 1995), 150-1.
[206] Powell, *My American Journey*, 436.

collaboration of the Soviet Union and the United States during the Gulf crisis [over Iraq in 1990-1991]."[207] The U.S.-Soviet rivalry was over.

## 6 Alternative Explanations

Domestic primacy theory suggests that 1987 ought to be the turning point in U.S.-Soviet relations. Only in 1987 did domestic configurations in power in Washington and Moscow enable substantive concessions. Only in 1987 did Soviet leaders have to accept that their initial economic reforms would prove insufficient to alter the trajectory of the Soviet economy. And only in 1987 did the Reagan administration begin to reckon with the fiscal disaster that it had created. How do predictions derived from alternative theories compare to those of domestic primacy theory? Two alternatives deserve special attention for this case during this period. Did the Cold War end because both sides accepted the existence of a nuclear peace? Or did it end because the United States "won" the arms race, and forced the Soviet Union to capitulate given the gross imbalance of power?

Kenneth Oye has argued that the end of the Cold War was substantially enabled by the nuclear peace or, more accurately, a realization by Soviet leaders that a nuclear peace obtained.[208] The presence of nuclear weapons led Soviet leaders to conclude that the threat of invasion from the West was minimized, and had created "substantially increased freedom of maneuvering both in domestic and foreign policy."[209] Oye's argument fails to explain why this realization only emerged in the late 1980s and not earlier, nor can it explain important elements of the Soviet nuclear debate.

That debate struggled with the same issues in the 1980s that the Western theoretical debate about nuclear weapons did, namely: did the advent of deterrence ("stability") at the strategic level

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[207] William C. Wohlforth, ed., *Cold War Endgame: Oral History, Analysis, Debates* (University Park: Pennsylvania State University Press, 2003), 22.
[208] Kenneth Oye, "Explaining the End to the Cold War: Morphological and Behavioral Adaptations to the Nuclear Peace?" in *International Relations Theory and the End of the Cold War*, eds. Lebow and Risse-Kappen (New York: Columbia University Press, 1995)
[209] Oye, "Explaining the End to the Cold War," 76.

create ample space at the conventional level for conflict ("instability")? Whether or not a "stability-instability" paradox exists is still a matter of fierce debate among Western academics. It is by no-means self-evident what the "correct" answer is to the question. Ideas about nuclear peace only are conducive to rapprochement if the existence of the stability-instability paradox is largely rejected and, instead, belief in a nuclear revolution prevails. Consistent with this ideational indeterminacy, Soviet thinkers initially concluded that nuclear weapons created deterrence against a nuclear exchange only, but that this meant more money needed to be spent on conventional weapons.

For instance, the Soviet chief of general staff from 1977 to 1984, Nikolai Ogarkov, concluded two things: (1) that a first strike was impossible, hence a full-scale nuclear war could not meaningfully lead to "victory" and (2) that even limited nuclear use was likely to escalate to a global nuclear exchange, and hence nuclear weapons could not be introduced "at any level." But Ogarkov did not go from those postulates to a belief in nuclear peace. Rather, he believed that (3) sizeable continued investments were necessary to prevent the possibility of a first strike and (4) "substantially increased resources must be devoted to Soviet conventional war-fighting capabilities—particularly in the area of costly high-technology weapons."[210] In other words, believing that a nuclear war cannot be won and must never be fought did not imply that military expenditures could decrease. In fact, it might be conceivable that global nuclear deterrence necessitated an increase in defense spending given added conventional weapons expenditures to fight and win theater battles.

Gorbachev and other Soviet civilian analysts ultimately favored alternative interpretations of the meaning of nuclear deterrence. Ogarkov's removal in September 1984, prior to Gorbachev's promotion to general secretary, but after Gorbachev began taking the lead on many national security issues in the Politburo, may well have been because of Ogarkov's outspoken views on the need for more defense spending. As circumstantial evidence of this, contemporaneous CIA analysis pointed

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[210] CIA, *Soviet National Security Policy: Responses to the Changing Military and Economic Environment*, June 1988.

to editorials in *Pravda* and *Red Star* stressing that "social programs could not be cut to increase defense spending" coincident with Ogarkov's removal.[211] Gorbachev, and civilian analysts that he cultivated and encouraged, argued instead that the military should pursue "reasonable sufficiency" as their goal, and that the task they had to achieve was a relatively modest one of "defensive defense." These conceptual debates "appear to reflect tentative exploration of alternative strategies and force posture that might offer some avenue of relief from the basic problem of resources versus requirements."[212]

In other words, this was a fundamentally political debate, where it should be no surprise that ideas that favored more resources to the military were favored by the military and ideas that permitted less spending were championed by civilians seeking to divert resources away from the armed forces. The fact that ideas advocating a conception of nuclear revolution that permitted less military spending "won," is a consequence of the political balance in Moscow and the economic needs of the Soviet Union. Ideational outcomes were epiphenomenal, riding piggyback on political capability and economic circumstance.

The second alternative explanation is more consistent with the reality of the end of the Cold War: that a growing imbalance made it clear where the balance of power lay, facilitating bargaining by encouraging Soviet concessions. This is fundamentally true, but the imbalance was allowed to emerge as a conscious decision by Soviet leaders to preserve domestic public support for the Soviet state by spending on civilian needs. In other words, it was not that the Soviet Union lacked the resources to be able to compete, but instead that it was unwilling to make a further sacrifice of civilian needs to achieve external goals. As Kenneth Oye correctly notes in his analysis of Soviet economic data, "the Soviet Union did not respond to the Reagan military buildup with a buildup of their own.... In fact, the Soviet response to the Reagan military buildup was to spend a bit more on

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[211] CIA, *Soviet National Security Policy: Responses to the Changing Military and Economic Environment,* June 1988.
[212] CIA, *Soviet National Security Policy: Responses to the Changing Military and Economic Environment,* June 1988.

consumption."[213] This multiyear decision to focus on civilian needs even in the midst of U.S. military

modernization should be puzzling to those that believe states are focused primarily on power

maximization, but is intelligible under domestic primacy theory, where tradeoffs between civilian

and military needs are emphasized.

## U.S.-USSR Balance of Material Capabilities, 1980-1989
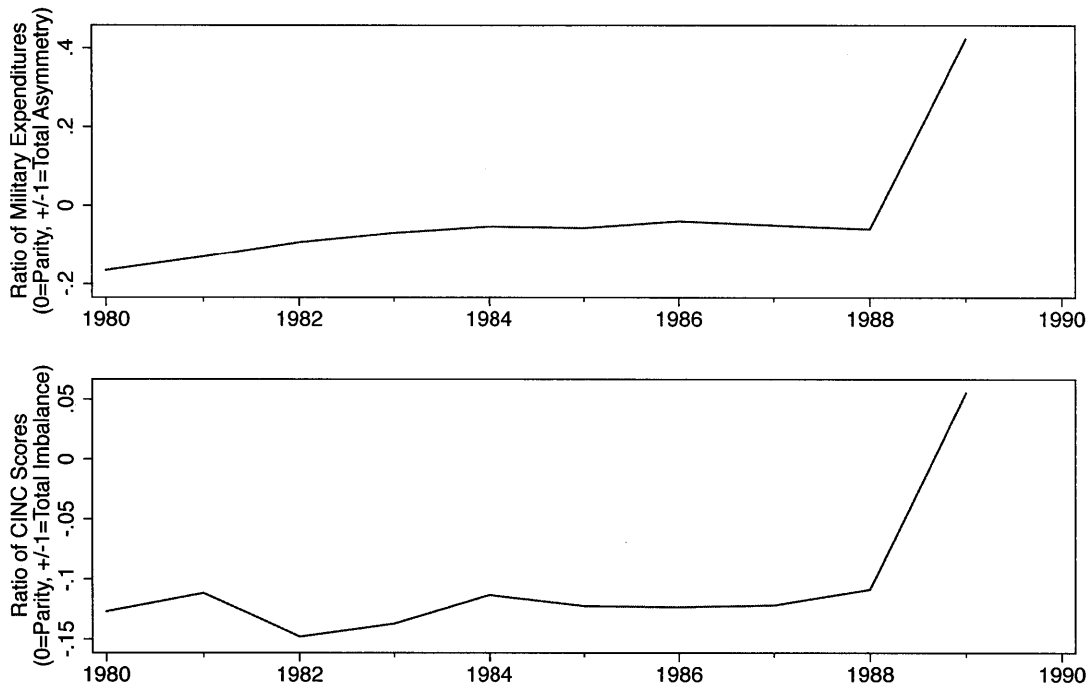


Source: Correlates of War Project, National Material Capabilities v4.0

Figure 6.3: U.S.-USSR Balance of Material Capabilities, 1980-1989

The final problem with those that locate the end of the Cold War in the shifting balance of

power is that before 1989 the balance of material capabilities was largely static, drifting slowly in the

United States' favor. The imbalance did not shift starkly, according to quantitative measures, until

*after* Gorbachev made his momentous decisions in 1988 to retrench substantially (see Figure 6.3).

Gorbachev's choices caused the imbalance, not the other way around.

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[213] Oye, "Explaining the End to the Cold War," 69.

## 6 Conclusion

Gorbachev, motivated by Soviet economic ills and empowered with consolidated authority, was the primary actor in the final years of the Cold War. But he had a counterpart in the United States that, at least after 1987, was able to turn Soviet compromises into arms control agreements and political settlements. The United States, if it had followed the line of Casper Weinberger, Richard Perle, and dozens of other prominent hawks, could have kept pushing and pushing. These individuals likely would not have been as willing to curtail U.S. defense expenditures in the late 1980s. These individuals might have been more aggressive to exploit Soviet weakness in the waning months of the Cold War.

In the end, U.S.-Soviet rapprochement was a bilateral project. Gorbachev made more concessions and compromises, but Reagan—with the aide of Shultz—also overruled hawks at home to provide stability and signal benign intent to the Soviet leadership. The result was the peaceful transition away from bipolarity toward unipolarity, and the abandonment of over four decades of armed competition.

CHAPTER 7: THE SINO-SOVIET SPLIT AND THE FAILURE OF SINO-U.S. TALKS

## 1 Introduction

In 1949, with the establishment of the People's Republic of China, a new Sino-U.S. rivalry emerged. That rivalry was deepened by Chinese[1] involvement in the Korean War from 1950 to 1953. Shortly after the Korean armistice, the U.S. and Chinese governments began a series of talks in Geneva, Switzerland, and then Warsaw, Poland. This chapter examines why those talks failed to resolve the underlying disputes that motivated the Sino-U.S. rivalry.

This failure may appear especially puzzling for those that argue a common enemy is likely to override differences between hostile foes. Beginning in 1956, the relationship between the Soviet Union and China worsened and after 1960 it turned hostile. The Sino-Soviet split occurred despite a shared U.S. enemy that threatened both Moscow and Beijing. Additionally, Sino-Soviet relations worsened considerably throughout the 1960s despite a renewed U.S. threat to China with the onset of the U.S. intervention in Vietnam.

This chapter seeks to understand why China, a large and populous country, but still poor and underdeveloped, failed to moderate its policies toward either of the two superpowers in the 1960s. Domestic primacy theory explains this aberrant behavior, by locating the source of Mao's confrontational foreign policy in his own leadership struggles at home. There were advocates for more moderate Chinese foreign policies in the early 1960s, but Mao vetoed their proposals as a way to weaken domestic competitors who favored more normal politics within China.

This state of affairs was in substantial part a product of the special circumstance where China and the Soviet Union both shared the same totalizing ideology, which made it difficult for Mao to admit that the Soviet Union was an acceptable partner in foreign affairs without also

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[1] For convenience, I will refer to the People's Republic of China as "China" and with the adjective "Chinese," even though U.S. policy recognized the Republic of China, the Nationalist government in exile in Taiwan, until 1978. I will use Republic of China or Taiwan in reference to that entity.

admitting that domestic critics were valid partners at home, thus diluting his authority further. For Mao, adversarial politics with China's enemies gave him rhetorical and ideological cudgels to wield against his domestic opponents. Only when Mao regained total dominance of the Chinese political landscape in 1969 at the end of most serious phase of the Cultural Revolution did Chinese foreign policy begin to more closely conform to the resources China had its disposal. Despite economic crises that China went through from 1958 to 1962 and again from 1966 to 1972, only after 1969 did Mao permit more conciliatory policy toward China's rivals. The next chapter focuses on that crucial year, while this chapter focuses on the decade of confrontation that preceded it.

This chapter unfolds in five sections. First, it describes the tumultuous leadership struggles that characterized the Chinese Communist Party beginning in the late 1950s until 1969. It then surveys the twin economic crises caused by the Great Leap Forward and the Cultural Revolution. In the third section, the Sino-Soviet split is examined, part of a general worsening of China's threat environment in the 1960s. The penultimate section demonstrates that the amplifying Soviet threat was insufficient to cause a reappraisal of Mao's foreign policy, while Mao maintained confrontational policies with the United States long after the Soviet threat became pressing. Finally, the chapter assesses domestic primacy theory's predications compared to its chief alternatives, especially arguments that a common enemy should motivate rapprochement.

## 1.1 Prelude: "Losing" China and the Onset of the Sino-U.S. Rivalry

The Sino-U.S. rivalry and the Sino-Soviet alliance emerged simultaneously as a result of post-World War II choices in Washington and ideological affinities between Moscow and Beijing. China experienced a civil war between the Chinese Communist Party (CCP) and the Kuomintang (KMT) Nationalists from 1927 until 1937. That civil war was interrupted by Japan's invasion of China in 1937, replaced by anti-Japanese violence until Japan's defeat in 1945. The Chinese civil war resumed

in 1945 despite an effort by the United States, in the form of the presidential envoy George

Marshall, to mediate between Mao's CCP and Chiang Kai-shek's KMT.

Within the U.S. government in the initial years after World War II there was widespread

disagreement over whether the United States should favor the KMT or appear neutral in the

Chinese civil war. U.S. officials debated whether the CCP was already a Soviet proxy or if U.S.

impartiality could earn the CCP's trust. Truman sided with CCP skeptics and instructed Marshall to

support the KMT even if the KMT refused to take actions that Marshall believed were "reasonable

and desirable."[2] As U.S. concerns with the Soviet Union grew, U.S. support for the KMT intensified.

The KMT was increasingly unreasonable—not just with the CCP, but also China's middle-class

dominated "Third Force" that offered an alternative to KMT and CCP politics. Aware of U.S. bias,

the CCP grew closer to the Soviet Union, and the cycle repeated, yielding greater U.S. support for

the KMT, greater CCP enmity for the United States, greater KMT unreasonableness toward

domestic political opponents, and progressively less KMT control within China.[3]

Despite ideological disagreements, the Chinese Communist Party was not fated to emerge as

an adversary of the United States. John Melby, Marshall's assistant, recalls a conversation where

Zhou Enlai told Marshall in 1946: "We would like to be friends with you. It is true we are Marxists;

we are Communists, and of course, we are going to have an affinity of sorts with the Russians… But

that doesn't mean we can't be friends with you. However, how far we lean toward the Russians is

going to depend in no small measure on how hard you push us. If you push us hard enough we're

not going to have any choice except to lean on the Russians."[4] With an overwhelming

preponderance of power, and enjoying a post-war economic boom, the United States did not feel

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[2] Simei Qing, *From Allies to Enemies: Visions of Modernity, Identity, and U.S.-China Diplomacy, 1945-1960* (Cambridge, MA: Harvard University Press, 2007), 58-62.
[3] Qing, *From Allies to Enemies*, 88-94.
[4] Quoted in Thomas J. Christensen, *Useful Adversaries: Grand Strategy, Domestic Mobilization, and Sino-American Conflict, 1947-1958* (Princeton: Princeton University Press, 1996), 59, fn. 106.

much compulsion to discriminate between adversaries, and was comfortable lumping the Communist threat together.

Within the Truman administration, there were voices for disengaging from the Chinese civil war. Such individuals believed a Chinese Communist victory was inevitable, so, they asked, why antagonize a force soon to be victorious. Moreover, older U.S. "China hands" perceived divergences in the views held by the CCP and those expressed by the Communist Party of the Soviet Union, while also observing "latent hostility" between the Chinese and Russians that the United States might exploit.[5] But those voices ultimately lost out to others, especially KMT supporters on Capital Hill, who believed the Truman Doctrine—which called for U.S. support to democratic nations under threat from external or internal authoritarian forces—if it were to be applied to the European periphery also clearly held in the Chinese case. George Kennan, who believed aid to Chinese nationalists was unlikely to stem communist advances there, complained bitterly in August 1948 that "aid to China has been made a domestic political issue" in the United States. The resultant support to the KMT, Kennan felt, was contrary to U.S. best interests.[6]

When the People's Liberation Army detained U.S. consul general Angus Ward and his staff in the city of Mukden (Shenyang) in November 1948, U.S. officials and the U.S. public were even more inclined to view the CCP as hostile to the United States. Ward and his colleagues were not permitted to leave China until December 1949.[7] By mid-1949, the possibility of repair in the U.S.-Communist China relationship was growing remote, and likely was eliminated with the publication of a June 30, 1949, article by Mao, in which the chairman argued, "[W]e are firmly convinced that in order to win victory and consolidate it, we must lean to one side.... Sitting on the fence will not do,

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[5] Nancy Bernkopf Tucker, ed., *China Confidential: American Diplomats and Sino-American Relations, 1945-1996* (New York: Columbia University Press, 2001), 65-6.
[6] Quoted in Christensen, *Useful Adversaries*, 69.
[7] Chen Jian, *Mao's China and the Cold War* (Chapel Hill: University of North Carolina Press, 2001), 39-40.

nor is there a third road... Internationally, we belong to the side of the anti-imperialist front headed by the Soviet Union."[8]

By the time of Mao's founding of the People's Republic in October 1949, overwhelming forces in both Beijing and Washington favored politics of rivalry. With the KMT's "retreat" to Taiwan in December 1949, mainland China had been "lost" to the United States, and emerged as a Soviet ally. These hostile tendencies were reinforced by China's support of North Korea's invasion of South Korea in June 1950, which eliminated any doubts in Washington about the military threat posed by the new People's Republic of China.

## 2 Concentration of Executive Authority in China, 1955-1969

Chen Yun, a senior Communist party official from the 1950s into the 1980s, assessed, "Had Mao died in 1956, he would have been hailed as China's great—even greatest—leader. Had he died ten years later, history still would have placed him very high. But, alas, he died in 1976."[9] From the late 1950s to mid-1970s, Chinese politics was characterized by an immense struggle by Mao to preserve his own legacy, and to prevent the spread to China of what he saw as "revisionist" trends in the Soviet Union. Mao was traumatized first by Khrushchev's decision to denounce Stalin in 1956 and then subsequently by the decision of Khrushchev's colleagues to oust him in 1964. The Soviet examples stoked Mao's fears that he would one day be denounced after his death or, even worse, be removed from power while still alive.

Mao launched the "Great Leap Forward" in a failed attempt to cement his historical status by dramatically increasing Chinese economic growth. Rather than unleash revolutionary growth, Mao's efforts devastated the Chinese economy. As Mao's colleagues struggled to repair the damage

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[8] Quoted in Sergei N. Goncharov, John W. Lewis, and Xue Litai, *Uncertain Partners: Stalin, Mao, and the Korean War* (Stanford: Stanford University Press, 1993), 44.
[9] Harrison Salisbury, *The New Emperors: China in the Era of Mao and Deng* (Boston: Little, Brown, and Co., 1992), 223.

inflicted in his Great Leap, Mao lost concentrated authority in the early 1960s. Mao's struggles with

political opponents made him reluctant to accept the gravity of the economic crisis caused by the

Great Leap Forward, either at the time or subsequently.[10]

Mao slowly regained power in the mid-1960s, but concluded it was necessary to launch a

"Great Proletarian Cultural Revolution" in 1966 to reclaim it fully. The Cultural Revolution led to a

period of profound domestic disorder, where Mao preferred that no one control the Chinese state

so long as it meant that competitors for power were eliminated in the process. This period of chaos

attenuated in mid-1969, when Mao and Zhou Enlai re-imposed some semblance of order to Chinese

governance and politics.


## 2.1 A Leap to the Second Line of Leadership

Mao launched the Great Leap Forward in 1958. The failures of the Great Leap, described

below, and Mao's unwillingness to acknowledge those failures, forced Mao to cede authority over

day-to-day decisions to others.

In 1959, defense minister Peng Dehuai wrote Mao to express concern over the Great Leap

Forward's disastrous effects in the countryside. He wrote Mao directly and privately, but Mao was

infuriated. Peng's private assessment of failure was more accurate than Mao's public statements of

its success. Mao was also wary of the criticism given Peng's role as defense minister, perhaps

mindful of coups the previous year in Burma, Indonesia, Iraq, and Thailand.[11] In response to Peng's

private letter, Mao challenged Peng publicly at a leadership conference in Lushan, threatening to

split the party if Peng's views prevailed. Mao told his colleagues, according to a subsequently

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[10] "Personal pride meant that Mao… could never genuinely accept that this own actions were the cause of what went wrong." Frederick C. Teiwes with Warren Sun, *China's Road to Disaster: Mao, Central Politicians, and Provincial Leaders in the Unfolding of the Great Leap Forward* (Armonk, NY: M.E. Sharpe, 1999), 184.

[11] Roderick Macfarquhar, *The Origins of the Cultural Revolution*, vol. 3, *The Coming Cataclysm, 1961-1966* (New York: Columbia University Press, 1997), 181; Kenneth Lieberthal, "The Great Leap Forward and the Split in the Yan'an Leadership, 1958-1965," in *The Politics of China: Sixty Years of the People's Republic of China*, ed. Roderick MacFarquhar, 3rd ed. (New York: Cambridge University Press, 2011), 107-8.

published version of the speech, "I will go to the countryside to lead the peasants to overthrow the government. If those of you in the Liberation Army won't follow me I will go and find a Red Army and organize another Liberation Army."[12] At least one member present for the speech recalls that Mao's threat was more personal, targeted at Peng, with Mao having said, "If *Peng Dehuai's army* won't follow me then I will go down to the countryside, reorganize the guerillas and reorganize my army."[13] Mao prevailed in his dispute with the defense minister. In his 1959 attack on Peng, he assessed correctly, "In my opinion the PLA will follow me."[14] Shortly after Mao's fiery speech, the Politburo stripped Peng Dehuai of his position, replacing him with Lin Biao, a Mao ally that the chairman had maneuvered into the leadership the previous year in possible anticipation of a clash with Peng.[15]

Mao's victory was incomplete, however, because fundamentally Peng was correct in his assessment of the Great Leap's effects, something that no amount of Mao's bluster could hide from his colleagues. Since 1958, Mao had signaled his willingness to retire from day-to-day work, in part to ease the process of secession, in part because Mao had no patience for governance, and in part to defang comparisons to Stalin.[16] His colleagues took him up on the offer, and Mao would refer later to this period as one in which he opted to "retreat" to the "second line of leadership," handing over the "first line" of day-to-day decisionmaking to Liu Shaoqi and, to a lesser extent, Deng Xiaoping. Beginning in April 1959, Liu Shaoqi governed the Chinese state, even as Mao helmed the

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[12] Mao Tse-tung, "Speech at the Lushan Conference," July 23, 1959, *Selected Works of Mao Tse-tung*, https://www.marxists.org/reference/archive/mao/selected-works/volume-8/mswv8_34.htm.
[13] Emphasis added. Anonymous guard of Mao Zedong, quoted in Salisbury, *The New Emperors*, 182-3.
[14] Quoted in Alexander V. Pantsov with Steven I. Levine, *Mao: The Real Story* (New York: Simon and Schuster, 2012), 465.
[15] Roderick Macfarquhar, *The Origins of the Cultural Revolution*, vol. 2, *The Great Leap Forward, 1958-1960* (New York: Columbia University Press, 1983), 65.
[16] "Sixty Points on Working Methods: A Draft Resolution from the Office of the Centre of the CPC," February 2, 1958, *Selected Works of Mao Tse-tung*, https://www.marxists.org/reference/archive/mao/selected-works/volume-8/mswv8_05.htm; also Macfarquhar, *The Origins of the Cultural Revolution*, vol. 2, *The Great Leap Forward*, 32.

Communist Party. Mao more explicitly demarcated his role in the "second line" in August 1959 at a meeting of senior party leaders at Lushan, and Liu's authority expanded at Mao's expense.

Gao Wenqian, a former researcher for the Communist Party Central Research Office, concludes, "To Mao's great surprise and dismay, Liu seized this opportunity, intended only to rectify the errors of the Leap, and created for himself a preeminent political position. He formed a second major headquarters in the Party Central Leadership that would counteract the Party chairman's authority and effectively negate the Three Red Banners [ideological slogans associated with the Great Leap Forward].... He was a threat to the supremacy of Mao, who decided that when the right moment presented itself he would have to destroy this Chinese Khrushchev."[17] As Russian historian Alexander Pantsov and his U.S. colleague Steven Levine observe, "Mao did not stop attending conferences and meetings, but his speeches now became perfunctory."[18] Mao complained privately that officials were treating him like a "departed ancestor," someone to be venerated but without ongoing influence.[19]

It seems possible, even likely, that while Liu and his allies questioned Mao's policies, they were still loyal to Mao. The chairman, however, could not distinguish criticism from disloyalty, viewing the danger of his opponents to his political survival and political legacy as more acute than it likely was. In the coming years Mao's views of people and their actions would be warped by his "fears that his own power was ebbing," creating a vast conspiracy in his mind where only political disagreement may have existed.[20]

There was ample evidence Mao could marshal to fuel his paranoia. Liu grew increasingly open in his criticism of Mao's policies. In Central Committee meetings in 1961 and 1962, he turned

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[17] Gao Wenqian, *Zhou Enlai: The Last Perfect Revolutionary*, trans. Peter Rand and Lawrence Sullivan (New York: Public Affairs, 2007), 92.
[18] Pantsov with Levine, *Mao*, 478.
[19] Ezra Vogel, *Deng Xiaoping and the Transformation of China* (Cambridge, MA: Harvard University Press, 2011), 42.
[20] Frederick C. Teiwes, *Politics and Purges in China: Rectification and Decline of Party Norms, 1950-1965*, 2nd ed. (Armonk, NY: M. E. Sharpe, 1995), xxxviii.

one of Mao's favorite phrases against him. Mao was fond of saying that the accomplishments of the

Communist Party were like "nine healthy fingers" with perhaps "one sick finger," sometimes saying

this 9:1 ratio applied even to the Great Leap Forward. Liu countered that in reality the ratio might

be 7:3 and in some regions "the shortcomings and mistakes outweigh the successes." Liu argued, "If

we talk all the time about nine fingers and one finger and do not change this equation, this will

contradict reality."[21] Liu was saying that the Chairman was either mistaken or lying. Liu's criticisms

occurred at the same there was a push within the party in the winter of 1961 and 1962 to rehabilitate

Peng Dehaui, whose fight with Mao had led Mao to threaten to split the party and launch a revolt.

Mao was able to stop Peng's return, but as Lorenz Luthi observes, "the fact that the topic

reemerged… spoke volumes about [Mao's] standing in the party. After three years of disaster, the

Chairman could not react to criticism in the manner he had done in 1959; another Lushan-style

purge was beyond his political powers."[22]

He could not act immediately, but after Liu's 1962 criticisms, "Mao was determined to

remove him from office," Ezra Vogel writes.[23] Mao knew Liu's numerous allies within the party

might defeat frontal attacks on Liu, and he abstained from hasty action. As Pantsov and Levine

conclude of this period, "The intraparty opposition [to Mao] continued to gain strength. Indirect

criticism directed at Mao grew continuously and once more he felt isolated…."[24] Peng Zhen, mayor

of Beijing and an ally of Liu, went further than Liu in his criticisms, arguing that Mao needed to

admit to his mistakes in the Great Leap Forward, "probably the first time since the founding of the

PRC that Mao had been so directly criticized from within the core of the CCP leadership."[25] Peng

would needle Mao again in 1965 when he agreed with a comment made by Deng Xiaoping that

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[21] Pantsov with Levine, *Mao*, 479-81.
[22] Lorenz Luthi, *The Sino-Soviet Split: Cold War in the Communist World* (Princeton: Princeton University Press, 2008), 210.
[23] Vogel, *Deng Xiaoping*, 43.
[24] Pantsov with Levine, *Mao*, 480.
[25] Gao, *Zhou Enlai*, 95; Macfarquhar, *The Origins of the Cultural Revolution*, vol. 3, *The Coming Cataclysm, 1961-1966*, 157.

"excessively dogmatic study of Mao Zedong works in which every word of the Chairman was accepted as the absolute truth should be avoided."[26]

Mao's partial loss of executive authority from 1959 to 1966 is evident in his inability to remove Liu and Peng until many years after their criticisms. Peng Dehuai had been ousted for private words to Mao far less serious than those uttered publicly by Liu and Peng Zhen, but Mao was unable to act decisively. Jasper Becker observes that "from August 1962 until the beginning of the Cultural Revolution in 1966, the split within the Party was hard to disguise and it spread through every level of the bureaucracy."[27] Mao tried "to implement his policies through directives, while his domestic opponents used the party, which they controlled, to stop him."[28] Deng Xiaoping used the Party Secretariat to bypass the Politburo, since the latter entity could only circulate official documents with Mao's explicit approval.[29] "Mao increasingly saw his colleagues as running a bureaucratic leviathan that gobbled up his pressing demands and turned them into relatively innocuous reforms that did little to affect the basic functions of the trends of the system," writes Kenneth Lieberthal.[30]

Through theatrics Mao would win some policy battles and lose others. In late 1964, he showed up to a meeting of the Politburo Work Committee and demanded to be heard, alleging that Deng Xiaoping had tried to deny him entrance to the meeting and Liu Shaoqi had tried to silence him.[31] This vastly overstated Deng and Liu's actions, but the severity of Mao's anger was a function of his diminished influence. By late 1964, Mao was also concerned that his colleagues might attempt to oust him as Nikita Khrushchev's colleagues had done to the Soviet leader in October of that

[26] Gao, *Zhou Enlai*, 109.
[27] Becker, *Hungry Ghosts: China's Secret Famine* (London: John Murray, 1996), 250.
[28] Luthi, *Sino-Soviet Split*, 223.
[29] Lieberthal, "The Great Leap Forward...," 141.
[30] Lieberthal, "The Great Leap Forward...," 143; also Jing Huang, *Factionalism in Chinese Communist Politics* (New York: Cambridge University Press, 2000), 256-9.
[31] Pantsov with Levine, *Mao*, 492.

year.[32] As Roderick Macfarquhar and Michael Schoenhals explain, "With a strong base in the party machine that he had done so much to create, Liu must have loomed in Mao's imagination as a potential Brezhnev, able to topple him if he turned his back."[33] From 1962 until the Cultural Revolution, Mao worked in the background to assemble a coalition of supporters that would be sufficiently influential and suitably loyal to reverse his loss of authority.[34]

In general, Mao's authority was more circumscribed on domestic policy, especially the details of domestic economic policy, than it was on foreign policy. The ideological nature of Mao's disagreement with Liu, Peng, and Deng made a stark demarcation between foreign and domestic politics untenable. Mao was worried that these political competitors were leading China astray ideologically. He feared they would make China more like the Soviet Union, which was revisionist at home and capitulationist abroad. Since he inveighed against the willingness of Soviet leaders to collaborate with the United States, Mao's ideological concern about the trajectory of China's domestic politics was intimately interlinked with China's foreign policy toward both of its principal rivals. A more moderate Chinese policy toward the United States would imply that Soviet foreign policy was not so bad after all. A more moderate Chinese policy toward the Soviet Union would imply that the Soviet Union's domestic policy choices were not so bad after all. So long as Mao felt that he was in a contest with moderates at home about the ideological future of China, compromise with either of China's superpower rivals would weaken his hand against his domestic opponents. This extensive commingling of domestic and international politics was the product of very unique circumstances that arose out of the ideology of international communism.

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[32] Vogel, *Deng Xiaoping*, 43.
[33] Roderick Macfarquhar and Michael Schoenhals, *Mao's Last Revolution* (Cambridge, MA: Harvard University Press, 2006), 11.
[34] Lieberthal, "The Great Leap Forward…," 122.

## 2.2 A Cultural Revolution to Eliminate Political Enemies

In order to strip his opponents of their authority, Mao chose to foment a civil war targeted at state organs. Liu, Peng, Deng, and others had too many allies in the bureaucracy and the army for Mao to feel safe with their removal alone.[35] When Mao did move, he attacked the bureaucracy ruthlessly. The only way for Mao to regain dominance over the party and the Chinese state was for Mao to engulf those institutions in internal strife. He launched the Great Proletarian Cultural Revolution.

Rather than confront Liu directly, Mao first consolidated control over the PLA and attacked Liu's allies. The first target was Luo Ruiqing, PLA chief of general staff. Luo sought to de-emphasize political work in the PLA at precisely the time Mao and Lin Biao needed the PLA's institutional support for the political battles to come. Mao may also have suspected that Luo generally supported Liu's more pragmatic line in Chinese politics, while Lin Biao held grievances against Luo from repeated clashes over the day-to-day concerns of managing a military. By November and December 1965, Luo was under investigation, leading to "face-to-face" struggle sessions in March 1966. During this period, Luo tried and failed to commit suicide. In April, the investigation team recommended that Luo be stripped of all of his posts. Also in April, Mao attacked Liu's ally, Peng Zhen. Liu abandoned Peng, who was arrested that month and removed from all his posts in May. Lin next accused Peng and Luo of plotting a military coup against Mao, along with notable co-conspirators Lu Dungyi (vice premier and culture minister) and Yang Shangkun (head of the General Affairs Department of Central Committee). Such an accusation almost certainly conflated policy disagreement with treason, but such distinctions would be rare in the chaotic years to come. Irrespective of the merits of the accusation, Mao and Lin's success in removing the men demonstrated convincingly that Mao "was able to secure the replacement of officials who did not

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[35] Gao, *Zhou Enlai*, 131.

comply with his wishes."[36] Mao had reacquired this key component of concentrated executive

authority, which he had lacked since 1961 when Liu's criticisms of the Great Leap Forward began.

In May 1966, Mao and his allies on the Politburo created a new entity, the Cultural

Revolution Group, to oversee the coming campaign against Mao's political opponents. In the early

days of the campaign, Mao and his radicals worked to stir up student activism, until the disorder in

major universities reached such a pitch that the state apparatus could not ignore it. This placed

individuals like Liu and Deng with responsibilities for the state in a quandary over whether to permit

widespread disorder—with damaging effects to the Chinese economy—or try to stop it—with

damaging effects to their careers. Using parallel institutions and separate lines of communication

with riotous students, Mao's intent was largely opaque to those responsible for the state. Liu was

confused and Deng was angry in these early weeks, and could not reach Mao who intentionally

traveled around China without informing Liu or Deng of his location. "The Cultural Revolution was

being orchestrated by Mao and his trustees behind the backs of the men who were nominally

running the country during the Chairman's absence from the capital."[37]

As Liu and Deng tried to restore order at universities, Mao accused them of "suppressing"

the masses.[38] Mao organized a new mass movement, the "Red Guards," across the country,

channeling the rebellious and radical instincts apparent in the early university protests into a more

coherent organization somewhat responsive to Mao and the Central Cultural Revolution Group.

Any political movement organized around rebellious teenagers who are exhorted to create a

"ruckus" will suffer from overzealousness, and Mao's movement frequently proved unpredictable in

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[36] Harry Harding, "The Chinese State in Crisis, 1966-1969," in *The Politics of China*, ed. MacFarquhar, 161-4, 168-70; Pantsov with Levine, *Mao*, 497-8; Frederick C. Teiwes and Warren Sun, *The Tragedy of Lin Biao: Riding the Tiger during the Cultural Reovlution, 1966-1971* (Honolulu: University of Hawaii Press, 1996), 24-32.
[37] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 63.
[38] Pantsov with Levine, *Mao*, 503.

these early years. It ultimately failed "to follow the course that Mao had intended" and descended into "disorder, factionalism, and violence," observes Harry Harding.[39]

By May 1966, Lin Biao began to criticize Liu in leadership meetings, saying Liu "never publicized the thoughts of Mao Zedong." In August, convinced he had the upper hand, Mao finally moved against Liu. In an enlarged meeting of the Politburo Standing Committee he hectored Liu, "You have established [here] in Beijing your own dictatorship. Good for you!" The next day, Liu was told he no longer would undertake the duties of the head of state, such as meeting foreign visitors. Liu's downward spiral was rapid and uninterrupted from that point forward. He would die in 1969 on a dirty stretcher in the custody of "revolutionary" authorities, and his death certificate would list his occupation as "unemployed."[40] Deng fared better, retaining his post at the head of the Central Committee Secretariat, but that body was increasingly sidelined from decisionmaking. Deng would be placed under house arrest in 1967, though unlike Liu he would survive the Cultural Revolution.[41]

The Central Cultural Revolution Group replaced the Central Committee Secretariat. The CCRG was from 1967 to 1969 the dominant institution in Chinese politics, but its character reflected its mission of fomenting perpetual revolution. Mao had created an instrument capable of eliminating his opponents, but imperfect for the task of executing his will. The CCRG was riven by factional intrigue far in excess of even the cutthroat norm of Politburo politics. Created in August 1966, more than half of its leading members were purged or sidelined by January 1967. Mu Xin, who worked briefly for the body, recalled it as "the most anarchic, the most disorderly" institution he had experienced, because "with each passing the day, the contradictions between its members became ever more acute and their internal conflicts and struggles grew increasingly intricate." Mao was

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[39] Harding, "The Chinese State in Crisis, 1966-1969," 183.
[40] Pantsov with Levine, *Mao*, 500, 508, 519.
[41] Vogel, *Deng Xiaoping*, 43; Macfarquhar and Schoenhals, *Mao's Last Revolution*, 94-5.

clearly the CCRG's leader, but Mao complained the constant infighting and plotting meant that even

he did not fully know what the institution was doing, since its members presented him with radically

different versions of events.[42]

The result was chaos. On December 26, 1966, Mao had toasted, "To the unfolding of

nationwide all-round civil war!"[43] And that was what Mao unleashed. Mao's new revolutionary

bodies attacked the formal structures of the state. By the summer of 1967, the Red Guards had

acquired weapons, some stolen from the military and some supplied at the behest of the CCRG. The

result was unsurprising, with approximately 30 clashes per day between radical and moderate rebel

groups, or rebel groups and the People's Liberation Army, increasingly called upon to maintain

some tiny semblance of order.[44] In January 1967, Mao declared, "You don't necessarily need

ministries to make revolution." Every minister who was not also a vice premier was dismissed "by

popular demand."[45] Radicals took over ministries, but lower-ranking radicals knew that their own

path to advancement could be secured if they denounced their new superiors, just as their new

superiors had once denounced their old bosses. New ministerial leaders were wary that stopping

rebellion from within their ranks would itself be a sign of revisionist tendencies.

Foreign affairs were not exempt from the atmosphere of insurrection. The U.S. Central

Intelligence Agency observed contemporaneously, "For several months during 1967 Communist

China's diplomacy was characterized by an extraordinary degree of irrationality."[46] "Every Chinese

ambassador but one and up to two-thirds of embassy staffs were summoned home to participate in

the Cultural Revolution," Macfarquhar and Schoenhals chronicle.[47] In New Delhi, all but three

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[42] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 100-1.
[43] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 155.
[44] Pantsov with Levine, *Mao*, 530.
[45] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 157-9.
[46] Directorate of Intelligence, U.S. Central Intelligence Agency, "Mao's Red Guard Diplomacy: 1967," Intelligence Report, June 21, 1968.
[47] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 222.

Chinese diplomats were recalled.[48] Radicals took over embassies overseas, and in the Chinese

embassy in Burma, embassy staff began lodging diplomatic protests as they deemed fit, without

instructions from Beijing.[49]

Besides paralyzing the formal institutions of diplomacy, the Red Guards made their own

policies. They attacked East German diplomats who tried to visit the Soviet embassy in Beijing in

August 1966, blocked the gate of the embassy in October, and later placed the Soviet embassy in

Beijing under siege from January 26 to February 11, 1967. They dragged a French diplomat and his

wife from their car and detained them against their will for seven hours in February, two Indonesian

diplomats were beaten and expelled in April, while two Indian diplomats similarly were assaulted and

expelled in June, and the Mongolian Embassy was surrounded in August.[50] Of the forty-nine

countries with which China had diplomatic relations, thirty-two separate countries had at least one

diplomatic incident with China by September 1967, fifteen months into the Cultural Revolution.[51]

In August, rebels attempted to seize control of the Ministry of Foreign Affairs, destroying

diplomatic files in the process. That same month, rioters stormed the British Embassy in Beijing,

burning the office and car of the chargé d'affaires, beating British diplomats, and destroying

furniture in the raid. Along with chaos in the provinces, these incidents convinced Mao—already

being prodded by premier Zhou Enlai who was aghast at this "disaster in the making"—that things

had gone too far. Mao also became concerned that the People's Liberation Army might succumb to

revolutionary fever if targeted by the rebels, which would eliminate the last institution in China

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[48] Xiaohong Liu, *Chinese Ambassadors: The Rise of Diplomatic Professionalism since 1949* (Seattle: University of Washington Press, 2002), 117.

[49] Xiaohong Liu, *Chinese Ambassadors*, 117.

[50] Sergey Radchenko, *Two Suns in the Heavens: The Sino-Soviet Struggle for Supremacy, 1962-1967* (Stanford: Stanford University Press, 2009), 178-82; CIA, "Mao's Red Guard Diplomacy"; Macfarquhar and Schoenhals, *Mao's Last Revolution*, 222-3; "Red Guards in Attack on Embassy," *United Press International*, August 12, 1967; "French Diplomat in Peking Incident," *Reuters*, February 2, 1967.

[51] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 223; Xiaohong Liu, *Chinese Ambassadors: The Rise of Diplomatic Professionalism since 1949*, 115.

capable of maintaining order. Mao acted in late 1967 to bring the Red Guards under control.[52] The

Foreign Ministry was now protected, with Zhou Enlai announcing it was "illegal" to seize power in

the ministry.[53] By early 1968, it was clear that "the attempt by the [radical] clique to control the

Foreign Ministry had failed. The radical influence soon declined, and Zhou Enlai once again

managed policy, reporting directly to Mao and the Politburo," argues Chinese Communist Party

researcher Gong Li.[54]

The fever broke, but recovery did not occur overnight. Ralph Clough, a U.S. diplomat

focused on China during this period, recalled, "During the Cultural Revolution, for a couple of years

there, they practically had no foreign policy. It started in '65, and the worst period was through '67

and '68. By '68, the military was taking over and calming down things. The severe fighting between

various groups of Red Guards and troops and so on was ended by '69."[55] Clough's recollections

accord with subsequent historical work, which shows that Mao worked until 1969 to impose some

sort of order to Chinese governance, increasingly reliant on the People's Liberation Army to

reassemble the state institutions that Mao's Cultural Revolution had shattered in 1966-1967. One by

one, the PLA was brought in to oversee ministries, suppress the radicals, and restore routine.[56]

This effort persisted well into 1968. Mao struggled to regain control of Red Guards at

Tsinghua University in July, underscoring the tenuous nature of the control Mao had over the

movement he had created. "For Mao, [the Tsinghua University episode] was the end of his illusion

that if 'revisionist' party leaders could be swept aside and he could speak directly to the people, they

would unfailingly follow him. The hearts and minds of his revolutionary successors, untrammeled

now by revisionist party leaders, were not automatically synchronized with his own as he had hoped.

[52] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 224-31; Pantsov with Levine, *Mao*, 529-30.
[53] Gao, *Zhou Enlai*, 176.
[54] Gong Li, "Chinese Decision-making and the Thawing of U.S.-China Relations," in *Re-examining the Cold War: U.S.-China Diplomacy, 1954-1973*, eds. Robert Ross and Jiang Changbin (Cambridge, MA: Harvard University Press, 2001), 323.
[55] Tucker, ed., *China Confidential*, 215.
[56] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 159-60.

Nor could they any longer be controlled by Maoist directives. They could be disciplined only by strong-arm methods," Macfarquhar and Schoenhals conclude.[57] Relying on the PLA and with the creation of numerous new revolutionary structures to channel manufactured radicalism, this most chaotic phase of the Cultural Revolution came to a close with the Ninth Congress in April 1969.

## 3 Economic Pressures in China, 1956-1969

In the 1950s and 1960s, China experienced two periods of economic crisis. From 1958 to 1962, Mao's "Great Leap Forward" produced a series of disastrous policies that led to economic collapse and famine. China recovered until Mao launched a political campaign in 1966 to destroy domestic opponents: the Great Proletarian Cultural Revolution. The economic consequences of the political campaign were most intense from 1966 to 1969, but recovery was slow. Economic pressures for conciliatory foreign policies were most acute, then, from 1958 to 1962, and again after 1966. In both periods, the scope of the economic problems became the subject of intense political debate within China, with Mao especially reluctant during the Great Leap Forward to acknowledge the extent of the economic suffering for fear of providing ammunition to his political opponents. Consistent with domestic primacy theory, there was not a link between economic difficulty and foreign policy during periods of contested authority. Given the severity of the Great Leap Forward, this period demonstrates the degree to which fractured authority can prevent rational policy adjustments. Only after Mao's Cultural Revolution left Mao alone at the apex of Chinese politics did Chinese foreign policy shift to accommodate the resources available to the Chinese state.

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[57] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 250.

## 3.1 The Great Leap Forward

It is important to review the Great Leap Forward in some detail, because the economic calamity occurred simultaneous to a political power struggle at the top of the Chinese system. The state's reaction to the enormity of the economic crisis was strongly conditioned by that contest among its leadership, while evidence of the varied reactions from Chinese elite help confirm the existence of rival power centers willing to challenge Mao during this period. Because there was a leadership struggle, economic facts had political implications, and were challenged from above and manipulated from below. This slowed the ability of the Chinese state to grapple with the man-made disaster. Since it was difficult to even acknowledge that there was an economic crisis, it necessarily prevented that crisis from spurring changes in China's behavior toward its rivals.

The Great Leap Forward began in a fit of me-too-ism. Khrushchev, who Mao disdained, who had denounced Stalin in 1956, had gathered the international communist movement together in Moscow to celebrate the fortieth anniversary of the October Revolution in 1957. He told the gathering the Soviet Union was predicted to surpass the United States in the "output of important products" in the next fifteen years. Mao viewed Khrushchev's boast as a bid in an auction for esteem in the Communist movement, and responded with a promise of his own: China would overtake Britain in steel production in the next fifteen years, a feat that would require China to increase steel production by at least eight times from its 1957 volume.[58]

Agriculture drove China's economy, and to unleash the Chinese economy, huge surplus had to be extracted from agricultural production to pour into industrialization. It began with a campaign to build dams and increase irrigation. More effective farming would yield greater crops, freeing up labor for other tasks and permitting crops to be sold to purchase equipment from abroad. The effort quickly devolved into a campaign to achieve targets to build new projects, to move massive

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[58] Frank Dikötter, *Mao's Great Famine: The History of China's Most Devastating Catastrophe, 1958-1962* (London: Bloomsbury, 2010), 14.

quantities of earth, "unrelated to the actual usefulness of the projects being undertaken."[59] Farmers were conscripted into the labor force to create these projects of dubious value. They were poorly nourished, doing backbreaking labor, and they died. Even by March 1958, only months into the campaign, Mao suspected tens of thousands would die in the irrigation work alone.[60]

Compared to what followed, the human cost of the irrigation campaign was small. It was just the first of a series of campaigns characterized by ever-escalating targets that destroyed the Chinese economy. A series of bids and counterbids on production targets led to outsized goals that could not be achieved. Local and provincial leaders would pass up goals that strained credulity to their superiors, only to be told from the top to do more. A neighboring village had promised more, they would be told. Another province was doing more, they were hectored. Individuals' careers—perhaps their lives—depended on them agreeing to the correct answer in this fantasy auction. "On the ground the pressure was unremitting, wild boasts and false figures vying for attention," writes the historian Frank Dikötter.

One small county south of Beijing attracted Mao's attention during the earthworks campaign for the innovation of its local head, who organized his labor into military-like teams and fed them like a military would: in a communal canteen. It seemed to yield more work, and the model was embraced. The state conscripted labor, but also provided food. Believing they were on the verge of a productivity revolution, the canteens were allowed to offer virtually unlimited food to the workers, who consumed accordingly. Meanwhile, personal property was confiscated: bricks taken from houses to go to canteens, and earthen huts pulled down so they could be used in irrigation projects.[61]

As the earthworks were being built, Mao returned to his original goal of steel production. Rather than the Soviet model of using surplus production from the countryside to finance urban

[59] Dikötter, *Mao's Great Famine*, 29.
[60] Dikötter, *Mao's Great Famine*, 33.
[61] Dikötter, *Mao's Great Famine*, 47-55.

industry, Mao sought to use the labor and ingenuity of the rural peasant *in situ*. Backyard furnaces were the secret; even small villages could produce iron and steel under the scheme. The idea was fanciful, but surely the accumulated wisdom and hard work of Chinese peasants could overcome the obstacles, no matter what experts might say. Chinese Communist leaders told themselves they were "supernatural," admitting only that "maybe on another planet there are people who are brighter" than they were.[62] In reality, the metal produced in the villages was far more expensive than that which would have been made in modern facilities, and most was unusable given the poor quality of the inputs. Labor—already scarce given the earthworks campaigns—was diverted to this largely useless task.

Actual crop production suffered as a result, even while planned crop production multiplied. In 1958, the state recorded more than twice the tonnage of wheat as was actually harvested.[63] This measurement incompatibility not only confounded the state's ability to assess the extent of the crisis, but also exacerbated the crisis. Local cadres had to provide a portion of the crop to the state, so when they lied about the size of the crop, that exaggerated figure was used to determine apportionments for state use, which were based on a percentage of total production. If the levied requirement that year was one-third of production, and a village said it produced 400 tons, but actually produced just 200, it still might have to give up 130 of those 200 tons to the state in furtherance of the original lie. Localized famines began as early as 1958, as the irrigation drive diverted farmers from farming, but that year was just the beginning.[64] Mass starvation would follow.

There was insufficient grain to feed all of China's people, a shortage exacerbated by the choice of Communist leaders to privilege the cities and to divert substantial amounts of food to

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[62] Dikötter,, *Mao's Great Famine*, 56.

[63] Dikötter, *Mao's Great Famine*, 62.

[64] While the collapse of China's economy did not begin until 1959, famine began earlier, by the spring of 1958. Zhou Xun, *The Great Leap Forward in China, 1958-1962: A Documentary History* (New Haven, CT: Yale University Press, 2012), 3.

exports to finance imports of foreign equipment.[65] Mao could have curtailed equipment purchases

from abroad, in fact Zhou Enlai encouraged just that, but doing so would require admitting that the

Great Leap was failing, which Mao refused to do.[66] Even with curtailed consumption at home, a

mounting trade deficit from 1959 slowly indebted China to its Communist partners in the Soviet

Union and Europe.

It was in this context that Peng Dehuai challenged Mao, writing a letter critical of the

campaign. Given the political test, Mao could not admit failure of his schemes. He argued, contrary

to all available evidence, "The situation in general is excellent. There are many problems, but our

future is bright!"[67] Nor was Peng alone in his worries. Huang Kecheng, a senior PLA general, Zhang

Wentian, a vice minister of foreign affairs, Zhou Xiaozhou, the first party secretary for Hunan

province, and Li Rui, one of Mao's own secretaries, supported Peng. Fearing a "concerted attack on

his leadership," Mao launched a savage rebuttal to the critics, leading them to capitulate.[68] Having

defeated the critics temporarily, Mao also had to "retreat" to the "second line" of leadership in

substantial part because of the critiques that they levied.

By 1960, Mao was confronted with unequivocal evidence of widespread famine in Henan

province, where food was so scarce local militias roamed the countryside confiscating what little was

available. Mao blamed the development on "class enemies," "rich farmers and counter-revolutionary

elements" who had returned to power. The answer was to "root out" the enemies in Henan.[69] But

despite Mao's tendencies to see enemies everywhere, the consequences of the Great Leap Forward

were now impossible to ignore.

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[65] Dikötter, *Mao's Great Famine*, 71.
[66] Dikötter, *Mao's Great Famine*, 77-8.
[67] Quoted in Dikötter, *Mao's Great Famine*, 93.
[68] Dikötter, *Mao's Great Famine*, 93-99; Yang Jisheng, *Tombstone: The Great Chinese Famine, 1958-1962* (New York: Farrar, Straus, and Giroux, 2012), 383; Pantsov with Levine, *Mao*, 464.
[69] Dikötter, *Mao's Great Famine*, 117; Andrew G. Walder, *China Under Mao: A Revolution Derailed* (Cambridge, MA: Harvard University Press, 2015), 168.

Famine doubled the death rate in 1960 compared to 1959. Labor had been diverted away form productive tasks, such as farming and existing industry, and toward unproductive ones, such as production of poor quality steel. The result was a deep economic crisis. Per capita income dropped 35 percent between 1959 and 1962, roughly equivalent to the U.S. Great Depression, but with a vastly greater death toll.[70]

On a fact-finding trip in the spring of 1961, Liu Shaoqi was shaken by his discoveries of widespread mismanagement, leading to his 1961 and 1962 criticisms of Mao, referenced above. Prior to 1961, Liu could and did blame starvation and failures on "feudal" enemies, but after the visit to the countryside he realized the Party's role in what was unequivocally an economic disaster. He told the party elite that agricultural production had fallen and industrial output had dropped by 40 percent, despite past claims to the contrary.[71] "By the end of 1961," writes journalist Jasper Becker, "a power struggle was underway between Mao and his followers on the one hand, and Liu, Chen Yun, and Deng Xiaoping on the other." In some provinces, "Liu and his colleagues managed to install new leaders who were able to modify the communes, but elsewhere the provincial leadership remained firmly on Mao's side."[72] As the officials toured the countryside, the truth of the disaster was inescapable. It was necessary to admit grave mistakes. Zhou Enlai, always loyal to Mao, conceded errors had occurred, but tried to absorb the blame himself lest it fall on the chairman.

Confronted with the scale of the disaster, senior leaders searched for a way to extricate the country from the Great Leap Forward, without engendering a counter-reaction from Mao that might end their career or tear the party apart. They eventually settled on a formula offered by Li Fuchun: "Chairman's Mao's directives are entirely correct, but we, including the central organs, have made mistakes in executing them." With this clever formulation, the party could now try to account for

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[70] Walder, *China Under Mao*, 170-8.
[71] Walder, *China Under Mao*, 183; Dikötter, *Mao's Great Famine*, 118-21.
[72] Becker, *Hungry Ghosts*, 235.

the damage done by the overzealous campaign, and rectify what they could.[73] A nationwide

emergency program reintroduced some market mechanisms, reduced the size of the communes,

gave greater autonomy to local production units, curtailed capital investment, and encouraged

Chinese to write relatives abroad asking for food. In the cities, the worst was over by the fall of

1962.[74]


## 3.2 Interim Recovery

Having suffered economic collapse from 1959 to 1962, the following years were ones of

modest recovery. Even recording double-digit growth in 1963 to 1966, China had difficulty making

up the losses it had suffered in the Great Leap Forward. In real per capita terms, China did not

recover to pre-crisis levels until after the Cultural Revolution.


## 3.3 The Cultural Revolution and its Consequences

The Great Leap Forward had been an economic crisis that contributed to a political crisis.

The Cultural Revolution was a manufactured political crisis that led to an economic one. The

People's Republic of China suffered economically from Mao's Great Proletarian Cultural

Revolution, but the state had difficulty acknowledging that fact. Mao's campaign to silence political

opponents—in 1959 with Peng Dehaui and again in 1966 with the removal of Peng Zhen and Liu

Shaoqi—had sent a clear message: don't criticize Mao, don't contradict the official line. This applied

as much to matters of economic fact as it did to political opinions.

The first year of the Cultural Revolution still experienced reasonable levels of growth. Vice

Premier Li Fuchun told a group of military officers early in the Cultural Revolution that China had

experienced 7 percent growth in agricultural production and 22 percent growth in industrial output.

[73] Dikötter, *Mao's Great Famine*, 117-22.
[74] Becker, *Hungry Ghosts*, 245-7; Walder, *China Under Mao*, 184.

He went on to admit that targets were being missed for the initial months of 1967. By June 1967, Li

admitted that the "armed struggles" had had a "very bad impact" on economic output, and

requested military assistance in maintaining coal production and railway function.[75] By October, Li

was telling his colleagues that only half of the economic targets for the third-quarter of 1967 were

being fulfilled—likely an overstatement given the incentives for misreporting by lower levels—with

steel and pig iron production being especially bad, at only 26 percent of the goal in the Five-Year

Plan.[76] Li's estimates were more accurate than most officials during this period as indicated by Mao's

frustration with him. For his honesty in reporting "some things to the [Central Committee]

Secretariat which were not reported to" Mao, Li was "asked to take a rest for a year," and was

essentially sidelined for much of the Cultural Revolution.[77]

China experienced economic crisis beginning in 1967. Only after it was over did the scale of

the problem become evident, with Chinese official statistics readjusted to show a drop in industrial

production of 14.9 percent in 1967 (compared to the goal of 16 percent growth, while agricultural

production observed a minor 1.5 percent increase (compared to a planned 6 percent rise).[78] Overall,

international statistics measure that the economy of People's Republic shrunk by nearly 10 percent

in 1967, with a more moderate 3.6 percent decline in 1968 as the People's Liberation Army

intervened in key economic sectors, with rebound growth in 1969.[79] The recovery would prove

short-lived, as described in Chapter 8.

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[75] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 174.
[76] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 220.
[77] "Talk at the General Report Conference of the Centre's Political Work," October 24, 1966, *Selected Works of Mao Tse-tung*, https://www.marxists.org/reference/archive/mao/selected-works/volume-9/mswv9_67.htm#b9.
[78] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 174.
[79] The statistics provided come from the Penn World Tables series, version 6.2, via Expanded GDP Data, version 6.0. Kristian S. Gleditsch, "Expanded Trade and GDP Data," *Journal of Conflict Resolution* 46: 712-24. This represents a peak to trough contraction of the economy by 13.1 percent from 1966 to 1968. The World Bank records a more moderate, but still severe, contraction of 8.4 percent across the two years. The Maddison Project records a 9.6 percent decrease in per capita income for the same two years. World Bank, Gross Domestic Product for China, retrieved from FRED, Federal Reserve Bank of St. Louis https://research.stlouisfed.org/fred2/series/MKTGDPCNA646NWDB/, August 3, 2015; The Maddison-Project, http://www.ggdc.net/maddison/maddison-project/home.htm, 2013 version.

## 4 Mao Fights on Two Fronts, 1956-1968

Despite struggling with a decade of economic turmoil, Mao elected to maintain or heighten confrontation with China's international enemies. This was especially true for states with which Mao had an ideological disagreement, most importantly the Soviet revisionists and the U.S. imperialists, though the two superpowers were soon joined by the Indian "reactionaries." For other neighboring states, with which Mao had no ideological grudge, the Chinese leader permitted China to make territorial concessions.[80] For those states that were already the target of Mao's opprobrium, the Chinese leader prevented compromise and instigated conflict. Domestic primacy theory proceeds from a premise that politics with rival states are different than those with non-rivals, which is consistent with Mao's actions in this period. Mao pursued heightened confrontation toward rivals even as the dangers of such a policy were increasingly apparent to others. Mao's unwillingness to moderate Chinese foreign policy is a central puzzle for any theory of international politics. Domestic primacy theory resolves this seeming irrationality by locating Mao's pursuit of heightened rivalry, especially with the Soviet Union, in Mao's need to justify his fight against domestic political opponents.

## 4.1 The Sino-Soviet Split and the Worsening of China's Threat Environment, 1956-1968

The Sino-Soviet split almost certainly began not with any military provocation or diplomatic slight, but rather with Khrushchev's decision to denounce Stalin in 1956, disowning the damaging legacy of the former Soviet dictator. Khrushchev's denunciation of Stalin's policies had ideological, policy, and demonstrative implications for Mao, since Mao pursued an economic agenda in rural China that explicitly borrowed from Stalin and rejected Stalin's critics (such as Yugoslavia's Tito). Moreover, Mao's pursuit of collectivism in Chinese agriculture was stumbling in 1956, easing the

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[80] Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton: Princeton University Press, 2008), ch. 2.

comparison to the failures of collectivism under Stalin. When Khrushchev blamed Stalin for Soviet

failures, Mao feared Chinese audiences would one day do the same to his choices. A "move against

Stalin implied that criticism of Mao was also permissible," observes Dikötter.[81] In Beijing, Mao

argued in the Politburo that Stalin had made mistakes—especially his handling of the Chinese

Revolution and his poor treatment of Mao—but "his principal mistakes make up 30% [of his

policies], but these are less important" than the "70%" of successes.[82]

Just as Mao would fail to persuade his colleagues of similar ratios of failure and success for

the Great Leap Forward, Mao failed to convince his colleagues of Stalin's hidden charm. They

sought to prevent the emergence of a Chinese Stalin, and the Communist Party of China adopted a

new party constitution in 1956, under the guidance of Peng Dehuai, Liu Shaoqi, and Deng Xiaoping,

that did not mention Mao Zedong Thought, while also upholding "the principles of collective

leadership and of the fight against the personality cult," in Deng's words. The party was implicitly

reining in Mao to prevent him from emulating Stalin's excesses. Mao privately felt "slighted," but

could not halt the initiatives.[83] Khrushchev's choice to denounce Stalin was not a foreign problem

for Mao, but rather one that directly impinged on Mao's authority in China. So long as the People's

Republic of China and the Soviet Union were bound by ideological agreement, Mao would have

difficulty nullifying the rhetoric emanating from Moscow that implicitly criticized his own choices in

Beijing.

This is not to say that the Soviet Union's behavior was not worrisome for Mao and others in

the Chinese leadership. China understandably grew concerned in late 1956 when the Soviet Union

intervened in a Polish political crisis, which itself was triggered by Polish political introspection after

the denunciation of Stalin. Mao told the Politburo that Khrushchev's "policy toward Poland is even

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[81] Dikötter, *Mao's Great Famine*, 7.
[82] Luthi, *The Sino-Soviet Split*, 49-50.
[83] Luthi, *The Sino-Soviet Split*, 53.

more terrible than Stalin's."[84] Similarly, in Hungary, a separate political crisis had led to calls for

Hungary's departure from the Warsaw Pact, which engendered Soviet military intervention to keep

Hungary within the Soviet orbit. Mao viewed the interventions as having two causes: great power

chauvinism, which led the Soviets to believe they had the right to intervene, and de-Stalinization,

which had generated the political conditions that made intervention necessary.[85]

The troubled Sino-Soviet relationship was further strained the following year by a debate

over policies toward the United States. Khrushchev, having consolidated power and struggling to

balance domestic economic needs with military ones, was proposing "peaceful coexistence" with the

United States. Mao felt by late 1957 that the "East Wind was prevailing over the West Wind," and it

was no time to abandon the struggle against imperialism.[86]

Despite Khrushchev's moves to stabilize the U.S.-Soviet relationship, he continued to offer

concrete aid to his Chinese ally, aid which Mao viewed as poisoned with Soviet desire to control

China. When the Soviet Union proposed in 1958 to jointly construct a fleet of nuclear-power

submarines, taking advantage of Soviet hardware and Chinese geographic access to warm-water

ports, Mao grew apoplectic. Rather than welcome the opportunity to gain technology of

considerable use against the United States, he told the Soviet ambassador that the offer "made me so

enraged that I could not sleep…." Mao might accept Soviet access to Chinese ports in wartime, but

in peacetime any conditions on Soviet aid were unacceptable to Mao. He was tired of Soviet experts

telling the Chinese what could and could not be done. He railed, "You never trust the Chinese! You

only trust the Russians! The Russians are the first-class whereas the Chinese are among the inferior

who are dumb and careless. Therefore [you] came up with the joint ownership and operation

[84] Luthi, *Sino-Soviet Split*, 54.
[85] Luthi, *Sino-Soviet Split*, 62-3.
[86] "The East Wind Prevails over the West Wind," November 17, 1957, *Selected Works of Mao Tse-Tung*,
https://www.marxists.org/reference/archive/mao/selected-works/volume-7/mswv7_480.htm; Luthi, *Sino-Soviet Split*,
77.

proposition." Perhaps the Soviets wanted joint ownership and operation of everything—to own

China's armed forces, "industry, agriculture, culture, education." Perhaps all the Soviets would leave

China with was "a guerrilla force," an unsubtle threat of resistance to any Soviet aggression.[87]

Khrushchev was surprised when he learned of Mao's outburst. "He took it for granted that

the Chinese would readily accept Soviet proposals, since they served the common interests of the

alliance," the historian Sergey Radchenko explains.[88] The Soviet leader flew to Beijing and attempted

to repair the damage, but failed. It seems no accident that Mao would erupt at the Soviet proposal

the same year as he launched the Great Leap Forward: 1958. That campaign looked like

revolutionary Stalinism to Soviet interlocutors who had just proclaimed the undesirability of that

pathway based on their own experiences. Mao wanted to show the world that he could outdo

Khrushchev, while the Soviet leader lamented that "there was no excuse for the Chinese to be

repeating our own stupid mistakes."[89] Other Soviets concluded that the Chinese "had been spitting

into their face" through pursuit of the Great Leap Forward against Soviet advice.[90] When the Great

Leap Forward proved to be an economic disaster, Mao refused to acknowledge it in part because in

doing so he would have to admit the correctness of Soviet critiques of the initiative, and perhaps

more broadly the truth of Soviet critiques of personality cults. When Khrushchev visited in 1958,

Mao reacted bitterly to his skepticism of the economic program, and boasted to his Soviet

counterpart that China was struggling to find ways to utilize the surplus of wheat and rice that his

new policies had produced.[91] It was bluster.

Mao's need to refute Khrushchev—and domestic Chinese critics sympathetic to

Khrushchev's denunciation of Stalin—contributed to the Chairman's unwillingness to acknowledge

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[87] Minutes of Conversation, Mao Zedong and Ambassador Yudin, July 22, 1958, translated by Zhang Shu Guang and Chen Jian, http://digitalarchive.wilsoncenter.org/document/116982; also see Luthi, *Sino-Soviet Split*, 92-3.
[88] Radchenko, *Two Suns in the Heavens*, 13.
[89] Quoted in Luthi, *Sino-Soviet Split*, 109.
[90] Luthi, *Sino-Soviet Split*, 122.
[91] Pantsov with Levine, *Mao*, 460.

the gravity of the economic crisis. In fact, when confronted by domestic critics, Mao accused them

of colluding with the Soviets. He sought to discredit internal foes such as Peng Dehuai, who traveled

to the Soviet Union shortly before his 1959 critique of the Great Leap Forward.[92] Luthi concludes in

his assessment of the crucial year of 1959, "The ideological radicalism in China and the emergence

of leadership conflicts within the CCP created an environment conducive to the further

deterioration in Sino-Soviet relations."[93]

By 1960, Sino-Soviet rhetoric had turned hostile in international Communist forums,

occasionally leaking into public denunciations as well. In April, Zhou Enlai told a press conference

of differences in Chinese and Soviet maps, resurfacing a territorial dispute that had been largely

dormant in the 1950s. That same year, the first Sino-Soviet border skirmishes began. In February,

Soviet troops occupied Keluchina island in the Argun (Ergun) river, which abuts the Soviet border

with Inner Mongolia. In the summer of 1960, there was a confrontation between border guards in a

disputed grazing area near the Boziaigeer (Potzuaikerh) pass, though one that ended with China

withdrawing its herders from the contested zone. In July 1960, the Soviet Union began the

withdrawal of fourteen hundred military and economic advisors that it had sent to China.[94] In 1962,

the Soviet diplomats facilitated the mass emigration of 67,000 ethnic Russians and ethnic Central

Asians living in Xinjiang, rushing them out during a minor rebellion in Yining, likely caused by the

lingering hardships of the Great Leap Forward. In order to solve "the problem of Soviet subversion

in our country," the Chinese annulled a bilateral consular treaty in May 1962.[95] That spring, Soviet

military exercises practiced to defeat a Chinese attack in the Far East.[96] At the end of the year, China

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[92] Luthi, *Sino-Soviet Split*, 131-5.

[93] Luthi, *Sino-Soviet Split*, 114.

[94] Luthi, *Sino-Soviet Split*, 174-81; Fravel, *Strong Borders, Secure Nation*, 120; Yafeng Xia, *Negotiating with the Enemy: U.S.-China Talks during the Cold War, 1949-1972* (Bloomington: Indiana University Press, 2006), 112; electronic correspondence with M. Taylor Fravel, June 23, 2015.

[95] Luthi, *Sino-Soviet Split*, 215-7; Fravel, *Strong Borders, Secure Nation*, 101-4.

[96] Directorate of Intelligence, Central Intelligence Agency, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, Intelligence Report, April 28, 1970, http://library.uoregon.edu/ec/e-asia/read/esau-44.pdf.

claimed "in recent months" that there had been "many incidents" where someone fired weapons from Soviet territory into Chinese territory.[97] In 1963, the Soviet Union signed an agreement to "enhance Soviet assistance for the defense of Mongolian borders," and began deploying troops to the Sino-Mongolian border, which previously had hosted no troops—Soviet or Mongolian—since its peace was in theory preserved by having only two socialist neighbors.[98]

Nor were China's troubles confined to the Sino-Soviet border. In the summer of 1962, China was sufficiently worried that Chiang Kai-shek might take advantage of the turmoil of the Great Leap Forward that it reinforced and mobilized coastal provinces to defend against a reinvasion, while Chinese diplomats warned the United States not to support such a venture.[99] The fact that U.S. diplomats assured their Chinese counterparts that they would not support a Nationalist attack did not lead to any reconsideration of Sino-U.S. enmity from Beijing. There was a new danger from India, with which China had begun border skirmishes in 1959, when the Tibetan Dalai Lama fled as a result of insurrection in Tibet. The Sino-Indian rivalry continued to worsen, resulting in a month-long war in the fall of 1962, which China won convincingly, but led to a post-war Indian military buildup, with India doubling defense spending in 1963 versus 1962.[100] There was renewed worry about Japan, which signed a mutual defense treaty with the United States in January 1960. To the south, abutting Yunnan province, the Laotian civil war worsened from 1961 to 1962, while China sent 10,000 PLA troops into Burma in 1960 and 1961 to attack KMT forces there. All the

[97] Radchenko, Two Suns in the Heavens, 111.
[98] Niu Jun, "The Background to the Shift in Chinese Policy toward the United States in the late 1960s," in Behind the Bamboo Curtain: China, Vietnam, and the World Beyond Asia, ed. Priscilla Roberts (Stanford: Stanford University Press, 2006), 324.
[99] M. Taylor Fravel, "Power Shifts and Escalation: Explaining China's Use of Force in Territorial Disputes," International Security 32, no. 3 (2007-2008): 63-4; Xia, Negotiating with the Enemy, 115-6.
[100] Steven Hoffman, India and the China Crisis (Berkeley: University of California Press, 1990), 229-230.

while military forces were deployed to suppress internal rebellions in Tibet and Sichuan that lasted until 1961.[101]

Moreover, while the danger the United States posed to China had attenuated following the Korean War armistice in 1953, it reappeared in the early 1960s as the United States began the Vietnam intervention. From 1959 to 1964, the United States added another 37,000 troops to East Asia, though such an increase was only a prelude to the massive U.S. intervention of the late 1960s. Mao was sufficiently worried of U.S. escalation in Vietnam that by 1964, the same year as the Gulf of Tonkin incident, he began urging a relocation of population and industrial cities into China's mountainous interior. While discussion of creating a "Third Front" of defense industry that would be difficult for external foes to reach had been ruminating since early 1962, there were not resources available for it until after the Great Leap Forward concluded. Mao drastically accelerated the program within weeks of the Gulf of Tonkin incident, clearly indicating concerns about the United States.[102]

As a result of U.S. involvement, Soviet assistance to Vietnam increased massively after 1964, and Vietnam—abutting China's Yunnan and Guangxi provinces—began gravitating toward the Soviet Union on ideological matters. As the conflict worsened, the Chinese were especially wary of Soviet proposals to send several thousand Soviet troops to Vietnam (mostly anti-aircraft artillery and missile specialists). The People's Republic of China was stalemated in its Vietnam policy, believing that a U.S. victory over the North Vietnamese would endanger China, but also convinced that Soviet aid to Vietnam threatened China.[103] When the Soviet Union proposed an airbase in southern China from which Mig-21s could defend the Sino-Vietnamese border against U.S. air attacks, the Chinese

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[101] David Bachman, "Aspects of an Institutionalizing Political System: China, 1958-1965," *China Quarterly*, no. 188 (2006): 951-952; Fravel, *Strong Borders, Secure Nation*, 89-91.
[102] Barry Naughton, "The Third Front: Defense Industrialization in the Chinese Interior," *China Quarterly*, no. 115 (September 1988): 352-3.
[103] Luthi, *Sino-Soviet Split*, ch. 10.

reaction was incredulous, and discerned another effort—like the submarine proposal in 1958—to "put China under control."[104]

China's fears about the Soviet Union did not arise out of a diminution of the U.S. threat in Chinese eyes. China had two foes, and struggled to determine which to prioritize. Zhou Enlai told the military in May 1965 they must prepare for "an early war, an all-out war, and a nuclear war on two fronts."[105] In 1966, Mao underscored the persistence of the U.S. threat, telling a group of visiting Indonesian Communists, "We are now preparing for dealing with an American invasion. We are preparing [for the eventuality] that they may invade our east coast, landing on such places as Shanghai, Guangzhou, Qingdao, and Tianjin."[106] Zhou Enlai and Peng Zhen appear to have been convinced by the Vietnamese Communists in the mid-1960s to try and form a united front against the United States in Vietnam, but they were overruled when they sought Mao's approval of more concerted Sino-Soviet action in Vietnam. "Mao's primary concern, it now seems clear, was more domestic than external," write Lewis and Xue. "Mao, we believe, based his rejection on his fear that any alliance or relaxation of tensions between Beijing and Moscow would impede his purge of 'revisionists' at home."[107]

If an alliance with the Soviet Union were not possible, perhaps peace in Vietnam would ameliorate China's threats. Mao had opportunities to nudge Vietnam toward peaceful settlement with the United States, and was occasionally encouraged to do so by the Soviet Union. Mao refused.[108] By fomenting a crisis atmosphere, it gave the Chinese leader a tool to use against domestic opponents. "A sulky retreat by China into an isolationist policy of 'socialism in one country' devoted to economic renewal could have diminished Mao's ability to override planners and

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[104] Radchenko, *Two Suns in the Heavens*, 153-4.
[105] Quoted in John Wilson Lewis and Xue Litai, *Imagined Enemies: China Prepares for Uncertain War* (Stanford: Stanford University Press, 2006), 46.
[106] Yang Kuisong, "The Sino-Soviet Border Clash of 1969: From Zhenbao Island to Sino-American *Rapprochement*," *Cold War History* 1, no. 1 (August 2000): 50, n. 10.
[107] Lewis and Xue, *Imagined Enemies*, 47.
[108] Radchenko, *Two Suns in the Heavens*, 149.

pragmatists," Macfarquhar argues. The historian also observes that while the security situation for China worsened after 1962, "China was no longer in the throes of economic depression, and the nation's leaders had much less reason to feel desperate."[109]

Having exited the economic crisis of the Great Leap Forward, but still with domestic opponents to marginalize, Mao was willing to incur additional adversaries in the international system. China's continued anti-Soviet rhetoric spurred a steady influx of Soviet troops. While technical talks on the riverine boundary made progress in 1964, Mao derailed the talks that summer by asking a group of visiting Japanese socialists in July whether it was worth revisiting the question of whether Siberia, the Far East, and Mongolia had been unfairly annexed by the Russian tsars. For good measure, in the session, he supported Japanese claims to part of the Kuril Islands held by the Soviet Union. Mao later dismissed his own statement as "just idle talk" and "firing empty cannons," presumably to scare Khrushchev into a compromise. The result was just the opposite, and Khrushchev delayed the talks, a delay that proved indefinite given Khrushchev's ouster that autumn.[110] Radchenko notes that Zeng Yongquan, the head of the Chinese delegation to the border talks, was later purged for being too close to Liu Shaoqi during the Cultural Revolution, and speculates that rather than bluster in July 1964, "Mao's intention must have been to sabotage the crystallizing agreement between the two sides and to undermine pragmatic tendencies in the ranks of the Chinese leadership."[111] Irrespective of Mao's true aims, on at least three separate occasions in 1964 he raised the possibility of war with the Soviet Union with foreign visitors.[112]

While Khrushchev had imperfect control from 1960 to 1964, making any Sino-Soviet agreement difficult in Moscow, the new post-Khrushchev government was even more fractured

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[109] Macfarquhar, *Origins of the Cultural Revolution*, vol. 3, *The Coming Cataclysm*, 376.
[110] Fravel, *Strong Borders, Secure Nation*, 121-3; Luthi, *Sino-Soviet Split*, 276-7; Sergey Radchenko, "New Documents on Mongolia and the Cold War," *Cold War International History Project Bulletin*, no. 16 (Fall 2007/Winter 2008): 345; CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*.
[111] Radchenko, *Two Suns in the Heavens*, 113-4.
[112] Once with North Korea's Kim Il Sung in February, then with North Korea's Choi Yong Kun in October, and finally with Albania's Beqir Balluku. Radchenko, *Two Suns in the Heavens*, 112; Yang, "Sino-Soviet Border Clash of 1969," 24.

than its predecessor, and was in no position for compromise, especially given Mao's periodic outbursts. After initial attempts to reset relations, by late 1965 the new Soviet government had concluded it was necessary to contain China.[113] In 1966, Moscow recalled its ambassador from Beijing after the beginning of Red Guard disturbances.[114] That same year, the Soviet Union moved to block Chinese access near Heixiazi island, a sedimentary island at the confluence of the Amur and Ussuri rivers (at a "hook" in the Soviet landmass roughly 800 kilometers north of Vladivostok).[115] Privately, Soviet officials worried that China "might start a war out of stupidity."[116] They began construction of an air defense system in Mongolia.[117] In February 1967, after the Soviet Embassy in Beijing had been besieged for the second time by Chinese protestors, the Soviet Politburo decided to station a Soviet Army in Mongolia, under the terms of previously negotiated Soviet-Mongolian agreements, as well as to reinforce Soviet Forces in the Far East and in the Kazakh and Kyrgyz Soviet Socialist Republics.[118] U.S. intelligence concluded that the Soviet Union deployed the 900-kilometer range SS-12 Scaleboard missile to the Sino-Soviet border sometime between February and October 1967.[119]

Border clashes resumed in late 1967 across frozen rivers that separated potential combatants during warm months. On January 5, 1968, the Chinese side suffered the first fatalities from such episodes (after being reportedly struck by a Soviet armored vehicle). After the January episode, Beijing cabled local commanders to plan for a "counterattack in self-defense" to occur at "politically opportune moment." The aim was repulse Soviet intrusion on Qiliqin island in the Ussuri river north of Zhenbao island. The Soviets did not cause another incident until the following winter,

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[113] Radchenko, *Two Suns in the Heavens*, 161.
[114] "Pravda Cites Foreign Party Attacks on Mao," *Washington Post*, September 18, 1966; "Soviet Diplomat Named TASS Head," *New York Times*, April 13, 1967.
[115] Fravel, *Strong Borders, Secure Nation*, 207.
[116] CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 23.
[117] Director of Central Intelligence, *The Outlook for Sino-Soviet Relaitons,* National Intelligence Estimate, NIE-11-2-66, December 1, 1966, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0001086464.pdf.
[118] Radchenko, *Two Suns in the Heavens*, 190.
[119] CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 24.

either because warming weather meant ice thawed and rivers were no longer crossable, or because Soviet difficulties in 1968 Europe led to Soviet caution in the east. "Although the Chinese troops had made every preparation for launching a counterattack at Qiliqin, they did not find an opportunity to carry out the plan," writes Chinese historian Yang Kuisong.[120]

## 4.2 The Persistence of Sino-U.S. Enmity: The Geneva and Warsaw Talks

While Mao instigated steadily worsening relations with Moscow, he maintained a confrontational stance toward the United States. Sino-U.S. rapprochement was preceded by nearly fifteen years of talks in Geneva (from 1955 to 1957) and then Warsaw (from 1958 until 1970). U.S. and Chinese negotiators met 134 times in the two European cities, but failed to achieve diplomatic breakthroughs. If fear of a common enemy were the primary factor affecting Sino-U.S. relations, one would expect the later years to be more productive than the early years. In fact, just the opposite was the case. The pace was more frenetic at the outset: 102 of the 134 meetings occurred in the first five years of discussions.[121] In those initial years, the United States had largely limited aims, including release of U.S. citizens held in the People's Republic of China and seeking a commitment by the Communist government not to use force against Taiwan or islands held by the Nationalists in the Taiwan Strait. Privately, Secretary of State Dulles told President Eisenhower he "had no desire or present intention to have talks" with Zhou Enlai.[122] The Chinese side was more serious in attempting to achieve a diplomatic breakthrough in these early years, and Zhou Enlai instructed Chinese negotiators to "take a conciliatory attitude" toward the United States when talks began in

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[120] CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*; Luthi, *Sino-Soviet Split*, 340; Yang, "Sino-Soviet Border Clash of 1969," 24, 28.
[121] Xia, *Negotiating with the Enemy*.
[122] "China," Memorandum of Conversation between the President and the Secretary of State, The White House, Washington, August 5, 1955, *FRUS*, 1955-1957, vol. 3, *China*, doc. 9.

1955, a marked change from the tone of earlier talks and the tenor of later discussions.[123] These

instructions preceded even the earliest hints of a Sino-Soviet split, and also preceded the Chinese

leadership breakdown of the late 1950s and early 1960s.

Whatever opportunity for a breakthrough in Sino-U.S. relations that existed in the mid-

1950s was fleeting, and progress quickly bogged down in the face of an "uncompromising U.S.

attitude on substantive issues," in historian Yafeng Xia's assessment. The Chinese side sensed that

"it was impossible for the U.S. to change its China policy at the time," diplomat Wang Bingnan

recalled.[124] Mao, for his part, appointed Chen Yi as foreign minister in 1958, taking the portfolio

away from Zhou Enlai, who had overseen China's conciliatory outreach to India in 1954 and more

broadly had projected a friendly face during China's "Bandung Moment," in the months before and

after a meeting of non-aligned nations in Bandung, Indonesia in April 1955. Mao told Chen in 1958

that while he had authorized Sino-U.S. discussions in Geneva, he had reconsidered. Mao now

believed it was a time for struggle, not compromise with the Americans.[125] This occurred coincident

with Mao's harder line against Khrushchev, and the initial shouting matches of the Sino-Soviet split.

In Washington, there was also "little eagerness" to resume the talks in 1958, though "the sterile

exercise" did resume that September, shifting from Geneva to Warsaw.[126]

By 1960, however, China effectively opted out of the Warsaw talks. In September of that

year, *Xinhua* reported that while in the past the Chinese government had "assumed" that "the two

sides might as well discuss first some comparatively minor questions and reach fair and reasonable

agreements on them so as to create favorable conditions for the settlement of the fundamental

issues," now it concluded that such efforts were pointless. Until the United States renounced the

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[123] Zhou quoted in Xia, *Negotiating with the Enemy*, 88.
[124] Quoted in Xia, *Negotiating with the Enemy*, 91.
[125] Xia, *Negotiating with the Enemy*, 97.
[126] Letter from the Director of the Office of Chinese Affairs (Clough) to John B. Dexter at the Consulate General in Geneva, Washington, June 27, 1958, *FRUS, 1958-1960,* vol. 19, *China*, doc. 14.

"use or threat of force" and withdrew "all of its armed forces from China's territory of Taiwan and the Taiwan Strait area," there would be no need for "future talks to waste time."[127] This echoed publicly the markers that Zhou Enlai had laid down privately in conversations with Sir Bernard Montgomery during a visit by the British field marshal to Beijing in May 1960. Zhou told his British guest, "The prerequisite issues for improving Sino-American relations are: 1) The U.S. recognizes that Taiwan is part of China; 2) The U.S. withdraws its troops from Taiwan and the Taiwan Straits."[128] This harder line with the United States occurred just as Zhou was also reminding the world of the Sino-Soviet border disputes, and as border incidents began emerging with greater frequency along the Sino-Soviet frontier.

The talks in Warsaw limped along through the 1960s, though remained "sterile" and "pretty dull" in the assessment of U.S. participants.[129] Lindsey Grant, the U.S. diplomat in Washington responsible for the talks from 1962 to 1964 recalled "it was the devil's own time to keep on finding things to talk about every month or two," but the talks continued.[130] Zhou Enlai told a British visitor in October 1962 that while the talks had gone on for seven years with "no results," China "was prepared to have them continue for another seven years."[131]

In early 1962, Mao shut down deliberations over whether China should pursue a more conciliatory foreign policy in order to focus on the economic aftermath of the Great Leap Forward. Liu Shaoqi told a CCP gathering early in 1962, "Comrade Mao Zedong has pointed out that in order to fulfill our international obligations, the essential thing for us is to do a good job at home.... We should pay attention mainly to our domestic issues."[132] Wang Jiaxiang, head of the International Liaison Department of the Chinese Communist party, was more specific and advocated what critics

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[127] "CPR Statement on Exchange of Newsmen," Peking, NCNA, Radioteletype in English to Europe and Asia, September 13, 1960, transcribed by FBIS-FRB-60-179.
[128] Zhou quoted in Xia, *Negotiating with the Enemy*, 102.
[129] Tucker, ed., *China Confidential*, 198, 200.
[130] Quoted in Tucker, ed., *China Confidential*, 167.
[131] Quoted in Xia, *Negotiating with the Enemy*, 117.
[132] Quoted in Xia, *Negotiating with the Enemy*, 112.

would call the "three reconciliations and the one reduction" policy. Wang argued that China should

reconcile with the United States, the Soviet Union, and India, and reduce aid to the international

communist movement, in order to "concentrate all its attention" on "dire domestic problems," such

as the rural famine that the Great Leap Forward had unleashed. Wang's prescriptions were

consistent with the economic component of domestic primacy theory and other senior Chinese

leaders, such as Deng Xiaoping and Liu Shaoqi "supported him totally." Mao disagreed.[133]

Mao said Wang's policies were revisionist and unacceptable. Wang was forced to make a

self-criticism, and he and his allies within the Liaison Department were removed for

"incompetence."[134] Mao may have targeted Wang opportunistically as a way to embarrass Liu and

Deng, who he could not humiliate directly.[135] Li Jie, a researcher for the Chinese Communist Party

explains the decision in terms of Mao's domestic struggle. "As a result of Mao's attack on the Party

leadership, China lost an important opportunity to adjust its foreign policy," Li concludes.[136]

Mao used the fight with Wang to advocate—contrary to any reasonable assessment of

China's available resources—for "three confrontations and one increase": "confrontation with the

imperialists [the United States], confrontation with the revisionists [the Soviet Union], and

confrontation with the reactionaries [India] in all countries, and an increase in our support" for

Communist movements overseas.[137] Mao also stressed that "comrades doing work in international

relations should pay attention" to the connection between revisionists in China and those overseas.

"All revisionism abroad or domestic will have illicit relations with foreign states," he explained in

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[133] Roderick Macfarquhar, *The Origins of the Cultural Revolution*, vol. 3, *The Coming Cataclysm, 1961-1966* (New York: Columbia University Press, 1997), 269-73.
[134] Lorenz Luthi, "The Sino-Soviet Split, 1956-1966" (PhD diss., Yale University, 2003), 382.
[135] Fravel, *Strong Borders, Secure Nation*, 101, fn. 142.
[136] Li Jie, "Changes in China's Domestic Situation in the 1960s and Sino-U.S. Relations," in *Re-examining the Cold War*, 305.
[137] Mao to Victor George Wilcox, May 22, 1963, quoted in Gong Li, "Chinese Decision-making and the Thawing of U.S.-China Relations," 464, n. 15; Andrew Kennedy, *The International Ambitions of Mao and Nehru: National Efficacy Beliefs and the Making of Foreign Policy* (New York: Cambridge University Press, 2012), 108.

September.[138] By the end of 1962, Mao largely prevailed in squelching Wang's ideas, shuttering potential progress in multiple directions. Because of Mao's internal fight for control within the Chinese Communist Party, the link between economic needs and foreign policy outcomes was broken.

As Mao's contest with ideological opponents heightened, transforming into the Cultural Revolution, the Warsaw channel became unable to discuss, let alone resolve, contentious Sino-U.S. issues. Like the rest of its ambassadors, the Chinese representative to Warsaw was recalled to Beijing to take part in the Cultural Revolution, leaving the Chinese chargé d'affaires responsible for the Warsaw talks. While talks continued sporadically, the Chinese diplomats appeared to have been instructed to make sure they had the "last word" on any given topic, leading to long harangues in place of meaningful dialogue. Donald Anderson, who participated in the Warsaw talks from 1966 to 1970, recalls, "At that point China was in no mood, nor in any position, to entertain very many initiatives, or to take any initiatives."[139] Historian Yafeng Xia records, "the Warsaw channel seemed to have degenerated into a forum for mutual accusations."[140]

Chinese leaders showed no urgency in 1968 to reconsider the U.S. relationship. Even as Beijing told its border garrisons to prepare for an attack against Soviet units the next time an opportunity presented itself, Chinese negotiators in Warsaw met their American counterparts only once in 1968: on January 8, immediately after the incident on the Sino-Soviet border. At that session, both sides agreed they could wait until May to meet again. That meeting was subsequently delayed until November. The Chinese ambassador remained "cultural revolutionizing" in Beijing, the U.S. side quipped, and, as a result, the Chinese side reported "there is nothing to discuss at present." The United States pressed for earlier talks, but China refused to reconsider. As November

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[138] Li Jie, "Changes in China's Domestic Situation in the 1960s and Sino-U.S. Relations," in *Re-examining the Cold War*, 293.

[139] Quoted in Tucker, ed., *China Confidential*, 198.

[140] Xia, *Negotiating with the Enemy*, 127.

approached, it was Washington's turn to delay, and rather than hold talks under a lame duck

president, the United States asked to defer talks until February 1969.

In their formal reply, the Chinese side used the occasion to score rhetorical points. They

reiterated their demands, on the table since 1960: a removal of U.S. forces from Taiwan and a

willingness for the United States to agree to the mutual non-use of force, framed in terms of the

"five principles of peaceful coexistence" that China had negotiated with India with in 1954. The

Chinese response concluded with a barb that by February, "your new President will have been in

office for a month and you will probably be able to make up your mind."[141] Despite a substantial

worsening in Sino-Soviet relations, the Warsaw channel remained broken. It would take the end of

the worst phase of the Cultural Revolution, and the inauguration of a new U.S. president, to break

the impasse.


## 5 Alternative Explanations

Why did the Sino-U.S. rivalry persist even as the Sino-Soviet rivalry emerged? Domestic

primacy theory proposes that Mao's fight within the Chinese leadership prevented him from

adjusting to international realities. His domestic incentives had primacy over China's international

ones. When Wang Jiaxiang proposed a more moderate policy in 1962, and was supported by Liu

Shaoqi and Deng Xiaoping, Mao squelched Wang's proposal, in part to associate Liu and Deng with

"revisionist" thinking. In periods of fractured control, the presence of a veto player prevents

conciliatory innovation, and biases the outcome toward rivalry and conflict. When technical experts

made progress in boundary talks in 1964, Mao heckled from a distance. Could the Chinese leader

have doubted that claiming large swathes of Soviet territory—and supporting the Japanese claim to

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[141] Xia, *Negotiating with the Enemy*, 131; Telegram from Embassy in Poland to the Department of State, Warsaw,
November 25, 1968, *FRUS*, 1969-1976, vol. 30, *China*, doc. 331; Telegram from the Embassy in Poland to the
Department of State, Warsaw, January 8, 1968, *FRUS*, 1969-1976, vol. 30, *China*, doc. 295.

the Kurils—would have any effect but to generate Soviet suspicions about the sincerity of the Chinese negotiating team? Other leaders were wary that Chinese economic circumstances could not permit China to face superpower foes on two fronts and developing India on yet another. Their fears attenuated after 1962 when the Great Leap Forward economic crisis passed, but it likely would not have mattered so long as Mao felt endangered by his leadership colleagues. How do alternative explanations fare?

## 5.1 Common Enemy

Writing of the post-1969 period, Robert Ross writes, "the United States and the People's Republic of China developed cooperative relations in order to enhance their security against the threat to both from the Soviet Union. This was clearly the case."[142] Whether it was clearly the case in 1969 is the subject of the next chapter, but studies that begin the process at 1969 exclude two inter-related puzzles from view.

The first is why did a common U.S. enemy not preserve the Sino-Soviet alliance? If a shared threat has such palliative powers, why was it unable to prevent an alliance degrading into a rivalry over the course of just a few years? Even worse for such arguments, the transition from unfriendly Sino-Soviet relations to outright hostile ones occurred exactly as the U.S. threat to China was expanding. For a decade beginning in 1959, the United States shifted more troops to East Asia each year. The Gulf of Tonkin incident in 1964 accelerated this trend. In 1968, U.S. troop presence in East Asia peaked at 769,000 personnel, the highest number since World War II. The vast majority were based in Vietnam, but the U.S. presence in Taiwan, South Korea, and the Philippines all went

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[142] Robert S. Ross, *Negotiating Cooperation: The United States and China, 1969-1989* (Stanford: Stanford University Press, 1995), 1.

up from 1959 to 1968.[143] In 1963 or 1964 as U.S. involvement in Vietnam was deepening, all it might

have taken is for Mao to stay quiet and permit the technical talks to succeed for China to halt the

Sino-Soviet break. Only after 1965 did the Soviet Union begin to strengthen its troop presence along

the Chinese border. If states balance against threats, Mao's behavior in 1963 and 1964 is difficult to

explain. What happened instead is China embraced having two superpower enemies. When the

Soviet Union proposed "united action" by the socialist world against the United States in Vietnam in

1965, the Chinese claimed the Soviet leadership had no right to lead such an initiative. The world

could not defeat the U.S. "imperialists" so long as "revisionists," such as the Soviet Union, were

allowed to exist in the Communist movement. To win the fight against the United States *required* a

fight against the Soviet Union. China accused the Soviet Union of betraying communism and the

Vietnamese people, even while the Soviets were trying to gain Chinese support for anti-U.S.

initiatives.[144]

The second, related puzzle is why didn't Sino-U.S. rapprochement happen earlier? Arguably

by late 1964, Mao made costly decisions that suggested he was as worried, if not more worried,

about the Soviet threat. Mao approved plans to relocate industrial and research facilities into China's

interior, the so-called "Third Front." Such bases were far away from the Soviet Union and China's

coast, but were closer to American air bases in Vietnam, especially the first phase of the project

largely centered in Sichuan, Guizhou, and Yunnan provinces.[145] Repeatedly in 1964 and 1965 he

referenced the danger of war with the Soviet Union. But there were no changes in the Sino-U.S.

relationship. If anything, Sino-U.S. dialogue became more polemical and strident. Substantive

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[143] U.S. troop numbers are derived from U.S. Department of Defense historical reports and collected in Tim Kane, "Global U.S. Troop Deployment, 1950-2005," Heritage Foundation Center for Data Analysis Report No. CDA06-02, May 24, 2006.

[144] See, e.g., "Refutation of the New Leaders of CPSU on United Action," *Xinhua*, November 11, 1965, via FBIS-FRB-65-218-S.

[145] Lewis and Xue, *Imagined Enemies*, 46; Naughton, "The Third Front," 354. Despite the geographic proximity to U.S. air bases, Luthi argues that the United States played a larger role in the initial phase of the Third Front, though he also finds evidence that Mao was worried about Soviet attack as early as 1965. Luthi, "The Vietnam War and China's Third-Line Defense Planning before the Cultural Revolution, 1964-1966," *Journal of Cold War Studies* 10, no. 1 (Winter 2008): 26-51.

discussions stopped as China drew inward in the Cultural Revolution, and all that remained was

hostile rhetoric. If Mao truly had concluded that the Soviet Union was the more dangerous foe, a

hedging strategy of symbolic moves could have easily been implemented. Mao opted for

confrontation in both directions.


## 5.2 Nuclear Peace

China tested its first nuclear device on October 16, 1964. Rather than creating an existential

or "virtual" deterrent, China's transition to nuclear power status led first Washington and later

Moscow to consider the possibility of a preventive strike against Chinese nuclear facilities. Moscow's

consideration in 1969 is described in the next chapter, but the United States undertook serious

contingency planning in 1963 and 1964 of military action to forestall China's acquisition of nuclear

weapons. It determined unilateral action was unlikely to succeed, but senior U.S. officials

approached the Soviet Union to assess its interest in possible joint military action against Chinese

nuclear facilities. The Soviet Union refused to discuss the option. Historian Vladislov Zubok

speculates that Khurshchev would "have been compromised in the eyes of most of his colleagues" if

he had entertained U.S. proposals (Chapter 4 records Khrushchev as having lost concentrated

executive authority after 1960 until his ouster in 1964).[146] The result was inaction by both Moscow

and Washington.[147]

The acquisition of Chinese nuclear capabilities did little to slow worsening relations with

either the United States or the Soviet Union. Moreover, as China built additional nuclear weapons

and acquired more and longer-range delivery vehicles in the years after 1964, tensions with the

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[146] Vladislov Zubok, "'Look What Chaos in the Beautiful Socialist Camp!' Deng Xiaoping and the Sino-Soviet Split," *Cold War International History Project Bulletin*, no. 10 (March 1998): 159.
[147] William Burr and Jeffrey T. Richelson, "Whether to 'Strangle the Baby in the Cradle': The United States and the Chinese Nuclear Program, 1960-64," *International Security* 25, no. 3 (Winter 2000/01): 54-99; also Rachel Whitlark, "Nuclear Beliefs: A Leader-focused Theory of Counter-Proliferation," unpublished working paper.

Soviet Union mounted rather than attenuated, resulting in a series of deadly clashes in 1969. The failure of the October 1964 test to provoke renewed thinking in Washington, Moscow, or Beijing about their policies of mutual enmity surely counts against a theory of nuclear peace that begins with the existence of a small nuclear arsenal.

## 6 Summary

As 1969 approached, China found itself close to open conflict with the Soviet Union. Its rivalry with the United States had not worsened substantially, but nor were there any signs of improvement. Sino-U.S. ties remained stuck, characterized by polemics rather than diplomacy. Why? The answer seems evident that Mao felt under threat from other Chinese elites. The unique ideological linkage of the Chinese Communist Party with its Soviet counterpart created special connections between Mao's domestic vision and his international choices. Intentionally or not, when Chinese moderates critiqued Mao they sounded like the Soviet moderates who had denounced Stalin. This resonance made it all the more important for Mao not to compromise with the Soviet revisionists in Moscow, just as he would refuse to compromise with his revisionist opponents at home.

Historians John Lewis and Xue Litai emphasize the domestic source of the multiple international crises of this period. They write, "To Mao, the coming together of external and domestic challenges was not accidental, and in dealing with them, he presumed that his 'Khrushchevite' foes in both Moscow and Beijing were linked in spirit if not conspiracy. By making that linkage, he could play the cards of patriotism and nationalism against alleged corrupters of his revolutionary message, and he thereby set in motion a five-year period of intrigue and treachery that

would end" in the most serious Sino-Soviet crisis since World War II.[148] That crisis is described in

the next chapter.

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[148] Lewis and Xue, *Imagined Enemies*, 45.

CHAPTER 8: TRIANGULAR DIPLOMACY AND SINO-U.S. RAPPROCHEMENT

## 1 Introduction

Three developments overlapped to make 1969 a transformational year in Chinese foreign policy. First, in 1968 and reaffirmed in early 1969, the Chinese leadership decided to escalate the Sino-Soviet border dispute by ordering an ambush of Soviet troops on a disputed island in the Ussuri River in early March. This led to a series of deadly clashes that heightened war fears for the rest of 1969. These fears led to sizeable increases in China's defense spending, which already constituted a substantial share of state revenues and national economic activity before the crisis. Second, China concluded the most chaotic phase of the Cultural Revolution, which symbolically came to a close with the Ninth National Congress in April 1969. Mao had vanquished his political enemies, and effectively retired the uncontrollable revolutionary forces that he had created in 1966 in order to do so. Chinese politics exited the "manic phase" of the Cultural Revolution in 1969, and began a period of "lesser turmoil."[1] Third, a new U.S. president was inaugurated. Richard Nixon oversaw concentrated control of his foreign policy apparatus, and sought to adapt U.S. foreign policy to the economic crisis that he inherited from his predecessor (see Chapter 4).

After a decade where the U.S.-China-Soviet triangle was stuck in mutual confrontation, each leg of the triangle moved toward peace. China responded to repeated entreaties from the Nixon administration by initiating the process of Sino-U.S. rapprochement, which ended in Nixon's visit to China in February 1972. China also worked to manage the conflict with the Soviet Union. On the second "leg," while the Sino-Soviet rivalry would persist into the 1980s, the danger of war diminished after confidence-building measures were enacted in 1970. Finally, the superpower relationship improved as Brezhnev gained ascendance in Moscow and struggled with his own

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[1] Harry Harding, "The Chinese State in Crisis, 1966-1969," in *The Politics of China: Sixty Years of the People's Republic of China*, ed. Roderick MacFarquhar, 3rd ed. (New York: Cambridge University Press, 2011), 243.

economic travails. The Soviet leader reciprocated U.S. interest in détente to decrease the costs of the Cold War competition.

What explains this transformation? This chapter will first review the political and economic circumstances that confronted Chinese policymakers in 1969. The pivot toward Sino-U.S. normalcy was enabled by Mao's defeat of "revisionist" foes, which permitted him to make compromises again with international adversaries. It then traces the overlapping developments in the Sino-Soviet and Sino-U.S. rivalries. The heightened Soviet danger required a substantial increase in Chinese defense effort, an increase that threatened to militarize the Chinese economy and to prevent its recovery from economic crisis. Fighting on two fronts was neither safe nor affordable for China, and Mao opted to de-escalate on both fronts. Just as China's leaders grasped how unsustainable their foreign policies had become, they were greeted by a series of increasingly unambiguous signals that the United States sought improved relations with Beijing. This made it all the easier for Mao to prioritize improving relations with the United States, resulting in the eventual termination of the U.S.-China rivalry in 1972.

## 2 Concentration of Executive Authority, 1969-1972

### 2.1 The End of the Most Chaotic Phase of the Cultural Revolution

From mid-1969, until Mao's health began to fail him in mid-1973, China again had concentrated executive authority. Instead of parallel institutions, the Central Cultural Revolution Group lost authority in April 1969 during the Ninth Congress, and stopped operations altogether in September. The Politburo again served as the primary forum of elite decision-making, with Zhou

Enlai presiding and reporting sensitive issues to Mao, who attended only rarely.[2] There were still

factions, but there was no doubt that Mao could overrule any of them.

The return to pre-crisis decision-making forums was perhaps less important than two other

changes. First, Mao no longer felt he confronted enemies that he might not be able to overpower.

He still feared conspiracies, but the Cultural Revolution had demonstrated his ability to eliminate

even the most senior official, as the Lin Biao affair in 1971 would demonstrate again. Second, the

chaos that he had unleashed in order to remove Liu Shaoqi and Deng Xiaoping finally faded, as Mao

crushed the revolutionary organizations that he had created. The number of violent events outside

of state or party control dropped rapidly after the summer of 1968, and by the fall of that year was

only slightly higher than pre-Cultural Revolution levels (see Figure 8.1 below). Mao achieved this

reassertion of authority through ruthless suppression of potential troublemakers, resulting in tens of

thousands of deaths as the People's Liberation Army (PLA) and the Ministry of Public Security

restored order. While the Chinese state would inflict considerable violence on rebels through 1970,

the violence outside of state control sharply diminished at the end of 1968.[3]

With the chaos contained and the Ninth Congress behind him, Mao again permitted China

to look outward. On May 1, immediately after the Congress, Mao invited foreign ambassadors to

Labor Day celebrations at Tiananmen Square, where he announced that he would be resending

Chinese ambassadors back to overseas posts and apologized for violence against embassies that

occurred during the previous years of political turmoil.[4] From 1969 until at least 1973, Mao, relying

on the pragmatic and deferential Zhou Enlai, was in control of Chinese policy.

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[2] Roderick Macfarquhar and Michael Schoenhals, *Mao's Last Revolution* (Cambridge, MA: Harvard University Press, 2006), 297-8.
[3] Andrew G. Walder, *Mao: A Revolution Derailed* (Cambridge, MA: Harvard University Press, 2015), 276; Andrew G. Walder, "Rebellion and Repression in China, 1966-1971," *Social Science History* 38, no. 4 (2014).
[4] Lorenz Luthi, "Restoring Chaos to History: Sino-Soviet-American Relations, 1969," *China Quarterly*, no. 210 (2012): 386.

## Violent Events in the Cultural Revolution, 1967-1968



Source: Walder (2014)
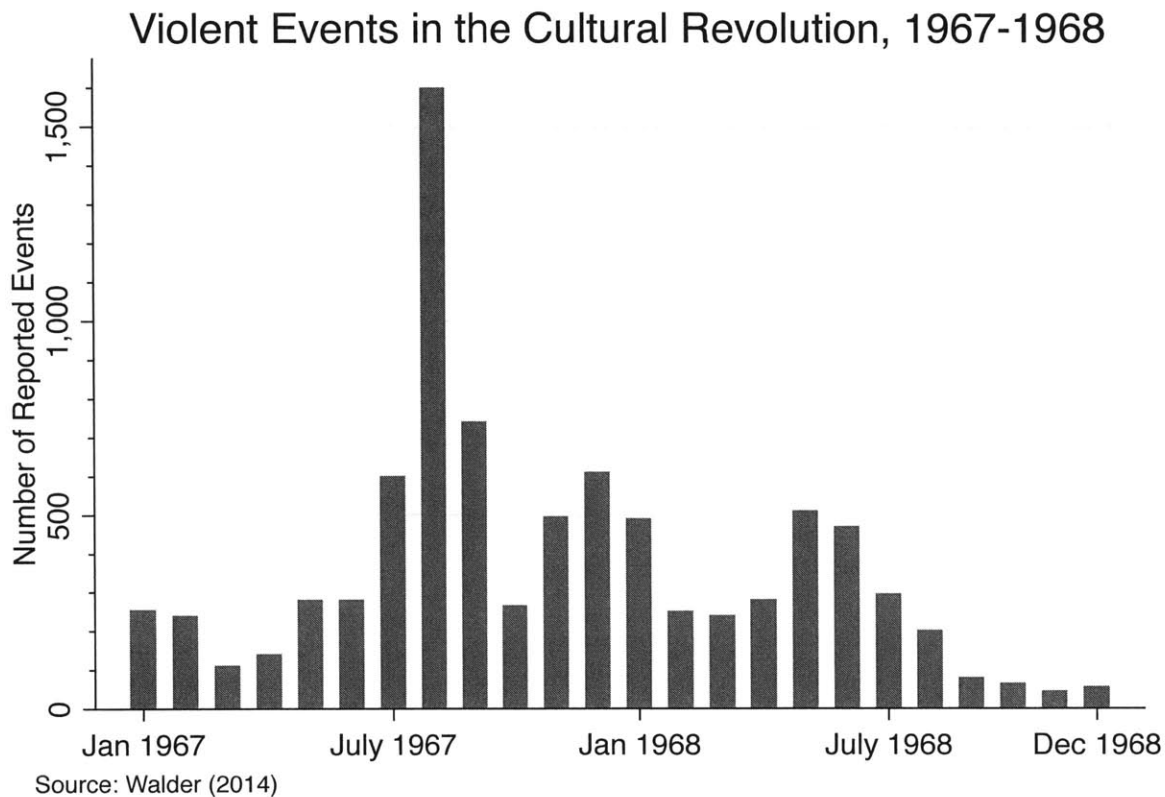
Figure 8.1: Violent Events in the Cultural Revolution

## 2.2 The Lin Biao Affair

The assessment that Mao's authority was unchallenged after 1969 might appear controversial, since Mao claimed to have uncovered a coup plot by his handpicked successor, defense minister Lin Biao, in 1971. Appointed as defense minister after Peng Dehuai was removed in 1959, Lin had served Mao loyally during the Cultural Revolution, was among the first to attack Liu, and was rewarded in 1969 with being designated Mao's political heir.[5] Lin fled Beijing when his supposed plot against Mao was discovered, resulting in his death in a plane crash in Mongolia in September 1971.

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[5] Constitution of the Communist Party of China, adopted by the Ninth National Congress of the Communist Party of China, April 14, 1969, https://www.marxists.org/subject/china/documents/cpc/ninth_congress2.htm.

Was Lin an opponent of Mao's and did Mao see him as such? Unlike Mao's earlier fights with Peng Dehuai, Liu Shaoqi, or even Deng Xiaoping, there is no evidence of Lin ever opposing Mao on a policy matter, nor is there evidence that Lin had enough supporters in the army or bureaucracy to challenge Mao if Lin so desired. Gao concludes, "Lin had no real organizational or political support base.... Lin Biao was thus nothing more than a political mannequin, out on display, but with virtually no influence on the operations of the Party or the government apparatus.... Mao made key decisions as the Cultural Revolution unfolded without consulting Lin, whom he kept totally in the dark most of the time."[6] Frederick C. Teiwes and Warren Sun concur, "Lin not only did not engage in a power struggle with Mao but in fact had little interest in politics in general and in being Mao's successor in particular. His basic political posture was passive, his few active interventions sought to limit the disruption caused by the Cultural Revolution, and the inevitable tension between military men and civilians did not translate into a Bonapartist challenge since army leaders to a man accepted Mao's authority. Instead, an extreme form of one-man rule existed...."[7]

Despite his dominance, Mao grew suspicious of Lin, when the latter argued that the position of state chairman, previously held by Liu Shaoqi, should remain in a new draft of the Chinese constitution, though Lin was quick to add Mao should hold the position, in addition to that of chairman of the Communist Party's Central Committee, which Mao had traditionally held. Mao's sycophants whispered to him that surely Lin wanted to claim the state chairmanship for himself.

To complicate matters, Lin's family, especially his wife and son, do appear to have been involved in amateurish plotting to overthrow Mao, but it seems their plots emerged only after it became clear that Mao was determined to destroy Lin, just as he had destroyed Liu.[8] Teiwes and Sun

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[6] Gao Wenqian, *Zhou Enlai: The Last Perfect Revolutionary*, trans. Peter Rand and Lawrence Sullivan (New York: Public Affairs, 2007), 190.
[7] Frederick C. Teiwes and Warren Sun, *The Tragedy of Lin Biao: Riding the Tiger during the Cultural Revolution, 1966-1971* (Honolulu: University of Hawaii Press, 1996), *xi*.
[8] Alexander V. Pantsov with Steven I. Levine, *Mao: The Real Story* (New York: Simon and Schuster, 2012), 548-9.

conclude that these plots occurred "without Lin's knowledge."[9] Gao's assessment emphasizes that

whatever steps Lin took were reactive and defensive, "Lin was unwilling to sit back and let Mao toy

with him. Instead, he decided to launch a defensive campaign to protect his position as Mao's

officially anointed successor. According to conventional wisdom, Lin Biao could not wait to seize

power. Not so. This is the fiction that subsequently emerged to explain the ensuing conflict."[10]

Moreover, irrespective of the intent of Lin and his family, it seems clear that Mao did not

know of the plot hatched by Lin's wife and son until after Lin's failed attempt to flee China, when

investigators searched residences of Lin's family and associates. Before then Mao "suspected

nothing," conclude Pantsov and Levine.[11] Sensing that Mao was about to strike, Lin Biao's family

persuaded him to flee on September 12 perhaps "against his will" and "while he was groggy from

sleeping tablets."[12] Lin and his family boarded a hastily arranged aircraft to flee to Mongolia, but the

planning apparently did not provide for sufficient fuel for the journey. Under still mysterious

circumstances, the plane crashed en route with no survivors.[13]

The most likely cause of the Lin Biao affair was in Mao's head: that the Chairman became

concerned that the PLA, which he relied upon so much to deal with the renewed international threat

after 1969 and to suppress China's revolutionary youth after 1968, might be prone to greater

activism. Mao was worried that Lin might one day challenge Mao. So he acted to preempt that risk.

Despite this evidence that Lin died as a result of Mao's paranoia amplified by the intrigues of Mao's

confidants, Mao projected a different story both within China and to foreign visitors. Mao alleged to

Richard Nixon and others that Lin opposed Mao's policy of rapprochement toward the United

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[9] Frederick C. Teiwes and Warren Sun, *The End of the Maoist Era: Chinese Politics During the Twilight of the Cultural Revolution, 1972-1976* (Armonk, NY: M.E. Sharpe, 2007), 33.
[10] Gao, *Zhou Enlai*, 197.
[11] Pantsov with Levine, *Mao*, 549.
[12] Teiwes and Sun, *The End of the Maoist Era*, 33.
[13] Gao, *Zhou Enlai*, 225-6.

States, making it appear the fight between Mao and Lin was real and substantive.[14] Perhaps Mao was

correct, and Lin did secretly oppose the initiative, which would mean that Lin's death was fortuitous

in permitting Mao to conclude rapprochement with the United States a few months after his death.

But this allegation appears to be a fabrication, likely an effort on Mao's part to justify the

extraordinary death of his handpicked successor to an external audience.

Despite some U.S. and Russian sources that allege Zhou Enlai did not inform Lin Biao of

progress in negotiations with the United States,[15] the bulk of the evidence suggests the opposite.

Zhou Enlai told the Americans that he consulted with both Mao and Lin Biao during a particularly

delicate stage of diplomacy in 1970.[16] This self-report by Zhou Enlai of coordination with Lin Biao

conforms to private Chinese sources. "Zhou Enlai almost always sent his reports on the United

States to both Mao and Lin," according to Gao, though he adds, "we almost never see any response

from Lin."[17] The evidence leads Gao to conclude, "nothing in the record suggests" that "Lin Biao

opposed any rapprochement between the United States and China."[18] Instead, the record seems to

show apathy. Teiwes and Sun summarize: "a substantial number of Party historians, including some

of the most authoritative, and people working on Lin Biao all claim to have no knowledge of *any*

position held by Lin Biao on foreign affairs...."[19] Macfarquhar and Schoenhals concur in discerning

an uninterested Lin, though they note that in the few instances when Lin did expresses his views on

the opening to Washington, he would write, "I completely agree with the Chairman's instructions."[20]

On at least one occasion, Lin Biao abstained from supporting another (less politically important)

Politburo member critical of the rapprochement in the summer of 1971, leading Teiwes and Sun to

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[14] Teiwes and Sun, *The Tragedy of Lin Biao*, x-xi.
[15] See Raymond L. Garthoff, *Détente and Confrontation: American-Soviet Relations from Nixon to Reagan*, rev. ed. (Washington, DC: Brookings Institution, 1994), 254.
[16] "President Yahya on U.S.-China Relations," Telegram from the Embassy in Pakistan to the Department of State, Islamabad, December 14, 1970, *FRUS*, 1969-1976, vol. 17, *China, 1969-1972*, doc. 98.
[17] Gao, *Zhou Enlai*, 270-1.
[18] Gao, *Zhou Enlai*, 12-3.
[19] Teiwes and Sun, *The Tragedy of Lin Biao*, 124.
[20] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 322.

conclude, "Whatever his private thoughts concerning the new foreign policy line, Lin Biao certainly was not leading political opposition to it."[21]

## 2.3 Summary of the Concentration of Authority in China, 1958-1972

This evidence, along with that from Chapter 7, supports a series of summary conclusions: that Mao shared power with Liu Shaoqi up to 1966, that this dispute with Liu was evident from his clear anger at Liu combined with Mao's inability to remove him, that Mao launched the Cultural Revolution to remove Liu and his allies, that Mao had imperfect control of the Cultural Revolution, especially in 1967, and finally that Mao did not regain control of the Chinese state until the spring of 1969, after the Ninth Congress in April. After April 1969, Mao again had centralized control of the Chinese state, despite the bizarre Lin Biao episode in September 1971. Mao would retain dominance until his health began to fail him in 1973, unleashing a succession struggle that he could control only intermittently and incompletely. These starkly changing patterns of executive authority had profound effects on Chinese policy, both foreign and domestic.

## 3 Economic Pressures on China, 1969-1972

China was in economic crisis throughout 1969 to 1972. The Chinese economy expanded in 1969, but that was primarily a function of how poor the conditions had been from 1966 to 1968. Despite aggregate expansion, the economy in 1969 still suffered the lingering effects of the revolutionary struggle. Production failed to meet all but one of the planned targets for the economy, only achieving expected production in crude oil.[22] Economic stress multiplied as the chaos of the Cultural Revolution intersected with the massive dislocation caused by Mao's initiative to move industry into the interior to avoid attack, the so-called "Third Front," which lasted from 1964 to

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[21] Teiwes and Sun, *The Tragedy of Lin Biao*, 126.
[22] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 301.

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1971.[23] Just as economic consequences of the Cultural Revolution tapered, defense spending dramatically increased after clashes with the Soviet Union in March 1969, leading to double-digit growth in defense budgets that year and for the next two years. Chinese leaders were only able to cut defense expenditures after the Sino-Soviet crisis had passed and Sino-U.S. rapprochement began.[24]

This economic stress occurred when the economy was already strained from a decade of turmoil. There was considerable lost ground to recover. Just as the Third Front activity diminished, the Cultural Revolution faded, and defense spending moderated, the economy again tipped into a moderate recession in 1972 because of a drought—especially severe in northern China—that harmed agricultural production and shrunk per capita income by 3.1 percent.[25] Only after 1972 did China have sustained growth that finally brought its per capita income above the level it had in 1959 before the Great Leap Forward.[26]

## 4 Sino-U.S. Rapprochement and Sino-Soviet Crisis

Domestic primacy theory would suggest that the United States would moderate its behavior almost immediately upon Richard Nixon's inauguration as president in January 1969. Nixon had structured his national security team with the explicit goal of concentrating authority in the White House. The new president immediately confronted overlapping budgetary and balance of trade crises upon assuming office (see Chapter 4). China's behavior would moderate somewhat later, domestic primacy theory predicts, since Mao did not reassemble China's governing structure until April 1969 at the Ninth Congress, at which point he could begin to focus again on diplomacy. Finally, while the Soviet Union was also under increasing economic strain in this period, before the

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[23] Barry Naughton, "The Third Front: Defense Industrialization in the Chinese Interior," *China Quarterly*, no. 115 (September 1988).
[24] "Government Expenditure by Category of Expenses," *China Statistical Yearbook* (Beijing: National Bureau of Statistics of China, 2000); also Macfarquhar and Schoenhals, *Mao's Last Revolution*, 316.
[25] Y. Y. Kueh, *Agricultural Instability in China, 1931-1991: Weather, Technology, and Institutions* (New York: Oxford University Press, 1995), 159-161.
[26] Penn World Tables, v. 6.2.

oil boom in 1973 resolved their fiscal challenges, its leadership situation was less settled. Soviet general secretary Leonid Brezhnev continued to consolidate his authority throughout 1969. While Brezhnev had begun to overshadow the premier, Alexei Kosygin, that process was not complete until the spring of 1970, when Brezhnev emerged as predominant after a "minicrisis" within the Soviet leadership (see Chapter 4). Domestic primacy theory would suggest Soviet interest in improving relations with Beijing might be complicated by the Brezhnev-Kosygin split before 1970, but not after.

This expected sequence closely conforms to historical reality. Nixon's White House almost immediately began to study the merits of Sino-U.S. rapprochement, and the president began signaling his desire for rapprochement even before those studies were complete in the summer of 1969. Rapprochement with China would help Nixon make the case for a reduced defense commitment in Asia, an outcome made necessary by the U.S. budget crisis, and permit him to tell allies that they could meet more of their defense requirements without U.S. assistance. As an added benefit, Nixon could resume trade after decades of sanctions. Beijing, in the last month before the Ninth Congress, decided to escalate the Sino-Soviet border conflict in February 1969, executing plans that were developed the previous year in the face of Soviet intrusions. After major clashes in March 1969, China moderated its behavior at the borders, only to be swept into another crisis with the Soviet Union in August instigated by Moscow and amplified by Chinese fears. As the second Sino-Soviet crisis of 1969 crested in the autumn, Mao and Zhou were eager to receive Nixon's requests to restart dialogue about Sino-U.S. rapprochement. A growing defense burden created incentives for Mao to prioritize threats, and he elected to improve relations with Washington. While transforming Sino-U.S. ties, Mao and Zhou also worked to calm the Sino-Soviet relationship, resulting in much reduced tensions after 1970.

## 4.1 Nixon's Early Mixed Signals

The new Nixon administration was interested in new avenues for the China relationship,

something that had been clear since the presidential campaign. In his inaugural remarks Nixon

stated, "Let all countries know that during this administration our lines of communication will be

open. We seek an open world—open to ideas, open to the exchange of goods and people—a world

in which no people, great or small, will live in angry isolation." (Chinese sources indicate that Mao

Zedong read the speech, commented on this passage in particular, and approved that Nixon's

speech could be published in the Chinese press, while also approving an editorial harshly critical of

the address.[27]) Besides ambiguous public signals, the new administration prepared for renewed

Warsaw talks to take place on February 20. In advance of the talks, Kissinger received approval from

Nixon to solicit Chinese proposals regarding "peaceful coexistence," as well as offer cultural and

scientific exchanges. Kissinger considered and rejected proposing normalization; he did not want to

prejudge the outcome of China policy reviews that he was beginning in the interagency process.[28]

Before the U.S. side could make these proposals in Warsaw, the talks were cancelled. In late

January, a Chinese diplomat posted to the Netherlands had defected to the United States. "He

turned out to be a real dud for any kind of intelligence or political value," principally because "he

was a psychotic," according to John Holdridge, who worked China issues on Nixon's National

Security Council staff.[29] Three days after the defection Nixon may have inadvertently signaled

intransigence when the president told a press conference that he saw "no immediate prospect of any

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[27] Gong Li, "Chinese Decision-making and the Thawing of U.S.-China Relations," in *Re-examining the Cold War: U.S.-China Diplomacy, 1954-1973*, eds. Robert Ross and Jiang Changbin (Cambridge, MA: Harvard University Press, 2001), 333; "Confession in an Impasse: A Comment on Nixon's Inaugural Address and the Despicable Applause by the Soviet Revisionist Clique," *Xinhua*, January 27, 1969, translated by FBIS-FRB-69-017; "Mao Zedong's Comments on an Article by Commentator of *Remnin ribao* (People's Daily) and *Hongqi* (Red Flag), January 1969," *Cold War International History Bulletin*, no. 11 (Winter 1998): 161.

[28] Memorandum from the President's Assistant for National Security Affairs (Kissinger) to President Nixon, Washington, February 12, 1969, *FRUS*, 1969-1976, vol. 17, *China*, 1969-1972, doc. 6.

[29] Nancy Bernkopf Tucker, ed., *China Confidential: American Diplomats and Sino-American Relations, 1945-1996* (New York: Columbia University Press, 2001), 238.

change in our policy" toward China, "until some changes occur on their side."[30] The Chinese

accused the United States of having engineered the defection and canceled the talks. The State

Department Intelligence and Research Bureau speculated that the episode had triggered inter-

factional infighting in Beijing that made it impossible for the Chinese to proceed.[31] Given

preparations for the Ninth Party Congress, there may be some merit in that contemporaneous

assessment.

When the United States learned of the Chinese cancellation, it made a public appeal to the

Chinese leaders. Secretary of State William Rogers briefed the media. The United States had

intended to make "constructive" proposals in the talks, he explained. It had intended to renew offers

on scientific, journalist, and cultural exchanges, to reestablish telephone and postal links, and, most

significantly, to discuss Chinese proposals on an agreement on the principles of "peaceful

coexistence."[32] Privately, on March 12, the U.S. mission in Warsaw wrote to their Chinese

counterparts that the U.S. government sought to continue ambassadorial discussions "in Warsaw or

elsewhere at a mutually agreeable location."[33] Even these modest proposals were more substantive

than any element of Sino-U.S. dialogue since the early 1960s.

As the administration attempted to get the Warsaw talks back on track, it also attempted to

determine what its posture would be in those talks. Beginning on February 5, Kissinger initiated the

first of three overlapping reviews of U.S. China policy.[34] As late as May, Kissinger still admitted

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[30] Kissinger, *White House Years* (Boston: Little, Brown, and Co., 1979), 168.
[31] Memorandum from the President's Assistant for National Security Affairs (Kissinger) to President Nixon, Washington, February 12, 1969, *FRUS*, 1969-1976, vol. 17, *China*, 1969-1972, doc. 6, fn. 6; William Burr, "Sino-American Relations, 1969: The Sino-Soviet Border War and Steps Towards Rapprochement," *Cold War History* 1, no. 3 (2001): 79.
[32] Peter Gross, "Peking Cancels Talks with U.S., Citing Defector," *New York Times*, February 19, 1969.
[33] Memorandum from the President's Assistant for National Security Affairs (Kissinger) to President Nixon, Washington, February 12, 1969, *FRUS*, 1969-1976, vol. 17, *China*, 1969-1972, doc. 6, fn. 6.
[34] "U.S. China Policy," National Security Study Memorandum 14, Washington, February 5, 1969, *FRUS*, 1969-1976, vol. 17, *China*, 1969-1972, doc. 4; "U.S. China Policy; Nuclear Planning Group Issues," Minutes of the Senior Review Group Meeting, Washington, May 15, 1969, *FRUS*, 1969-1976, vol. 17, *China*, 1969-1972, doc. 13; "U.S. Policy on Current Sino-Soviet Differences," National Security Study Memorandum 63, Washington, July 3, 1969, *FRUS*, 1969-1976, vol. 17, *China*, 1969-1972, doc. 15.

considerable uncertainty as to the right combination of U.S. policies toward the Soviet Union and China. "It is not clear," he told senior U.S. officials, whether "you achieve better relations with the Soviets necessarily because of a hard policy toward China and vice versa. Everyone agrees that we wish to reduce the risk of war with 700 million people, but the question is whether alignment with the Soviets, more conciliatory posture toward China or some combination would best achieve this end." He also referred to experts on the Soviet Union who worried that "any attempt to better our relations with China will ruin those with the Soviet Union." His instincts were to support the weaker of the two: China.[35] Kissinger intuited that U.S. policy had to transform, to prioritize one of the two great power threats, but he did not know which one. As Chapter 4 described, ultimately the Nixon White House would choose to improve relations with both Communist powers, while leaning toward China in Sino-Soviet disputes. This preference to favor China was almost certainly bolstered by Kissinger's mistaken read of Sino-Soviet border clashes in the spring and early summer of 1969. Kissinger concluded that the Soviet Union was the likely aggressor, and if so, "we had a problem as well as an opportunity."[36]

## 4.4 The March 1969 Clashes

After a deadly incident where Soviet armored vehicles struck and killed Chinese soldiers on Qiliqin island in January 1968, Beijing had ordered local commanders to prepare plans to "counterattack in self-defense" to execute at a "politically opportune moment." An opportunity did not present itself until the next winter. The focus shifted from Qiliqin to Zhenbao island to its south. In late December 1968, Soviet armored vehicles landed on Zhenbao in the middle of the Ussuri river, and used sticks to beat Chinese soldiers on the island. In January and February 1969,

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[35] "U.S. China Policy; Nuclear Planning Group Issues," Minutes of the Senior Review Group Meeting, Washington, May 15, 1969, *FRUS*, 1969-1976, vol. 17, *China*, 1969-1972, doc. 13.
[36] Kissinger, *White House Years*, 177.

there were eight more confrontations between Chinese and Soviet troops on the island.[37] On

February 19, 1969, the People's Liberation Army and the Foreign Ministry endorsed a plan to

ambush Soviet forces.[38] Prior to any serious discussion of Sino-U.S. rapprochement, with Nixon

sending mixed signals in Washington, China decided to escalate the conflict over Zhenbao island, a

"worthless piece of river land," as a subsequent CIA account described it.[39] Multiple Chinese sources

are explicit about the involvement of the Chinese Foreign Ministry in the decision to escalate, so it

seems almost certain that senior Chinese leaders would have also known of the decision on February

18 to cancel the scheduled Sino-U.S. talks, which Beijing made within 24 hours of the decision to

authorize the ambush of Soviet troops.[40]

   As American scholar M. Taylor Fravel emphasizes, "Mao chose to attack one superpower

while already engaged in competition with the other superpower, an extremely risky action, as the

USSR and China shared one of the longest land borders in the world."[41] Maybe Brezhnev was

correct when he told Polish visitors that the Chinese "are creating these tensions on purpose since

they are getting ready for their Congress and they want to cement the moods of enmity toward the

USSR."[42] MacFarquhar concludes it is "conceivable" that Lin Biao desired a border crisis to bolster

the prestige of the PLA in advance of the Ninth Congress,[43] though there is no evidence that Mao,

Zhou, or others were excluded from deliberations on the Zhenbao ambush. Fravel, drawing on

interviews in China, suggests that Mao may have launched a demonstrative use of force in part to

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[37] Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton: Princeton University Press, 2008), 209.
[38] Gong Li, "Chinese Decision-making and the Thawing of U.S.-China Relations," 330; Luthi, *Sino-Soviet Split*, 340.
[39] CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, v. Soviet Deputy Foreign Minister V. V. Kuznetsov also referred to Zhenbao as "worthless land" later that spring. Ibid., 52.
[40] Yang Kuisong, "The Sino-Soviet Border Clash of 1969: From Zhenbao Island to Sino-American *Rapprochement*," *Cold War History* 1, no. 1 (August 2000): 28; Gong, "Chinese Decision-making and the Thawing of U.S.-China Relations," 330. Yang and Gong cite different Chinese language texts. Also Luthi, *Sino-Soviet Split*, 340.
[41] Fravel, *Strong Borders, Secure Nation*, 215.
[42] "Polish-Soviet Talks in Moscow," March 3-4, 1969, translated by Malgorzata K. Gnoinska, http://digitalarchive.wilsoncenter.org/document/112937.
[43] Roderick MacFarquhar, "The Succession to Mao and the End of Maoism, 1969-1982," in *The Politics of China*, ed. MacFarquhar, 261.

deter potential Soviet intervention in China in support of the "revisionist" faction in the Cultural Revolution. Such concerns were especially salient following the Soviet Union's invasion of Czechoslovakia in August 1968. A demonstrative strike might also halt the continued erosion of China's claim to the disputed river islands.[44] Whether Mao intended to divert attention from domestic squabbles or not, what unfolded provides a textbook example of why the use of diversionary force against rival states is a dangerous course that frequently generates costs far in excess of the benefits.

On March 2, Chinese military commanders dispatched two groups to Zhenbao, one to patrol openly and invite Soviet challenge, but the other to hide camouflaged and await the Soviet response. The Chinese killed 40-50 Soviet border guards, and injured more.[45] The Soviets were shocked and outraged. Even with the escalation of the past few years, the March 2 incident "differs from all previous minor and medium conflicts that occurred earlier on the Soviet-Chinese frontier," the Soviet foreign ministry argued.[46] On March 15, another battle occurred on the island, this time the Soviets dispatched armored vehicles, while the Chinese side sent more troops and planted anti-armor mines. Both sides used artillery in this latter clash.[47] Estimates for casualties in this second engagement vary wildly, but contemporaneously U.S. observers concluded "the Chinese came out second best." John Holdridge on the NSC staff recalled, "The Soviet really clobbered that island with one of the most extreme artillery barrages in modern history, leaving it looking like the surface

[44] Fravel, *Strong Borders, Secure Nation*, 210-11.
[45] Brezhnev claimed 42 Soviet dead in "Polish-Soviet Talks in Moscow," March 3-4, 1969; internal Chinese documents claimed 50 Soviet dead and at least ten more injured, according to Yang, "Sino-Soviet Border Clash of 1969," 25. Also see Fravel, *Strong Borders, Secure Nation*, 212; and "Soviet Report to GDR Leadership on 2 March 1969 Sino-Soviet Clashes," March 8, 1969, *Cold War International History Project Bulletin*, no. 6-7 (Winter 1995): 189.
[46] Quoted in CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 35.
[47] Chinese sources report that there were tanks, while Soviet sources say only armored vehicles were used. Compare Yang, "Sino-Soviet Border Clash of 1969," 26 to Victor M. Gobarev, "Soviet Policy Toward China: Developing Nuclear Weapons, 1949-1969," *Journal of Slavic Military History* 12, no. 4 (1999): 44-5. Gobarev is a former Soviet military officer.

of the moon," presumably drawing on U.S. imagery intelligence at the time. "That shook the Chinese."[48]

For five days, the Soviet Union alerted its Strategic Rocket Forces in the Far East, according to U.S. intelligence, though it is not clear if China was aware of this alert. On March 15, the same day the Soviet alert began, Mao advised, "Our nuclear bases should be prepared, be prepared for the enemy's air bombardment." He further instructed that militias should be established across China. "The northeast, the north, and the northwest should be prepared. Once we are prepared, if the enemy does not come, that does not matter." The enemy did not come, though there appear to have been a series of skirmishes on Zhenbao and nearby Qiliqin island throughout the spring and summer, though none were as serious as the March incidents.[49]

The March escalation was insufficient to break through the lingering ideological zealotry in the final fevered weeks of the Cultural Revolution's most intense phase. Soviet premier Alexei Kosygin attempted repeatedly to call his counterparts in the Chinese leadership on March 21 and March 22 to discuss de-escalation. As Zhou Enlai related to President Nixon some years later, Kosygin "asked the operator to find Chairman Mao.... Without orders, the operator, unauthorized, answered him, 'You are a revisionist, therefore I will not connect you.' Then he (Kosygin) said, 'If you will not try to reach the Chairman, will you please find the Prime Minister.' The telephone operator gave him the same unauthorized reply." Simultaneously, the Soviet side was attempting—and also failing—to convey messages through the Chinese Embassy in Beijing. Though Zhou criticized the telephone operator, he also concluded that tensions were too high for normal

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[48] Quoted in Tucker, ed., *China Confidential*, 227; on casualties, see Michael S. Gerson, *The Sino-Soviet Border Conflict: Deterrence, Escalation, and the Threat of Nuclear War in 1969* (Arlington, VA: CNA Corporation, 2010), 26.
[49] "Mao Zedong's Talk at a Meeting of the Central Cultural Revolution Group (Excerpt)," March 15, 1969, *Cold War International History Project Bulletin*, no. 11 (Winter 1998): 162; CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 45-50; Gerson, *Sino-Soviet Border Conflict*, 26.

communication: "it is no longer proper for the two sides to maintain contact via telephone."[50] One wonders, given the combination of domestic and international tension, whether Zhou was really worried that no one could possibly navigate a verbal conversation with Kosygin without falling into some domestic factional trap, while the slower pace of diplomatic correspondence would give Chinese officials plenty of time to ensure Mao's approval of any message sent to the Soviet side.

Dozens, if not hundreds, of Chinese soldiers had died in the March clashes. Mao concluded the danger was serious enough to raise militias and prepare for air raids. But he apparently did not view it necessary to alter Chinese policy toward the United States—or authorize phone calls with Kosygin. The threat was serious, but in the run-up to the Ninth Congress no one seemed eager to reconsider the wisdom of simultaneous antagonism toward the U.S. imperialists and Soviet revisionists. On February 19, the same day that the ambush at Zhenbao was authorized and a day after the Chinese cancelled the Warsaw talks, Mao instructed Zhou to pull together four senior PLA veterans to begin meeting to "pay attention" to international affairs.

A few weeks later, in a small meeting of Communist leaders on March 15, including all four marshals, Mao underscored China's challenge internationally: "Now we are isolated, and no one shows interest in us." Mao pondered aloud whether it was now time to reduce aid to revolutionary parties overseas—one element of Wang Jiaxiang's proposals from 1962, which Mao had rejected during that earlier crisis—since China's past aid had not guaranteed their support in the present crisis.[51] On March 18 and March 29, the four marshals produced their first two of four reports. They expressed their skepticism that the Soviet Union sought or was prepared for major war with the Soviet Union, since that would "require the mobilization of at least three million troops." They

[50] "Memorandum of Conversation," Beijing, February 23, 1972, *FRUS*, 1969-1976, vol. 17, *China*, 1969-1972, doc. 197; "Telegram to East German Foreign Ministry from GDR Ambassador to PRC," April 2, 1969, *Cold War International History Project Bulletin*, no. 6-7 (Winter 1995): 191; "Zhou Enlai's Report to Mao Zedong and Mao's Comments," March 22, 1969, *Cold War International History Project Bulletin*, no. 11 (Winter 1998): 162.
[51] Yang, "Sino-Soviet Border Clashes in 1969," 43.

focused on how to enhance China's defense capacity given the new clashes. "Nowhere in the reports did the marshals refer to the sensitive question of adjusting Chinese policy toward the United States," reports historian Chen Jian.[52]

Mao and Zhou asked the marshals to continue meeting, and they provided another report in July. They concluded that both the Soviet Union and the United States were enemies, two "brands" of "representatives of the international bourgeoisie class." But, they noted, these bourgeois enemies considered one another enemies as well, and that gave China safety. "We believe that in the foreseeable future it is unlikely that U.S. imperialists and Soviet revisionists will launch a large-scale war against China, either jointly or separately," they assessed. Both the Soviet Union and the United States cared more about the Middle East and Europe than they did the Asia-Pacific, and any war with China would distract them from those areas of core interest. The United States could not defeat Vietnam, they underscored, and an invasion of China, "would last longer and the result would be more miserable" for America than even its Vietnam quagmire. The Soviet Union, the marshals concluded, had "made China their main enemy, imposing a more serious threat to our security than the U.S. imperialists." Despite this, the Soviet Union's westward emphasis, combined with the long supply lines that would be necessary to carry out an eastern campaign, led the marshals to argue the risk was manageable.[53]

Mao and Zhou had convoked trusted advisors to review the global scene, and they noted serious difficulties for China, but did not advocate major changes in Chinese policy. That summer,

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[52] Li Jie, "Changes in China's Domestic Situation in the 1960s and Sino-U.S. Relations," in *Re-examining the Cold War*, 311; Chen Jian, *Mao's China and the Cold War* (Chapel Hill: University of North Carolina Press, 2001), 246; Macfarquhar and Schoenhals, *Mao's Last Revolution*, 315-6.

[53] "Report by Four Chinese Marshals—Chen Yi, Ye Jianying, Xu Xiangqian, and Nie Rongzhen—to the Central Committee, 'A Preliminary Evaluation of the War Situation' (excerpt)," July 11, 1969, *Cold War International History Project Bulletin* 11, 166-8. The report is somewhat contradictory, perhaps trying to weave through all of the dangers of Cultural Revolution politics. They assess, "If the Soviet revisionists decide to launch a large-scale attack on China, they will try to fight a quick war." But they also assess that such an effort will fail. "We certainly will not allow them to fight a quick war and achieve quick results," and "A war of aggression against China inevitably would be a long-lasting one...." Hence my assessment that they felt the risks were manageable.

Luthi records, "China made no overtures to the United States." Only the slimmest of hints existed

that their might be a prospect for change in Sino-U.S. relations, such as Zhou Enlai's fairly routine

instruction to the new Chinese chargé in Warsaw "to pay close attention to developments in U.S.

policy."[54] China's own policy toward Washington remained stuck, until a combination of U.S.

entreaties and renewed Soviet threats served to catalyze a reassessment.


### 4.3 Nixon Seeks to Curtail U.S. Defense Commitments in Asia

While Chinese policy was static despite violence on its borders, President Nixon sought to

alter U.S. strategy to correspond with the resources at his disposal. Mao forged ahead in those early

months in 1969 even as Nixon looked for new paths. Throughout his tenure as president, and even

in his campaign for the presidency, Nixon attempted to articulate a vision for the United States that

would permit U.S. engagement in the world within the confines of U.S. political and budgetary

realities (see Chapter 4). He sought partial retrenchment as a way to prevent complete isolationism.[55]

Within weeks of taking office, Nixon vigorously pursued burden sharing with U.S. allies in

an effort to combat "a political problem at home," where the American people saw the tragedy of

Vietnam and the "obvious failures in foreign aid" and concluded that "our own cities" might be a

better target for U.S. tax dollars than foreign lands. He feared absent a managed retrenchment,

Americans would ask, "Why don't we cut the military budget," and insist, "Let the rest of the world

go hang," a policy Nixon felt would be "disastrous."[56] Nixon would be forced to cut the military

budget, but he was able to stave of isolationism by doing so. He simultaneously pursued four

massive policy changes: détente with the Soviet Union, rapprochement with China, burden sharing

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[54] Luthi, "Restoring Chaos to History," 386.
[55] Jeffrey Kimball, *Nixon's Vietnam War* (Lawrence: University Press of Kansas, 1998), 155.
[56] "Report on Meeting of the Cabinet Committee on Economic Policy," Washington, April 10, 1969, *FRUS*, 1969-1976, vol. 1, *Foundations of Economic Policy, 1969-1972*, doc. 19.

with allies, and the withdrawal of U.S. troops from Vietnam. Only together would these major changes in U.S. strategy permit Nixon to shift budgetary dollars from defense to domestic programs.

Fearful of a U.S. retreat from the world, Nixon first pushed Asian allies to do more as a means to reduce U.S. defense requirements. As early as October 1967, thirteen months before the election, he indicated that this burden sharing might go hand-in-hand with a changed policy toward China. He hoped to welcome China back into the "family of nations," because so long as China remained outside of that family, it would "nurture its fantasies, cherish its hates and threaten its neighbors." But he argued that was a long-term goal, one that could only occur after "China changes," a claim he had returned to in his first press conference as president in late January 1969. Prior to welcoming China back into the fold, he believed U.S. policy must "persuade China that it must change" through the creation of a defense Asian security architecture that would contain China. He thought that if the United States tried to contain China alone, it would "place an unconscionable burden on our own country," so he advocated that the "primary restraint on China's Asian ambitions should be exercised by Asian nations in the path of those ambitions."[57]

In the campaign, he told a crowd in Omaha, Nebraska, on May 8, 1968, that "While we are the richest nation and the most powerful nation in the non-Communist world, we must remember that we are only two hundred million Americans, and there are two billion people in the non-Communist world. It is time to develop a new diplomacy for the United States, a diplomacy to deal with future aggression—so that when the freedom of friendly nations is threatened by aggression, we help them with our money and help them with our arms; but we let them fight the war and don't fight the war for them."[58] In an October 1968 press conference, he articulated his desire to replace U.S. troops with newly trained and equipped South Vietnamese soldiers, since "phasing out" U.S.

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[57] Richard Nixon, "Asia after Viet Nam," *Foreign Affairs*, October 1967.
[58] Editorial Note, *FRUS*, 1969-1976, vol. 1 *Foundations of Foreign Policy*, 1969-1972, doc. 5.

soldiers "will save American lives and cut American costs."[59] Retrospectively, Nixon's cautious

words about re-engaging China prior to his inauguration have been emphasized in selective retellings

of Nixon's pre-presidential vision, but Nixon spent more time on the campaign trail and in his 1967

*Foreign Affairs* article describing how burden sharing could meet U.S. defense needs in Asia. Shunting

responsibilities to allies would be a more prominent goal in his first months in office than any grand

bargain with China.

When he assumed office, Nixon continued to express his desire to decrease the scope of

U.S. global commitments. During a visit to Guam in July 1969, in off-the-cuff remarks to the press,

Nixon said that excluding contingencies involving China and the Soviet Union and excluding other

commitments required by U.S. treaty alliances, the United States would now encourage Asian

nations to handle "problems of internal security" by themselves, and he encouraged a collective

security system for Asia to deal with threats other than China and the Soviet Union without U.S.

intervention.[60] Kissinger had not planned on the president making news during his Guam stopover,

but while Nixon's comments were more extensive than earlier statements during the campaign, they

were consistent with that theme, and certainly represented the president's preferences on the topic.[61]

The president's thinking on burden-sharing was more developed than his thinking on China. He

sensed an opportunity with Beijing, but did not yet know how to best take advantage of it.

As Nixon attempted to transfer costs to Asian allies and as he reconsidered U.S. policy

toward China, he also grappled with the U.S. budget situation. As described in Chapter 4, Nixon was

surprised that leaving Vietnam was insufficient to alleviate his budget woes. Nixon and Kissinger

quickly looked for other cost savings, and realized it would be necessary to decrease spending on

U.S. conventional forces on top of any savings from Vietnam. Nixon inherited a conventional force

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[59] Editorial Note, *FRUS*, 1969-1976, vol. 1 *Foundations of Foreign Policy*, 1969-1972, doc. 7.
[60] Richard Nixon, "Informal Remarks in Guam with Newsmen," July 25, 1969,
http://www.presidency.ucsb.edu/ws/?pid=2140.
[61] Kissinger, *White House Years*, 223-4.

requirement that instructed the U.S. military to be able to conduct "two-and-one-half wars" simultaneously, presumably major wars in Europe and Asia combined with a smaller contingency in one additional theater. Nixon and Kissinger altered the requirement so that U.S. ground forces need only be able to respond to one full-scale military conflict with sufficient additional forces to manage one other serious contingency, or a "one-and-a-half war" strategy.

In his memoirs, Kissinger frames this decision as a signal to Beijing that the United States viewed the Soviet and Chinese relationships as distinct, even as he acknowledges that this doctrinal signal "was never acknowledged" by Beijing.[62] This justification appears post hoc and is not prominent in any of the hundreds of pages of declassified documents describing deliberations on the topic early in Nixon's tenure. It is clear that Nixon and Kissinger felt that they must prioritize the European theater over the Asian one, a bet that would have been risky had their diplomatic overtures to China not bore fruit. Kissinger worried that there was insufficient "fat" in the defense budget to cut as much as Nixon needed to do without "reducing the combat effectiveness of our forces." In his memoirs, he acknowledged that the situation likely would have been much worse had they not "eased budgetary pressures by withdrawing troops gradually from Asia."[63]

In practice, then, Nixon and Kissinger had little choice but to substantially decrease U.S. conventional forces globally, and Asia was the one theater where that seemed both possible and valuable. Internal budgetary documents were explicit that the President could not achieve *any* of his domestic policy priorities while also funding the forces needed to engage in two-war strategies globally.[64] In fact, Kissinger would stress at the conclusion of his review in late 1969 that "the defense budget is no longer looked at from a purely security point of view." Instead the process was

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[62] Kissinger, *White House Years*, 220-1.
[63] Kissinger, *White House Years*, 213-5.
[64] "U.S. Military Posture and the Balance of Power," National Security Study Memorandum 3 Interagency Steering Group for the National Security Council, Washington, September 5, 1969, *FRUS*, 1969-1976, vol. 34, *National Security Policy*, doc. 45.

designed to present Nixon "for the first time" with information that would permit the president to

"consider the relationship between the defense spending and domestic needs" so that he could

"compare what domestic priorities had to be given up… at various levels of Defense spending."[65]

The defense review had determined by September that Nixon could not afford preparations for war

with China *and* war with the Soviet Union while still financing his domestic programs, and it reached

that conclusion months before the U.S. government received any positive sign of Chinese interest in

U.S. rapprochement.


## 4.4 Nixon Woos China

On the same trip where Nixon announced his "Guam Doctrine" of burden sharing, he

began a concerted effort to send messages to the Chinese leadership through foreign intermediaries

of his desire to improve U.S.-China relations. While he had expressed interest to foreign leaders in

opening lines of communication with China in the spring and early summer,[66] the messages

beginning in August were more explicit than those that came before, and Nixon relied on multiple

channels to ensure they were delivered. At least temporally, there was a connection between the

Guam Doctrine and the outreach to China.[67]

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[65] White House Background Press Briefing by the President's Assistant for National Security Affairs (Kissinger), Washington, December 18, 1969, *FRUS*, 1969-1976, vol. 1, *Foundations of Foreign Policy*, 1969-1972, doc. 47.

[66] Nixon reportedly asked for French President De Gaulle to express Nixon's interest in improving relations with China during a meeting at the end of March 1969. That message was supposedly transmitted to the Chinese around May 1969. Marvin Kalb and Bernard Kalb, *Kissinger* (Boston: Little, Brown, and Co., 1974), 222. Kalb's source is likely the French Ambassador to Beijing Etienne M Manac'h. I am aware of no contemporary U.S. government document confirming this occurred, nor is it mentioned in any memoir by a U.S. principal, nor am I aware of a Chinese source acknowledging receipt of the message. China is not mentioned in the memorandum describing De Gaulle and Nixon's hour long meeting on March 31. Memorandum of Conversation, Washington, March 31, 1969, *FRUS*, 1969-1976, vol. 41, *Western Europe; NATO*, 1969-1972, doc. 120. William Rogers requested Pakistan President Yahya Khan's assistance in conveying U.S. goals in Vietnam to Chinese leadership during Rogers' visit to Pakistan in May. This appears to have been a limited request, despite accounts that make it seem more general. "Secretary's Lahore Meeting with President Yahya," Telegram from Secretary of State Rogers to the Department of State, May 26, 1969, *FRUS*, 1969-1976, vol. E-7, *Documents on South Asia*, 1969-1972, doc. 23; see also Garthoff, *Détente and Confrontation*, 247.

[67] Also see Tucker, ed., *China Confidential*, 229-230.

On August 1, Nixon told Pakistani President Yahya Khan privately that he was considering a substantial change in U.S. China policy. In a meeting so private that there were not even U.S. note-takers, Nixon said that his "personal view" was that "Asia cannot move forward if a nation as large as China remains isolated." He continued that the United States "should not be party to any arrangements designed to isolate China," and Nixon asked Yahya "to convey his feeling to the Chinese at the highest level."[68]

On the following day, when he visited Romania, the U.S. president stressed similar themes with Nicolae Ceausescu: "We have no interest in creating a bloc or other arrangements in Asia which can be interpreted as fencing off Communist China." Nixon explicitly rejected calls by Soviet leader Leonid Brezhnev earlier that summer for an anti-China security pact in Asia: "it is wrong for the Soviet Union to arrange a cabal against China." The U.S. president requested the Romanian government to play "a mediating role between us and China," if they deemed it to be in their interest. Ceausescu deflected any formal role, but promised to tell the Chinese Nixon's views.[69]

Also in early August, within days of Nixon's private messages, Secretary of State Rogers publicly stated that the United States was relaxing travel restrictions to China for U.S. citizens "to remove irritants in our relations and to help remind people on mainland China of our historic friendship for them." He stressed that the United States "would welcome a renewal of talks with Communist China," which "could take place in Warsaw or at another mutually acceptable site," reiterating publicly what had been written privately in March.[70] Reporters, apparently traveling with the secretary on Rogers' trip to Asia, filed stories from anonymous U.S. officials arguing that the Chinese threat to U.S. interests in Asia had diminished, and constituted only a risk of subversion. If

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[68] Memorandum of Conversation, Washington, August 28, 1969, *FRUS*, 1969-1976, vol. 17, *China*, 1969-1972, doc. 28.
[69] "Private Meeting between President Nixon and Ceausescu," Memorandum of Conversation, Bucharest, August 2, 1969, *FRUS*, 1969-1976, vol. 29, *Eastern Europe; Eastern Mediterranean*, doc. 183.
[70] Secretary of State William Rogers, Address before the National Press Club, Canberra, Australia, August 8, 1969, *Department of State Bulletin*, September 1, 1969, 180.

this was true, and Nixon's Guam Doctrine held, this meant Asian states could manage the threat

primarily by themselves. This downplaying of the China threat may reflect the threat deflation

mechanism described in Chapter 2, but at a minimum such conclusions would help provide a public

analytic foundation to any eventual U.S. decision to reduce the requirement for the U.S. military to

plan for a two-and-one-half war contingency by eliminating the need to prepare for an Asian war.[71]

The U.S. courtship of China was fully apparent by the beginning of August, though it would

take several additional weeks for some of Nixon's private messages to reach Beijing. In the interim,

there was a new Sino-Soviet crisis.


## 4.5 The Sino-Soviet War Scare

The old conventional wisdom on Sino-U.S. rapprochement, substantially shaped by

Kissinger's mistaken interpretation, was that the Soviet Union became more aggressive on the Sino-

Soviet frontier, which led to a change in Chinese perceptions about the relative danger of its twin

"bourgeoisie" adversaries. The new thinking is that China planned and authorized an ambush of

Soviet troops on March 2, but underestimated the consequences of the March 2 ambush. The Soviet

Union and China underwent months of additional clashes that worried Mao, but did not lead to

fundamental rethinking in Beijing. Meanwhile, the United States began a concerted courtship of

Beijing over the summer months of 1969, driven by Nixon's need to find savings in defense

spending and out of a realization that the Sino-Soviet split was entering a more dangerous phase.

Then, a second Sino-Soviet crisis began in August 1969, in which China (and the United

States) grew intensely concerned about an imminent large-scale attack by the Soviet Union, possibly

involving nuclear weapons. The Chinese, noticing months of U.S. entreaties, decided to return to

serious talks with the Americans, while also authorizing Sino-Soviet discussions. Skepticism over

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[71] Ian Stewart, "U.S. Aides View Chinese Threat as Exaggerated," *New York Times*, August 7, 1969.

Soviet intentions in those talks likely led it to accelerate pursuit of Sino-U.S. rapprochement.[72] After

the war scare passed, Chinese relations with the Soviet Union also improved, an outcome consistent

with domestic primacy theory's prediction that periods of economic hardship for states with

concentrated executive authority will lead to omnidirectional incentives for peacemaking activity,

even though Beijing clearly prioritized improving relations with Washington over those with

Moscow.

After the March clashes, lower-level intrusions had continued through the summer at

Zhenbao and nearby islands. In June, Mao ordered the CMC to prepare for war, and starting on

June 20, the CMC convened a two-week planning session to discuss possible conflict in China's

north.[73] U.S. intelligence later concluded that while there were some indications that Chinese leaders

feared a "big war," their war preparations campaign appeared to have longer-term goals and was "far

short of any crash mobilization."[74] It might not have been a crash mobilization, but it was already

proving to be expensive. That summer, the Politburo substantially increased defense spending to

deal with the two-front threat, raising Chinese defense spending in 1969 by 34 percent compared to

1968.[75] Even so, an overall foreign policy of "more of the same" persisted. That changed in August.

On August 13, Chinese and Soviet forces in the Tielieketi area of Xinjiang province, far to

the west of the Zhenbao fights, encountered one another in disputed territory. Yang speculates that

Xinjiang was selected for Soviet escalation since Soviet supply lines to the area were far shorter than

Chinese, arguably the reverse of the tactical favorability offered by Zhenbao Island. Russian

historians and the CIA (perhaps relying on Soviet sources) report that the Soviets came across

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[72] See especially Yang, "Sino-Soviet Border Clash of 1969," which reflects insights from Xu Yan, "The Sino-Soviet Border Clash of 1969," *Dangshi yanjiu ziliao* [Party History Research Materials] 5 (1994): 2–13.

[73] John Wilson Lewis and Xue Litai, *Imagined Enemies: China Prepares for Uncertain War* (Stanford: Stanford University Press, 2006), 53. Technically, it was the CMC Administrative Group, which took this step. The CMC Administrative Group acted in place of the CMC standing committee from 1967 to 1971 because of purges of the latter body during the Cultural Revolution. Jian Guo, Yongyi Song, and Yuan Zhou, *The Historical Dictionary of the Cultural Revolution* (Lanham, MD: Rowman and Littlefield, 2006), 31-2.

[74] CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 64.

[75] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 316.

Chinese troops in disputed territory that were beginning to "dig in and lay communication wire," which might suggest a prolonged stay on what the Soviets viewed as their territory. (Chinese accounts say Soviet forces intruded kilometers into Chinese territory.) No matter who provoked the attack, the results were one-sided. The Soviet unit apparently surrounded a Chinese patrol of "some 30 soldiers" and "completely eliminated" it, making the incident the most serious Sino-Soviet clash since March.[76]

First privately and then publicly, the Soviet Union began to threaten China. The evidence suggests that the Soviet Union considered and rejected launching a major attack, but ultimately elected to *threaten* an attack on Chinese nuclear installations and missile bases in order to compel a more conciliatory Chinese posture.[77] Soviet officials began reminiscing in public that during past skirmishes with marauding Japanese forces in Manchuria from 1929 to 1939, the Soviet Union eventually decided "only an offensive operation against the Japanese would put an end to their incessant border probing."[78] One of those evoking the past campaigns was V. F. Tolubko, the serving commander of Soviet military forces in the Far East, who had previously served as deputy in the Soviet Strategic Missile Forces. Tolubko wrote fondly in *Red Star* of when the Soviet forces, "having routed the enemy," "remained some time on Manchurian territory."[79]

The Soviet Communist Party wrote on August 13 to their Australian Communist counterpart that the Soviet Union would take "additional measures" to prevent a "protracted frontier war." The head of the Australian Communist Party, known to be friendly toward China, began a visit to Beijing on August 19, almost certainly passing along the vague threat. Also in mid-August, suspected KGB officials in the United States began asking U.S. officials (and U.S. scholars)

[76] Yang, "Sino-Soviet Border Clash of 1969," 33-4; CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 65; Gobarev, "Soviet Policy toward China," 46.
[77] Gobarev, "Soviet Policy toward China," 46.
[78] Burr, "Sino-American Relations, 1969," 87; CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 67.
[79] V. F. Tolubko, "The Heroes' Glory Lives On," *Red Star*, August 6, 1969, translated in FBIS-FRB-69-152.

hypothetical questions about the U.S. reaction in the event of a Soviet attack on China's nuclear weapons. Though Soviet officials may have been interested in the responses of their interlocutors, they also must have expected rumors of the inquiries to make their way to Chinese leaders.[80]

On August 28, the *Washington Post* reported on its front page on a series of Soviet inquiries around the world about possible reactions to a Soviet strike on China, and reported that "one key official who only a month earlier had rated the chances of a major Chinese-Soviet fight at about 10 percent recently said that the chances now are only slightly less than 50-50."[81] Within 48 hours of the report, several newspapers, including the *Post* revealed that Richard Helms, the Director of the CIA, had provided the assessment.[82] On September 5, Under Secretary of State Elliot Richardson told a New York audience of the American Political Science Association that the United States "could not fail to be deeply concerned... with an escalation of this quarrel into a massive breach of international peace and security."[83]

The threats generated a Chinese reaction. On August 27, Zhou Enlai was appointed head of a "Leading Group for People's Air Defense," with responsibility for evacuating people and industries from vulnerable population centers. City residents were instructed to stockpile necessities and begin digging air-raid shelters.[84] On August 28, the Central Committee ordered a general mobilization in the border provinces and regions, which directed military units to their fighting posts, and also demanded the cessation of any lingering factional infighting from the Cultural Revolution.[85] Mao approved a directive of the Central Committee "to prepare to smash the armed

[80] CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 67-72.
[81] Chalmers M. Roberts, "Russia Reported Eyeing Strikes at China A-Sites," *Washington Post*, August 28, 1969.
[82] Laurence Stern, "Befuddling Backgrounders," *Washington Post*, August 30, 1969.
[83] Kissinger, *White House Years*, 184.
[84] Yang, "Sino-Soviet Border Clash of 1969," 36-7. Lewis and Xue say this occurred on August 28. Lewis and Xue, *Imagined Enemies*, 56.
[85] "The CCP Central Committee's Order for General Mobilization in Border Provinces and Regions," August 28, 1969, *Cold War International History Project Bulletin*, no. 11 (Winter 1998): 168-9.

provocations by the U.S. imperialists and the Soviet revisionists at any time and to prevent them

from launching surprise attacks."[86]

Just as Chinese leaders were confronting the possibility of a preemptive Soviet nuclear

attack, the back-channel messages that Nixon had sent in August began arriving in Beijing. On

September 7, Romanian leader Ion Gheorghe Maurer told Zhou, "Nixon expressed without any

reservation his wish of finding a way to normalize relations with China. He articulated this very

clearly and asked us to help in this matter if we can." Maurer continued by addressing a topic that

must have been near the top of Zhou's mind, reporting, "Nixon stated firmly that he did not intend

to support the Soviet Union in any way if it has any aggressive intention against China."[87] Maurer

reiterated the message when he saw Zhou again on September 11.[88] The courtship went to the next

level on September 18, when Nixon made his clearest public statement to date at the United

Nations. He told the gathering of world leaders, "Whenever the leaders of Communist China choose

to abandon their self-imposed isolation, we are ready to talk with them in the same frank and serious

spirit."[89]

In between the arrival of Nixon's private messages and his public appeal at the UN, the

Chinese leadership approved high-level crisis diplomacy with the Soviet Union in an attempt to

moderate tensions. Soviet premier Alexei Kosygin had requested to stop in Beijing on his return trip

from Hanoi, where he had attended Ho Chi Minh's funeral on September 9. Zhou had missed the

funeral, able to visit Hanoi for only one day on September 4 before returning to war preparations

back in China. The Chinese were slow in responding to Kosygin's request in the first week of

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[86] Lewis and Xue, *Imagined Enemies*, 56.
[87] "Minutes of Conversation between Ion Gheorghe Maurer, Paul Niculescu Mizil, Zhou Enlai, and Li Xiannian,"
September 7, 1969, trans. Madalina Cristoloveanu, http://digitalarchive.wilsoncenter.org/document/117758.
[88] "Minutes of Conversation between the Romanian Delegation to Ho Chi Minh's Funeral, led by Ion Gheorge Maurer,
and the Chinese Delegation, led by Zhou Enlai," September 11, 1969, trans. Madalina Cristoloveanu,
http://digitalarchive.wilsoncenter.org/document/117761.
[89] Address by President Richard Nixon to the UN General Assembly, September 18, 1969,
http://www.state.gov/p/io/potusunga/207305.htm.

September for a meeting, only approving Kosygin's visit after the premier was in Tashkent on his return route to Moscow.[90] He made a "great detour," Zhou commented, but he arrived at the Beijing airport on September 11. Rather than meet him in more formal settings, the Chinese insisted the meeting would take place at the airport. A 1970 CIA report assessed the reason: "The Kosygin-[Zhou] meeting was a retreat for Mao. Mao had refused to accept leader-to-leader contacts since he had met with Kosygin in [Beijing] in February 1965, and now all he could do to conceal his retreat was to treat the Soviet premier imperiously."[91] But a retreat was in order, so Mao authorized the meeting between premiers.

Zhou told Romania's Maurer—who Zhou saw within minutes of Kosygin's departure—that Kosygin and he had agreed to (1) maintain the status quo in disputed areas until a negotiated solution could be found and (2) to withdraw troops from both sides in "contact areas." Kosygin for his part sought to renew Sino-Soviet trade, Zhou recounted.[92] An hour after his initial conversation, Zhou saw Maurer again in a setting with more Chinese and Romanian participants, adding a more cautious note, "I could see from the discussions that the Soviets are in a very tense state. It can be affirmed that there are people in the Soviet Union who want war. Until now, no decision has been taken in this matter and this is why Kosygin was in a hurry to take action in the direction of easing up the tension. It can be said that this act of Kosygin's was only probing."[93] Later in this meeting, Maurer reminded Zhou of Nixon's willingness to speak to "other socialist countries the same way he is discussing with Romania."

[90] Yang implies that the request occurred on September 6, while a CIA report says Kosygin sent Zhou an unpublished letter requesting the meeting on September 4. Yang, "Sino-Soviet Border Clash in 1969," 37; CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 72.

[91] CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 73.

[92] "Note of Conversation between Ion Gheorge Maurer and Zhou Enlai," September 11, 1969, trans. Madalina Cristoloveanu, http://digitalarchive.wilsoncenter.org/document/117760.

[93] "Minutes of Conversation between the Romanian Delegation to Ho Chi Minh's Funeral, led by Ion Gheorge Maurer, and the Chinese Delegation, led by Zhou Enlai," September 11, 1969.

A contemporary Soviet description of the Zhou-Kosygin meeting provided to the East German government largely conforms to Zhou's account. The Soviet account also emphasized an agreement to restart border negotiations in Beijing, as well as Soviet proposals to reopen rail and air links, along with Kosygin's effort to restore normal diplomatic relations by again exchanging ambassadors, which had been withdrawn since 1966.[94] CIA sources—implied to be third-country officials briefed by Kosygin on his meeting with Zhou—reported, "Kosygin's remarks had a slight overtone of a threat."[95]

Whatever Kosygin's intended or unintended tenor, the Beijing airport meeting failed to calm Chinese fears. After the Politburo reviewed Zhou's notes of the meeting, they became convinced that it was a "smoke screen" obscuring planned Soviet aggression. They recalled that Japan had dispatched envoys to the United States prior to Pearl Harbor. They noted that despite Zhou raising the issue of nuclear attack, Kosygin had declined to discuss the matter, rather than promising not to attack China. They referenced the fact that other senior Soviet officials did not meet Kosygin upon his return to Moscow airport, suggesting his ability to implement any de-escalatory agreement was limited. They convinced themselves that China was still in serious danger.[96]

The Chinese Politburo adopted another series of emergency measures: moving state archives out of Beijing to avoid destruction, dispersing planes from Beijing's airports and fortifying airports (presumably against airborne attack). China conducted two nuclear tests on September 22 and 29. Lin Biao, the defense minister, was especially frantic, and sought to drain a major reservoir near Beijing in case the Soviets tried to target the dam, potentially unleashing a deluge of water. Zhou overruled him. With the first Soviet delegation set to land in Beijing for border talks on October 20, the Politburo concluded that the arrival of the aircraft might be a screen for a surprise attack. In

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[94] "Soviet Report, Information on A. N. Kosygin's Conversation with Zhou Enlai," September 11, 1969, trans. Mark H. Doctoroff, http://digitalarchive.wilsoncenter.org/document/116973.
[95] CIA, *The Evolution of Soviet Policy in the Sino-Soviet Border Dispute*, 73.
[96] Yang, "Sino-Soviet Border Clash in 1969," 39-41; Lewis and Xue, *Imagined Enemies*, 58.

advance of the Soviet team's arrival, most senior officials other than Zhou left Beijing, and Zhou

stayed in an underground command center in a Beijing suburb. On October 17, Lin Biao ordered all

military units to "prepare for immediate action." The order led to a massive redeployment of

Chinese military personnel: more than 940,000 soldiers, 4,000 planes, and 600 naval ships.[97] No

attack came, nor is there any evidence that Kosygin's visit, or that of the border negotiating team,

was ever anything but sincere.

In this fevered atmosphere following the August 13 attacks, the four PLA marshals again

met to review the international situation. Zhou had ordered the Foreign Ministry to share materials

with the four marshals, so they likely knew of public U.S. messages—such as those by William

Rogers in Canberra in August or Elliot Richardson in New York—and perhaps some of Nixon's

private entreaties.[98] On September 17, they produced their fourth and final report, their first since

July.

Continuing their somewhat bipolar style from earlier reports, the marshals both affirmed and

rejected the Beijing consensus that the risk of war with the Soviet Union had increased substantially.

"A group of adventurers in the Soviet revisionist leadership want to seize this opportunity to use

missiles and tanks to launch a quick war against China and thoroughly destroy China, so that a

'mortal danger' for them will be removed." They were stopped, however, by "political

considerations," especially an inability for the Soviet Union to be confident that the United States

would not support China or take advantage of a Sino-Soviet conflict. The U.S. role, and "several

other factors," perhaps the arguments they had listed in their July report, led the military veterans to

conclude that the "Soviet revisionists dare not start a major war against China." They applauded

Zhou's meeting with Kosygin at the airport, and advocated waging "a tit-for-tat struggle against both

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[97] Yang, "Sino-Soviet Border Clash in 1969," 39-41; Lewis and Xue, *Imagined Enemies*, 59-70.
[98] They appear to have had access to the private messages Nixon had relayed through intermediaries, observing in their report: "Several times the U.S. imperialists have expressed a willingness to improve relations with China, which reached a peak during Nixon's recent trip to Asia."

the United States and the Soviet Union, including using negotiation as a means of fighting against

them." They concluded, "The Soviet revisionists have requested holding negotiations on the border

issue, to which we have agreed. The U.S. imperialists have suggested resuming the Sino-American

ambassadorial talks, to which we should respond positively when the timing is proper."[99] Historical

commentary has emphasized their advocacy for a resumption of the Warsaw talks, but it is worth

stressing that they also supported the resumption of Sino-Soviet negotiations. They thought

pursuing both tracks would ensure China the best outcome.

In a covering note accompanying the report, Chen Yi—who had overseen the Warsaw talks

as foreign minister from 1958 until he was sidelined by the Cultural Revolution—advocated that the

ambassadorial talks be used to propose higher level discussions, at the ministerial level or above, in

which China and the United States could discuss Taiwan and "other questions of strategic

significance." "Nixon hopes to win over China," Chen argued, and it was time to use U.S.-Soviet

tensions to "pursue a breakthrough" in Sino-American relations.[100]

It did not happen right away, but the strategic consensus in China shifted in the fall of 1969.

In November, Nixon's messages through Pakistan finally arrived, along with a new codicil that the

United States was withdrawing two destroyers from patrol in the Taiwan Strait. (Kissinger asked the

Pakistanis to tell the Chinese about the destroyers, but the national security advisor did not mention

that the two destroyers were part of one hundred ships that the U.S. Navy was eliminating anyway in

order to cope with a $3 billion reduction in U.S. defense expenditure. It was a cost-saving decision

that seemed like a costly one.[101]) On November 16, Zhou passed Nixon's message in favor of

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[99] "Report by Four Chinese Generals—Chen Yi, Ye Jianying, Nie Rongzhen, and Xu Xiangqian—to the CCP Central Committee, 'Our Views about the Current Situation' (excerpt)," September 17, 1969, *Cold War International History Project Bulletin*, no. 11 (Winter 1998): 170.
[100] "Further Thoughts by Marshal Chen Yi on Sino-American Relations," n.d., *Cold War International History Project Bulletin*, no. 11 (Winter 1998): 170-1.
[101] Telegram from the Department of State to the Embassy in the Republic of China and Commander, U.S. Taiwan Defense Command, Washington, September 21, 1969, *FRUS, 1969-1976*, vol. 17, *China, 1969-1972*, doc. 34.

normal Sino-U.S. relations on to Mao, along with news of the eliminated patrol. Zhou commented to Mao, "The direction of movement of Nixon and Kissinger is noteworthy."[102]

The war scare would last into the winter months, but by the end of 1969, China had changed its approach to both superpowers. Beijing began to pursue conflict management with the Soviet Union and rapprochement with the United States. Why now, after so long? MacFarquhar and Schoenhals speculate that Mao was worried finally about the economic and civil-military consequences of perpetual confrontation. The massive increase in defense spending was "greatly distorting the economy." Moreover, Lin Biao's overreaction in October 1969, ordering a redeployment of hundreds of thousands of troops, also appears to have worried Mao. They assess that Mao came to conclude the present path, the one he had followed for the last decade, was unsustainable. "Defense requirements would dominate politics, distort the budget, and disrupt social life, and indeed continued to do so through 1970. Only by lifting the perception of dire and immediate threat, which Mao himself had done most to foster, could the PLA gradually be eased back into a more customary supporting role."[103]

## 4.6 Denouement in Sino-Soviet Tension

The process of improving Sino-Soviet relations began haltingly. Zhou Enlai believed that Kosygin had agreed both to freeze activity along the border, but also to withdraw troops from potential "contact areas," which China appears to have interpreted as thinning out troops along much of the disputed boundary. The Soviet Union did not follow through on that later commitment, if indeed it was made. The Soviet documentation of this episode is still very thin, but Vitaly Kozyrev speculates that "the arguments the Soviet premier brought back to Moscow from the Beijing airport were apparently not strong enough to convince the central authorities to start the

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[102] Chen, *Mao's China and the Cold War*, 249-50.
[103] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 320.

process of troop withdrawal. Kremlin leaders were still concerned about the possibility of large-scale

Chinese invasion of Soviet territories."[104] If so, Kosygin's diplomacy may have been damaged by his

leadership fight with Brezhnev, which was not fully settled until the following year when Kosygin

accepted Brezhnev's authority.

Elizabeth Wishnick argues instead that the agreed language was vague, with Kosygin only

having accepted "withdrawal of troops of both sides from direct contact in controversial sectors,"

which Wishnick speculates the Soviets interpreted as meaning only areas where clashes had occurred

while the Chinese interpreted it more broadly. She observes that even Soviet diplomats present at

the Beijing airport disagree precisely as to what was said by Kosygin and Zhou, a consequence of a

decision by both leaders to not reach formal agreement at the meeting itself, but to attempt to do so

via diplomatic channels a week after the talks took place.[105]

At worst the Soviet signals were mixed, rather than outright hostile. By February 1970,

Soviet troops had withdrawn from contentious islands, including Zhenbao. The Soviet Union

reportedly offered to sign a nonaggression pact or a non-use-of-force treaty on several occasions in

1969, 1970, 1971, and 1973. In January 1970, they renewed their past offer from the 1964 talks to

respect the so-called *thalweg* principle for the Amur and Ussuri rivers, which would locate the

boundary marker in riverine borders as located in the middle of the main navigable channel, which

represented a substantial concession in the Soviet claim to disputed river islands. In March 1972,

Brezhnev offered publicly to base Sino-Soviet relations on the principles of "peaceful coexistence,"

[104] Vitaly Kozyrev, "Soviet Policy toward the United States and China," in *Normalization of U.S.-China Relations: An International History*, eds. William C. Kirby, Robert S. Ross, and Gong Li (Cambridge, MA: Harvard University Press, 2005), 261.
[105] "Soviet Report, Information on A. N. Kosygin's Conversation with Zhou Enlai," September 11, 1969; Elizabeth Wishnick, *Mending Fences: The Evolution of Moscow's China Policy from Brezhnev to Yeltsin* (Seattle: University of Washington, 2001), 36-8.

accepting a proposal that China had made to the Soviet Union in 1970. None of these proposals bore fruit.[106]

There was some progress. The Soviet Union and China again exchanged ambassadors, after a break of nearly four years since the onset of the Cultural Revolution.[107] Sino-Soviet trade increased again after a trade protocol was agreed in 1971. Trade went from only $41 million total in 1970 to $254 million in 1972.[108] There were no breakthroughs in 1970 in Sino-Soviet relations, but there was all around improvement. The relationship would remain fairly placid, before worsening again in 1973 as a succession struggle unfolded in Beijing as Mao's health worsened.

## 4.7 A Slow Path to Sino-U.S. Rapprochement

The multi-year path from China's strategic reassessment in September 1969 until Nixon's visit to China in February 1972 is well covered elsewhere.[109] It is worth stressing, however, that substantial compromises had to be made on both sides after 1969, especially finessing the issue of Taiwan and the rate of U.S. troop withdrawals from that island. Additionally, Nixon's decision to intervene in Cambodia in mid-1970 led to a multi-month suspension in Sino-U.S. discussions. But the cost of continued U.S. antagonism still weighed on the Chinese economy even after the period of greatest perceived danger in the Sino-Soviet dispute had passed. Both parties had strong incentives to return to negotiations and achieve results. Only after 1971, after Kissinger had visited China to prepare for a presidential visit the following year, was China able to cut military spending (see Figure 8.2 below).

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[106] Directorate of Intelligence, Central Intelligence Agency, *Sino-Soviet Exchanges, 1969-84: A Reference Aid*, April 1984, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000497181.pdf; Wishnick, *Mending Fences*, 40-1.

[107] "Tolstikov, Soviet Envoy, Takes Up Post in Peking," *New York Times*, October 11, 1970.

[108] Kristian S. Gleditsch, "Expanded Trade and GDP data," *Journal of Conflict Resolution* 46, no. 5 (2002): 712-24, v. 4.1.

[109] For recent accounts, see Tudda, *A Cold War Turning Point: Nixon and China, 1969-1972* (Baton Rouge: Louisiana State University Press, 2012) and Margaret Macmillan, *Nixon and Mao: The Week that Changed the World* (New York: Random House, 2008); on the Chinese side, see Gao, *Zhou Enlai*, 1-19 and Gong Li, "Chinese Decision Making and the Thawing of U.S.-China Relations"; for a syncretic account, see Luthi, "Restoring Chaos to History."

## Defense Expenditures in China, 1960-1975



Source: China Statistical Yearbook, 2000
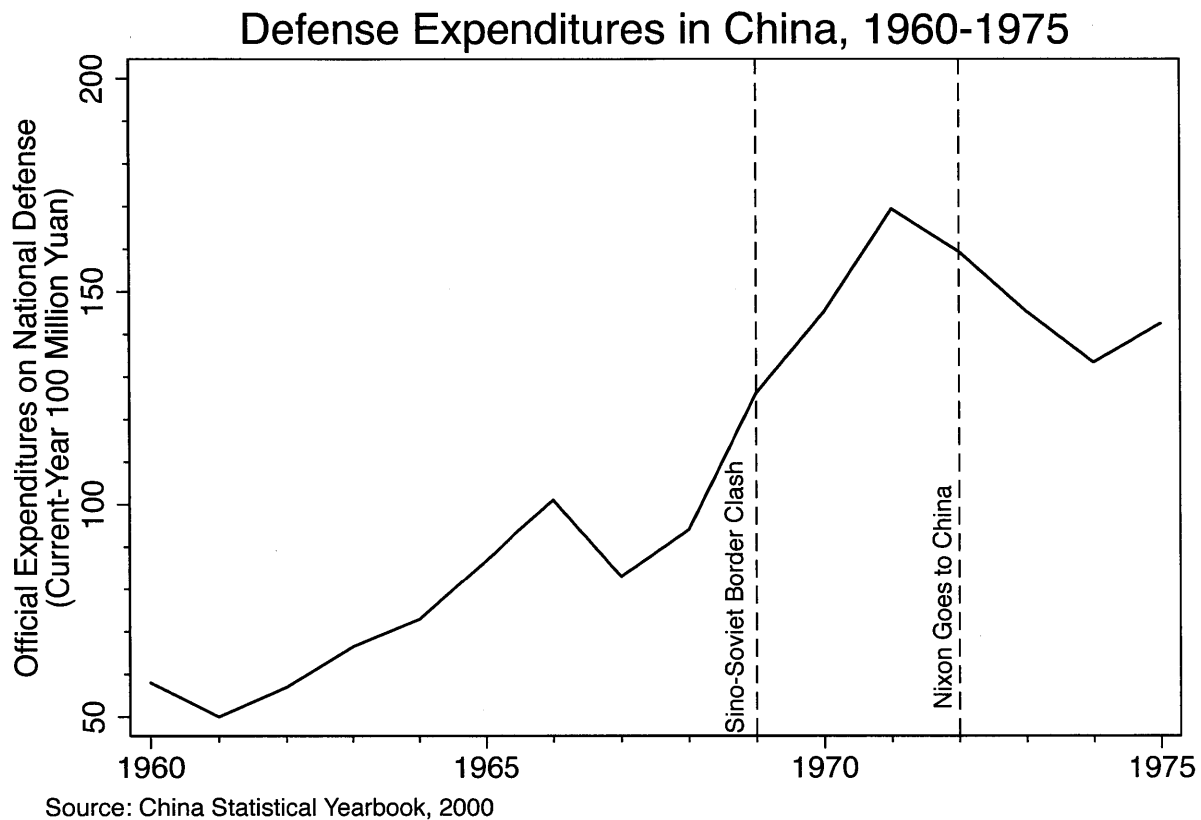
Figure 8.2: Defense Expenditures in China, 1960-1975

After having increased national defense expenditures by a cumulative 80 percent from 1968 to 1971, Beijing now cut them by 21 percent from 1971 to 1974. Only after 1971 did China arrest the costly effort to build a "Third Front" of war industry less vulnerable to U.S. and Soviet attack, and which had subordinated "every other economic objective, with the exception of petroleum exploitation" from 1964 to 1971. After having absorbed 49 percent of overall capital investment from 1966 to 1970, only 34 percent went to the inland industrial project from 1971 to 1975. Beginning in early 1972, Zhou Enlai—who replaced Lin Biao in overseeing the Third Front—was able to shift economic resources back to other parts of the Chinese economy, which was all the

more important since a poor harvest and the still substantial costs of the Third Front had raised the possibility of renewed economic crisis.[110]

These lingering costs of confrontation—even a confrontation less dire than that imagined by Chinese leaders in September and October 1969—may explain why Mao continued to pursue rapprochement with the United States so long after danger of war with the Soviet Union had faded. Macfarquhar and Schoenhals puzzle, "By the time Henry Kissinger came to Beijing in July 1971 to negotiate the Nixon visit, how expedient did the Chinese need to be? True, the Soviets had sent six new divisions armed with battlefield nuclear weapons to the border, but the Sino-Soviet border had been defused, and would remain quiescent provided the Chinese offered no provocation. A Soviet 'surgical strike' was by now unlikely, if not inconceivable. If the four marshals had been right to be sanguine in 1969, the situation was even more favorable in 1971."[111]

Domestic primacy theory solves that puzzle. Economic need remained after the war fever broke. Mao, for the first time in a decade, now had no political challengers. He no longer needed to distort economic figures to win political arguments. He no longer had to pursue international confrontation in order to defeat political opponents. He could take the necessary steps to repair the Chinese economy after 14 years of ill-conceived economic campaigns and military brinksmanship.

## 5 Alternative Explanations

The process of Sino-U.S. rapprochement from 1969 to 1972 provides considerable evidence in favor of domestic primacy theory, but also supports an alternative theory of peacemaking: that a common enemy compels rapprochement between rivals. In general the evidence is less favorable to theories that suggest bilateral military imbalance helps to foster enduring peace, nor do "existential"

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[110] Naughton, "The Third Front," 362-3; "Government Expenditure by Category of Expenses," *China Statistical Yearbook* (2000); Luthi, "The Vietnam War and China's Third-Line Defense Planning before the Cultural Revolution, 1964-1966," *Journal of Cold War Studies* 10, no. 1 (Winter 2008): 29.
[111] Macfarquhar and Schoenhals, *Mao's Last Revolution*, 322.

variants of theories regarding the necessity of a nuclear peace do well. How can we adjudicate these competing claims?

## 5.1 Common Enemy

Did a shared fear of the Soviet Union drive Sino-U.S. rapprochement? Almost certainly it contributed. Chapter 7 emphasized that theories of the pacifying effects of shared threats have a problem: these shared threats did not prevent the emergence of the Sino-Soviet rivalry in the first place. Mao's belief that his domestic and international foes were linked ideologically and practically helps explain the Chinese leader's pursuit of confrontation despite strong incentives to avoid a rupture with Moscow. The Sino-Soviet split worsened even after the United States began to threaten China's vital interests directly by attacking the neighboring Communist state of North Vietnam in the mid-1960s. If a common enemy does lead to peace, there must be some missing variable that regulates that relationship. Domestic primacy theory suggests that economic incentives are mediated by the concentration or diffusion of executive authority, which explains how China's policy could grow far more ambitious than the resources available to it. Domestic primacy theory suggests that they key shift in 1969 was the added costs of confrontation, most notably the 34 percent increase in defense spending approved in June, as well as the return to more normal politics in China with the Ninth Congress in April.

Domestic primacy theory further can explain the shift in U.S. behavior. Unlike China, Nixon did not confront an acute Soviet threat in early 1969. He sought to extricate the United States from Vietnam, but the Soviet Union could help only indirectly in that endeavor. Instead, Nixon faced a resource crunch that prevented him from keeping both his domestic and international promises to U.S. voters. That is why Nixon courted China for months before China responded positively. The new historiography on 1969 suggests "by reducing its own hostile stance towards the People's Republic in the aftermath of the [Sino-Soviet] crisis the Nixon administration made it possible for

the Beijing leadership to begin a major reorientation of its foreign relations."[112] This still permits the August crisis to play a major role in forcing the Chinese leadership to realize the untenable nature of their present policies, because, as Macfaquhar and Schoenhals point out, to persist would mean militarizing their economy, abandoning other goals, and possibly shifting the domestic balance of power in favor of the military. But Nixon's courtship was not motivated by the war scare of August 1969. Nixon had already concluded prior to August 13 that improved Sino-U.S. relations were necessary for his international plans. He had told Yahya Khan and Nicolae Ceausescu to pass along messages to the Chinese on August 1 and 2, before the crisis, and told other foreign leaders of his preference for normalization even earlier.

Domestic primacy theory can also explain why the pressure for rapprochement continued even after the acute threat of conflict passed. By the spring of 1970, the fear of imminent conflict was remote, even in Beijing. After having extracted rhetorical support from the United States in their period of dire need in the autumn of 1969, China could have returned to business as usual. In fact, they had a convenient excuse when the United States began bombing Cambodia in 1970. But just because war was not imminent, Chinese leaders felt that there were still serious defense needs, especially on their northern border. Those requirements led to double-digit increases in the defense budget in 1970 and 1971. Nixon meanwhile found that domestic programs soaked up every dollar he was saving by withdrawing U.S. troops from Vietnam. He needed more savings. He needed friendly relationships with even more states to help with the U.S. trade deficit that threatened his monetary policy. Those economic pressures lingered even as the acute risk of Sino-Soviet war passed. So he pursued détente and he pursue rapprochement at the same time to relieve the pressure.

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[112] Yang, "Sino-Soviet Border Clash of 1969," 21.

## 5.2 Military Imbalance

The U.S.-China-Soviet triangle shows clearly that while a military imbalance can create the conditions for the avoidance of war, it is often unable to deter more limited clashes and it is insufficient to generate an enduring—rather than a merely tactical—peace. China elected to escalate its conflict with the Soviet Union by planning an ambush on March 2, 1969, at almost the exact moment that its relative military balance against the Soviet Union *and* the United States was at its lowest point (see Figure 8.3 below). This was an exceptionally risky move.
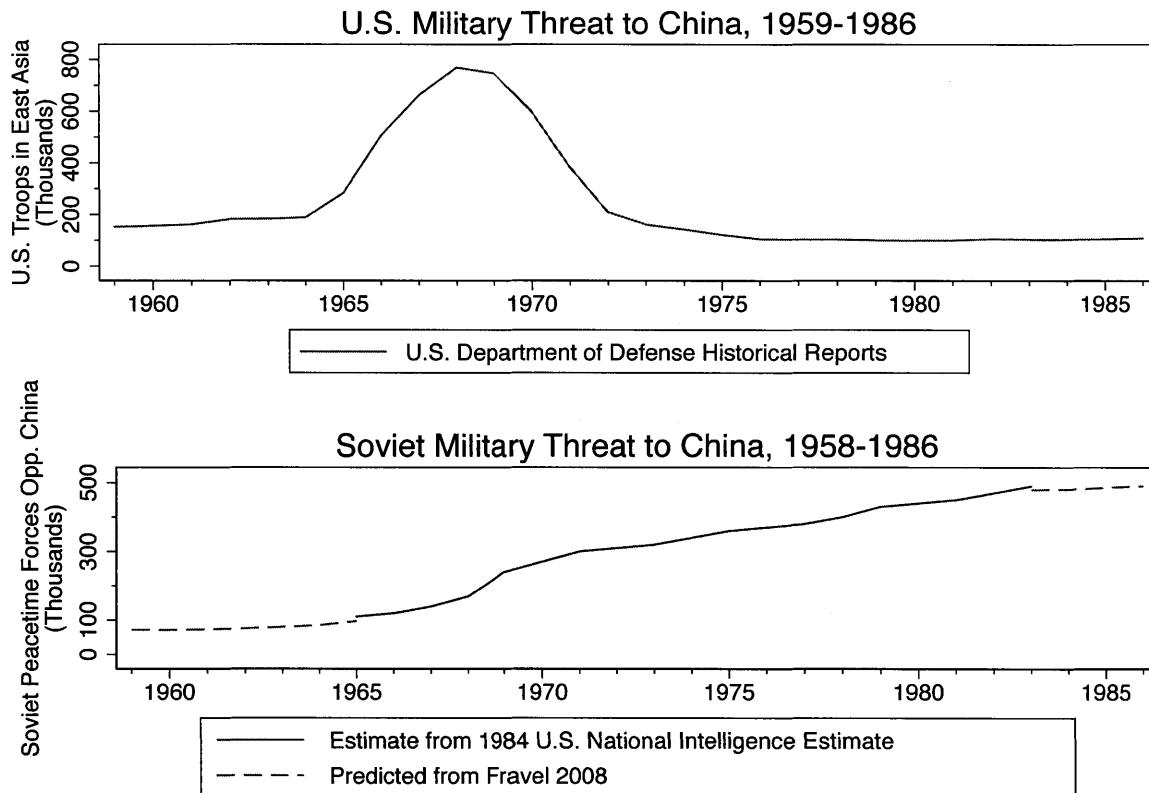


Figure 8.3 Conventional Military Threat to China, 1958-1986[113]

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[113] U.S. troop numbers are derived from U.S. Department of Defense historical reports and collected in Tim Kane, "Global U.S. Troop Deployment, 1950-2005," Heritage Foundation Center for Data Analysis Report No. CDA06-02, May 24, 2006; Soviet manpower estimate in U.S. National Intelligence Estimate, *The Changing Sino-Soviet Relationship*, NIE 13/11-84, April 5, 1984; prediction for years not covered by the NIE derived from division strength presented in Fravel, *Strong Borders, Secure Nation*, 205.

China's size and population complicate any attempt to assess the military balance of any other state with China. Any state, even a superpower, would have difficulty invading China and suppressing potential violence from its hundreds of millions of people. Even so, the Sino-U.S. rapprochement occurred despite a dramatic decrease in U.S. troops in Asia. A return to military balance, a return to a situation where it was less clear who had military advantage, may have made it easier for the United States and China to pursue rapprochement. As China sought to prioritize which of its relationships that it should repair, it certainly is possible that the U.S. relationship was more attractive since the threat that it posed to China was diminishing, while the Soviet Union continued to have hundreds of thousands of troops along China's border. Domestic primacy theory predicts when states are most likely to attempt retrenchment. Other theories are needed to explain why a state might prioritize one rivalry over another as being ripe for improvement.

## 5.3 Nuclear Peace

Among the major alternatives, the theory that fares most badly in explaining the Sino-U.S. rapprochement is that China's acquisition of nuclear weapons in 1964 enabled a nuclear peace. If this were the case, one would expect that the Soviet Union, which was more vulnerable to Chinese nuclear weapons—admittedly a small number of bombers and medium-range ballistic missiles— would pursue more peaceful policies than the United States, which was largely invulnerable in 1969. Just the opposite proved to be the case.

Specifically with regard to Sino-U.S. rapprochement, there is little evidence that China's nuclear capability shaped U.S. thinking about the desirability of continued conflict. There was not an imminent sense of danger. In 1969, they assessed the "earliest possible" initial operating capability for even a single intercontinental ballistic missile (ICBM) would be late 1972 or early 1973, while in

1970 they delayed that estimate by a year into 1973 at the earliest. In both 1969 and 1970, analysts

predicted the mid-1970s as a more likely fielding date, and even then they expected very low

numbers of weapons with perhaps 10 to 25 ICBMs by 1976.[114] China's rocket motor and fuel

developments meant that all of these systems would require liquid fueling, leaving them vulnerable

to preemptive strikes, since U.S. assessments did not expect Chinese produced solid-fuel systems

before 1975.[115] Into the mid-1970s, the timeline for Chinese ICBM development continued to

extend, with analysts in 1974 anticipating an operational capability in 1975.[116] In reality, China would

not even test an ICBM at full range until 1980.[117]

It is not a surprise, then, that U.S. decision-makers were fairly dismissive of Chinese nuclear

forces in deliberations in the late 1960s and early 1970s. When U.S. decision-makers pondered the

Chinese nuclear capability, they sought to maintain U.S. nuclear superiority by ensuring the ability to

execute preemptive strikes against Chinese nuclear facilities, deploy tactical nuclear weapons against

Chinese conventional forces, and do so without degrading U.S. ability to prosecute a full nuclear war

with the Soviet Union.[118] In Kissinger's assessment in 1971, "we have no disarming capability against

the USSR but we do have some against China," which permitted the United States "to regulate their

actions in local situations."[119] Throughout this same period, the United States sought to field an anti-

ballistic missile system with an explicit requirement of being able to reduce the number of U.S.

fatalities "to the minimum level" in the event of either a Chinese launch or a limited accidental

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[114] NIE, *Communist China's Strategic Weapons Program*, October 30, 1969 and National Intelligence Estimate, *Communist China's Strategic Weapons Program*, NIE 13-8/1-69, August 20, 1970, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0001098174.pdf.
[115] NIE, *Communist China's Strategic Weapons Program*, October 30, 1969.
[116] National Intelligence Estimate, *China's Strategic Attack Programs*, NIE 13-8-74, June 13, 1974, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0001086044.pdf.
[117] John Lewis and Xue Litai, *China Builds the Bomb* (Stanford: Stanford University Press, 1991), 214.
[118] "Senior Review Group Meeting of 12 March 1971, on NSSM 69, US Nuclear Policy in Asia and NSSM 106, US China Policy," Memorandum for the Record of the Senior Review Group Meeting, Washington, March 12, 1971, *FRUS*, 1969-1976, vol. 17, *China, 1969-1972*, doc. 108.
[119] "Minutes of NSC Meeting on Defense Strategy," Memorandum of Conversation, Washington, August 13, 1971, *FRUS*, 1969-1976, vol. 1, *Foundations of Foreign Policy, 1969-1972*, doc. 96.

Soviet launch.[120] Theories premised on peace obtaining as a result of existential nuclear deterrence predict no greater likelihood of nuclear peace from 1969 to 1972 than they do beginning in 1964. Theories premised on peace obtaining with the possession of secure, second-strike capabilities do not predict peace until the early 1980s when China finally possessed those capabilities. The Sino-U.S. rapprochement was not the product of nuclear deterrence.

## 6 Conclusion

On February 21, 1972, Richard Nixon arrived in Beijing. His visit and follow-on steps taken to enhance political, economic, intelligence, and military ties ended the Sino-U.S. rivalry. After China's response to the Tiananmen Square protests in 1989, after the collapse of the Soviet Union, after another Taiwan Strait crisis in 1995-1996, the U.S. and China would return to rivalry, where their relations remain today, stuck in competition. Despite concerns about China's growing assertiveness in the South China Sea and elsewhere along its periphery, today's wealthier and more open China is nowhere as confrontational as the China of the 1950s and 1960s. In an earlier era, China had to experience some of the most severe pressures placed upon a state outside of full-scale war for it to moderate its behavior. Even then, as this chapter has shown, only when the costs of confrontation were at their highest and U.S. entreaties were frequent and serious did Beijing decide to transform its foreign policy. If domestic primacy theory is correct, whether the current Sino-U.S. rivalry will endure will depend on elite politics in Washington and Beijing and the economic pressures that national leaders confront in future years.

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[120] "Need for U.S. SALT Delegation to clarify U.S. Posture on ABM Levels," Memorandum From the Deputy Secretary of Defense (Packard) to the Under Secretary of State (Richardson) and the President's Assistant for National Security Affairs (Kissinger), Washington, December 8, 1969, *FRUS*, 1969–1976, vol. 32, *SALT I*, 1969–1972, doc. 43.

CHAPTER 9: OVERCOMING OBSTACLES TO SINO-SOVIET NORMALIZATION

**1 Introduction**

The Sino-Soviet confrontation never again reached the intensity it experienced in 1969. Just as Brezhnev had done with Nixon, the Soviet leader initiated conciliatory moves toward Beijing from 1970 until 1973. With ideological rancor still high and war fears fresh, the Chinese leadership was unwilling to accept the Soviet Union's proposals, content instead with conflict management, rather than rivalry termination. The window for possible transformational change for the Sino-Soviet relationship in the 1970s was brief, cut short by the worsening health of the two Communist leaders. Beginning in 1973 and 1974, respectively, Mao and Brezhnev were no longer fully able to govern. They would remain the most influential figures in their governments, but no longer did they demonstrate an ability to implement sustained policy agendas at home or abroad. The old Communist leaders were dragged into renewed factional fighting that distracted everyone, including Brezhnev and especially Mao, from the task of governance.

After Mao's death in 1976, Deng Xiaoping eventually emerged from the scrum as the dominant figure in Chinese politics. By then he no longer had a capable Soviet partner. While Brezhnev would show glimpses of a desire to improve relations with Beijing, he no longer had the energy to enact his preferences as Soviet policy. As a result, Sino-Soviet relations remained largely static until the ascent of Gorbachev in 1985. As the Soviet leader grappled with the economic crisis within the USSR, he sought to decrease the costs of Sino-Soviet enmity. Just as Gorbachev's efforts to transform relations with the United States were eased by Shultz's efforts to bring coherence to Reagan's foreign policy, his initiatives toward China yielded fruit because of the presence of Deng Xiaoping. Under their combined leadership, the Sino-Soviet rivalry came to a close as Deng struggled to combat domestic economic problems that contributed to the Tiananmen crisis of 1989. With Gorbachev in Moscow and Deng in Beijing, leaders obsessed with improving the economic

fortunes of their people helmed both Communist powers. The Sino-Soviet rivalry was a costly anachronism that impeded their domestic ambitions. They determined that their respective political interests benefited from cooperation rather than confrontation.

Since political and economic circumstances in the Soviet Union for this period are described in Chapters 5 and 6, this chapter will first examine those conditions in the People's Republic of China. It will survey the reassertion of factional politics that occurred in anticipation of Mao's death, and Deng's eventual emergence as the ultimate decision-maker in the Chinese political system. Upon Deng's ascent, it will describe the two periods of economic retrenchment that he navigated in the early and late 1980s. It then examines the long path to Sino-Soviet normalization, before comparing domestic primacy theory's predictions to those of alternative accounts. Domestic primacy theory is the only theory that can explain Deng's interest in restarting dialogue with the Soviet Union in mid-1979, Gorbachev's conciliatory initiatives beginning in 1986, and Deng's acquiescence to Soviet proposals in 1988 and 1989.

## 2 Concentration of Executive Authority in China, 1973-1989

## 2.1 The Decline of Mao and the Return of Deng

The Ninth Congress in April 1969 did not ended factionalism at the highest levels of Chinese politics, it merely subordinated all of those factions under Mao and marked the end to the most revolutionary phase of the Cultural Revolution. Mao's dominance suppressed factional strife for a time, a window that permitted Mao and Zhou to transform Chinese foreign policy. This period of concentrated authority was brief. Mao's control degraded along with his health, exacerbated by Zhou's concurrent physical decline. Mao, who had been an absentee leader in some ways since he had retreated to the "second line" of leadership in 1959, became reclusive as his physical condition worsened. He could and did intervene on important issues, but issues might drift for months if his

attention wandered elsewhere as factions opposed to his preferences engaged in foot dragging. He

increasingly relied on intermediaries to bring him information and execute his wishes, and those

intermediaries often sought to advance their own careers in addition to carrying out Mao's wishes.

While Mao would intervene periodically to squelch radical activism from within the Politburo, he

also assured divided authority in the system with his attempts to engineer a succession plan that

would favor neither the ideologues nor the technocrats. The result was diffuse executive authority

until Deng's ascendance after 1977.


## 2.2 Mao's Decline and Deng's Interrupted Return

The Cultural Revolution sought to reverse "revisionist" tendencies in Chinese politics, oust

Liu Shaoqi and Deng Xiaoping from power, and expurgate what they represented from the party.

Mao reserved his hatred for Liu. Deng on the other hand was redeemable, the Chairman concluded.

"He won't rebel," Mao had offered as a mild—but crucial—defense of Deng as the Party leadership

was considering his fate in the late 1960s. Liu was expelled from the party and harassed to death.

Deng Xiaoping was stripped of "all posts both inside and outside the party," but remained a

member. He was placed under house arrest in Beijing in 1967, but protected from attack. In 1969,

he was sent to a tractor repair shop in Nanchang, 1,500 kilometers south of Beijing, for reeducation

and physical labor.[1] Unlike Liu, Deng would survive the Cultural Revolution.

By mid-1972, Mao had few subordinates to whom he could delegate. Ezra Vogel observes,

"Of the five people who had been on the Politburo Standing Committee in August 1970, Lin Biao

was dead, his ally Chen Boda was in prison, and Kang Sheng was incapacitated by cancer, thus

leaving only Mao and Zhou." Kang's incapacitation may have had as much to do with his clinical

depression as his cancer, but the latter diagnosis had led to a round of medical checks of Chinese

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[1] Roderick Macfarquhar and Michael Schoenhals, *Mao's Last Revolution* (Cambridge, MA: Harvard University Press, 2006), 279-80; Ezra Vogel, *Deng Xiaoping and the Transformation of China* (Cambridge, MA: Harvard University Press, 2011), 43-9.

senior leaders that discovered that Zhou too suffered from bladder cancer, the same ailment that

weakened Kang. Neither Mao's trusted internal security chief nor the premier could work at their

full capacity. Mao viewed the diagnoses as death sentences, since he was convinced cancer could not

be cured. Mao's wife, Jiang Qing, remained in good health, but she was a useful tool to attack others,

not govern.[2] After the excesses of the Cultural Revolution, Mao determined that maintaining order

would benefit from—and indeed might require--a return of Deng Xiaoping.[3]

The issue of succession was not just prudent planning spurred by the ill health of Mao's

deputies. Mao confronted his own mortality, and others jockeyed for position as awareness of Mao's

frailty spread. "By early 1973, Mao was having difficulty speaking," writes his physician, Li Zhi-Sui.

"The slightest physical activity took his breath away, and his lips would turn gray."[4] In August, the

79-year-old Mao was able to participate in Tenth Congress only because his medical team had

emplaced oxygen tanks around the meeting hall. By 1974, Mao's health forced him to miss Politburo

sessions. Cataracts impaired his sight; for a year he was unable to read until cataract surgery in mid-

1975. Far more seriously, in the summer of 1974, he was diagnosed with amyotrophic lateral

sclerosis, or Lou Gehrig's disease. Mao's right side became paralyzed, and he had difficulty

swallowing and speaking. At the time of the diagnosis, his doctors expected the Chinese leader to die

within two years from the ALS progression. Mao suffered not just from ALS, but also congestive

heart failure and emphysema. The only question was which ailment would kill him.[5] Mao's health

both forced the issue of succession, while also degrading Mao's ability to steer that succession.

Mao gave Deng permission to return in August 1972, though—because of Jiang Qian's

delaying tactics—Deng did not actually arrive in the Chinese capital until February 1973. In March,

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[2] Vogel, *Deng Xiaoping*, 62; Li Zhi-Sui, *The Private Life of Chairman Mao*, trans. Tai Hung-Chao (New York: Random House, 1994), 549, 571-2.

[3] Gao Wenqian, *Zhou Enlai: The Last Perfect Revolutionary*, trans. Peter Rand and Lawrence Sullivan (New York: Public Affairs, 2007), 291.

[4] Li, *The Private Life of Chairman Mao*, 572.

[5] Alexander V. Pantsov with Steven I. Levine, *Mao: The Real Story* (New York: Simon and Schuster, 2012), 565; Macfarquhar and Schoenhals, *Mao's Last Revolution*, 360, 413; Li, *The Private Life of Chairman Mao*, 576-82

Mao elevated Deng to the rank of vice premier. In August, though, Mao moved to counterbalance

the return of the competent and technocratic Deng. He plucked a 38-year-old, Wang Hongwen,

from obscurity, and installed him as party vice chairman, making him the third most senior party

official after Mao and Zhou.[6] Wang had risen to prominence as a leader of the Cultural Revolution

in Shanghai, but besides his zealotry the "ultra-leftist Communist 'boy scout,'" in Gao Wenqian's

phrase, had little practical experience.[7] In these moves, Mao also paired a victim of the Cultural

Revolution (Deng) with an instigator and beneficiary of Mao's campaign (Wang). As Mao

contemplated death, he feared that his quest to eliminate revisionism might be counteracted, and

that Deng in particular might undo Mao's revolution. Wang would not betray Mao, and if he could

be made co-equal to Deng, he could ensure that the Chinese revolution would continue on the

course Mao had charted.

The rapprochement with the United States had been enabled by Mao's implicit trust in Zhou

to conduct Chinese foreign policy given the broad outlines of Mao's vision. U.S. diplomat Chas

Freeman recalled, "Zhou Enlai was always the urbane, loyal implementer of Mao's policies…. He

would take broad concepts and translate them into something that could work."[8] That working

relationship frayed at the end of both Zhou and Mao's lives. Mao reached down to the 68-year-old

Deng (and the even younger Wang) instead of the 75-year-old Zhou not just because of the

premier's cancer. He also was resentful of the credit Zhou received for China's foreign policy

transformation in 1972. Beginning in 1973, Mao began criticizing Zhou's handling of the foreign

ministry. On one memo, Mao wrote that he found Zhou's analysis to be a "piece of shit," and he

cautioned others from embarking on Zhou's "pirate ship," which was taking Chinese foreign policy

in a dangerous revisionist direction. The fact that Mao's wife viewed Zhou as her chief opponent,

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[6] Vogel, *Deng Xiaoping*, 68-74.
[7] Gao, *Zhou Enlai*, 237-8.
[8] Nancy Bernkopf Tucker, ed., *China Confidential: American Diplomats and Sino-American Relations, 1945-1996* (New York: Columbia University Press, 2001), 251.

and attacked the premier in public and in private gave Mao more arguments to fuel his suspicion. He

was never worried that Zhou would oust him from power, but rather that Zhou might tarnish Mao's

legacy. "Mao didn't want to actually destroy Zhou Enlai. He only wanted to give him a real beating,

and bloody his self-esteem," writes Zhou's biographer Gao. Jiang Qing, Mao's wife, did seek to

destroy Zhou, viewing him as an ideological opponent to her brand of ultra-leftist politics as well as

a practical competitor for succession. Mao, convinced of the need to weaken Zhou, arranged for ten

days of meetings focused on criticizing the premier's mistakes. Jiang was delighted, and she

participated heartily as Zhou's friends and colleagues, including the newly restored Deng, "poured

ideological sewage" on Zhou.[9]

All the while, Zhou's health worsened. Intentionally or unintentionally, Mao hastened

Zhou's demise by impairing Zhou's treatment. Mao's physician argues that Mao did so because of

his belief in folk wisdom that cancer was incurable, and so all surgery did was incapacitate the

patient in his final years. Zhou was too valuable to be on a sickbed undergoing pointless treatment.

Zhou's biographer Gao acknowledges these arguments, but ultimately attributes malice to Mao and

Jiang Qing. They sought to accelerate Zhou's death, and Jiang sought to replace Zhou. Whatever the

reason, Zhou was denied appropriate treatment from mid-1972 when he was diagnosed, until June

1974 when his doctors finally prevailed on Mao to change his mind. By that point the cancer had

spread. As a consequence, the terminally ill Mao would outlive Zhou, but only by a matter of

months.[10]

Mao was not a vessel for Jiang's schemes, nor was he consistently her ally. Rather, Mao

sought to create factional balance that would outlive him, and that would ensure that China would

have some ability to "push the task of production" (as exemplified in Zhou and Deng) while also

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[9] Gao, *Zhou Enlai*, 237-47; also Frederick C. Teiwes and Warren Sun, *The End of the Maoist Era: Chinese Politics During the Twilight of the Cultural Revolution, 1972-1976* (Armonk, NY: M.E. Sharpe, 2007), 131-9.
[10] Gao, *Zhou Enlai*, 249-262; Li, *The Private Life of Chairman Mao*, 573.

paying appropriate attention to "managing revolutionary achievements."[11] He may also have wanted

to impart a system where none of his successors would have the degree of authority that the

Chairman had acquired, to ensure primacy not just at that moment but enduring primacy in Chinese

history. The result was that Mao cut down Jiang when he thought she and her confederates grew too

powerful. In July 1974, he warned Jiang, Wang Hongwen, and two other radicals not to act as a

"Gang of Four" in the Politburo, rather than work constructively with their senior colleagues.[12]

Deng Xiaoping was the temporary beneficiary of Zhou's illness and Jiang's overreach. After

Deng had participated in criticizing Zhou in late 1973, Mao apparently was convinced that Deng

could be trusted and that the risk of a Deng-Zhou alliance against him was manageable. He asked

for Deng to be promoted to full membership on the Politburo as well as appointment to the Central

Military Commission (CMC).[13] In March 1974, Mao selected Deng to present at the UN General

Assembly in New York the following month. Jiang objected, saying Deng was overburdened with

his work in China, but Mao stressed that it was his proposal and "do not oppose it."[14]

In October 1974, Mao announced his intent to appoint Deng to first vice premier, making

him Zhou's apparent successor. Jiang and Wang had sought to promote an ideological ally to the

position, and Wang went to Mao to convince him that Zhou and Deng were still plotting against

him. Rather than succumb to the allegations, Mao told Wang to cease attempting to undermine

Deng and to "be on guard" against his wife's schemes.[15] Despite Mao's criticism of Wang, as a move

to balance Deng and appease the leftists, he also appointed Zhang Chunqiao, a member of the Gang

of Four, as second deputy premier.[16] In January 1975, Deng became chief of the General Staff of the

People's Liberation Army and vice chairman of the CMC (Mao was chairman), while also being

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[11] Gao, *Zhou Enlai*, 256; Pantsov with Levine, *Mao*, 565.
[12] Vogel, *Deng Xiaoping*, 82.
[13] Vogel, *Deng Xiaoping*, 78-9.
[14] Alexander V. Pantsov with Steven I. Levine, *Deng Xiaoping: A Revolutionary Life* (New York: Oxford University Press, 2015), 282-3.
[15] Vogel, *Deng Xiaoping*, 88-9; Pantsov with Levin, *Mao*, 566-7.
[16] Richard Baum, *Burying Mao: Chinese Politics in the Age of Deng Xiaoping* (Princeton: Princeton University Press, 1994), 29.

promoted to the Politburo Standing Committee as a vice chairman of the party. Still balancing, though, Mao also confirmed Wang as first vice chairman of the party, making it clear his rank remained formally above that of Deng.[17]

By 1975, Deng's rehabilitation seemed complete. His superiority as a leader to Wang Hongwen and Jiang Qing in Mao's mind was apparent. Mao told colleagues that Jiang was a "greedy character," and more charitably would admit that "one part of her is good, the other is not so good." He told Wang Hongwen in December 1974 that Deng was "strong ideologically, a man of many talents. Much better than you."[18] These views were only reinforced when Wang was dispatched to Zhejiang province to quell lingering factional fighting from the Cultural Revolution and failed to restore order. Nothing in Wang's resume suggested he could govern, nor did some hidden talent emerge. The mercurial Mao decided that Wang was not up to the task of even co-governing with Deng. In June 1975 it was announced that Wang's duties in Beijing were suspended while he focused on tasks in Shanghai and Zhejiang.[19]

Meanwhile, Deng's authority grew. Mao entrusted Deng with administering foreign affairs, and emphasized that trust to foreign visitors. In April 1975 he told a visiting Kim Il Song that those Chinese leaders he had met in the past were now either dead or ill. "I cannot hold on for very long," he admitted to Kim. He told Kim to talk to Deng: "He knows how to fight a battle; he also knows how to fight against revisionism. The Red Guards purged him, but he is fine now." He told Le Duan something similar that September.[20] He also appeared to side with Deng in a fight with Jiang Qing in the Politburo in May 1975. In a rare instance in the final years of his life where Mao personally chaired a Politburo session, Mao again criticized his wife and asked her to avoid "hidden plots." He

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[17] Vogel, *Deng Xiaoping*, 92-3.
[18] Pantsov with Levine, *Deng Xiaoping*, 286-8.
[19] Vogel, *Deng Xiaoping*, 114-5.
[20] Pantsov with Levine, *Deng Xiaoping*, 286-91.

told Deng in front of the others, "You are the representative of Mao Zedong." In July, given Wang's absence from the capital, Mao authorized Deng to chair party meetings.[21]

Despite Mao's trust in Deng's competence, the ailing Mao had one lingering fear: that as a victim of the Cultural Revolution Deng would be inclined to denounce it after Mao's passing. This was the issue that the radical faction finally found that convinced Mao of Deng's dangers. In their campaign against Deng, they had an advantage. During his final years, Mao acted largely through messengers, who would report to Mao on current events, and then carry his instructions to the Chinese leadership. In these final months, Mao had selected a new intermediary, his nephew, who was devoted to Jiang Qing. As the new messenger told the aging chairman about what had occurred each day, he found ways to emphasize that Deng neither extoled the Cultural Revolution nor criticized Liu Shaoqi in his speeches. After weeks of these distortions, Mao grew worried about Deng's commitment to Mao's legacy. If the Chairman were to entrust Deng with his political inheritance, he needed to hear Deng praise the Cultural Revolution.[22]

Mao had placed the leftists in control of the Propaganda Department, the Ministry of Culture, the General Political Department of the Army, and the party's chief publications, *People's Daily* and *Red Flag*.[23] He gave them tools they could use against Deng on Mao's behalf, which they sometimes employed without Mao's encouragement. Mao slowly worked to pressure Deng into admitting that the Cultural Revolution had produced more positive than negative outcomes. Deng equivocated. He was far away, he said, in a tractor factory during the Cultural Revolution, and he did not know all of what took place. Aware that Mao's time was limited, Deng refused to say the words the chairman wanted to hear. Mao unleashed Jiang Qing and her allies, who criticized and condemned the steps Deng had taken since his return to try and restart the Chinese economy. His

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[21] Vogel, *Deng Xiaoping*, 117-8.
[22] Pantsov with Levine, *Deng Xiaoping*, 291-2; Vogel, *Deng Xiaoping*, 146.
[23] Vogel, *Deng Xiaoping*, 135.

policies were elitist and too lenient with rightists who had been justly purged only a few years earlier, they argued.[24]

Amidst the campaign to force Deng to acknowledge the necessity of the Cultural Revolution, the succession issue became urgent. Zhou Enlai died on January 8, 1976. Mao again reached into the next generation of the party to find a new successor, identifying Hua Guofeng, who had served competently as vice premier and minister of public security since early 1975. Hua was not as talented as Deng, but he stood apart from the factional strife and had few enemies. He was "an ideal compromise candidate," argues Richard Baum.[25] "Perhaps most important to Mao, Hua Guofeng, a beneficiary of the Cultural Revolution, could be counted on not to denounce it. Unlike Deng, Hua did not have his own base of support and so his claim to leadership would depend entirely on his selection by Mao," concludes Vogel. In January, Hua was made acting premier, but was not elevated to senior positions in the military like Deng had been.[26] In April, Hua's elevation as made permanent: he was now premier and first vice chairman of the party. That April, Mao stripped Deng of all of his government, party, and military offices for the second time in a decade, though he once again allowed Deng to retain party membership and ordered Deng's protection from Jiang's Gang of Four.[27]

## 2.3 Mao's Death and the Arrest of the Gang of Four

Mao's reshuffle of Hua, Wang, and Deng was the great leader's "last decisive intervention in Chinese politics," observes Andrew Walder.[28] Hua was premier, but he was unable now to appeal to Mao for aid. The Chairman's health had begun to collapse. On May 11, Mao had a heart attack. He

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[24] Vogel, *Deng Xiaoping*, 149.
[25] Baum, *Burying Mao*, 31.
[26] Vogel, *Deng Xiaoping*, 163.
[27] Vogel, *Deng Xiaoping*, 170.
[28] Andrew G. Walder, *China Under Mao: A Revolution Derailed* (Cambridge, MA: Harvard University Press, 2015), 311.

lived, but was incapacitated. His doctors struggled to manage one health problem—a lung infection, poor kidney function, irregular blood sugar—after another. Mao stopped reviewing Politburo documents awaiting decisions. On June 26, he suffered another heart attack, more severe than the first. On September 3 came another heart attack, the most severe yet. On September 9, Mao Zedong died.[29]

Hua now feared a coup by Jiang Qing and her Gang of Four. On September 11 and 12, Hua received reports that provincial party committees were being instructed to communicate to Wang Hongwen, in what evidently were "the first moves toward seizing power." Marshal Ye Jianying, vice chairman of the Central Military Commission and its effective head following Mao's death and Deng's dismissal, cautioned Hua, "They refuse to quit. They can't wait to seize power. The Chairman is gone. It's up to you to fight them." After taking days to consider Ye's advice, Hua concurred: the Gang of Four needed to be stopped. On October 6, the Gang of Four was arrested. Marshal Ye—nominally in rank behind Hua—convened a meeting of the Politburo to select Hua as chairman of the party. Hua offered chairmanship of the CMC to Ye, but Ye deferred, leaving Hua with both positions that Mao held at his death.[30]

Allying with the military, Hua had eliminated the threat on his left. He still had one on his right: Deng Xiaoping remained in the wilderness with a vast reservoir of PLA support. On October 26, Hua announced that the party would criticize both the Gang of Four and Deng Xiaoping, continuing the campaign of criticism against Deng that Mao had unleashed months earlier. Marshal Ye and others in the military pressed for Deng's rehabilitation, along with Li Xiannian, who Hua needed on bureaucratic and economic matters. They uncovered evidence that the Gang of Four had fabricated allegations against Deng. Hua's ability to resist Ye and Li was temporary at best: Baum argues the three comprised a "de facto ruling troika" after the October arrest of the Gang of Four.

[29] Li, *The Private Life of Chairman Mao*, 620-5; Vogel, *Deng Xiaoping*, 174.
[30] Macfarquhar and Schoenhals, 443; Pantsov with Levine, *Deng Xiaoping*, 305-7; Vogel, *Deng Xiaoping*, 175-80.

In December, the Central Committee approved Deng's access to classified party documents, even while he was still technically under house arrest. Hua may have authorized the move to gain Deng's support for his crackdown on the Gang of Four, since the documents that were shared focused on the crimes of the leftist group. Senior military veterans began visiting Deng, expressing their support. Hua, who had no independent claim to the military's loyalty, had little choice but to welcome Deng back into the fold.[31]

By July 1977, Deng was restored to his posts: he was again among the most senior officials in the party, the military, and the government. He was vice chairman of the Central Committee and a member of the small Politburo Standing Committee, vice chairman of the Central Military Commission and chief of the General Staff of the PLA, and also vice premier of the State Council. He would have responsibility for military and foreign affairs, giving him broad authority on national security issues.[32] The only question was whether he would co-govern with Hua or supersede him. The prospect of Deng subordinating himself to Hua—being Zhou to Hua's Mao—seemed improbable. Hua had tried and failed to extract Deng's support for an ideological campaign—the so-called "two whatevers"—as a price for Deng's return to politics. Deng refused, but Hua felt compelled to accept Deng's return anyway.

Deng focused on three areas: modernization of science and technology, national defense, and foreign affairs. Deng micromanaged the first account, believing that modernizing Chinese scientific and educational institutions would propel modernization in the rest of China. He delegated day-to-day decision-making in foreign affairs, though he engaged when important issues arose. He focused on military modernization, planning, and downsizing. By maintaining control of the military, he also helped ensure his ability to prevail in any future power struggle. Deng "sought to maintain personal control over the military and not let it slip into Hua's hands," Vogel writes. And he

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[31] Pantsov with Levine, *Deng Xiaoping*, 307-9, 327; Vogel, *Deng Xiaoping*, 180-2; Baum, *Burying Mao*, 42.
[32] Pantsov with Levine, *Deng Xiaoping*, 328; Vogel, *Deng Xiaoping*, 197-9.

succeeded: "the troops had no difficulty understanding that Deng had more power over the military than Hua."[33] By mid-1977, Deng already oversaw all of the elements of national power important for domestic primacy theory. He could manage tradeoffs between international conflict and cooperation, could see where confrontational policies harmed Chinese interests, and had the authority to curtail military spending to take advantage of favorable security environments.

He projected the authority to take decisions on foreign policy by himself. In his meetings with foreign officials, they found Deng to be "more spontaneous and confident, more willing to express his opinions on a broad range of foreign policy issues" than he had been when he administered foreign policy under Mao. Hua was no Mao, and Deng in 1977 was not the same as Deng in 1975. "From the time Deng returned in 1977, these foreign guests harbored no doubts that Deng was the one in charge of foreign policy. He functioned not only as China's negotiator, but also as its grand strategist."[34]

The split in the party between Deng and Hua reflected the split in the party over Mao's legacy. Hua benefited if Mao was viewed as an inerrant leader. After all, Mao had selected Hua. Hua's "two whatevers" campaign argued that China should continue to uphold "whatever decisions" and execute "whatever instructions" Mao had issued. This meant Mao's selection of Hua was correct, but also implied that Mao's actions in the Great Leap Forward and the Cultural Revolution were also appropriate. As Deng and his allies in the PLA succeeded in rehabilitating those purged in the Cultural Revolution, which after all included many of the most capable officials in China, it meant there were more and more senior leaders in the Party with a passionate interest in condemning the Cultural Revolution. Deng skillfully used ideological fights against the "two whatevers" to isolate Hua within the leadership. By the end of 1977, Deng had emplaced key supporters as the head of the Central Committee's Organization Department, which controlled

[33] Vogel, *Deng Xiaoping*, 197-8, 200, 210.
[34] Vogel, *Deng Xiaoping*, 268.

personnel assignments, and as deputy of the Propaganda Department, given Deng greater influence over ideological matters.[35]

By October 1978, U.S. intelligence observed that Deng was "acting increasingly as if he were party chairman" while Hua "has had no choice but to conduct a negotiated withdrawal from previous positions."[36] In November, Marshal Ye, the man who had been so instrumental in propelling Hua to the party chairmanship after Mao's death and who collaborated with Hua to arrest the Gang of Four, told the chairman "either to accept the changed mood or prepare to be left behind." By December, Hua retreated. He acknowledged that he had made mistakes personally and that Deng's preferred ideological line— "practice is the sole criterion for judging truth"—should be the basis to assess political decisions, not just Mao's previous dictums.[37]

Deng left unchanged the membership of the Politburo Standing Committee, but he was clearly "the emerging preeminent leader," concludes Vogel. "With support from both party oligarchs and the PLA's veteran generals, he emerged in the latter part of 1978 as the true architect of China's domestic and foreign policies," writes historian Xiaoming Zhang.[38] Pantsov and Levine concur, after the events of November and December 1978, "no one doubted his preeminence in all affairs of the party, the army, and the state," while Baum assessed Hua to have been "badly—perhaps fatally— damaged" in the episode. Hua retained his titles, but Deng was now in charge. It was a slow motion ouster, since Deng was wary of presenting an image of continued infighting, but it was an ouster nonetheless. "Over the next thirty months, Deng did in fact push Hua Guofeng aside and become the unrivaled top leader, but did so step by step, in a relatively orderly process that did not upset the

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[35] Baum, *Burying Mao*, 50-1.
[36] "Collective Leadership and Policymaking in Post-Mao China," Intelligence Assessment Prepared in the National Foreign Assessment Center, Central Intelligence Agency, Washington, October 1978, in *FRUS*, 1977-1980, vol. 13, *China*, doc. 140.
[37] Vogel, *Deng Xiaoping*, 233, 237.
[38] Xiaoming Zhang, *Deng Xiaoping's Long War: The Military Conflict between China and Vietnam, 1979-1991* (Chapel Hill: University of North Carolina Press, 2015), e-book.

Chinese public and the world at large." Vogel continues, "The strange arrangement of giving authority without formal recognition worked because everyone knew what was going on...."[39]

## 2.4 Deng's Ascendance and the Tiananmen Crisis

Having sidelined Hua in 1979, Deng turned in 1980 to re-fashioning his leadership team. Having done that, Deng then turned to stripping Hua from the *de jure* titles he retained even after Deng assumed his *de facto* authority. In December 1978, Hua's supporters had been demoted, but they largely retained their seats on party deliberative bodies. In February 1980, Deng went further, and Hua's supporters on the Politburo were forced to resign, and Deng supporters took over key leadership positions. With this change, "a solid majority of Politburo members were now enthusiastic supporters of Deng's policies."[40] In the military, Deng favored individuals who he had served with in the Second Field Army, officers that he had known for more than thirty years.

While Hua briefly retained the title of premier, Deng's ally vice premier Zhao Ziyang took over the actual responsibilities of the position. Western media routinely—and accurately—began referring to Deng as China's "paramount leader" in early 1980.[41] By August 1980, Hua lost the premiership even in name, and only retained titles for the party chairmanship and that of the Central Military Commission. Marshal Ye resisted Hua's outright removal, wary that an unchecked Deng might be prone to the excesses that Mao indulged. Given Deng's majority in the Politburo, the elderly Ye could not stop Hua's slow-motion ouster. Deng secured agreement to remove Hua as party and CMC chairman in November, though the move was not announced until June 1981.[42] Ye

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[39] Vogel, *Deng Xiaoping*, 237-48; Pantsov with Levine, 341; Baum, *Burying Mao*, 63.
[40] Specifically, Wang Dongixng, Wu De, Chen Xilian, and Ji Dengkui resigned. Hu Yaobang, Zhao Ziyang, and Wan Li were promoted. Baum, *Burying Mao*, 64; Vogel, *Deng Xiaoping*, 362-3.
[41] Fox Butterfield, "2 Top Promotions in Peking: Key to a Smooth Succession," *New York Times*, March 5, 1980.
[42] Vogel, *Deng Xiaoping*, 358-9, 362-5, 371-2; Baum, *Burying Mao*, 92, 132-4.

engaged in self-criticism and largely withdrew from politics, going to stay in Canton with his son, and visiting Beijing rarely.[43]

Deng was clearly in charge of the new leadership structure, even though he formally led only the Central Military Commission. All important matters were forwarded to him for his decision. Zhao Ziyang, premier from 1980 to 1987, reported in his memoirs that he and Hu Yaobang, the nominal head of the Communist Party, "were more like staff assistants than decision-makers," only retaining responsibility to implement Deng's decisions. Deng re-established the secretariat, a body that he had controlled in the 1960s, and placed Hu Yaobang in charge of it. He had a working majority in the Politburo, but Deng felt a new organization—where his supporters held 8 of 11 seats—would be even more responsive to his direction. Atop this structure, Deng was unquestionably predominant until 1987.[44]

Deng created a lean structure to govern, but also established a parallel institution for extraordinary circumstances. He established a new Central Advisory Committee, which ended up serving two goals after its creation in 1982. At the outset, Deng used it as a sinecure to stow elderly Communist Party leaders that might block his economic reforms or simply be too old to excel at the task of day-to-day governance. Deng would also use this "virtual shadow cabinet," in Baum's words, when he needed to override the decisions that his managerial team had pursued, and the body played a decisive role in the events leading up to the Tiananmen Square crackdown in 1989.[45] Deng could forum shop, and appeal to conservatism when he needed it, or pursue reform when he desired. And when Deng required, he could act without appealing to any forum at all.

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[43] Pantsov with Levine, *Deng Xiaoping*, 374.
[44] Vogel, *Deng Xiaoping*, 354, 379-80; Baum, *Burying Mao*, 90.
[45] Baum, *Burying Mao*, 17.

After 1987, Deng's authority became more informal, but he remained "the ultimate decision-maker."[46] In early 1987, he demonstrated that authority by engineering the departure of Hu Yaobang, who had served as nominal head of the Communist Party since 1981. Chen Yun, the only senior Communist Party official with enough authority to question Deng, had criticized Hu for haphazard economic management since 1983, but Deng had protected Hu. Deng's ability to shield Hu from Chen demonstrated Deng's primacy. Eventually, Deng came to conclude that Hu was too soft in confronting dissidents and protesters in 1986. In theory, Hu's dismissal ought to have required approval by the Politburo, the Central Committee, and a party congress. Deng short-circuited that process. On December 30, 1986, he summoned Hu and other senior leaders and told them it would be necessary to take a harder stand against student protesters. Hu agreed to resign. Deng organized "party life meetings" in which Hu would be criticized by his colleagues for days on his way out the door. Hu left a broken man, crying on the steps of the meeting hall were sessions took place. Deng convened an enlarged Politburo session that included members of the Central Advisory Committee to plot next steps. Zhao Ziyang would remain premier, while also acting as general secretary for the party. In addition to selecting a Deng loyalist, Zhao, Deng also balanced Hu's removal by removing Deng Liqun in the summer of 1987. In removing Deng Liqun, who had been the most strident conservative critic of Hu, he ensured the leadership team remained balanced around Deng's preferred moderate conservative position.[47]

At the end of 1987, Deng opted to shed additional titles and day-to-day responsibilities, while maintaining authority over important decisions. Deng referred to the transition as one of "semiretirement." Senior Communist Party leaders joked Deng would be the "mother-in-law," someone with all of the true power in the family, but without necessarily the formal recognition.[48] At

46 Vogel, *Deng Xiaoping*, 595.
47 Vogel, *Deng Xiaoping*, 561-83; Pantsov with Levine, *Deng Xiaoping*, 401-2.
48 Pantsov with Levine, *Deng Xiaoping*, 404.

the 13<sup>th</sup> Party Congress Deng retained the chairmanship of the Central Military Commission, but

Chen Yun replaced Deng as head of the Central Advisory Committee. Since the CAC was largely

important only if and when Deng opted to use it, this transition provided Chen with an authoritative

title and a continued, but diminished, role post-retirement, while Deng's chairmanship of the CMC

gave him direct control over the military. Deng easily installed his protégé Zhao Ziyang as the

"front-line" leader of the party. "Although Zhao was in charge," Vogel emphasizes, "he operated

within the parameters that Deng had established."[49] In late 1987, Zhao became general secretary,

while Li Peng, a favored candidate of Chen Yun's took over Zhao's former responsibilities as

premier.[50] On November 2, the new Central Committee, at Zhao's explicit request, instructed Zhao

to obey Deng and gave Deng the right to convene leadership meetings at his discretion.[51]

Zhao, like Hu, would be undone by his management of protesters. And once again Deng

would demonstrate that he controlled Chinese politics. The protest movement that became

associated with Tiananmen Square in 1989 had multiple causes. Throughout the Communist world,

citizens wondered whether their government would follow Mikhail Gorbachev's in permitting

greater openness for criticism of the government. Elsewhere in Asia, they could point to examples

of political liberalization, such as the ouster of Ferdinand Marcos as a result of "people power" in

1986 or Taiwan's legalization of an opposition political party that same year. Economically, as will be

discussed in greater detail below, Chinese citizens struggled to cope with inflation, which in 1988

and 1989, outpaced economic growth, which turned negative in real terms. Inflation was kept in

check by price controls, which were popular, but also meant that those with privileged access to

rationed items could sell them on the black market for tremendous profits. Those individuals were

predominately state or military officials. Corruption and inflation were linked in the eyes of many

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[49] Vogel, *Deng Xiaoping*, 588.
[50] Pantsov with Levine, *Deng Xiaoping*, 405.
[51] Pantsov with Levine, *Deng Xiaoping*, 403.

protesters. They feared that the Chinese state might shutter unprofitable state enterprises. Especially for the young, they believed that the system rewarded access to power and not hard work. When Hu Yaobang, who had been soft on protesters in 1986, died unexpectedly on April 15, 1989, this provided the proximate cause for citizens to gather and express a desire for political change. So protesters assembled in larger and larger numbers, convening in Beijing upon Tiananmen Square, which had long been a focal point for protest politics. And they would not leave.[52]

Zhao argued against a firm government response so long as the protests remained peaceful. Li Peng favored a hard line. Deng let Zhao have his way initially. Deng told Zhao that he could leave on a previously planned trip to North Korea on April 23. In essence, Deng opted to replace Zhao for a few days with Li Peng. While Zhao was away, student leaders rescinded a previous commitment to return to classes after May 4, and instead announced their intent to continue the protest indefinitely. In response, Deng edited and approved a harsh editorial on April 25, hoping to intimidate the students into stopping the protests now that the proper period for mourning Hu Yaobang had passed. Deng also placed the PLA on alert. The students did not back down. Upon Zhao's return on April 30, the leadership continued to debate how to respond. Zhao now advocated reforms to placate the protesters and allow them to have a face-saving exit. Li Peng believed such steps were foolish and dangerous. In early May, Deng cancelled military leave. On May 17, Deng convened the Politburo Standing Committee. He argued it was time for the military to quell the protests. Only Zhao resisted, but knowing he could not prevail, he offered to resign as general secretary. After a three-day public fiction that he was on medical leave, his offer was accepted. During those three days, the Communist Party leadership authorized martial law.

Even before that order was executed, Deng met with Chen Yun and Li Xiannian to select Zhao's replacement. Rather than select Li Peng, favored by both Chen and Li, Deng opted for Jiang

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[52] Vogel, *Deng Xiaoping*, 576, 597-601.

Zemin, who was first party secretary in Shanghai and untainted by response to the protesters in Beijing. Deng met with Li Peng and explained the need for a new face. Jiang himself was unaware of his selection until Li Peng informed him to board a flight to Beijing.[53] At every step during this period of crisis politics, Deng's preferences prevailed. He either made a decision alone or in consultation with his senior colleagues. More often then not, Deng determined when a decision would be made, where a meeting would be held, and who would attend, consistent with the authority that had been granted to him in 1987. It is not surprising then that his policies were enacted.

It was not merely domestic politics that Deng directed during this period. Igor Rogachev, the Soviet deputy foreign minister, reported after meeting Deng in February 1989 that despite Deng's lack of official titles, his Chinese counterparts "consider him the supreme leader in China."[54] Zhao Ziyang—before he stepped down—explained to Mikhail Gorbachev in May 1989, during the latter's visit to Beijing, that "all our party comrades know that they cannot do without [Deng's] leadership, wisdom and experience." So, Zhao explained, "At the first Plenum, elected by the 13th Congress, a fairly important decision was made—that in all big questions we should turn to [Deng] as to a leader. This decision was not published but I am informing you about it today."[55] Zhao emphasized this point because Gorbachev had met with Deng prior to Zhao, and Zhao sought to stress that agreements he had reached with Deng were official and did not need Zhao's additional imprimatur.

Zhao was criticized for this explanation to Gorbachev, since some of Deng's supporters thought that Zhao was trying subtly to blame Deng for the student protests that occurred nearby. Li

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[53] Vogel, *Deng Xiaoping*, 601-23.
[54] "Igor Rogachev's Account of Eduard Shevardnadze's Visit to Beijing," Ministry of Foreign Affairs, Mongolia, February 11, 1989, translated by Sergey Radchenko, http://digitalarchive.wilsoncenter.org/document/119284.
[55] "Excerpts from Conversation between Mikhail Gorbachev and Zhao Ziyang," Beijing, May 16, 1989, trans. Sergey Radchenko, http://digitalarchive.wilsoncenter.org/document/119290.

Peng in his diary wrote that Zhao's comments were accurate, but unnecessary.[56] Disinterested observers also concurred that Deng helmed foreign policy and domestic political decisions. Winston Lord, a longtime China specialist and U.S. ambassador to Beijing from 1985 to 1989, recalled during his tenure, "It was clear that Deng was calling the shots on any important issues, U.S.-Chinese relations, U.S.-China-Russia relations, relations with Japan, basic economic reform decisions, Taiwan. These were determined by Deng pretty much on his own. Day to day operations, details, and secondary issues including running the economy on a detail basis, he would delegate."[57]

After selecting and installing Jiang Zemin, Deng decided it was time to depart from leadership. His biographer Vogel observes, "After June 1989 Deng did not dominate the political scene by framing the issues, setting overall policy, gaining compliance, making the final decisions, or controlling what went into the media." He remained as head of the Central Military Commission until that autumn, and he played an active role in preventing greater fallout to the U.S.-China relationship from the Tiananmen episode through the end of 1989. He told Jiang, "When Mao was in charge and spoke, the issues were settled. When I was in charge and spoke, the issues were settled. My mind will be at ease if when you speak, the issues will be settled."[58]

## 2.5 Summary of China's Concentration of Executive Authority

From 1973 to 1976, China's leadership was fractured as Mao's health led to factional infighting to gain advantages in post-Mao politics. Deng quickly came to dominate those politics, slowly eliminating rivals, especially Hua, from 1977 to 1979. After 1979, Deng had unquestioned dominance of the Chinese system until the autumn of 1989, when he engineered the transition to

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[56] Vogel, *Deng Xiaoping,* 614.
[57] Quoted in Tucker, ed., *China Confidential,* 401.
[58] Vogel, *Deng Xiaoping,* 648-58, 664-686.

Jiang Zemin. Deng had the authority to take conciliatory actions between mid-1979 and late 1989. Did he have the incentives to do so?

## 3 Economic Pressures in China, 1973-1989

After the drought-induced recession of 1972, the Chinese economy underwent modest growth in the final years of Mao's life. Compared to the exceptional losses from the Great Leap Forward and the substantial hardships caused by the initial years of the Cultural Revolution, these few years of single-digit growth were largely inconsequential. China's real per capita income had barely budged since 1959. In the year of Mao's death, 1976, the average Chinese citizen earned only 6 percent more in real terms than the average citizen had earned before the Great Leap Forward. This was not 6 percent annual growth, but 6 percent cumulative growth after 17 years. In that same time, Japan's per person income more than tripled, but even unremarkable economies fared far better. Economic "basket cases" like Indonesia and India had grown by 22 percent and 37 percent over the same window.[59] The average employee in state industry—in other words, virtually all industrial workers—made slightly less in 1976 than they had in 1957, before the Great Leap.[60] Before his second purge in 1975, Deng had visited France again, a country he knew well from time studying there in the 1920s. He realized how fast China would need to grow in order to catch up.[61] Deng was obsessed with that task.

Between 1977 and 1989, China's economy underwent four distinct phases. Immediately after the ascent of Deng (and Hua), the Chinese economy recovered. As Deng and Hua maneuvered for superiority, Hua proposed a ten-year "flying leap" of investment-driven development. Hua's effort

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[59] Kristian S. Gleditsch, "Expanded Trade and GDP data," *Journal of Conflict Resolution* 46, no. 5 (2002): 712-24. Mao's economic record as a whole is better if growth rates are compared from the establishment of the People's Republic until his death in 1976. Walder, *China Under Mao*, 321-6.
[60] Walder, *China Under Mao*, 327.
[61] Vogel, *Deng Xiaoping*, 118-9.

to build an economic legacy led to a budgetary crisis, requiring a period of readjustment and austerity from 1979 until 1982. On more sound fiscal footing, the Chinese economy accelerated in the mid-1980s. This in turn caused a burst of price increases, and as Chinese economic planners sought to wring inflation out of the system, it triggered a recession in 1988 and 1989. Twice, at the beginning and at the end of the 1980s, Chinese economic planners concluded that serious changes had to be made to preserve China's economic health.

Beginning in 1978, as Hua was already losing a battle with Deng Xiaoping for control of the party, he sought to enact rapid economic development. Facing his own legitimacy deficit, he borrowed extensively on Zhou's January 1975 push in favor of Four Modernizations (agriculture, industry, national defense, and science and technology). He also drew upon ideas proposed by Deng in 1975 before his second purge. Hua was willing to entertain decentralization of economic planning, increased use of markets, and incentive pay.[62] No doubt he sought to make it difficult for Deng or conservatives to criticize his initiatives without also criticizing Deng or Zhou.

Hua also hoped to appeal to an unaffiliated group of senior Communist officials who did not have an ideological reason to support Hua or Deng. The "petroleum faction" entailed individuals whose careers had been associated with large infrastructure projects associated with energy production. Even during the Cultural Revolution, energy projects had been prioritized amidst disruption in almost all other economic endeavors. Now he sought to fulfill the wishes of this group by proposing a "flying leap" in development. He would authorize imports of foreign technology and pay to build whatever infrastructure was needed. In February 1978, he unveiled 120 mega-projects, which were set to cost more than the value of all Chinese exports that year. Hua's ambitions were

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[62] Baum, *Burying Mao*, 52.

not regulated, at least not at the outset, by China's ability to pay. He may have hoped that funding

the new projects would lead to the discovery of new oil fields, but that did not occur.[63]

Deng also sought openness, trade, and imports of Western technology. But Deng was also

practical, with a track record of successful management over difficult projects. Hua's boldness

exceeded China's ability to invest wisely. New capital—industrial and infrastructure investment—

was accumulating at a rate of 36.6 percent of national income in 1978. That was perilously close to

the 40 percent ratio of the Great Leap Forward, which largely built white elephants of little

economic benefit. As in the Great Leap Forward, Hua needed to purchase imports to accelerate

China's economy, but until that development took place the economy would not produce sufficient

exports to finance the initiative. In 1977 and 1978, China's imports grew by 85 percent, leading to

the largest trade deficit since the mid-1950s. It was not simply an issue of hard currency. The

Chinese state was also spending far more money than it raised in revenue, leading to a huge fiscal

deficit (see Figure 9.1 below).[64]

[63] Deng, *Deng Xiaoping*, 425-6; Baum, *Burying Mao*, 54-6.
[64] Baum, *Burying Mao*, 55-6, 96; Vogel, *Deng Xiaoping*, 428.

## China's Economic Growth, 1976-1990



Source: Gleditsch 2002

## China's Deficit, 1976-1990



Source: China National Bureau of Statistics 1996
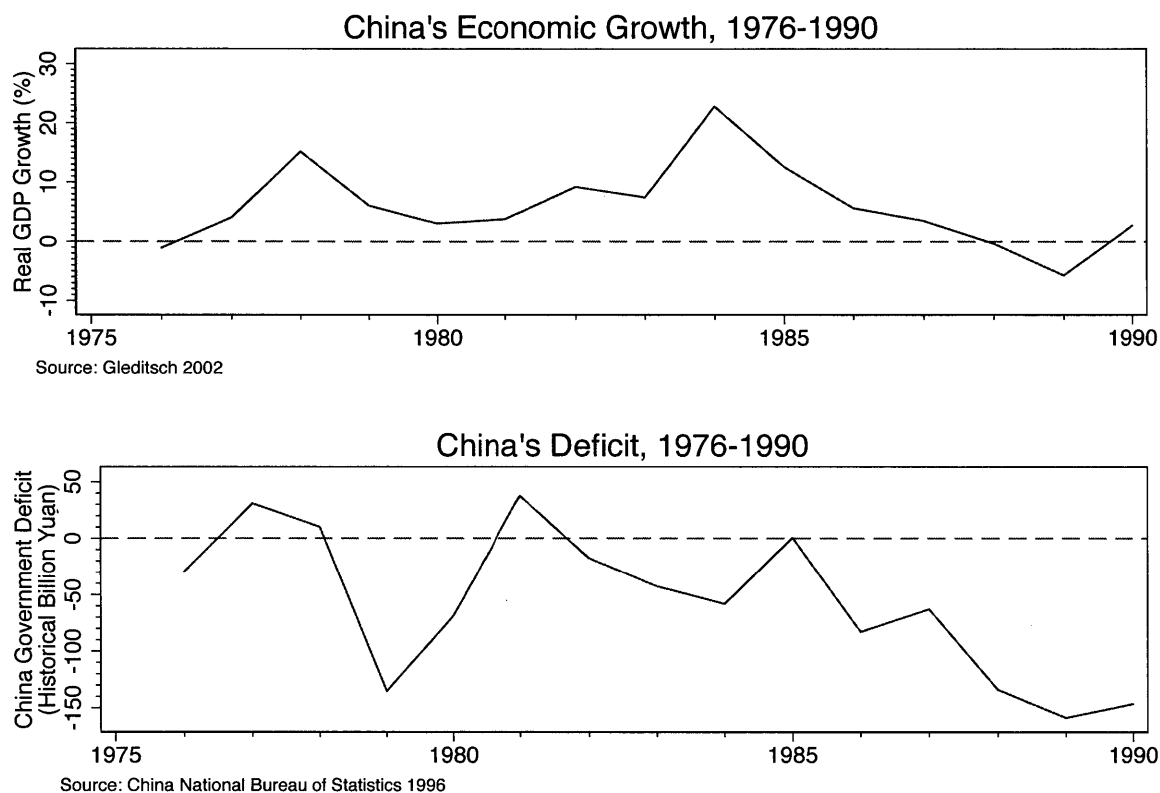
Figure 9.1: China's Economic Growth and Fiscal Deficit, 1976-1990

Chen Yun, who had nearly as much authority on economic matters as Deng, was aghast.

Chen was by nature an economic conservative, wary of the imbalances of rapid growth. Deng was

convinced by Chen's arguments, and threw his weight behind him in urging caution in December

1978. Deng may have believed Chen on the merits, but surely it eased his decision that backing

Chen would contribute to Deng's goal of removing the last vestiges of Hua as a political competitor.

At a Politburo meeting in March 1979, Chen conceded, "Yes, we should borrow funds and

technology from abroad." "But," he added," how much can we be sure that we can repay from our

People's Bank? We need to ensure that we will be able to make repayments." Chen proposed

austerity for three-years, under a campaign of "readjustment, reform, correction, and improvement."

He achieved only modest progress in his austerity drive in 1979. Seven hundred construction

projects were targeted for cancellation, but most were small. Chen's health—colon cancer—

prevented him from overseeing the economy and implementing more radical cost cutting. Many of

the projects cancelled in 1979 were simply restarted the following year financed by overseas

borrowing. After recovering from surgery, Chen was ready for work in May 1980. By then the

budget deficits were the largest in the history of the People's Republic of China. In December 1980,

Chen convinced his colleagues that drastic action was necessary. "An unstable economy leads to an

unstable political situation," he argued. Chen, with Deng's support, enacted a 10 percent cut to the

national budget and cancelled seventeen megaprojects worth billions of dollars. Chen worked until

September 1982 to regain control of spending, borrowing, imports, and investment.[65]

After Chen had completed his restorative work, Deng worked to unleash spectacular

Chinese economic growth. Buoyed by a good harvest, China's economy grew by 9 percent in 1982,

the last year of state austerity, and then 7 percent more in 1983, followed by breathtaking growth

over 22 percent in 1984 and more sustainable 12 percent growth in 1985. This represented real

growth. Price increases were manageable before 1986, in part a result of the oversight mechanisms

Chen introduced in the earlier period. Price stability proved temporary.

China's economy had doubled in size between 1978 and 1986. The growth outstripped the

ability of the Chinese economy to provide labor, land, and goods. Prices began to escalate. Official

price controls might mitigate inflationary pressures, but they also encouraged black markets and

corruption. When the government attempted to remove price controls in 1988, the steep price hikes

led to bank runs, hoarding, and protests. Caving to popular demand, the government reinstituted the

price controls. Inflation continued despite government efforts (see Figure 9.2 below). High levels of

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[65] Vogel, *Deng Xiaoping*, 427-34; Baum, 68, 111-2; Frederick C. Teiwes and Warren Sun, "China's New Economic Policy under Hua Guofeng: Party Consensus and Party Myths," *China Journal*, no. 66 (July 2011): 22; Teiwes and Sun, "China's Economic Reorientation after the Third Plenum: Conflict Surrounding 'Chen Yun's' Readjustment Program, 1979-80," *China Journal*, no. 70 (June 2013): 163-87.

government spending led to deficits, and contributed to the inflationary spiral.[66] Government official

price indices showed 18.5 and 17.8 percent inflation rates in 1988 and 1989, but other indices of

actual market prices suggested prices rose up to 30 percent in 1988. Even these estimates might

understate price increases in the major cities.[67] Economic fears contributed to the protest movement

that grew in 1989 after the death of Hu Yaobang in April.

## Inflation in China, 1980-1990

Source: China National Bureau of Statistics 1996; Yu 1993

Figure 9.2: Inflation in China, 1980-1990

By October 1988, Chen warned Zhao Ziyang to avoid fiscal deficits: "too much currency

was in circulation" already. Chen and the new premier, Li Peng, stopped approving price increases

on the vast array of goods subject to government price controls. Government spending slowed, but

because economic growth was substantially lower than planned, the deficit grew despite austerity.

Chen, with the acquiescence of Deng, worked to wring inflation out of the system, and succeeded in

[66] Vogel, *Deng Xiaoping*, 450, 467-71.
[67] George T. Yu, *China in Transition: Economic, Political, and Social Developments* (Lanham, MD: University Press of America, 1993), 198; *China Statistical Yearbook* (Beijing: National Bureau of Statistics of China, 1996); Vogel, *Deng Xiaoping*, 471.

doing so. In the process, he tipped the economy again into recession. Economic normalcy would only return after Deng's departure from front-line of leadership at the end of 1989.

## 4 The Bumpy Road to Sino-Soviet Normalization

Mao and Zhou's physical decline and the return of factional fighting led to stagnant Chinese foreign policy with the outside world until after Mao's death. After consolidating authority in 1979, Deng worked to improve China's ties with its neighbors, with the notable exception of Vietnam. That same year, Deng re-opened Sino-Soviet talks, though progress stalled as a result of the Soviet intervention in Afghanistan in December. The next decade of Sino-Soviet relations would center on Chinese attempts to alter Soviet policies toward Vietnam, Afghanistan, and the Sino-Soviet border. Upon consolidating power, Mikhail Gorbachev began making substantive gestures in each of these areas. By 1989, Chinese and Soviet leaders were ready to normalize relations after three decades of rivalry.

### 4.1 Paralysis during Leadership Turmoil

After de-escalatory steps in the immediate aftermath of the autumn 1969 crisis, Sino-Soviet relations muddled along in the 1970s. The Soviet side in the early 1970s was eager to normalize relations, but had difficulty eliciting Chinese responses. In March 1972, Brezhnev stated publicly that the Soviet Union was willing to negotiate "specific and constructive proposals" on "nonaggression," "the non-use of force," and "settlement of the border issues." He complained, "These proposals are long-known to the Chinese leaders. It is up to the Chinese side now."[68] In the border negotiation talks, the Soviet side had largely been conciliatory after 1969, offering a series of concessions,

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[68] Speech by CPSU General Secretary L. I. Brezhnev at 15th AUCCTU Congress, March 20, 1972, reprinted in *Pravda*, March 21, 1972, translated by FBIS-SOV-72-066-S. The proposal on the "non-use of force" was not in the *Pravda* variant, but was in the variant broadcast over Soviet radio's Moscow domestic service.

including an effort to return to the 1964 understanding on the riverine boundary. This proposal largely met Chinese demands since the Soviet side accepted the *thalweg* principle, with the notable exception of the island of Heixiazi at the confluence of the Amur and Ussuri rivers, to which the Soviet side maintained its claim.[69] Despite having indicated that it was incumbent on China to respond in 1972, in June 1973, the Soviet Union again proposed a non-aggression treaty to China.[70]

The Chinese side had difficulty formulating a coherent response, especially after Mao's health began to fail in 1973. "China's policy" during these years "tended to lack the consistency of the Soviets' China policy," explains Kenneth Lieberthal, because "many of the 'foreign policy' actions undertaken by the PRC in the 1970s in fact reflected attempts of one group of Peking leaders to influence and constrain the options available to others in the Chinese hierarchy."[71]

In August 1973 at the 10th Party Congress, the Chinese side provided a mixed message that suggested some room for improving relations was available. At the same gathering of Communist leaders where Mao was able to participate only with the aid of oxygen tanks installed around the venue, Zhou Enlai condemned Brezhnev's "policy of subverting the leadership of the Chinese Communist Party," and linked those efforts to Lin Biao's conspiracy. Even so, Zhou dismissed as "nonsense" the idea that China sought to perpetuate Sino-Soviet tension. He reiterated past Chinese rhetoric that bilateral agreement could be built on the five principles of peaceful coexistence (the basis of proposals for Sino-Indian agreements in the 1950s and Sino-U.S. rapprochement in the 1970s), and that "the Sino-Soviet boundary question should be settled peacefully through negotiations free from any threat."[72] Wishnick argues that this latter formulation implied a Chinese

[69] Adam W. Wysocki, "The Truths and Untruths about the Soviet-China Talks," *Zycie Warsawy* [Poland], June 23-24, 1974, translated in FBIS-EEU-74-126; Kenneth Lieberthal, *Sino-Soviet Conflict in the 1970s: Its Evolution and Implications for the Strategic Triangle* (Santa Monica, CA: RAND Corporation, July 1978), 11-12.
[70] Speech by the CPSU Central Committee General Secretary L. I. Brezhnev, Tashkent, September 24, 1973, *Moscow Domestic Service* [radio], transcribed and translated in FBIS-FRB-73-186.
[71] Lieberthal, *Sino-Soviet Conflict in the 1970s*, 4-5.
[72] Zhou Enlai, Report to the Tenth National Congress of the Communist Party of China, delivered on August 24, 1973, reprinted in *Xinhua*, August 31, 1973, in FBIS-FRB-73-170.

precondition for the withdrawal of Soviet forces in border areas ("any threat") before negotiations could proceed.[73] Separately, there are indications that Chinese leaders thought a non-aggression pact without Soviet troop withdrawal would merely be a "paper pledge," which would not ensure Chinese security or signal Soviet benign intent.[74]

Brezhnev found the Chinese statement to be insufficient cause for optimism, telling a gathering of Soviet and Uzbek leaders in Tashkent the following month, "If the words about the normalization of relations spoken at the 10th CCP Congress have any serious significance and are not empty propaganda or wordy camouflage, then corresponding deeds must follow them." Brezhnev asked for "concrete deeds," but the increasingly dysfunctional Chinese leadership was in little position to provide them.[75] That fall, Mao was concerned with reducing Zhou's stature, arranging for ten days of criticism of the premier that November and December.[76] In such an environment, even proposing concrete deeds to improve Sino-Soviet relations might be political suicide in Beijing. China would need Soviet compliance with the Kosygin-Zhou agreement as Beijing understood it, and only afterward could border talks be successful.[77] Moscow, for its part, refused to comply with "all kinds of preliminary conditions" the Chinese demanded before talks could begin.[78] Following Zhou's August speech, the Soviet leadership appears to have concluded—correctly, as it turned out—that Sino-Soviet rapprochement would be impossible until after Mao's death.[79]

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[73] Elizabeth Wishnick, *Mending Fences: The Evolution of Moscow's China Policy from Brezhnev to Yeltsin* (Seattle: University of Washington, 2001), 41.
[74] Director of Central Intelligence, *Sino-Soviet Relations in the Early 1980s*, National Intelligence Estimate, NIE 11/13-80, June 5, 1980, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0001103847.pdf.
[75] Brezhnev, Tashkent, September 24, 1973.
[76] Gao, *Zhou Enlai*, 243.
[77] See "Chou En-lai Comments on Vietnam Pact, PRC-USSR Border," *Kyodo* [Tokyo], January 28, 1973, in FBIS-FRB-73-019; "Message to USSR on Revolution Anniversary Calls for Talks," *Peking Radio* (in Russian), November 6, 1974, transcribed and translated in FBIS-CHI-74-216.
[78] "Reply Telegram to PRC October Greetings," *TASS* (in English), November 26, 1974, in FBIS-SOV-74-229.
[79] Lieberthal, *Sino-Soviet Conflict in the 1970s*, 19; Directorate of Intelligence, Central Intelligence Agency, *Sino-Soviet Exchanges, 1969-84: A Reference Aid*, April 1984, 2; also see I. Alexandrov, "Mao Blocks Attempts at Normalize Relations," *TASS*, April 27, 1976, in FBIS-SOV-76-083.

The nadir of Sino-Soviet relations in the 1970s was 1974. The year began with Chinese arrests of five Soviet embassy employees in Beijing on charges of spying. Two "diplomats," their wives, and an interpreter from the military attaché office were arrested, held for four days, and then expelled.[80] The Soviet Union condemned the act as "barbarous," but was restrained in only expelling one Chinese "spy" in retaliation.[81] In March, a Soviet helicopter made an emergency landing in China after it "lost its bearings," and were promptly arrested by Chinese authorities. After six days without hearing anything from the Chinese government, the Soviet Union went public with their request for their return. In May, the Soviet request became a demand, and the chief Soviet negotiator for the border talks, deputy foreign minister Leonid Ilyichev, told the Chinese ambassador in Moscow that China would be fully responsible for the "inevitable consequences of this provocative stand." China accused the crew of spying and held them until December 1975, when it announced that upon further investigation it found "their statement about the unintentional flight into China" to be "credible." Within 48 hours of the conciliatory act, Chinese propaganda confounded outside observers by taking an especially harsh turn against the Soviet "archcriminals" who continued to be "the main source of the danger of war" in the world.[82]

River navigation talks broke down in late March without agreement, after the helicopter crew was captured. Sino-Soviet trade discussions also dragged, delaying agreement to the annual protocol governing exchange and a drop in trade in 1975.[83] In general, total trade edged up after 1970, but after 1973 Chinese exports to the Soviet Union almost ceased entirely. The small drop in 1975 was notable because Soviet imports also decreased because of the delay in trade talks. Only

[80] "Russians in Peking Dispute China's Charge on 'Spies,'" *New York Times*, January 21, 1974.
[81] "Moscow Ejects a Chinese Envoy," *New York Times*, January 22, 1974; "Peking Accuses Russians of Abducting Chinese Envoy," *New York Times*, January 26, 1974.
[82] "Soviet Asks China to Return Crew of Strayed Copter," *New York Times*, March 21, 1974; Joseph Lelyveld, "China Says Soviet Used Helicopter for Spy Missions," *New York Times*, March 24, 1974; "Soviet Tells China to Free Helicopter or Face Retaliation," *New York Times*, May 3, 1974; Fox Butterfield, "China Frees Crew Captured in 1974," *New York Times*, December 28, 1975; Fox Butterfield, "China, Renewing Attacks, Accuses Soviet on Angola," *New York Times*, December 30, 1975; Wishnick, *Mending Fences*, 42; Lieberthal, *Sino-Soviet Conflict in the 1970s*, 20.
[83] Wishnick, *Mending Fences*, 42.

after Deng's ascent (and concomitant opening of the Chinese economy) did Sino-Soviet trade begin an uninterrupted upward trajectory.

After Mao's death in September 1976, Brezhnev wanted to improve relations. According to Alexandrov-Agentov, Brezhnev's foreign policy advisor, his Politburo colleagues and anti-China hardliners in the Foreign Ministry stopped his efforts. Mikhail Suslov, a member of the Politburo who oversaw ideological developments, and Boris Ponomarev, the chief of the Soviet Communist Party's International Department, were especially opposed. By then, Brezhnev's health, already quite poor after December 1974, worsened following a stroke in January 1976. Brezhnev not only had insufficient political control to overrule his colleagues, his lack of control over the Soviet system meant that distorted information flowed to the top, slanting policy in a hawkish direction. As Chapter 2 explained, during periods of fractured control, information flows are often politicized, complicating strategic assessment. After Mao's death, the Soviet embassy in Beijing began sending optimistic reports about possible opportunities for progress, until hardliners in the senior leadership of the Soviet foreign ministry made it clear such reports were unwelcome.[84]

There were positive moves, especially over symbolic issues where Brezhnev could act without needing the sustained support of other Politburo members. Brezhnev sent a condolence message after Mao's death, and a subsequent welcoming one in October after Hua was appointed party chairman. Deputy Foreign Minister Ilyichev was sent back for border talks in November 1976. Huang Hua, the Chinese foreign minister, attended a reception at the Soviet embassy in Beijing in honor of the sixtieth anniversary of the October Revolution in 1977, breaking an eleven-year period of abstention of Chinese foreign ministers at Soviet embassy events. The overall trajectory, however, was one of worsening relations, a trend which accelerated in 1978. In June 1978, the on-again/off-

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[84] Wishnick, *Mending Fences*, 45.

again border talks were suspended over China's concerns about the actions of Vietnam, a Soviet ally.[85]

Vietnam further contributed to worsening Sino-Soviet relations in February 1979 when Deng attacked Vietnam in retaliation for Hanoi's invasion of Cambodia the previous December. Deng blamed Moscow for Vietnamese adventurism, and demanded Vietnamese withdrawal from Cambodia. The Chinese campaign against Vietnam lasted from February 17 to March 16, involving slightly less than one month of hard fighting. The short war exacerbated economic strain within China, already evident even prior to the conflict as a result of Hua's "flying leap." With no additional resources easily available because of the domestic economic situation, Deng looked to improve relations around China's periphery even as he maintained confrontational policies toward Hanoi and cautious ones toward Moscow.

## 4.2 Deng's Fence-Mending and Defense Budget Cuts

Away from the Sino-Soviet rivalry and the worsening Sino-Vietnamese relationship, Deng responded to the economic crisis of the early 1980s by pursuing a policy of retrenchment. Domestic primacy theory suggests that empowered leaders facing economic shortfalls will find ways to free up resources. One of those ways, but not the only one, is to terminate rivalries. Deng's foreign policy in the early 1980s largely sought to improve China's relations with its other neighbors so that it could curtail defense spending even as it maintained its rivalry with the Soviet Union (and the Soviet Union's Vietnamese ally).

With relatively new partners such as the United States and Japan, Deng attempted to reinforce ties, especially economic, scientific, and cultural exchanges. Sino-Japanese ties, especially, had been stagnant after an initial burst of activity with normalization in 1972, and Deng worked to

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[85] Wishnick, *Mending Fences*, 46; CIA, *Sino-Soviet Exchanges, 1969-84: A Reference Aid*, 2.

re-energize them. With China's neighbors, he made a series of conciliatory gestures during visits to

Burma, Nepal, Thailand, Malaysia, and Singapore in 1978. Most substantively, he promised to shut

down clandestine radio broadcasting encouraging revolution in Thailand and Malaysia, and to cease

support to the Communist Party of Thailand.[86]

Deng's engaged in a multiyear charm offensive with India, a Soviet ally that might encircle

China and could directly threaten Chinese territory. By May 1980, China informed India that it had

"thinned out" military deployments along the Sino-Indian frontier and decreased patrolling.[87] In late

June 1981, Huang Hua visited New Delhi, the first visit by a senior Chinese leader since Zhou Enlai

had traveled to India in 1960. While there, Hua stressed to Prime Minister Indira Gandhi the

Chinese desire to resolve the boundary dispute during Gandhi's tenure.[88] China continued to pursue

a "comprehensive" resolution of the border dispute into 1982.[89] Even as progress was stuck on

boundary discussions, China and India deepened economic ties and enhanced trade, consistent with

both of their developmental goals but also a Chinese desire to "build a domestic constituency in

India" that might encourage normalization.[90]

Deng's India initiative was the most visible element of what the U.S. Embassy in Beijing

called a "blitz of fence mending" with China's neighbors.[91] Collectively these initiatives indicated a

broader "rationalization" of China's foreign policy one that sought to advance "China's long-term

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[86] Vogel, *Deng Xiaoping*, 276-91.
[87] "Indian Foreign Policy: China," cable no. 9859, U.S. Embassy in New Delhi to the Secretary of State, May 16, 1980, http://foia.state.gov/searchapp/DOCUMENTS/9-30-FY2013/F-2010-04407/DOC_0C05342504/C05342504.pdf.
[88] Interview, retired senior Indian diplomat "A," New Delhi, March 29, 2015.
[89] "China Moves to Accelerate Sino-Indian Normalization Process," cable no. 5690, U.S. Embassy in Beijing to the Secretary of State, May 4, 1982, http://foia.state.gov/searchapp/DOCUMENTS/1-FY2013/F-2010-04412/DOC_0C17629259/C17629259.pdf. There had been rumors of potential concessions in the western sector since the previous year, though Chinese embassy sources in New Delhi assessed them as unlikely to their U.S. counterparts. "Visit to India of Chinese Foreign Minister Huang Hua," cable no. 8338, U.S. Embassy in New Delhi to the Secretary of State, April 25, 1981, http://foia.state.gov/searchapp/DOCUMENTS/1-FY2013/F-2010-04412/DOC_0C17629273/C17629273.pdf.
[90] "Sino-Indian Normalization Talks," cable no. 7461, U.S. Embassy in Beijing to the Secretary of State, June 9, 1982, http://foia.state.gov/searchapp/DOCUMENTS/1-FY2013/F-2010-04412/DOC_0C17629256/C17629256.pdf.
[91] "In Search of a Peaceful International Environment," cable no. 14201, U.S. Embassy in Beijing to the Secretary of State, October 16, 1982, http://foia.state.gov/searchapp/DOCUMENTS/1-FY2013/F-2010-04412/DOC_0C17629248/C17629248.pdf.

goal of relaxing tensions and conflicts along or near its borders to the extent vital national interests allow." [92] These diplomatic initiatives seemed designed to provide China with a period of peace in which it could grow economically, while also permitting Chinese leaders to divert funds from the "bloated" PLA toward civilian pursuits.

As Deng mended fences with neighbors, he worked to cut defense spending. He told an enlarged meeting of the Central Military Commission in March 1980, "Our current military expenditures are rather high, to the detriment of national construction. The fact that the armed forces are over-manned also makes it harder to modernize their equipment. Our policy is to reduce manpower and use the money thus saved to renew equipment. If some of the savings can be used for economic construction, so much the better."[93] Addressing a partially military audience, Deng knew they must worry about the risks of such reductions. He assured them, "After calmly assessing the international situation, we have concluded that it is possible to gain a longer period free from war than we had thought earlier. During this time, we should try our best to cut down military spending so as to strengthen national construction."[94] In order to create that window of peace, Deng had set forth on his tour of neighboring capitals. Having done so, and now having warned the military of the sacrifices they needed to make for national well-being, Deng authorized substantial defense spending cuts.

Vogel argues, "Deng was probably the only leader of his time with the authority, determination, and political skill to keep these officers from launching serious protests against this policy."[95] Military spending had spiked in 1979 because of the Sino-Vietnamese war, up 27 percent in real terms over 1978. In 1980, Deng cut official defense spending by 15 percent in real terms, and

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[92] "New Trends in Chinese Foreign Policy," cable no. 10496, U.S. Embassy in Beijing to the Secretary of State, August 6, 1982, http://foia.state.gov/searchapp/DOCUMENTS/foiadocs/6201.PDF.
[93] Deng Xiaoping, "Streamline the Army and Raise its Combat Effectiveness," March 12, 1980, *Selected Works of Deng Xiaoping*, vol. 2, 1975-1982, 270.
[94] Deng, "Streamline the Army and Raise its Combat Effectiveness."
[95] Vogel, *Deng Xiaoping*, 541.

then cut it a further 15 percent in 1981. Defense spending in 1981 was back to 1978 levels in nominal terms and below 1978 levels in real terms. Deng kept real defense spending flat for the rest of the decade, and dramatically decreased defense spending as a percentage of the overall national budget and as a share of the economy.[96] Deng inherited a force of 5.2 million men in 1979, which he trimmed down to 4.2 million in 1982.[97]

When Deng could not cut the defense establishment, he could at least divert it to other domestic goals. As Gorbachev would later attempt in the Soviet Union, Deng encouraged military-owned or defense-oriented factories to shift to the production of civilian goods. Between 1979 and 1982, Deng halted or greatly reduced production in almost half of the factories in the civilian defense industry. Between 1978 and 1982, the defense sector went from 92 percent (by value) of its products being consumed by military clients (with only 8 percent for the civilian economy), to just 66 percent.[98] The extent that Deng could economize on defense was directly a function of how successfully he could manage the Sino-Soviet relationship.

## 4.3 Obstacles to Sino-Soviet Peace

Tight budget controls placed enormous pressure on Deng's diplomacy to deliver on its period of peace. Deng's "blitz of fence mending" did not exclude the Soviet Union, at least not entirely. Deng opted to re-start talks with Moscow and soften China's diplomatic tone toward the Soviet Union. Given Deng's distrust of Moscow, he insisted, however, that "only basic changes in

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[96] Real defense spending was calculated by transforming nominal defense spending with a GDP deflator. *China Statistical Yearbook* (Beijing: National Bureau of Statistics of China, *China Statistical Yearbook* (Beijing: National Bureau of Statistics of China, 1999); Organization of Economic Cooperation and Development, "Main Economic Indicators - complete database," Main Economic Indicators (database),http://dx.doi.org/10.1787/data-00052-en (accessed July 8, 2015). Also see George Gilboy and Eric Heginbotham, *Chinese and Indian Strategic Behavior: Growing Power and Alarm* (New York: Cambridge University Press, 2012), 103. I was able to reproduce Gilboy and Heginbotham's calculations for 1982-1990, but they use the IMF's 2010 GDP deflator rather than the OECD's 2014 variant, which produces different results for 1980-1981. In real terms, they show Deng executing even greater spending cuts in the early 1980s than I report.
[97] Vogel, *Deng Xiaoping*, 526.
[98] Vogel, *Deng Xiaoping*, 548.

Soviet policy" could "bring about any fundamental improvement in Sino-Soviet relations."[99] Deng

demanded concrete and substantial Soviet actions at a time when the Soviet leadership was ill-

prepared to consider and execute substantial policy shifts. As a result, transformation in Sino-Soviet

ties would have to wait until the end of the decade when Moscow and Beijing grappled with

simultaneous economic crises. In the early 1980s, Deng opened up lines of communication and

established benchmarks that he would use years later to conclude the rivalry when a more decisive

Soviet leadership sat in Moscow.

In April 1979, Deng signaled his willingness to restart Sino-Soviet talks.[100] Between April and

December 1979, there were a series of meetings between Chinese and Soviet diplomats, including

the first political talks (versus border negotiations) in fifteen years. There were five meetings co-

chaired at the deputy foreign minister level. In August 1979, Deng instructed the Chinese delegation

to convey that there were two requirements for improved Sino-Soviet relations: a removal of Soviet

troops from Mongolia and a cessation of Soviet assistance to the Vietnamese army in Cambodia.

The Chinese side also proposed that the Soviet Union should reduce troops along the Chinese

border down to levels it maintained 1964, roughly 15 divisions of ground forces compared to the

approximately 50 divisions it maintained in 1979. The Soviet side rejected the Chinese proposals,

and deputy minister talks were suspended following the Soviet occupation of Afghanistan in late

December 1979. After which, Deng added another demand: Soviet withdrawal from Afghanistan.[101]

Through each of these requirements, Deng sought to reverse what he perceived as Soviet

encirclement of China. In each case, the request involved territory contiguous to China. Ideological

disagreements, or Soviet policy toward Europe or Africa, may have exacerbated the Sino-Soviet

[99] "New Trends in Chinese Foreign Policy," cable no. 10496, U.S. Embassy in Beijing to the Secretary of State, August 6, 1982, http://foia.state.gov/searchapp/DOCUMENTS/foiadocs/6201.PDF.
[100] "NPC Abrogates 1950 Sino-Soviet Friendship Treaty," *Xinhua*, April 3, 1979, in FBIS-CHI-79-065; CIA, *Sino-Soviet Exchanges, 1969-84: A Reference Aid*, April 1984, 2-3.
[101] Vogel, *Deng Xiaoping*, 536; Wishnick, *Mending Fences*, 46-8; troops levels from Fravel, *Strong Borders, Secure Nation*, 205.

conflict, but Deng was indicating only Soviet actions that directly impinged on China's territorial security needed to be resolved for normal bilateral relations.

Despite the suspension of political talks, river navigation talks continued in 1980. Mikhail Kapitsa, a prominent Sinologist in the foreign ministry, also visited Beijing in 1980, 1981, and 1982, ostensibly to visit the Soviet ambassador, but in fact to meet "privately" with Chinese diplomats to maintain lines of communication despite the suspension of "official" talks. In these sessions, the Chinese emphasized the need to remove what became known as the "three obstacles": high troop levels along the Sino-Soviet and Sino-Mongolian frontier, Vietnamese troops in Cambodia, and the Soviet occupation of Afghanistan.[102]

The Soviet Union was not entirely passive in the face of Deng's signals. Brezhnev attempted one last meaningful initiative in international relations, only to find it thwarted by hardliners within his own government. In a speech at Tashkent in March 1982, Brezhnev made one of the most conciliatory statements of his premiership toward China. Brezhnev stated that the Soviet Union "did not deny and do not deny the existence of a socialist social system in China," that "we have never supported and we do not now support in any form the so-called concept of two Chinas and have fully recognized and continue to recognize the PRC's sovereignty over Taiwan Island," that "there has not been and there is no threat to the People's Republic of China from the Soviet Union," and finally that "we have not and do not have any territorial claims to the PRC and we are ready to continue talks on existing border questions for the purpose of reaching mutually-acceptable decisions at any moment."[103]

Deng knew an opening when he saw one. He instructed his diplomats to make an immediate response. On March 26, within 48 hours of Brezhnev's address, the Chinese convened one of the

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[102] Sergey Radchenko, *Unwanted Visionaries: The Soviet Failure in Asia at the End of the Cold War* (New York: Oxford University Press, 2014), 15; Wichnick, *Mending Fences*, 74.
[103] "Brezhnev Speech at Ceremony," Moscow Domestic Television Service in Russian, March 24, 1982, transcribed and translated by FBIS-SOV-82-058.

world's shortest press conferences. They told the gathered media members that they had "noted" what Brezhnev had said at Tashkent, but that "we attach importance to the actual deeds of the Soviet Union." The total statement was three sentences in length, and contained none of the usual polemics. To ensure it would be taken seriously, the statement was broadcast that night and printed on the front page of *People's Daily* the following morning.[104]

In private, Deng signaled his personal attention, but also his need for some Soviet signal more costly than a speech by an old man. In mid-April, Deng asked Romanian leader Nicolae Ceausescu to pass along a message to Brezhnev. Deng explained, "We attach importance to actual deeds; the actual deeds include the Afghanistan and Cambodia problems, and include the troops on our border. A million troops! If we do not talk about these concrete deeds, what would be the basis" for another round of talks. Deng appeared to suggest that the barriers need not be removed all at once: "he can start with Cambodia and Afghanistan, or from the Sino-Soviet border or Mongolia."[105]

Deng sought concrete deeds at a time when the Soviet Union was divided, and had difficulty executing symbolic measures, let alone substantive ones. Brezhnev's conciliatory line was contrary to the preferences of many within Brezhnev's party and government, especially the *de facto* head of the Liaison Department of the Central Committee, Oleg Rakhmanin.[106] Rakhmanin acted as secretary to the Politburo sub-group responsible for China and he oversaw annual consultations within the socialist bloc to harmonize views of and policies toward China. "With the ailing Soviet leadership unwilling and unable to shoulder the daily burdens of policy making, Rakhmanin's influence in the corridors of power soared," writes historian Sergey Radchenko.[107] While less consistently hardline than Rakhmanin, the foreign ministry also tended toward China skepticism. Gromyko, the foreign

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[104] Qian Qichen, *Ten Episodes in China's Diplomacy* (New York: HarperCollins, 2005), 3. Radchenko, *Unwanted Visionaries*, 25.
[105] Radchenko, *Unwanted Visionaries*, 25-6.
[106] Rakhmanin was technically first deputy, but had substantial authority since his supervisor was frequently on medical leave.
[107] Radchenko, *Unwanted Visionaries*, 16-7.

minister, thought it was necessary in May 1982 "to push the Chinese, not to let them off lightly,"

though the following year he would float the possibility of modest troop withdrawals. Senior Soviet

diplomat Mikhail Kapitsa also had a history of supporting anti-China propaganda, and seemed to

believe in the necessity of containing China. Kapitsa would oversee much of the Sino-Soviet

dialogue after being promoted to deputy foreign minister in December 1982.[108]

A cacophonous and fractured Soviet foreign policy establishment split over how to interpret

Brezhnev's initiative. Was it sincere? Or were Brezhnev's kind words merely a tactical move to

"expose Chinese hegemonism"?[109] Rather than ask Brezhnev, the hardliners knew which answer

they preferred, and they worked to broadcast it. Rakhmanin told his counterparts in the Eastern bloc

that it was merely rhetoric designed to demonstrate Chinese insincerity. Rakhmanin sought to

prevent any defections by Communist European allies eager to take advantage of new opportunities

for trade with an opening Chinese economy. In July, Rakhmanin prepared a letter to East German

leader Erich Honecker to keep him in line—Rakhmanin's line, not Brezhnev's—on China policy.

The letter was written as if it came from Brezhnev, though it was signed by the Central Committee.

"Rakhmanin effectively appropriated the Central Committee for his ends, hijacking China policy, as

Brezhnev reduced to senility, went on a semi-permanent vacation, and other key players in the

Soviet leadership jockeyed for the power," observes Radchenko.[110]

Mikhail Kapitsa in the foreign ministry echoed Rakhmanin's argument that Brezhnev's

speech was merely a test of Chinese sincerity, not a meaningful change in Soviet policy. He told

Mongolian officials in June 1982 that while the Soviet Union had proposed confidence-building

measures on the border with China, they neither expected nor desired for the proposals to be

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[108] Wishnick, *Mending Fences*, 43, 85; "Entries from Diary of CPSU International Department Official Anatoly Chernyaev Regarding Soviet Policy Toward China, Summer and Fall 1982," translated by Sergey Radchenko, http://digitalarchive.wilsoncenter.org/document/113309.
[109] Radchenko, *Unwanted Visionaries*, 18.
[110] Radchenko, *Unwanted Visionaries*, 19.

accepted. "To tell you the truth, the proposal... is a purely political slogan directed at Japan and China. For now we plan to use this idea only as 'political air.'"[111]

In more visible forums, as well, the hardliners continued to push for polemical pieces to appear in the Soviet press. Their efforts to undermine Brezhnev's speech were unlikely to go unnoticed. These were not just private grumblings. Given the number of consultations with different socialist allies, it seems reasonable to suspect Chinese leaders would hear rumors of Rakhmanin's view, which he articulated as *the* Soviet view, just as Chinese leaders would discern harsh continuity in the Soviet media.[112]

In August, Brezhnev finally chimed up in support of his own policy. Almost certainly inspired by an aide, the Soviet leader felt it necessary to reinsert himself in the debate, writing a short memorandum lamenting, "Our propaganda does not strongly support the Tashkent line, and sometimes comes out with materials which undermine it." Instead, Brezhnev insisted, "Every day everything must be done to relieve the tensions, develop cooperation, achieve mutual understanding, not to push China in the US direction, etc."[113] Brezhnev's memorandum arrived in time to permit a somewhat coherent Soviet response to Deng's next initiative.

After the March press conference, Deng had convened senior leaders to his home to discuss the Tashkent opening. He told the gathering that China's aim would be to make "a significant change in Sino-Soviet relations," but one in which China would "stick to our principles." Those principles required the Soviet Union to remove the "three major barriers."[114] It seems unlikely that a leader who feared ideological enemies at home, like Mao had for much of the 1960s or Hua, Wang, and Jiang had in the 1970s, would have been willing to undertake such a bold departure from past

[111] "The State of Foreign Policy," June 8, 1982, Mongolian Foreign Ministry Archive, Ulaanbaatar, fond 2, dans 1, kh/n 467, translated by Sergey Radchenko, http://digitalarchive.wilsoncenter.org/document/113334.
[112] Radchenko, *Unwanted Visionaries*, 17; "Entries from Diary of... Anatoly Charnyaev."
[113] Radchenko, *Unwanted Visionaries*, 22-3.
[114] Qian, *Ten Episodes in China's Diplomacy*, 4.

practice. Deng, secure at home, and motivated to find a period of peace for Chinese growth, was

willing to shift course.

Deng dispatched Yu Hongliang to "inspect the work" of the Chinese embassies in Moscow

and Warsaw in August. Upon arrival in Moscow, Yu requested to see the Soviet deputy minister. He

read verbatim a 1,000-word memorandum that had been prepared based on Deng's guidance at his

home. After consulting with the Central Committee, the Soviet first deputy minister met with the

Chinese chargé d'affairs in Moscow and reported the Soviet Union was ready to meet at any level in

order to "remove barriers to the normalization of the relationship." In the end, both countries

agreed to resume talks at the level of deputy minister.[115]

The first round of renewed talks took place in October, and achieved little more than

providing a forum for communication. The Soviet side stuck to its demand that it could not

improve Sino-Soviet relations at the expense of worsening Soviet ties with another country, be it

Afghanistan, Mongolia, or Vietnam. The Chinese side insisted that these conditions were non-

negotiable. Both sides sought to focus on topics that the other side wanted to avoid. Chinese

diplomats wanted to discuss the three obstacles, while Soviet representatives revisited nonaggression

pacts, confidence-building measures, and other topics.[116]

Brezhnev died on November 10. Deng dispatched Huang Hua to the funeral, making Hua

the most senior Chinese visitor to Moscow in 18 years. Huang only had time for a few minutes of

pleasantries with the new Soviet leader Andropov, but he had a longer meeting with Gromyko.

Huang insisted in those sessions that improved relations required solving "the current tensions in

the relationship between the two countries, with the armies confronting each other at the border,

with tensions at other borders, threatening our security." He opened the door to "some increase in

trade, economic cooperation, cultural exchange, and other aspects," but stressed that improvements

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[115] Qian, *Ten Episodes in China's Diplomacy*, 5-7.
[116] Qian, *Ten Episodes in China's Diplomacy*, 8; Radchenko, *Unwanted Visionaries*, 35.

in these domains "cannot help the overall situation." Only removing the three barriers could do that.[117]

By January 1983, Andropov told a meeting of the Warsaw Pact that the Soviet Union "did not intend to pay for normalization by concessions to the detriment of our friends." Deng's backchannel message through Ceausescu had indicated that progress on troops along the Sino-Soviet border could also accelerate improved relations. Here, Andropov left himself room with his Warsaw Pact colleagues. "If it comes to genuine normalization, to the establishment of at least minimal trust, the prospect of mutual force cuts in the border region will become more real."[118] This would be thin gruel for the Chinese, who had advocated since 1969 that such a formula got the sequence backwards. The troops created the insecurity. Remove them, and any agreement on security would become meaningful. Without removal, any agreement would be useless.

Even concrete progress here proved too much for the divided Politburo to consider. In May, Andropov told his Politburo colleagues that he thought the Chinese negotiation positions were firm. He suggested they proceed with trade and cultural exchanges given the deadlock on the difficult issues. Gromyko suggested, "One of the terms for normalization of our relations is the withdrawal of our troops from Chinese borders. It seems to me that we could think about that. But then the Chinese began to push for withdrawal of Vietnamese troops from Cambodia." Andropov countered, "I suggest we don't bring up that question." Gromyko explored another option, "Regarding Mongolia. Maybe we should withdraw part of the army away from the border." Ustinov, the minister of defense, stated that in his opinion, "We shouldn't lose positions won in battles, but we should retain them." He added further that the Soviet bases in Mongolia were "already equipped," and any forces removed from Mongolia "have nowhere to move on the Soviet

[117] Radchenko, *Unwanted Visionaries*, 36-7.
[118] Radchenko, *Unwanted Visionaries*, 37-8.

border." Better to keep them there. Prime Minister Nikolai Tikhonov, who oversaw economic

matters, interjected that removing troops from the border "seems like an unrealistic act."[119]

That left trade, where Andropov received the support of Gromyko, Tikhonov, and others.

Andropov told his colleagues, "If we succeed in improving our economic ties with China through

cultural, sports, and other organizations, it could be considered a big step ahead." Their May 1983

deliberations were entirely consistent with U.S. intelligence's contemporaneous assessment that the

Soviet Union sought to "dramatize small steps toward improved relations," but also "defer the more

difficult strategic issues."[120]

Trade was an uncontroversial step in both capitals, and it grew rapidly. After Deng's ascent

in 1978, China had resumed exports to the Soviet Union, resulting in a doubling of two-way trade

between the Communist powers. Only after the political opening provided by Tashkent, though,

was trade permitted to take off (see Figure 9.3 below). As the Politburo supported Andropov on

improving the Sino-Soviet economic relationship, the Soviet Union and China had already signed

agreements in April 1983 to permit frontier trade, involving local goods from areas adjacent to the

border.[121] Now they expanded state-to-state trade. As Chinese foreign minister Wu Xueqian (who

replaced Huang after his return from Moscow) explained to his Japanese counterpart Abe Shintaro

in March 1984, "As long as the three obstacles remain, it is clear that the Soviet Union is a threat to

China, and so bilateral relations cannot be normalized. However, China is not opposed to an

appropriate expansion of economic and technological cooperation and trade with the Soviet

[119] "Meeting Minutes of the Politburo of the CC CPSU, Regarding Western Plans for Deployment of New Nuclear Weapons in Europe," May 31, 1983, http://digitalarchive.wilsoncenter.org/document/115981.
[120] Director of Central Intelligence, Central Intelligence Agency, *The Changing Sino-Soviet Relationship*, National Intelligence Estimate, NIE 13/11-84, April 3, 1984, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0001097732.pdf.
[121] "Border Trade Talks with USSR Resume 'Recently,'" *Kyodo*, April 18, 1983, in FBIS-CHI-83-077; Wishnick, *Mending Fences*, 83-4.

Union."[122] At the end of 1984, China and the Soviet Union signed a formal agreement on economic and technological cooperation.[123]

## PRC to USSR Trade, 1948-1990
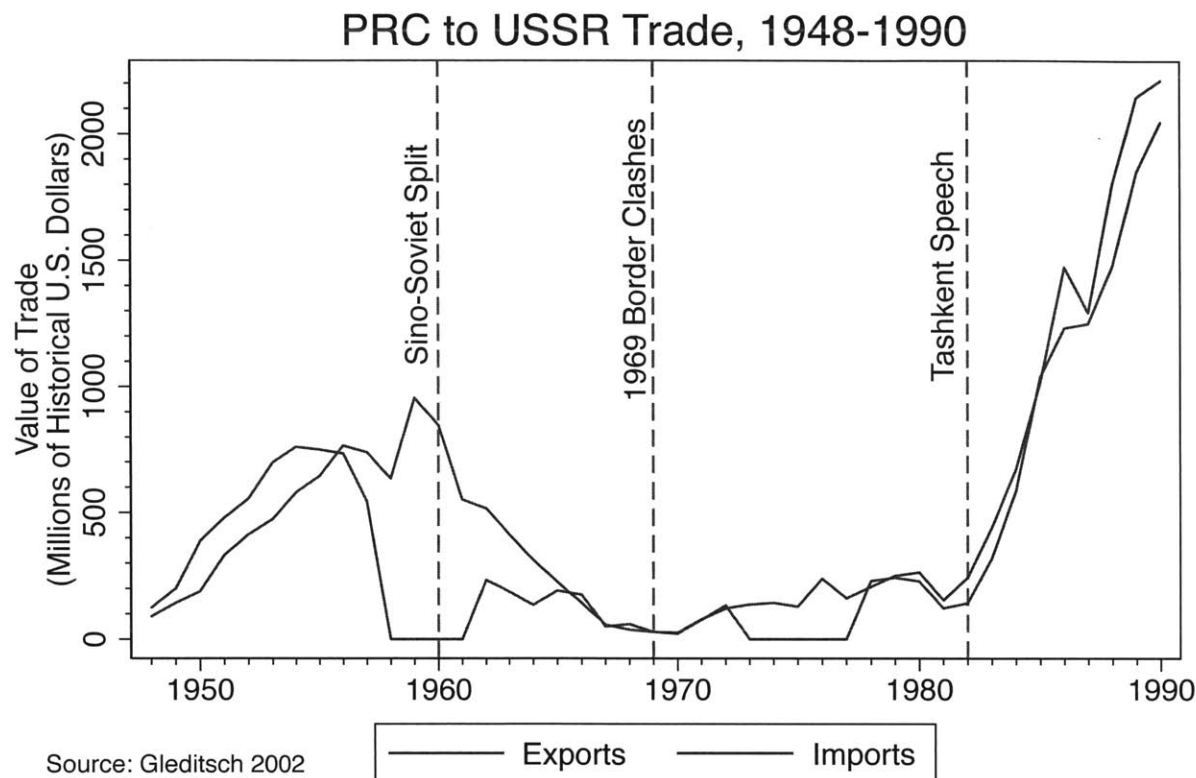


Figure 9.3: China to Soviet Union Trade, 1948-1990

Sino-Soviet trade was the substantive legacy of Brezhnev's Tashkent opening and Deng's response in 1982. Political and border talks continued, but "the negotiations were rather like a discussion between two deaf men, each expressing his own view," according to Qian Qichen, who led the Chinese delegation to the talks. Twice a year, Soviet and Chinese diplomats met in political consultations. "These were marathons, a contest of tenacity and willpower," writes Qian. After eight rounds of such talks, by April 1986, "no substantial progress had been made." This was not a

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[122] Cable from Ambassador Katori to the Foreign Minister, "Prime Minister Visit to China (Foreign Minister's Discussions – Relations with the Soviet Union)," March 25, 1984, translated by Ryo C. Kato, http://digitalarchive.wilsoncenter.org/document/119555.
[123] Qian, *Ten Episodes in China's Diplomacy*, 16.

surprise, since "a country ruled successively by three ailing men was unable to do much in foreign affairs," observes the Chinese diplomat.[124]

As the talks continued, Andropov died on February 9, 1984. Chernenko took over, but behind the scenes Gromyko and Ustinov co-governed. The new troika allowed itself to indulge in anti-China polemics in response to renewed Sino-Vietnamese tensions. They dispatched an aircraft carrier and an amphibious assault ship to the Gulf of Tonkin, as the Chinese and Vietnamese forces engaged in border skirmishes over the disputed Lao and Zheyin mountains. "Media insults," records Wishnick, "were to last until Chernenko's death."[125]


## 4.4 From Vladivostok to Tiananmen

On March 10, 1985, Chernenko died, after having been deathly ill nearly his entire abbreviated tenure at the top of the Soviet Politburo. As he did in the U.S.-Soviet relationship, Gorbachev moved to improve the rhetoric of the Sino-Soviet relationship almost immediately upon assuming office and then worked to transform the substance of Sino-Soviet ties once he consolidated power in 1986. The entirety of his term in office, Gorbachev was worried about the Soviet Union's economic circumstances, and after 1986 he was convinced that the Soviet Union faced a deep economic crisis that required drastic action. Repairing Sino-Soviet ties were one element of Gorbachev's broader strategy to create diplomatic space that enabled reform and repair of the Soviet economy.

Though the diplomatic talks had continued, Deng decided that Gorbachev merited a new back-channel message. During a visit by Ceausescu to China that October, Deng asked the Romanian leader to pass along a message the next time he met Gorbachev in person. Deng reiterated that Sino-Soviet normalization depended on removal of the three barriers. He suggested to

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[124] Qian, *Ten Episodes in China's Diplomacy*, 13-5.
[125] Wishnick, *Mending Fences*, 81-2; Fravel, *Strong Borders, Secure Nation*, 217.

Ceausescu that removing Vietnamese forces from Cambodia ought to be the priority. If the Chinese and Soviets could reach an understanding on their withdrawal, then Deng personally would be willing to visit Moscow for a summit with Gorbachev. Even though Deng had ceased to take foreign trips in early 1979, he told the Romanian leader he would make an exception if agreement were reached. On November 6, the Romanians reported back to the Chinese that the message had been delivered. On November 23, the eager Gorbachev responded that the time was ripe for a meeting at the highest level. Gorbachev sought to secure the symbolism of a summit before the difficult concessions were made, and Deng declined.[126]

Before he could make more substantive concessions, Gorbachev would have to clean house. Ustinov, who had opposed consideration of troop withdrawals in 1983, had died in late 1984, shortly before Gorbachev came to office. Gromyko, who was inconsistent on China policy but had hardline instincts generally, was replaced by Gorbachev's ally Shevardnadze. Ustinov and Gromyko's departure would ensure that Gorbachev could get policies through the Politburo, but he might still struggle to overcome the insubordination of hardliners outside the Politburo. Rakhmanin, in particular, "did his best to frustrate" Gorbachev's goal of normalized relations with China, "without openly disagreeing," with the Soviet leader, according to a Soviet diplomat who served under him in the mid-1980s. In one particularly flagrant case of information distortion, Rakhmanin ordered his subordinates to prepare a memo showing renewed Chinese territorial claims on the Soviet Union, even though such claims had stopped being made in the 1960s.[127] A weaker leader may not have noticed insubordination below or been able to react. Instead, Gorbachev first rebuked Rakhmanin in July 1985, appointed his ally Vadim Medvedev as chief of the department in March 1986, and then ousted Rakhmanin completely later that year. For good measure, Gorbachev abolished the Liaison

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[126] Qian, *Ten Episodes in China's Diplomacy*, 17-18.
[127] Anonymous [Evgenii Bazhanov], "Policy by Fiat," *Far Eastern Economic Review*, June 11, 1992.

Department in 1988.[128] In the foreign ministry, Igor Rogachev replaced Kapitsa as deputy foreign

minister in August 1986, and Oleg Troyanovsky became the new ambassador to Beijing.

Troyanovsky replaced Ilya Shcherbakov, who had served in Beijing since 1978, and had occasionally

slanted his diplomatic reporting to conform to Rakhmanin's worldview.[129]

His new team would have a new policy line—one more ambitious than Tashkent.

Gorbachev would later write that he believed Sino-Soviet relations needed "a display of political will

from the very top, a major initiative reinforced by systematic and painstaking work to build new

bridges of trust to replace those burned so recklessly a quarter century before."[130] The beginning of

that effort took place on July 28, 1986, in Vladivostok, where Gorbachev outlined his strategy for

Asia in a public address.

Gorbachev restated publicly his desire to settle lingering political disputes. "I want to

confirm," personalizing the commitment, "that the Soviet Union is ready at any time and at any level

in the most serious way to discuss with China matters concerning supplementary measures to create

an atmosphere of good-neighborliness." He did so because "our priorities and those of China are

similar—the acceleration of socioeconomic development." He publicly applauded progress on

navigation in the Amur river, where he said that "the official border could pass along the main

channel." River navigation and border delineation according to the *thalweg* principle had been Soviet

policy for some time, but now it was a commitment in a public speech by the Soviet leader.

He suggested progress was possible on decreasing troops along the Sino-Soviet and Sino-

Mongolian frontiers. He told the gathering that the Soviet government was examining, "the question

[128] Mikhail Gorbachev, *Memoirs* (New York: Doubleday, 1995), 470; James Hershberg, et al, *The Interkit Story: A Window into the Final Decades of the Sino-Soviet Relationship*, working paper, no. 63 (Washington, DC: Cold War International History Project, 2010), 31; Wishnick, *Mending Fences*, 101; Directorate of Intelligence, Central Intelligence Agency, *The 27th CPSU Congress: Gorbachev's Unfinished Business: An Intelligence Assessment*, SOV-86-10023, April 1986, http://www.foia.cia.gov/sites/default/files/document_conversions/17/19860401A.pdf.
[129] "Igor Rogachev Appointed Deputy Foreign Minister," *TASS* (in Russian), August 13, 1986, translated in FBIS-SOV-86-157; "New Soviet Ambassador Takes Up Post," *Agence France Presse*, April 29, 1986, in FBIS-SOV-86-083; [Bazhanov], "Policy by Fiat."
[130] Gorbachev, *Memoirs*, 488.

of withdrawing a considerable number of Soviet troops from Mongolia." Additionally, he expressed

a Soviet desire for "the radical reduction of armed forces and conventional weapons in Asia up to

the limits of reasonable sufficiency." He implied that the Soviet Union might be willing to act first:

"we are aware that it is necessary to resolve this issue in parts, gradually, starting with one particular

region, say, the Far East," even while he expressed a desire to discuss "balanced reduction in the

level of land forces" with China. He also discussed Afghanistan. He announced a token withdrawal:

one tank regiment, two motorized rifle regiments, and three anti-aircraft regiments would return

from Afghanistan by the end of the year. Vladivostok was further from Kabul than Moscow.

Making a major announcement on Afghanistan in Vladivostok could have only one goal: ensuring

China viewed it as a concession to them. If he showed flexibility on ground forces and Afghanistan,

he was less forthcoming on the final "barrier" to normalization. He tried to avoid responsibility for

Vietnam, saying that "normalization of Chinese-Vietnamese relations" was a "sovereign affair" of

the countries, though the Soviet Union desired peace between them.[131] Only three years earlier,

Soviet Politburo members said that removing troops from the border was "unrealistic," that the

Soviet Union "shouldn't lose positions that it had won" in Asia, and that Soviet policy should not

even "bring up" the issue of Vietnam in Cambodia. Now Gorbachev had put them all on the table

in the most public of ways.

The Chinese side acknowledged Gorbachev's speech, but was unwilling to take his partial

"yes" as an answer. Chinese spokespersons reported that Chinese foreign minister Wu Xueqian had

met the Soviet chargé, and in that meeting "noted that there are words in that speech which have

never been used before. For this, we would like to express our appreciation." But, they continued,

"Gorbachev's words were still far from the elimination of the 'three major barriers'." In particular,

Wu explained that Gorbachev had "evaded" the question of Vietnamese troops in Cambodia, "and

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[131] "Gorbachev 28 July Speech in Vladivostok," *Moscow Television Service* (in Russian), July 28, 1986, transcribed and translated in FBIS-SOV-86-145.

the Chinese side is not satisfied with this." For good measure, Deng Xiaoping focused on the need

for Vietnamese withdrawal in an interview with U.S. journalist Mike Wallace on September 2.[132]

Within weeks of having consolidated authority, Gorbachev made the most serious

conciliatory gestures of any Soviet leader since 1969. In general, throughout the entire process of

normalization, the Soviet side was more forthcoming than the Chinese side, though perhaps this was

unsurprising since the Soviet Union encountered a more severe economic crisis earlier than China

did. When economic difficulties confronted Beijing in 1988 and 1989, they added urgency to Deng's

calculations. A full year earlier, by early 1987, it was clear to Soviet planners that Gorbachev's initial

economic reforms were insufficient, and more resources had to be diverted from military expenses

to meet Gorbachev's promises to Soviet citizens (see Chapter 6).

As a result, beginning in 1987, there was progress as a result of Soviet concessions, even if

normalization was not immediately forthcoming because of Chinese skepticism. The Soviet Union

did begin to withdraw troops from Mongolia, though Chinese deputy foreign minister Qian Qichen

criticized that they withdrew "only one division and some other small groups of troops deployed in

the northern part of Mongolia, not from the Sino-Mongolian border."[133] Sino-Soviet boundary talks

began in February, for the first time in nine years.[134] Negotiators made initial progress on the eastern

sector, where they could draw from a workable agreement that had been negotiated, but unsigned, in

1964.[135] They established special working groups for the first time since 1964 to discuss details of a

settlement and agreed to undertake joint aerial reconnaissance of the eastern sector.[136]

The Soviet Union also accelerated its plans to depart Afghanistan. In 1985, before

Gorbachev had consolidated authority, Gorbachev authorized an escalation of the war for a period

[132] Qian, *Ten Episodes in China's Diplomacy*, 20; Liang Weiya, "Gorbachev Remarks 'Far From Remvoing' Blocks to Ties," *China Daily* [Beiing] (in English), August 14, 1986, in FBIS-CHI-86-158.
[133] "Qian Qichen on Sino-Soviet Ties at NPC Press Meeting," *Xinhua* (in English), April 3, 1987, in FBIS-CHI-87-064.
[134] "PRC, USSR Begin Discussions on Border in Moscow," *Xinhua* (in English), February 8, 1987, in FBIS-CHI-87-026.
[135] Fravel, *Strong Borders, Secure Nation*, 138.
[136] "Rogachev Notes Issues in 25 Aug Briefing," *TASS* (in English), August 25, 1987, in FBIS-SOV-87-165; "Joint Soviet Aerial Photo Agreement Concluded," *Xinhua* (in English), February 10, 1988, in FBIS-CHI-88-027.

of one-year (not dissimilar from U.S. "surges" in Iraq and Afghanistan), after which a serious

reappraisal of the occupation would occur. By July 1986, in the Vladivostok speech, he announced a

small withdrawal of forces. In November, Gorbachev told his Politburo colleagues, "We have been

at war in Afghanistan six years already. If we don't change our approach we will be there another 20-

30 years…. We need to wrap up this process in the near future." The following month, he told

Afghan leader Najibullah that the Soviets would withdraw troops between May 1988 and December

1988. The Soviets began pushing Najibullah for national reconciliation talks. In December 1987,

Gorbachev announced a political decision had been made to withdraw, and in February 1988, he

devoted an entire speech to the war, where he promised withdrawal would begin in May 1988, and

conclude no later than February 1989. These decisions were largely made because of the direct

costs—in blood and treasure—of continuing the Afghan war, though Soviet decision-makers also

considered the indirect costs the war imposed by obstructing rapprochement with the United States

and China.[137]

Chinese leaders grudgingly accepted Soviet troops withdrawals on the Sino-Soviet and Sino-

Mongolian frontiers, and by the end of 1988, they assessed sufficient progress had been made to

consider the barrier removed. Mongolian officials said publicly in February 1987 that there would be

"an almost total withdrawal" of Soviet forces in Mongolia "in the near future."[138] On December 8,

1988, at the UN General Assembly, Gorbachev told the assembled world leaders that the Soviet

Union would "substantially reduce the grouping of armed forces in the Asian part of the country"

by the end of 1990, and "a considerable part" of the Soviet troops in Mongolia "will return

home."[139] Qian Qichen, now foreign minister, stated that further withdrawals would be necessary to

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[137] Sarah E. Mendelson, *Changing Course: Ideas, Politics, and the Soviet Withdrawal from Afghanistan* (Princeton: Princeton University Press, 1998), 93, 111-2, 116-7.
[138] "MPR Official on Total Withdrawal of USSR Troops," *Sankei Shimbun* [Tokyo] (in Japanese), translated by FBIS-APA-87-039-A.
[139] "M.S. Gorbachev's United Nations Address," *Pravda*, December 8, 1988, translated by FBIS-SOV-88-236.

meet Chinese demands, but also suggested that the Soviet Union had "indicated" in bilateral Sino-Soviet discussions that the "troops along the border would be cut to a level in keeping with the normalization of relations between the two countries."[140] The progress on troop levels occurred alongside progress on the Sino-Soviet territorial dispute. On October 31, 1988, negotiators announced that they had reached an "understanding" on "the larger part" of the eastern sector. As they had in the eastern sector, they now established working groups and made arrangements for joint aerial photography to delineate the western boundary line.[141]

Cambodia proved the most nettlesome of the three obstacles. Shevardnadze admits in his memoirs, "It was not the military presence at our borders or the settlement of complex boundary issues, but the Cambodian question that kept the door firmly locked."[142] Deng believed, and said publicly, "Without Soviet assistance, Vietnam could not fight a single day in Kampuchea [Cambodia]."[143] In private, Soviet officials also concurred that they should have substantial leverage. One aide to Shevardnadze pondered in 1987, "The logic is elementary. If we feed and clothe Vietnam, then it must obey us. And if it obeys us, why can't we tell it: leave Vietnam?" But after the Soviet Union began to press Vietnam, they encountered the limits of their influence. "It turns out, we can't. It turns out, [Vietnam] does not obey us that much after all. It turns out that our aid does not weigh so much on the scales of security."[144]

In the end, it seems as if the Soviet efforts only modestly increased the rate of Vietnamese withdrawal. Like the Soviets in Afghanistan, the costs of Vietnam's extended involvement were unacceptable to Hanoi even without external pressure. Like the Soviets in Afghanistan, Vietnam's

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[140] "China Welcomes Soviet Intention to Withdraw Troops from Eastern Europe, Mongolia," *Xinhua*, December 8, 1988, in FBIS-CHI-88-236.
[141] "Soviets Cite Gains with the Chinese," *New York Times*, November 1, 1988; "Sino-Soviet Border Talks End in Moscow," *Moscow International Service* (in Mandarin), November 1, 1988, in FBIS-SOV-88-211.
[142] Edward Shevardnadze, *The Future Belongs to Freedom*, trans. Catherine A. Fitzpatrick (New York: The Free Press, 1991), 159.
[143] "3 Preconditions for Deng-Gorbachev Meeting," *China Daily* [Beijing] (in English), January 13, 1988, in FBIS-CHI-88-008.
[144] Teimuraz Stepanov-Mamaladze quoted in Radchenko, *Unwanted Visionaries*, 138.

adventure in Cambodia prevented it from focusing on economic reforms to alleviate Vietnam's

"desperate economic situation." In 1985, Vietnam stated its intent to withdraw from Cambodia by

1990 unless outside forces worked to "undermine the peace and security" of Cambodia. In

November 1987, the Vietnamese withdrew 20,000 troops. In May 1988, it withdrew 50,000 more,

and reiterated its intent for total withdrawal by 1990.[145]

As they had with Soviet concessions on troops levels along the Sino-Soviet frontier, Beijing

was cautious in accepting incomplete removal of the "barrier." In 1988, though, Chinese negotiators

showed a hint of greater flexibility. There was a cumbersome multilateral process to form a coalition

government to take over Cambodia, and China accepted that negotiations for a post-occupation

government could take place even as Vietnam still had some troops in Vietnam. In April, the Soviet

side, which had avoided discussing Cambodia, agreed that the issue could be placed on the bilateral

Sino-Soviet agenda. In late August, Chinese and Soviet deputy ministers held multiple days of

discussions on Cambodia. Negotiated language that fudged the remaining differences seemed within

reach. The Soviet side expressed "the desirability" of a Vietnamese pullout, though as Radchenko

notes, by then, the Vietnamese themselves had deemed the pull out desirable. The rhetorical shift,

however slight, made a difference. "The two sides reached an internal understanding, having found

some common ground and similar views," reports Qian, who by August had been promoted to be

foreign minister. "Of course, disputes persisted, but the meetings indicated that the Soviet side was

showing flexibility....."[146]

With progress on Cambodia, Qian Qichen visited Moscow from December 1 to 3, 1988, the

first formal visit by a Chinese foreign minister since 1957. Qian sought to extract one last concession

from his Soviet hosts: their expressed "hope" that Vietnamese troops would be withdrawn from

Cambodia "no later than the end of 1989." They negotiated an internal "joint record" of that

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[145] Radchenko, *Unwanted Visionaries*, 125-45.

[146] Qian, *Ten Episodes in China's Diplomacy*, 22-3; Radchenko, *Unwanted Visionaries*, 147-51.

understanding. As Radchenko observes, "The Soviet concession, real or imagined, allowed the Chinese to save face." To Shevardnadze's surprise, Qian brought with him an invitation for Gorbachev to Moscow, fulfilling the Soviet leader's desire since his first year in office to have a summit with Deng.[147]

There was still one more barrier to the summit's actual occurrence. The Chinese demanded that they release the private understanding that their negotiators had reached on Cambodia. Since Shevardnadze had met Qian in December, Vietnam had held talks with China directly in January 1989, where Vietnam's foreign minister had committed to withdrawal of Vietnamese troops by September so long as no outside force provided aid to Cambodian factions. China wanted assurances from the Soviet Union that its client would behave, but Shevardnadze balked during his February 1989 visit. Qian thought it might be necessary to postpone the summit from its targeted occurrence in May, but Deng instructed him that "the date of the Sino-Soviet summit meeting must not be changed," even if its announcement could be delayed to put pressure on the Soviet side. Shevardnadze left Beijing without a Chinese announcement of the summit dates, but Soviet negotiators acquiesced within a day of his departure. While the final language certainly put pressure on Vietnam, it hardly represented a Soviet betrayal of their Vietnamese partner. Both sides "recognize the decision announced by Vietnam on the complete withdrawal of troops from Cambodia no later than September 1989, and express the hope that its implementation will boost" political talks on a post-war settlement. If anything, it suggested Chinese urgency to accept less than ideal language to avoid postponing the summit. "In all truth, Deng Xiaoping raised the Cambodian obstacle, and it was Deng Xiaoping who removed it when he agreed to a summit with Gorbachev," writes Radchenko. As minor as Moscow's concession was, the public Soviet nudging may have

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[147] Qian, *Ten Episodes in China's Diplomacy*, 26; Radchenko, *Unwanted Visionaries*, 153.

helped end Vietnamese foot-dragging. Two months after the announcement, in April, Vietnam

agreed to an unconditional withdrawal by September.[148]

Deng's readiness to invite Gorbachev in December and his instructions in February not to

postpone the summit suggests some Chinese urgency normalizing Sino-Soviet relations. Deng was

willing to take the Soviet "yes" for an answer. Concrete concession on Afghanistan, Mongolia, and

the Sino-Soviet border were in place. Even though Deng viewed Vietnam's invasion of Cambodia as

the primary obstacle, he was willing to complete the normalization with a Soviet "hope" and a

Vietnamese promise, even while he acknowledged at the end of February that he did not know

"how many gifts" Gorbachev would bring with him to Beijing, nor did he "even know what will

happen regarding Vietnamese troop withdrawal from Cambodia."[149] Deng decided to proceed

nonetheless.

There is no primary evidence of what led China to budge. The Soviet side had been willing

to concede over and over again as it struggled with economic collapse. The Soviet concessions in

1988 were qualitatively and quantitatively superior to those in 1986 and 1987, but Deng had an

option of further intransigence. It seems possible that what changed was China's need for austerity.

In October 1988, Chen Yun had lectured Zhao on the dangers of budget deficits, on the harm that

further government spending was contributing to China's inflation crisis. In late 1988, Deng's

experiment with lifting price controls failed. Within weeks of Shevardnadze's visit in February 1989,

the Chinese government unveiled a new budget which had as its principal goals: "to gradually

eliminate the problem of the overheated economy" and to "ensure that the rate of price hikes will be

conspicuously less than those of 1988." Even though national defense was a priority area in the

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[148] "Initial Results of Sino-Vietnamese Talks Viewed," *Moscow International Service* (in Mandarin), January 24, 1989, translated by FBIS-SOV-89-018; "Troops Withdrawal Joint Statement Issued," *Phnom Penh SPK* (in English), April 5, 1989, in FBIS-EAS-89-064; Radchenko, *Unwanted Visionaries*, 155-6; Qian, *Ten Episodes in China's Diplomacy*, 27-8.
[149] "President Bush's Meeting with Chairman Deng Xiaoping of the People's Republic of China," Memorandum of Conversation, Beijing, February 26, 1989, http://digitalarchive.wilsoncenter.org/document/116507.

budget, Yang Shangkun, an old Deng ally and vice chairman of the Central Military Commission, had to meet with senior military leaders in March 1989 to tell them that the defense budget would rise only after the economy improved. The military leaders complained that the nominal budget increase would be more than overtaken by inflation, resulting in a net decrease in real defense spending. Even in a liberalizing China, such public military grousing about the budget suggested serious concerns about austerity. It was not just military parochialism. Susan Shirk reports that by the late 1980s PLA budget chiefs assessed their budget could only meet 70 percent of China's military requirements.[150]

The twin decisions in December to invite Gorbachev and in February to schedule the summit represented the key breakthroughs in Sino-Soviet politics. Soviet and Chinese diplomats began negotiating a joint statement for the May summit.[151] After the difficulties in February, Soviet officials were surprised by the comparative ease of negotiations for the May joint statement. In drafting language, Foreign Minister Qian met his Soviet counterpart "half-way, displaying limitless readiness for agreement," Shevardnadze's aide, Teimuraz Stepanov-Mamaladze wrote in his diary.[152]

Upon arrival on May 16, 1989, Gorbachev met with Deng first, who reaffirmed that the summit should be viewed as transformational. "Now we can officially declare that Sino-Soviet relations have been normalized." He added that after Gorbachev met with Zhao Ziyang, they also could consider the relationship between the two Communist parties normalized. The goal of the

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[150] "Special Program on the Second Session of the Seventh NPC and the Second Session of the Seventh CPPCC National Committee," *Beijing Domestic Service* (in Mandarin), March 21, 1989, translated in FBIS-CHI-89-054; "Yang Shangkun Tasks PLA," *Xinhua*, March 24, 1989, in FBIS-CHI-89-057; "China's Military Budget to Drop 6% Despite Officers' Protests," *Los Angeles Times*, March 25, 1989; Susan Shirk, *China: Fragile Superpower* (New York: Oxford University Press, 2007), 72.
[151] "Igor Rogachev's Account of Eduard Shevardnadze's Visit to Beijing," Ministry of Foreign Affairs, Mongolia, February 11, 1989, translated by Sergey Radchenko, http://digitalarchive.wilsoncenter.org/document/119284.
[152] "Diary of Teimuraz Stepanov-Mamaladze," May 17, 1989, Hoover Institution Archive, Teimuraz Stepanov-Mamaladze Papers: Diary No. 9, translated by Sergey Radchenko, http://digitalarchive.wilsoncenter.org/document/121781.

summit was to "close the past and open the future," Deng repeated three times in the meeting.[153]

Later in the day, when Gorbachev met with premier Li Peng, the Soviet leader was transparent

about his motivations for the summit. "Our countries need a favorable external environment in

order to settle domestic issues. Our political thinking was born as a response to the most

complicated internal and external political circumstances. It dictates the move to a new stage of

Soviet-Chinese relations."[154]

The joint statement released by both governments on May 18, paid homage to all of the

proposals that had accumulated since the Sino-Soviet split. For its part, the Soviet side agreed to

forge relations on the basis of the five principles of peaceful coexistence, and rejected (along with

China) any claims to "hegemony" in Asia or elsewhere, or attempts to seek it. They renounced the

threat or use of force to solve problems with one another, which the Soviet side had been proposing

since 1969. They promised to "intensify" work to find solutions on the eastern and western sectors

of the border, and to reduce armed forces along that border. The statement discussed progress and

obligations on the Cambodian problem. Only Afghanistan was unmentioned, since the Soviet

withdrawal in February had obviated Chinese concerns.[155]

There was still considerable bargaining ahead to settle the details of territorial disputes, but

May 1989 marked the end of the Sino-Soviet rivalry. There were abundant signs that a

transformation in bilateral relations had occurred. First, it is exceptionally rare for rivals to arm one

another. In 1989, there were no arms transfers from the Soviet Union to China. In 1990 such

[153] "Meeting between Mikhail Gorbachev and Deng Xiaoping (excerpts)," May 16, 1989, in Mikhail Gorbachev, Zhizn' i Reformy, Vol. 2 (Moscow: Novosti, 1995), 435-440, translated by Sergey Radchenko, http://digitalarchive.wilsoncenter.org/document/116536. Zhao Ziyang and mention of normalized party-to-party ties are expunged from the published Chinese account of the meeting. "Let Us Put the Past Behind Us and Open Up a New Era," in Selected Works of Deng Xiaoping, vol. 3, 1982-1992 (Beijing: Foreign Languages Press, 1994), 284-287.
[154] "Notepad of Teimuraz Stepanov-Mamaladze," May 16, 1989, Hoover Institution Archive, Teimuraz Stepanov-Mamaladze Papers: Diary No. 9, translated by Sergey Radchenko, http://digitalarchive.wilsoncenter.org/document/119285.
[155] "USSR-PRC Joint Statement on Summit Issued," TASS (in English), May 18, 1989.

transfers were worth a modest $80 million, then $260 million in 1991, and $1 billion in 1992.[156]

Second, Gorbachev kept his promises on reducing armed forces along the Sino-Soviet border. More

importantly, given the shifting relative balance of power, so did China. In April 1990, during Li

Peng's visit to Moscow, both governments signed an agreement to reduce the number of troops

deployed along the Sino-Soviet border in a reciprocal manner.[157] Third and finally, work on settling

the territorial dispute was slow, steady, and successful. In May 1991, during Jiang Zemin's visit to

Moscow, the governments signed a boundary agreement on the eastern sector, though demarcation

and delimitation lasted until 1997. The collapse of the Soviet Union obviated all but 55 kilometers of

the Sino-Russian border dispute in the western sector, and a border agreement for this area was

signed in 1994 and demarcated in 1997. The last remaining territorial disputes—two difficult islands

in the eastern sector—were settled in 2004.[158]


## 5 Alternative Explanations

What explains the pace and success of Sino-Soviet peacemaking? What explains Deng's

multifaceted effort to "rationalize" Chinese foreign policy from 1979 to 1982, Gorbachev's similar

omnidirectional peacemaking after 1986, and Deng's willingness to take "yes" for an answer in 1988

and 1989. In each of these episodes, the relevant decision-makers were also confronting budgetary

and economic crises at home, and had succeeded in dispatching political opponents from foreign

policy decision-making. The congruence between domestic primacy theory's predictions for

conciliatory behavior and the observed reality of that behavior is remarkable. In some cases,

additional evidence suggests that domestic primacy's mechanisms were clearly at work, such as when

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[156] All prices in constant 1990 U.S. dollars. Arms Transfer Database, Stockholm International Peace Research Institute, accessed July 11, 2015.
[157] "Li Peng Speaks at Friendship House," *Moscow International Service* (in Mandarin), April 25, 1990, translated by FBIS-SOV-90-081.
[158] Fravel, *Strong Borders, Secure Nation*, 140-4.

Gorbachev explained to Li Peng that both countries needed "a favorable external environment in order to settle domestic issues," and that need "dictated" an improvement in Sino-Soviet relations. Not only does domestic primacy theory perform well, other theories fare poorly.

## 5.1 Nuclear Peace

Theories of nuclear peace might suggest Chinese quiescence on the Sino-Soviet border from 1950 to 1964, when China first tested a nuclear device, or even into the mid-1970s, when China first developed a survivable second-strike capability capable of reaching major Soviet cities in the western part of the Soviet Union. Instead, throughout this period, China was less interested in de-escalating the conflict than the Soviet Union. By the mid-1970s, China had a mix of strategic and tactical nuclear systems in sufficient quantities that U.S. intelligence agencies estimated "a portion of China's nuclear forces probably would survive even a preemptive Soviet nuclear strike...."[159] Deng's insistence on removing the "three barriers" suggests that he did not believe nuclear deterrence was sufficient to preserve Chinese interests. Instead, for Deng the rivalry could end only when Soviet encirclement of China ended.

## 5.2 Military Imbalance

Similarly, changes in the conventional force balance did not relate to the prospects for peace as theories would expect. Instead of substantial Soviet advantages making it easier to find a durable peace, the military imbalance heightened Chinese perceptions of insecurity, leading China to conclude that the Soviet Union had malicious intent and, as a result, conciliatory actions might be exploited by Moscow. The military imbalance, rather than enabling peace, was explicitly listed as one

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[159] National Intelligence Estimate, *PRC Defense Policy and Armed Forces*, NIE 13-76, November 11, 1976, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0001097855.pdf.

of the "three barriers" to peace. Only once the Soviet Union began removing troops, and the

military balance on the frontier equalized, did Chinese leaders feel more secure.

## 5.3 Common Enemies

While the Sino-U.S. rivalry terminated in 1972, the Soviet Union did attempt rapprochement

with China in the late Brezhnev period as a means to prevent further Sino-U.S. entente. Those

Soviet efforts largely failed, and Deng's initiation of talks with Moscow in 1979 occurred when Sino-

U.S. relations were largely satisfactory from the perspective of Beijing. While Deng certainly was not

happy with the Taiwan Relations Act, former U.S. diplomat Alan Romberg observes that "there was

no serious clash of interests" in 1979. In fact, the Carter administration signed agreements to build

observatories in Xinjiang to monitor Soviet nuclear tests that year and, after the Soviet invasion of

Afghanistan, it agreed to sell China defensive weapons systems. It seems impossible to attribute the

softening of China's stand toward the Soviet Union in 1979 to its relationship with Washington.

Instead, "the real trouble" only emerged during the presidential campaign of Ronald Reagan the

following year, when the candidate (and subsequently the newly inaugurated president) was

especially maladroit about articulating his policy toward Taiwan.[160] The Soviet invasion of

Afghanistan led to the cessation of Deng's early initiative toward the Soviet Union just as Reagan's

bumbling angered Beijing. Whatever concerns Deng may have had about Reagan's statements, his

concerns about direct Soviet occupation of Chinese neighbors were greater.

Sino-U.S. frictions can at best explain part of Deng's willingness to respond favorably to

Brezhnev's Tashkent initiative in 1982. Deng's dispatch of Yu Hongliang to Moscow occurred on

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[160] Wang Zhongchun, "The Soviet Factor in Sino-American Normalization," in *Normalization of U.S.-China Relations: An International History*, eds. William C. Kirby, Robert S. Ross, and Gong Li (Cambridge, MA: Harvard University Press, 2005), 172; Alan Romberg, *Rein In at the Brink of the Precipice: American Policy Toward Taiwan and U.S.-PRC Relations* (Washington, DC: The Henry L. Stimson Center, 2003), 110, 130-4; Bernard Gwertzman, "U.S., in New Rebuff to Soviet, Announces It Will Sell China Military Support Equipment," *New York Times*, January 25, 1980.

August 10. By August, the U.S. had already met many of China's concerns over U.S. policy toward

Taiwan. In early May, Reagan, now president, had already written a series of conciliatory letters to

Hu Yaobang, Zhao Ziyang, and Deng Xiaoping that Vice President George H. W. Bush carried with

him on a visit to Beijing. By August, when Hu departed for Beijing, negotiations were already quite

advanced on what would become the "third communiqué" between the United States and China,

released on August 17, 1982, which paved the way for President Reagan to visit China in 1984.

Again, relations between Washington and Beijing were already improving even as Deng explored

options in Sino-Soviet ties.

The final period of Sino-Soviet rapprochement from 1986 to 1989 occurred when Sino-U.S.

relations were fairly good. Only after the Tiananmen crackdown in June 1989 did Sino-U.S. relations

worsen substantially. This post-Tiananmen deterioration in Sino-U.S. ties cannot explain the pre-

Tiananmen improvement in Sino-Soviet ties. Deng had agreed to compromise and host the summit

months before post-Tiananmen sanctions—in fact, he had compromised before the protest

movement had even begun that April.


## 6 Conclusion

In August 1973, in the same speech where Zhou restated China's desire to discuss the

boundary "free of any threat," the Chinese premier also favorably quoted Mao. The Chairman

"teaches us," Zhou told the audience, that "the correctness or incorrectness of the ideological and

political line decides everything."[161] From 1979 to 1985, Deng's first major accomplishment was to

throw out the ideological baggage from the core of the Sino-Soviet relationship. The polemics would

remain, but Deng outlined a series of concrete measures by which the Sino-Soviet relationship could

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[161] Zhou Enlai, Report to the Tenth National Congress of the Communist Party of China, August 24, 1973.

improve. If Brezhnev insisted that China could only be assessed according to its "concrete deeds," as he said at Tashkent in 1973, then Deng would provide his own rubric for Soviet sincerity.

Qian Qichen, who was responsible for the Sino-Soviet talks as deputy foreign minister, argues that Deng's policy was transformational because it demanded Chinese diplomacy toward the Soviet Union shift "from an ideological debate to a consideration of state interests." [162] It seems unlikely that a leader who feared ideological enemies at home, like Mao had for much of the 1960s or Hua, Wang, and Jiang had in the 1970s, would have been willing to undertake such a bold departure from past practice. Deng, secure at home, and motivated to find a period of peace for Chinese growth, was willing to shift course.

Deng and Gorbachev, propelled by the urgency of ongoing economic crisis, and in firm control of their foreign policy establishments, normalized Sino-Soviet relations, ending a thirty-year rupture. They did so decades after having acquired nuclear weapons, they did so after the threat of decisive military attack had decreased, and they did so when both had favorable relations with the United States. They did so because domestic economics encouraged and domestic politics enabled retrenchment internationally.

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[162] Qian, *Ten Episodes in China's Diplomacy*, 4.

CHAPTER 10: THE CONTINUING INDO-PAKISTANI RIVALRY

## 1 Introduction

This chapter argues that domestic primacy theory explains the inability of India and Pakistan

to terminate their rivalry since 1947. Domestic primacy theory predicts that economic crises create

incentives for national leaders to pursue conciliatory policies toward strategic rivals, but that these

incentives are disrupted when leaders face competing power centers within their governments. This

chapter demonstrates that economic downturns have spurred attempts at reconciliation in the India-

Pakistan relationship, but that veto players have either sabotaged these efforts directly or leaders

have abandoned conciliatory policies because they feared hardliners at home. Rivalry persists in

South Asia because the political motivation to pursue conciliatory policies has not coincided with

the political capability to enact them.

This chapter focuses on three "near misses" in Indo-Pakistani negotiations, when one or

both states pursued serious negotiations to settle the political disputes that motivate the rivalry.

These three episodes represent the most cooperative periods in Indo-Pakistani relations, and are also

the periods in which domestic primacy predicts the greatest likelihood of conciliatory initiatives.

This chapter traces how different leaders' preferences evolved given changing economic and

political circumstances, and how efforts to pursue conciliatory policies were shaped by the degree

individual leaders held concentrated authority over foreign policy decisions. It also shows how

moments favorable to reconciliation according to domestic primacy theory have been fleeting in the

history of the India-Pakistan rivalry.

In the first time period highlighted, strong leaders emerged in both India and Pakistan by the

late 1950s, but their emergence was followed shortly thereafter by a period of sustained economic

growth. Brief periods of concentrated authority combined with economic difficulty in the late 1950s

to spur compromise and rapprochement, but interest in conciliatory policies faded quickly during

the economic good times that followed. In the second period described below, a strong Pakistani politician emerged in the 1970s who attempted to cement civilian control over the military. As he grew more comfortable with his authority over Pakistani politics and faced an economic crisis, he also made serious overtures to improve relations with India, overtures that were reciprocated by a strong Indian leader facing her own economic crisis. A military coup in Pakistan in 1977 derailed that process of normalization. In the final episode presented in this chapter, another strong civilian leader emerged in Pakistan in the 1990s, and again sought to assert control over competing power centers in Pakistan before attempting rapprochement with India during a period of economic hardship. He too lost power in a military coup.

This chapter now turns to historical case studies examining these three periods. As I discussed in Chapter 3, domestic primacy theory ought to both predict rivalry termination as well as intermediate outcomes on the path to rivalry termination, permitting far greater testing of observable implications than relying on observations of rivalry termination alone. During periods that domestic primacy theory suggests are favorable for rivalry termination, we ought to observe serious efforts at rapprochement. As with the previous chapters, each section will include three components. First, I will describe the concentration of foreign policy authority and the economic situations in India and Pakistan during the period in question. Second, I will describe the conciliatory initiatives observed during that period, and evidence that the logic of domestic primacy theory drove these outcomes. Third, I compare the observed outcomes to predictions from competing explanations, to see if alternative theories perform as well or better than domestic primacy theory.

## 2 The India-Pakistan Rivalry from 1955 to 1960

The partition of British India into Hindu-majority India and Muslim-majority Pakistan killed hundreds of thousands, perhaps a million, citizens of the subcontinent.[1] Approximately 14.5 million refugees decided to migrate across the partition boundary to where their coreligionists were now a majority.[2] The borders for the new India and Pakistan were still uncertain. British India was a patchwork of areas directly ruled by the British crown and many princely states that were indirectly ruled by the British government. Princely states had the ability to choose to which successor state they would accede. The rulers of three of these princely states were slow to decide, hoping that if they stalled they might be granted independence or, at a minimum, greater autonomy. The Indian military seized two of the holdout states (Junagadh and Hyderabad), and the Indian and Pakistani militaries both moved to seize Jammu and Kashmir. The result was the first India-Pakistan war of 1947-1948. For much of the long India-Pakistan rivalry, the final disposition of Muslim-majority Kashmir has been substantively and symbolically at the center of the India-Pakistan dispute.

By 1955, the still unresolved Kashmir issue sat alongside other lingering boundary disputes with Pakistan. Moreover, the partition of the subcontinent had also artificially divided manmade and natural water sources that irrigated the predominantly agricultural economies of India and Pakistan. From 1958 to 1960, Indian and Pakistani negotiators successfully resolved a majority of the outstanding boundary disputes with Pakistan, though they did not make progress on Kashmir. Indian and Pakistani negotiators also achieved breakthroughs in apportioning water rights on the subcontinent. Why did they make as much progress as they did? Why did the progress halt around 1960? The timing of this cooperation closely accords with the predictions of domestic primacy

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[1] Yasmin Khan, *The Great Partition: The Making of India and Pakistan* (New Haven, CT: Yale University Press, 2008).
[2] Ayesha Jalal, *The Sole Spokesman: Jinnah, the Muslim League, and the Demand for Pakistan* (New York: Cambridge, 1994), 2.

theory, while alternative theories struggle to make sense of why cooperation began suddenly and ended when it did.

## 2.1 Concentration of Executive Authority in Pakistan from 1955 to 1966

Pakistan was unlucky at birth. The politician that led the Pakistan movement prior to independence, Mohammad Ali Jinnah, died on September 11, 1948. His successor, Liaquat Ali Khan, was the only Pakistani politician who commanded respect anywhere near that of Jinnah. An Afghan national assassinated Khan on October 16, 1951, removing the one politician in Pakistan with sufficient stature to steer, rather than merely follow public opinion.[3] From 1951 to 1958, authority in Pakistan was diffuse, with no single individual in control of foreign (or domestic) policy.

A merry-go-round of politicians governed Pakistan after Khan's death. Power was split across a troika of executive positions: a civilian governor-general (later the office became the presidency), a civilian prime minister, and the army chief. Three men held the governorship-general from 1948 to 1958 and six men served as prime minister during the same period. In comparison, the army chief, Gen. Ayub Khan, enjoyed uninterrupted service from 1951 onward, making him the most stable force in Pakistani politics, even though his de facto authority was shared with the de jure authority of civilian leaders. As the 1950s progressed, Pakistani civilians who needed political allies in their intrigues against each other knew that they must have at least the passive acquiescence of Ayub, who the U.S. Embassy in Karachi referred to as the "final arbiter of the destiny of Cabinets" in 1955.[4]

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[3] "The murder of Liaquat Ali Khan removed the one politician [in Pakistan] with the will and the ability to lend an ear to popular opinion and turn it to positive advantage." Ayesha Jalal, *The State of Martial Rule* (Cambridge: Cambridge University Press, 1990), 133; Husain Haqqani, *Magnificent Delusions: Pakistan, the United States, and an Epic History of Misunderstanding* (New York: PublicAffairs, 2013), 54.

[4] Despatch from the Embassy in Pakistan to the Department of State, Karachi, August 26, 1955, *FRUS*, 1955-1957, vol. 8, doc. 198, 436.

The political instability was exacerbated by antagonisms and rivalries between political elites

from West and East Pakistan. Pakistan's status as a poor country meant that resource abundance

could not salve these political disputes with rising prosperity. A 1956 U.S. National Intelligence

Estimate summarized the disarray, "At least over the next few years, Pakistan will remain basically

unstable, plagued by serious differences of interest and outlook between the two parts of the

country, by a dearth of responsible leaders, by weak political institutions, and by widespread

frustration and discontent, particularly in East Pakistan."[5]

By the fall of 1958, the civilian president (formerly governor-general) Mirza assessed the

Army was tiring of the never-ending series of civilian prime ministers and he decided to collaborate

with the military in ousting the politicians from power.[6] On October 7, 1958, Mirza abrogated the

Pakistan constitution, dismissed the civilian governments at the national and state level, and declared

Ayub Khan martial law administrator. The U.S. Embassy, sympathetic but not enthusiastic for the

move said, "a semblance of democracy was replaced by a semblance of dictatorship."[7] Pakistan was

not an exception to the rule that "no true Duumvirate has lasted in history";[8] on October 27, Ayub

told Mirza his time too had passed and Ayub became the uncontested military ruler of Pakistan.

With Ayub's dismissal of Mirza, Ayub secured concentrated authority over foreign and

domestic policy, with few if any veto players capable of countermanding his preferences. Ayub

governed in a manner consistent with his philosophy of "centralized, one-man rule."[9] Within a year,

the U.S. Embassy was able to assess that Ayub's government was "strong" and "stable," in sharp

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[5] Probable Developments in Pakistan, National Intelligence Estimate, NIE 52-56, November 13, 1956, *FRUS*, 1955-1957, vol. 8, doc. 216, 473.

[6] Telegram from the Embassy in Pakistan to the Department of State, Karachi, October 5, 1958, *FRUS*, 1958-1960, doc. 321, 664, fn. 2.

[7] Telegram from the Embassy in Pakistan to the Department of State, Karachi, October 8, 1958, *FRUS*, 1958-1960, doc. 325, 670.

[8] Telegram from the Embassy in Pakistan to the Department of State, Karachi, October 8, 1958, *FRUS*, 1958-1960, doc. 325, 671.

[9] Robert LaPorte, Jr., "Succession in Pakistan: Continuity and Change in the Garrison State," *Asian Survey*, 9, no. 11 (1969): 847.

contrast with its predecessors.[10] The next year they concluded, "President Ayub has remained fully in control of Pakistan's destinies...."[11]

## 2.2 Concentration of Executive Authority in India from 1955 to 1960

In post-independence India, Jawaharlal Nehru was the indisputable leader of a party with uncontested dominance of the Indian political system. In the early years of independence, deputy prime minister Vallabhbhai Patel showed some willingness and ability to challenge Nehru, but Patel died in December 1950. "[A]fter the death of Patel, the Cabinet was gradually reduced to a collection of tame subordinates.... The Government of India was basically a one-man show," in the words of S. Gopal, Nehru's biographer.[12]

Nehru oversaw India's second general elections in 1957, where Congress secured even more seats and a greater percentage of the vote than it had in 1952. Congress emerged from the 1957 elections with more than ten times the number of seats as the next most competitive party. Nehru continued to have concentrated executive authority that would permit him to make conciliatory deals—if he had the incentive to do so and concluded he had a Pakistani partner capable of committing itself to a lasting bargain and peaceful relations. Nehru atop the Congress Party would enjoy expansive autonomy at least until the bungled 1962 war with China.

## 2.3 Economic Pressures in Pakistan from 1955 to 1960

The Pakistani economy suffered in the mid-1950s. Real GDP per capita contracted in 1954 and continued to slide in 1955. After a respite in 1956, it again shrunk in 1957 and 1958, grew in

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[10] Airgram from the Embassy in Pakistan to the Department of State, Karachi, September 23, 1959, *FRUS*, 1958-1960, doc. 370, 776.

[11] Department of State, Central Files, 7900.00/8-1260 quoted in Editorial Note, *FRUS*, 1958-1960, doc. 392, 818.

[12] Gopal, *Jawaharlal Nehru: A Biography*, vol. 2, *1947-1956* (Delhi: Oxford University Press, 1977), 303-4.

1959 (but only returning to 1956 levels), and shrunk again in 1960. Despite pressing needs in the

mid-1950s, the state had difficulty mobilizing resources given its poor bureaucracy, but as its

capacity to expend resources improved, the demands for revenue accelerated as well. The U.S.

intelligence community concluded in 1956 that Pakistan's need for development and military funds

would peak in 1959 and 1960.[13]

U.S. aid helped dampen the economic crisis in the late 1950s and early 1960s, and enabled

Pakistani elites to avoid tough choices. During this period, U.S. economic and military assistance

peaked in 1956, declined somewhat from 1957 to 1961, and then surpassed the past 1956 peak with

much increased aid from 1962 to 1965.[14] The U.S. Embassy in Karachi reported in late 1957 that the

"only reason why Pakistan [is] able to keep going is U.S. aid."[15] The U.S. ambassador wrote him at

the end of that year, "I fear that our past generosity in helping out our friends has too often

permitted them to avoid 'grasping the nettle' and facing their problems with the required spirit of

urgency and determination."[16] As a result, he wrote, economic deterioration persisted in the late

1950s and the level of "unproductive expenses" that went to the military and government operations

overwhelmed the "productive part" of the budget.[17] In July 9, 1958, the U.S. ambassador in Pakistan

again warned Washington that any new government in Pakistan would have to confront "more

serious problems than have existed in this country since those which attended its birth," including

"major" problems of "economic deterioration," such as declining exports and foreign exchange,

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[13] Probable Developments in Pakistan, National Intelligence Estimate, NIE 52-56, Washington, November 13, 1956, *FRUS*, 1955-1957, vol. 8, doc. 216, 474.
[14] U.S. Overseas Loans and Grants (Greenbook) Data.
[15] Telegram from the Embassy in Pakistan to the Department of State, Karachi, November 1, 1957, *FRUS*, 1955-1957, vol. 8, doc. 223, 484.
[16] Letter from the Ambassador in Pakistan (Langley) to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree), Karachi, December 27, 1956, *FRUS*, 1955-1957, vol. 8, doc. 224, 487-8.
[17] Letter from the Ambassador in Pakistan (Langley) to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree), Karachi, December 27, 1956, *FRUS*, 1955-1957, vol. 8, doc. 224, 488.

continuing food shortages, mounting inflation, mounting loss of agricultural lands, and an excessive

armaments burden.[18]

Upon assumption of office, Ayub and his economic managers focused on finding new

revenues and eliminating unnecessary expenditures. By 1959, the U.S. State Department concluded

the "new Pakistan regime seems sincerely concerned with strengthening [the] country's financial

position...."[19] Ayub was also concerned personally with the task of building Pakistan's state

institutions and physical infrastructure. As one senior retired civil servant with a long experience of

close contact with Pakistani leaders, including Ayub, told me, "I have never seen another president

take so much interest in development work."[20] U.S. aid and the improved economic management of

Ayub's technocrats were able to mask any structural flaws in the Pakistani economy for much of the

1960s. After initial years of difficulty, political scientist Robert LaPorte concludes, "Economic

growth during the Ayub years was outstanding by any quantitative measure."[21]


## 2.4 Economic Pressures in India from 1955 to 1960

In the latter half of the 1950s, India's economy struggled, though less than Pakistan as a

result of the weight from military expenditures on the economy.[22] In mid-1956, U.S. and Indian

officials reported steady economic expansion.[23] India's first five-year plan was widely lauded as a

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[18] Airgram from the Embassy in Pakistan to the Department of State, Karachi, July 9, 1958, *FRUS*, 1958-1960, vol. 15, doc. 315, 652-5.
[19] Telegram from the Department of State to the Embassy in Pakistan, Washington, May 27, 1959, *FRUS*, 1958-1960, vol. 15, doc. 355, 730.
[20] Interview, senior retired Pakistani civil servant "3", Islamabad, January 8, 2014.
[21] LaPorte, "Succession in Pakistan," 848.
[22] The Economic and Political Consequences of India's Financial Problems, National Intelligence Estimate, NIE 51-58, Washington, September 2, 1958, *FRUS*, 1958-1960, vol. 15, doc. 217, 455.
[23] Semi-Annual Review of United States-Indian Relations, May 15-November 15, 1956, Instruction from the Department of State to the Diplomatic and Consular Offices in India, Washington, January 20, 1956, *FRUS*, 1955-1957, vol. 8, doc. 155, 301.

"success."[24] Even so, Indian officials combatted inflation and foreign exchange shortfalls.[25] Inflation

and population growth meant that the mid-1950s were stagnant in real terms, with India

experiencing flat real per capita GDP growth from 1955 to 1957, despite aggregate nominal growth

in the Indian economy. As the 1950s progressed, and India entered into an even more ambitious

second five-year plan, the foreign exchange crisis worsened.[26] Additionally, the second five-year plan

underinvested in agriculture, leading to "a serious crisis in foodgrain production" in the summer of

1957.[27] India had to lower its legal minimum of foreign currency reserves, and senior Indian officials

told their U.S. counterparts the crisis would be most acute from late 1957 through 1959.[28] The U.S.

Embassy in New Delhi reported in 1958, "the GOI is aware that it is facing probably its most

critical test since independence" as a result of the foreign exchange crisis.[29] As India sought

additional loans, creditors put pressure on India to curtail its military expenditures.[30] Such pressure

for India to reduce spending and reform its economy continued at least through 1960, even as aid

was more forthcoming.[31] A meeting of India's creditors in Washington in August 1958 agreed to a

substantial credit line to India through the spring of 1959, easing the strain of the balance of

payments crisis. This began a rapid expansion in U.S. aid to New Delhi, which doubled from 1958

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[24] A Feasible Program of U.S. Economic Assistance for India, Paper Prepared in the Embassy in India, New Delhi, March 13, 1956, *FRUS*, 1955-1957, vol. 8, doc. 158, 311.

[25] Telegram from the Embassy in India to the Department of State, New Delhi, December 7, 1956, *FRUS*, 1955-1957, vol. 8, doc. 160, 320.

[26] India's Desire for Additional U.S. Assistance in Financing the Second Five-Year Plan, Memorandum of Conversation, Department of State, Washington, May 31, 1957, *FRUS*, 1955-1957, vol. 8, doc. 166, 344-5.

[27] Ayesha Jalal, *Democracy and Authoritarianism in South Asia: A Comparative and Historical Perspective* (New York: Cambridge University Press, 1995), 129.

[28] India's Need for Economic Assistance, Memorandum of Conversation, Department of State, Washington, September 25, 1957, *FRUS*, 1955-1957, vol. 8, doc. 174, 375.

[29] Letter from Ambassador in India (Bunker) to the Deputy Under Secretary of State for Economic Affairs (Dillon), June 19, 1958, *FRUS*, 1958-1960, vol. 15, doc. 210, 432.

[30] Indian Financial Situation, Memorandum of Conversation, Department of State, Washington, July 12, 1958, *FRUS*, 1958-1960, vol. 15, doc. 212, 439.

[31] Robert W. Oliver, *George Woods and the World Bank* (Boulder, CO: Lynne Reiner, 1995), 129-130.

to 1959 and doubled again from 1959 to 1960.[32] This included a "mammoth" increase in U.S. food

aid from 1960 onward.[33] India entered into a period of more stable growth, launching a less

ambitious third five-year plan in 1961 that placed fewer demands on Indian currency reserves.[34]


**2.5 Indo-Pakistani Conciliatory Behavior and Rivalry Outcomes from 1955 to 1960**

Domestic primacy theory suggests Indian and Pakistani leaders would exhibit the greatest

interest in resolving disputes in the period from 1957 to 1960, when both countries experienced

considerable economic difficulties because of foreign reserve crises or economic recessions. It was

in that period that U.S. aid to Pakistan was in a relative trough below its 1956 peak and before U.S.

aid to India took off in 1960.[35] It further predicts that leader interest ought to permit substantive

agreement only after Ayub seized power in October 1958, when leaders with concentrated executive

authority on foreign policy matters governed both India and Pakistan. Largely these predictions are

born out in the historical record.

After having entertained talks on Kashmir in the early 1950s, India successfully avoided

entreaties for further Kashmir negotiations in the second half of the decade. Nehru refused to talk

about the matter at the annual meetings of the Commonwealth Prime Ministers, putting the matter,

in the words of his biographer, into "cold storage."[36] The first five-year plan's success from 1951 to

1956 in keeping India economically afloat, maintaining growth at levels sufficient to match

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[32] U.S. Overseas Loans and Grants (Greenbook) Data. Figures are constant 2011 dollars, though using "historical" amounts does not change trend.

[33] Dennis Kux, *India and the United States: Estranged Democracies, 1941-1991* (Washington, DC: National Defense University Press, 1992), 150.

[34] Jalal, *Democracy and Authoritarianism in South Asia*, 134.

[35] In real terms, total U.S. aid to Pakistan was about 30 percent lower in 1957 and 1958 than it had been in 1956, and about 20 percent lower in 1959. Only in 1960 does it return to near 1956 levels, though still 10 percent lower in real terms. For India, total U.S. dispersals peaked in 1957, with about half as much aid in real terms in 1958, but with a near return to 1957 levels in 1959, and a new peak in aid in 1960, nearly double the 1957 amount. U.S. Overseas Loans and Grants (Greenbook) Data.

[36] Gopal, *Jawaharlal Nehru: A Biography*, vol. 3, *1956-1964,* 51.

population and inflation, may explain some of this lack of urgency. Indian leaders, while not eager

for the rivalry, could afford it. Additionally, given the prodigious political instability in Pakistan,

Indian leaders had no faith their Pakistani counterparts could make credible commitments. Morarji

Desai, then-finance minister and later prime minister, told U.S. diplomats in Washington, "the

Pakistan Government was unstable and unreliable, that it had kept none of its agreements with

India."[37] Conversations with Desai and other Indian officials led some State Department officials to

conclude instability in Pakistan was "the principal obstacle to Indo-Pak negotiations."[38]

Even so, by 1958, Nehru concluded modest Indian compromises were needed to resolve a

minor dispute between India and East Pakistan that irked the prime minister. The irritant to Nehru

was the existence of something called the "Cooch-Behar enclaves." Enclaves are fragments of

territory completely surrounded by the territory of another state. The Cooch-Behar enclaves are

notable for their number, over one hundred, as well as for their extraordinarily complicated

geography, including perhaps two dozen "counter-enclaves" where an enclave surrounded entirely

by territory of another state itself surrounds another enclave of the state that surrounds it.[39]

Necessarily, an enclave is dependent on transit through another state in order to have any

interactions with the outside world, making life complicated both for the citizens and their

government. Having been on the agenda since at least 1953, Nehru decided it was worth modest

territorial concessions in order to swap known Pakistani enclaves for known Indian enclaves and

creating contiguous borders. He told his diplomats to consult with the West Bengal government in

order to permit such a cession of territory possible, explaining his rationale: "I think it is absurd for

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[37] Mr. Desai's Call on Mr. Dillon, Memorandum of Conversation, Department of State, Washington, September 8, 1958, *FRUS*, 1958-1960, vol. 15, doc. 219, 464.

[38] Memorandum for the Files by the Ambassador to Pakistan (Langley), Washington, September 17, 1958, *FRUS*, 1958-1960, vol. 15, doc. 319, 661; also Telegram from the Embassy in India to the Department of State, New Delhi, June 8, 1958, *FRUS*, 1958-1960, vol. 15, 122.

[39] Brendan R. Whyte, *Waiting for the Esquimo: An Historical and Documentary Study of the Cooch Behar Enclaves of India and Bangladesh* (Melbourne: University of Melbourne, 2002).

these enclaves to continue. It is still more absurd for enclaves within enclaves to exist...."[40] The

Indian foreign secretary and his counterpart worked out details in late August 1958 and the prime

ministers announced their agreement when they met in New Delhi in early September a few weeks

later.[41]

As a postscript, the agreement between Feroz Noon and Jawaharlal Nehru was controversial

in both Pakistan and India. The Pakistani coup, only weeks later, deflected attention away from the

matter in Pakistan, which after all had gained territory as a result of the agreement. In India the

matter became a drawn out judicial controversy, requiring Nehru to persuade the chief minister in

West Bengal to drop his objections to the accord. Even then, the long drawn-out territorial

demarcation took years after the 1958 agreement. The difficulties in implementing the accord—

which required Nehru to not only face down parliamentary pressure, but to pass a new

constitutional amendment (in 1960) to permit such a transfer of territory, and use all of his powers

of suasion to overcome the objections of West Bengal's chief minister—indicate why concentrated

executive authority is required to make progress on even trivial territorial issues. Even with this

political and legal maneuvering, the demarcation and court process were only complete in 1971—

shortly afterward the border in question would belong to an independent Bangladesh rather than

Pakistan.[42] Final resolution of the Cooch-Behar enclaves shifted to the India-Bangladesh bilateral

agenda where it remained until August 1, 2015, when the territorial swap finally occurred.[43]

The Noon-Nehru agreement of 1958 was the first of several agreements to resolve border

disputes along both the western and eastern international borders. After Ayub came to office, Nehru

and he agreed to ministerial-level talks to finish the work in the east. In October 1959, the Indian

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[40] Note to M. J. Desai, the Commonwealth Secretary, MEA, New Delhi, April 23, 1958, in *Selected Works of Jawaharlal Nehru*, 2nd Series, vol. 42, ed. S. Gopal (New Delhi: Oxford University Press, 2010), 617-8.
[41] Whyte, *Waiting for the Esquimo*, 91-2.
[42] By far the most detailed account on this topic is Whyte, *Waiting for the Esquimo*, 91-122.
[43] Syed Zain al-Mahmood, "India, Bangladesh Swap Land Near Their Border," *Wall Street Journal*, July 31, 2015.

and Pakistani governments were able to announce that they had reached agreement on demarcation

procedures and a working boundary that resolved virtually all of the outstanding disputes regarding

the India-East Pakistan border.[44] This was followed in short order by resolution of most of the

border disputes between West Pakistan and India, excluding Kashmir. In January 1960, both

governments released a joint communiqué announcing success in resolving four of the five major

disputed regions along the border. Only demarcation of the Rann of Kutch, a "large salt waste

situated by the Arabian Sea" was left unfinished.[45]

Coincident with progress on territorial disputes, Ayub's presence was able to accelerate and

conclude long lingering talks on water rights and irrigation infrastructure associated with the Indus

River valley. The talks made little progress until a change in Pakistan permitted compromise. As

Gauhar observes: "The World Bank offered its good offices in September 1951 to help resolve the

dispute, but *it was not until Ayub came to power* that an agreement was reached to separate the water

supplies of the Indus Basin according to a plan drawn up by the World Bank."[46] The British had

created the canal and irrigation system in India and Pakistan as an integrated system, long before

anyone had knowledge of where future national boundaries would exist. This meant Pakistan, in

particular, depended on water that originated in India.

The agreement apportioned water from six rivers that made the Indus River system, in

essence giving water associated with the three in Pakistan to Pakistan and giving water associated

with the three in India to India, while providing Pakistan with sufficient financing so as to create

canal and water storage systems to utilize the water available in "its" rivers to offset the loss of water

that Pakistan formerly had access to from rivers now apportioned to India. The World Bank and

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[44] Whyte, *Waiting for the Esquimo*, 100-1; also "Pakistan, India Reach Accord: Two Countries Announce Border
Settlements in their Eastern Regions," *New York Times*, October 24, 1959.
[45] "Border Pact Set by India, Pakistan: 2 Nations Resolve Disputes on Western Frontier," *New York Times*, January 12,
1960; and "India and Pakistan Sign Border Pact," *The Washington Post*, January 12, 1960.
[46] Emphasis added. Altaf Gauhar, *Ayub Khan: Pakistan's First Military Ruler* (Karachi: Oxford University Press, 1996), 108.

Western donors provided the bulk of the approximately $1 billion financing, though India also provided substantial funds to compensate Pakistan for loss of access to the rivers in India. The major breakthroughs on the agreement occurred in the spring and summer of 1959, though the treaty itself was not signed until September 1960.[47] Ayub, eager to get his country's foreign and economic affairs in order, and Nehru especially dependent on foreign aid in the 1958 and 1959 period, both took advantage of the generous World Bank financing and resolved the most serious economic dispute involving the two agricultural economies. India's ambassador in Washington, reflecting on the progress of 1958 and 1959, commented, "A strong man like Ayub could push through a settlement where a politician could not."[48]

What were Ayub's motives for this round of rapprochement with India? In his autobiography, Ayub explains his foreign policy at the beginning of his tenure as having two major goals: to improve relations with the major powers of Asia, including the United States and India, and "developing the country to provide the people with better living conditions, and through this process bring about greater unity among the people of the two wings."[49] For Ayub, as for many leaders in new or developing states, economic growth was closely linked to nation-building, but it also required careful management of international disputes. In his autobiography, after discussing India, Ayub argued: "The basis of our foreign policy thus is to stay within our own means, political as well as economic."[50] In private conversations with Indian diplomats in April 1959, Ayub explained his logic, "We [India and Pakistan] seemed to be caught up in a vicious circle and we must

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[47] Memorandum from the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to the Acting Secretary of State, Washington, April 28, 1959, *FRUS*, 1958-1960, vol. 15, doc. 66, 163-4; Telegram from the Embassy in Pakistan to the Department of State, Karachi, May 19, 1959, *FRUS*, 1958-1960, vol. 15, doc. 69, 167-8; Memorandum of a Conference with the President, White House, Washington, August 11, 1959, *FRUS*, 1958-1960, vol. 15, doc. 77, 178-9.
[48] Memorandum of Conversation, Department of State, Washington, December 2, 1959, *FRUS*, 1958-1960, vol. 15, doc. 86, 193.
[49] Ayub Khan, *Friends not Masters: A Political Autobiography* (Karachi: Oxford University Press, 1967), 118.
[50] Khan, *Friends not Masters*, 120.

do everything possible to get out of it. Why cannot we push ahead with the border demarcation and put up pillars so that people may know where the frontiers are?" He told his Indian interlocutor that his rationale for improving relations was the conflict's "heavy drain on our slender resources on armaments, and the common man is suffering."[51]

Further, Ayub indicated contemporaneously and subsequently that he used his authority to override objections within his government to compromise on the Indus Waters question. Ayub told India's high commissioner to Pakistan on April 1, 1959 that "he had 'given a good scolding' to his engineers and had directed them to take a broad view and not to haggle over comparatively minor details," according to Indian notes of that meeting.[52] In his memoirs, Ayub recounts that he told them, "The responsibility does not lie on any of you, so let me tell you very plainly that the policy is going to be mine. I should consult you whenever I am in doubt regarding technical details, but if any one of you interferes with the policy, I shall deal with him myself."[53] Ayub's comments could be taken as bluster, but Pakistani negotiating behavior on the Indus Waters issue did change almost immediately after Ayub took power. Pakistan made dramatic concessions in December 1958 within months of Ayub taking power.[54]

Despite progress on the international borders and the water dispute, Ayub still was attached deeply to Kashmir, and pushed Nehru repeatedly in 1960 for a return to serious negotiations on Kashmir. "I told him that this was the most propitious moment for settling this dispute, to bring peace to India and Pakistan. He was an accepted leader in India and perhaps people in Pakistan

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[51] Letter from Rajeshwar Dayal [Indian high commissioner to Pakistan] to Jawaharlal Nehru, April 2, 1959, in *Selected Works of Jawaharlal Nehru*, 2nd Series, vol. 48, *1-30 April 1959*, ed. Madhavan K. Palati (New Delhi: Oxford University Press, 2013), 573.
[52] Letter from Rajeshwar Dayal [Indian high commissioner to Pakistan] to Jawaharlal Nehru, April 2, 1959, in *Selected Works of Jawaharlal Nehru*, 2nd Series, vol. 48, *1-30 April 1959*, ed. Madhavan K. Palati (New Delhi: Oxford University Press, 2013), 575.
[53] Khan, *Friends not Masters*, 109.
[54] Niranjan D. Gulhati, *Indus Waters Treaty: An Exercise in International Mediations* (New York: Allied, 1973), 251. Gulhati was the lead Indian negotiator on the Indus Waters issue for much of this period.

would be prepared to listen to me, too. Such a coincidence might not occur again for a long time, so it would be a great pity if we were to lose this opportunity."[55]

Domestic primacy theory does well in predicting the timing of Indian and Pakistani conciliatory actions from 1958 to 1960, though Feroz Khan Noon's ability to reach agreement on the Cooch-Behar enclaves despite his political weakness is unexpected by the theory even as subsequent events relating to the enclaves in India underscore the importance of Nehru's authority to ensure a binding agreement, even on this trivial territorial dispute. Domestic primacy theory's logic of economic stresses motivating conciliatory action are supported by Ayub's frequent statements about the importance of economic development and his oft stated desires to diminish military expenditures during his proposals to Nehru. Similarly, there is ample contemporary evidence that Ayub and Nehru's strong control over policy in their respective capitals permitted the string of conciliatory initiatives that did occur from 1959 to 1960.

## 2.6 Alternative Explanations

Of the five major theories predicting rivalry termination described in Chapter 3, only three alternative explanations could be operative during this time period in the India-Pakistan rivalry. Perhaps reconciliation was motivated by Indian and Pakistani desire to confront a common threat, be it China, the Soviet Union, or some other challenger. Alternatively, maybe there was a shift in the military balance that made it clear that peaceful bargaining was preferable to war. Finally, perhaps changes in the nature of the governments toward or away from democratic, representative government can explain progress in the late 1950s. Upon close inspection, none of these alternatives predict the outcomes in this period as well as domestic primacy theory, with democratic peace theory performing especially poorly.

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[55] Khan, *Friends not Masters*, 124.

## 2.6.1 Common Enemy

It is evident from Ayub's memoirs that he sought to improve relations with *all* of his neighbors to better marshal Pakistan's resources, but that he was content with resolving relations with merely *most* of his neighbors. In other words, an alternative to domestic primacy theory is a traditional realist explanation that posits that Pakistan, wary of Russia and/or China, and India, wary of China, sought to improve their bilateral relations with one another so they could better confront other, more serious threats. Ayub framed proposals to Nehru in the spring of 1959 in just this way: that Pakistan and India, if they resolved their disputes, could coordinate to permit the common defense of the subcontinent from external threats.[56]

Were Nehru and Ayub motivated by a shared need to confront other threats rather than domestic primacy theory's economic incentives? This realist explanation is only somewhat consistent with the observed conciliatory behavior of 1958 and 1959. Certainly for the early progress made in the Noon-Nehru agreement, Nehru was not worried about China. Nehru's biographer, S. Gopal, assesses, "In 1958, however, Nehru was still more preoccupied with Kashmir and Pakistan than with China."[57]

Ayub explicitly made mention of common defense in April 1959, however, and by that point China was closer to Nehru's consciousness after the Dalai Lama fled Tibet into India in March 1959. But the proposal seemed to irk, rather than appeal to Nehru. Ayub recalls of Nehru: "For some odd reason he thought it [the proposal for a common defense arrangement] was an attack on India's integrity and self-respect."[58] Nehru was clear in private guidance to his diplomats to discourage Ayub's discussions of joint defense, which he thought were misguided. "The moment we talk about joint defense, the question arises as to who is the party that might attack us and against whom we

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[56] Khan, *Friends not Masters*, 126-8.
[57] Gopal, *Jawaharlal Nehru: A Biography*, vol. 3, *1956-1964*, 83.
[58] Khan, *Friends not Masters*, 126.

are preparing our defence. We do not think that the Soviet Union will attack us. We are not going to take up an anti-Communist attitude. It is true that we are having some trouble with China at the present moment, but that will be of no interest to Pakistan. In any event, to talk of joint defence indirectly puts us in some kind of military camp."[59] He told the upper house of parliament on May 4: "We do not want to have a common defence policy" with Pakistan.[60]

If India made concessions in 1958 and 1959 on the boundary and water issues because of fears of China, then, it worked through a circuitous logic where the prime minister seemed to be aghast at the rationale that was motivating him. The argument that the presence of a common threat was consequential includes evidence from contemporary press reporting, which inferred the China threat might be motivating India-Pakistan border agreements in 1959 and 1960.[61] Similarly, when World Bank Vice President William Iliff, who was deeply involved in the negotiations on the Indus Waters Treaty, was asked what led to the breakthrough in negotiations, he surmised the primary factor was India's desire to "move ahead with construction" after the dispute had festered so long, but suggested "Tibet events" and "relative respect for present Pakistan Government in contrast unstable predecessor" were "contributing factors."[62]

Despite these contemporary assessments, there were strong suggestions that economic motives were at the forefront of Nehru's mind during the period of compromise in 1959. In a letter to the chief ministers on May 18, 1959, Nehru dealt with two subjects: recent progress in the Indus

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[59] Jawaharlal Nehru, Note to the Commonwealth Secretary, M. J. Desai on "Joint Defense with Pakistan," May 2, 1959, *Selected Works of Jawaharlal Nehru*, 2nd Series, vol. 49, 1 May-30 June 1959, ed. Madhavan K. Palatl (New Delhi: Oxford University Press, 2013), 525; also Jawaharlal Nehru, letter to the High Commissioner of India to Pakistan Rajeshwar Dayal, May 26, 1959, May 2, 1959, *Selected Works of Jawaharlal Nehru*, 2nd Series, vol. 49, 1 May-30 June 1959, ed. Madhavan K. Palatl (New Delhi: Oxford University Press, 2003), 527.

[60] Jawaharlal Nehru, Statement in the Rajya Sabha, May 4, 1959, in *Selected Works of Jawaharlal Nehru*, 2nd Series, vol. 49, 1 May-30 June 1959, ed. Madhavan K. Palatl (New Delhi: Oxford University Press, 2013), 548.

[61] This explanation is presented in an off-hand way in both "Border Pact Set by India, Pakistan: 2 Nations Resolve Disputes on Western Frontier," *New York Times*, January 12, 1960; and "India and Pakistan Sign Border Pact," *The Washington Post*, January 12, 1960.

[62] Telegram from the Embassy in Pakistan to the Department of State, Karachi, May 19, 1959, *FRUS*, 1958-1960, vol. 15, doc. 69, 168.

Waters negotiations and criticisms that India's policy on Tibet was too dovish. Rather than link

China with compromises on the canal waters, he defended the practicality of Indian policy toward

China. He dismissed hawkish concerns, telling the chief ministers, "Tibet and other problems may

be discussed in our newspapers and elsewhere. But the basic problems for us continue to be food

and food prices and the Five Year Plans."[63] On the Indus Waters question in particular, Indian

diplomats were telling Ayub that India also urgently sought a resolution because it "could not

postpone the supply of water to the parched areas of Rajasthan, which had no other source of

supply" recounting to Ayub how Nehru "had said that Rajasthan was gasping for water, which could

not be denied to them for long."[64]

Also consistent with domestic economic rather than foreign geopolitical pressures, Indian

military expenditure declined from its peak in 1957, with budgets in 1958 through 1960 all below

peak, and military expenditures only again surpassing their 1957 levels in 1961 as India's difficulties

with China worsened.[65] In other words, military expenditures to deal with China only increased two

years after progress in Indo-Pakistani negotiations. One Indian diplomat closely involved with

India's China policy stresses that a real fear of China came after rapprochement with Pakistan. Jagat

Mehta recalls, "It should be emphasized that in April 1960 there was not the remotest apprehension

of a major conflict ahead between the armed forces of China and India."[66]

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[63] Jawaharlal Nehru, letter to chief ministers, May 18, 1959, *Selected Works of Jawaharlal Nehru*, 2nd Series, vol. 49, 1 May-30 June 1959, ed. Madhavan K. Palatl (New Delhi: Oxford University Press, 2003), 7.

[64] Letter from Rajeshwar Dayal [Indian high commissioner to Pakistan] to Jawaharlal Nehru, April 2, 1959, in *Selected Works of Jawaharlal Nehru*, 2nd Series, vol. 48, *1-30 April 1959*, ed. Madhavan K. Palati (New Delhi: Oxford University Press, 2013), 575.

[65] Lorne Kavic, *India's Quest for Security: Defence Policies, 1947-1965* (Berkeley: University of California Press, 1967), 224-225; the trend is similar in the Correlates of War, National Military Capabilities, v. 4.0 database, though the peak is 1958, with lower levels in 1959 and 1960, before a new peak in 1961 and rapid growth after. Figures are nominal rather than real, though rupee fluctuation was minimal in this period given its peg to the dollar.

[66] Jagat S. Mehta, *Negotiating for India: Resolving Problems through Diplomacy (Seven Case Studies 1958-1978)* (Manohar: New Delhi, 2006), 79-80.

Another indicator that India only became acutely concerned with China after it had already made the major compromises with Pakistan is evident in that fact that it did not approach the United States for new military equipment until May 1960, at which point Indian decision-makers indicated they were attempting rapidly to increase their ability move troops to the northern border with China.[67] As late as summer 1961, Ayub could credibly tell President Kennedy that, "it was clear from the Indian Army deployments that they regarded Pakistan as enemy no. 1. To them the Chinese problem was just an aberration, a misunderstanding."[68]

Moreover, there is some evidence that India viewed the Kashmir conflict and the boundary issue with China as interdependent because of reputational concerns. The issues were doubly interlinked since China claimed portions of Kashmir also claimed by India and Pakistan, so that Indian compromises on Kashmir might signal both a general Indian willingness to compromise as well as specific Indian willingness to compromise on Kashmir, resulting in more expansive claims by Beijing and Rawalpindi, Pakistan's interim capital from 1959 to 1966. Rising troubles with China, then, may have counter-intuitively made India less likely to compromise on Kashmir, contrary to a simplified version of realist expectations. The U.S. Embassy in New Delhi urged that Nehru and Ayub needed time to build trust before serious negotiations could take place on Kashmir. Until such trust was built, "India's diplomatic posture on Kashmir will remain frozen, as means protecting Indian claims not only vis-à-vis Pakistan but also ChiComs. In regard to Pakistan's case, as in ChiComs, Nehru not disposed, as some of his colleagues were and are, to drive out 'aggression,' but neither will he 'submit,' i.e., give up India's claims even if he were disposed to be reasonable while

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[67] Telegram from the Embassy in India to the Department of State, New Delhi, May 5, 1960, *FRUS*, 1958-1960, vol. 15, 538-9.
[68] Kennedy-Ayub Talks, Memorandum of Conversation, Washington, July 11, 1961, *FRUS*, 1961-1963, vol. 19, doc. 30. Also, in September 1960, Nehru told Eisenhower, "[T]here is no immediate danger of the ChiComs becoming too powerful." Memorandum of a Conference with the President, New York, September 26, 1960, 3pm, *FRUS*, 1958-1960, vol. 15, 561.

'foot on our chest'."[69] Nehru repeatedly stated that he was not swayed to be more amenable because of the rising China threat. Just the opposite: "[T]he crucial question was Kashmir, and on this there could be no weakening of the Indian stand because of the China threat."[70] The U.S. Embassy under a new ambassador again assessed in 1961, "We perceive no flexibility in GOI rationalization of its position on Kashmir which has probably been reinforced by similar situation in respect of Chinese in Ladakh, i.e.: It is held there can be no disputing India's claims which rest on sound legal and political basis; if other party does not accept India's claim and desires peaceful political settlement, this can only be achieved when military occupation vacated and ties of friendship have begun to reknit; in any case, initiative and proposals for settlement must come from those who seek to repair damage done by infringement on India's territory."[71] The evidence suggests the simultaneous disputes led Indian officials to harden, not soften, their stance toward Pakistan.

Even if that evidence is not persuasive, if China did propel New Delhi toward compromise with Pakistan, it did so only from 1958 to 1960. Despite dramatic worsening in the China relationship after 1960, India was uninterested in additional compromise after that point. In March 1961, Ayub saw Nehru in London. Recall Ayub's Pakistan had just left a year where real GDP per capita again shrunk, perhaps a product of Ayub's land reforms in 1959,[72] whereas India in 1960 was growing in real terms and had exited the worst of the currency crunch of 1958 and 1959. Ayub recounted, "He had told Nehru solution to Kashmir problem would bring Indo-Pakistan relations to point where both governments could effect substantial savings in their defense budgets, and could

[69] Telegram from the Embassy in India to the Department of State, New Delhi, January 22, 1960, *FRUS*, 1958-1960, vol. 15, doc. 91, 204.

[70] Nehru to chief ministers, November 4, 1959, quoted in Gopal, *Jawaharlal Nehru: A Biography*, vol. 3, 1956-1964, 95.

[71] Telegram from the Embassy in India to the Department of State, New Delhi, June 28, 1961, *FRUS*, 1961-1963, vol. 19, *South Asia*, doc. 28.

[72] Pakistani leaders had forecast they thought crop yields would decline in 1960 since land reforms would disrupt credit and other networks historically provided by large landholders to their farmers. Douglas Dillon and Mohamed Shoaib meeting, Memorandum of a Conversation, Department of State, Washington, June 12, 1959, *FRUS*, 1958-1960, vol. 15, doc. 357, 733.

concentrate upon defense matters affecting them both. Ayub said, however, that while he was talking about Kashmir Nehru assumed his 'far away attitude' and did not respond."[73] From 1961 until after the Sino-Indian war of 1962, Nehru greeted Ayub's overtures on Kashmir with a "wall of silence."[74] Domestic primacy theory predicts the growing Indian economy would diminish Nehru's interest in pursuing rapprochement after 1960, while a common enemy ought to have incentivized conciliation.

There are substantial reasons to be skeptical that fears of a common threat motivated conciliatory behavior in this time period, especially Indian behavior that indicated growing alarm over China only in 1960 as well as Indian statements that compromise with Pakistan was complicated—not facilitated—by fears of demonstrating weakness to China.

### 2.6.2 Other Theories: Imbalance or Democratic Peace

If evidence in favor of a common enemy encouraging reconciliation is poor, other theories do even less well in their predictive accuracy. The capabilities imbalance between the two countries was moving toward parity during this period, making compromise somewhat less likely as Pakistan benefited from U.S. military aid. Theories of democratic peace perform poorly in this time, explaining at best the Noon-Nehru accord. The more significant conciliatory initiatives, pertaining to larger stretches of the international border and the "canal waters" dispute were resolved only after Pakistani democracy was sidelined by Ayub's coup. Domestic primacy theory's predictions best account for the rise and decline of bilateral conciliatory initiatives from 1955 to 1960.

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[73] Telegram from the Embassy in Pakistan to the Department of State, Karachi, March 22, 1961, *FRUS*, 1961-1963, vol. 19, *South Asia*, doc. 11.
[74] Telegram from the Embassy in India to the Department of State, New Delhi, June 28, 1961, *FRUS*, 1961-1963, vol. 19, *South Asia*, doc. 28.

## 2.7 The Collapse of Cooperation

From 1960 onward, fueled by U.S. aid and the success of Ayub's technocratic efforts, Pakistan experienced sustained positive economic growth. In the first four years of Ayub's rule, Pakistan's real per capita income contracted slightly. In the remaining nine years, it averaged nearly 4 percent of growth on average. Pakistan after 1960 faced no economic urgency in cooperating with India. India's economy was worse off than Pakistan's in the 1960s, in substantial part because of two failed monsoons in 1964 and 1965. Just as India's economy encountered economic crisis, it also suffered from a dramatic diffusion of executive authority with the illness and death of Nehru in 1964. The new prime minister, Lal Bahadur Shastri, did not have Nehru's authority over domestic or foreign policy. Shastri became prime minister just as Ayub struggled to contain factional intrigue in mid-1960s Rawalpindi, much of it stirred up by Ayub's young foreign minister, Zulfikar Ali Bhutto. These trends made the 1960s a poor period—especially poor after 1964—for conciliatory initiatives, according to domestic primacy theory, and Indo-Pakistani rapprochement was neither attempted nor observed.


## 3 Indira, Bhutto, and an Incomplete Peace after Simla

After the troubled 1960s, the India and Pakistan conflict went through its most quiescent period from 1971 to 1977, following the Indian victory over Pakistan in the 1971 war that created Bangladesh. That war led to an impermanent victory for India, with a new Pakistani civilian leader unable to commit to an enduring resolution of the Kashmir dispute immediately after the war because of his political weakness at home. India was not able to leverage its massive power advantage, which it had just demonstrated on the battlefield, to secure an enduring peaceful settlement. Instead, only when that Pakistani leader felt more comfortable at home and when he was spurred by economic troubles did he pursue normalization with India.

### 3.1 The 1971 India-Pakistan War and the Simla Accord

In Pakistan, Ayub Khan was replaced by another military dictator, Yahya Khan in 1969. When Yahya's government oversaw national elections that gave a majority of the parliament to a party from East Pakistan, the political and military elites in West Pakistan decided to ignore the results. The crackdown to suppress political protest in East Pakistan led to widespread insurgency and a massive refugee crisis, which in turn triggered Indian military intervention. India won the 1971 Indo-Pakistani war decisively, humiliating the Pakistan Army and creating an independent Bangladesh out of Pakistan's former eastern wing. Despite an integral role in provoking the political crisis that led to the war, the domestic beneficiary of Pakistan's woes was a civilian politician who had previously served in Ayub Khan's cabinet: Zulfikar Ali Bhutto.

In peace talks after the fall of Dhaka, Bhutto represented Pakistan in negotiations with India's prime minister, Indira Gandhi. They met at Simla, India in July 1972. The peace accord that resulted from their talks was incomplete. Bhutto successfully convinced Gandhi that his domestic political situation was too weak to permit final settlement of India and Pakistan's disputes. P. N. Dhar, an advisor to Gandhi present at the talks, recalls Bhutto's arguments: "His political enemies at home, especially the army bosses, would denounce him for surrendering what many in Pakistan considered their vital interest. This would endanger the democratic set-up which had emerged after fourteen years of army rule."[75] J. N. Dixit, an Indian diplomat who was also present at Simla, similarly recalls, "Bhutto kept harping, 'Look, I am in a weak position. I have just taken over. If you make very harsh demands and if I concede them I may not survive back home. Already, there is a lot

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[75] P. N. Dhar, *Indira Gandhi, the 'Emergency', and Indian Democracy* (New Delhi: Oxford University Press, 2000), 190.

of anger and frustration in Pakistan. We don't want an extremist Muslim or military government to come back. So please help me stabilise myself in office.'"[76]

While he could not agree at Simla to turn the divide in Kashmir into a permanent boundary, he said he would work slowly to transform the ceasefire line into a "frontier." Bhutto said he would work toward integrating the Pakistan-held portion of Kashmir into the Pakistani federal structure, with an eye on converting the Line of Control into a *de jure* border within three to five years.[77] Gandhi and her advisors concluded reluctantly it was best not to press the newly installed Bhutto. The Indian delegation debated forcing a public Kashmir settlement into the agreement. Swaran Singh, Indira's foreign minister, and P. N. Haksar, her principal secretary, convinced her that doing so might engender a nationalist backlash. "You must not forget the Versailles Treaty. You don't trample a man who is down and out. We have a vested interest in seeing there is democracy in Pakistan," Haksar recalls telling Indira.[78] They convinced Indira to take Bhutto's word rather than impose a Kashmir settlement on a defeated Pakistan.

## 3.2 Concentration of Executive Authority in Pakistan from 1972 to 1977

During this period, Bhutto's basic challenge was to maintain military docility to preserve his rule. As Pakistani political scientist Saeed Shafqat notes of the Bhutto period, the "Pakistan military remained a potent political force and a potential intervener."[79] After Simla in 1972, his energies were focused on the "year-long battle" for his preferred constitution, which passed on April 10, 1973, a focus that helps explain Bhutto's lethargy to revisit the hard issues with Bangladesh and India that needed to be resolved before normalization with India was possible. Also in the spring of 1973 a

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[76] J. N. Dixit, "The Errors of Simla," *Rediff.com*, July 15, 2001.
[77] Dixit, *Anatomy of a Flawed Inheritance: Indo-Pak Relations, 1970-94* (Delhi: Konark, 1995), 35.
[78] Haksar quoted in Rank, *Indira*, 345.
[79] Saeed Shafqat, *Civil-Military Relations in Pakistan: From Zulfikar Ali Bhutto to Benazir Bhutto* (Boulder, CO: Westview Press, 1997), 166.

small group of military officers was arrested for conspiring to seize power. (A young general, Mohammad Zia ul-Haq, oversaw their trial.) While likely not a serious threat to Bhutto, the prime minister may have felt somewhat more confident in the military after it demonstrated it would find and punish officers considering unconstitutional paths to power.[80]

Bhutto moved slowly but determinedly in his efforts to tame the military and ensure concentration of authority over foreign policy matters. According to Shafqat, "Bhutto was the first Pakistani political leader who made a concerted effort to bring the military under civilian control."[81] In his first few months in office, Bhutto forced out 43 top military officers including the commanders-in-chief of the Pakistan Army and Air Force.[82] Bhutto continued military reforms throughout his tenure, with the last major reform concluded in February 1976 when he created a position of Chairman of the Joint Chiefs of Staff Committee, which added another four-star general to the military leadership in an attempt to dilute the power of the Army chief.[83]

After his 1973 constitution was in place, Bhutto had concentrated authority over foreign policy, even as he sought to further concentrate that authority through civil-military reforms through the rest of his tenure. Only after Bhutto rigged elections in 1977, generating a nationwide protest movement that would contribute to his ouster, did Bhutto face renewed challenges to his authority. Even then, he thought he retained control and was surprised by a military coup on July 5, 1977.

## 3.3 Concentration of Executive Authority in India from 1972 to 1977

Brought to power in 1966, Indira Gandhi had been chosen for her lineage and presumed tractability by party bosses attempting to prepare for the 1967 elections. Congress Party president

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[80] Salman Taseer, *Bhutto: A Political Biography* (New Delhi, Vikas Publishing, 1980), 150.
[81] Shafqat, *Civil-Military Relations in Pakistan*, 167-8.
[82] Mohammad Waseem, *Politics and the State in Pakistan* (Islamabad: National Institute of Historical and Cultural Research, 1994), 295.
[83] Taseer, *Bhutto: A Political Biography*, 150.

Kamaraj convinced his colleagues that elevating Indira would permit them to possess "that rarest form of political power" in which they would have "the privileges of decision without its responsibilities."[84] Her cabinet was largely forced upon her, including home and defense ministers that had competed previously with Gandhi to replace Shastri as prime minister.[85] After she decided in secret to devalue the rupee in 1966, the Congress Party leadership denounced her decision and seriously considered removing her from the ticket for the 1967 elections.[86] Congress suffered a telling defeat in 1967, losing 20 percent of its seats. Congress's 41 percent of the vote (compared to 45 percent in 1962) won 54 percent of the parliamentary seats (compared to almost 70 percent in 1962).

After the 1967 elections, Congress Party leaders forced Indira to accept Morarji Desai, her chief rival, as deputy prime minister, though they convinced Desai not to challenge her for the premiership outright.[87] In late 1967, Indira fought within the Congress Party's internal organization to determine who was in charge. In the new slate of members for the Working Committee, Indira made some gains, but could only achieve stalemate: equal representation with her internal Congress Party opponents. The relationship between the two camps "varied from bitter conflict to armed truce," in Indian historian Inder Malhotra's phrase.[88] The older power brokers concluded her removal was necessary, but they feared doing so would destroy the party and damage the country. They maneuvered successfully to make Sanjiva Reddy the Congress Party candidate for President, over Gandhi's objections. In the Indian system, the president is largely a ceremonial position, but one that is important for the process of dismissing and forming governments. Gandhi rightly feared a president beholden to her opponents, and struck back, taking away Desai's finance ministry

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[84] Katherine Frank, *Indira: The Life of Indira Nehru Gandhi* (London: HarperCollins, 2001), 290.
[85] Frank, *Indira*, 289, 293
[86] Inder Malhotra, *Indira Gandhi: A Personal and Political Biography* (London: Hodder and Stoughton, 1989), 99.
[87] Malhotra, *Indira Gandhi*, 105-6.
[88] Malhotra, *Indira Gandhi*, 112.

portfolio in July 1969, leading him to resign his deputy prime ministership in protest. She then threw

her support behind an independent candidate for president, V. V. Giri, who defeated the Congress

Party's official candidate in the August 1969 presidential elections.[89]

Her next move was to shatter the party in order to gain control of it. She forced a split in the

parliamentary Congress party, creating two factions, the Indira-supporting Congress Party

(Requisitionist) and the Congress Party (Organization), which favored the old party bosses. The split

meant she no longer had an outright majority in parliament and relied on regional and leftist parties

to defend her against the Congress Party (O)'s no-confidence motion. She prevailed in the split, and

began shaping a rump party and cabinet that reflected her preferences, rather than the old Congress

Party bosses. She demonstrated her majority support within the Congress Party at a meeting in

November 22, 1969. In June 1970, Indira finally reshuffled her cabinet, including several national

security portfolios.[90] Only after the June 1970 reshuffle was Indira in control of her party, her

government, and its policies.[91] She maintained concentrated executive authority throughout this

period, though like Bhutto her authority never matched her ambitions.

As an indicator of the insatiable demand of this duo for more power, both Gandhi and

Bhutto rigged elections they were likely to win even without rigging: Gandhi in 1971 and Bhutto in

1977. Indira's rigging led to a judicial verdict against her in 1975, voiding her victory. She countered

by declaring a "state of emergency" on June 25, 1975, suspending India's democratic setup for the

first time since 1947. Under the Emergency, Indira faced no veto players able to stop her from

pursuing policies of her choosing. While it is fair to assess Gandhi's authority over foreign policy as

concentrated beginning in 1970, it was entirely unchecked from 1975 to 1977.

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[89] Malhotra, *Indira Gandhi*, 118-21; Frank, *Indira*, 315-6.
[90] Malhotra, *Indira Gandhi*, 122-5.
[91] Frank, *Indira*, 319-20.

## 3.4 Economic Pressures in India and Pakistan from 1972 to 1977

There were real economic pressures for normalization in both New Delhi and Islamabad. Both prime ministers were attached to socialist economic programs that scared businessmen and deterred investment. Both prime ministers struggled with the direct and indirect economic repercussions of the 1973 Arab oil embargo because of the Yom Kippur/Ramadan War. On top of this, India suffered a poor monsoon in 1974. The net result was both Indian and Pakistani per capita GDP growth was flat in 1973 and contracted in 1974, substantially for India and more modestly for the Pakistani economy. The 1974 contraction in India was one of three economic downturns experienced from 1974 to 1977, with only 1975 registering growth in real gross domestic product. The oil shock cascaded through Indian and Pakistani prices, with inflation tripling from 6 percent in 1972 in India to 23.8 percent in 1973 and 25.4 percent in 1974, the highest annual increases ever recorded in post-independence India, with an even greater increase than Pakistan where inflation went from 5 percent in 1972 to 23 percent in 1974, 26.6 percent in 1974, and 20.9 percent in 1975, before settling down to historic averages in 1976. India, with Indira unchecked on economic policy as well as foreign policy, was able to moderate inflation more rapidly than Pakistan, bringing inflation to historic norms in 1975 but plunging India into a deflationary contraction in 1976.[92]

## 3.5 Indo-Pakistani Conciliatory Behavior and Rivalry Outcomes from 1972 to 1977

Given concentrated authority in both capitals, combined with strong economic incentives from 1973 onward, domestic primacy theory predicts the greatest interest and capability in rivalry termination after Bhutto secured his new constitution in April 1973, with even more space available for compromise after Indira Gandhi declared the Emergency in June 1975, giving her unchecked

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[92] Inflation data for annual percentage change in consumer prices from World Bank, World Development Indicators, accessed March 19, 2014.

authority in New Delhi. How do these predictions compare to the actual timing of rapprochement during this decade?

Both India and Pakistan were slow to resolve the lingering issues of the 1971 war, despite the high-level political understanding reached at Simla. The actual details of drawing the Line of Control and working out procedures to return Pakistani prisoners of war proved vexing to Indian and Pakistani negotiators, and it took months to resolve them, an outcome that both sides perceived as a violation of the spirit of Simla. The prisoners of war issue was closely tied up with the issue of Pakistani recognition of Bangladesh, and that issue was intertwined with Bangladesh's decision about whether it would try individuals for war crimes. The trilateral nature of the dispute did not simplify bargaining.

Breakthroughs on the prisoner of war issue occurred in 1974, the year of maximum economic pressure for both India and Pakistan (and for that matter, Bangladesh). Bhutto agreed to recognize Bangladesh in February 1974, while he played host to the international Islamic Summit in Lahore, and was able to mask any distaste of reconciliation with Dhaka in a sugar-coating of Muslim unity.[93] This laid the foundation for a five-day foreign minister-level meeting in New Delhi in April 1974 that simultaneously resolved outstanding Pakistan-Bangladesh disputes and led to an India-Pakistan agreement to resume postal, transport, air travel, and other links, which were still in abeyance two-and-a-half years after the conclusion of hostilities of the 1971 war.[94] Importantly this breakthrough occurred a month prior to India's May 1974 nuclear test. A bilateral trade agreement

[93] Ian Talbot, *Pakistan: A Modern History* (New York: Palgrave Macmillan, 2005), 237; Lewis Simons, "Bhutto Sets Dacca Ties, Easing Feud; Pakistan Recognizes Bangladesh," *Washington Post*, February 23, 1974.
[94] Bernard Weinraub, "India, Pakistan, and Pakistan to End Prisoner Dispute," *New York Times*, April 10, 1974; Singh-Kissinger Memorandum of Conversation, New York, April 15, 1974, *FRUS*, 1969-1976, vol. E-8, *Documents on South Asia, 1973-1976*, doc. 160.

was reached in November 1974, ending a bilateral trade embargo that had been in effect since the 1965 war.[95]

While the political understanding at Simla in July 1972 had authorized normalization of economic, transportation, and communication links along with overflight rights, and the more detailed understanding in New Delhi in April 1974 removed barriers to that normalization, the final steps for normalization were not taken until 1976. In April, Indira's government in New Delhi expressed its interest in reopening economic links and diplomatic ties with Pakistan. After Pakistan too expressed interest in doing so, the foreign secretaries met in Islamabad in May 1976 and agreed to restore air and rail traffic and resume diplomatic relations.[96] Only with transportation links reopened was the trade agreement from late 1974 meaningful, because only with road, rail, and air links could commerce flow between the two states. In July 1976, the newly appointed ambassadors from both countries flew to their new host country aboard inaugural air flights, showing the simultaneous restart of air links and diplomatic ties.[97] Four-and-a-half years transpired between the ostensible political settlement and the practical resumption of ties.

Why did partial normalization only take place two years after Simla and why did a full resumption of ties occur four years after the post-war summit? Initially, Indian officials were surprised by the tardy renewal in relations. Indian foreign minister Chavan complained to U.S. officials in 1975, "We are continuing our efforts toward normalization but the pace is limping and slow."[98] In Islamabad, it seems likely Bhutto's focus was on shoring up his rule in the initial years of his government. When asked as to why Bhutto chose to normalize in 1974 and not earlier, a U.S.

[95] "India, Pakistan to Restore Trade," *Los Angeles Times*, December 1, 1974; N. Jayaplan, "Indo-Pakistani Relations," in *India-Pakistan Relations with Special Reference to Kashmir*, ed. K. R. Gupta (New Delhi: Atlantic Publishers, 2003), 178.
[96] Associated Press, "Pakistan and India Agree on Relations," *Washington Post*, May 15, 1976.
[97] "Pakistan and India Renew Normal Ties," *New York Times*, July 22, 1976.
[98] Kissinger-Chavan Memorandum of Conversation, Washington, October 6, 1975, in *FRUS*, 1969-1976, vol. E-8, *Documents on South Asia, 1973-1976*, doc. 212.

diplomat who served in Islamabad during this period assesses, "I think he felt it was possible to do it safely against the background of Pakistan politics. That his own position [in 1974] was firm enough that he could make that compromise."[99] After years of consolidating power, Bhutto felt comfortable. The U.S. diplomat further reflects on Bhutto's perceptions at this time, "I think he believed he had things under control. He certainly was concerned always about the military, but he felt he had secured his position against any possible move by the military by choosing [in 1976] someone compliant like Zia ul Haq to be chief of staff. You didn't get the sense until after the crisis triggered by the 1977 election that Bhutto had any fear of anybody, on the civilian or the military side. He was in control and the [U.S.] Embassy was quite incorrect that he had everything under his thumb, which was his [Bhutto's] assessment."[100]

In India, it appears political constraints impeded the Gandhi government's ability to compromise even despite Indira's broad authority over Indian foreign policy. She made some progress in 1974, but the difficult work of 1976 occurred only after the Indian state of emergency was declared, with electoral challenges suspended, and with many of Gandhi's opponents under arrest. Only then did the Indian prime minister elect to resume diplomatic ties with India (and China, which also had ruptured ties since the 1962 war). A contemporary news account reported,

> In the new domestic political order in India, with Mrs. Gandhi's personal power greatly enhanced, she is now able to undertake initiatives—in foreign policy or other areas—that might have been impossible a year ago. The overture toward Pakistan, for example, would very likely have attracted harsh criticism from the Jan Sangh Party, a militant Hindu group. But now its leaders and many of its middle level workers are in jail, among the thousands of

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[99] Interview with retired senior U.S. diplomat, Washington, D.C., April 21, 2014.
[100] Interview with retired senior U.S. diplomat, Washington, D.C., April 21, 2014.

political prisoners, and sympathizers who are at liberty are reluctant to attack the Gandhi administration on this or any other point.[101]

U.S. diplomatic reporting concurred. In May 1976, the U.S. Embassy reported to Washington, "the emergency has enabled the prime minister to complete a six-year-old process of 'de-energizing' other institutionalized centers of power (e.g., press, parliament, and judiciary)" with the result that "the prime minister's power today has never been greater." It further explained, "the GOI's close control over the press and parliament *has enabled it* to carefully orchestrated the atmosphere for working out relations with Bangladesh..., Pakistan, China, and Nepal."[102] Such omnidirectional peacemaking is consistent with domestic primacy theory and incongruous with most alternative explanations.

There is also some available evidence that both New Delhi and Islamabad were motivated by the economic difficulties they were experiencing after the 1973 oil shock. In March 1974, Bhutto told an interviewer that "there is a need for strict balance between the defense and economic requirements." He further argued, "There was a time when our ex-rulers used to say that we must sacrifice our economic development to strengthen our defense, to prepare ourselves to face the challenge of our enemies, but this is a strange logic."[103] In New Delhi, after the successful April 1974 negotiations between India, Pakistan, and Bangladesh, Defense Minister Jagjivan Ram expressed his hope "that the new spirit created in the subcontinent in the wake of the tripartite agreement will enable the countries to divert their scarce resources or economic development."[104]

In Pakistan's case, Bhutto's effort to sequence exerting civilian control over the military prior to rapprochement with India may have reflected appropriate caution. The May 1976 agreements

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[101] William Borders, "Turn in India's Foreign Policy: China and Pakistan Moves Hint at a New Mood of Amity," *New York Times*, April 21, 1976.

[102] Emphasis added. Telegram 7459 From the Embassy in India to the Department of State, May 19, 1976, 1319Z, in *FRUS*, 1969-1976, vol. E-8, *Documents on South Asia, 1973-1976*, doc. 230.

[103] "Bhutto Outlines Domestic, Foreign Policies," *Karachi Domestic Service in English*, March 13, 1974, available via the U.S. Foreign Broadcast Information Service (FBIS) MEA-74-059.

[104] "Minister Ram Comments on Defense Policies," *Delhi Domestic Service in English*, April 26, 1974, available via FBIS-MEA-74-084.

enabled deepening commercial links between the rival states, leading to fears among hardliners suspicious of India. The military deposed Bhutto in a coup on July 5, 1977. Bhutto's departure from office followed by three months Indira Gandhi's own removal from power in March 1977, though Bhutto's exit proved more permanent. Ostensibly, the Pakistani military intervened in 1977 to check Bhutto's growing dictatorial tendencies at home and to stop widespread popular protests against the Bhutto regime. Indian observers felt the Pakistan military had other motives. One senior Indian diplomat who worked closely on Pakistan matters at the time argues that Bhutto's reopening of economic ties was deeply concerning to the Army. The diplomat concluded that Bhutto was "removed without question because the Army felt he was too soft on India."[105]

There is circumstantial evidence for this position. Pakistani imports from India grew nearly tenfold from 1976 to 1977, before declining by 30 percent in 1978, 20 percent more in 1979, and to almost nothing in 1979. Pakistan's new military dictator General Zia ul-Haq essentially stopped Indian goods from entering the Pakistani market, and imports did not return to 1977 levels until 1990, two years after Zia's death.[106] Additionally, the fact that the military government apparently encouraged the media to report on Bhutto having made a "secret deal" at Simla and, in general, of pursuing favorable relations with India, suggests that Indo-Pakistani relations may have factored into Zia's decision to arrest Bhutto, just as Bhutto had feared throughout the process of improving relations with New Delhi.[107]

Domestic primacy theory is premised in substantial part on the fact that leaders are rational to fear multiple power centers, and that such fractured political authority is especially dangerous when pursuing rapprochement with old rivals. Bhutto possessed the most political authority ever

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[105] Interview with retired Indian diplomat "A", New Delhi, July 3, 2013.
[106] International Monetary Fund data available via Katherine Barbieri and Omar Keshk, Correlates of War Project Trade Data Set, Version 3.0 (2012), http://correlatesofwar.org.
[107] See Bhutto's refutation of this claim in *If I Am Assassinated* (New Delhi: Vikas, 1979).

held by a civilian leader in the history of Pakistan. But even he was unable to concentrate authority fully. He felt secure in his political position, confident that he had neutered the army, but his political assessment was faulty in this most important instance. The military ousted Bhutto when his diplomatic moves endangered its preferred foreign policy.

## 3.6 Alternative Explanations

Domestic primacy theory again performs best among the competing explanations. There were two bursts of conciliatory behavior in early 1974 and 1976, both congruent with domestic primacy theory's expectations. While theories of nuclear peace and democratic peace might explain one of the two episodes of rapprochement, they are unable to explain both. Theories premised on a common enemy encouraging reconciliation cannot explain any of the moves toward normalizing India-Pakistan relations in this decade, while those premised on the clarifying effect of war in revealing the balance of power cannot explain why serious steps toward normalization occurred not at Simla, but several years after the 1971 war.

### 3.6.1 Imbalance

If political settlement had been complicated because of disagreements over the relative balance of power, the ripest time for settlement would have been immediately after the fall of Dhaka in 1971. The Pakistan Army had been badly defeated in the field, and while it did better defending West Pakistan than East Pakistan, India continued to hold 90,000-93,000 prisoners of war as a result of the eastern campaign. Moreover, the loss of half of the country meant that aggregate measures of national capability swung dramatically in India's favor, with the starkest asymmetry in power ever in the history of independent India and Pakistan. Balance of power theories would also suggest that incentives for compromise would dissipate from 1972 onward, as Pakistan slowly re-equilibrated to

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the loss of half of its former territory and populace. Instead, Pakistan did not begin serious negotiations for normal political relations with India until after Bhutto secured power and after the military threat had faded.

### 3.6.2 Common Enemy

Pakistan's relations with China improved markedly during the 1960s, largely at the hands of Zulfikar Ali Bhutto who served as Ayub Khan's foreign minister. India's relations with the Soviet Union, never bellicose, improved throughout the 1960s, culminating in a treaty of friendship between India and the USSR, signed by Indira Gandhi. As a result, from 1972 to 1977, neither India nor Pakistan shared a common enemy, and theories ascribing improving relations to other external threats predict poor prospects for cooperation.

### 3.6.3 Democratic Peace

Theories of democratic peace predict the greatest likelihood of rapprochement after the National Assembly passed Zulfikar Ali Bhutto's democratic constitution in April 1973 but before Indira Gandhi declared the Emergency in June 1975. They are unable to explain this latter period of normalization, and are especially incongruent with contemporary evidence that indicates Gandhi's efforts at rapprochement were made easier by her suspension of democratic processes at home.

### 3.6.4. Nuclear Peace

India tested a so-called "peaceful nuclear explosive" in May 1974. There remain doubts as to that device's yield as well as its utility as a weapon, given limited Indian means to deliver such a large payload. In extremis, India likely could assemble and attempt to deliver onto Pakistani targets a

nuclear explosive that would generate some unpredictable yield.[108] Pakistan initiated a nuclear

weapons program in 1972, but that program did not have the capability to produce a weapon until

the early 1980s. It seems reasonable to hypothesize that after India demonstrated its nuclear

capability in 1974, India ought to have been able to bargain more successfully with Pakistan.

Theories of nuclear peace would predict the greatest prospects for rivalry termination after 1974,

and further predict any settlement was likely to favor India. As noted above, the tripartite India-

Pakistan-Bangladesh agreement that laid the groundwork for normalization was signed in April,

before the nuclear test. Bhutto's newfound political authority enabled that breakthrough, not

anticipatory fears of a still-untested Indian nuclear device. Additionally, these theories cannot explain

the collapse of rapprochement in 1977, several years prior to Pakistan having a nuclear explosive

device of its own.


## 3.7 Pakistan under Martial Law and India after "the Emergency"

The progress on Indo-Pakistani trade and any private promise on Kashmir ended with

Bhutto's arrest in 1977 and hanging on April 4, 1979. After Zia eliminated Bhutto, he had

unquestioned control of the Pakistani executive branch. In India, a ramshackle coalition emerged in

1977 to oust Indira Gandhi after she decided to end "the Emergency" and hold new democratic

elections. They succeeded in removing her from power, but not much else, and Janata Alliance rule

from 1977 until 1980 is remembered as "a chronicle of confused and complex party squabbles, intra-

party rivalries, shifting alliances, defections, charges and counter-charges of incompetence...."[109]

Not until Indira returned in 1980, with a strong parliamentary majority, did India return to

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[108] See discussion in Vipin Narang, *Nuclear Strategy in the Modern Era: Regional Powers and International Conflict* (Princeton: Princeton University Press, 2014), ch. 4; also Ashley Tellis, *India's Emerging Nuclear Posture: Between Recessed Deterrent and Ready Arsenal* (Santa Monica, CA: RAND Corporation, 2001), 196-8.
[109] Sharad Kharkanis quoted in Ramachandra Guha, *India after Gandhi: The History of the World's Largest Democracy* (New York: HarperCollins, 2007), 537.

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concentrated executive authority. By then, Pakistan was receiving incredible quantities of U.S. aid for

its assistance in the anti-Soviet jihad in Afghanistan. U.S. total economic and military assistance grew

from $133 million annually (in constant 2011 dollars) in 1979 to over $1 billion annually from 1983

to 1988.[110] This figure does not count money targeted at Afghan rebels that "leaked" into the

Pakistani economy, nor does it count massive Saudi aid to Pakistan (or Saudi aid to Afghan rebels,

with similar prospects for "leakage" into Pakistan). Such ample resources make mediocre economic

managers look competent and competent mangers look brilliant. Pakistan experienced its strongest

growth since the 1971 war, recording average annual increases in real GDP of almost 6 percent from

1980 to 1988. India struggled economically in the early 1980s, in comparison, struggling to maintain

economic growth in real terms and failing to do so once population growth swamped whatever

meager growth there was. Only after 1985 under the new leadership of Rajiv Gandhi did India

return to sustained growth. There is evidence that the combination of poor growth combined with

Indira Gandhi's unquestioned authority led India to explore rapprochement with China and

Pakistan, but in the case of Pakistan, Islamabad was not interested and Pakistani diplomats halted

negotiations on a "friendship treaty" that included a "no war" provision that had been proposed by

India.[111]


**4 The Lost Decade: Shaky Coalitions in New Delhi and Islamabad**

If the 1980s had been characterized by Pakistani disinterest in compromise as a result of

flush coffers, the 1990s suffered from an inability of Pakistan to negotiate given political turmoil.

Pakistan from 1988 to 1999 experienced unstable civilian rule that eventually ended in military

dictatorship. That instability was the product of skirmishing among three unequal executive

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[110] U.S. Overseas Loans and Grants (Greenbook) Data.
[111] Interviews with retired senior diplomat "B" in New Delhi, July 4, 2013 and March 27, 2015.

positions: the civilian premiership, the civilian presidency, and the army chief. By the late 1990s, however, a Pakistani civilian prime minister managed to exert greater control over rival Pakistani institutions, providing him some space to pursue conciliatory initiatives in his foreign policy toward India. That Pakistani leader held office at the same time as an Indian leader who also had concentrated authority over foreign policy, permitting the most ambitious effort at Indo-Pakistani rapprochement since the 1970s in what became known as the Lahore Initiative. Just like the 1970s experience, however, this attempt at rapprochement ended again with the military ouster of a civilian Pakistani prime minister.

## 4.1 Concentration of Executive Authority in Pakistan from 1988 to 1999

Zia ul-Haq, Bhutto's hand-picked Army chief, ousted the civilian prime minister in 1977, and ruled Pakistan as a military dictator until Zia's own death in a plane crash in August 1988. Mirza Aslam Beg, the vice chief of army staff, decided within hours of the crash to return Pakistan to civilian rule, ending eleven years of dictatorship. From 1988 to 1997, Pakistan endured political tumult. Neither of the two main political parties, the Pakistan People's Party (PPP) under Benazir Bhutto and the Islamic Democratic Alliance (IJI)/Pakistan Muslim League (PML-N) under Nawaz Sharif, had sufficient power to achieve political dominance. As a result, one party would capture the prime ministership, attempt to weaken the opposition, would overreach, and then be told to leave by one of the other power centers in Pakistani politics (the Army, judiciary, or presidency).

Upon learning of Zia's death, Mirza Aslam Beg turned power over to the designated presidential successor in the Constitution: the chairman of the Pakistan Senate, Ghulam Ishaq Khan. He told Khan to call for elections within ninety days, though the fact that Beg felt comfortable with instructing Khan, nominally Beg's commander in chief, to do so was an indicator of the military's

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continued tutelage of civilian politics in Pakistan.[112] Benazir Bhutto, Zulfikar's daughter and political heir, won those elections, though not an outright majority. The PPP won 94 out of the 207 elected seats in the National Assembly, but needed coalition partners to have a majority in the parliament. This tenuous position was substantially complicated by the military's continued political involvement. As Saeed Shafqat observes, "Bhutto was quick to concede that… she had not emerged as a 'free agent'… [S]he agreed to let General Aslam Beg continue as chief of the army staff (COAS) and to give the military a direct role in the foreign policy by retaining Sahibzada Yaqoob Khan as Foreign Minister, who had been elected senator on the [opposition party] IJI ticket. She consented to… not interfere in the internal affairs of the military, retain a large budget for the armed forces, and let the military handle Afghan policy.[113] She also agreed to retain Ghulam Ishaq Khan as president, despite his past associations with Zia's military government, and agreed to have at best shared responsibility for nuclear decision-making.[114] Veteran Pakistani diplomat Tanvir Ahmad Khan, who worked closely with Bhutto during this time, recalled, "There was no period during her prime ministership when she [Benazir] wasn't mortally afraid of the army chief."[115]

Recurrent crises between Benazir and either the military or Ghulam Ishaq Khan punctuated her short tenure as prime minister: initially she fought over the choice of chairman of the Joint Chiefs of Staff Committee in 1988, then the appointment of the head of the military Inter-Services Intelligence in 1989, and finally the military's authority to conduct operations in Sindh in 1990. The last confrontation led the military to conclude she was not committed to sharing power, and after a

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[112] Transcript of interview between Peter Lavoy and Feroz Hassan Khan with Mirza Aslam Beg, Rawalpindi, September 1, 2005.

[113] Shafqat, *Civil-Military Relations in Pakistan*, 227.

[114] Transcript of interview between Peter Lavoy and Feroz Hassan Khan with Mirza Aslam Beg, Rawalpindi, September 1, 2005.

[115] Transcript of interview with Tanvir Ahmad Khan by Peter Lavoy, Feroz Khan, and Adam Radin, Islamabad, Pakistan, June 19, 2006. Khan served as foreign secretary and secretary of information and broadcasting during Bhutto government and routinely interacted with the prime minister.

July 1990 Corps Commanders meeting, Beg encouraged Ghulam Ishaq Khan to dismiss her government, which he did.[116]

The resultant elections led to a victory by the Islamic Democratic Alliance, known by its transliterated Urdu initials (IJI), with Nawaz Sharif as its leader. Sharif's coalition had won 105 out of 217 seats, just shy of an outright majority but a sufficiently large plurality to ease the task of coalition building and maintenance.[117] Sharif had a much closer working relationship with the military, but despite these ties, Shafqat reports, "Nawaz Sharif's control over the military was precarious anyway."[118] Sharif clashed with Ghulam Ishaq Khan over who to appoint as Army chief in 1993, when Beg's successor, Asif Nawaz Janjua, died suddenly. Benazir exploited the schism between Ghulam Ishaq Khan and Sharif and, with the consent of the military, slowly built a coalition for Sharif's ouster. As he had with Benazir in 1990, President Khan again told a civilian prime minister to leave and ordered fresh elections.

If anything the 1993 elections were less decisive than their two immediate predecessors, with the Pakistan People's Party earning 89 seats compared to the Pakistan Muslim League (Nawaz)'s 73. Benazir was able to form a tenuous coalition, returning to office in October 1993. After having seen the dangers of an independent president, she replaced Ghulam Ishaq Khan with her own candidate, Farooq Leghari. Despite fewer seats, her second tenure was more stable than her first, in part because she avoided challenging the military on core issues. Even so, as corruption scandals associated with her husband grew, along with rumors of her involvement in the death of her brother, Murtaza Bhutto, Leghari, her handpicked president, decided to dismiss her government in

[116] Shafqat, *Civil-Military Relations in Pakistan*, 228-31.
[117] Anthony Spaeth, "Bhutto Alleges Fraud after Major Defeat by 9-Party Coalition in Pakistan Election," *Wall Street Journal*, October 26, 1990.
[118] Shafqat, *Civil-Military Relations in Pakistan*, 237.

1996. Again, the presidential system of the 1990s meant a Pakistani prime minister was not master of her political destiny, even if her parliamentary coalition was intact.

The 1997 elections for the first time produced a strong majority in the National Assembly, with Nawaz Sharif's Muslim League decisively winning 137 seats compared to just 18 for the Pakistan People's Party. Without the need for coalition partners, Sharif was more secure than any prime minister since Zulfikar Ali Bhutto, and fell into the same trap. He tried to reinforce his dominance even further by passing two amendments to the constitution in 1997, the first of which stripped the president of his right to dissolve the National Assembly and the second gave party leaders the power to dismiss members of parliament that failed to vote as directed. Together, they meant any party chief who had an outright majority, as Sharif did, could only be removed at the expiration of their term of office. Several members of parliament challenged the legality of the amendment that permitted dismissal of disobedient representatives, resulting in legal challenges before the Supreme Court. The Supreme Court's chief justice appeared sympathetic to arguments against Sharif's amendment, resulting in a prolonged political and legal struggle that only concluded when Sharif ousted the chief justice in 1998.

That same year, with dominance of parliament and having tamed the president and the Supreme Court, Sharif went after the Army. In October 1998, Army chief Jehangir Karamat expressed his desire for a more institutionalized national security structure, with a clear role for the military in foreign and defense policy decisions. With growing political momentum, Sharif decided it was time to dismiss Karamat to gain control over the military as well. He handpicked Pervez Musharraf to replace Karamat as army chief. Sharif also cultivated a relationship with Ziauddin Butt, the Director-General of the Inter-Services Intelligence division, Pakistan's military intelligence arm

with a long history of interfering in domestic politics.[119] By the end of 1998, Sharif could believe

with some justification that he had control over all important power centers in Pakistan.

## 4.2 Concentration of Executive Authority in India from 1989 to 1999

The Congress Party-led government led by Rajiv Gandhi collapsed at the polls in 1989,

brought down by missteps in handling an insurgency in Punjab, a foreign intervention in Sri Lanka,

and a creeping corruption scandal involving defense procurement. V. P. Singh came to power in

1989, but his coalition was built around a Janata Dal party that earned substantially fewer votes and

seats than the Congress Party it was displacing. V. P. Singh lost the premiership eleven months after

attaining it, when Chandra Shekhar broke away from the Janata Dal, earning Shekhar the top

position. Shekhar's coalition was reliant on the Congress Party for outside support and survived less

than a year before collapsing itself. In power for less than one year each, neither Singh nor Shekhar

could provide focused attention to foreign policy matters.

The 1991 elections produced a stable Congress Party-led coalition, with the Congress Party

having won 45 percent of the parliamentary seats, and easily able to form a government led by

veteran Congress Party politician Narasimha Rao. Rao held substantial control over and familiarity

with foreign policy matters, having twice served as external affairs minister and once as defense

minister in the 1980s. Four Congress Party stalwarts, including Rao, held the foreign ministry

portfolio during Rao's five years in office from 1991 to 1996, though one—Dinesh Singh—was

incapacitated by a stroke for much of his nominal tenure as foreign minister.[120] Even prior to Singh's

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[119] Peter R. Lavoy, Feroz Hassan Khan, and Christopher Clary, "Pakistan's Motivations and Calculations for the Kargil Conflict," in *Asymmetric Warfare in South Asia: The 1999 Kargil Conflict between India and Pakistan*, ed. Peter R. Lavoy (New York: Cambridge University Press, 2009), 83-4.
[120] Kuldip Singh, "Obituary: Dinesh Singh," *The Independent* [United Kingdom], December 2, 1995.

illness, Rao regularly ignored or interrupted Singh at cabinet meetings.[121] There was more stability in

the defense portfolio, held by only two during Rao's tenure, including Rao himself for the final three

years of his government.

While Rao initially dabbled in cabinet, consensus-based government, on crucial foreign

policy and national security decisions he was the primary decision-maker. Indian analyst Prem

Shankar Jha reports, "Those who worked closely with him, and those who followed governance

closely in those tumultuous years know that it was Rao, and Rao alone, following not bureaucratic

advice but his own political intuition, who took the key decisions" on insurgencies in Kashmir and

Punjab.[122] Rao was experienced in foreign policy, having served as Indira Gandhi's external affairs

minister from 1980 to 1984. On domestic politics, too, he showed a keen ability to "to keep intra-

party dissidence within limits," while preventing the emergence of a realistic rival within the

Congress Party for prime ministership.[123]

Rao and the Congress Party went into the 1996 general elections dogged by corruption

allegations. The Hindu nationalist Bharatiya Janata Party (BJP) gained seats, but not enough to form

a stable government. A hung parliament produced three prime ministers from 1996 to 1998: Atal

Behari Vajpayee with a BJP-led coalition for two weeks (!) in 1996, followed by H.D. Deve Gowda

and I. K. Gujral of the Janata Dal, each serving eleven months as prime minister. None were able to

make lasting decisions while in office and only Gujral, who had a personal interest in foreign policy,

managed to even initiate steps on Indo-Pakistani relations, though these were incomplete given how

little time was available to him.

The 1998 elections again generated an unstable parliament, though this time with a larger

BJP able to serve as the rump for a fragile, but functioning, coalition. After a regional party

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[121] G. Srinivasan, "MEA in the Days of Narasimha Rao," *The Hindu Business Line*, September 28, 2012.
[122] Prem Shankar Jha, "Quiet Goes the Don," *Outlook* [India], January 17, 2005.
[123] V. Venkatesan, "A Scholar and a Politician: P. V. Narasimha Rao, 1921-2004," *Frontline*, January 1, 2005.

withdrew support, the BJP-led coalition lost a no-confidence motion by one vote in April 1999, but

elections that fall resulted in greater success for BJP allies and a coalition capable of serving out its

term. Even though BJP rule was interrupted by the 1999 elections, Vajpayee's six straight years in

office represented the longest continuous rule by an Indian prime minister since Indira Gandhi left

office in 1977.

Vajpayee, who served previously for two years as external affairs minister from 1977 to 1979,

oversaw a closely controlled foreign policy apparatus as prime minister. His closest advisor was

Brajesh Mishra, a retired Indian diplomat who served as Vajpayee's principal secretary and national

security advisor, a position newly created by the BJP government. Also in the inner circle was

Jaswant Singh, who served at different points as Vajpayee's foreign minister, defense minister, and

finance minister. Singh and Mishra had no independent political authority, and Vajpayee could take

them into confidence without fear of repercussions. In the next rung of Vajpayee's confidence were

political competitors of Vajpayee, L. K. Advani and Yashwant Sinha. Advani was senior in the BJP

hierarchy, but knew that Vajpayee was a more acceptable premier to potential coalition partners than

Advani would be, given Advani's controversial role in prior Hindu-Muslim communal issues. Sinha

was a former Indian civil servant, but one with real ties to the BJP party apparatus. Advani served as

home minister and deputy prime minister during Vajpayee's government, while Sinha served as

finance and then foreign minister. In the outermost circle on national security matters was George

Fernandes, a Leftist coalition partner of the BJP, who held the defense portfolio for most of

Vajpayee's tenure, even though he was excluded from many national security decisions, including the

decision to test nuclear weapons at the outset of BJP rule in 1998. Fernandes was informed only two

days prior to the May tests, long after the deliberations were completed, while it remains unclear

how involved Advani or Sinha were in the nuclear decision, though it seems likely they had greater

awareness than Fernandes.[124] To the extent Vajpayee had difficulty controlling his foreign policy

team, it involved Advani, who was more hawkish than Vajpayee with too much political strength for

Vajpayee to ignore.

## 4.3 Economic Pressures in Pakistan from 1988 to 1999

After considerable growth in the 1980s, Pakistan's economy returned to lackluster

performance in the 1990s, recording just over 1 percent annual growth in real GDP per capita for

the period of civilian rule from 1989 to 1998. This reflected multiple periods of very slow growth of

less than 1 percent (1989, 1992-1993, and 1996-1997). The end of the decade of civilian rule was

buffeted by two economic crises: Pakistan suffered as a result of the 1997-1998 Asian financial

contagion and then before it could recover Pakistan confronted economic sanctions as a result of its

decision to test nuclear weapons in May 1998. Economic data differ in their estimate of the

aggregate consequences of these twin crises. Penn World Tables data record economic contraction

in 1996 followed by flat growth in 1997 followed by modest growth (1.2 percent) in 1998. World

Bank data show economic pain slightly later, with economic contraction in 1997 and less severe

contraction in 1998. World Bank data more closely accords with the qualitative evidence of how the

economic situation was perceived by actors at the time, where 1997 and 1998 were viewed as crisis

years by Pakistani and outside participants for the Pakistan economy. While 1998 may have

exhibited slightly better (or less bad) economic growth, that year also witnessed a balance of

payments crisis that led Pakistan to nearly default on its debt.

In July 1998, the *Times* of London was hyperbolic when it assessed, "Pakistan faces the worst

economic crisis in its history," but accurately reported the total collapse of the Karachi stock

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[124] George Perkovich, *India's Nuclear Bomb: The Impact on Global Proliferation* (Berkeley: University of California Press, 1999), 416; also Raj Chengappa, *Weapons of Peace: The Secret Story of India's Quest to be a Nuclear Power* (New Delhi: Harper Collins India, 2000), 11-2.

exchange, which lost more than 60 percent of its value from the fall of 1997 to the summer of 1998.[125] Shortly after, Pakistani officials slashed subsidies in an attempt to overcome a balance of payments crisis, asking the Pakistani public to exhibit a "spirit of sacrifice." They froze hard currency accounts in an attempt to slow capital flight.[126] From London, *The Independent* reported in October 1998, "Pakistan is technically bankrupt. Interest payments on foreign debts of $32bn are already overdue; economic growth has slowed to a crawl; and sanctions triggered by the nuclear tests in June continue to bite."[127]

## 4.4 Economic Pressures in India from 1988 to 1999

India for its part went through the 1997-1998 Asian economic crisis largely unscathed, in part because of structural reforms it had undertaken in 1991 during a previous balance of payments crisis. That earlier 1991 currency crunch was associated with a contraction in real GDP per capita, the worst experienced by India since 1979. From 1991 onwards, the Indian economy grew steadily, though it suffered as a result of the post-May 1998 nuclear sanctions, which among other hardships, triggered a bout of inflation. Inflation in India nearly doubled in 1998 compared to 1997, with food staples, such as onions, leading the way. Onion prices in particular have been viewed as a barometer of economic health by India's voters, who are disproportionately poor, and onion prices skyrocketed nearly 1000 percent in 1998. The inflation problem may been especially worrisome to the government in New Delhi, knowing that another general election would be held in 1999, and having

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[125] Zahid Hussain, "Panic Grips Pakistan As Sanctions Bite," *The Times* [London], July 13, 1998.
[126] Reuters, "Pakistan Fuel Prices Rise to Counter Sanctions," *New York Times*, July 19, 1998.
[127] Peter Popham, "Pakistan is going bust," *The Independent*, October 18, 1998.

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performed poorly in state-level elections in November 1998, a performance the press attributed to the economic troubles at home.[128]

## 4.5 Indo-Pakistani Conciliatory Behavior and Rivalry Outcomes from 1988 to 1999

Despite the Indian side possessing the capability and the incentives to pursue rapprochement in the early 1990s, domestic primacy theory suggests that the greatest progress during this period would occur late, after Nawaz Sharif was more firmly secure in Pakistan and with the emergence of the Vajpayee government in India. Additionally, the economic pressures associated with the 1997 Asian economic crisis and the 1998 nuclear sanctions would increase the incentives on both leaders to diminish the rivalry, especially on the Pakistani side. If a spoiler were to emerge, the civil-military split in Pakistan continued to represent the greatest challenge to improved Indo-Pakistani relations, despite Sharif's strides toward greater control of the military. This again conforms to the historical record.

Despite optimism after the return of civilian rule in Pakistan, the hopes of the early period faded quickly in the face of domestic opposition to improved relations. In December 1988, Rajiv Gandhi visited Islamabad and, after meeting with Benazir, announced an agreement to exchange lists of nuclear facilities along with a pledge from both sides not to attack any of the enumerated locations. They also announced their intent to discuss the Siachen glacier in northern Kashmir, which India had seized in 1984, as well as to delineate the boundary in the Sir Creek area along the southernmost stretch of Indo-Pakistani border, which is relevant for demarcation of the maritime

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[128] Inflation data from Carmen M. Reinhart and Kenneth S. Rogoff, "From Financial Crash to Debt Crisis," NBER Working Paper, no. 15795 (March 2010); also Peter Popham, "Gandhi Party Sweeps Board in State Polls," *The Independent*, November 30, 1998; Celia Dugger, "Hindu Party Faces Test as Prices Anger Indians," *New York Times*, November 20, 1998.

boundary for both countries.[129] On Siachen, there were early signs of progress during Benazir's

overlap with Rajiv, in particular during defense secretary talks in June 1989, but after Rajiv departed

in December 1989 and the factionalized V. P. Singh cabinet took over, India's stance hardened.[130]

Any progress made by Rajiv toward demilitarization of Siachen first with Zia and then with Benazir

stalled in 1989.[131] The only enduring accomplishment of the era was the nuclear non-attack

agreement, which remains in force with annual exchanges of lists of nuclear facilities. Negotiations

for that agreement began prior to Benazir's tenure as prime minister, during the Zia-Rajiv period,

but it was not signed until Bhutto came into power.[132] Its significance as a conciliatory gesture was

more symbolic than substantive since "neither country's military in recent years had seriously

contemplated this type of attack during peacetime," according to a contemporaneous U.S.

intelligence assessment.[133]

   With leaders in both capitals, but particularly Islamabad, focused on political survival, little

additional progress was made until the second Nawaz Sharif tenure beginning in 1997. As he grew

more comfortable politically, he began exploring more substantive rapprochement with India. At the

working level, officials periodically had met throughout the 1990s to discuss water rights, Siachen,

Sir Creek, and other issues, but with little political impetus to resolve—rather than merely discuss—

any of the outstanding issues. During the early and mid-1990s, Indian and Pakistani officials had

concluded "the domestic political environment of that period came in the way of acceptance" of the

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[129] Dixit, *Anatomy of a Flawed Inheritance*, 116.
[130] Noorani, "The Siachen Impasse"; interview with retired Pakistani senior diplomat "1," Islamabad, January 7, 2014.
[131] In 1991, when Rajiv was out of office, he said he nearly concluded an agreement on Siachen with Zia. In 1991, when Rajiv was out of office, he told a group of foreign correspondents in New Delhi, "I was friendly with Zia, we almost signed a treaty on Siachen with Zia. The only reason it wasn't signed was that he died (in August 1988). At no time were we soft with Pakistan, but we got our work done." Noorani, "The Siachen Impasse."
[132] Interview with senior retired diplomat "F," New Delhi, September 9, 2013.
[133] Directorate of Intelligence, U.S. Central Intelligence Agency, "Prime Minister Bhutto and the Pakistani Nuclear Issue," *Near East and South Asia Review*, May 5, 1989,
http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000424276.pdf.

compromises necessary to resolve Siachen, in particular.[134] After years of start and stop talks, however, there were negotiated outcomes in reach. Prime Minister Gujral asked his diplomats to accelerate work in 1997. Working with their counterparts in Sharif government, Indian and Pakistani diplomats decided to pull together the eight major areas of disagreement, announcing in a joint statement the creation of a "composite dialogue" that would include working groups focused on each of the bilateral problems, including a group to discuss Kashmir.[135]

After the June 1997 joint statement establishing the working groups, Gujral faced sharp opposition criticism. The opposition leader, Atal Behari Vajpayee, asked of the Kashmir working group: "Working group *kya* work *karengey*?" (What work will the working group do?) Fearful of being perceived as weak, Gujral went out of his way to say he would not "give away anything to Pakistan."[136] By September, Indian diplomats had backtracked and were challenging "the whole idea of working groups," the centerpiece of the June 1997 agreement, according to then-Pakistani foreign secretary Shamshad Ahmed. To make this retreat more palatable, Gujral proposed that all working group talks be dealt with in one session, in order for there not to be a separate working group just on Kashmir, a compromise that apparently had been suggested to Gujral by then opposition leader Vajpayee. A. G. Noorani concludes the progress of 1997 was "scuttled" by Gujral, wary of criticism, and no doubt cognizant of the tenuous stability of his coalition.[137] Gujral's government collapsed in November 1997, so his reticence to pursue rapprochement in September immediately prior to the collapse and his eagerness to take into account Vajpayee's advice shortly after the collapse was understandable given his political weakness.

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[134] K. K. Katyal, *The Hindu*, January 25, 1994.
[135] Joint Statement, Foreign Secretaries of India and Pakistan, New Delhi, June 23, 1997, available at http://www.stimson.org/research-pages/1997-indian-pakistani-foreign-secretary-level-talks/; also interview with retired senior diplomat "D," New Delhi, September 2, 2013.
[136] A. G. Noorani, "The Truth about Agra," *Frontline*, July 16, 2005.
[137] A. G. Noorani, "India and Pakistan: An Insider's View," *Frontline*, April 21, 2007.

Despite their criticism of Gujral's initiative, the Vajpayee government built on Gujral's

framework when it decided to make a major symbolic gesture in 1998 to improve relations after the

May nuclear tests. It is indicative of the nature of the opposition in parliamentary democracies that

the BJP government could so quickly shift its stance on Pakistan once they were in power, a shift

incentivized by the diplomatic and economic pressures New Delhi faced in 1998 and enabled by

Vajpayee's tightly controlled foreign policy process. Senior officials in both New Delhi and

Islamabad concluded that only "top-down" involvement could push Indo-Pakistani relations from

the rut they inhabited. The Vajpayee government sought something more symbolically resonant, so

it decided to make progress on three items to demonstrate India's sincerity to improving the

relationship. India would hold a dialogue with Pakistan on Kashmir, Indian leaders would attempt a

symbolic gesture to reassure Pakistan that India accepted its existence, and India would attempt to

inaugurate additional transit links accessible to normal Indian and Pakistani citizens, namely bus

service between the two countries.[138]

In September 1998, Indian and Pakistani foreign secretaries reaffirmed the "composite

dialogue" process and began scheduling working level meetings, notably including talks in Islamabad

on Kashmir for October.[139] Simultaneous with that announcement, Prime Ministers Vajpayee and

Sharif met on the sidelines of the UN General Assembly in New York, and sketched their vision for

the next few months. The prime ministers concluded, "Well, the Foreign Secretaries are meeting,

but ultimately we have to deal with the issues at our level. You can't expect civil servants to resolve

the issues," according to Sartaj Aziz, Pakistan's foreign minister at the time.[140] They decided to

launch two initiatives, one public and one private.

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[138] Interview with retired senior diplomat "G," New Delhi, July 1, 2013.
[139] Text of the India-Pakistan Joint Statement issued in New York, September 24, 1998, available
http://www.indianembassy.org/archives_details.php?nid=189.
[140] Aziz interviewed in A. G. Noorani, "The Truth about the Lahore Summit," *Frontline*, February 16, 2002.

The public initiative would begin with Vajpayee traveling to Lahore on the inaugural bus service from Amritsar. Indian leaders sought for Vajpayee's visit to Pakistan to be "novel" and "path breaking," in part by inaugurating a transportation service that would be accessible to the Indian and Pakistani publics (the vast majority of whom could not afford the air travel options between India and Pakistan) and in part by going to Lahore, which had not been visited by an Indian prime minister since Nehru signed the Indus Waters Treaty in the city in 1960.[141] At Lahore, Vajpayee visited the Minar-e-Pakistan, a monument commemorating the movement for an independent Pakistan, never before visited by an Indian leader. Vajpayee described "his visit [to the monument] as a categorical affirmation of India's commitment to the sovereignty, unity, and stability of Pakistan. He implied that his visit should remove all doubts as to India not having accepted Partition or wanting to reabsorb Pakistan."[142] The prime ministers also announced in the Lahore Declaration their commitment to "intensify their efforts to resolve all issues, including the issue of Jammu and Kashmir."[143] Publicly, Vajpayee conceded, "We will have to talk on Kashmir in order to forge the friendship."[144]

These statements alluded to the private track initiated in New York: the creation of a back channel to discuss possibilities to resolve the Kashmir dispute. Both sides nominated representatives: Pakistan selected a retired diplomat, Niaz Naik, and India selected a journalist, R. K. Mishra. Historian A. G. Noorani wonders why both sides selected "two odd balls" for such a dialogue, and Mishra's selection in particular seems peculiar. But both envoys got to work, meeting once prior to Lahore and then three or four times in the spring and early summer of 1999. Old possibilities—district-wise referenda in Kashmir, moving the Kashmir partition to the Chenab river

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[141] Jaswant Singh, *India at Risk: Mistakes Misadventures and Misconceptions of Security Policy* (New Delhi: Rupa, 2013), ch. 8.
[142] J. N. Dixit, *India and Pakistan in War and Peace* (London: Routledge, 2002), 299.
[143] Lahore Declaration, February 21, 1999.
[144] Aziz interviewed in Noorani, "The Truth about the Lahore Summit."

(in effect giving the Kashmir valley to Pakistan), greater autonomy for Indian-administered and

Pakistani-administered Kashmir—were reconsidered, along with discussions of creating a timeline of

perhaps 18 months to force settlement of the dispute and discourage never-ending negotiations.[145]

In March, Jaswant Singh and Sartaj Aziz met in Sri Lanka. They discussed the back-channel talks

and Singh suggested that some combination of regional referenda plus autonomy for the Kashmir

Valley might provide a basis for settlement. Singh asked for four to six weeks more time, before

proceeding further.[146]

Whether any of these could have realistically been sold simultaneously to the Indian and

Pakistani publics and elites is far from certain. Singh had to backtrack from his six-week

commitment made in Sri Lanka because of the April 1999 no-confidence vote in New Delhi. The

back-channel process was slowed by the parliamentary problems, and then destroyed once the

Pakistan Army's complicity in a land grab near the town of Kargil became clear that summer. That

incursion would lead to sizeable military clash between India and Pakistan. During the productive

spring back channel meetings, Vajpayee had called Naik to a meeting, and asked him to pass along a

message to Sharif to avoid shelling and infiltration so long as the Kashmir talks were ongoing, a

message Naik delivered on April 3. As a result, the Kargil incursion was only a more intense betrayal

of the spirit of Lahore. The next time Vajpayee saw Aziz, he reportedly asked, with tears in his eyes,

"Mr. Sartaj, what have you done?"[147]

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[145] Noorani, "The Truth about the Lahore Summit," and Noorani, "The Truth about Agra." Shahmshad Ahmed, former Pakistani foreign secretary, says Mishra and Naik were meeting with the knowledge of both governments, but with Naik at least not having been appointed by Pakistan, but since Aziz says he had been, the more senior official seems likely to be more accurate in this case. Noorani, "India and Pakistan: An Insider's View."
[146] Noorani, "The Truth about the Lahore Summit"; Sartaj Aziz, *Between Dreams and Realities: Some Milestones in Pakistan's History* (New York: Oxford University Press, 2009), 229.
[147] Shuja Nawaz, *Crossed Swords: Pakistan, Its Army, and the Wars Within* (Karachi: Oxford University Press, 2008), 519. Sartaj Aziz does not attribute that phrase to Vajpayee, though he does say Vajpayee was "extremely emotional" when they met in June 1999. Aziz, *Between Dreams and Realities*, 272.

The Lahore process collapsed because Sharif did not have full control of his military, which never supported the rapprochement with India. Simultaneous with inviting Vajpayee to Lahore, Sharif was also receiving briefings from his military about a plan to seize territory across the Line of Control in northern Kashmir. From the Army's perspective, the plan would improve the tactical situation along the Line of Control, re-energize the Kashmir struggle, and restore the morale of the Army, weakened by Sharif's dismissal of Karamat.[148] Many observers also alleged the Pakistan Army launched a wider operation near Kargil in order to sabotage the Lahore process. Hilary Synnott, a British diplomat with extensive experience in South Asia during this period, assesses, "The army was incensed by Sharif's signature of an agreement" at Lahore, an agreement which "paid insufficient regard, in the army's view, to Pakistan's interests in Kashmir."[149]

Though Sharif denies having approved the operation, Pakistan Army general officers are adamant that he did. It appears that the earliest briefings occurred in January 1999 without the prime minister's foreign policy advisors, followed by more widely attended briefings in March where foreign policy advisors were involved, but told inaccurately that the operation would involve exclusively non-state actors on the Indian side of the Line of Control.[150] Only in May 1999, when fighting with the Indian Army was already well underway, does it appear that Sharif and his foreign policy team were fully briefed on the extent of Pakistan Army involvement in the operation along with the quantity of territory involved.[151] Lt. Gen. (retd.) Shahid Aziz, who was in charge of analysis

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[148] Lavoy, Khan, and Clary, "Pakistan's Motivations and Calculations for the Kargil Conflict," in *Asymmetric Warfare in South Asia*, ed. Lavoy.

[149] Hilary Synnott, *Transforming Pakistan: Ways out of Instability* (London: The International Institute for Strategic Studies, 2009), 50.

[150] Musharraf claims that Sharif was briefed during a visit to Kel on February 5, 1999, but Sartaj Aziz, Sharif's foreign minister, states that he was present in the briefing and it made no reference to the Kargil sector. Pervez Musharraf, *In the Line of Fire: A Memoir* (New York: Free Press, 2006), 95-96; Aziz, *Between Dreams and Realities*, 259.

[151] For the Pakistan Army version of the briefings see Shireen Mazari, *The Kargil Conflict 1999: Separating Fact from Fiction* (Islamabad: Ferozsons, 2003), 57-8; for contrary evidence see Aziz, *Between Dreams and Realities*, 253-9; Shishir Gupta, "'99 phone tapes show General kept Sharif in dark on Kargil, in book he says opposite," *Indian Express*, October 26, 2006; Nawaz, *Crossed Swords*, 516-8.

for Pakistan's Inter-Services Intelligence during Kargil, is probably correct in assessing that Sharif was "not fully in the picture" but also "not completely in the dark" on Kargil.[152]

Those who have interacted with Sharif, often talk of a man easily distracted and unable to see the strategic contradictions of discordant approaches to a problem. One Indian diplomat who has interacted repeatedly with Sharif concludes, "This is a guy of instinct and not deep thought. He plays things as they come. He is incapable of long-term planning and sticking with it. If there are contradictions, he will try to paper over them at a later date."[153] In the Kargil case Sharif could not use his political acumen to repair the damage done by the strategic mistake.

There is an anecdote in Islamabad foreign policy circles that Sharif authorized a limited Army operation in 1999, but told the Army he did so, "As long as you don't get me into big shit."[154] Sadly for Sharif and the Indo-Pakistani relationship, that is exactly what they did. The Pakistan Army ended up seizing a very large chunk of Indian territory, apparently because they were surprised with how much land the Indian Army vacated during the winter months. The incursion threatened a major highway in Kashmir and was too large to be dismissed as a skirmish. The resulting Indian response, including the introduction of artillery and airpower to push back the Pakistani intruders, led to the fourth Indo-Pakistani war and the collapse of the Lahore process. The Indian Army evicted the intruders and forced a Pakistani retreat.

The withdrawal of the Pakistan Army was humiliating and painful for its soldiers and its generals, and began a slow-motion process of civil-military confrontation where both parties blamed the other for the Kargil disaster. In October 1999, when Sharif attempted to replace Musharraf while the general was out of Pakistan on an international visit, Musharraf's trusted lieutenants in Pakistan deposed Sharif instead, eventually resulting in Sharif's exile to protective custody in Saudi

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[152] Khaleeq Kiani, "Kargil Adventure Was Four-Man Show: General," *Dawn*, January 28, 2013.
[153] Interview with retired senior diplomat "F," New Delhi, September 9, 2013.
[154] Interview with retired senior Pakistani diplomat "2," Islamabad, January 7, 2014.

Arabia for much of the next decade. Pakistan again had a military strongman as Musharraf declared himself "chief executive" of the country.

Even so, the Lahore initiative demonstrated the potential of leaders who were confident in their control of foreign policy (even if Sharif was overconfident in his control) when those leaders were motivated by economic pressures. Had the Kargil campaign not cut short the process, the Lahore initiative might have been transformative.

## 4.6 Alternative Explanations

Domestic primacy theory is not the only theory to predict improvements during this period, but performs best at predicting the timing of the Lahore effort. Three theories—those of democratic peace, nuclear peace, and systemic shocks—predict reconciliation, but earlier, in the late 1980s or early 1990s. These theories have difficulty explaining the long delay between the supposed application of their pacifying influences and the long change in Indian and Pakistani behavior. Only one theory, that of capability imbalances easing peaceful bargaining, performs as well as domestic primacy theory during this period.

## 4.6.1 Imbalance

India's lead in conventional military expenditures grew from 1993 until 1999. Both the return of civilian rule in 1988 and, more importantly, the end of U.S. military assistance (and conclusion of covert aid) to Pakistan in 1990 reduced the resources available for Pakistan to keep pace with Indian defense spending. If power imbalances ease political settlement, such theories might predict the greatest likelihood for rapprochement in the late 1990s, as India's conventional military advantages grew. However, any conventional military advantage India gained was likely offset by Pakistan's nuclear developments during the decade, discussed below. Nevertheless,

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theories premised on capability imbalances do predict a greater likelihood for reconciliation at the end of the decade, after the Indian economy had spent years outpacing Pakistan's, enabling India to devote more resources to defense.

### 4.6.2 Premature Predictions: Democratic Peace, Nuclear Peace, and Systemic Shocks

Three alternative theories for rapprochement make the correct general prediction of a move toward reconciliation in this period, but perform poorly in explaining the timing of that initiative. India and Pakistan almost certainly had offsetting nuclear capabilities by the mid-1980s, they both were nominally democratic by 1988, and they both suffered from losing superpower patrons at the end of the Cold War in 1989 and 1990. Nevertheless, it was not until Nawaz Sharif's political fortunes were strong that a real move toward rapprochement unfolded.

First, given the fact that many accounts focus understandably on the May 1998 nuclear tests, it is important to stress that India and Pakistan had nuclear weapons capability long before they tested openly—in India's case, testing openly for the second time. India had tested a nuclear device in 1974. By 1988, India had "readied at least two dozen nuclear weapons for quick assembly and potential dispersal to airbases for delivery by aircraft for retaliatory attacks against Pakistan."[155] That same year, it began flight-testing the short-range Prithvi missile, followed by the longer range Agni in 1989. Pakistan's situation was more opaque, but only slightly. In 1984, nuclear engineer A. Q. Khan indicated in media interviews that Pakistan had enriched uranium to weapons grade. In his quasi-official history, Feroz Hassan Khan concludes that Pakistan likely had sufficient indigenously enriched uranium for a nuclear weapon by 1985, or slightly earlier if Pakistan had used two weapons-equivalent of highly enriched uranium gifted to it by the People's Republic of China in

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[155] Quoted in Perkovich, *India's Nuclear Bomb*, 293.

1981.[156] These early devices could only have been delivered using transport aircraft initially, but

Pakistan responded to India's 1989 Prithvi tests with tests of its own inaccurate, short-range Hatf-I

missile in 1989, while it simultaneously worked to adapt its nuclear weapons design for delivery on

Pakistani fighter aircraft. It also arranged to acquire missile technology from China, and reports of a

Chinese sale of the M-11 missile to Pakistan were widespread in international media in 1991 and

1992.[157] After 1988, it would have taken an exceptionally risk acceptant adversary to believe either

Pakistan and India did not possess a nuclear device, and some ability to deliver it. For the entire

period, theories of nuclear peace predict that deterrence ought to assuage security fears and facilitate

rivalry termination. Instead, a serious move toward rapprochement only occurred in the late 1990s.

More importantly, theories of nuclear peace are unable to explain the return to crisis and conflict

from 1999 to 2002. Domestic primacy can, locating the collapse of rapprochement in Nawaz

Sharif's incomplete control of his military.

Second, it is true that both India and Pakistan struggled to contend with the end of the Cold

War. The Soviet Union's collapse and Warsaw Pact's dissolution from 1989 to 1991 led to a

profound systemic shock, with clear South Asian implications. This shock manifested itself for

Pakistan through the onset of U.S. nonproliferation sanctions in the fall of 1990, a difficult U.S.

decision greatly facilitated by the Soviet withdrawal from Afghanistan in 1989 that eliminated the

U.S. dependence on its Pakistani ally.[158] For New Delhi, the Indo-Soviet relationship was a *de facto*

alliance that brought with it aid and arms for India. Indian journalist Raja Mohan writes, "Nothing

was as traumatic for the Indian leadership and its foreign policy elite as the collapse of the Soviet

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[156] Feroz Hassan Khan, *Eating Grass: The Making of the Pakistani Bomb* (Stanford: Stanford University Press, 2012), 188.
[157] Center for Nonproliferation Studies, Monterey Institute for International Studies, "China's Missile Exports and Assistance to Pakistan - Statements and Developments,"
http://cns.miis.edu/archive/country_india/china/mpakchr.htm.
[158] Dennis Kux, *The United States and Pakistan, 1947-2000: Disenchanted Allies* (Baltimore, MD: Johns Hopkins University, 2001), 310.

Union."[159] But theories of systemic shock predict the equilibrium would be most disrupted in the late 1980s and early 1990s, with politics re-equilibrating as the 1990s continued. Moves to alter rivalry behavior ought to have coincided with the period of maximum change in the international system from 1988 to 1992. The most generous interpretation of theories of systemic shock is that the end of the Cold War enabled greater responsiveness by Indian and Pakistani decision-makers when they were confronted with economic hardships toward the end of the 1990s, once they could no longer depend on superpower patrons.

Finally, theories of democratic peace would argue that the significant change should have occurred with Zia's death and Benazir Bhutto's election, but in fact neither Benazir nor Sharif could behave like democrats without full control of their foreign policy apparatuses. Sharif thought he had this control in the late 1990s, but was proven wrong by the Kargil planners, several of whom refashioned themselves as coup plotters later in 1999.

**Conclusion**

This chapter has assessed patterns of improving and worsening relations in the India-Pakistan rivalry since 1947, focusing on three periods where differing theories of rivalry termination diverged sharply in their predictions for rivalry outcomes. This chapter evaluated the predictions of domestic primacy theory and those generated by alternative theories. Of the competing explanations for rivalry behavior, domestic primacy theory best explains the successes and failures in the incomplete efforts to resolve the still ongoing India-Pakistan rivalry. Moreover, domestic primacy does a far better job of predicting periods where serious effort at dispute resolution were not even attempted, because of assessments in either Islamabad or New Delhi that the domestic circumstances did not merit the sacrifices required by rapprochement.

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[159] C. Raja Mohan, *Crossing the Rubicon: The Shaping of India's New Foreign Policy* (New York: Penguin, 2003), 117.

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In this project, domestic primacy theory was generated as a theory to explain rivalry termination, but as the India-Pakistan case has demonstrated the causal logic of the theory also can be used to predict intermediate rivalry outcomes, as well as to understand why rivalries fail to terminate despite incentives to the contrary. The evidence presented in this case study further buttresses the argument that rivalries are most likely to improve when leaders with concentrated authority over foreign policy are confronted by economic downturns at home. When multiple veto players exist, even when leaders have strong incentives to improve relations with rivals, leaders are unable or unwilling to attempt reconciliation in the face of hardliner threats. The success of hardliners, enabled by diffuse executive authority, is the primary recurring feature of the nearly seven-decade-long India-Pakistan rivalry.

CHAPTER 11: RIVALRY TERMINATION SINCE 1950: EVIDENCE FROM

QUANTITATIVE TESTS

## 1 Introduction

The previous chapters have used process tracing and congruence procedure to compare

changes in the economic and political circumstances of rival states with patterns of rapprochement

and conflict within rivalries. They presented strong evidence in favor of domestic primacy theory

from quite different cases. Though the case selection was motivated by theoretical and empirical

rationales described in Chapter 3, the question remains how general is the relationship between

economic need, political ability, and peacemaking behavior. This chapter uses a series of quantitative

tests to demonstrate that periods identified as favorable for peace by domestic primacy theory are

much more likely to result in rivalry termination than those where domestic primacy theory suggests

the prospects for peace are poor. These quantitative tests help to provide greater confidence in the

importance of domestic primacy theory in explaining peacemaking within rivalries.

To undertake this assessment, I utilize proxy measures for both the economic and political

drivers of domestic primacy theory to test whether a general relationship between those variables

and rivalry is present. These tests provide considerable evidence suggesting that rivalry termination is

much more likely when domestic primacy theory forecasts favorable circumstances for peace, even

when accounting for potential alternative explanations. These tests are only suggestive, since they

rely on proxy indicators of the variables constituting domestic primacy theory, but nevertheless they

provide reassurance that the findings from the case studies reflect broader trends.

## 2 Measuring and Testing Domestic Primacy Theory

This section uses proxy indicators to provide an indirect test of domestic primacy theory. These analyses find a robust, positive relationship between these proxy indicators and rivalry termination, consistent with expectations if domestic primacy theory were true.

### 2.1 When Are Conditions Favorable for Rivalry Termination?

Domestic primacy theory argues that rivalry termination is most likely when economic difficulties motivate leaders to divert resources from conflict to other priorities and when concentration of executive authority permits leaders to translate their preferences into national policy. In the preceding chapters, a rich array of qualitative and historical evidence was employed to provide fine-grained assessments of changing political and economic circumstances as they were perceived contemporaneously by national leaders. To examine the 107 distinct dyads that have experienced rivalry since 1950, however, requires more restrictive measures of both economic difficulty and political capability.

In the historical cases, leaders responded to several different types of economic crises: (1) recessions, (2) prolonged periods of economic stagnation, (3) inflation at levels substantially above the historic trend, (4) balance of payments crises, (5) fiscal crises, or (6) food shortages and famines. Coding and comparing thousands of observations requires a more parsimonious measure of economic crisis, preferably one that does not substantially reduce the number of cases available for study. The most widely available economic indicator is the size of national economies as measured by gross domestic product.[1] The availability of this indicator permits the construction of a measure of economic difficulty: a contraction in the gross domestic product from one year to another, or a

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[1] Expanded GDP Data, version 6.0. Kristian S. Gleditsch, "Expanded Trade and GDP Data," *Journal of Conflict Resolution* 46: 712-24.

recession.[2] This measure of economic difficulty is available for 98.9 percent of the annual

observations for rival states after 1950, and for all of the episodes of rivalry termination after 1950.

Given its wide availability, for purposes of quantitative analysis, I define economic crisis as the

presence of a recession in a state.[3] There is often a lag between the beginning of economic hardship

and the unilateral decisions or bilateral negotiations that permit rivalry termination. As such, I record

economic difficulty if there is an ongoing economic downturn, one that occurred in the previous

year, or one that occurred in the previous two years. The results presented below are robust to

varyingly sized "windows" of economic difficulty.[4]

Economic crisis is only one of two components that propel domestic primacy theory. The

other requirement is the presence of a national leader with the capacity to enact policies of his or her

preference in response to changing domestic economic circumstances. There are no available cross-

country measures of foreign policy authority. As a proxy indicator, however, there are a several

cross-national measures of institutional constraints on the executive branch. The Polity project

records *executive constraints* as a measure of "the extent of institutionalized constraints on the decision-

making powers of chief executives," Witold Henisz has proposed a measure of *political constraints*,

which seeks to "estimat[e] the feasibility of policy change," while the World Bank's Database of

Political Institutions calculates *checks* on executive power from other government institutions.[5] These

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[2] In the United States, a recession is often defined as two consecutive quarters of economic contraction. Since this study uses annual measures of economic activity, it defines a recession as any year-on-year contraction in gross domestic product. In general, this annual definition ought to be more conservative (identify fewer recessions) than the two consecutive quarter definition.

[3] As a robustness check, I have used declines in per capita real gross domestic product, which account for population growth. In the vast majority of specifications the same positive, statistically significant relationship is found, of roughly the same magnitude.

[4] The results below are for economic downturns that occur in time $t$, $t$-1, or $t$-2 affecting rivalry termination in time $t$. I tried a number of other time windows and lags. Three, four, or five-year windows ($t...t$-4) retain substantive and statistical significance. I believe the possibility of reverse causation (rivalry termination causing economic downturn) is implausible. Nevertheless, lagged variables covering two-year windows ($t$-1, $t$-2) up to four-year windows ($t$-1...$t$-3) have similar statistical and substantive relationships with rivalry termination in time $t$.

[5] Monty G. Marshall and Ted Robert Gurr, "Polity IV Project: Political Regime Characteristics and Transitions, 1800-2012," http://www.systemicpeace.org/polity/polity4.htm; Witold Henisz, "The Institutional Environment for Economic Growth," *Economics and Politics* 12, no. 1 (March 2000): 1-31; and Witold Henisz, "The Institutional

indicators are available for a majority of the post-1950 annual observations of rival states: *checks* measurements are available for 58.3 percent of observations, *executive constraints* measurements are available for 93.3 percent, and *political constraints* measurements are available for 97.6 percent. At least one of the indicators is available for 99.7 percent of observations. While imperfect substitutes, fewer constraints on the executive branch correlate positively with greater foreign policy authority. Domestic primacy theory would suggest that the combination of economic crisis and minimal executive constraints should be more likely to yield peacemaking activity than periods without this combination of domestic conditions.[6] If this pattern is present using distinct indicators of executive authority, it should provide greater confidence in the presence of an underlying relationship between domestic primacy theory and rivalry outcomes.[7]

Policy change occurs when change is preferable to the status quo and consensus among veto players is possible to enact that change. Domestic primacy theory argues that certain conditions will increase the range of possible policy changes that would be preferable to the status quo. If one state faces economic crisis without policy constraints, it will be willing to make greater compromises to achieve the savings that come from rivalry termination than it had been willing to make in the absence of those conditions, making rivalry termination more likely. If both rival states face

[6] I created three dichotomous variables, which record whether a state had few or many institutional constraints in a given year. For each indicator, larger measurements indicate additional restraints. For *executive constraints*, I used 3 as the upper cutoff, though cutoffs at 4 and 5 do not alter the statistical or substantive findings. For *political constraints*, I used 0.3, though cutoffs at 0.1, 0.2, and 0.4 do not alter the findings. For *checks*, I used 3, but cutoffs at 2 or 4 do not alter the findings.

[7] These indices measure recessions in countries without institutional constraints on the executive, and as a consequence are conservative measures, prone to false negatives. Of the three rivalry terminations discussed in the qualitative chapters, these proxies suggest two (Sino-Soviet termination in 1989 and U.S.-China termination in 1972) occurred during periods of heightened favorability for termination. Of the four other episodes of rapprochement discussed in the qualitative chapters, these indicators suggest two (Bhutto-Gandhi rapprochement from 1973-1977 and Sharif-Vajpayee rapprochement from 1998-1999) occurred during periods of heightened favorability. In general, these indices fail to capture budgetary crises evident in the historical record or concentration of foreign policy authority in countries with institutionalized constraints on the executive in other policy domains. As conservative measures, they should bias the analysis away from finding a relationship.

favorable domestic circumstances, then they both will be more willing to accept compromise, making rivalry termination even more likely. Rivalry termination should be most likely when both rival states experience economic difficulty in the absence of excessive executive constraints, somewhat likely when one rival state has this combination, and least likely when neither state experiences these circumstances.

Based on this logic, I created two new dichotomous variables: *both favorable* is coded as 1 if circumstances are favorable for both rival states, and 0 otherwise, while *one favorable* is coded as 1 if circumstances are favorable in only one of the two rival states, and 0 otherwise. If domestic primacy theory is correct, these dichotomous variables should be positively related to rivalry termination, and situations in which both states have favorable circumstances should have a greater probability of termination than situations in which just one state experiences favorable circumstances. If positive relationships are present, they would provide suggestive evidence that the pattern observed in the historical case studies is generalizable, and not simply the result of case selection.

## 2.2 When Do Other Theories Suggest Rivalry Termination is Most Likely?

Domestic primacy theory has several competing explanations. Just as in the historical case studies, it is important to compare the predictions of those theories to that of domestic primacy theory. In this quantitative setting, it is possible to test the covariance of rivalry termination with domestic primacy theory and major alternative explanations simultaneously.

Realist and broader set of rationalist explanations suggest that wars are often the result of disagreements with regard to the relative balance of power. Therefore, as the imbalance in national capabilities grows, we expect rivalries to be more likely to conclude. As the imbalance worsens, one rival ought to conclude that peaceful settlement is preferable to a dispute that might lead to an unwinnable war. To measure imbalance, I created a variable for each year of the rivalry derived from

the widely used Composite Indicator of National Capabilities measure developed by the Correlates of War project.[8] This new variable, called *imbalance*, takes a value of 0 when rivals are completely balanced and 0.5 when rivals completely imbalanced.[9]

When two foes share a common enemy, they may determine their own fight is less important than the danger from the third country. They may seek to terminate their dispute to focus on the other challenge. Using the same data used to measure the existence of rivalry and rivalry termination, I created a variable *common enemy* that takes a value of 1 when any two states have a rivalry with the same third state in a given year, and 0 otherwise.[10]

Dyadic variants of the democratic peace theory suggest that wars are extremely unlikely between democracies, though wars between democracies and autocracies may remain common. As a corollary, the democratic peace may imply greater likelihood of rivalry termination between democracies. While out of fashion, monadic theories of democratic peace suggest democracies are generically more pacifist than autocracies. Another class of empirical findings suggests that wars between democracies and autocracies may be more common than those within jointly democratic or jointly autocratic dyads.[11] To test and control for these dyadic and monadic theories of democratic peace, I created two dichotomous variables: *both democratic* takes on a value of 1 if both rival states

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[8] National Military Capabilities, v. 4.0 dataset. Correlates of War data are described in J. David Singer, "Reconstructing the Correlates of War Dataset on Material Capabilities of States, 1816-1985," *International Interactions* (1987), 14: 115-32.

[9] To compare capabilities between rivals, I have divided the capability of one rival state by the sum of capabilities for both rival states. This creates a ratio where 0 and 1 would represent extremes where one state had almost none or almost all of the measured capabilities in the dyad and a score of 0.5 would represent equally balanced states. Since the theory suggests rivalry termination should be associated with increasing imbalance, I then took the absolute value of that score minus 0.5 to create the new *imbalance* variable. As a robustness check, I employed a capabilities ratio that discounts the ability of a distant state to use military force against another, using a formula advanced by Bruce Bueno de Mesquita, *The War Trap* (New Haven, CT: Yale University Press, 1981), 107. I tested whichever ratio was larger after calculating the ratio from the perspective of both rival states. Its substitution did not alter the substantive or statistical findings.

[10] As with rivalry, as a robustness check I used the dates for onset and termination proposed by Thompson and Dreyer to create an alternative measure of *common enemy*. See model 12 below.

[11] On theoretical and empirical issues associated with monadic versus dyadic democratic peace theories, see David L. Rousseau, et al, "Assessing the Dyadic Nature of the Democratic Peace, 1918-88," *American Political Science Review* 90, no. 3 (September 1996): 512-33.

are democratic in a given year, 0 otherwise, and *one democratic* takes on a value of 1 if just one of the two rival states is a democracy in a given year, and 0 otherwise.[12]

Nuclear weapons ought to clarify that winning war is impossible for either party, making it easier for political settlements that are impaired by security fears. They may also increase the dangers that come from continuing the rivalry since nuclear weapons are associated with an unobserved risk of inadvertent nuclear use or nuclear accident. Rivalries might be resolved by a nuclear peace once both parties have the capability to produce and deliver nuclear weapons. On the other hand, the presence of nuclear weapons, by insulating states from the full costs of conflict, might make it easier to prolong a rivalry. Moreover, asymmetric nuclear possession where only one of the two rivals possesses nuclear weapons might enhance the ability of the state in coercive bargaining. To test for the multiple possible relationships between nuclear possession and rivalry termination, I created two dichotomous variables: *joint nuclear* that takes on a value of 1 if both rival states possess nuclear weapons in a given year, 0 otherwise, and *asymmetric nuclear* that takes on a value of 1 if just one rival state possesses nuclear weapons in a given year, and 0 otherwise.[13]

Rivalries are to some extent a product of political inertia, where old rivalries persist for ideational, cultural, and institutional reasons. Some argue this inertia requires powerful shocks to overcome. This dissertation argues one such shock comes from economic difficulties at home. There is another class of theories that argues rivalries are most likely to end after other "shocks" to

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[12] Consistent with the norm in the quantitative international relations literature, the presence of a democracy is assessed by whether a state had a polity2 score of 6 to 10 (out of a range of -10 to 10) in the Polity IV dataset. As a robustness check, I generated a variable measuring the difference between two rivals' polity2 scores, so that mutually democratic, mutually anocratic/transitional, and mutually autocratic dyads would have small values, while democratic-autocratic mixed dyads would have larger values. This does not affect the outcome of the analyses below.

[13] Years of nuclear possession are derived from Philipp C. Bleek, "Why Do States Proliferate: Quantitative Analysis of the Exploration, Pursuit, and Acquisition of Nuclear Weapons," *The Role of Theory*, 159-92, vol. 1 of *Forecasting Nuclear Proliferation in the 21st Century*, ed. William Potter and Gaukhar Mukhatzhanova (Stanford: Stanford University Press, 2010). Different scholars differ in coding the year in which specific states acquire nuclear weapons. Alex Montgomery and Scott Sagan, "The Perils of Predicting Proliferation," *Journal of Conflict Research* 53, no. 2 (2009): 302-328. I have used Bleek since his data are the most current, but as a robustness check, I have used alternative codings by other scholars. These do not affect the substantive or statistical findings presented below.

the state. Working on the period from 1816 to 1976, Gary Goertz and Paul Diehl identified three

types of shocks associated with rivalry termination, two systemic and one domestic: (1) the World

Wars, (2) periods of substantial changes in territorial boundaries globally, and (3) civil wars. In the

post-1945 era, they identify two adjacent periods of systemic shock: the decade after World War II

until 1955 and the period of decolonization from 1956 to 1962, the effects of which they argue

persisted until 1972.[14] Using their criteria, the decade after the Cold War from 1990 to 2000 almost

certainly corresponds to a systemic shock in addition to those they catalog prior to 1972.[15] I created

a dichotomous variable *systemic* that takes a value of 1 if an observation occurs in the years 1945 to

1972 or from 1990 to 2000, and 0 otherwise.[16] Goertz and Diehl also found an association between

rivalry termination and recently experiencing a civil war. I created a variable *recentcivil* that takes a

value of 1 if either rival has experienced a civil war in any one of the last three years as determined

by the Correlates of War Intra-State War dataset, and 0 otherwise.[17]

Finally, while all of the hypotheses above identified factors that might make rivalry

termination more likely, the presence of territorial disputes might make rivalry termination less

likely. Empirical work has indicated that *territorial disputes* are associated with the persistence of

conflict, while theoretical work has suggested that the divisibility of territory (important for creating

space for bargaining success) may be illusory because of the symbolic value territory holds for

combatants.[18] Under either logic, the presence of territorial disputes is suspected to complicate

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[14] Gary Goertz and Paul F. Diehl, "The Initiation and Termination of Enduring Rivalries: The Impact of Political Shocks," *American Journal of Political Science* 39, no. 1 (February 1995): 30-52.

[15] The Cold War ended because the U.S.-Soviet Union rivalry terminated in 1989, so coding the Cold War shock as beginning with the rivalry termination would computationally lead to a correlation from reverse causation, hence the 1990 to 2000 window employed.

[16] As a robustness check, I created multiple dummy variables for different shocks (one for the aftermath of World War II, one for the era of decolonization, and one for the post-Cold War). This does not alter the substantive or statistical findings presented below.

[17] As a robustness check, I created variables to measure if a civil war had occurred in either rival in the previous 5 years or if a civil war had occurred in either rival in the previous 10 years.

[18] Paul K. Huth, *Standing Your Ground: Territorial Disputes and International Conflict* (Ann Arbor: University of Michigan Press, 1996); and Stacie E Goddard, "Uncommon Ground: Indivisible Territory and the Politics of Legitimacy," *International Organization* 60, no. 1 (January 2006): 35-68.

efforts at rivalry termination. If territorial disputes were to covary with one of the other explanations above, it might bias the results. I created a time-invariant dichotomous dummy variable that took a value of 1 if two rivals held conflicting territorial claims after 1945 as recorded by the Issue Correlates of War project's Territorial Claims database, and 0 otherwise.[19]

## 2.3 When Is Rivalry Termination Most Likely?

In order to test these hypotheses, I constructed a dataset consisting of yearly observations for all rivalries between 1950 and 2007.[20] The existence of a rivalry is measured according to the criteria laid out in Chapter 3, drawing extensively on the work done by William Thompson and David Dreyer.[21] The dependent variable, *termination*, is coded as 0 until the last year of the rivalry when it is coded as a 1. After its termination, the rivalry exits the dataset.[22] Rivalries persist for decades, so there are many more years of persistence than there are terminations. When a phenomenon of interest appears (an "event") dozens to thousands times fewer than it does not appear (a "non-event") that event can be classified as "rare." When estimating rare events, it is appropriate to use rare-events logistic regression.[23] Gary King and Langche Zeng found that traditional logistic estimation underestimates predictions of the probability of an event taking place, $Pr(Y=1)$, and overestimates predictions that a non-event will occur, $Pr(Y=0)$.[24] Rare-events logistic regression, or RELogit, corrects for this attenuation bias. King and Zeng argued the difference in estimation for rare-events logistic regression and traditional logistic regression "will be largest when

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[19] ICOW Territorial Claims Databet, Provisional v1.0. Paul R. Hensel, "Contentious Issues and World Politics: The Management of Territorial Claims in the Americas, 1816-1992," *International Studies Quarterly* 45, no. 1 (March 2001): 81-109.
[20] See Appendix A.
[21] William Thompson and David Dreyer, *Handbook of International Rivalries: 1494-2010* (Washington, DC: CQ Press, 2012).
[22] Of the 107 pairs of states that constitute rivalries since 1945, 9 pairs experience a "recidivist" rivalry, in which a rivalry terminates and then a new rivalry between the same pair re-emerges after a period of peace. In that instance the dyad re-enters the dataset.
[23] See Gary King and Langche Zeng, "Logistic Regression in Rare Events Data," *Political Analysis* 9 (2001): 137-163.
[24] King and Zeng, "Logistic Regression in Rare Events Data," 146.

the number of observations is small (under a few thousand) and the events are rare (under 5% or so)."[25] Both criteria are met by the data, since rivalry terminations constitute 2.3 percent of 2,870 "dyad-year" observations available from 1950 to 2007. RELogit is used for all subsequent analysis, unless otherwise stated.[26]

Model 1 tests the relationship between the domestic primacy indicators and rivalry termination along with alternative explanations and polynomial time controls, using the Polity *executive constraints* measurement to create the domestic primacy indicators.[27] Model 2 tests the same relationship using the Henisz *political constraints* measurement to create the domestic primacy variables. Model 3 does so with the World Bank *checks* measurement. Model 4 replicates Model 1 using Thompson and Dreyer's termination dates rather than my own. All models are presented with robust standard errors, clustered by dyad, in Table 1 below. Since logistic regression coefficients cannot easily be interpreted, substantive results are presented on Table 2.[28]

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[25] King and Zeng, "Logistic Regression in Rare Events Data," 157.

[26] As a robustness check, I have used multiple types of estimators. I have used conventional logistic regression for all models described below and coefficients and standard errors are nearly identical across all specifications as those from RELogit. I have also used a linear probability model (OLS regression), which tends to provide similar magnitude substantive results and similar or smaller standard errors for my explanatory variables in the models tested below. Finally, I have used Cox proportional hazard models, which provide somewhat larger substantive results at similar levels of statistical significance. (Tests suggest the proportionality assumption is not violated for any covariates for each of the three indicators.) In other words, the choice of the RELogit estimator does not alter the substantive or statistical findings.

[27] Time polynomials outperform most other methods for controlling for temporal dependence, such as splines. See David B. Carter and Curtis S. Signorino, "Back to the Future: Modeling Time Dependence in Binary Data," *Political Analysis* 18 (2010): 271-92.

[28] Recent civil wars are associated with a lower likelihood of rivalry termination at p<.10 in both models 4 and 5, though I have presented p<.05 confidence intervals in table 2 for comparability to other variables.

Table 1: Correlates of Rivalry Termination, 1950-2007

| Rivalry Termination | (1) RELogit Polity measurement of constraints | (2) RELogit Henisz measurement of constraints | (3) RELogit World Bank measurement of constraints | (4) RElogit Thompson-Dreyer dates and Polity measurement |
|---|---|---|---|---|
| *Domestic primacy (both)* | 1.333*** | 1.240*** | 1.443** | 0.936** |
| | (0.400) | (0.346) | (0.561) | (0.412) |
| *Domestic primacy (one)* | 0.986*** | 0.551* | 0.928* | 0.806*** |
| | (0.321) | (0.285) | (0.506) | (0.310) |
| *Common enemy* | -1.019** | -1.024** | -1.506** | -1.000** |
| | (0.422) | (0.405) | (0.637) | (0.434) |
| *Both democratic* | 0.541 | 0.172 | 0.251 | 0.948 |
| | (0.743) | (0.740) | (0.864) | (0.691) |
| *One democratic* | -0.162 | -0.138 | 0.189 | -0.148 |
| | (0.391) | (0.359) | (0.422) | (0.401) |
| *Recent civil war* | -0.517* | -0.441 | -0.482 | -0.592* |
| | (0.310) | (0.285) | (0.312) | (0.316) |
| *Systemic shock* | 0.890*** | 0.778*** | 0.864*** | 0.988*** |
| | (0.290) | (0.273) | (0.315) | (0.297) |
| *Joint nuclear possession* | 0.456 | 0.459 | 0.317 | 0.318 |
| | (0.432) | (0.410) | (0.857) | (0.460) |
| *Asym. nuclear possession* | -0.117 | -0.247 | -0.010 | -0.405 |
| | (0.488) | (0.449) | (0.482) | (0.535) |
| *Territorial dispute* | -0.944*** | -1.008*** | -0.763** | -1.057*** |
| | (0.300) | (0.281) | (0.334) | (0.309) |
| *Power imbalance* | -0.630 | -0.264 | -1.048 | -0.570 |
| | (1.094) | (1.105) | (1.319) | (1.082) |
| Time Polynomial? | Yes | Yes | Yes | Yes |
| Observations | 2,639 | 2,758 | 1,634 | 2,687 |

Table 2: Substantive Effects of Domestic Primacy Indicators on Rivalry Termination

| Variable | Relative Risks | 95% Confidence Intervals | First Differences | 95% Confidence Intervals |
|---|---|---|---|---|
| Primacy (Neither Favorable to One) | 2.548 | 1.409 to 4.657 | 0.035 | 0.011 to 0.073 |
| Primacy (Neither Favorable to Both) | 3.567 | 1.705 to 7.294 | 0.058 | 0.019 to 0.126 |

*Note:* The probabilities are calculated using the RELogit estimates from Model 1 in Table 1 using 5,000 simulations. For purposes of calculating these estimates, all other variables are set at their median.

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## 2.4.1 Assessment of Domestic Primacy Theory

When conditions are favorable in both rival states for rivalry termination according to domestic primacy theory, these analyses suggests rivalry termination is more than 3.5 times as likely than if conditions were unfavorable in both states. Even if one state is willing to compromise because of economic need and political ability, rivalry termination is more than 2.5 times as likely than if conditions were unfavorable in both states. In absolute terms, according to estimates derived from Model 1, the probability of rivalry termination happening in a given year when conditions are unfavorable in both rival states (but all other variables are held to their median) is 2.3 percent, but go up to 5.9 percent if one state is experiencing favorable conditions, and up to 8.1 percent if both states are experiencing favorable conditions. These results vary somewhat depending on which proxy for institutional constraints on the executive is employed. Across all models, the probability of rivalry termination is greater when both rival states experience favorable conditions compared to when just one state does so, though only in Model 2 is the magnitude of the difference distinguishable from zero at conventional levels of statistical significance ($p<.05$).

In addition to this evidence that indicators for domestic primacy theory have a positive relationship with rivalry termination with meaningful substantive effects, there is further evidence that including domestic primacy indicators for rival states improves model fit, meaning a model that includes them better predicts rivalry outcomes than one that does not. This improvement in model fit is shown not only with a higher likelihood-ratio test statistic ($p<0.05$ that the model with domestic primacy indicators is equivalent to a restricted model that does not include them), but also in improved Akaike and Bayesian Information Criteria, tests that penalize models for additional parameters.[29]

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[29] Likelihood ratio test conducted using logistic regression, instead of rare events logistic regression. Akaike Information Criterion and Bayesian Information Criterion tests done using logistic regression with robust standard errors, clustered on dyad.

## 2.4.2 Additional Robustness Checks

I tested the inclusion of a number of other variables that might confound these results, even if they do not represent a major alternative theoretical explanation. I added dichotomous variables representing the regional location of the rivalry (Europe, the Middle East, Africa, Asia, or the Americas).[30] I controlled for the wealth of both rival states as measured by their per capita real gross domestic product. I controlled for whether either rival state had experienced a war in the recent past (employing three-, five-, and ten-year windows after the war concluded). As an alternative to the systemic shocks proposed by Goertz and Diehl, I created a dummy variable for the period of the Cold War (testing both 1989 and 1991 end dates). None of these alternative measurements or specifications altered my core substantive or statistical results.

## 3 Conclusion

Drawing on data from the more than one hundred rivalries since 1950, this chapter asked whether a combination of economic need and political urgency led to greater likelihood of rivalry terminations. The quantitative evidence strongly supports domestic primacy theory. The observed effect is not just statistically significant but substantively meaningful. The historical cases in Chapters 4 to 10 are not outliers, but are representative of a general tendency for economic need to propel conciliatory outcomes when there is sufficient political capability to achieve policy change.

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[30] Regional dummy variables are drawn from the EUGene software program, and apply common sense categorization when rivals exist in multiple regions. For instance, the U.S.-Russia rivalry is coded as taking place in Europe, the U.S.-China rivalry is coded as taking place in Asia, and the Russia-China rivalry is coded as taking place in Asia.

CHAPTER 12: CONCLUSION

## 1 The Costs of Rivalry and the Causes of Peace

Rivalries are costly. Preparing for the military resolution of political disputes compels states to expend vast quantities on their armed forces. Since rival states are often neighbors, commerce should flourish, but fear suppresses trade. Seeking safety and security, rivals are more likely to pursue expensive nuclear weapons programs, risking calamity if deterrence fails. While nuclear arsenals may safeguard against existential threats, the previous chapters have shown that nuclear weapons provide no guarantee that a rivalry will end promptly or peacefully.

Rivalries persist because a political bargain cannot be negotiated that will permit normal interstate politics. Political disputes prevent both sides from viewing the other as benign. Contested territory may motivate these political disputes, as was the case in the Sino-Soviet or Indo-Pakistani rivalries reviewed in earlier chapters. Or ideological disagreements can motivate interstate conflict, as occurred when fights over the nature of Communism transmuted the Sino-Soviet alliance into a rivalry. Frequently, bargaining seeks—and fails—to convince each side that the other can commit credibly not to use military force in the future. In the absence of a political solution, both sides prepare for war. Such a war may not come tomorrow, or the next day, or at all. But absent some guarantee of benign intent, both rivals conclude that preparing for war is necessary, an expensive insurance policy.

The political bargains that states seek could yield significant benefits. If it acquires the territory it has long claimed, a state might gain an important location from which to trade or fight, it might acquire lucrative resources, or it might welcome back a coethnic population. Winning ideological fights often provides less tangible results, but international and domestic prestige have some worth, and leaders have shown a recurrent eagerness to jockey for international status.

However, these bargains also entail costs. When territory is disputed, at least one side will not get all that they desire. Ideological disputes may be difficult to escape without a loss of legitimacy. Committing to end a military competition may also entail assuming greater risks in the future. Within every country, there exist domestic political opponents who will oppose a bargain with an international enemy. They may have a parochial interest in perpetuating the conflict, as is often the case for leaders in national militaries and intelligence agencies. They may have an ideational commitment to a particular ideological interpretation. They may only be opposing the interstate bargain opportunistically, to wield as a cudgel in domestic political debates. This implies that making the political bargain to end an interstate bargain entails domestic political costs.

Leaders are concerned about their legacy, but they also are obsessed with their political survival in the present. The costs of rivalry are felt more acutely during periods of economic difficulty than they are during periods of economic normalcy. During periods of austerity, cutting back on the military might prevent cuts to domestic priorities: infrastructure, education, poverty alleviation, and health care. During periods of economic contraction, the benefits from trade long suppressed by rivalry become more enticing. Foreign aid and investment too may have been suppressed by the shadow of interstate conflict. The theory presented in this volume argues that during these periods of economic downturn, because of concerns about political survival, leaders will have added incentives to pursue peace with old foes. Business as usual is not working. Something transformative must be attempted.

In general, the benefits of ending a rivalry are widely felt while the costs of ending a rivalry are often concentrated on just a few groups. When executive authority is diffuse or fractured within a state, hardliners have greater ability to slow or reverse progress toward a peaceful solution to international rivalry. They may threaten the national leader directly, as was the case in Pakistan in 1977 and 1999. They may seek to stall negotiations through insubordination, such as when Casper

Weinberger attempted to change U.S. demands on intermediate-range nuclear forces by encouraging European allies to request a harder line. They may pass along distorted information, such as when hardliners in the Soviet foreign ministry and Liaison Department worked to suppress positive diplomatic reports from Beijing and fake new Chinese territorial claims against the Soviet Union. Hardliners will always have incentives to pursue such antics. The question is whether a national leader has the capability to monitor these individuals, circumvent them, or remove them from office. When a leader can remove hardliners, he has concentrated executive authority to pursue his or her preferences, and is not shackled by the preferences of his nominal subordinates.

In other words, this dissertation argues that the benefits of peace increase during periods of economic crisis but *only if* a leader has concentrated executive authority. Absent that authority, hardliners retain ample tools to increase the costs of a peaceful settlement to such an extent that a leader will be deterred from attempting it or, if that leader does try, hardliners might defeat that effort. Since a bargain requires two states, favorable circumstances in one state alone only somewhat increase the probability of a peaceful settlement, while favorable circumstances in both states make it even more likely that rivalries will end.

## 2 The Findings

I tested this argument, which I call *domestic primacy theory*, on four cases: the U.S.-Soviet rivalry from 1960 to 1989, the Sino-U.S. rivalry from 1960 to 1972, the Sino-Soviet rivalry from 1960 to 1989, and the Indo-Pakistani rivalry from 1947 to 1999. I then used quantitative indicators for my theory as well as alternative explanations to see if the findings from these four cases appear to have reflected general tendencies in international politics. Both the qualitative historical studies and the quantitative tests provide strong evidence in favor of domestic primacy theory, while alternative theories receive inconsistent or even negative support.

In Chapter 3, I described how domestic primacy theory explained rapprochement, the substantial improvement in relations between rival states, and rivalry termination, when two rival states no longer view one another as military enemies. Rapprochement logically precedes rivalry termination. As a dyadic outcome, it is not simply the product of good intent or the holding of talks, but rather is observed when both sides are able to reach agreement on important issues that motivate the bilateral political dispute. In the four rivalries examined in this dissertation, there were seven episodes of rapprochement, three of which resulted in rivalry terminations. How will did domestic primacy theory predict when rapprochement and rivalry termination were likely to occur?

## 2.1 Alternative Explanations

Assessing the accuracy of domestic primacy theory also requires comparing it to alternative explanations of peacemaking. In so doing, it is possible to observe whether domestic primacy theory is only capturing variation better explained by some competing theory. Four theories were featured throughout this dissertation because they made time-varying predictions for different rivalries about when peace was more or less likely. *Nuclear peace theory* says the presence of nuclear weapons should make conflict too risky and peace more likely. *Common enemy theory* says the presence of a shared threat should make rival states more likely to resolve their own differences. *Capability imbalance theory* argues that when material capabilities are more asymmetric, bargaining is made easier since both rival states will agree about the consequences of military conflict. *Democratic peace theory* predicts that rivalries will be more likely to end when both of their participants are governed democratically. Do these alternative theories predict rivalry outcomes better than domestic primacy theory?
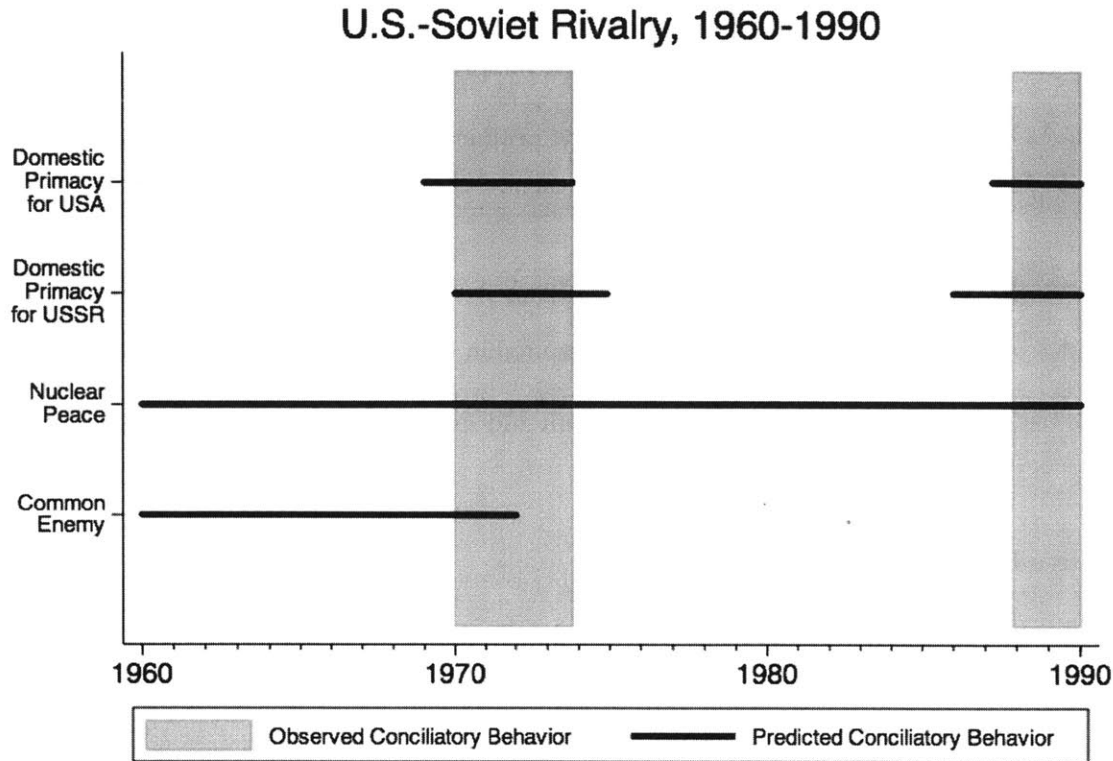
## U.S.-Soviet Rivalry, 1960-1990



Figure 12.1: Observed and Predicted Periods of Conciliatory Behavior in the U.S.-Soviet Rivalry

Chapter 4, 5, and 6 traced the U.S.-Soviet rivalry from 1960 to 1989. The rivalry experienced two episodes of rapprochement: détente, from 1969 to 1973, and the end of the Cold War, from 1987 to 1989, which resulted in the termination of the U.S.-Soviet rivalry in 1989 (see Figure 12.1). Throughout the duration of the rivalry, the Soviet Union was never ruled by a democratic government while the United States was always ruled by one. Democratic peace theory cannot and does not explain variation in U.S.-Soviet rivalry outcomes. Similarly, both the United States and the Soviet Union exploited abundant material capabilities in their military competition. At no point after 1950 did either state possess substantially more material capability than the other. Capability imbalance theory cannot explain the ups and downs of the rivalry. After 1949, both sides possessed nuclear arsenals. Theories of nuclear peace are too optimistic about the prospects for

rapprochement and rivalry termination in the U.S.-Soviet case. Both sides prepared intensely for military competition with one another despite the serious risks of nuclear warfare were conventional conflict to occur. Only one alternative theory, that premised on the peacemaking potential of a common enemy, provides a changing prediction for rivalry prospects between Moscow and Washington. Both superpowers shared a common Chinese foe from 1960 to 1972. The argument that concerns over China propelled U.S.-Soviet détente, however, is weakened substantially by the fact that the United States also pursued rapprochement with China from 1969 to 1972. The United States could have taken a harder line against the Soviet Union given progress in Sino-U.S. negotiations, but elected to improve relations with both rival states.

Domestic primacy theory explains both periods of rapprochement. Détente was the product of the authority that Richard Nixon and Leonid Brezhnev had within their respective systems and the economic strains both men faced in governance. Nixon needed to slash defense spending to pay for uncontrollable domestic economic programs and to alleviate a balance of payment crisis. Brezhnev sought to divert additional resources into the domestic economy to reverse a productivity slowdown that was halting Soviet economic growth at a time when Soviet state revenue was also flagging. Importantly domestic primacy theory can also explain détente's end. Nixon's authority was fractured by the Watergate affair, while Brezhnev's motivation to slow defense spending evaporated with the post-1973 oil boom. Brezhnev's ability to override Soviet veto players was severely damaged by his worsening health in late 1974. Political and economic circumstances did not favor rapprochement again until the late 1980s. By then, Ronald Reagan's administration had gained policy coherence as Secretary of State George Shultz eliminated bureaucratic competitors, while Reagan was motivated to slow defense modernization because of a fiscal crisis in the United States. In Moscow, Mikhail Gorbachev demonstrated repeatedly his ability to remove political opponents. He worked zealously to repair the Soviet economy through economic reforms and defense spending

cuts. From 1987 onward, Reagan and Gorbachev made great strides in eliminating political obstacles to improved relations, resulting in the end of the Cold War in late 1989.
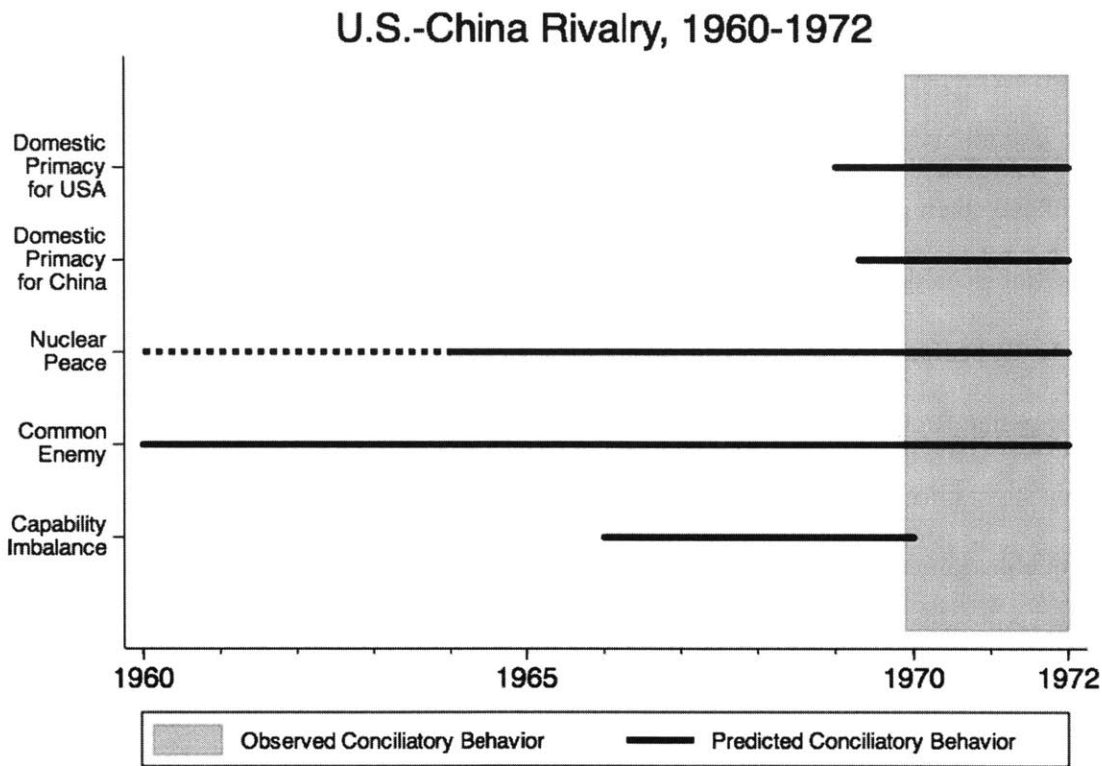
## 2.3 The U.S.-China Rivalry, 1960-1972



Figure 12.2 Observed and Predicted Periods of Conciliatory Behavior in the U.S.-China Rivalry

Chapters 7 and 8 examined the triangular relationship among the United States, China, and the Soviet Union from 1960 to 1972, culminating in the termination of the Sino-U.S. rivalry in 1972. As with the U.S.-Soviet rivalry, the United States was consistently democratic and China was continuously autocratic for the duration of the rivalry, meaning that a democratic peace did not lead to Sino-U.S. rapprochement. From 1960 to 1972, the Sino-Soviet split meant that the United States and China shared a common Soviet enemy. This mutual concern likely contributed to incentives for rapprochement from 1969 to 1972, but common enemy theory fails to explain why Sino-U.S.

relations did not improve earlier than 1969. Nuclear peace theory also fails to predict why Sino-U.S. reconciliation occurred so late. China first tested a nuclear weapon in 1964, but even prior to 1964, China was willing to maintain a rivalry with the United States despite the overwhelming U.S. advantage in strategic weapons. That advantage was still substantial until the end of the Sino-U.S. rivalry in 1972, with internal U.S. documents correctly assessing that China was years away from a capability to deliver nuclear weapons onto the U.S. homeland and U.S. planners reasonably confident in their ability to minimize the damage from China's small nuclear arsenal.

Domestic primacy theory explains that Sino-U.S. relations changed in 1969 because Nixon, with concentrated authority in Washington, felt compelled to decrease U.S. defense spending, which in turn required him to decrease U.S. military commitments to Asia. In China, Mao could consider reconciliation with old foes after having demonstrated his ability to eliminate domestic political opponents. Twin superpower adversaries could be deterred only if China shouldered a massive defense burden and further militarized its economy. Mao opted to prioritize threats and repair relations with the United States.

## 2.4 The Sino-Soviet Rivalry, 1960-1990

The Sino-Soviet rivalry began despite the Soviet Union's asymmetric possession of nuclear weapons, and despite the presence of a common enemy, the United States, with which both the Soviet Union and China had a history of conflict. Even as Sino-U.S. and U.S.-Soviet ties improved, the Sino-Soviet rivalry persisted. The durability of the Sino-Soviet rivalry, despite myriad incentives to improve relations, is remarkable. Five separate theories, including domestic primacy theory, suggest the presence of favorable circumstances for Sino-Soviet rapprochement in the late 1960s and early 1970s, but the Sino-Soviet relationship improved little (see Figure 12.3 below). The Soviet Union did propose several conciliatory initiatives, consistent with domestic primacy theory, but

China did not reciprocate, perhaps content to improve relations with only one of its rivals (the United States) during this period. The persistence of Sino-Soviet conflict during this period is a puzzle and deserves more focused inquiry than it has yet received.

## Soviet Union-China Rivalry, 1960-1990



Figure 12.3 Observed and Predicted Periods of Conciliatory Behavior in the Sino-Soviet Rivalry

Chapter 9 examines the Sino-Soviet relationship after 1973. Given the ongoing failure of Sino-Soviet diplomacy, the Soviet Union dramatically increased its military capabilities on the Sino-Soviet border after 1969, leading to a prolonged period of material capability imbalance that favored Moscow. Rather than prompting China to pursue rapprochement, the Soviet military threat along the Chinese border became one of the primary obstacles to Sino-Soviet normalization. Only after Gorbachev began removing Soviet military units in the Far East, Mongolia, and Afghanistan did China assess that Soviet entreaties to improve bilateral relations were sincere. Domestic primacy theory proposes that Gorbachev, capable of decisive action because of his

executive authority, was motivated by the Soviet Union's major economic crisis, while Deng too had

the ability to formulate and execute Chinese foreign policy according to his preferences. When

China encountered inflationary and budgetary crises in the late 1980s, this gave added urgency to

Beijing to reciprocate Gorbachev's conciliatory initiatives, leading to Sino-Soviet rivalry termination

in May 1989.


**2.5 The Indo-Pakistani Rivalry, 1947-2000**
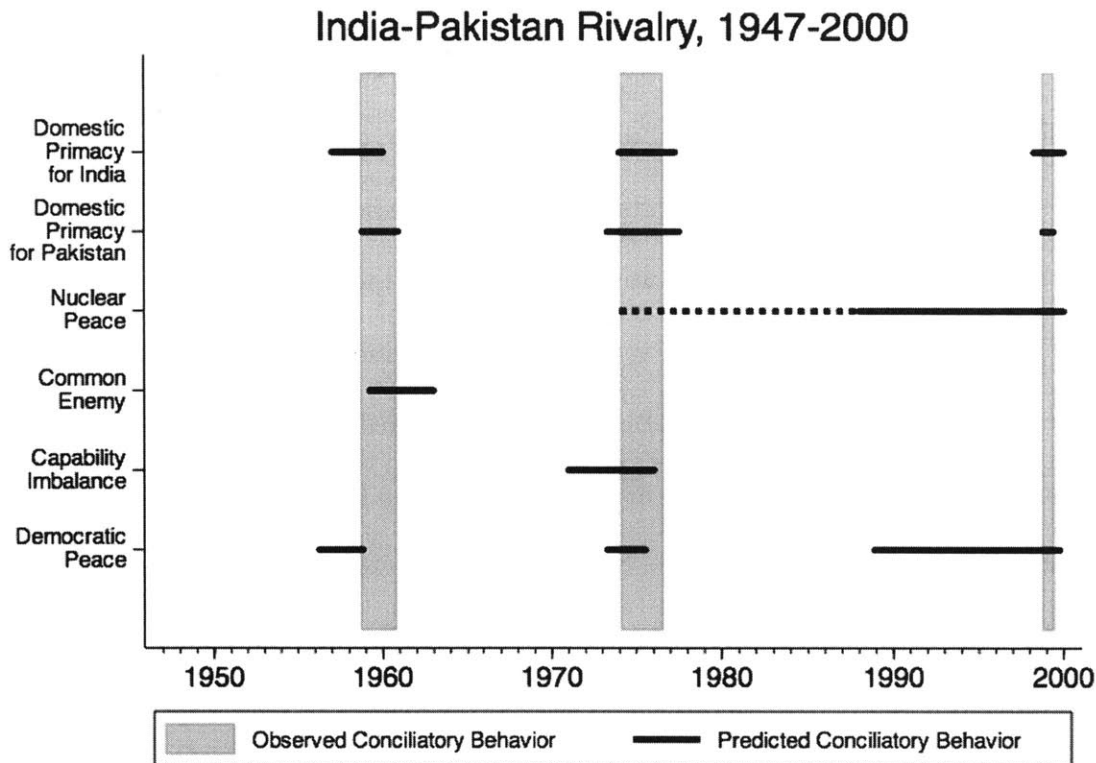


Figure 12.4: Observed and Predicted Periods of Conciliatory Behavior in the India-Pakistan Rivalry

Chapter 10 examined the India-Pakistan rivalry, examining three episodes of changing

bilateral relations from 1955 to 1960, 1971 to 1977, and 1988 to 1999. Each episode captures

changing theoretical predictions for domestic primacy theory and its four alternatives. Given

Pakistan's sad history of regime instability, it has been recurrently governed by both democratic and

autocratic governments. India, meanwhile, has largely been ruled democratically, though Indira Gandhi lurched toward authoritarianism from 1975 to 1977. Mutual democracy in Pakistan and India is congruent with portions—but not all—of the three episodes of rapprochement experienced by India and Pakistan (see Figure 12.4 above). India and Pakistan signed an agreement to resolve the . Cooch-Behar Enclaves along the border of India and East Pakistan in 1958, weeks before Pakistan's first military coup in October. Rather than interrupt bilateral progress, however, the new military dictator, Ayub Khan, proceeded to sign additional agreements resolving territorial disputes between India and Pakistan, while also pushing his government to conclude negotiations on the Indus Waters Treaty that managed access to shared water resources between the two rivals. Similarly, in the 1970s, Indira Gandhi made progress with Zulfikar Ali Bhutto in Pakistan on restarting commercial, cultural, and diplomatic links between both countries, as well as resolving outstanding issues from the 1971 Indo-Pakistani war. This progress was not halted when Indira Gandhi declared an "Emergency" in June 1975. If anything, her suspension of procedural democracy made it easier for Gandhi to restore diplomatic relations with Bhutto's Pakistan. Finally, the democratic government of Nawaz Sharif made progress on bilateral relations with India and backchannel talks over Kashmir with the Atal Behari Vajpayee government in New Delhi from 1998 to 1999, but democratic peace theory has difficulty explaining why such progress was not forthcoming earlier, since democratically elected governments under Benazir Bhutto and Nawaz Sharif ruled Islamabad from 1988 onward.

India always had material advantages over Pakistan given a larger Indian population, economy, and military. Those material asymmetries were most stark in the immediate aftermath of the 1971 war where Pakistan lost its eastern wing. This period of greatest asymmetry does correspond to progress in Indo-Pakistani relations, but neither earlier nor later episodes of rapprochement were characterized by large capability imbalances.

India first tested a nuclear explosive device in May 1974, while Pakistan likely did not acquire a nuclear weapon that it could deliver reliably until the mid-1980s. A portion of the rapprochement that took place between Indira Gandhi and Zulfikar Ali Bhutto took place after India's nuclear test, though progress in India-Pakistan negotiations began in April 1974, weeks before the secret nuclear test took place. Even if Indo-Pakistani rapprochement was facilitated by nuclear deterrence in the mid-1970s, India's nuclear possession does not explain why such progress was interrupted after Bhutto's overthrow in July 1977.

Domestic primacy theory attributes each of these episodes of rapprochement to the presence of strong leaders in India and Pakistan. While domestic primacy theory does not explain the 1958 agreement on the Cooch-Behar enclaves, progress on the Indo-Pakistani western border in 1959 and the Indus Waters Treaty in 1960 does conform to its predictions. Jawaharlal Nehru and Ayub Khan were dominant figures in both governments and had wide latitude to make foreign policy. They continued in office, but after 1960 their economic urgency dampened as a result of substantial outside economic aid that flowed to both India and Pakistan. Progress in the 1970s occurred after Nehru's daughter, Indira Gandhi, emerged preeminent in Indian politics, defeating competitors who sought to constrain her authority. In Pakistan, Zulfikar Ali Bhutto was initially wary to make concessions after replacing the disgraced Yahya Khan, but after he had secured his preferred constitution in 1973 and demonstrated an ability to reshuffle senior military officers, he began to make compromises with India in 1974. While he perceived that he was in total control of Pakistani politics, he underestimated the military's concerns about his policies, and he was overthrown in a coup in July 1977 that he did not anticipate. Both leaders focused on improving external relations so they could cope with the difficult economic shocks created by the October 1973 Arab-Israeli war, which led to considerable inflation and economic strain in both India and Pakistan states. Finally, domestic primacy theory predicts that Nawaz Sharif would wait until he

eliminated domestic political competitors and weakened institutional constraints on the premiership, a process that was largely complete by 1998. With an Indian counterpart, Atal Behari Vajpayee, who held centralized authority over foreign policy, Sharif was able to make rapid progress in the Lahore Process. As with Zulfikar Ali Bhutto, Sharif underestimated his control of the Pakistani military, which sabotaged his peace effort with India by launching a military operation near the Indian town of Kargil in 1999. When Pakistani troops were discovered that spring, the third episode of Indo-Pakistani rapprochement ended, replaced by the fourth Indo-Pakistani war.

## 2.7 Quantitative Tests and Generalizability

Chapter 11 exploited proxy indicators of domestic primacy theory and the alternative explanations to assess whether the findings in chapters 4 through 10 represented general tendencies. It found considerable evidence that economic downturns, experienced by leaders unencumbered by institutional veto players, result in a dramatic increase in the likelihood of rivalry termination. This provides strong suggestive evidence in favor of domestic primacy theory. These tests found this strong relationship even when accounting for alternative explanations, which did little to attenuate the combined effect of political capability and economic necessity on rivalry termination.

## 3 Avenues for Future Research

This research has focused on the end of rivalries, but many of these same characteristics ought to operate with equal or greater force at the beginning of rivalries. Are states that experience economic growth more likely to incur new international enemies? During periods of economic expansion the future costs of confrontational politics may seem manageable. What is the net effect of foreign policy veto players on the onset of rivalry? This dissertation has shown that veto players exert a powerful inertial effect on foreign policy that maintains confrontation even when other

incentives encourage peace. The absence of veto players permits policy transformation. There may be a downside of decisiveness, however, since leaders operating without foreign policy veto players may be more prone to begin rivalries. This project has focused on the barriers to peace, but veto players may also erect barriers to dangerous foreign policies as well. The absence of veto players appears to be associated with militarized interstate disputes, and it seems worthwhile to test whether a lack of institutional constraints may make new rivalries more likely.[1] It may well be true that concentration of executive authority both makes it more likely for rivalries to begin and to end. Similarly, while the alternative explanations tested here may do a poor job explaining when rivalries end, some of them may perform well in predicting when rivalries are unlikely to begin. For instance, extant rivalries may not end with democratization, but it may well be true that two democratic governments are unlikely to begin a rivalry in the first place. Only by examining why rivalries begin and why they end is it possible to understand fully how international politics can become more or less peaceful.

Future research should also be able to exploit better data about rivalry and domestic political and economic circumstances. The qualitative case studies have utilized an array of sources to provide nuanced, fine-grained assessments of the changing nature of bilateral relations over time. The quantitative tests have only examined a dichotomous either/or measure of whether a rivalry persists or ends. More data, capturing a wider array of interactions between states, ought to make it possible to measure the state of bilateral relations in a continuous fashion. As "event data" sets become more transparent, continuous measures of rivalry outcome should permit assessments of whether large economic changes are associated with larger effects and small economic changes are associated with smaller effects. Some changes may be associated with rhetorical worsening of the

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[1] See, e.g., Jessica Weeks, *Dictators at War and Peace* (Ithaca, NY: Cornell University Press, 2014).

relationship, while other changes may spur violence.[2] With only 67 rivalry terminations since 1950, however, current dichotomous measures of rivalry outcomes do not permit demanding functional forms or complicated quantitative tests.

This research has also exploited the fact that institutional measures of executive authority are correlated with foreign policy authority. However, in order to test domestic primacy theory, directly utilizing data examining *de jure* and *de facto* constraints on foreign policy authority is far preferable. This data collection effort would be significant, but would likely prove fruitful. Measures that capture variation in foreign policy authority ought to significantly outperform existing proxies, many of which were developed to explain domestic economic outcomes, in explaining international political outcomes.

By examining how domestic primacy theory applies to related but distinct research questions, and utilizing new data to test the theory and its logical implications, additional research can provide a deeper understanding of the complicated relationship between political authority, economic need, and foreign policy outcomes. This dissertation has advanced that research agenda, but considerable work remains to be done.

## 4 Final Words

This dissertation has focused on when the costs associated with rivalry become more or less onerous for their participants, and when leaders are able to alter national policy. In doing so, it has argued that the incentives created by international politics generate very different reactions depending on the conditions of the affected state. It draws from key insights from two established schools in international relations scholarship. Liberal theories emphasize the importance of

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[2] Erin Baggott uses detailed data derived from U.S. newspaper reports from 1945 to 2006 to examine how distinct combinations of political and economic variables are associated with changes in verbal and material conflict with foreign states. Erin Baggott, "Diversionary Cheap Talk: Domestic Discontent and U.S. Foreign Policy, 1945-2006," presentation to the International Studies Association conference, Toronto, March 28, 2014.

individual preferences aggregated through state institutions, while neoclassical realist approaches

argue that state responses to the shifting international environment are shaped profoundly by

domestic institutional arrangements. Both approaches emphasize the importance of detailed

knowledge in providing context, while they remain optimistic about the possibility of producing

generalizable, cumulative knowledge about international politics. If this dissertation has succeeded, it

has done so in part because of the considerable opportunities that await those who examine politics

at the intersection of international relations and comparative politics.

# APPENDIX A: INTERSTATE RIVALRIES SINCE 1950

William Thompson and David Dreyer record 109 dyads that have experienced international rivalries since 1945.[1] Of those rivalries, 71 terminated since 1945. Chapter 11 and Appendix B rely on this coding, or my modification of it, to test rivalry outcomes between 1950 and 2007. The following appendix records Thompson and Dreyer's coding, my coding if different, and provides justification for any modifications I made to the dataset provided to me by William Thompson based on his work with Dreyer.[2]

| Rivalry | Thompson-Dreyer Onset and Termination | My Onset and Termination (if Different) | Reference Note: |
|---|---|---|---|
| U.S.-Cuba | 1959-Ongoing | | |
| U.S.-Soviet Union/Russia | 1945-1989, 2007-Ongoing | | |
| U.S.-China | 1949-1972, 1996-Ongoing | | |
| Belize-Guatemala | 1981-1991 | | Note 1 |
| Honduras-El Salvador | 1840-1992 | | |
| Honduras-Nicaragua | 1844-1961 | | |
| Nicaragua-Costa Rica | 1948-1990 | | |
| Nicaragua-Colombia | 1979-1990 | | |
| Colombia-Venezuela | 1831-Ongoing | | |
| Venezuela-Guyana | 1966-Ongoing | | |
| Ecuador-Peru | 1830-1998 | | |
| Brazil-Argentina | 1817-1985 | | |
| Bolivia-Chile | 1836-Ongoing | | |
| Chile-Argentina | 1843-1991 | 1843-1984 | Note 2 |
| Argentina-United Kingdom | 1965-Ongoing | | |
| Netherlands-Indonesia | 1951-1962 | | |
| France-Germany | 1756-1955 | | |
| Spain-Morocco | 1956-1991 | 1956-1975 | Note 3 |
| East Germany-West Germany | 1949-1973 | | |
| Italy-Yugoslavia | 1918-1954 | | |
| Albania-Greece | 1913-1996 | | |
| Croatia-Yugoslavia | 1991-2002 | 1991-1995 | Note 4 |
| Croatia-Bosnia | 1992-2010 | | |
| Yugoslavia/Serbia-Bosnia | 1992-2010 | | |
| Yugoslavia-Greece | 1879-1953 | | |

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[1] William R. Thompson and David R. Dreyer, *Handbook of International Rivalries: 1494-2010* (Washington, DC: CQ Press, 2012).

[2] Electronic correspondence, April 22, 2012.

| | | | |
|---|---|---|---|
| Yugoslavia-Bulgaria | 1878-1955 | | |
| Yugoslavia-Soviet Union | 1948-1955 | | |
| Greece-Bulgaria | 1878-1947 | 1878-1954 | Note 5 |
| Greece-Turkey | 1955-Ongoing | | |
| Soviet Union-China | 1958-1989 | | |
| Armenia-Azerbaijan | 1991-Ongoing | | |
| Guinea-Bissau-Senegal | 1989-1993 | | Note 6 |
| Equatorial Guinea-Gabon | 1972-Ongoing | | |
| Mali-Burkina Faso | 1960-1986 | | |
| Senegal-Mauritania | 1989-1995 | | |
| Mauritania-Morocco | 1960-1969 | | |
| Cote D'Ivoire-Ghana | 1960-1970 | 1960-1966 | Note 7 |
| Ghana-Togo | 1960-1995 | | |
| Ghana-Nigeria | 1960-1966 | | |
| Cameroon-Nigeria | 1975-2008 | | |
| Chad-Libya | 1966-1994 | | |
| Chad-Sudan | 1964-1969, 2004-Ongoing | | |
| Democratic Republic of the Congo-Uganda | 1996-2009 | | |
| Democratic Republic of the Congo-Rwanda | 1996-2009 | | |
| Democratic Republic of the Congo-Angola | 1975-1997 | | |
| Uganda-Kenya | 1987-1994 | 1987-1996 | Note 8 |
| Uganda-Tanzania | 1971-1979 | | |
| Uganda-Rwanda | 1999-2009 | | |
| Uganda-Sudan | 1963-1972, 1994-Ongoing | 1963-1979, 1994-Ongoing | Note 9 |
| Kenya-Somalia | 1963-1981 | | |
| Kenya-Sudan | 1989-1994 | 1989-1993 | Note 10 |
| Tanzania-Malawi | 1964-1994 | 1964-1992 | Note 11 |
| Burundi-Rwanda | 1962-1966 | | |
| Somalia-Ethiopia | 1960-Ongoing | | |
| Djibouti-Eriteria | 1996-Ongoing | | |
| Ethiopia-Eritrea | 1998-Ongoing | | |
| Ethiopia-Sudan | 1965-Ongoing | | |
| Eritrea-Sudan | 1993-Ongoing | | |
| Angola-South Africa | 1975-1988 | | |
| Mozambique-Rhodesia | 1975-1979 | | |
| Mozambique-South Africa | 1976-1991 | | |

| | | | |
|---|---|---|---|
| Zambia-Rhodesia | 1965-1979 | | |
| Zambia-Malawi | 1964-1986 | | |
| Zambia-South Africa | 1965-1991 | | |
| Zimbabwe-South Africa | 1980-1992 | | |
| Morocco-Algeria | 1962-Ongoing | | |
| Libya-Sudan | 1973-1985 | | |
| Libya-Egypt | 1973-1992 | | |
| Sudan-Egypt | 1991-Ongoing | | |
| Iran-Iraq | 1958-Ongoing | | Note 12 |
| Iran-Egypt | 1955-1971, 1979-Ongoing | | |
| Iran-Israel | 1979-Ongoing | | |
| Iran-Saudi Arabia | 1979-Ongoing | | |
| Iran-Afghanistan | 1996-2001 | | |
| Turkey-Syria | 1946-2004 | | |
| Iraq-Egypt | 1943-Ongoing | | |
| Iraq-Syria | 1946-Ongoing | | |
| Iraq-Israeli | 1948-Ongoing | | |
| Iraq-Saudi Arabia | 1932-1957, 1968-Ongoing | | |
| Iraq-Kuwait | 1961-Ongoing | | |
| Egypt-Syria | 1961-1990 | | |
| Egypt-Jordan | 1946-1970 | | |
| Egypt-Israel | 1948-Ongoing | 1948-1979 | Note 13 |
| Egypt-Saudi Arabia | 1957-1970 | | |
| Syria-Jordan | 1946-Ongoing | | |
| Syria-Israel | 1948-Ongoing | | |
| Syria-Saudi Arabia | 1961-1970 | | |
| Jordan-Israel | 1948-1994 | | |
| Jordan-Saudi Arabia | 1946-1958 | | |
| Saudi Arabia-Yemen | 1990-2000 | | |
| Yemen Arab Republic-Yemen People's Republic | 1967-1990 | | |
| Yemen People's Republic-Oman | 1967-1982 | | |
| Bahrain-Qatar | 1986-2001 | | |
| Afghanistan-Pakistan | 1947-Ongoing | | |
| Uzbekistan-Kazakhstan | 1991-Ongoing | | |
| China-Taiwan | 1949-Ongoing | | |
| China-Japan | 1996-Ongoing | | |
| China-India | 1948-Ongoing | | |
| China-Democratic | 1973-1991 | | |

| | | | |
|---|---|---|---|
| Republic of Vietnam | | | |
| N. Korea-S. Korea | 1948-Ongoing | | |
| India-Pakistan | 1947-Ongoing | | |
| Thailand-Democratic Republic of Vietnam | 1954-1988 | | |
| Cambodia-Democratic Republic of Vietnam | 1976-1983 | | |
| Cambodia-Republic of Vietnam | 1956-1975 | | |
| Cambodia-Republic of Vietnam | 1954-1975 | | |
| Malaysia-Singapore | 1965-Ongoing | | |
| Malaysia-Indonesia | 1962-1966 | | |

## Notes

1.  There is a discrepancy between the dataset and the Thompson and Dreyer book. The book records the end date as 1991, which also agrees with my coding of the case.

    Evidence: In September 1991, Guatemala recognized Belize's right to self-determination and its independence, even though continuing the territorial claim. They established full diplomatic relations. Belize modified some of its maritime boundaries to address Guatemalan concerns.[3]

2.  Thompson and Dreyer conclude the rivalry ends in 1991. I argue 1984 is a more defensible coding.

    Evidence: Thompson and Dreyer provide some evidence for the 1984 coding themselves: "In 1984 Argentina and Chile agreed to Chilean possession of the islands, but without the projected economic zone. In a referendum a majority of the Argentina population accepted the terms of the agreement. The treaty was subsequently ratified by the Argentine Congress, bringing an end to the main spatial conflict involving the two states. Further negotiation on boundary disputes continued after 1984, but it is not clear that the various negotiations have had the potential to mobilize public opinion and decision makers to consider resorting to force."[4] The rivalry is also coded as concluding in 1984 by Goertz and Diehl and Bennett's two rivalry datasets from the 1990s.

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[3] See Letter from Said Musa, Prime Minister and Minister of Foreign Affairs of Belize, to Gabriel Orellana Rojas, Minister of Foreign Affairs of Guatemala, June 8, 2000, available http://www.oas.org/sap/peacefund/belizeandguatemala/timelinedocuments/September%2011%201991-through%20the%20June%208%202000%20Letter%20from%20PM%20of%20Belize.pdf; also Joint Communiqué of the Governments of Belize and Guatemala, September 16, 1991, Guatemala City, available http://www.oas.org/sap/peacefund/belizeandguatemala/timelinedocuments/1991-September16-JointCommuniqu%C3%A9oftheGovtsofBelizeandGuatemala.pdf.

[4] William R. Thompson and David R. Dreyer, *Handbook of International Rivalries: 1494-2010* (Washington, DC: CQ Press, 2012), 125-126.

3. Thompson and Dreyer conclude the rivalry ends in 1991. I argue 1975 is a more defensible coding.

> Evidence: The Madrid accords were signed on November 14, 1975 between Spain, Morocco, and Mauritania, ending Spanish presence in Spanish Sahara. While there were still occasionally flare ups (such as seizure by fishing vessels in 1980), this was the last major political decision taken in the Spanish-Moroccan conflict, even as Morocco and Mauritania continued their dispute. With regards to the 1980 fishing dispute, the Spanish government blamed its own fisherman for violating maritime boundaries.[5]

4. Thompson and Dreyer conclude the rivalry ends in 2002, I argue 1995 is a more defensible coding.

> Evidence: No reason is given for 2002 in Thompson-Dreyer: "Although the Dayton Accords and the end of militarized conflict brought about the cessation of spatial conflict, ethnic tensions have not disappeared. Croatia's wartime leader, Franjo Tudjman, died in 1999. Milosevic retained power in Serbia until 2000. Ethnic conflict between Croats and Serbs lingered through the end of the twentieth century. In the post-Milosevic/Tudjman era, interstate relations appear to have become normalized or limited in conflict." Compare with Gagnon's description of 1995: "At the end of 1995, the dynamics of the situation in Serbia changed radically as the military conflict in Bosnia came to an end Beginning in 1994, Washington pursue a strategy meant to put pressure on the SDS leadership in Bosnia to end the conflict and come back to the bargaining table. In the summer of 1995, the Croatian army took back Krajina, and subsequent offensives by the Bosnian Croat Army and the Army of the Bosnian Republic, with NATO air support, later that summer took land held by SDS forces. As these forces approached Banja Luka, the largest city in the SDS-held territory, the SDS leadership agreed to a ceasefire and peace talks. What was striking about the military offensives of the Croatian army was Serbia's role in them. In the case of Krajina, information from people in Krajina indicates that the military forces received orders from Belgrade to pull back into Bosnia, effectively surrendering all of the territory to the Croatian army. In Serbia itself, there were no massive rallies or popular mobilizations over this loss of what had come to be called 'Serbian lands,' and official Serbian media played down the loss of those territories, as well as the subsequent mass exodus of the Serb populations of those territories. Nor was there any massive volunteer movement to go fight on the fronts.... The Dayton peace talks held in November 1995 brought together Milosevic, Croatian President Franjo Tudjman, Bosnian President Alija Izetbegovic, and the heads of the Bosnian HDZ and SDS. The result was a treaty that brought an end to military conflict in Bosnia and brought the international recognition of Bosnia within its pre-war boundaries."[6] Serbian government strategies for mass mobilization shifted from Croatia and Bosnia to Kosovo after Dayton. Serbia and Croatia agreed in August 1996 to restore diplomatic relations and peacefully resolve their few remaining territorial disputes.[7]

5. Thompson and Dreyer's coding concludes the rivalry several years too early. The rivalry persists until 1954, the year diplomatic relations were restored.

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[5] "Morocco Seizes 17 Fishing Boats," *Los Angeles Times*, August 29, 1980.

[6] V.P. Gagnon, *The Myth of Ethnic War: Serbia and Croatia in the 1990s* (Ithaca: Cornell University Press, 2004), 120-1.

[7] "Serbia and Croatia Agree to Diplomatic Relations," *New York Times*, August 8, 1996.

Evidence: There were border skirmishes in 1952 and 1953, but Greece and Bulgaria reached agreement on Evros/Maritsas River in 1953, which laid the groundwork for normalization. Diplomatic relations were restored in 1954.[8]

6. Thompson and Dreyer's dataset erroneously uses country code and abbreviation for Guinea, not Guinea-Bissau. I have corrected the coding to refer to Guinea-Bissau (404), consistent with the book.

7. I argue 1966 is a more defensible coding for the end of the Ghana-Cote d'Ivoire rivalry.

Evidence: A reason for coding it as 1970, Thompson and Dreyer's coding, is that a Ghana-Ivory Coast Friendship Treaty was signed in 1970. But that treaty simply reflects the improved state of relations after the overthrow of Nkrumah. "Already estranged from each other by their divergent views on decolonization and belonging to opposite ideological camps during the balance of power period of African international relations (1960-1963), relations with Ghana (then militant) deteriorated further as a result of Ghana's support for the separatist aspirations of the Sanwi. A shared hostility toward Nkrumah, a preference for the West, and laissez faire capitalism coupled with Busia's endorsement of dialogue with apartheid made the restoration of close bilateral relations compelling after Nkrumah's overthrow. This new relationship was enhanced by the signing of the Ghana-Ivory Coast Friendship Treaty in 1970."[9] "The Busia government [in office from 1969 to 1972] was at pains to re-establish bilateral links with moderate African states that had been at odds with its civilian predecessor. Particular emphasis was placed at the onset on establishing a *modus vivendi* with the surrounding francophone countries of the Ivory Coast, Togo, and Upper Volta."[10] "The overthrow of President Nkrumah in 1966 is an example of a change that opened the way to the settlement of Ghana's border disputes. The coup was followed by the renunciation of Nkrumah's policies by the National Liberation Council. The new government made special efforts to resume normal relations with neighboring states and to reassure them that Ghana harbored no territorial ambitions. A notable gesture was the extradition to the Ivory Coast of the leaders of the Sawni separatist movement, who had been brought to Abidjan by a Ghanaian goodwill mission."[11] "As a result of all this Ghana's relations with most of the other West African States were strained. But when the National Liberation Council (NLC) came to power following the 'coup d'etat' of 24 February, 1966, this situation changed. The NLC Government denounced the Nkrumah policies towards the neighbouring countries and made the cultivation of close relationships with them its first priority. Trade and other agreements with them were signed. There were frequent exchanges of visits between the Ghanaian government representatives and those of the neighbouring

[8] "Greece Holds Line Against Red Bulgaria: UN Likely to Support in Latest Frontier Incident," *Los Angeles Times*, August 9, 1952; "Bulgarians Regain River Islet," *New York Times*, May 6, 1953; "Greek-Bulgar Line Fixed: Athens Reports Completing Task of Joint Border Commission," *New York Times*, September 18, 1953; "Greece is Willing to Renew Sofia Tie: Asks for Joint Talks to Settle Outstanding Issues—Notifies 2 Balkan Partners of Act," *New York Times*, September 23, 1953; and "Pact Fixes Boundary," *Washington Post*, December 31, 1953; "Greece Resuming Bulgar Relations," *New York Times*, May 23, 1954.

[9] Cyril Kofie Daddieh, "Ivory Coast," in *The Political Economy of African Foreign Policy*, eds. Timothy M. Shaw and Olajide Aluko (New York: St. Martin's Press, 1984), 134-5.

[10] Naomi Chazan, "Ghana," in *The Political Economy of African Foreign Policy*, eds. Timothy M. Shaw and Olajide Aluko (New York: St. Martin's Press, 1984), 101.

[11] Saadia Touval, *The Boundary Politics of Independent Africa* (Cambridge, MA: Harvard University Press, 1972), 42.

governments. All these were followed by the Progress Government of Dr. Kofi Busia that took over from the NLC on 1 October 1969. The relationships with the Ivory Coast became especially so warm and cordial under the Busia regime that in May 1970 a five-year Treaty of Friendship and Understanding was signed between the two countries which 'inter alia' committed them to consult each other on matters of international responsibility, and to cooperate fully in social and economic fields."[12] Ghana apologized for Nkrumah's behavior and promised no longer to permit subversion of the Ivory Coast from its territory.[13] Ghana and Ivory Coast signed an agreement to reopen borders in 1966.[14] Coding termination in 1966 also makes it consistent with Ghana-Nigeria, which ends in 1966.

8. The dataset records 1994, while the book records 1995 as the end date of the Uganda-Kenya rivalry. I argue 1996 is more defensible.

> Evidence: There was an interstate dispute in 1995, which suggests the rivalry continued after 1994. A major political event associated with the end of the rivalry was a summit meeting establishing a secretariat for the East African Community. "Locally, linkages improved with Tanzania and Uganda, though progress was slow."[15] In January 1996, leaders of Kenya, Tanzania, and Uganda agreed to establish a secretariat for the East African Community, and that secretariat was launched in March 1996. "Presidents Daniel arap Moi of Kenya and Benjamin Mkapa of Tanzania arrived here Thursday for two days of talks with Ugandan President Yoweri Museveni on reviving East African cooperation. The visiting presidents will also attend celebrations marking the 10th anniversary in power of Museveni's National Resistance Movement, whose National Resistance Army guerrillas stormed to power on January 26, 1986, after a bloody five-year bush war that claimed at least 500,000 lives.... The summit is seen here as a major step forward, especially after a recent feud between Kenya and Uganda, which accused each other of supporting rebels bent on overthrowing their respective governments."[16] More or less non-stop meetings occur and agreements are signed relating to the EAC from 1996 onwards.[17]

9. Thompson and Dreyer's preferred date, 1972, is too early for the end of the Uganda-Sudan rivalry, with serious bilateral tension after that date. Conclusion in 1979 is more defensible.

> Evidence: "[T]ensions dissipated after Idi Amin's coup in Uganda and the resolution of Sudan's civil war in 1972," argue TD.[18] But Klein, Goertz, and Diehl narrative appears to be definitive for a later dating: "There were a number of attacks of Sudan by Uganda in March, 1975 while the Sudanese president was away on a state visit because President Amin believed that Sudan had entered an alliance against Uganda with Tanzania and Britain. Sudan denied this accusation. Sudan and Uganda agreed to resume diplomatic relations on December 30,

[12] Olajide Aluko, "Ghana's Foreign Policy," in *The Foreign Policies of African States*, ed. Olajide Aluko (London: Hodder and Staughton, 1977), 75.
[13] "Goodwill Missions Visit African States," *Ghana Today*, April 20, 1966.
[14] "Ghana and Ivory Coast Sign Border Agreement," *Ghana Today*, June 1, 1966.
[15] Charles Hornsby, *Kenya: A History since Independence* (New York: I.B. Taurus, 2012), 567.
[16] "Kenyan, Tanzinian Presidents Arrive for Cooperation Talks," *Agence France Presse*, January 25, 1996.
[17] East African Community, "History of the EAC – Milestones in the EAC Integration Process," http://www.eac.int/index.php?option=com_content&id=44&Itemid=54&limitstart=1 (accessed July 30, 2014).
[18] Thompson and Dreyer, *Handbook of International Rivalries*, 244.

1979."[19] This coding would also make termination consistent with Uganda-Tanzania, which ends in 1979.

10. Thompson and Dreyer code the rivalry ending at the conclusion of Kenyan mediation of the end of the Sudanese civil war in 1994, I believe it is more accurate to date it from the commitment by both Kenya and Sudan to engage in that mediation, the previous year in 1993.

> Evidence: This is a poorly documented case. Sudan welcomed Moi's role as a mediator in the Sudanese war in 1993, which suggests it no longer feared Kenya (or at least not nearly to the degree it feared internal combatants.)[20]

11. Sometimes Thompson-Dreyer will code rivalries ending with a particular leader, as a convenience, if they do not identify any other reason for a shift away from competitive relations. I try to avoid this and look for political settlements if possible. In this case, Malawi and Tanzania appeared to shift their relations prior to departure of Banda as Malawi's head of state, when they joined the South African Development Community in 1992.

> Evidence: Malawi and Tanzania were members of the 8 initial signatories to the South African Development Community, which commits members to "promote and defend peace and security".

12. Thompson and Dreyer's dataset erroneously uses country code for Syria (652) instead of country code for Iraq (645). There is no Iran-Syria rivalry in the Thompson and Dreyer book. I have corrected the coding to refer to Iraq (645).

13. I believe the Camp David accords effectively ended the Israel-Egypt rivalry. It may have reemerged in recent years as a result of Egyptian turmoil, but there was a prolonged and enduring peace after 1979.

> Evidence: This coding is consistent with Scott Bennett's "In 1974 Israeli forces began a pull back of forces that continued through 1975. In 1975 the two sides signed an interim peace pact in Geneva, and in 1978 the Camp David accords were signed by Sadat and Begin, but it was not until 1979 that a full peace treaty was signed. The treaty agreed to a phased withdrawal to the earlier Israeli and Egyptian borders, with the Gaza strip to remain under Israeli administration until eventually being given autonomy. Egypt also took the step of recognizing Israel as a sovereign state, a move which resulted in its alienation from the rest of the Arab World for a decade. Since the signing of the treaty there have been no militarized disputes between Egypt and Israel, although Egypt temporarily withdrew its ambassador from Israel over the Israeli invasion of Lebanon. Talks between the two states resumed when Israel pulled out; Israel's withdrawal from the Sinai was completed in 1982, although talks on Gazan autonomy have continued. Further disagreements between the two countries over the terms of the peace agreement have been submitted to arbitration, and arbitration awards have been respected (e.g., the disputed frontier at the Taba, 1986)."[21]

[19] J. Klein, G. Goertz, and P. Diehl, "The new rivalry data set: procedures and patterns," *Journal of Peace Research* 43 (2006): 331–48.
[20] "Sudan Welcomes African Good Offices," *Agence France Presse*, September 26, 1993.
[21] Bennett quoted in Klein, Goertz, and Diehl conflict narrative from "The new rivalry dataset."

APPENDIX B: THE COSTS OF RIVALRY AND THE INCENTIVES FOR PEACE

**1 Introduction**

This appendix tests whether rivalries are costly for their participants, as I posited in chapter 2. These analyses shows rival states spend more money than they would otherwise to compete within the rivalry and safeguard their security. The direct costs of military competition are not the only costs incurred from rivalry. This appendix also shows that rivalries impair interstate cooperation, resulting in substantial declines in two-way trade between rival states. After demonstrating the costs of rivalry, this appendix then turns to demonstrating the benefits of rivalry termination. Terminating a rivalry permits states to spend less money on their militaries than they would otherwise, while also enabling them to engage in greater international commerce with former enemies. These facts help explain why economic crises spur leaders to pursue rapprochement when they have the political capacity to do so. The economic costs of rivalry are real, and the potential benefits from ending rivalry are substantial.

**2 Rivalries Are Costly and Ending Rivalry Is Rewarding**

Do states in rivalry expend additional resources as long as that rivalry persists? Can ending the rivalry allow them to divert resources to other tasks? The evidence from rivalries since 1950 suggests that rivalries are costly and ending them is rewarding.

**2.1 States in Rivalries Spend More on Defense than States outside Rivalries**

Rivalries are costly because leaders have determined that there is a greater risk of military conflict arising out of political disputes and prepare accordingly to defend against that danger. So long as those political disputes remain and military means are viewed as a possible avenue for

redress, the risk of military conflict will remain elevated. While intuitive, the claim is somewhat

contrary to major avenues of established international relations scholarship. Structural realists

(among others) argue that since virtually all states possess at least some offensive military capability

and since "states can never be certain about other states' intentions" it necessarily follows that "no

state can be sure that another state will not use its offensive military capability to attack the first

state."[1] If capability alone mattered, then rivalry ought to have no effect on state military

expenditure. States would look only at the material capabilities of surrounding states. Instead, the

evidence suggests that states do consider intentions as they allocate resources to national defense.

States in rivalry view a select few other states as likely foes, and states prepare for fights with foes

with greater seriousness than they prepare for unexpected and nameless dangers.

To test the relationship between rivalry and military expenditure, I examined data from more

than 7,000 country-years of observations involving 171 distinct countries from 1950 to 2008. Table

1 presents results that indicate rivalry is substantively and statistically associated with greater military

spending. The dependent variable is the natural log of *military expenditures*, as measured in current-

year U.S. dollars by the Correlates of War National Military Capabilities dataset.[2] The existence of a

rivalry is measured according to the criteria laid out in chapter 3, drawing extensively on the work

done by William Thompson and David Dreyer.[3] Since a state can be involved in multiple rivalries,

the *rivalry* variable counts the number of rivalries in which a state participates in a given year.

A positive relationship between rivalry and military expenditure is evident under a variety of

estimation strategies. Model 1 shows results from multivariate Ordinary Least Squares (OLS)

regression. Model 2 shows results from a fixed effects regression, which calculates a different

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[1] John Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton, 2001), 31.
[2] I use v.4.0 of the dataset, originally introduced in J. David Singer, Stuart Bremer, and John Stuckey, "Capability Distribution, Uncertainty, and Major Power War, 1820-1965," in *Peace, War, and Numbers*, ed. Bruce Russett (Beverly Hills: Sage, 1972), 19-48.
[3] William Thompson and David Dreyer, *Handbook of International Rivalries: 1494-2010* (Washington, DC: CQ Press, 2012).

average rate of military spending for each state, with coefficient estimates showing deviation from the average for that state. Model 3 shows results from a "first-differences" regression, which assesses only the changes in values for each variable from year-to-year. Model 3 presents the "hardest" test, since it only compares results from the year before and after a rivalry starts and ends, so any gradual changes in military expenditure caused by rivalry onset or termination are omitted from the comparison.

Each model controls for the natural log of the size of the *gross domestic product* in current U.S. dollars, the level of *democracy* as measured by the state's Polity 2 score, the presence or absence of an interstate *war* involving the state or a *civil war* within that state, whether the state possesses *nuclear weapons*, and a time polynomial to capture global tendencies to spend more or less on militaries in different time periods.[4] Models 2 and 3, by only assessing time-varying aspects of the relationship, also control for any time-invariant aspect of the state that might affect military spending, such as its geography or enduring strategic culture.

The results presented in Table 1 below for Models 1 and 2 indicate that for each additional rivalry in which a state competes in a given year, that state is expected to spend 23 percent or 29 percent more on its military in that year.[5] Models 1 and 2 report the average difference between military spending for states involved in greater or fewer rivalries. Model 2 estimates the average difference in military spending within a state from periods with greater or fewer rivalries, while Model 3 only reports the average differences in military spending within a state associated with the

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[4] GDP is from Kristian S. Gleditsch, "Expanded Trade and GDP data," *Journal of Conflict Resolution* 46, no. 5 (2002): 712-24; Polity2 is from Monty G. Marshall and Ted Robert Gurr, "Polity IV Project: Political Regime Characteristics and Transitions, 1800-2012," http://www.systemicpeace.org/polity/polity4.htm; war and civil war data are from Meredith Reid Sarkees and Frank Wayman, Resort to War: 1816-2007 (Washington DC: CQ Press, 2010), using version 4.0 and 4.1 respectively; nuclear weapons coding Philipp C. Bleek, "Why Do States Proliferate: Quantitative Analysis of the Exploration, Pursuit, and Acquisition of Nuclear Weapons," *The Role of Theory*, 159-92, vol. 1 of *Forecasting Nuclear Proliferation in the 21st Century*, ed. William Potter and Gaukhar Mukhatzhanova (Stanford: Stanford University Press, 2010).

[5] When the dependent variable is logged and the independent variable is not, a one-unit change in the independent variable is associated with a $100 * (e^{\beta_1} - 1)$ percentage change in the dependent variable.

onset or conclusion of a rivalry. Model 3, which assesses the one-year change associated with the

beginning or end of a rivalry, reports a 5 percent increase in military spending with each additional

rivalry even in this very narrow time window. Rivalry has substantial costs and those costs are felt

suddenly.[6]

Table 1: Rivalry and Military Expenditure

| Military expenditure (natural log) | (1) OLS | (2) Fixed Effects | (3) First Differences |
|---|---|---|---|
| Rivalries | 0.215*** | 0.258*** | 0.046** |
| | (0.056) | (0.045) | (0.022) |
| GDP (natural log) | 1.206*** | 0.742*** | 0.285*** |
| | (0.064) | (0.154) | (0.091) |
| Polity 2 | -0.041*** | -0.048*** | -0.015*** |
| | (0.012) | (0.010) | (0.005) |
| War | 0.428*** | 0.256*** | 0.072*** |
| | (0.108) | (0.093) | (0.024) |
| Civil war | 0.176 | 0.336*** | 0.145*** |
| | (0.146) | (0.092) | (0.045) |
| Nuclear weapons | 0.372 | -0.328 | 0.071** |
| | (0.321) | (0.238) | (0.030) |
| Time Polynomials? | Yes | Yes | No |
| State Fixed Effects? | No | Yes | No |
| Observations | 7,332 | 7,332 | 7,071 |
| R-squared | 0.795 | 0.712 | 0.008 |

Robust standard errors in parentheses, clustered by state    *** p<0.01, ** p<0.05, * p<0.1

[6] Robustness checks conducted include: using total number of military personnel as the dependent variable instead of military expenditures, using Thompson and Dreyer's dating instead of my own, lagging the covariates, creating a lagged endogenous variable, measuring rivalry as a dichotomous dummy variable instead of a count of total variables, including a dummy variable if the state is classified as a major power in the year in question, and measuring per capita income and population as distinct variables rather than simply measuring the size of the economy as a whole. None of these changes alter the statistical or substantive significance (the lagged endogenous variable finds substantive results similar to those reported in Model 3).

## 2.2 Rivalry Impairs International Economic Cooperation

Rivalry also impairs international economic cooperation, since states concerned about military competition are more worried that their rival might obtain relative gains from trade even if both states might benefit in absolute terms from commerce. This effect is intuitive, but has often been ignored in studies of war and conflict, which have emphasized the presence of a negative relationship between trade and war. These studies argue that more trade increases the cost of war and hence makes war less likely.[7] If rivalry impairs economic cooperation, though, that finding might be the result of an omitted variable, since rivalry both causes war and causes less trade.

To test this relationship, I fitted a traditional gravity model to bilateral trade data from more than 480,000 dyad-year observations involving over 16,000 distinct dyads between 1950 and 2000.[8] The dependent variable is the natural log of the value of all *bilateral trade* between two countries in a given year and the independent variable is the presence or absence of *rivalry* between those states. I include control variables for the size of the two respective economies' *gross domestic products*, the *distance* between them, whether or not a state was previously a *colony* of or colonizer of the other state, whether or not a state shared a *common colonizer* with another (third) state, whether or not a state shares a *common language* with the other state, and whether or not a state is *contiguous* to the other state, along with a time polynomial to capture systemic changes in the propensity for trade that change over time.[9] Table 2 presents the results, which suggest rivalries strongly reduce bilateral trade. Model 4 presents the results of an OLS regression, Model 5 presents a fixed effects regression that

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[7] John R. Oneal and Bruce M. Russett, "The Classical Liberals Were Right: Democracy, Interdependence, and War," *International Studies Quarterly* 41 (1997): 267-294; Erik Gartzke, "The Capitalist Peace," *American Journal of Political Science* 51, no. 1 (January 2007): 166-91.

[8] A gravity model assumes trade is a function of the size of two economies multiplied by one another, and then divided by the distance between the two countries. Since $\log((xy)/z) = \log x + \log y - \log z$, I have taken the natural log of trade, distance, and GDP.

[9] Trade, GDP, and population data from Gleditsch, "Expanded Trade and GDP data"; additional control variables from Thierry Mayer and Soledad Zignago, "Notes on CEPII's Distances Measure: the GeoDist Database," *CEPII Working Paper*, no. 25 (2011).

calculates deviations from the average for a particular dyad, while Model 6 presents a first-differences regression that assesses only changes in trade at the beginning and end of a rivalry.

Table 2: Rivalry and Trade

| Total value of bilateral trade (natural log) | (4) OLS | (5) Fixed Effects | (6) First Differences |
|---|---|---|---|
| Rivalry | -0.772*** | -1.019*** | -0.210*** |
| | (0.174) | (0.172) | (0.072) |
| GDP of state 1 (natural log) | 0.365*** | 0.306*** | 0.091*** |
| | (0.005) | (0.015) | (0.006) |
| GDP of state 2 (natural log) | 0.328*** | 0.319*** | 0.072*** |
| | (0.005) | (0.013) | (0.005) |
| Distance between state 1 and state 2 (natural log) | -0.402*** | | |
| | (0.014) | | |
| Prior colonial relationship | 1.510*** | | |
| | (0.115) | | |
| Common colonizer | 0.073*** | | |
| | (0.024) | | |
| Common official primary language | 0.216*** | | |
| | (0.024) | | |
| Contiguous | 0.470*** | | |
| | (0.102) | | |
| Time Polynomial? | Yes | Yes | No |
| Dyad Fixed Effects? | No | Yes | No |
| Observations | 488,746 | 518,522 | 500,330 |
| R-squared | 0.525 | 0.447 | 0.002 |

Robust standard errors in parentheses, clustered by dyad  *** p<0.01, ** p<0.05, * p<0.1

Models 4 and 5 suggest that rivalries are associated with 53 percent or 63 percent less trade, respectively, while model 6 finds rivals trade 19 percent less with one another even when only comparing the beginning and end of rivalry to the preceding or following years. As with the data on

military expenditures, the data on bilateral trade suggests substantial economic costs to international rivalry that are incurred quickly by states within rivalries.[10]

## 2.3 States Spend Less on Defense after Rivalry Termination

Domestic primacy theory argues that states are motivated to conclude rivalries during economic crisis so they can free up resources to allocate to other priorities. If this is true, then the end of rivalries should be associated with less military expenditure. The previous analysis found that rivalry elevated defense spending, but given bureaucratic inertia and other ratchet effects, it seems possible that defense spending might decline by less after a rivalry concludes than it increased at the onset of rivalry. If ratchet effects are severe, there might not be any cost savings after a rivalry terminated. To account for this possible path dependence, I created two new variables: *maximum rivals* is a positive integer that counts the maximum number of rivalries since 1945 in which a state participated at one time and *terminations* is a positive integer that records the difference between the maximum number of rivalries a state has experienced and the number of rivalries in which it currently participates.[11]

Table 3 shows that defense spending decreases after rivalry termination, just as domestic primacy theory would predict. Model 7 provides an estimate with fixed effects by state, which indicates that the maximum number of rivalries in which a state participates increases defense spending by about 35 percent per rivalry, while each decrease in rivalry involvement decreases

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[10] As robustness checks, I also included alternative measures of distance, substituted Thompson and Dreyer's dating for rivalry onset and termination, included a variable measuring regime type of both states, or difference in regime type between states, as measured by Polity 2 scores, included a variable measuring the presence of a common enemy, and fitted an estimate excluding dyads with no bilateral trade. None of these altered the statistical or substantive significance of the results presented above.

[11] If a state terminates a rivalry in the same year that it initiates a new rivalry, *terminations* would record no net change in rivalry.

defense spending by approximately 20 percent per termination.[12] There may be ratchet effects, but the potential savings from rivalry termination are still substantial if a state can reach political settlements with its enemies. After a state has resolved its rivalries, its military spending is indistinguishable statistically from a state that has not participated previously in rivalries.[13]

Table 3: Military Expenditure and Previous Rivalry

| Military expenditure (natural log) | (7) Fixed Effects |
|---|---|
| Maximum Rivals | 0.303*** |
| | (0.069) |
| Rivalry Terminations | -0.234*** |
| | (0.055) |
| GDP (natural log) | 0.743*** |
| | (0.154) |
| Polity 2 | -0.048*** |
| | (0.010) |
| War | 0.251*** |
| | (0.095) |
| Civil war | 0.336*** |
| | (0.092) |
| Nuclear Weapons | -0.325 |
| | (0.231) |
| Time Polynomial | Yes |
| Fixed Effects | Yes |
| Observations | 7,332 |
| R-squared | 0.716 |

Robust standard errors in parentheses, clustered by state
*** $p<0.01$, ** $p<0.05$, * $p<0.1$

[12] An OLS estimator without state fixed effects provides statistically and substantively similar results if regional (Asia, Africa, Middle East, Americas) dummy variables are included.

[13] If a state has been party to one rivalry, and has terminated its rivalry, the model estimates that its military spending will be 7 percent greater than a state that has not participated in any rivalries, but this estimate is indistinguishable from zero at conventional levels of statistical significance.

## 2.4 Former Rivals Pursue Greater Economic Cooperation

The results are even starker when assessing the relationship between rivalry termination and bilateral trade. Rivalry is enabled by the ability to project military power against one another, which often means that rivalry is more common in states that could also trade in substantial volume with one another. Rivalry suppresses trade, as models 4, 5, and 6 demonstrated above, but in rivalry's absence, trade can flourish. I create two new variables: *past rival* measures whether a dyad has experienced a rivalry in the past or is currently characterized by rivalry, while *termination* records whether that past rivalry is no longer active in a current year. Using a fixed effects estimator and covariates from model 5 above, the results presented in Table 4 indicate past rivalry between two states is associated with a 40 percent reduction in their bilateral trade, but terminating that rivalry is associated with trade doubling between the former rivals.[14] In other words, trade between rivals is substantially less than would be expected between similar states so long as rivalry persists (as models 4, 5, and 6 found above), but substantially more after its termination.

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[14] Since by definition, a rivalry termination can only occur if a state has previously experienced a rivalry, the net change in trade can be found by adding the two coefficients for *past rivalry* and *termination*. That results in an estimate of 0.745, which using the formula presented in fn. 5 leads to a prediction of a 110 percent increase in trade after the termination. An OLS estimator without dyad fixed effects provides results that are statistically and substantively equivalent to the fixed effects estimates presented here.

Table 4: Trade and Previous Rivalry

| Total value of bilateral trade (natural log) | (8) Fixed Effects |
|---|---|
| *Past or ongoing rivalry* | -0.526** |
| | (0.262) |
| *Termination* | 1.271*** |
| | (0.180) |
| *GDP of state 1* (natural log) | 0.306*** |
| | (0.015) |
| *GDP of state 2* (natural log) | 0.319*** |
| | (0.013) |
| Time Polynomial? | Yes |
| Dyad Fixed Effects? | Yes |
| Observations | 518,522 |
| R-squared | 0.452 |

Robust standard errors in parentheses, clustered by dyad
*** $p<0.01$, ** $p<0.05$, * $p<0.1$

## 4 Conclusion

Drawing on data from the more than one hundred rivalries since 1950, this appendix demonstrated that rivalries were costly and terminating rivalries was economically beneficial. This provides foundational support to the logic of domestic primacy theory. Leaders should be aware of these costs if rivalry persists and the potential benefits that can be secured if peace is possible.

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