The Long Good Bye: American Strategy Since JFK

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How many times have you seen the United States snatch defeat from the jaws of victory? From Yalta at the end of WWII to present-day Iraq, Syria, and Libya-- and a dozen times in between—Korea, Vietnam, Iran, come to mind. Our national security pundits have explained each defeat in terms of bad luck, bad policy, incompetent leadership, misuse of power, or presidential stupidity. And each incident is discussed de novo, unconnected to what went before. Maybe, just maybe, there is a better way to look at it.

It was George Santayana who said that those who do not remember the past are condemned to repeat it. But it is not enough simply to remember the past; we must understand it. But what about it should we understand? What we must understand are the policy choices our leaders have made and the means they have chosen to implement them. And that means understanding strategy.

What I mean by strategy is structure, future structure—whether we are speaking of a geopolitical structure, a balance of military power, the structure of economic power, financial power, or what have you. Choosing a strategy involves making choices about future structural ends and the means to achieve them, but the end drives the means. Thus, simply analyzing foreign policy gets you nowhere without reference to the structural ends it is supposed to serve.

So, what I propose to do is to present an interpretation of our recent past, and examine six strategic decisions that have brought us to where we are today. It will necessarily be cursory, but we can connect enough of the dots to show that there has been method to our seeming madness.

The United States gained a forward position on the Eurasian landmass as a result of our victory in WWII. In the Cold War that followed we decided to hold that forward position, formalizing it with the global “containment” strategy. Conventional wisdom holds that we have unsuccessfully struggled to maintain it ever since. Hence, our current unsatisfactory circumstance derives from a failure to maintain containment.

I believe that interpretation is correct only for the early postwar years and that the United States changed strategy fundamentally under John F. Kennedy to what I call “détente and withdrawal,” and from 1961 began what turned out to be a long retreat from that forward position.

The decision to change strategy was not unanimous, however, and for the twenty-five years from 1961 until 1986, successive leaders fought over and reversed our strategy no fewer than six times--until 1986, when, in the context of the Iran-Contra scandal, the issue of American strategy was finally resolved.

Since then, for the past thirty years, the United States has pursued the détente and withdrawal strategy consistently, although there have been exceptions when we have had
to take aggressive action to keep the strategy on track. These exceptions have actually proven the rule.

The conduct of foreign policy, of course, does not take place in a vacuum, but is interactive. Every policy will create opportunities and present problems for allies and adversaries alike. The détente and withdrawal strategy is best understood as what military strategists call a rearguard action, one in which you engage the enemy as you undertake an orderly retreat to a more defensible position. I think that concept best explains our recent foreign policy, but applied on a vast scale.

Within the context of the détente and withdrawal strategy we have made three additional strategic decisions that have governed policy. The first was to move deliberately to a tripolar world order by building China into a great power following the collapse of the Soviet Union. Next, came the decision to employ financial power in an effort to modernize and westernize the third world, which has been termed “globalization.” Finally, was the decision to move to energy independence, which liberated the nation from influence by OPEC.

We have made mistakes. Our leaders have failed to anticipate some problems and have had to use force to keep the strategy on track. I would put the Gulf War, invasion of Iraq, and the Afghan war as actions designed to keep the strategy on track, not attempts to return to containment. One failure, in my view, was the failure to understand the energy implications of our withdrawal from the Middle East/Southwest Asia region. But there, at least, we have taken compensatory action to avert a debacle, by expanding energy supply. Our greatest failure has been the refusal to recognize and confront the issue of state support for international terrorism. It is a failure we have yet to address, but must.

In any case, looking at American strategy as the “long goodbye” I think best explains how and why we are where we are today. It does not speak to whether that strategy has been correct; nor does it speak to whether it should be continued. But the clarity this interpretation brings to our past gives us the opportunity to think anew about the question of: what is to be done?

The first strategic decision was NSC-68, in the spring of 1950, the codification of America’s postwar strategy of global containment. Under the impetus of Cold War and hot in Korea, Truman and Eisenhower built a network of alliances around the Communist monolith. NATO, CENTO, SEATO, ANZUS, the U.S.-Japan Alliance, bilateral treaties with South Korea, Taiwan, Libya, Morocco, the Philippines, and others. This forward position was buttressed by American strategic weapons supremacy based on the manned, long-range, nuclear bomber.

But it did not last. No sooner had we built this forward structure than it threatened to become obsolete. The strategy was designed to contain a Communist monolith, but cracks began to appear in the Sino-Soviet alliance that soon led to a fundamental break. At the same time, the Soviets leapfrogged containment, gaining allies in Cuba, the Congo, Egypt, Syria, and Iraq, India, Indonesia, North Vietnam and Laos.
By the end of the fifties the bi-polar order began to morph into at minimum a tri-polar order with an increasingly independent China in conflict with the Soviet Union, and at maximum a multi-polar order as the former Axis powers West Germany and Japan, and France, too, under Charles de Gaulle, recovered from the war and sought greater control over their destinies apart from the American-Russian condominium.

But the most important development of all, I maintain, was the emergence of a new weapon of mass destruction, the intercontinental ballistic missile, which, it was thought, eclipsed the manned, nuclear bomber. For the first time in American history a hostile power could strike the homeland within minutes, without warning, and against any effective defense. These changed circumstances raised the fundamental question of whether containment was still a viable strategy.

_A Fundamental Change of Strategy_

The American leadership establishment split over the response to this new and still inchoate threat. It is vital to understand this split because it has driven our inner politics ever since. And key to understanding it involves avoiding the conceptual traps of thinking in terms of administration policy, party politics, or ideology, and, instead, looking at the factional struggle that transcends administrations, parties, and ideology.

Those who I call the Kennedy détentists, led by the president and his Secretary of Defense, Robert McNamara, argued that Soviet nuclear missile power would inevitably neutralize our own nuclear weapons superiority, the anchor of our forward position on the Eurasian landmass, making it unsustainable. They also argued that the Sino-Soviet conflict meant that there was no monolith to contain. Finally, our allies, now increasingly competitors for the world economic product, were becoming freeloaders and must take up more of the burden for their own defense.

Their conclusion was that the United States should withdraw from the forward position and engage Russian cooperation to do it. Thus was born the strategy of détente and withdrawal. For those who remember, you may glimpse in this strategy the faint echo of FDR’s wartime promise to Stalin that U.S. forces would withdraw from Europe and Asia within two years of the end of the war. The assumption was that the Russians would be happy to cooperate because it was in their interest to do so. Better to retreat in orderly fashion, leaving behind a stable structure of states, than be driven off in defeat, they said. Curiously, the détentists did not take into consideration Soviet strategy.

The containment faction, on the other hand, led by Vice-President Lyndon Johnson and Secretary of State Dean Rusk, argued that the United States could maintain strategic weapons superiority over the Russians and therefore could sustain the forward position on the Eurasian landmass. Besides, they said, it was vital to American security in the modern age to prevent any power or combination of powers from consolidating control of the Eurasian landmass and the Soviet Union was the main threat.
In other words, the strategic alternatives were diametrically opposite; one saw the Russians as adversaries to be contained; the other saw them as partners in peace to be accommodated. In both cases the U.S.-Soviet axis was the focus and policies toward all other regions and states, including China up to 1991, were derivative.

Kennedy inaugurated the détente and withdrawal strategy, the second strategic decision, but it was not his decision alone. I want to emphasize that it was the political establishment that made this decision. We know this now because the essential détente/withdrawal strategy and the arguments over it have continued, to one degree or another, in every administration since.

Kennedy dealt with the Soviet Union from a position of nuclear superiority, defeating Soviet strategy. From that position he thwarted the Soviet attempt to deploy missiles to Cuba, managed the Berlin crisis and stabilized Europe, and began to withdraw from Southeast Asia. Having defeated Soviet strategy, he offered détente to Moscow to facilitate the withdrawal process. It was Kennedy, for example, who offered to combine the U.S. and Russian moon and space programs, signed the nuclear test ban, and set up the hot line.

The basic quid pro quo which all détentists thereafter would offer to the Russians was: the prospect of modernization and prosperity through an exchange of trade and high technology, in return for peace and security through Soviet strategic weapons and geopolitical restraint.

Thus, in 1961, under JFK, the United States changed strategy and did so, I say, primarily out of fear of nuclear war. In fact, the “fear of war” argument would be the ultimate political weapon the détentists would use against the containment faction, especially as Soviet power grew. Thus, it was the strategy of détente and withdrawal that became the default strategy, not containment, from then until now, although that fundamental decision was almost immediately obscured by Kennedy’s assassination.

The stunning fact is that the détentists who sought to carry forward the Kennedy strategy crucially altered it in one important regard. Kennedy’s dilemma was that in building the power to compel cooperation from Moscow, he also strengthened those who believed that the United States could use that power to sustain a forward containment position indefinitely. Therefore, instead of attempting to deal with the Russians from strength, the détentists all, without exception, and starting with Secretary of Defense McNamara himself, sought to do so from a position of “equality” based on the concept of mutual assured destruction.

Thus, in every administration controlled by the détentists, we would witness an effort to equilibrate the balance of power between the Russians and us. For them, arms control was the path to détente and the concept of mutual assured destruction was its theoretical basis. This I must say is not simply about defense budget numbers, which of course continued to grow, but about choices—weapons systems, military capability, and
strategy. Paul Nitze’s admonition written into NSC-68 in 1950 continues to resonate. He wrote: “no people in history have preserved their freedom who thought that by not being strong enough to protect themselves they might prove inoffensive to their enemies.” And yet, that has been the approach of the détentists.

For twenty-five years, between 1961 and 1986, while the Cold War raged, our political establishment was consumed by a factional struggle over the proper course to pursue. In this struggle, which transcended party labels, the United States reversed strategy six times. Every administration during these years was a coalition government. Presidents Johnson, Nixon, and Reagan rejected détente and withdrawal and sought to reverse it, while Secretaries of State Kissinger, Vance, Haig and Shultz actively embraced it.

*The Twenty-Five Year Struggle*

Recounting the events of the Cold War during the twenty-five years through 1986 is a long and dreary tale, but let me just note the strategic highlights.

Lyndon Johnson immediately reversed Kennedy’s strategy and took the nation headlong into Vietnam. But LBJ’s administration was a curious hybrid with the president seeking to revive containment and his Secretary of Defense, Robert McNamara, continuing along the path charted by Kennedy. Whatever else he accomplished, McNamara insured stalemate in Vietnam and strategic weapons decline vis a vis the Soviet Union in the name of Mutual Assured Destruction. The result was the worst of both worlds.

By the time Johnson left office, the United States was bogged down in Vietnam, had lost strategic weapons superiority over the Soviets, cannibalized the containment structure, and weakened the financial underpinning of the U.S. global position. Perhaps even worse, by 1968 as great a change had occurred in the economic sphere between West Germany and Japan and the United States, as had occurred in the military sphere between the United States and the Soviet Union. Johnson had nearly destroyed containment in the name of saving it.

*The Nixon Compromise*

The Nixon Administration was also a coalition government comprised of pro-containment and pro-détente figures, led by the president and Henry Kissinger, respectively. Nixon compromised with the détentists, negotiating arms control

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1 For example, on the issue of countervalue versus counterforce, the ability to strike cities versus the ability to strike missile silos, the United States declined to develop a robust counterforce capability, until Reagan. See Richard C. Thornton, *The Reagan Revolution, I: The Politics of U.S. Foreign Policy* (Victoria: Trafford, 2003) 195-96.
agreements with Moscow. But, he also strengthened containment, maintaining a forward position, by parleying rapprochement with China into withdrawal from Vietnam.²

In late 1972, however, the Watergate crisis and the Vietnam negotiations intersected. During the negotiations, Nixon supported a return to the status-quo ante, while Kissinger supported complete withdrawal. Trapped by Watergate, even though he had just been reelected by a large margin, Nixon capitulated to Kissinger, who crafted the final outcome of complete withdrawal, after a decent interval. As Nixon fell from power, the détentist Kissinger, from early in 1973, reversed Nixon’s strategy from modified containment to détente and withdrawal.

Kissinger, of course, had no political legitimacy, except that which derived from the president, and so claimed to be carrying out Nixon’s wishes, but was not. The strategy of détente with Moscow was decidedly the preference of the political establishment. The essential premise was that we had to dismantle containment in order for détente to succeed. One could not have both. The strategy was sold to the public as a panacea. We could transform the Russians, Pygmalion-like, from enemies to be contained, into partners for world peace, as we withdrew.

Kissinger’s scheme involved attempts to create stable political-economic structures in Europe, Asia, Africa, and the Middle East, while relocating American power to what he thought were more secure offshore positions, including initial steps in withdrawal from Iran. His avowed purpose was to eliminate the risk of nuclear war with the Soviet Union, while enabling the United States to contend with the growing political-economic challenges of West Germany and Japan.

But this first full-blown attempt to carry forward the détente and withdrawal strategy failed utterly to achieve its purpose. Nor was the United States able to equilibrate political/economic relationships with West Germany and Japan, who surged to economic superpower status and sought détente with Moscow, too, which Kissinger encouraged.

Indeed, Kissinger engineered defeat in Vietnam, leaving a permanent scar on the national psyche, turned a promising rapprochement with China into a stillborn relationship, tried to withdraw from South Korea, promoted war in the Middle East, badly mishandled relations with Israel, attempted and failed to normalize relations with Cuba, and turned Angola into a decades-long battleground.

Worst of all, despite agreeing to strategic arms limitations, and no missile defense, the Kissinger years witnessed the beginning of Moscow’s strategic weapons and missile defense buildups-- the most massive in world history— in total violation of the agreements. Kissinger’s response to those who objected—and there were many—was that this was the price we had to pay to avoid war with a rising superpower.

What was most stunning was that despite the fact that détente had been shown to be a farce with the massive Soviet missile buildup and blatant involvement in Angola, Democrat Jimmy Carter campaigned on the promise to resurrect it! And so he did, or at least tried to. Although fully prepared to carry forward the détente and withdrawal strategy Kissinger had started, an unexpected development caused a change in plan.

*Carter: The Failure of Détente, but Continuation of Withdrawal*

An earlier-than-expected Soviet missile breakthrough in guidance capability precipitated a high-level split in the administration. Carter’s national security adviser, Zbigniew Brzezinski argued that a prospective Soviet first-strike capability five to eight years sooner than expected meant that the strategy of withdrawal had to be delayed. Allies had to be strengthened *before* détente was offered to Moscow, otherwise a debacle would result. Secretary of State Vance, on the other hand, insisted that the détente and withdrawal strategy proceed on schedule, as the Soviet missile threat was only ‘theoretical,’” and could not be proven. Carter, unable to choose, decided to do both. He proceeded with détente in the form of the SALT II treaty, but also decided to shore up allies.³

So, while Vance offered a comprehensive arms control package to Moscow in the spring of 1977, the administration heavily reinforced NATO, the largest buildup since the Korean War. We deployed two divisions to West Germany, prepositioned materiel for three more, doubled the number of bombers deployed to the UK, and quintupled the number of sub-launched missiles in the Mediterranean. At the same time, plans to withdraw all ground troops from South Korea were scrapped.

China had not figured in the president’s first fifteen initiatives. Vance had insisted that normalization with China come only after détente had been achieved with Moscow, which he defined as the SALT II treaty. But, once it became clear that the Soviet Union was on the march, and under Brzezinski’s prodding, the president agreed to proceed with the normalization of relations that had lain fallow since Kissinger’s reversal of Nixon’s strategy, in defiance of Vance’s objections. China, increasingly, became a key piece on the global triangular chessboard.

In truth, it was plain from the first weeks of the Carter Administration that the probability of success for the strategy of détente was very low. The Soviet Union was bent upon a radically different course, designed to exploit its growing military power. The continued buildup of Soviet strategic and conventional weapons power, combined with geopolitical activism, was clearly designed to alter the global balance of power by coercive military means, and at the expense of the United States. The role of détente in those circumstances could only be to immobilize the United States, not to serve as the basis for some new cooperative world order—as many in the administration came to realize, including, belatedly, the president himself.

Vance’s blind pursuit of détente first at all costs was a terrible mistake. Soviet leaders read the predictable secretary’s intentions clearly and turned his avid search for détente to their own advantage. Thus, they dragged out the SALT II negotiations, leading Vance on, which effectively immobilized the United States while Moscow pursued its objectives—in Europe, the Middle East, Southwest Asia, Southeast Asia, the Far East, and Central America. Worst of all, Vance’s cumulative compromises on SALT II would have formalized Soviet strategic weapons superiority had the treaty been ratified.

Of course, capitulation to blackmail only begets more blackmail. From Moscow’s point of view, their strategy was working perfectly. The fundamental lesson here was that only taking a firm stand held any promise for eventually reaching agreement. Actually, Soviet strategy had to be defeated before Washington’s could succeed. In retrospect, it is truly remarkable how much failure Carter was able to pack into a single four-year term. He justifiably received public rejection and opprobrium for this failed strategy, but the true blame lies elsewhere—at the feet of the political establishment that had been pursuing this quixotic concept since 1961.

I cannot leave the Carter years without discussing what was his and the political establishment’s biggest blunder, which reverberates to the present, and that was the utter failure of policy toward Iran. Reducing the American “profile” in Iran was part of the détente and withdrawal strategy. Iran was the forward-most country in the containment structure and the only one that bordered directly on the Soviet Union, besides NATO-member Turkey.

So Vance, like Kissinger before him, wanted to shift to a “less intimate” relationship with Iran and toward this end promoted the idea of a transition from autocracy to constitutional monarchy. It is not clear that Carter understood what the political establishment’s objective was as he repeatedly declared his belief that Iran was an “island of stability” and that U.S. relations with the shah would not change. Vance, on the other hand, saw the future of Iran as a “Kuwait writ large.” Misjudging Khomeini completely, he sought to include him in an Iranian coalition government.

The fall of the shah was a shock that reverberated around the world, but nowhere was it welcomed more than in Moscow. The Soviets saw opening before them the possibility of transforming the global order if they could gain control of the vast oil resources of the Persian Gulf, which now seemed a real possibility. As Secretary Vance attempted to “come to terms” with the Iranian revolution, Soviet leaders were devising a complicated strategy to forestall that development and create the conditions that would draw Iran into their orbit. Indeed, from 1979 until now, Soviet and Russian strategy would define the political dynamics of the Middle East/Southwest Asia region.

Soviet strategy would center around two objectives: to prevent a U.S.-Iranian rapprochement, and to promote a regional war to draw Iran into their orbit.

Khomeini himself solved the first problem, but in doing so created another one for Moscow. He was not interested in any relationship with the Great Satan and insured that there would be none when he orchestrated the seizure of American embassy personnel in November 1979. As negotiations for their release went nowhere, Carter decided to deploy
power to the Gulf in the form of five aircraft carriers and 350 planes. Nobody, and certainly not the Russians, believed that the United States would supinely accept the loss of Iran as an ally and the carrier deployment suggested that he would act to overthrow Khomeini and restore the shah to power.

Soviet strategy was to create a pincer around Iran, with Afghanistan in the east and a Saddam-led Iraq in the west. The hostage crisis and the U.S. response prompted Moscow to invade Afghanistan to deter the U.S. from taking action to recover in Iran, but, inter alia also to build the eastern pincer. At the same time, they provided the weapons for Saddam to invade Iran from the west, paid for largely by Saudi Arabia. For Saddam the prize was for Iraq to become the protector of the Gulf.

War would be long, costly, and could potentially backfire, but Saddam turned to the Saudis, Egyptians, and Jordanians for financial and logistical assistance and offered improved relations with the U.S. Carter, in an election year and eager to resolve the hostage problem, jumped at the chance. He thought that under pressure of war from Iraq, Khomeini would agree to exchange the hostages for arms. Carter would perform yet another vital role, which was to insure that Israel would not attack Iraq when Iraq attacked Iran. Thus, the world witnessed the extraordinary spectacle of both Washington and Moscow—after Afghanistan—supporting Saddam Hussein as he prepared for his invasion of Iran.

It was here that Carter made yet another blunder, which was to place his fortunes in the hands of his enemy. For Carter’s interests to have been served, Saddam had to seize the oilfields that lie close to the border and thereby threaten the survival of Khomeini’s regime. But Saddam double-crossed him. He started the war, which was Moscow’s aim, but made no attempt to seize the oilfields, which meant there was no pressure on Khomeini to negotiate over the hostages.

Once the war began, the Soviets, playing both sides, approached the Iranians offering to assist. They agreed to train Iranian armies in human-wave tactics, but also offered a potentially war-winning scenario by brokering an Iranian-Syrian alliance. At bottom, however, the Russians wanted to employ the war to draw Iran into their orbit and would not permit their ally, Saddam, to be defeated. The Russian-devised Syrian-Iranian alliance has given Moscow a stranglehold on the region ever since. Not appreciated at the time, the Iraqi invasion also sounded the klaxon for the Soviet drive to gain control of world oil.

Carter left office with American policy in shambles. The hoped-for détente with Moscow had failed once again. Iran was lost and in a major war with Iraq. Carter had alienated the Saudis in his zeal to obtain Israel’s signature on an Israel-Egyptian peace treaty, with high oil prices the result. In Central America, while thousands of Cubans were streaming into Florida in the Mariel boatlift, the Sandinistas had come to power in Nicaragua and immediately attempted to communize El Salvador.

Perhaps more important, West Germany and Japan had shifted to the middle and were seeking to improve relations with Moscow. Worst of all, the Russians were on the march on four continents, and occupying Afghanistan. The United States seemed helpless
in the face of their aggression. If Ronald Reagan had not challenged the political establishment in 1980 there is no telling how fast or how far American withdrawal would have proceeded in a Carter second term. Two thousand sixteen looks remarkably like nineteen eighty. Détente had failed again, but withdrawal continued.

*The Reagan Revolution*

Ronald Reagan entered office with the express intention of rejecting détente and withdrawal. Instead, he mounted a strategy based on revitalized containment to subdue the Russians and end the Cold War. To do it he strengthened and expanded the domestic economic base and rebuilt American military power. At the same time he did what no other president had ever done and that was to undermine the Soviet economic base by disrupting the Russian gas pipeline to Europe, curtailing Soviet borrowing at below market rates, and forcing the Russians to pay the costs of their own inefficiencies, economic and otherwise.  

During the first term, he also revitalized an adrift Western Alliance. Except for the United Kingdom where Margaret Thatcher was Prime Minister, all of the countries of Western Europe, as well as Japan, were center-left governments attempting to reach an accommodation with Moscow. Within two years, by the end of 1982 Reagan had turned them all around. Two key examples: Helmut Kohl had replaced Helmut Schmidt in Bonn and Yasuhiro Nakasone had replaced Zenko Suzuki in Tokyo, enabling the U.S. to strengthen its alliance with those two governments. Equally important, Reagan had successfully negotiated an improvement in relations with Beijing and reached a modus vivendi over Taiwan.

On January 17, 1983, he signed the first codification of American strategy since NSC-68. This was NSDD-75, the blueprint for ending the cold war. Over the next two years, Reagan proceeded to thwart Soviet attempts to maintain strategic weapons supremacy by shifting to strategic defense and denied Moscow military dominance over Eurasia, by deploying the Pershing II missile to West Germany. He also sought to renormalize relations with Iran.

Defeating Moscow’s strategy of attempting to alter the balance of power by coercive means and challenging the Russians to an arms race they couldn’t win, forced them to change strategy. Enter Mikhail Gorbachev with an offer for détente. Whenever the communists are in trouble they yell uncle and plead for détente. It is simply a way to

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buy time. The Soviet shift precipitated a ferocious struggle within the American leadership over whether or not to reciprocate. The president was willing to talk to Gorbachev, but he wanted to continue to apply pressure on Moscow and negotiate from a position of strength the way Kennedy had. His Secretary of State George Shultz, however, pressed for immediate accommodation.

Part of Shultz’s demand for accommodation would have most unfortunate results. In the immediate wake of the terrorist bombing of the Marine barracks and the French compound in Beirut in October 1983, President Reagan promptly authorized an investigation headed by Admiral Robert Long, USN (Ret.).

The Long report, parts of which remain classified, discovered that the Russians pulled the deep strings in the event and a major argument ensued over whether or not to identify them as responsible. Admiral James Watkins, then chief of naval operations, argued that the Soviet state support of international terrorism had to be confronted, and exposed, but was overruled by George Shultz, who demanded that nothing be placed in the way of détente.

The result was that, aside from occasional references by Reagan and Casey to Soviet state support for international terrorism, officials ever since—up to today—have been gagged about mention of the Soviet role. The so-called War on Terror has been limited to what might be called a ‘whack-a-mole’ approach, with no effort to go to the source. Until we expose the Russian hand and directly confront the radical Islamist threat it will only get worse.

Still, at first, Reagan held the upper hand. After his second-term electoral landslide, the president delivered a staggering blow to Moscow. Reagan had brought about reconciliation with Saudi Arabia and in coordination with King Fahd, the two leaders collaborated in an informal alliance, which included an agreement to shift away from a pre-determined band for oil prices to adoption of market pricing. The Saudis had been losing revenue and influence as the OPEC swing producer. By sharply raising output, they caused oil prices to plummet in 1985-86 to $6 per barrel. In the process Riyadh recovered its dominant position within OPEC, while severely undercutting Moscow’s hard-currency-earning capability, bringing the Soviet economy to the edge of insolvency, which was Reagan’s objective.

Reagan’s agreement with King Fahd had reconstituted one pillar of Nixon’s twin pillars and he now moved to rebuild the second by reestablishing relations with Iran. Reestablishment of relations with Iran would also complete the containment structure the president was rebuilding. But Reagan was unable to maintain his policy in the face of a political establishment that saw détente with Moscow as more important than victory in the cold war, or even energy security.

Opponents of the opening to Iran, in both Washington and Tehran, stymied the president’s plan, erupting into the so-called Iran-Contra scandal. The main outcome of

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the scandal was to force Reagan to relinquish control over foreign policy to George Shultz, who promptly reversed Reagan’s strategy, reverting to détente and withdrawal once again. It would prove to be a most unfortunate decision.

This was a decisive moment, but a puzzling one. In terms of U.S.-Soviet military balance, the United States was on the verge of moving to nearly absolute strategic weapons supremacy similar to that which President Kennedy had built. Aside from a sharp growth in conventional weapons systems, including stealth–based systems, there were major technological revolutions: the deployment of the Pershing II and cruise missiles to Western Europe, deployment of the MX missile, the coming on line of the Trident II/D-5 SLBM system, the Strategic Defense Initiative, and the LACROSSE Radar Satellite.

The Pershing II gave the United States a pre-emptive strike capability; MX insured a prompt land-based retaliatory capability; T-II/D 5 gave strategic weapons supremacy over the Soviet Union for the foreseeable future; SDI showed great promise in protection against missile attack, perhaps including boost-phase defense; and the LACROSSE satellite system gave American leaders the power to see precisely what was real and what was fake about Soviet weapons systems of all types. In other words, these developments eliminated the Russian strategy of nuclear coercion. Given the emergence of American military supremacy over the Russians, the decision to re-start the détente and withdrawal process is quite puzzling.

Shultz disposed of Reagan’s Strategic Defense Initiative as a bargaining chip in order to obtain agreement on the Intermediate-range Nuclear Forces Treaty, which the Russians immediately violated. He repudiated the president’s efforts to reach an accommodation with Iran. Can you imagine what the world would look like today had Reagan succeeded? And in negotiating settlements where the United States had supported freedom fighters against the communists, not a single communist regime lost power. This would be true in Angola, Mozambique, Ethiopia, Nicaragua, Cambodia, and also Afghanistan where the Russians had been thoroughly defeated. In every case, Shultz’s negotiations left a Soviet client in power—all in the interests of détente.

Reagan’s capitulation in the Iran-Contra scandal resolved the twenty-five-year-long struggle over American strategy, the third strategic decision. Every president since has pursued the strategy of détente and withdrawal– George H.W. Bush, William Clinton, George W Bush, and Barack Obama. It has not been a pretty picture, as the U.S. effort to build a new world order has met with little success.

The establishment’s eagerness for détente blinded them to the fundamental change that had occurred in Soviet strategy. The fall of the shah had opened up an opportunity for the Russians to transform the balance of power to advantage, if they could gain control of Persian Gulf oil. In the context of the Iran-Iraq war that they instigated, they repositioned themselves to focus on that goal.
**A New World Order**

Nevertheless, the shift to détente gave the Russians the opportunity to attempt to recover economically and reposition the state geopolitically. Gorbachev had initiated the domestic economic transformation, but unable to control it, soon fell victim to the upheaval that ensued. But he was far more successful in foreign policy. In Europe, the INF Treaty removed the U.S. threat and reestablished Soviet strategic dominance over their neighbors.

On the basis of what in effect was an American grant of security, under George H. W. Bush, the Russians proceeded to cut their losses. They parlayed withdrawal from Afghanistan and brokered the Soviet-armed, Iraqi victory over Iran into rapprochement with Iran in 1988—and full-blown alliance since. The following year Gorbachev healed a twenty-five-year breach in relations with China, which, inter alia resulted in the elimination of a pro-American faction in Beijing at Tiananmen. In the same year, they cut loose the financially draining Warsaw Pact nations, exemplified by the fall of the Berlin wall. Then, Gorbachev brokered German unification, which greatly enhanced Soviet security by effectively neutralizing Germany, a long-term goal. The collapse of Yugoslavia followed that. The Cold War, it seemed, was over. Indeed, Gerhard Schroeder, Merkel’s predecessor became a deputy director of Gazprom, personifying the new Russo-German entente.

The American fixation on détente under President George H.W. Bush was nowhere better illustrated than during the Gulf War. The instrument that had driven Iran into Moscow’s arms, a heavily armed Saddam Hussein, had become a loose cannon and a liability. Whether the Russians encouraged Saddam into attempting to seize Kuwait, the Americans lured him into it, or Saddam simply believed he held the high cards, as Primakov claims, is immaterial. Saddam was persuaded to strike.\(^8\)

As far as the Russians were concerned, it was a heads I win, tails you lose deal. If the U.S. did nothing, Moscow would have acquired complete dominance over the Gulf in one fell swoop; if the U.S. reacted, as expected, the problem of Saddam would be solved. Of course, Washington did react, defending Kuwait and Saudi Arabia. Gorbachev stood aloof, giving tacit support as George Bush destroyed Saddam’s military machine, but, in the interests of détente, declined to topple Saddam.

Moscow had its eye on the big prize in the Middle East—Iran, where, following the Gulf War, the Russo-Iranian-Syrian alliance became a permanent feature of Persian Gulf politics from then until now. The Russians now had influence over north Gulf oil—Iran and Iraq, where Moscow continued to support Saddam. They were well on the way to building a controlling position in OPEC and they would get it before the century ended.

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We can see now in hindsight that the idea of détente was illusory. The Russians paid lip service to our concept, but never subscribed to it because the opportunities inherent in American withdrawal were too tempting to pass up. The Soviets saw that they could use détente and American withdrawal as an opportunity to buy time and rebuild power.

There was still the matter of the Soviet Union itself-- a broken regime, with a completely discredited ideology, and a failed political/economic system, not to mention the pariah status earned by its occupation of Afghanistan. The now KGB-dominated Russian leadership undertook a bold change of strategy and dissolved the USSR, cutting their losses at one stroke.

What was hailed in the West as the great victory of the United States over the Soviet Union ending the Cold War, should better be understood as the controlled demolition of the Communist system as the Russians moved toward the form of state socialism we see emerging today. The dissolution of the Soviet Union brought an end to the Cold War as a military confrontation between East and West, for the time being, but it marked an unperceived shift in the nature of the struggle, which continued.

We must revisit the thesis of the collapse of the Soviet Union as an unalloyed victory for the West. I submit that the dissolution of the Soviet Union was a deliberate choice by the Russians designed to re-brand their state. Dropping Communism and cloaking themselves in a pseudo-democratic garb, made the Russians acceptable to the west and especially to the Arab world they had so terribly alienated by their invasion of Afghanistan.

There are many lessons we have yet to learn from the Russian decision, but let me mention one, which is the fragility of communist systems. No one predicted the collapse of the Warsaw Pact, or Yugoslavia, let alone the Soviet Union. Yet, looking back, it seems clear that the only thing holding these communist regimes together was brute force. Once that was removed the entire edifice collapsed.

That is because there is no organic connection between ruler and ruled, between culture and politics; only the superimposition of brute force onto an atomized society. I have no doubt that if the shell of the North Korean regime were cracked tomorrow, the entire state would collapse the day after. Russia and China are in the same boat. It might take a little longer for Russia today and for China because of Beijing’s partial adoption of the market system, but the same is true there. Incidentally, portions of what purports to be Deng Xiaoping’s “will” have been circulating on the Internet. He says the same thing about the unsustainableness of the Communist system. Don’t forget, Reagan was able to destroy the Soviet Union in a mere three and a half years without firing a shot.

From the early nineties, the Russians engineered a remarkable turnabout. In less than a decade, they transformed themselves from pariah to patron of the Arabs. They focused on gaining control of world oil through OPEC, on financial and cyber war, and on offering full support for radical Jihadism. Make no mistake about this. The Jihadis are at war with the United States and the West in the name of Islam. But with Russian support they are formidable foes. What we never acknowledge, like Voldemort in the
The détentists in the Bush administration were ready to overlook all this, having thought that they had finally achieved the long-sought nirvana of détente with Moscow. President Bush had even proudly trumpeted that the United States and Russia were cooperating in building a new world order. Imagine their surprise when the Soviets did not go along and dissolved. Great alarm gripped our political establishment at the thought of instability at the very center of the Eurasian landmass, leaving the United States as the lone superpower to manage it all.

The degree of panic quickly became clear by what Bush did next. As the Russians were dissolving in late 1991, which Bush tried desperately to prevent, by the way, a panicked President made what was arguably the greatest strategic blunder in American history. In November he sent Secretary of State Jim Baker to Beijing to make the Chinese an offer they could not refuse. This was the fourth decision.

Baker would convey President Bush’s offer of American assistance to accelerate China’s modernization, opening the door to an unprecedented transfer of wealth, technology, and Western expertise to China, on a scale greater than the American effort to promote the recovery of West Germany and Japan after WWII. The prospect was for the People’s Republic to become a global power and counterbalance the defunct Soviet Union. It was an offer the Chinese did not refuse. Over the next fifteen years, by conservative estimates, nearly a trillion dollars was transferred to China, jump-starting their transformation into the country we see today. Without that American decision, it would take China fifty years to be where it is today. It is, indeed, a new world order.

Beijing not only made the necessary domestic legal, financial, and economic changes to open the door to the west, they also took advantage of a simultaneous American retreat in the South China Sea, which had just begun. In the Philippines, after months of fruitless negotiations over the renewal of the U.S.-Philippines Security Treaty, in December 1991 the Aquino government ordered the United States to leave the strategic naval base at Subic Bay, ending the powerful American protective presence in the South China Sea held since 1945.

The U.S. decision, also by President George H.W. Bush, seemed to be extraordinarily shortsighted, but it was entirely consistent with the general strategy of détente and withdrawal. Chinese leaders, however, rightfully concluded that the U.S. commitment to strengthen China in the wake of the Soviet collapse was an unrequited

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9 Neither Bush and Scowcroft, A World Transformed, nor Baker, The Politics of Diplomacy discusses either the China or Philippines decisions.

10 See Michael Marti, China and the Legacy of Deng Xiaoping, (Washington, D.C.: Brassey’s, 2002) for Deng’s skillful management of the opening to the West.

gift that gave Beijing the green light to fill the vacuum. Within two months of the U.S. withdrawal from Subic, in February 1992, the Chinese began to claim that all of the islands in the East and South China Seas had been theirs since ancient times, a completely bogus claim.

What was the establishment thinking? Were they reading George Orwell? Are we Oceania attempting to balance Eurasia and East Asia? Did we intend for China to substitute for the defunct Soviet Union? Did we assume that the Russian successor regime would remain small, weak, and insignificant? Did anyone truly believe that either could be persuaded to transform into rules-based market systems on the path to Western-style democracies with a vested interest in the status quo? Looking ahead a bit, the Russians have largely recovered and both Russians and Chinese are now effectively cooperating to arrange the political structure of Eurasia according to their own design. The United States, as they say, has left the building.

In other words, from the nineties, as the United States withdrew, both the Russians and the Chinese advanced. While the Chinese began to accelerate economic development, build military power and expand into the South China Sea, Moscow focused on gaining economic control of world oil and the wealth that goes with it.12

But, while the United States was withdrawing from its forward geopolitical positions, under Bill Clinton Washington unleashed its financial power in an attempt to promote westernization and democratization. Globalization was the fifth decision. Developed around the idea of the Washington Consensus and carried out through the IMF, the World Bank, and the U.S. Treasury, development rules were liberalized through deregulation, liberalization of FDI flows, and trade liberalization. The line between commercial banks and investment banks, known as the Glass-Steagall law, was eroded and ultimately, partially repealed. The SEC looked the other way as investment banks increased their leverage and Congress banned the regulation of credit default swaps, and capital flowed. A river of wealth flowed not only to Russia and China, but also to the Asian “tigers,” to Brazil, Argentina, Mexico, and a host of other emerging markets. Wall Street ruled from within and outside government.13

Our strategic object, presumably, was to promote the emergence of modernized pro-Western states, but what actually occurred was a worldwide financial crisis by the end of the century and great resentment of the West. These emerging countries simply did not possess the necessary experience to channel the wealth that cascaded on them into productive uses and as a result all of them experienced sharp economic downturns and unparalleled corruption despite low oil prices.

The long-term prognosis is better, but at the time, the Russians parleyed instability and revulsion against globalization into a faction in OPEC determined to raise

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12 This was a fundamental shift for China, which had for centuries been oriented inward, not toward the sea.

oil prices, in part based on general revulsion against the west. The Clinton—sponsored scandalous “oil for food” program for Iraq holds a special place in this narrative of corruption, as one of the largest financial scams in history, which actually strengthened Russia, Saddam, and others, including certain Americans.

Worst of all, shades of Jimmy Carter, Clinton actively alienated Saudi Arabia, dismissing Abdullah’s concerns regarding a continued U.S. military presence on Saudi soil, which sparked smoldering resentment in Riyadh. The resulting attacks on U.S. personnel and facilities only intensified mutual recriminations between the two countries, and the emergence of Osama bin Laden and company. The growing U.S.-Saudi rift opened the door for the Russians, who quickly moved to improve relations with Prince Abdullah, who had just replaced King Fahd and was more than ready to reciprocate.

Between 1995 and 1999, the Russians promoted a marriage of convenience between Abdullah and newly elected Iranian leader, President Mohammad Khatami, and developed close ties to Hugo Chavez. Combined with their continued alliance relationships with Saddam, Libyan president Muammar Qadaffi, and the Emir of Kuwait, by the end of the century there had coalesced a pro-Russian faction within OPEC that set about the task of raising prices by cutting production.

Strikingly, Hugo Chavez had played an important role, by turning Venezuelan oil policy on its head. Before Chavez came to power in 1998, state oil company Petróleos de Venezuela, S.A (PDVSA), under the leadership of Luis Giusti, had sought to integrate Venezuela into the North American market. He bought refineries and a network of gas stations in the United States. He increased domestic crude production and refining capacity and defied OPEC quota warnings, even threatening to withdraw Venezuela from the cartel.14 In a major blow to the United States, Chavez reversed it all, while moving into alliance with Moscow. He would play a key role in the events that followed.15

These leadership changes meant that the Russians probably would have stolen a march on Washington whatever the United States did, but President Clinton’s policies certainly helped. Instead of acting to insure energy security for America and the west, Clinton spent precious political capital in misguided efforts to assist Russia and China in what he claimed was a transition to democracy.

It would be some years before American “strategists” realized what the Russians were up to, in large part because they did not wish to look, so committed they were to the idea of a grand partnership with Moscow and our withdrawal from the Eastern Hemisphere. The Russians, in the meantime were busy turning former Arab antipathy into appreciation for their patronage, offering the use of their worldwide terrorist network for arms, explosives, communications, sanctuary, passports, id papers, training, logistics, and other support. Operating from behind the scenes, through various terrorist

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organizations, including and especially Iran, Moscow intensified the terrorist war against
the United States and the West,\textsuperscript{16} by essentially piggybacking on the Islamic Jihadists, in
what I would describe as a strategy of death by a thousand cuts.

One hears endless talk about ISIS and Al Qaeda, but you need only to look at the
list of terrorist organizations to find over two hundred around the world. The Russians
have ties to many, if not all of them. At a minimum, we must investigate and expose the
Russian hand as a first step in dealing with the terrorist threat at the source.

George W. Bush entered office with the unenviable task of attempting to deal
with the rise in terror and the \textit{fait accompli} in OPEC. At first, Bush attempted to persuade
OPEC members through negotiations to increase production, but, after the twin towers
attacks, he adopted more forceful measures. As part of his War on Terror, in October
2001, he deployed troops to Afghanistan to eliminate Al Qaeda’s base there. Then, in
December, he withdrew from the ABM Treaty. In January 2002, Bush labeled Moscow’s
three key allies, Iran, Iraq, and North Korea, as the Axis of Evil, a deliberate allusion to
Reagan’s “Evil Empire.” More astoundingly, he named Russia as a “rogue” nuclear state.

In April 2002 Bush sponsored a coup against Chavez, which failed, ignominiously. It was unfortunately pure adventurism followed by defeatism.\textsuperscript{17} As kidnappers whisked Chavez to Flower Island off the Venezuelan coast, Bush immediately
recognized the successor government in Caracas. But, when large demonstrations
materialized downtown, Bush chickened out, let Chavez go and denied it all.

Chavez became an implacable adversary, moving ever closer to Moscow and
Tehran.\textsuperscript{18} Indeed, the Chavez-provoked PDVSA strike in late December of 2002 enabled
him to remove nearly 3 million additional barrels of crude from world markets. In
combination with another strife-induced disruption of production in Nigeria, prices began
to climb.

In this context, the March 2003 invasion of Iraq was an act of desperation that
boomeranged. And yes, the cover story was to root out Saddam’s weapons of mass
destruction, but the actual objective was to cripple Moscow’s faction in OPEC. (The
recent British investigation of Blair’s role woefully misses the point.) Ironically, while
partially achieving that objective the invasion actually provided the impetus for the rapid
climb in oil prices that followed. It also triggered the long slide to the major battles we
see today in the Middle East.

There were other unfortunate consequences. Abdullah opposed the U.S. invasion
and refused to permit U.S. forces to use Saudi bases, but more ominously, he made the


\textsuperscript{17} Duncan Campbell, “American Navy ‘Helped’ Venezuelan Coup,” \textit{The Guardian}, April 29,
2006.

September 8, 2009, A23.
first state visit of a Saudi leader in seventy years to Moscow in September 2003, which was hailed as a “new era in Saudi-Russian relations.” Improvement in Saudi-Chinese relations came next, as Riyadh became China’s largest oil supplier.

It seems obvious to me that Abdullah decided to collude with Putin on a scheme to raise oil prices. From 2004, even as demand increased because of the BRICs (Brazil, Russia, India, and China) and others, the Saudis urged OPEC production cuts. Oil production in Iran, Iraq, Kuwait, Venezuela, and Nigeria fell 8 million b/d short of projections for those countries. Russia, Saudi Arabia, and Libya, which had changed sides, didn’t cut; they increased production, reaping the benefits of rising prices. This, along with a weakening dollar, it seems, was what caused oil prices to shoot to historic highs, reaching $147 per barrel by mid 2008.

Russia, I believe, was the instigator as well as beneficiary of this crippling price rise. The U.S.-Russian struggle was the proximate cause of the recession and financial crisis that followed, as many commentators have observed. Indeed, the Russians sought to exacerbate that crisis. As former, U.S. Treasury Secretary Hank Paulson disclosed in his memoir, just as the United States was entering the financial crisis during the summer of 2008, Putin tried to persuade the Chinese to sell off “big chunks” of their holdings of debt issued by U.S. Government Sponsored Enterprises (GSEs) including Fannie Mae and Freddie Mac. At that time, Russia held $62 billion in GSE debt, while China held $527 billion, according to U.S. Treasury data. Fortunately, the Chinese declined. Nevertheless, within a month of this threat, on September 7, the United States government seized control of both mortgage finance companies.

Our political establishment initially misread the change in Russian strategy and its failure to anticipate was one of several important factors responsible for the multiple crises of 2008-9. But the response, when it came, was to expand and diversify global energy supply. This was the sixth strategic decision, to move toward energy independence. Over the last decade the fracking and shale boom in the United States, but also new discoveries worldwide, some two hundred by one count, have changed

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21 Edward Morse, “Low and Behold,” Foreign Affairs (Sep-Oct 2009) 36-52, argues that the loss of production capacity was the main cause.

22 Giuseppe Marconi, “Did High Oil Prices Cause the Financial Crash?,” Oil-Price Net, November 18, 2009, citing the arguments of economists James Hamilton and Nouriel Roubini, argues in the affirmative.


The enormous increase of supply, especially within the United States, neutralized OPEC’s influence and defeated the Russian scheme by bringing the price of oil down sharply to the mid-twenties for a time. 

Looking ahead a bit, the development of a Western Hemispheric energy grid comprised of Canada, the U.S., Mexico, and eventually Venezuela, will mean that we will have no compelling interest in Middle East oil, except to shape the future pipeline grid to Europe, which, I believe, is the underlying purpose of the current strife in Syria and Iraq.

It appears unlikely that, the U.S. having become a major energy producer, there could occur again the kind of price hikes we saw in 2008, unless, that is, we decide to shut in our own production, as some would have us do. But that decision is in our hands and no longer in the hands of the Arabs. Make no mistake; a drop in oil prices cripples Moscow. In the fall of 2014, Russian Finance Ministry official Maxim Oreshkin revealed that for every dollar drop in price, the Russian budget would lose $2 billion. But lower oil prices combined with lower taxes, fewer regulations and a predictable monetary policy will stimulate U.S. economic growth. We have great oversupply now and left to market forces the price of oil would be much lower than it is today. It is not rocket science.

A brief word about the current administration. It should be obvious from this survey that President Obama has carried forward the détente and withdrawal strategy in spades, in the process fulfilling his promise to bring fundamental change to America. He has presided over sub-par economic growth, shrunk the military to numbers not seen since before WWII, crippled our intelligence capability, eviscerated NATO, pulled the plug on the Middle East, weakened every ally, and strengthened every foe. Détente has failed once again, but withdrawal is nearly complete. Obama calls that success, but, if that is success, we can’t stand much more of it.

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25 New oil discoveries have occurred in: Gulf of Mexico, Brazil, Alaska and the Arctic; Northern Iraq, Iran, Israel, Norway; Ghana, Sierra Leone; Australia, Indonesia, China, India, Russia. See also, Spencer Swartz, “Global Oil Glut Roils an English Tourist Village,” *Wall Street Journal*, December 2, 2009, A16.


27 New oil discoveries have occurred in: Gulf of Mexico, Brazil, Alaska and the Arctic; Northern Iraq, Iran, Israel, Norway; Ghana, Sierra Leone; Australia, Indonesia, China, India, Russia. See also, Spencer Swartz, “Global Oil Glut Roils an English Tourist Village,” *Wall Street Journal*, December 2, 2009, A16.

The key question is: Has the long goodbye, the détente and withdrawal strategy, proceeded too far to be reversed? Withdrawal from the Eastern Hemisphere means that our “allies” will have to come to terms with Russia and China. Will they rally to us, or accommodate to them? Détente is certainly a failed concept. All around the Eurasian periphery nations are seeking regional security and trading arrangements that in one way or another do not involve the United States.

Germany seems to have made a decision to straddle, which may be the true explanation for Brexit. Has Europe been neutered? Japan is exploring better relations with Moscow, Delhi, and Sydney. China is in an expansionist phase, but ASEAN is coalescing. Israel, too, is looking for help in Moscow, Beijing, and among the Sunni Arabs. The Humpty Dumpty collapse in the Middle East can never be put back together, as the pipeline wars continue.

It seems to me that over the past thirty years the strategy of détente and withdrawal has succeeded in removing the United States as the indispensable nation, but has failed in its central purpose, which was to create a world order that benefits us. Instead of engaging from strength and creating stable, pro-American structures of states as we have withdrawn, the opposite has been true. Our strategy has been turned inside out. It is Russia and now also China that operate from positions of strength, relatively, and who establish state structures supportive of their own design.

Instead of promoting democratic states we coddle the communists. Instead of promoting Western civilization we encourage its antithesis—Islam. Do we believe that by denigrating our own heritage we will prove inoffensive to our enemies? Instead of protecting the nation, we have left ourselves increasingly vulnerable to terrorist attack through an unregulated invasion of illegal immigrants.

I believe we should return to fundamentals and the preamble of the U.S. Constitution would be a good place to start. To form a more perfect union we the people must establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty for ourselves and our posterity. Yes, that would be a good place to start.

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