MR. PALMER. Yes. There was a debate about that and ultimately, of course, we decided to go ahead, but with the understanding that he was going to make this the issue — that he was only going to talk about one issue, which I thought was a little extreme, but that's what he tried to do — first in a sort of preliminary private meeting and then in a plenary session in Tom Enders' residence I remember in Madrid.

Q From what you saw of it, what was that scene like with Gromyko there? Gromyko, you know, has described this, by the way, in his memoir which is now out. (inaudible) -- it's a very tendentious description.

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MR. FALMER. Well, it was a tendentious meeting. I mean, I was not in the first meeting when they met alone. I wasn't there. Tom Simons and I were standing outside the door listening, because you could hear what was going on and it was very tense. And then when they went in the main room --

Q What did they do? Gromyko just refused to talk about the subject or what?

MR. PALMER. I wish I could remember the specifics. I can't remember.

Then they went into the plenary session. Now who was it who got up and started to walk out? Was it Shultz or Gromyko?

Q It was Gromyko.

MR. PALMER. I guess it was Gromyko -- and he didn't ultimately, but there was this -- and Shultz didn't try to stop him as I recall. I mean, there was sort of "Fine, okay, so that's that." But then it calmed down again and they went ahead. So that by the end it was not one of the better meetings, but it was tolerable.

But then Shultz -- it seems to me as I recall, that was sort of that -- then Shultz kind of got on to other things -- not in the meeting, but it sort of was a purgative and then we went on to other things.

Q In the fall of that year, of course, the deployments were getting ready. The Bundestag voted in November. What was, in your mind -- how did KAL and these other things play into that European situation, or did they much?

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MR. PALMER. I don't recall that they did all that much. I thought that the Europeans had their own dynamic -- that the Europeans were not particularly concerned about KAL. I don't think it played heavily in Europe as I recall and that the INF

deployments were going ahead on their own track sort of -- that Gromyko was trying very hard, of course, to derail it, but that we were in fairly good shape, because the tactics Gromyko was using were so clumsy that he was hurting his own cause.

Q There was an awful lot of tension in the world that fall. The Soviets were talking war scare and you had KAL and the deployments were going ahead, everybody was being very tough. And this is a period — I don't know if you know anything about this one way or another, but there is a very curious episode which still I'm very unclear about. Later, Gordievsky, who was this KGB station chief defector —

MR. PALMER. I met Gordievsky.

Q -- claimed that in November of 1983 there was a NATO command post exercise called Able Archer, and that the Soviets really believed that this was the start of a nuclear war perhaps against them. A big alert went up that the West was starting preparations to strike the Soviet Union. Do you have any knowledge of how much credence to give it?

MR. PALMER. No, but Paul Nitze and I for years have had a fight about what the Soviet view of the West is. Paul's view is that they have never really felt threatened -- I mean, at least that used to be his view. And most Western analysts -- or many, particularly the political-military type analysts feel that way, because they have a hard time. I think, psychologically seeing, as most people do, seeing themselves as possibly being a bad guy in anyone else's eyes, so they think it's all just -- (inaudible).

I, on the other hand, think that what Gordievsky reported in '81 and etc. -- that he's reporting accurately the mood in Moscow. That the Soviets have felt surrounded, that they are paranoid, that they have seen us as being unpredictable and irresponsible from their point of view in doing all sorts of things -- invading communist countries, etc., all sorts of stuff. Therefore, I find this entirely credible that they could have, during what as you correctly say was a very tense period anyway, because I think they saw the INF deployments as a threat to them. These were missiles that could hit the Soviet Union. Their missiles -- the SS-20s -- could not hit the United States. And if you listen to them talk about those systems, they spent hours on this part of it -- that from a strategic point of view, this was not comparable -- what they were doing to what we were doing. You know, we have all our good arguments about that, but I think he's probably right.

You have to also think what was going on in Moscow politically during that period, and what was going on was that Brezhnev had been declining for five years. Then Andropov comes in and he's hooked up to a dialysis machine and then ultimately Chernenko, of course, comes on the scene and has such bad emphysema that he can

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hardly walk and can't function basically. In the beautine, as the CIA pointed out to us early in the '80s, defense procurement had flattened out in 1971. And from '77 on, there was no increase in Boviet defense procurement spending. I mean, they were still procuring lots of stuff, but there was no increase at all. And so the moud in Moscow was that here is Reagan going ahead with incredible increases in defense spending and we is doing nothing. We're flat and we have no prospect of changing that. So I think they were feeling more and more vulnerable in a lot of different ways.

Q In that sense, what do you think the ultimate effect of the U.S. military buildup was or do you think it had much effect?

MR. PALMER. Well it certainly was one of the reasons Gorbachev was chosen to be General Secretary in '83. I think they were panic-stricken that they - I mean, the KOB, the military and the party apparatus were panic-stricken about what was happening to the relative balance of power and realized that they had to stop this pattern of bringing in older leaders who couldn't do anything except continue stagnation and decline -- that something radical and new had to happen, and Gorbachev was their best shot at that. He was the youngest member of the Politburo, the most dynamic, to the extent anybody had different views, he had views about change. And so I think that was part of it.

Q And the military buildup just made them even more apprehensive and nervous?

MR. PALMER. It made them, I think, question also their assumption that the correlation of forces, which as you know the way they think and talk, that the correlation of forces was inevitably shifting in their direction. I think that their perception of that changed.

Shultz, when he was leaving the Department as Secretary, asked me and asked some other people to do little papers for him about our personal views of explaining this period — what were the key factors that explained the change in the relationship, which was, — that's the subject of your book — was quite dramatic. And I said I thought that the single most important factor was this change in Soviet perspectives of the correlation of forces — that they went through from the late '70s when they had this very confident assumption that they were doing well, they were moving out, we were declining, Jimmy Carter was bumbling, talking about malaise in U.S., there was a lot of fear about our economy, all of that sort of stuff — they moved from that kind of relatively comfortable perception of the world to one which was very, very bleak through the early to mid-'80s. And that, in turn, I think, affected our relationship more than anything else.

We tend to think in the context of bilateral relations, but

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