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NATIONAL SECURITY COUNCIL MEETING

Friday, May 22, 1981

TIME AND PLACE:

9:00-10:00 a.m. The Cabinet Room

SUBJECT:

US-USSR Standing Consultative Commission and US Policy for Caribbean Basin

PARTICIPANTS:

President Ronald Reagan

Vice President George Bush

<u>State</u> Secretary Alexander Haig Deputy Secretary William F. Clark

Defense Secretary Caspar Weinberger Deputy Secretary Frank Carlucci

<u>CIA</u> Director William Casey

<u>USUN</u> Ambassador Jeanne Kirkpatrick

JCS General David Jones Lt General John Pustay

ACDA Director-Designee Eugene Rostow

White House Edwin Meese III James Baker Michael Deaver Richard V. Allen Frank Hodsoll

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Office of the Vice President ADM Daniel J. Murphy

OMB Associate Director William Schneider

NSC Mr. Donald Greg Mr. Geoffrey Kemp Mr. Sven Kraemer

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MINUTES OF MEETING

Mr. Allen: We have a fairly tight agenda today. The issues for discussion are: (1) next week's meeting of the US-Soviet Standing Consultative Commission (SCC); (2) US policy towards Sudan; (3) US policy towards Libya; and (4) a new Central American policy framework.

Issue 1: US-Soviet Standing Consultative Commission (SCC)

<u>Mr. Allen</u>: The SCC is a body created by the signatories to the SALT I agreement to oversee compliance issues. At issue today, is what approach the US will take at the May 27 meeting of the SCC, the first during this Administration. Guidelines for such an approach and for instructions to the US Delegation have been worked out in a series of Interagency Group meetings and at the Senior Interdepartmental Group (SIG) level. An outline of the State Department's discussion paper on this approach is attached at Tab A. The Secretary of State, the Secretary of Defense, and others will speak on the proposed approach.

Secretary Haig: The discussion paper reflects sound interagency consensus. Let us review its basic points. The SCC is essentially a technical body reviewing SALT compliance issues. At this forum, we will express some general concerns about non-SALT arms control compliance issues, but we see more detailed expressions of such non-SALT concerns as one to be delivered through our Embassy in Moscow by our Charge, Jack Matlock. On the ABM Treaty, we will provide the routine notifications, state our adherence, and raise compliance concerns involving concurrent Soviet testing of SAMs and radars. On the Interim Agreement (IA) and SALT II, we will be noncommittal about our observance, using only the general formula that while our policy review is underway, we will take no actions to undercut existing agreements as long as the Soviet Union exercises the same restraints. At the SCC, we will not raise compliance issues in terms of specific provisions of the Interim and SALT II agreements but, in the general context of compliance concerns, would raise the three issues of: (1) telemetry encryption; (2) reconstitution/reload capability; and (3) ICBM launcher dismantling. Internally, we would agree not to seek ratification of SALT II, and would agree that we are prepared to take actions inconsistent with SALT II and the Interim Agreement, if required by national security considerations.

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Our next steps in developing our SALT policy should be to ask the SALT IG, which has done an outstanding job so far, to undertake three further analyses. First, the IG should consider steps by which we would implement our internal policy concerning SALT II and the Interim Agreement, including the modalities of withdrawing the SALT II Treaty from the Senate, how we should officially inform the Soviets, what to say to our Congress and public, and what, if any, planned or proposed US defense programs might be inconsistent with the Interim Agreement or SALT II. Second, the IG should undertake a formal interagency review of the ABM Treaty and of US ABM options in the arms control context. Third, the IG should initiate a study of long-term US SALT approaches designed to support our strategic force modernization programs and including our policy towards the Soviets and towards our Allies.

Mr. Meese: Who is heading our Delegation to the SCC?

Mr. Allen: [Brigadier] General John Lasater. Secretary Weinberger, do you wish to say something?

Secretary Weinberger: This will be our first time in the same room with the Soviets discussing SALT. We see this SCC as a technical-level discussion, but the Soviets will surely want to use it for much wider purposes, including probes of our positions on the Interim Agreement and SALT II. We should emphasize that this is a lower-level technical forum, and we should stay away from larger arms control issues. On the internal policy review issue, I do not think we should say that we will take actions inconsistent with SALT II. After all, SALT II is not in effect. President Carter urged that the Senate not vote on it, and it is in no sense pending. Earlier, the Armed Services Committee rejected it by vote of 10-0, and the Senate Foreign Relations Committee favored it by only one vote. SALT II is not alive. Our defense budget does not involve any violation of the SALT II agreement, but that was by chance, and we should retain flexibility.

Mr. Rostow: In preparing the back-up policy papers for today, over 30 suspected Soviet arms control violations were carefully examined. The proposed instructions to our SCC Commissioner would raise five SALT compliance issues as follows: (1) SAM and ABM concurrent testing; (2) large phased-array radars; (3) telemetry encryption; (4) reconstitution/reload capability; and (5) ICBM launcher dismantling. In instructions to our Embassy in Moscow, we would have them raise four non-SALT compliance issues as matters of US concern, to include: (1) chemical warfare in Afghanistan and elsewhere; (2) biological incidents at Sverdlovsk; (3) the floating of radioactive materials; and (4) nuclear testing.

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Looking ahead, I would like our arms control policy to accentuate the positive. We should not be talking just about withdrawal but what to do next. In my calls on Senator Percy and other Senators, we agreed that the best way to handle the SALT II Treaty issue would be via a Senate resolution, unanimous if possible, sending it back to the White House, while at about the same time, the Administration would announce its policy of where we want to go in arms control and what we wish to achieve.

General Jones: We have found past SCC meetings with the Soviets very useful. It is a rare forum for military-to-military contact. On the SCC approach proposed before us today, we have no fundamental differences. However, we see a problem in the proposed distinction between our internal and external policy on our observance of SALT II and the Interim Agreement. Publicly, it is proposed that we would say we will take no actions inconsistent with SALT II, while internally we would agree to take actions inconsistent with SALT II and the Interim Agreement, if required by national security considerations. should recognize that the Soviets can do many things in the near term if they cease to observe current SALT restrictions, such as increasing their SS-18 Reentry Vehicles (RVs) from 10 to 20 or 30. In the short run, we cannot match them. We would, therefore, prefer to see us stay with the language that we will not take actions that would undercut existing agreements as long as the Soviet Union exercises the same restraints. A further consideration is that we probably cannot keep the knowledge of any sensitive internal US Government decision within the confines of this room.

Mr. Meese: We can keep it in this room. Our internal decision would not be communicated to the Commissioner.

General Jones: We have not been too successful so far.

Secretary Haig: General Jones has a point -- that this formulation may be too negative. I am quite comfortable with the language here in our discussion paper, but I would like to have the old language in any public areas.

Secretary Weinberger: Several practical issues are involved here. For example, if our 4,600 M-X holes have to be opened up under SALT II verification, this adds three to four billion dollars in cost. As for jeopardizing current SALT II restrictions on the Soviets, there are things the Soviets could choose to do, of course, but I suspect they are doing these

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things anyway, and I am against restraining our own programs. That's why I opposed SALT II. Also, our Trident program is affected, and a whole host of other programs.

Mr. Meese: Our public posture should be that of taking no actions that would undercut existing agreements as long as the Soviets exercise the same restraints. On the other hand, none of our programs should be inhibited by SALT II.

Secretary Haig: That's right. And we should be saying that we are reviewing the whole SALT process.

The President: What can the Soviets really do that prevents us from telling them now that we cannot go along with SALT II?

Mr. Allen: It would indicate to the rest of the world that we are against the SALT process. We've all been imprisoned by the SALT language. We need some new categories, e.g., Strategic Arms Reductions Talks. They would be known as START.

Secretary Weinberger: We should also be looking at ABM defense as arms control. Let's keep our options open on ABM. On the distinction between real arms reductions, as distinguished from arms limitations, the public does not realize the important differences. For example, in SALT, the Soviets could deploy an unlimited number of missiles and their intercontinental Backfire bombers.

The President: Why should we preserve the illusion of SALT, if we are going to slide around and do what we accuse the Soviets of doing, i.e., violating it?

Mr. Meese: The SCC Commissioner will focus on technical matters and will not be addressing these larger issues.

General Jones: With SALT restrictions lifted, the Soviets could rapidly dpeloy more missiles, warheads, and Backfire bombers, and there is little, if anything, we can do to prevent or to match it. There is no SALT impact on our M-X now because we will not begin deployment until 1986. You can forget about the M-X verification port holes until 1984. On Trident, we can make a decision a year from now. Let's stick with the public statement.

Secretary Haig: We have to avoid creating a negative stalemate in the public's mind. We need to express our objectives and clarify our approach on issues like the ABM.

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The President: But the Soviets are not being restrained by SALT II, are they?

General Jones: So far, they have taken no actions inconsistent with the provisions of the Treaty, except, perhaps, in the area of verification. On the SS-18, they could go rapidly from 10 to 20 RVs.

Secretary Weinberger: However, there are some real concerns about Soviet compliance with the ABM Treaty and the Interim Agreement.

General Jones: Yes, there are.

E. O. 12958 As Amended Sec. 1, 4C

Mr. Casey:

Mr. Rostow: That dimension is fully taken care of in these papers.

Mr. Schneider: As a footnote to what Secretary Weinberger said about SALT restrictions on US programs, I recall that the SIG also referred to the Protocol restrictions on our sea-based cruise missile and other programs.

General Jones: The Protocol expires on December 31, 1981. Then it has no programmatic impact.

<u>Mr. Allen</u>: The issue before us today is approval of this guidance for the SCC meeting. We will be continuing our review of the larger issues and will be bringing up these issues here at another time. Do you approve?

The President: Okay.

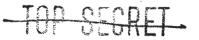
Issue 2: US Policy Toward Sudan

E. O. 12958 As Amended Sec. <u>/· 4</u>

At the request of second item on the agenda --Sudan -- was referred to the NSPG for consideration.

Issue 4: US Policy Toward the Caribbean Basin

Mr. Allen: The agenda will be US policy toward the Caribbean Basin. Secretary Haig will outline the policy guidelines that have been developed in the interagency paper on this area.



Secretary Haig: Before reviewing the major conclusions of the Caribbean study, it should first be noted that one of the most critical questions in the Caribbean area has to do with Cuban troublemaking, and that we need to develop a strategy to deal with Cuba. This will be done separately and will be presented to the NSC at a later date. However, we need to come up with a broader strategy to work on some of the underlying causes that have permitted Cuba to undermine US interests in the Caribbean Basin. The proposed Caribbean Basin plan will be very popular within the region and the country. It would certainly set the stamp for the Reagan Administration's policy in the Caribbean, and would help to offset some of the criticisms that have been leveled against us over the El Salvador problem. It would also help us get away from the idea that we are solely interested in military options.

The State-drafted paper addresses the problem of preventing future Cuban successes in the region by dealing with the underlying conditions that make Cuban-style subversion possible. The paper outlines a Caribbean Basin proposal that focuses on improving economic conditions in the region. It also indicates further measures to improve internal security by providing effective security assistance to friendly governments. It addresses the question of how best to keep Nicaragua from becoming entirely a creature of the Soviet Union and Cuba. In addition, these steps will be implemented by measures to alter Cuban and Soviet policy in the area. Finally, the proposal includes initiatives to generate support for our policies in the US, our Allies, and world opinion generally.

The President: More time is required to read and digest the essence of the proposal.

Mr. Meese: This item should go on the agenda of the next NSC meeting.

This being agreed upon, Secretary Weinberger, Ambassador Kirkpatrick, and OMB Deputy Director Schneider all indicated that they would like to submit written critiques and comments on the Caribbean Basin proposal. These will be prepared within the next few days and coordinated by the NSC before being forwarded to the President.

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Issue 3: US Policy Toward Libya

This agenda item was not discussed.

The meeting concluded at 10:00 a.m.

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