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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

National Security Council Meeting October 21, 1985 -- 1:30-2:30 p.m. -- Cabinet Room

SUBJECT: Briefing on President's Participation in UNGA (U)

PARTICIPANTS:

The President The Vice President

The Vice President's Office Mr. Craig L. Fuller Mr. Donald Gregg

State Secretary George P. Shultz Mr. Michael H. Armacost

Defense Secretary Caspar W. Weinberger Dr. Fred C. Ikle

OMB Mr. James C. Miller Dr. Alton Keel

CIA Mr. William J. Casey JCS Admiral William J. Crowe Maj Gen John H. Moellering

Treasury Secretary James A. Baker, III

USUN Ambassador Vernon Walters

White House Mr. Donald T. Regan Mr. Robert C. McFarlane Mr. David L. Chew

NSC Donald R. Fortier Peter R. Sommer

Minutes

In introducing the meeting, Mr. McFarlane noted that the President's visit to the UN later this week would focus the world's attention on the President and his foreign policy. The President will be addressing a number of global issues that transcend any region, as well as a number of regional questions and bilateral matters. McFarlane continued that the visit encompass three central goals. The first is consultations with Allies in the pre-Geneva period. This will also include a major Presidential address to the UNGA, which will highlight the President's notion of how the U.S. and the Soviet Union can, together, better contribute to resolution of regional problems. The second focus in New York will be on India and Pakistan. The President will be meeting bilaterally with both Ghandi and Zia, and he will be urging them to overcome their mutual distrust and nuclear fears. The stakes are high, but these sessions will have an added plus of sending a powerful signal of warmer U.S.-Indian relations to the Soviet Union, on the eve of the Gorbachev meeting.

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Thirdly, the President will be honoring the UN on its 40th anniversary, and he will be seen consulting with Allies from around the world in the pre-Geneva period. This contrasts starkly with Gorbachev's consultation activities. McFarlane concluded that it should be an exciting week and asked Secretary Shultz to review for the President the trip's overall objectives and schedule. (C)

<u>Secretary Shultz</u> said Bud had given an excellent summary and commented that he thought it would be easiest to address the UN events and schedule chronologically. On Wednesday, October 23, the President would be meeting separately with Ghandi and Zia. This is a terrifically important meeting, especially in light of our improving relations with India. There are such key questions as nuclear proliferation and technology transfer; and, of course, Afghanistan and how it relates to the President's regional initiative will be of special interest to both. The President said he thought that the Soviets are looking for a way to get out of Afghanistan without losing face and added that perhaps India and Pakistan will have some fresh ideas. (C)

Shultz noted that the President also had a bilateral with Mrs. Thatcher on Wednesday. She will be particularly interested in the President's meeting with Gorbachev and public perceptions of arms control proposals and counter-proposals. MBFR may also be on her mind, as will Army communications equipment. Secretary Weinberger said that the Defense is continuing to examine the cost and life cycle of the communications equipment -- MSE. We recognize the political importance of this purchase to Britain, but the cost differential between the British and French systems remains considerable. Weinberger added that Defense is looking at other ways to help the British. One possibility is procurement of a UK system to meet the Army's DIVAD artillery requirement. Suggesting that he personally could not intervene directly in Defense's procurement decisions, the President noted that the Thatcher government has been a true friend and currently faces major economic problems. Thus, anything we can do would be helpful. (C)

Secretary Baker noted that he had some news Mrs. Thatcher would like and he thought the President would wish to convey it to her. Baker continued that the President would recall that on a number of occasions Mrs. Thatcher had complained about unitary taxation. Just this morning, Baker said, he had sent over for White House agreement a proposal that the Administration either support legislation currently in Congress or introduce new legislation that would outlaw unitary taxation. In telling Mrs. Thatcher about our new position, the President should specifically ask her to refrain from taking any retaliatory action under new legislation that the British parliament recently passed. We need to pin her down, said Baker; though, frankly, it will be difficult to get legislation through our Congress. The President asked how the states will feel about new legislation. The Secretary replied that we are down to only five

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states who still have unitary taxation, and the California legislature came within a hair's breath of doing away with it. Baker concluded that Governor Deukmejian is with us. (C)

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Secretary Shultz then returned to the remainder of Wednesday's schedule, the highlight of which will be a Presidential reception for Heads of State. During the reception, the President would, as he has done in previous years, hold mini-bilaterals with a number of regional leaders. The first would be President Diouf of Senegal, head of the OAU. He will be especially interested in Southern Africa. Next would be the Chinese Premier Zhao. Shultz said the President should be sure to thank Zhao for hosting the Vice President's just-concluded visit. There will also be a minibilateral with Santer of Luxenbourg, who the President will be seeing in his capacity as reigning EC President. Santer'sprimary interest will be trade. The President would also be seeing Shevardnadze, who will be coming to the reception directly from the airport and the Warsaw Pact meeting in Bulgaria. The President will want to say that he is studying Gorbachev's most recent letter and that Secretary Shultz will discuss it in more detail in their two-hour meeting on Friday morning. (C)

Shultz then turned to Day II -- Thursday -- saying the President would start with UN activities. In the morning, the President would give a major speech focusing on his regional initiative. Immediately after the speech, the President would meet briefly with Craxi to smooth things over. John Whitehead had a successful visit to Rome over the weekend, but it is also important for Craxi to be seen meeting with the President in a friendly atmosphere. In the afternoon, the President will consult in a group with the Summit Seven leaders -- minus France. The President will be seeking alliance solidarity on the eve of Geneva. He will be asking for their advice and counsel, and from their perspective what is important is to be seen consulting with you. Since this is not a formal summit session, we will not be seeking a joint communique. The President will be expected to kick off the discussions, and will want to emphasize that the meetings with Gorbachev will address more than arms control. The Secretary observed that discussions would continue over dinner for Heads only in a more informal atmosphere. Shultz noted that he would be hosting a separate dinner for Foreign Ministers. (C)

Turning to Day III, <u>Shultz</u> commented that he would be having a separate breakfast with Shevardnadze. Later in the morning, the President would have important bilaterals with Nakasone and Kohl. With Nakasone the President would obviously concentrate on trade and economic issues, and delivering the message that Japan needs to open its markets even more. Kohl is very eager to be seen making an input into the President's meeting with Gorbachev. Therefore, joked the Secretary, we need to allocate most of the meeting for picture taking. Shultz added that we are also making final arrangements for a brief bilateral with Mulroney. By the time the President leaves

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New York, said Shultz, he will have met collectively and privately with the Summit Seven leaders, the Chinese, Soviets, and regional representatives. (C)

McFarlane asked Ambassador Walters to add any special comments he wished to make as the President's host. Walters said from his perspective everything seemed to be well organized and on track. There are a number of leaders who asked to see the President and can't, but they all seemed to understand the constraints on the President's schedule. Secretary Weinberger noted that there may be pressure during the Summit Seven consultations to extract a promise from the President to limit SDI to research. While the other leaders will not formally seek a veto, we expect that they will underscore the need to consult with them before moving beyond research. As the President knows, a number of the leaders reacted very negatively to our less restrictive interpretation of the ABM Treaty; but the Secretary personally doubted that they would dwell on this during the session. Weinberger continued that both Kohl and Thatcher had asked that their countries receive specific dollar allocations for SDI research. We have explained to them that under our procurement system, which rewards the low bidder, we can give no such guarantees. They may, however, bring up this point, said Weinberger. Ambassador Walters observed that the latest U.S. publication addressing in detail the Soviet SDI program had come in particularly handy in his private discussions at the UN. There are a number of countries who simply were not aware that the Soviets have a long-standing strategic defense program. (C)

McFarlane said that unless there were further comments the meeting could conclude. Baker said he had one small point. Both the Italians and Canadians had been upset at being excluded from the recent G-5 monetary talks in New York. They may ask to be included in the future, but this would be a serious mistake, commented the Secretary. (C)

The meeting concluded at 2:10 p.m. (U)

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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

CONFIDENTIAL ACTION

October 25, 1985

MEMORANDUM FOR ROBERT C. McFARLANE

FROM:

SUBJECT: Minutes of NSC Meeting -- Briefing on President's Participation in UNGA -- October 21, 1985

Attached (Tab A) for your approval are the minutes of the NSC meeting on October 21, 1985.

PETER R. SOMMERS

Recommendation

That you approve the attached minutes for the NSC meeting on October 21, 1985.

Approve Um

Disapprove

Attachment

Tab A NSC Minutes

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