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NATIONAL SECURITY COUNCIL MEETING

September 20, 1985 -- 11:00 a.m. - 12:07 p.m.
The Situation Room

SUBJECT: Soviet Foreign Minister Shevardnadze's Visit (U)

PARTICIPANTS:

The President

Office of the Vice President
The Vice President
Mr. Craig L. Fuller

CIA
Mr. William J. Casey
Mr. Robert Gates

State
Secretary George P. Shultz
Ambassador Rozanne L. Ridgeway

OMB
Dr. Alton Keel

Treasury
Secretary James A. Baker III

JSC
General John A. Wickham, Jr.
Admiral Arthur S. Moreau

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

White House
Mr. Donald T. Regan
Mr. Robert C. McFarlane
Admiral John M. Poindexter

Justice
Attorney General Edwin Meese III

NSC
Ambassador Jack F. Matlock
COL Tyrus W. Cobb

Minutes

Mr. McFarlane opened the meeting by noting that this NSC session would serve as a forum to provide the President with a strategic overview of the broad direction we hope to pursue in dealing with the Soviet leadership between now and the meeting in November. He added that we would also be reviewing the major issues on our bilateral, human rights and regional agendas. Mr. McFarlane explained that arms control had been dealt with earlier and would be addressed specifically again next week. (C)

Mr. McFarlane noted that the process that had been set in motion two months ago by the President's invitation to the Soviet General Secretary was well underway. Our preparations for these

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meetings have enabled us to prepare solid positions in the four areas that will be on the agenda. This includes bilateral issues such as air safety, the opening up of new consulates, and the renewed exchanges agreement; human rights concerns; regional issues, on Afghanistan, Central America, and other parts of the globe; and security issues, particularly arms control. (S)

Prior to turning the discussion to the substantive issues, Mr. McFarlane indicated that he wished to review briefly for the President the major public diplomacy events leading to the Geneva meetings. Our program, he explained, is designed to ensure that the President has solid support from three key audiences -- our Allies, the Congress, and the U.S. public. We have selected activities and events that will demonstrate that we are prepared for substantive results in Geneva and that we go there with a comprehensive and reasonable agenda. We feel the Soviets moved quickly and early to seize the high ground in this area with a blistering propaganda campaign. However, we feel that the Soviet effort has been perceived for what it is -- old propaganda in new packaging -- and has made no lasting impact on Allied or American public opinion. (S)

Mr. McFarlane noted that the Secretary of State's speech in New York next week, followed by his meeting with Shevardnadze, would initiate a series of critical events in our gameplan for Geneva. This would be followed by the President's very important meeting with FM Shevardnadze on Friday. We believe that the Foreign Minister will bring a fairly elaborate and concrete arms control proposal, to be revealed either during his UN speech or presented here on Friday. General Secretary Gorbachev will be in France from October 2-5. We can expect a flurry of media attention but we doubt that any concrete results will come from his meetings with Mitterand. (S)

We believe the tide of public opinion will be shifting to our favor given the substantive thrust of our proposals. While most of the media attention to date has been on arms control issues, these events will enable us to demonstrate that our agenda includes efforts to engage the Soviets on the other sources of tension between us -- human rights, Afghanistan and their expansionist policies. We will make it clear that our themes for the November meeting -- Realism, Restraint, Reciprocity -- offer real hope for substantive progress. (S)

Mr. McFarlane indicated he would now to turn to the Secretary of State who will provide us an overview of the three issue areas that are the focus of today's meeting -- human rights, regional concerns, and bilateral issues. (U)

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The Secretary remarked that he was not ready to fully discuss the three issue areas that were at the heart of today's meeting, but was better prepared to carry the discussion to the issues and objectives we have for the Shevardnadze and Gorbachev meetings. (C)

The Secretary pointed out that we had not achieved substantial progress on any of our bilateral issues: most remained on dead-center. The most fruitful discussions had taken place on the North Pacific Air Safety Agreement, but we still have not reached any operational understandings with the Soviets on improved procedures. A cultural agreement, providing for a resumption of our formal exchange program with the USSR, shows some promise of being ready for signature prior to November. The proposal to open up new consulates in New York and Kiev respectively, is proceeding, but we remain concerned with the increase of Soviet personnel this would place in New York. A boundary dispute in the Bering Sea is also under intense discussion. (S)

Under the regional concerns, there are four principal areas we will want to address. The Secretary noted that we have had extensive discussions with the Soviets on Afghan, Asian and African problems, and expect to discuss Central America prior to the President's meeting with Gorbachev. While no substantial progress has been achieved, we are interested in institutionalizing the concept of these meetings on regional concerns. This will help promote the idea that we and the Soviets are seriously talking about problems around the world. (S)

The Secretary stated that there was a general feeling that the area that might best lend itself to substantive progress is Afghanistan. The Indians, in particular, have made this point to us. He pointed out that in the President's meeting with the General Secretary, he would want on the one hand to stress our readiness to seek a resolution of the Afghan situation. At the same time, the President would want to demonstrate the depth of our concern with the continuing Soviet occupation of that country. The Secretary stated that it was important thereby to demonstrate to Gorbachev that he (the President) had steel in his backbone. (S)

Secretary Shultz stated that human rights were certain to be the thorniest issue on the agenda. The Soviets resent the perceived intrusion into what they regard as internal matters and have roiled at our linkage with their behavior in this area to bilateral trade. We have traditionally made it clear that there

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is a direct relationship between Soviet compliance with agreements they have signed with regard to human rights and the extent to which we are willing to increase non-strategic trade. (S)

The President noted that Bob Michel had sent over a pertinent excerpt from Forrest Pogue's biography of General George Marshall. In a discussion with Marshall near the end of World War II, General Deane made an interesting comment on the traditional Soviet way of dealing with foreigners. The President quoted Pogue:

"In a careful analysis of the situation Deane explained that part of the trouble arose from Russian suspicions of foreigners. They simply cannot understand giving without taking, and as a result even our giving is viewed with suspicion. Gratitude cannot be banked in the Soviet Union. Each transaction is complete in itself without regard to past favors. The party of the second part is either a shrewd trader to be admired or a sucker to be despised. He made it clear that the picture was not all bad -- the individual Russians were likeable, and he thought that they would be friendly if they dared." (S)

Secretary Shultz noted that we must be careful in the language we use in our public presentations, i.e., we need to avoid using the phrase that we are "flexible". To the Soviets, this would connote a weak stance on our part. It would be much better to use the phrase, "We are prepared for a serious give-and-take". (S)

The President added that he agreed with that and drew attention to the alleged Soviet historical fear of invasions and suspicions of foreigners. The President added that this paranoia reaches extreme proportions in some cases. For example, during World War II the Eighth Air Force suffered extensive casualties flying bombing runs over German troop positions and, particularly, when they had a return over the same routes. This was because the Soviets denied them permission to land in Soviet-controlled areas. (C)

Secretary Shultz pointed out that the most useful instruments we had to break down that suspicion were the exchanges and exhibits we were able to send to the Soviet Union. Turning to Ambassador Matlock, the Secretary asked how he evaluated the utility of these exhibits. The Ambassador agreed that these exchanges had considerable value and sighted the example of just one of our

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exhibits that drew 250,000 visitors from one single city. He added that these exhibits were staffed with Russian-speaking American guides, thus providing Soviet citizens with perhaps their most informative look at the American way of life. (C)

The President cited another example of the Soviet tendency not to seek a compromise. A defector recounted the story of when his father, a high-ranking general, was driving along a narrow mountain road and encountered another car. While there was room for the general to move over further, he directed his driver to stand fast. In the general's mind, any concession to move from his position would have been degrading. (C)

Mr. McFarlane noted that Director Casey would now present an intelligence perspective on Soviet objectives for the Shevardnadze and Gorbachev meetings. (C)

Mr. Casey stated that it is difficult to say with confidence precisely what the Soviets seek to achieve. We are fairly certain that their principal concern at the present time is our SDI program. A second major concern to the Soviets will be alleviating drains on their sluggish economy. Overall, there are three primary Soviet objectives: 1) limit our strategic defense program, particularly preventing any testing or deployment of weapons with real potential; 2) create the public impression that progress in the arms control area is directly dependent upon American willingness to cooperate; and 3) reduce tensions between the superpowers. Mr. Casey hastened to add that the rationale for doing so was not because of a desire to improve relations per se, but to increase trade between the USA and the USSR, which they realize depends on better ties. (S)

Mr. Casey pointed out that the Soviets will try to prevent SDI, through technical means, but if they are unsuccessful, they will seek to halt our program politically by influencing American and European public opinion. Thus, we understand that Shevardnadze will be bringing a major arms control proposal with him. We believe that he will introduce the proposal during his address at the United Nations, but he could make it public as early as this Sunday, or to increase the attention to his Washington visit, present it to the President during their meeting next Friday. (S)

The intelligence community sees little chance for progress in the arms control area and speculates that the Soviet proposal will provide little in the way of substance. It is important to the Kremlin to convey a picture of reasonableness at this time. On trade, Mr. Casey stated that the Soviets would not be coming "hat-in-hand" but would be seeking to promote trade by stressing

the mutual advantages such an increase might bring. The Director emphasized that the Soviets strongly wish to avoid any discussions of human rights. However, we have some indications, principally from Edgar Bronfman's discussions in Moscow, that they may create a publicity windfall by permitting the emigration of a few well-known Jewish activists. Finally, the Soviets will not stress bilateral issues during these meetings. (S)

Mr. McFarlane then asked the Secretary of Defense to provide a brief defense perspective on the upcoming meetings and the three issue areas under discussion. (C)

Secretary Weinberger stressed the importance of our SDI program in Soviet thinking. They will be looking for ways in which they can secure an advantage. The consular agreement currently under discussion presents serious concerns to us. The Secretary claimed that the Soviets send over only "fully-equipped spies," reporting directly to either the KGB or the GRU. (S)

The Secretary continued that both Shevardnadze and Gorbachev will be seeking to blame us for contributing to the creation of a charged atmosphere prior to these meetings. They will allege that this was the rationale behind our raising the "Spy Dust" issue, when this was in fact a blatant Soviet violation of standard diplomatic custom. We believe that attention should also be addressed to the Soviet failure to resolve satisfactorily all of the problems revolving around our military liaison missions (MLMs) in the Berlin area. Secretary Weinberger pointed out that the latest incident was not serious, but could have been. The Secretary concluded that he agreed with Mr. Casey that they will be seeking oil and gas equipment from us, and stated that it was imperative that we not allow them to use our technology to their own advantage. Finally, the Secretary noted that we should be prepared to counter strongly any allegations they will accuse us of in the human rights area, by stressing the nature of our free society and Soviet non-compliance with the Helsinki Agreement. (S)

Secretary Weinberger recommended that the President should be firm on the Afghanistan issue. The Soviets should understand that this is a matter all Americans feel strongly about. The Soviets need to withdraw from Afghanistan and we should be prepared to assist them in doing so. In Kampuchea, Moscow should be using its influence on Hanoi to get the Vietnamese to withdraw. And in Central America, we should tell the Soviets to stop interfering in the region. (S)

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The President returned to the issue of how best to handle human rights. In studying our successes and failures in the past, he noted that quiet diplomacy had produced substantive results. However, when the glare of publicity was brought on these negotiations, the Soviets quickly hardened their position. The President thought that we might speak privately to the Soviets and indicate that we were prepared to cooperate on this issue. In particular, we would not publicize their concessions if they complied fully with the Helsinki Agreement. (S)

Mr. McFarlane stated that he found himself in basic agreement with the President but wished for the sake of discussion to assume a devil's advocate position. If Gorbachev wished he might play this private dialogue back to American public opinion to create the impression that we were not sincerely interested in pressing this issue. Still, the thought had considerable merit. Perhaps the best tactic would be to approach the Soviets at the ministerial level. The President agreed and cited the success of one quiet arrangement, whereby we had rescinded the grain embargo with the result that there were some happy people now living in the West. That one, he explained, was worked quietly through Ambassador Dobrynin. (S)

Vice President Bush agreed that human rights would be one of the most divisive issues on the agenda. In his meeting with Georgy Arbatov, it was clear that the Soviets will either seek to avoid discussion or launch a concerted counterattack on us. The Vice President felt, however, that many of these problems could be resolved along the lines the President suggested; that is, through quiet agreements by high-level diplomats working privately. (S)

Secretary Shultz indicated that the CIA had produced a very useful paper suggesting that the Soviets may have a serious interest in reaching an arms control agreement. Economic conditions, their situation in Afghanistan, and Gorbachev's focus on his domestic agenda, could impel them to seek resolution of some of their international difficulties. We need to treat this possibility seriously and decide how best we can take advantage of potential opportunities. It is important, the Secretary stated, for us to strive to achieve our objectives. If we earnestly do so, it is very possible we can bring them to realization. The Secretary pointed out that we simply can't just continue claiming that all the Soviets have in mind is creating a propaganda screen. (S)

Mr. Casey agreed but stressed that the Soviets will still focus on stopping our SDI program. Secretary Weinberger concurred and added that they will seek to preserve their lead in areas where

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they are ahead. The President added that the Soviets traditionally only make agreements where they see clear advantages. The President agreed with the Secretary of State that the most acute problem facing the Soviets at this time is the state of their economy. The question is how far Gorbachev will be prepared to go because of this. We must be prepared to seize any opening presented to us. In this regard, Richard Nixon's recent statement was entirely a propos. The former President pointed out, "We want peace. They need peace." Thus, the Soviets will have some motivation to reach agreements. (S)

Secretary Weinberger concurred that the Soviets will perceive a need for reducing their arms burden but suggested that only at a later date will they be persuaded to move in this direction. The President agreed and pointed out that SDI may very well be our most important leverage. The President stressed that he was prepared, once any of our SDI programs proved out, to then announce to the world that integrating these weapons in our respective arsenals would put international relations on a more stable footing. In fact, this could even lead to a complete elimination of nuclear weapons. We must be prepared to tell the world that we were ready to consult and negotiate on integrating these weapons into a new defense philosophy, and to state openly that we were ready to internationalize these systems. (S)

Mr. McFarlane stated that this concluded the NSC meeting and indicated that more sessions will be held the following week as we finalize our preparations for Foreign Minister Shevardnadze's visit. (S)

The meeting adjourned at 12:07 p.m. (U)

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