

EBIS #4B  
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SPECIAL COORDINATION COMMITTEE MEETING

January 3, 1980

Time and Place: 9:00-9:55 a.m., White House Situation Room

Subject: Iran, Afghanistan and Pakistan

Participants:

The Vice President

State

Secretary Cyrus Vance  
Warren Christopher  
David Newsom  
Harold Saunders

Defense

Secretary Harold Brown  
W. Graham Claytor

JCS

Admiral Thomas Hayward  
General John Pustay

CIA

Admiral Stansfield Turner  
Frank Carlucci

Justice

Attorney General Benjamin Civiletti\*  
John Shenefield\*

Energy

John Sawhill\*

Treasury

Robert Carswell\*

White House

Stuart Eizenstat\*  
Lloyd Cutler  
Hedley Donovan  
Jody Powell  
Hamilton Jordan  
Zbigniew Brzezinski  
David Aaron

NSC

Colonel William Odom  
Gary Sick

\*Domestic Issues Only

SUMMARY OF CONCLUSIONS

Domestic Issues:

1. Energy. DOE had no confirmation of the report that some German companies have contracted to purchase Iranian oil in deuchmarks rather than dollars. Energy and Treasury will check it out. The French are exercised over the British decision to accept Iranian oil at \$30 per barrel. The SCC agreed that it would be useful to have a Presidential message to Prime Minister Thatcher expressing our concern over this unilateral decision which was

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Review January 3, 1980

Classified and Extended by Zbigniew Brzezinski

Reason: NSC 1.13(f)

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taken without consultations and despite our objections. Other messages to the French and Germans could ask them to join us in asking the British at a high level to show restraint on oil pricing. State will prepare draft messages. (C)

2. Emissary. The SCC again discussed the need for a high administration official to be in Europe to deal with specific issues arising from the economic steps being taken with respect to the Soviets and the negotiations on sanctions against Iran. All agreed that these issues were important and involved technical considerations which would make it useful to have a high-level representative in Europe. The President had earlier approved this. Tony Solomon is ill, but either he or a State Department representative will go to Europe in the next 48 hours. (C)

3. Iranian Assets. Treasury has formally been requested to appear in court to argue sovereign immunity for Iran in the case of attachments on unblocked funds. All agreed it would be preferable for Treasury to avoid such an appearance if possible. They will try to negotiate it off. If that proves impossible, the SCC will reexamine it tomorrow. (C)

Political-Military Issues:

1. Marines. In view of the fact that the MAU (now in Singapore) is due to rotate with a relief ship in Subic Bay in the near future, the SCC recommended that the MAU leave Singapore immediately for Subic Bay for turnover. The turnover will reduce their availability for the next two weeks, but will increase their readiness for a later time as required. (S)

APPROVE DISAPPROVE 

2. Budget Issues. CIA is preparing a funding proposal and will be working with OMB and the NSC staff today. Secretary Vance reported on his contacts with Byrd, Church and Zablocki, who are working on a revised statute on assistance to Pakistan. It should be ready when the Congress returns, and we should be able to tell the Pakistanis about it soon. State will look into the possibility of having Zablocki announce this action as the result of a Presidential initiative, but he may have a proprietary interest in keeping the credit for himself. We need to examine the Pakistani list of arms requirements in light of the new proposed legislation. Of particular importance will be the financing of any purchases, since there is no extra money available in the budget. The Vice President pointed out that it would be desirable to go to the Congress with a complete package, consisting of a major increase in CIA funding plus a request for some untied funds for military

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aid which could be used at the President's discretion. This could be the right moment to attempt to free the President's hands from some of the restrictions in this area. The SCC agreed to take up the various funding issues at the meeting tomorrow, with OMB present. If a suitable package can be put together, it could be included in the State of the Union message. (S)

3. Actions Related to Afghanistan. The SCC agreed that a statement on SALT should be made today, and a draft was reviewed. Jody Powell will coordinate the final wording. The SCC considered the advantage of making the statements on SALT, bilateral steps and grain all at the same time rather than dribbling them out. However, it was recognized that a decision on grain was too complex to get a decision today, and in the meantime the story on SALT and some of the other proposed steps is getting out in the wrong form. All agreed that the announcement on SALT -- which was not intended as a punitive measure -- could logically be disassociated from the other items and should be announced today. The intention will be to aim at noon tomorrow for the announcement of the remainder of the package. Dr. Brzezinski said he would try to schedule a lengthy meeting with the President later today to deal with the grain issue, since it would require a full hearing on some very complex issues. (S)

4. Pakistan Aid. A separate Presidential statement on this subject is being drafted by State and is to be available later this afternoon. (C)

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