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SPECIAL COORDINATION COMMITTEE MEETING

February 5, 1980

TIME AND PLACE: 9:12 - 10:35 a.m. and 11:50 - 12:35 p.m.
White House Situation Room

State Dept. review completed

SUBJECT: Iran/Afghanistan

PARTICIPANTS:

State
David Newsom
Harold Saunders*
George Vest *
Richard Cooper *
Ronald Spiers

Treasury
Deputy Secretary Robert Carswell *

OMB
Mr. Arnie Donahue ***

Vice President's Office
A. Denis Clift *

NSC Review Completed

Defense
Mr. Frank Kramer
Ambassador Robert Komer

White House
David Aaron
Joe Onek * & **
Henry Owen * & **

JCS
Lt. General John Pustay

CIA
Frank Carlucci *

NSC
Robert Hunter
Robert Blackwill * & **

- * - First session only
- ** - Economic and European issues only
- *** - Second session only

SUMMARY OF CONCLUSIONS

1. Pakistan Aid. State announced that Secretary Vance has joined the SCC-consensus. Thus the \$100 million in ESF for 1980 would go to other programs; ESF for 1981 is still protected; and that issue does not arise for FMS.
2. Consulting with Italy. Italy has complained about being excluded from Allied consultations on Afghanistan (at the recent four-power Political Directors meeting). State will give a standard response, also indicating that political decisions are taken at higher levels where Italy is involved.
3. Seven-nation Ministerial Committee. Mr. Aaron asked what we should do if Giscard will not attend a seven-nation foreign ministers meeting on Afghanistan. Mr. Vest indicated that the meeting could not then go forward; the Germans in particular would

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Review on February 5, 2000
Extended by Z. Brzezinski
Reason: NSC 1.13(f)

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not want to take part. There was discussion of possible "cover" for the meeting, by calling it preparation for the seven-nation Economic Summit. It was agreed, however, that this "fig leaf" would not work with Giscard on a clearly security-related issue. On a contingency basis, it was agreed that the Presidential letters being drafted would get the process going. These could be followed up by senior level visits to key capitals, and then later by Secretary Vance, if appropriate, on a bilateral basis.

4. Presidential Letters. The SCC considered draft Presidential letters to Thatcher, Giscard, and Schmidt, which will be put in final later today. Discussion centered on COCOM, along the lines of yesterday's discussion, and Mr. Aaron asked State and Defense to agree on language for an immediate presentation. In addition, we should alert the Allies that we should discuss the longer-range implications of more comprehensive export controls. We should lay down a marker on this issue now. The President should be given a choice as to whether to seek strong curbs on credits for the USSR. It was agreed that letters were also needed for Japan and Italy. Smaller Allies could be sent letters or messages perhaps from Secretary Vance.

5. Olympics. Mr. Aaron outlined the proposal by Australian Prime Minister Fraser to call together countries desiring a boycott, with a steering group meeting by next week. It was agreed that we should seek some other country to be out in front -- perhaps Kenya -- instead of the U. S. State will develop a proposal to be considered with Lloyd Cutler on his return.

6. Phosphate Sales. Mr. Aaron reported the President's concern with a press story on phosphate sales to the Soviet Union. (Treasury later issued a clarifying press release.)

7. Tripoli. Mr. Newsom reported that we are reducing our mission in Libya to one officer and a communicator.

8. (Following Break) Egyptian Military Aid. Mr. Newsom stressed the importance of supporting the Egyptian military, because of restlessness in the military -- especially the ground forces. Mr. Komer indicated that there are two problems: aircraft for visibility (for Sadat and Mubarak), and tanks for the real problem with the army. The SCC considered the memos from Defense and OMB, and Mr. Aaron undertook to prepare a consolidated memo setting forth clearly for the President the complex issues involved. It was agreed that there would be value in presenting the Egyptians with a series of options within an "envelope" of set funding levels and financing arrangements, to increase their awareness of the need to make tradeoffs.

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