THE SECRETARY OF STATE WASHINGTON



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February 16, 1981

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ALEXANDER M. HAIG, JR,

Congressional Briefings: El Salvador and Iran

As agreed, we are proceeding with our plans to brief the Congress on (1) the situation in El Salvador, and (2) our review of the Iranian Agreements. The Congressional Leadership will hear from me on both subjects at breakfast tomorrow. Later in the day, Bill Clark will brief the Senate Foreign Relations Committee and selected Senators. Ambassador Stoessel (Under Secretary-designate for Political Affairs) will inform the House Foreign Affairs Committee.

We shall participate in the White House presentation to the Banking and Judiciary Committees.

Numerous foreign Ambassadors will also be briefed on the El Salvador situation throughout the day.

On Wednesday, the State Department will announce publicly the completion of our review of the Iranian Agreements.

Meeting of The Seven

This evening, Myer Rashish (Under Secretary-designate for Economic Affairs) is leading a small delegation to the London meeting of representatives of the Heads of State of the seven major Western countries (the U.S., Canada, Federal Republic of Germany, France, Italy, Japan and the United Kingdom). The purpose of the meeting is to prepare for the Seventh Annual Economic Summit.

The approach Rashish will take, shared by Don Regan and Dick Allen, is to redirect the Summit agenda, the better to serve our interests. International energy security and East-West issues should be emphasized, while relations with developing countries would receive less attention. More generally, we hope that the Heads of State will use the July Summit to discuss major international economic policy issues and their relationship to strategic-political questions, rather than concentrate on technical matters. We see these annual Summit meetings as an

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important and useful instrument of general Alliance strategy, so that economic relationships can be used to bolster our strategic objectives.

Meeting with Armand Hammer

Armand Hammer, accompanied by Senator Percy, called on me this afternoon to discuss the possibility of getting the Soviets out of Afghanistan. Hammer, who is active in oil exploration in Pakistan, said he had been asked by President Zia to discuss Afghanistan with Brezhnev.

Brezhnev told Hammer that the Soviet Union would work with Pakistan to arrange Soviet troop withdrawal. The Soviet leader agreed that, to facilitate negotiations, Pakistan could deal with representatives of the Afghan regime on an unofficial basis. Hammer understood the Soviets would also work with UN Secretary General Waldheim or his representative provided this was in a personal capacity. Hammer urged that we follow up this development. He believed that a Soviet withdrawal from Afghanistan would open up a new era of U.S. cooperation with the Soviet Union.

Hammer's information was familiar to us and somewhat out of date -- Zia was more cautious about the Soviets these days, and Waldheim's views had aroused concern at the Non-Aligned Conference in New Delhi. He was assured that we were anxious to promote a Soviet withdrawal from Afghanistan, but the Soviet presence in that country was only one of a wide range of problems burdening US-USSR relations. The Soviets were actively interfering in many areas and we were determined to put a stop to it.

Meeting with David Rockefeller

A luncheon meeting today with David Rockefeller was concerned primarily with the business councils being established to assist Jamaica's economic recovery. Rockefeller was anxious that these councils be official U.S. Government bodies but, after discussion, he agreed that they should be privately sponsored. The United States Government will support the work of the councils as necessary. We hope to see results from this effort soon.

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