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THE SECRETARY OF STATE
WASHINGTON

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February 23, 1981

MEMORANDUM FOR:

THE PRESIDENT

From:

Alexander M. Haig, Jr.

1. Francois-Poncet Visit. French Foreign Minister Francois-Poncet began our consultation today by expressing France's satisfaction with the change already evident in American foreign policy under your leadership. Numerous issues were covered: allied consultations on Poland; the range of possible negotiations with the USSR; and linkage. We also discussed the grain embargo and technology transfers to the Soviet Union. Regions covered included Europe, the Western Hemisphere and the Middle East.

- a. Allied Consultations: We agreed that discussions among the four Western powers on Poland had been very productive. Francois-Poncet said the French were carefully considering whether or not to go forward with Giscard's visit to Poland -- postponed last fall. (Francois-Poncet may go instead of Giscard.)
- b. Negotiations with the USSR and Linkage: We discussed the implications of the Brezhnev speech and agreed that it would require study and Allied consultation. Any summit meeting, in my view, should be well prepared and serve a useful purpose. Though the U.S. accepted the two-track approach to TNF deployment in Europe (implementation and negotiation), we were not overjoyed by it. On SALT II, Francois-Poncet was told that we could not commit ourselves to a timetable for reopening SALT negotiations. It was urgent, however, to reassert "linkage." Francois-Poncet agreed that a general linkage with Soviet behavior on Poland and Afghanistan was appropriate.
- c. <u>U.S. Policy vis-a-vis the USSR</u>: I stressed our strong feelings about Soviet expansionist policies in the Western Hemisphere, Africa and elsewhere. Francois-Poncet was informed of our determination to meet the Cuban/Soviet challenge in El Salvador. The Foreign Minister responded that France would join us on opposing external intervention but could not endorse a specific regime. On Afghanistan, I said we could support the Giscard conference proposal.

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- d. The Grain Embargo and Technology Transfer: Francois-Poncet said the Europeans would extend their grain embargo on the USSR as long as we did, but wished to know if we were going to change that policy. I agreed to his proposal for discussions to find alternate solutions to the problem of growing West European dependence on Soviet natural gas. We also agreed to have further discussions on tightening the rules for technology transfer to the Soviets. Cap and I will discuss this issue later this week.
- e. The Middle East: Francois-Poncet said that after the Israeli elections, the Europeans would want to move ahead on their Middle East initiative. I urged that nothing be done to complicate the situation and told him I would visit the Middle East soon. We would take no initiative on the autonomy talks, however, until late summer.

Finally, Francois-Poncet expressed appreciation for our support on the French proposal for a Conference on Disarmament in Europe. He also urged that you attend the North-South Summit in Mexico City. I said that we would consider it, though we had some serious reservations. (S)

2. Meeting with the Guatemalan Foreign Minister:
Guatemalan Foreign Minister Castillo met with me over the weekend. (Former Senator Stone was also present). Castillo wanted to brief me on his government's recent proposal to settle Guatemala's longstanding and highly emotional claim to the neighboring British colony of Belize.

The Guatemalan Government is prepared to abandon virtually its entire territorial claim except for a few tiny islands, possession of which would give the country unrestricted access to the high seas from its Caribbean ports. The Belizean Government, now preparing for independence, is resisting even this moderate concession. The Guatemalan Foreign Minister proposed that we persuade the British to pressure the Belizeans to accept Guatemala's terms. An alternative is to have the British cede the small islands themselves before giving Belize independence.

Both the British and I agree that the Guatemalans are being reasonable. Our governments will be attempting to persuade the Belizeans to strike a deal. Failure to do so could lead to dangerous tensions, exploitable by Cuba. We shall be discussing this problem with Lord Carrington on Friday. (S)

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3. Briefing the Catholic Bishops on El Salvador: Under Secretary for Security Assistance, Science and Technology Jim Buckley and U.N. Ambassador Jeane Kirkpatrick met with senior Catholic clergy for more than two hours this afternoon in an effort to initiate a dialogue on our policy toward El Salvador. The group included Tim Healy, President of Georgetown University, Archbishop Jim Hickey of Washington, Bishop Tom Kelly of the Catholic Conference, and the Papal Nuncio. I had time to welcome the group and to outline the Administration's concern before returning to my bilateral sessions with the French Foreign Minister.

The program (organized by Jim) included both a briefing on outside intervention and a status report by the FBI on their investigation of the murders of the Maryknoll nuns. The briefings were well received and the session was not acrimonious, although several participants are known to be extremely skeptical of our efforts.

The clergy were clearly dubious of our judgment about the Marxist-Leninist nature of the Salvador rebels. Our public explanations should emphasize and substantiate that the rebels are dominated by Marxist-Leninists.

Today's briefing was an important early step in taking our case to the American people. Further steps will be discussed at the NSC meeting later this week. (S)

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The President has seen_

THE WHITE HOUSE

WASHINGTON

SECRET ATTACHMENT

February 24, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: Secretary Haig's Evening Report

Herewith Secretary Haig's Evening Report of

February 23, 1981.

cc: The Vice President Ed Meese James Baker

SECRET ATTACHMENT