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NATIONAL SECURITY COUNCIL MEETING

Wednesday, June 10, 1981

TIME AND PLACE:

11:54 a.m. - 12:15 p.m.

The Cabinet Room

SUBJECT:

China, Greece, and Poland

PARTICIPANTS:

President Ronald Reagan

Vice President

State

Secretary Alexander M. Haig, Jr.

Defense

Secretary Caspar W. Weinberger

Ambassador Jeane Kirkpatrick

Associate Director William Schneider

Director William Casey

General David C. Jones Lt. General John Pustay

ACDA

Director Eugene V. Rostow

White House

Edwin Meese III

James Baker III

Michael Deaver

Richard V. Allen

Frank Hodsoll

Admiral James W. Nance

Janet Colson

Office of the Vice President

Admiral Daniel J. Murphy

NSC

Geoffrey Kemp

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MINUTES OF MEETING

Mr. Allen: There are several items on the agenda today, Mr. President. The Secretary departs for China this evening and you'll see in front of you the guidance that he is taking with him. Mr. Allen then asked the Secretary of State to go over the main purposes of the trip.

Secretary Haig: Yes, this is going to be an important trip. We expect a lot of public posturing on the Chinese part concerning our policy, especially toward Taiwan. They are going to tell us we can't do this or that with Taiwan. But the facts are that the Chinese Ambassador himself informed me that I would not be embarrassed on the trip.

The problem has to do with timing and notification. We expect about between \$700-800 million a year military assistance to Taiwan to continue. We have to finesse issues such as the F-16 and the other sophisticated weapons they want. The point I am making, Mr. President, is that we are not going to change our procedures on their behalf.

Other things you should know is that I think the most important objective is to talk about our strategic concerns, namely the Soviet threat and the Pakistan issue. We just learned that the Chinese have agreed to help Pakistan in the event of an attack, which is a very explicit form of cooperation.

Mr. Casey:

Secretary Haig: Jim Buckley is on the way to Pakistan and the Department of Defense has come up with a package we think can be very helpful.

Mr. Allen: We'll be hearing from you on a day-by-day basis I presume.

The President: Isn't it true you are refueling in Taiwan?

Secretary Weinberger: There has been a certain reluctance on the part of the Air Force to draw down stocks for Pakistan. There's a limit to what we can do. Turkey, Belgium, Spain, and Greece are all making demands on our Air Force and our pipeline. We have a real problem here.

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Secretary Haig: Cap has gone the extra mile on this. If we can get an answer of "peanuts" for what we are offering, we are in trouble.

Mr. Allen: One further point -- do you want to take a letter from the President to the Chinese or from the Vice President? Would it be helpful?

Secretary Haig: It's always good to have a letter from the President. You be the best judge as to whether we do this.

Mr. Allen: We'll provide you one this afternoon.

In view of the time requirements, we will defer discussing the Non-Proliferation Treaty, however, there are two other items of information we want to bring before you. The first has to do with U.S.-Greek defense cooperation. The issue here is that Greece wants a formal commitment from us, but it looks like what they are requesting will exceed \$400 million and we won't be able to provide it. This becomes an important question that we will have to decide at some time. It's not for decision now, but for information.

Secretary Weinberger: The Greek Minister of Defense has been very helpful to us in the past. He is not asking for money, but they did make a suggestion that I would like to commend. He wants us to commit ourselves that if some of our equipment becomes surplus we will sell it to them. This sounds like a good idea and we'd like to do it. There's a major election in Greece later this year and if Mr. Papendreau wins -- he is the guy from the University of California at Los Angeles -- we'll get zero.

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Secretary Haig: How do we relate this to what we are offering Turkey?

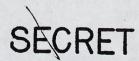
Secretary Weinberger: I'm meeting with them today and probably they'll want the same thing.

The President: Can't we sell stuff that has become surplus? What's the problem here?

Secretary Weinberger: Well, the issue is whether we can tell them now that we will sell in the future.

 $\frac{\text{Mr. Allen:}}{\text{Information, not for decision.}}$





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Secretary Haig: Yes, it is important to know what some of these information issues are going to be because we have a delicate issue with the Greeks that has to do with the Kissinger and Carter letters which make commitments to Greece and this raises problems with Turkey. We need to be very careful about what we are doing here.

Mr. Meese: Well, we are trying to discourage the wide circulation of papers such as this. It is discouraging for the highest principals to see the issues they are going to discuss on a particular day in the morning version of the Washington Post.

Secretary Haig: There's a good chance the Greeks will not make an agreement with us before June 15.

Admiral Murphy: The Vice President met with the Minister of Defense from Turkey yesterday. He is very opposed to reissuing the Kissinger and Carter letters.

Mr. Allen: One final item, Mr. President, on Poland. In view of the build-up of the growing tempo of Soviet attacks on Solidarity, we have reactivated the interagency intelligence group that is studying the Polish crisis. We have been conducting a regular review of this. You should know that there are deep splits within the Intelligence Community on what we think they are going to do. Some believe the Soviets will and some believe they won't. There is no consensus on this. In Poland, the old pro-Moscow types are being dropped like flies, but there are no signs yet of any Soviet mobilization.

Mr. Rostow: How much do the Soviets have inside Poland now?

Secretary Weinberger: Two full divisions plus a lot of advisors and support staff.

Mr. Allen: Yes, their command network has been reactivated. This is very dicey. The latest CIA estimate is that the Soviets would need to have 30 plus divisions in place before they could attack.

Mr. Casey: Could they do this before July 15th? There is some suggestion they'll maneuver on the Czech border.

The President: What about the non-proliferation issue? Are we going to bring it up? I read it last night. I read it very carefully. I like it and agree with the position that we supported.

 $\underline{\text{Mr. Allen}}$: We are going to reschedule it for Friday of this week.

At this point, 12:15 p.m., the meeting adjourned.

