

NATIONAL SECURITY COUNCIL MEETING

DATE, TIME Monday, December 21, 10:30 a.m.,  
AND PLACE: The Roosevelt Room

SUBJECT: Poland

## PARTICIPANTS:

The President  
The Vice President

State  
Secretary Alexander M. Haig, Jr.  
Deputy Secretary William P. Clark

Treasury  
Secretary Donald T. Regan

OSD  
Secretary Caspar W. Weinberger  
Deputy Secretary Frank C. Carlucci

Commerce  
Secretary Malcolm H. Baldrige

Agriculture  
Secretary John R. Block

OMB  
Mr. William Schneider, Jr.

CIA  
Director William J. Casey

USUN  
Ambassador Jeane J. Kirkpatrick

USTR  
Mr. David Macdonald

JCS  
Admiral Thomas B. Hayward

White House  
Mr. Edwin Meese III  
Admiral James W. Nance  
Admiral John M. Poindexter

NSC  
Dr. Norman A. Bailey  
Dr. Allen J. Lenz  
Dr. Richard E. Pipes

Minutes

Nance. Mr. President, we have one agenda item, today -- Poland.

At the last meeting (Saturday, December 19) you made several decisions that it may be useful to review.

You decided that we will not invoke the "exceptional circumstances" clause of the 1981 debt agreement at this time.

That we will contact leading banks and advise them that the U.S. does not intend to invoke "exceptional circumstances" at this time.

About ten percent of \$71 million worth of dried milk and butter we agreed to provide Poland has not yet been delivered. You decided that we will withhold shipment of this material until further notice.

You decided that we will continue shipment of food packages via CARE.

In other economic measures against Poland you decided that we will discuss with our Allies in an attempt to gain unanimity:

- o Suspending the Polish request for IMF membership;
- o Setting a "no exceptions" policy in COCOM on exports to Poland;
- o Reconsidering allowing Polish fishing fleets access to U.S. waters.

You also decided that we would unilaterally suspend the renewal of export insurance for Poland by the U.S. Ex-Im Bank.

Various actions against the USSR were also reviewed, but action was deferred for further discussion at today's meeting.

Based on last Saturday's meeting, you also dispatched letters to three other heads of state.

Al, would you like to begin the discussion of actions that we might take against the USSR?

Haig. Yes, but perhaps Bill (Casey) would like first to give us an update on events of the weekend.

Casey. 

Haig. I want to go over the political logic of the situation. I share the CIA assessment. There was little change in the situation over the weekend. There is widespread resentment among the people against the Polish government, but no major, overt challenge to it. It has been reported that Walesa has been moved to a military prison headquarters, but this is soft information.

E. O. 12958  
As Amended  
Sec. 1.4(c)

It is most significant that Cardinal/Archbishop Glemp has "walked the cat back." He has shifted from a position of strong condemnation of the military law that has been imposed to a plea for moderation and for no bloodshed. We have reports that the Polish military visited every parish this last week and told the parish priests that there would be no reading on Sunday of a condemnation letter. Most of the parishes appear to have followed that lead, though there are some exceptions. The main message has been one of moderation -- no bloodshed. While there have been some strong reactions, they have been isolated.

There are two Papal delegations in Poland as of Saturday night. Ambassador Meehan will be meeting with Cardinal Glemp today. Larry Eagleburger will be meeting in Rome with Monsignor Silvestrini.

We have also received a detailed analysis from our Embassy in Moscow. The theme of this message is that the Soviets are "cooling it." They are not preparing for intervention and, significantly, they are not preparing the Soviet people for intervention. Our embassy feels that -- and on this we may differ with them -- the Soviets are now willing to accept a Polish nationalist government as distinct from party rule. Party authority is no longer discussed in Moscow.

American Embassy in Moscow believes the Soviets are afraid to intervene because they know they can't hack it. The Soviets are preparing food for shipment to Poland and preparing for a massive bailout of the Polish economy.

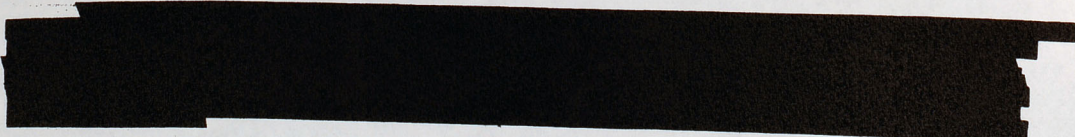
In Poland, the crackdown continues. But are the Soviets cracking down on Poland?

The position of our Allies is stiffening. There is a popular outcry in Britain, in France, and even Schmidt has been dragged along, kicking and screaming, by a Bundestag resolution.

So far, we have no discord in the Atlantic Community. Of course, we have not asked for any difficult actions yet.

Yugoslavia has condemned the situation in Poland, while within the Warsaw Pact, Hungary and Romania have been the least enthusiastic in endorsing happenings and Bulgaria has been the most enthusiastic.

Things are calm in Warsaw, perhaps aided by the fact that there was a great deal of snow over the weekend. Together with a communications blackout.



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It is important that, so far, we have correctly avoided intensifying the crisis (by inflammatory messages to the Poles). RFE is now being jammed intensively, to a greater extent than in many years. VOA is getting through somewhat better.

One question to be examined is "Is it time for a strong letter to Jaruzelski and/or Brezhnev?"

With regard to sanctions, we don't want to let the assessment of the situation get out of hand with the actions we take.

I am not one who espouses the "devil theory" that all is lost, that the Soviets are in charge, that Solidarity is dead, that all this is the case with or without Soviet intervention. I don't think we should proceed on these assumptions.

There is a second school of thought: that not all is lost; that we should husband our leverage and use it as the assessment changes.

I am of the second school, that all is not lost. In making our assessments of what to do, we should move before all is lost. However, a first question to be answered is "What constitutes all being lost?"

Some see this (what is happening in Poland) as a fundamental unravelling of the Soviet empire (with that as the goal to be pursued). Others see advantages to us in a partial rollback (from what the Poles had achieved), but retaining many of the gains achieved as basis for a subsequent evolution toward further gains -- that we should preserve the environment in which such gains can be achieved.

The real question: is some degree of repression tolerable from our standpoint, or do we stand only for total victory and are we prepared to pay the price necessary to achieve total victory?

Another question: Are we going to sit still (while events proceed in Poland), or are we going to apply our own pressure on other fronts? For example, Cuba, Afghanistan?

However, it seems to me the worst thing we could do at this time would be to divert world attention from Poland by U.S. muscle flexing elsewhere. Though, perhaps we could do something in Afghanistan without diverting world attention.

But we don't want to piddle away our resources before we have concluded that all is lost. You have authorized some actions. These may be seen by some as "beating up on poor little Poland."

that -- particularly at this Christmas time -- the country is waiting for a more forward position. This is not a political matter, but one of the world leadership. If we appear to do nothing, we are not taking that position of leadership. The Church has stepped back, but if we have Allies that might act and do nothing, we are sending the wrong signal.

Weinberger. I agree. I suggest that you (the President) talk to the world. It can have the same strong impact that the "Zero Option" speech had. This is not a time for (undue) prudence or caution. The world needs to be told that it has a leader.

I understand the worry about creating another Hungary situation (referring to 1956 uprising in Hungary), but while we don't want to give the wrong impression (as to Western support to Poland), we do want to give an impression of support.

Let's not be mistaken. What Poland has now in Jaruzelski is a Russian general in Polish uniform. The Soviets are getting what they want.

Offering Poland a Marshall Plan may be a good idea. But now, we have to stop licenses. We can't have a high moral position while we are licensing (to the Soviet Union).

This is a chance to seize the initiative. It is the time to do it. The President should make a talk, Wednesday or Thursday -- maybe on Christmas day.

Baldrige. I agree with the Vice President and Secretary Weinberger. This is a chance to lead the West. The Allies might support us, or we might proceed alone. But my only concern is that our actions may be seen as a slap on the wrist. Cancelling the International Harvester and Caterpillar deals would be a slap on the wrist. We should consider suspension of all validated licenses. This category includes all high-technology material. If we suspend all these licenses, coupled with International Harvester and Caterpillar deals, it would be much stronger. But it will be effective only if our Allies go along with at least part of it. Hopefully, there would be a chance of their doing so.

Casey. We lose credibility if we fail to follow through now on this situation. We are seeing an unravelling of the communist economic system. However, the prospects of our Allies going along with us are fairly slim. But leadership is getting our Allies to go along. The President should speak to the world. We should go with across-the-board sanctions.

Block. The Soviet communist system is collapsing of its own weight. I believe there should be a Presidential message, but we must be careful. If we play our trump card -- total economic sanctions -- at this time, what else can we then do? We must wait for the time to play that card. Not do it prematurely.

You will get criticism from some quarters on this. However, you will have to take a lot of flack no matter what you do, and you will want to make your decision on this matter based on what is right, not on the views of constituencies.

There are now new uncertainties in the situation in the attitude of the Church. I think we will want to delay pressure on the Soviets until we further assess the situation. However, we should go ahead with a letter to Brezhnev, advising the Soviets of the price they will pay if they continue.

That is my viewpoint. However, there may be different analyses from others.

The President. Let me say something in the form of a positive question. This is the first time in 60 years that we have had this kind of opportunity. There may not be another in our lifetime. Can we afford not to go all out? I'm talking about a total quarantine on the Soviet Union. No detente! We know -- and the world knows -- that they are behind this. We have backed away so many times! After World War II we offered Poland the Marshall plan, they accepted, but the Soviets said no.

Let's look at the International Harvester license. Kirkland said in a conversation with him that our unions might refuse to load ships. How will we look if we say yes (let U.S. exports to the Soviet Union proceed) while our unions -- our own "Solidarity" -- won't load the ships.

I recognize that this is a great problem for International Harvester and for Caterpillar. It may mean thousands of layoffs. But, can we allow a go-ahead (on these transactions)? Perhaps we can find a way to compensate the companies if we say no. Perhaps put the items in inventory and use them by some other means. But, can we do less now than tell our Allies, "This is big Casino!" There may never be another chance!

It is like the opening lines in our own declaration of independence. "When in the course of human events. . ." This is exactly what they (the Poles) are doing now.

One other thing in addition to the Marshall Plan. The Soviets have violated the Helsinki Accords since the day it was signed. They have made mockery of it. We are not going to pretend it is not so.

The Vice President. I have thought a lot about this problem over the weekend. I agree with the President that we are at a real turning point. I believe the President should really identify, in a speech, with Walesa and the Polish Ambassador. I really feel

We need to learn more about what is happening to Solidarity, et al., before we make our move.

We need Allied support. We should try for that before we move off quickly.

The President. Let me tell you what I have in mind.

We are the leaders of the Western world. We haven't been for years, several years, except in name, but we accept that role now. I am talking about action that addresses the Allies and solicits -- not begs -- them to join in a complete quarantine of the Soviet Union.

Cancel all licenses. Tell the Allies that if they don't go along with us, we let them know, but not in a threatening fashion, that we may have to review our Alliances.

The Helsinki Accords have been violated constantly.

I am thinking back to 1938 when there was a great united effort opportunity. In a speech in Chicago, FDR asked the free world to join in a quarantine of Germany. On that request, his brains were kicked out all over.

But I am also reminded of Warner Brothers action on its movie "Confessions of a Nazi Spy." Interests that wanted to continue selling movies in Germany -- even though the Holocaust had already started -- and offered to buy the film, including a profit for the makers, to prevent it from being shown (to protect their position in German markets).

But Warner Brothers refused to do it. The film was run and had as much impact as anything (in alerting world opinion).

If we show this kind of strength -- and we have labor and the people with us; if we demand that Solidarity get its rights; if that happens, nothing will be done. But if not, then we invoke sanctions (against the Soviet Union) and those (of our Allies) who do not go along with us will be boycotted, too, and will be considered to be against us, then . . .

The wheat and olympics actions after Afghanistan were ridiculous. It is time to speak to the world.

Block. You are saying we expect the Soviets and the Polish government might back off and give Solidarity back its rights?

The President. Yes. We would expect things to go back to the previous position and negotiations to start from there. There could also be appeals to compromise.

Regan. I see a problem on three levels.

The immediate problem: we want to send some message. But we do not want to incite street fighting. But a message of hope -- at this season they would particularly appreciate it.

Second, Al has to have time to get our Allies on board without bullying them. Show them where we stand and where we are heading. This takes time.

Third, we go it alone, if necessary.

The President. I agree, we should not surprise (our Allies). But there are some things we can do now, plus we tell them this is what we are prepared to do.

Haig. May I make a comment, please?

This is the first time in my memory that we have a pretty solid consensus that the time has come to do something.

What I had in mind is that we send Eagleburger to Europe to talk tough. Also, your letter to the Allies is tough, and mine to the Foreign Ministers is even tougher.

But if we decide here today to step away from incremental pressure, the pipeline, the pipelayers and the rest -- this is all a laugh.

You decide this situation requires you to use all your leverage. In Moscow they are still uncertain. If you now slap on a full court press, then they (the Soviets) can say to themselves they have nothing left to lose. On the other hand, we should know in a matter of hours or days whether there is going to be any pullback by the Polish government.

We had hoped Saturday night (December 19) to get a consensus on your line -- isolate the Soviet Union wholly -- hopefully with the Allies, but alone if necessary. Eagleburger will tell us.

However, we should not do this until we have, at least, warned the Soviets in an unequivocal way.

We have planned for a speech on Christmas eve or Christmas day. It would be nationally televised, but before the speech, . . . we must decide that we are prepared to act.

The President. That doesn't bother me at all. If we don't take action now, three or four years from now we'll have another situation and we wonder, why didn't we go for it when we had the whole country with us. I am tired of looking backward.



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The Vice President. I agree with Don and Al. We should take the time to consult, but giving a speech now is essential. What is missing is moral leadership. You should state how strongly you feel about Walesa -- about Solidarity -- about the Polish Ambassador and about the Polish people. You can speak in generalities without spelling out details. We don't want to delay.

We are at an emotional turning point. We can do the speech, but leave our options open. Identify with the turn in freedom.

Weinberger. My worry is that we will wait too long because a single Ally can hold us back. If there is moderation in the Soviet position, the way to find out is not to hold back, but to make the speech, then if there are no results, spell out the specifics of what we will do. This would be similar to the "zero option" speech.

Haig. All that is being said is compatible. However, we are not dealing with giving a speech, but with setting policy. I would never give such a speech unless you are prepared to act. From my viewpoint, I don't think we are in such a bad position now.

The President. No - no litany of items is to be recited. But what we should say is an overall expression of what we will do is an absolute quarantine of all trade as President Roosevelt had proposed in 1938.

Haig. To warn them again is an empty threat. When you speak (on this) it should be to inform them that you have decided to do something. It will take three days to find out our Allies' position.

The President. That puts us up to Christmas eve.

Deaver. There is a Wednesday time set for a broadcast.

Haig. Mr. President, we don't know what the Church is doing, but we might be in trouble if you come down too hard.

The President. We will make it known that this is what will be done if they do not release Walesa.

Kirkpatrick. Mr. President, you must tell the truth. You must stand by the central core of this administration. The speech will be an important act. Your (earlier) statement was fine, but we, I am sure, have all read George Will's column, in which he describes the outrageous fact that we have taken no action. This is important.

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Every day, beginning today, we should have some symbolic affirmation about the loss of freedom in Poland.

We don't have to warn anyone about anything.

You should receive the Polish Ambassador -- in front of the TV cameras!

It is also time for a letter to Brezhnev. We must set this event in history. We need to do this vis-a-vis our Allies. We need to assure them that we plan to stand against oppression.

We might have to suspend the Helsinki Accords. There are also a number of other meaningful acts that we can take that are not dangerous.

One of our objectives is to prevent our own demoralization by inactivity. It made me ill this morning to read a Post article on Afghanistan where the Afghans are still fighting Soviet tanks with ancient rifles. Perhaps one of the things we can do is more effective aid to Afghanistan. We don't have to talk about it -- just do it.

We should do something every day (on Poland) and culminate with a Christmas day speech.

Meese. It is important, at this point, to get a list of actions to be taken and a list of actions not to be taken.

For example, are we going to cut off all trade? Part of trade? All communications, including flights and telephones? Are we going to cut diplomatic and political contacts? Are we going to recall our ambassador? What is our position in the UN?

We have to have all these things down in some detail so that we know what we are doing.

A letter to Brezhnev should be done today. Hartman should be brought home for consultations.

All departments should hold relevant actions in abeyance. We should slow licensing actions.

The President is seeing Polish leaders today; the Polish Ambassador tomorrow. We should begin work on the speech. And we should organize for the possibility of sanctions.

The President. We have all these things we can do. We don't have to let them out. We can't close our embassy in Moscow. We would have to give back the seven Christians that are there. We should also keep arms limitations negotiations going for the time being, but be prepared to walk out.

Haig. We don't want to close our embassy or break diplomatic contact. We don't want to get into a World War III scenario. We don't want to stop the INF talks, we don't want to create riots in Europe. In our talks, we should take a position that we are reviewing what to do. The Soviets may (as a result of other actions by us) walk out on the INF talks themselves.

The President. Cutting off the talks would not punish the Soviets. The talks should, therefore, go ahead.

Haig. We hope by Thursday to see if they have done enough to justify what we are planning. Of course, if the Soviets invade Poland, there can be no continuation of the INF talks.

The President. I agree.

Haig. I am still not at the point where I would recommend a speech. You probably will want to give one (after events unfold), but if Walesa starts talking with the government, we will have a different scenario.

\_\_\_\_\_. We need to assess the total costs of our actions.

Baldrige. There is approximately 3.8 billion of Soviet trade in 1981.

(There followed a brief, multi-party discussion of trade statistics.)

Nance. My data shows that exports were \$3.853 billion; imports \$1.24 billion.

\_\_\_\_\_. When is our next meeting?

Meese. Tomorrow.

The Vice President. I don't see why the speech needs to wait. What has been running is a moral identification with Walesa. No more time is needed to at least match that of Mitterand, a socialist leader. We have not clearly identified with the historic significance of this event. We need to exert moral leadership.

Haig. There is a difference between what you are saying and what we are discussing. The President wants to take dramatic action. You want the President to be identified with events in Poland.

The Vice President. We need a clear statement of what will happen (if repression continues in Poland).

Weinberger. Delay avoids leadership. The time we needed this was yesterday.

Meese. As a practical matter, the President's Wednesday speech cannot avoid addressing the Polish issue.

The President. Yes, I cannot make a "Santa Claus is Coming to Town" speech in this environment.

The letter to Brezhnev could contain carrots. It could address the fact that they haven't been able to provide their people the living standard they would like and that they would be in an even worse plight without trade (with the West).

We could say that we cannot continue trade (if events in Poland continue) and that we will press our Allies to follow us unless the Polish situation is alleviated. But again holding out our hand. Can he envision what it would be like if trade with the West were open? It would be a different, much better, world. He can have that one, giving up nothing, or the one that will result if we are forced to take trade-cutting actions.

Nance. What about the National Christmas tree?

Haig. Let us make no mistake. This (the Polish matter) is a matter of life and death for the Soviet Union. They would go to war over this. We must deal with this issue with this in mind and have no illusions. There are no "cheap runs." We cannot be concerned with various constituencies.

Deaver. But haven't we ruled out military action? We did that the first day.

Haig. But we may not have that option.

Weinberger. Soviets may take military actions against Poland, but this is not world war.

Haig. We are talking about the way in which we represent our case.

Meese. We are 15 minutes behind schedule for a meeting with a women's group.

The President. Remember, everyone stock up on Vodka!