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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

CONFIDENTIAL



June 1, 1987

MEMORANDUM FOR BOB PEARSON

FROM:

SALLY GROOMS

SUBJECT:

For this fourth and last Potential Problems Alert List before the President departs on Wednesday, we have divided issues into two groups: those most likely to have an impact during the trip (as well as beyond) and those of somewhat less immediate concern in terms of the trip. We continue to judge the level of seriousness on the merits of the issue itself without regard to its likelihood to impinge on the trip or Summit.

Otherwise, the main changes from the third list of May 20:

- Persian Gulf events, including reaction of allies to the Stark attack, create a major new unknown in analyzing probable developments during the next two weeks; at best, could distract from other Summit issues;
- early media treatment of the Summit has led us to revise that issue, replacing possible lack of public interest with concern that media could play the Summit as a demonstration of weakness in Western leadership;
- recent polling in Europe led us to add "equidistancing" as a problem of immediate concern; the trip offers excellent opportunities to counter this view;
- Gorbachev's East-West initiative expected during his visit to East Berlin did not happen; such a move is still possible, but not likely during the trip;
- o the question of handling the South Africa issue at the Summit apparently has been settled.

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Potential Problems Alert List (Revision 4) June 1, 1987

#### VENICE SUMMIT/EUROPEAN TRIP PUBLIC DIPLOMACY

#### Immediate Issues

#### 1. Debate on INF:

Problem: Perception among some in U.S. and abroad that 0 INF agreement will weaken Western security, divide NATO and give the Soviet Union political victory. Other voices, especially in Europe, call for any nuclear arms agreement, almost regardless of content.

Level of seriousness: High ----

- 0 Recommended treatment:
  - Speeches during the trip provide opportunities for --focussing world attention on U.S. positions; exploit other occasions on trip for briefings, etc:
  - If INF issue is resolved among Europeans during ---trip, ensure U.S./NATO position is stressed in all public statements by the President, others;
  - Stress Alliance consultations; --
  - Maintain aggressive interagency effort stressing that good INF agreement is an historic event in interest of the West;
  - Stress NATO's commitment to maintaining doctrine of flexible response while pursuing verifiable nuclear arms reductions and avoiding undue political or military burden on any NATO member;
  - Stress that good agreement is result of Presidential leadership and steadfastness;
  - Encourage NATO allies to engage their own publics in support of objectives on INF.

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### 2. Ineffectual Summit:

- O Problem: Lack of specific actions from Summit could create public perception of Western <u>leadership unable</u> to coordinate effective solutions to international problems; <u>Summit could appear irrelevant</u> to international scene.
  - -- Level of seriousness: High.
- o Recommended treatment:
  - -- Set specific, achievable, substantive objectives for Summit, e.g. in agriculture, terrorism, countering charge that Summit is all words and no action;
  - -- Brief heavily on background to shape media -including foreign media -- expectations and define "success" on our terms;
  - -- Ensure 6,000 journalists covering Summit have substantive headline stories to report;
  - -- Tie the Summit and the trip as a whole to the range of U.S.-European/U.S.- Japanese issues.

#### 3. Volatile Middle-East/Persian Gulf

- Problem: Unpredictable events in the Middle
  East/Persian Gulf -- military confrontation, terrorist action -- could blow up in crisis while President is in Europe; Gulf issues could dominate coverage of Summit, detract from Western unity, U.S. leadership.
  - -- Level of seriousness: High.
- o Recommended treatment:
  - -- Active consultations with Congress could help build/demonstrate bi-partisan support for Presidential leadership;
  - -- Work for demonstrable Summit unity on key issues of region, including the Gulf, terrorism;
  - -- Plot contingency actions/statements for the unforeseeable.

- 4. The Problem of "Equidistance"
  - o Problem: Increasing numbers of Europeans (according to polls), especially Germans, say that there is little to choose between the "superpowers" and that Soviet Gorbachev is more actively working for world peace than U.S.
    - -- Level of seriousness: High.
  - o Recommended treatment:
    - -- The trip itself will demonstrate unity of Western community and U.S.-European link;
    - -- Major speeches should stress U.S. commitment to Europe and emphasize values/principles fundamental to identity of the West;
    - -- Stress in speeches and briefings common Western approach to current issues of most concern to Europeans, e.g. arms control, East-West relations.

#### 5. UK Elections:

- Problem: <u>UK parliamentary elections</u> June 11 will absorb attention of UK press, others, distract from Summit.
  - -- Level of seriousness: Moderate.
- o Recommended treatment:
  - -- Avoid any perception of U.S. involvement in UK electoral process;
  - -- U.S. statements on nuclear issues must not become campaign issues in UK;
  - -- Close, constructive relationship between the President and Mrs. Thatcher will be clear from meetings/discussions at Summit.

### 6. Italian Void:

- Problem: Italian political situation killed state visit; President could appear <u>underemployed</u> during Italian visit.
  - -- Level of seriousness: Moderate.
- o Recommended treatment:
  - -- Brief heavily on substantive objectives of Summit, trip;
  - -- Increase Presidential predeparture activities related to trip issues, e.g., Marshall Plan address;
  - -- Avoid impression of any involvement in Italian politics.

#### Longer Term Issues

- A. Trade Crunch with Japan:
  - o <u>Problem</u>: Perception in some quarters that U.S. <u>sanctions</u> against Japan could lead to a <u>major trade</u> <u>war</u>.
    - -- Level of seriousness: High.
  - o Recommended treatment:
    - If possible, announce lifting of sanctions before or during trip;
    - -- Stress U.S. support for free and fair trade;
    - -- Stress U.S. acted against Japanese violations only as last resort and seeks resolution of the problem;
    - -- The Summit itself should demonstrate that U.S. seeks to solve international economic problems through constructive cooperation.
- B. Trade Crunch with Europe:
  - o Problem: possible U.S. measures against unfair European trade practices in agriculture or other areas, create friction, threaten trade war.

- -- Level of seriousness: High.
- o Recommended treatment:
  - -- Work for concrete commitments on agriculture, other issues at Summit as demonstration of unity;
  - -- Stress U.S. desire to work for solutions to trade disagreements;
  - -- Ensure that U.S. positions on controversial issues, e.g., airbus, agriculture, are presented fully to media and public here and abroad.
- C. Contrary Congress:
  - Problem: Congress is challenging the President; legislative action could damage Presidential authority and leadership; key issues: trade, SDI, arms control.
    - -- Level of seriousness: High.
  - o Recommended treatment:
    - -- Take President's free trade message directly to the people; stress need for free trade, danger to America of protectionism;
    - -- Stress need for Congressional support on security/arms control issues and trade.
- D. Iran-Contra Affair:
  - o Problem: continuing Congressional investigations will capture headlines daily; possibility of new revelations threatens re-ignition of issue.
    - -- Level of seriousness: High.

- o Recommended treatment:
  - -- Maintain stance of openness and cooperation with investigatory bodies;
  - -- Continue demonstrating Administration's determination not to allow Iran-Contra to interfere with the process of government;
  - -- Work for strong anti-terrorist statement in Venice Summit communique;
  - -- Recess in hearings lessens seriousness of issue during trip itself.
- E. The Uncertain Dollar:
  - o Problem: renewed fall of the dollar could threaten loss of faith in U.S. as economic leader and destabilization of international monetary system.
    - -- Level of seriousness: High.
  - o Recommended treatment:
    - -- Stress U.S. position that dollar has fallen far enough, need for exchange rate stability;
    - -- Urge trading partners to act to maintain dollar;
    - -- Impress upon publics the negative consequences for them of a weak dollar.
- F. ABM:
  - Problem: confrontation with Congress over broad/narrow interpretation of <u>ABM</u> undercuts U.S. credibility as negotiator.
    - -- Level of seriousness: High.
  - o Recommended treatment:
    - -- Avoid highlighting issue;
    - -- Delay release of further Sofaer reports until after trip.

- G. Nakasone's Political Situation:
  - o <u>Problem:</u> Prime Minister <u>Nakasone's political troubles</u> <u>could weaken key friend</u> and international player; could weaken Summit effectiveness on international problems.
    - -- Level of seriousness: Low.
  - o Recommended treatment:
    - -- Ron-Yasu relationship remains strong;
    - -- Continue stressing message that U.S. seeks to resolve differences with Japan and deal with international economic problems through co-operation;
    - -- Settle U.S. sanctions as soon as possible.

#### H. Terrorism:

- o <u>Problem: Iran-Contra</u> affair <u>undercuts U.S.</u> anti-terrorism policy.
  - -- Level of seriousness: Low.
- o Recommended treatment:
  - -- Seek strong declaration on terrorism from the Summit;
  - -- Stress firmness of U.S. policy, reaffirming U.S. opposition to dealing with terrorists.

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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

CONFIDENTIAL

June 1, 1987

MEMORANDUM FOR COLIN POWELL

FROM:

SALLY GROOMS

SUBJECT: ALERT LIST Rev. 4

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CONFIDENTIAL Declassify on: OADR

Potential Problems Alert List (Revision 4) June 1, 1987

#### VENICE SUMMIT/EUROPEAN TRIP PUBLIC DIPLOMACY

#### Immediate Issues

#### Debate on INF: 1.

- Problem: Perception among some in U.S. and abroad that 0 INF agreement will weaken Western security, divide NATO and give the Soviet Union political victory. Other voices, especially in Europe, call for any nuclear arms agreement, almost regardless of content.
  - Level of seriousness: High
- 0 Recommended treatment:
  - Speeches during the trip provide opportunities for ----focussing world attention on U.S. positions; exploit other occasions on trip for briefings, etc:
  - If INF issue is resolved among Europeans during trip, ensure U.S./NATO position is stressed in all public statements by the President, others;
  - Stress Alliance consultations; -
  - Maintain aggressive interagency effort stressing that good INF agreement is an historic event in interest of the West;
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  - Stress that good agreement is result of \_\_\_ Presidential leadership and steadfastness;
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CONFIDENTIAL Declassify on: OADR

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  - o Problem: Lack of specific actions from Summit could create public perception of Western <u>leadership unable</u> to coordinate effective solutions to international problems; <u>Summit</u> could <u>appear irrelevant</u> to international scene.
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## 5. <u>UK Elections</u>:

- <u>Problem</u>: <u>UK parliamentary elections</u> June 11 will absorb attention of UK press, others, distract from Summit.
  - -- Level of seriousness: Moderate.
- o <u>Recommended treatment:</u>
  - -- Avoid any perception of U.S. involvement in UK electoral process;
  - -- U.S. statements on nuclear issues must not become campaign issues in UK;
  - -- Close, constructive relationship between the President and Mrs. Thatcher will be clear from meetings/discussions at Summit.

- 6. Italian Void:
  - o Problem: Italian political situation killed state visit; President could appear <u>underemployed</u> during Italian visit.

-- Level of seriousness: Moderate.

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#### Longer Term Issues

- A. Trade Crunch with Japan:
  - o <u>Problem</u>: Perception in some quarters that U.S. <u>sanctions</u> against Japan could lead to a <u>major trade</u> war.
    - -- Level of seriousness: High.
  - o Recommended treatment:
    - If possible, announce lifting of sanctions before or during trip;
    - -- Stress U.S. support for free and fair trade;
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## D. Iran-Contra Affair:

- o <u>Problem</u>: continuing Congressional <u>investigations will</u> <u>capture headlines</u> daily; possibility of <u>new</u> revelations threatens re-ignition of issue.
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  - -- Continue demonstrating Administration's determination not to allow Iran-Contra to interfere with the process of government;
  - -- Work for strong anti-terrorist statement in Venice Summit communique;
  - Recess in hearings lessens seriousness of issue during trip itself.
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    - -- Level of seriousness: High.
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    - -- Avoid highlighting issue;
    - -- Delay release of further Sofaer reports until after trip.

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  - o <u>Problem:</u> Prime Minister <u>Nakasone's political troubles</u> <u>could weaken key friend</u> and international player; could weaken Summit effectiveness on international problems.
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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

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June 1, 1987

MEMORANDUM FOR TOM GRISCOM

FROM:

SALLY GROOMS SUBJECT: ALERT LIST RA

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Potential Problems Alert List (Revision 4) June 1, 1987

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    - If possible, announce lifting of sanctions before or during trip;
    - -- Stress U.S. support for free and fair trade;
    - -- Stress U.S. acted against Japanese violations only as last resort and seeks resolution of the problem;
    - -- The Summit itself should demonstrate that U.S. seeks to solve international economic problems through constructive cooperation.

#### B. Trade Crunch with Europe:

o Problem: possible U.S. measures against unfair European trade practices in agriculture or other areas, create friction, threaten trade war.

- -- Level of seriousness: High.
- o Recommended treatment:
  - -- Work for concrete commitments on agriculture, other issues at Summit as demonstration of unity;
  - -- Stress U.S. desire to work for solutions to trade disagreements;
  - -- Ensure that U.S. positions on controversial issues, e.g., airbus, agriculture, are presented fully to media and public here and abroad.
- C. Contrary Congress:
  - <u>Problem:</u> <u>Congress</u> is challenging the President; legislative action could <u>damage</u> <u>Presidential</u> <u>authority</u> and leadership; key issues: trade, SDI, arms control.
    - -- Level of seriousness: High.
  - o Recommended treatment:
    - -- Take President's free trade message directly to the people; stress need for free trade, danger to America of protectionism;
    - -- Stress need for Congressional support on security/arms control issues and trade.
- D. Iran-Contra Affair:
  - o <u>Problem</u>: continuing Congressional <u>investigations will</u> <u>capture headlines</u> daily; possibility of <u>new</u> revelations threatens re-ignition of issue.
    - -- Level of seriousness: High.

- o Recommended treatment:
  - -- Maintain stance of openness and cooperation with investigatory bodies;
  - -- Continue demonstrating Administration's determination not to allow Iran-Contra to interfere with the process of government;
  - -- Work for strong anti-terrorist statement in Venice Summit communique;
  - -- Recess in hearings lessens seriousness of issue during trip itself.
- E. The Uncertain Dollar:
  - o <u>Problem:</u> renewed <u>fall of the dollar</u> could threaten <u>loss</u> of faith in U.S. <u>as economic leader</u> and destabilization of international monetary system.
    - -- Level of seriousness: High.
  - o Recommended treatment:
    - -- Stress U.S. position that dollar has fallen far enough, need for exchange rate stability;
    - -- Urge trading partners to act to maintain dollar;
    - -- Impress upon publics the negative consequences for them of a weak dollar.
- F. ABM:
  - Problem: confrontation with Congress over broad/narrow interpretation of <u>ABM undercuts U.S. credibility</u> as negotiator.
    - -- Level of seriousness: High.
  - o Recommended treatment:
    - -- Avoid highlighting issue;
    - -- Delay release of further Sofaer reports until after trip.

- G. Nakasone's Political Situation:
  - o <u>Problem:</u> Prime Minister <u>Nakasone's political troubles</u> <u>could weaken key friend</u> and international player; could weaken Summit effectiveness on international problems.
    - -- Level of seriousness: Low.
  - o Recommended treatment:
    - -- Ron-Yasu relationship remains strong;
    - -- Continue stressing message that U.S. seeks to resolve differences with Japan and deal with international economic problems through co-operation;
    - -- Settle U.S. sanctions as soon as possible.
- H. Terrorism:
  - o <u>Problem: Iran-Contra</u> affair <u>undercuts U.S.</u> anti-terrorism policy.
    - -- Level of seriousness: Low.
  - o Recommended treatment:
    - -- Seek strong declaration on terrorism from the Summit;
    - -- Stress firmness of U.S. policy, reaffirming U.S. opposition to dealing with terrorists.

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E.O. 12356: M/A SUBJECT: PRESIDENT REAGAN'S PRE-ECOROMIC SUMMIT INTERVIEWS WITH LA STAMPA AND RAI CHANNEL ONE TW

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1. PRESIDENT REAGAN'S PRE-ECONOMIC SUMMIT INTERVIEW

- THE MAY 27 EDITION OF TURIN'S CENTRIST DAILY "LA STAMPA" (GIRCULATION APPROK. 420,000) LED WITH PRESIDENT REAGAN'S PRE-ECONOMIC SUMMIT INTERVIEW WITH PRINT JOURNALISTS REPRESENTING THE COUNTRIES PARTICIPATING IN THE VENICE ECONOMIC SUMMIT, OTHER ITALIAN NEWS MEDIA, IN PARTICULAR MAY 27 RADIO MEMOCASTS, NOTE AND COMMENT POBITIVELY ON PRESIDENT'S. STATEMENT TO THE PRINT JOURNALISTS REGARDING PROSPECTE FOR A U.S. -SOVIET SUMMIT THIS YEAR.

. IN "LA STANPA," INTERVIEW IS ACCOMPANIED BY A PHOTOGRAPH OF THE PRESIDENT AND IS HEADLINED "REAGAN": "U, S--USSR SUMMIT BY THE END OF THIS YEAR ... THE GLA PORTION IS PRECEDED BY AN INTRODUCTION THAT BEGINS WITH THE FOLLOWING QUOTE BY THE PRESIDENTS .... CAN'T BENY WEREVER IN THE SORLO T FIND A CONTUNEST HOVENENT, THEIR CONDUCT HAS BEEN SUCH . THAT IT'S OF CONCERN... I BELIEVE, HOWEVER, THAT IT WOULD BE INPROPER FOR HE TO INJECT ANY OPINIONS INTO THAT THE ITALIAN PEOPLE WILL DO MIAT'S RIGHT, AS THEY HAVE FOR QUITE SOME TIME NOW . CARETTO CONVENTS "IT WAS THE FIRST TIME THIS PRESIDENT, OR A NEWBER OF HIS ADNIHISTRATION, WHILE REFRAINING PRON-DIRECTLY EXPRESSING HIS VIEWS ON ITALIAN COMMUNISTS, HAS PUELICLY EXPRESSED RESERVATIONS REGARDING THEIR TAKING A BOLE 18 GOVERNMENT."

- CARETTO DESCRIBES PRESIDENT REAGAN DURING THE INTERVIEW AS "ELEGANT IN A GREY SUIT AND RED ITES, IN EXCELLENT SHAPE... THE LANGUAGE DURING THE INTERVIEW WAS OPTIMISTIC. WITH IRANGATE IN-FUL SWING, INSTEAD OF A LEADER FACING A CRIBIS AND CLOSE TO THE END OF HIS RANDATE, REAGAN APPEARED SELF-CONFIDENT, FIRM AND CONVINCED OF HIS PERSONAL ROLE IN DISTORY. ON IRANGATE, RE.COMMENTED, "FRANKEY I SLEEP YERY WELL AT NIGHT. I NEVER THOUGHT ABOUT RESIGNING." HE EXPRESSED IN POSITIVE TERMS REGARDING HIS DIALOQUE WITH ORBACHEV: 'I BELIEVE WE VILL HAVE A GUMNIT IN THE UNITED STATES BY THE END OF THIS YEAR...." ARTICLE CONTINUES WITH FULL TEXT OF INTERVIEW.

2. PRESIDENT REAGAN'S INTERVIEW WITH FOREIGN IV

- PRESIDENT READANCES INTERVIEW WITH SIX TELEVISION JOURNALISTS REPRESENTING THE COUNTRIES PARTICIPATING IN THE VENICE SUMMIT LED THE MAY 27 MAIN EVENING NEWSCART ON RAI HOUSERAVE CHANNEL ONE TELEVISION. TO-1'S U.S. CORRESHONDENT GIUSEPPE LUGATO VAS SHOWN AS NE INTRODUCED THE OTHER FIVE JOURNALISTS TO PRESIDENT READAN AND OPENED. THE ROUND OF EVENTIONS AS THE REPRESENTATIVE OF THE BURNIT'S NOST COUNTRY. THREE-MINUTE FOOTAGE INCLUDED BOTH OF LUGATO'S GUESTIONS AND THE PRESIDENT'S ANSWERS TO THEM, AS WELL AS FRENCH TY'S BUSSTIMMENOUS IRAN'S "ANTICIPATED DECLARATION OF WAR'S AND THE PRESIDENT'S RESPONSE. EETIMATE AUDIENCE FOR THE RAI CHANNEL ONE EVENING NEWS 5 11 MILLION. SALESYMEN

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