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NATIONAL SECURITY COUNCIL

4414 a/o 5/2464

TR

June 15, 1987

FG128

Nati Sec Advisor

TO: ELAINE MITSLER

FM: DAVE MATTHEWS

REFERENCE: Package 4414

Attached are the Alix Platt "talking points" on the Venice Summit portion of the FCC presentation before the Republican Congressional Leadership Council. These were prepared subsequent to the Summit.

Distribution made to others who prepared the package.

Encl.

NSC# 8704414

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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

June 10, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

Nati Sec Advisor has seen

FROM:

ALISON B. FORTIER

SUBJECT:

Republican Congressional Leadership Council (RCLC) Meeting/Speaking Engagement at the Four Seasons Hotel on June 16, 1987 from 1:00 p.m. to 1:45 p.m.

You accepted the invitation of Representative Guy Vander Jagt, Chairman of the National Republican Congressional Committee, to address their annual Spring Briefing (Tab III) on Tuesday, June 16. You will be met at the entrance to the Four Seasons Hotel by Amy Englander of the RCLC staff. You will be introduced by Tom Burnham, the National Co-Chairman of the RCLC, bio at Tab II.

The RCLC members are very conversant with current events and are in large part community-leaders and have a capability to influence local opinion across the country.

The suggested format is for approximately 15 minutes of remarks and 30 minutes of questions and answers. Because of this group's familiarity with key Administration issues, it would be useful to update them on the following:

NSC Organization - in light of the ongoing Iran Select Committee hearings, it would be useful for you to review the organizational changes that you have implemented to include the recommendations of the Tower Board. This would also be appropriate to this group because of their employment and/or responsibilities.

<u>Venice Summit</u> - These talking points will be provided by the NSC staff in Venice.

Arms Control - You should stress to this group the President's commitment to getting equitable, verifiable and workable reductions agreements. It is also important that you stress that the involvement, firmness and patience of the President in sticking to his criteria have been key to our reaching this stage of development on INF.

Persian Gulf - This will probably be the principal interest because of its currency. You should highlight the long-term U.S. presence in the Gulf stressing the necessity of preventing either Iranian or Soviet hegemony in the region if we lack the political will. Further, you may wish to outline the economic perils of the Soviets or Iranians having control of 55-60% of the world's proven oil reserves.

RECOMMENDATION

That you use the suggested talking points at Tab I for your meeting with the Republican Congressional Leadership Council and review Tom Burnham's bio at Tab II.

Approve____ Disapprove___

Attachments

Tab I Talking Points
Tab II Tom Burnham Bio

Tab III Incoming

Prepared by: David Matthews

Paul Stevens, Bob Linkard, Bob Oakley, and Bill bekell concur.

Talking Points on Venice Economic Summit

-- Made substantial progress on economic and political issues during our week in Venice.

Political Accomplishments

- -- Political declaration reflects shared values of Western allies.
- Gulf, on terrorism and on East-West issues with very little discussion. There was no disagreement. This Summit gives us a solid underpinning for what we are seeking: in the Gulf, for instance, freedom of navigation, and with respect to the Soviet Union, a near unanimity of views and support for your Geneva negotiating positions.
- -- We are all encouraged by seeming progress in the Soviet
 Union, but we are determined to see real progress on issues
 such as human rights and withdrawal of Soviet troops from
 Afghanistan before we believe everything that has been said.
- tary's meetings with the NATO foreign ministers in Reykjavik immediately following the Summit, give us an essential boost to let us move forward another summit meeting with General Secretary Gorbachev. It is only through Western unity and strength (economic and political) that we will be able to accomplish our arms reduction objectives while maintaining our mutual security.
- -- The statement on terrorism in our judgment is loud and clear. It builds on past Summit declarations but goes

beyond them. Terrorists and the countries who tolerate them by refusing extradition and other means are becoming evermore isolated. This and the specific encouragement for various international initiatives sends a clear message to terrorists. And terrorist incidents have gone down and public confidence has gone up. Europe's squares, crowded once again with American tourists, are proof enough.

- The Persian Gulf statement is equally clear. Endorsing the UN Security Council's efforts to achieve <u>effective</u> measures to end the war will bring about a cease-fire, an embargo on arms sales to either party, and a reiteration of the principle of freedom of navigation.
- -- Two of the Summit countries (Germany and Japan) are not permitted by their laws to have fleets in the Gulf. Two others (France and the UK) are very active there, escorting commercial shipping and the like. The other two (Canada and Italy) do not have large fleets, but Canadian PM Mulroney expressed his unqualified support for the U.S. position, and the Italian delegation at Venice came up with the language on the Gulf Statement. So it is fair to say that all the Summit partners are united in their belief that we cannot and will not allow the Persian Gulf to become hostage to an interminable regional conflict which threatens all of our vital interests.

Economic Summit Accomplishments

-- The President said last year that the Tokyo Economic Summit was the best that he had attended up until that time.

Venice then was one step better, putting into place many of the initiatives we set in motion in Tokyo.

- -- We achieved all of the economic objectives we wanted in Venice.
- -- Specifically, we made progress on several issues of importance to the world's economy:
- -- On macroeconomic policy coordination, we have a new process of policy coordination in place and working, and we have agreement to take policy steps if necessary to respond to insufficient world growth.
- -- On Agriculture, we have an endorsement of progress made recently at the OECD Ministerial, and we will soon table proposals at GATT to take us a step further along the path of international agricultural reform, and we will review that progress at the 1988 Summit in Canada.
- -- On debt, we reconfirmed our debt strategy, including agreement on a case-by-case approach for medium-income LDC's and
 calling on banks to offer a new approach to debtors. We
 also expressed the need to pay special attention to the
 poorest nations.
- -- We also discussed the important structural adjustments we could make to continue the process of getting the governments out of the way of the people's energy and creativity by reducing regulation and governmental interference, especially to provide for new job opportunities worldwide.
- -- Finally, we all agreed to the need to pursue expeditiously the GATT trade negotiations of the Uruguay Round. We agreed

on the need to strengthen the GATT system and to resist protectionism, because an expanding world economy requires an open trading system.

TALKING POINTS FOR MR. CARLUCCI'S USE WITH REPUBLICAN LEADERSHIP COUNCIL, JUNE 16: PERSIAN GULF

- o U.S. has vital interests in Persian Gulf.
 - -- Access to energy resources: More than 60% world's proven oil reserves in Gulf. U.S. and Western dependence on Gulf oil imports increasing. By 1995, Gulf's share of world market likely grow to 35%, up from less than 25% today; U.S. imports from Gulf likely to double, from 6% of total consumption today to as much as 15%. Deepening interdependence of Western economies also increases U.S. vulnerability -- recall that relatively small supply disruptions in 1980-81 due to beginning of Iran-Iraq war caused prices to rise significantly.
 - -- Preventing hostile domination: Recognizing economic and geopolitical importance of Gulf, every President since Harry Truman has made clear our determination to prevent any hostile power -- particularly the Soviet Union -- from gaining hegemony over the region. We have maintained a modest naval presence in the Gulf for over 40 years, and have worked hard to help ensure the stability and security of moderate states in the area, particularly since the UK effectively withdrew from the Gulf in early 1970's.

o Principal threat to those interests today is continuation and expansion of Iran-Iraq war: Increases possibility of Iranian hegemony over Gulf by means of military action, terrorism, and politico-religious subversion; Iran and Iraq pose increasing threats to freedom of navigation for non-belligerent shipping and free flow of oil; creates opportunities for Soviets to expand influence at our expense by providing weapons, naval assistance and political support to Gulf Arabs and appearing as their "protector" while U.S. unable to act decisively.

Our strategy for countering that threat is two-pronged:

- -- Focal point is major diplomatic effort to end Iran-Iraq
 war. Pushing hard for balanced UNSC resolution that -for first time in seven years of war -- would apply
 mandatory enforcement measures (i.e. arms embargo)
 against non-compliance. Also intensifying Operation
 Staunch vs. Iran -- which has long been intransigent
 party. Rallying support of allies and Arabs behind
 this effort.
- -- In parallel with diplomatic effort, taking interim
 political and military steps to bolster friends against

 Iranian intimidation; demonstrate to Iran that it can't

win war by pressuring Gulf Arabs and will eventually have to negotiate; safeguard freedom of non-belligerent shipping and flow oil; and foreclose opportunities for Soviets.

- Numaiti oil is one of these interim steps. Not an open-ended commitment to protect all ships, but rather carefully-considered effort help Kuwait -- principal target of Iranian intimidation; contain war and build pressure on Iran to negotiate; signal our commitment to safety non-belligerent shipping; block expansion Soviet influence which ready to take over entire role vis-a-vis Kuwait if we refuse. Aim is deter -- not provoke -- Iran. We remain neutral in war and will ensure U.S. ships carry no cargo for or from Iraq or Iran.
- ex-Kuwaiti tankers only <u>after</u> he is satisfied that U.S. military force levels/readiness adequate for mission and threat; thorough consultations with Congress; and full consultations with and adequate cooperation from Allies and GCC states. Our friends will help share burden of trying end war, defending freedom of non-belligerent shipping in interim, shoring up Gulf Arabs vs. USSR and Iran.

- -- Each will act in his own way. Biggest help they can provide is political pressure to end the war which requires concerted, broad effort.
- -- We need less help militarily and allies already there.

 UK has three navy ships in Gulf, protecting commercial shipping which includes 2 Kuwaiti tankers flying UK flag; France has naval presence in Indian Ocean and Gulf; others can be expected do more to assist directly or indirectly in providing military presence (some could substitute for U.S. navy ships in Mediterranean, some might periodically send own navy ships to Gulf; etc.); still others such as Japan and FRG can be expected to provide other kinds of assistance (e.g. financial contribution, off-sets, etc.).
- -- Talks at Venice summit found wide support for ending war and safeguarding freedom non-belligerent shipping.

 However, do not expect rapid, highly-visible spectacular actions. Not allied style and not necessary. Adequate resources exist.
- -- Gulf allies are also contributing and some will do more. Saudis allow USAF AWACs and supporting aircraft

to use their airfields and are expected to provide greater AWACs coverage. Essential to protect our ships from surprise attack by air, and have proven their value.

Bahrain provides facilities for MIDEASTFOR. Oman also provides facilities for U.S. military operations in Indian Ocean and Gulf. Kuwait and others provide use of ports by U.S. navy vessels. All may do more but will do so gradually and guietly.

- We understand risks involved in our two-pronged approach, especially limited protection of shipping arrangement with Kuwait. They have increased since USS Stark incident and public debate about our role aroused Iran to threaten U.S. But we're convinced inaction or withdrawal would carry even greater risks -- with Iran stepping up intimidation of GCC and attacks on non-belligerent shipping, and Soviets exploiting Arab anxieties. Can't afford that.
- Determined move ahead carefully, steadily, keeping Congress, allies, Gulf Arabs and others informed so there will be no misunderstanding. We will keep firmly in mind importance of our interests in Gulf; our overarching goal of ending Iran-Iraq war, source of most current threats to those interests; and need to reassure our friends -- and adversaries -- of our resolve in meantime.

TALKING POINTS

National Security Council Organizational Changes

- -- It is clear from recent events that the National Security
 Council's staff organization is of central importance in
 making national security policy in the United States.
- -- Indeed, the genesis of the National Security Council lies in the experience shared by many American policy makers during World War II of battling organizational impediments. Many believed that the United States Government, as then organized, impeded the making of coherent national security policy. How competing national security interests and issues were presented to the President for decision were key concerns of these policy makers and the legislators who drafted the National Security Act of 1947.
- organizational assistance to the President who faced unprecedented national security challenges in the post-World War II world. The Act created the National Security Council which was designed to provide national security advice to the President, integrate policies, and foster interagency cooperation. It is worthwhile to occasionally return to the Act's language:

"The function of the Council shall be to <u>advise</u> the President with respect to the <u>integration</u> of domestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to <u>cooperate</u> more effectively in matters involving the national security. . . . The Council shall . . . make such recommendations, and such other reports to the President as it deems appropriate or as the President may require."

The legislative history of the National Security Act shows that the Congress intended the NSC to be an advisory body to the President. The Senate Committee reporting favorably on Reorganization Plan No. 4 of 1949 wrote: "It (the NSC) is an advisory body to the President and not one of the various agencies within the National Military Establishment." It is interesting to note that in 1947 the NSC was not a controversial element of the Act, especially as compared to the creation of a unified defense department.

- -- Recent events, as chronicled by the Tower Board, revealed that key NSC staff members strayed from an advisory role and it's safe to say that, unlike 1947, the NSC can be controversial. The Board found that the NSC did not use its most powerful features -- providing comprehensive interagency analysis, alternatives, and follow-up review to the President. This resulted not from any structural inadequacy of the NSC system, but from the failure to use the NSC system properly.
- -- The NSC's organizational challenges are basically the same today as they were in 1947 and the President has acted decisively to ensure these organizational challenges are met by enacting all of the Tower Board recommendations.

-- Specifically:

Our goal, one identified by the Tower Board, is simply this: a small, highly-competent and widely-experienced professional staff.

o The proper functions of the Assistant to the President for National Security Affairs and the NSC staff are to serve as both "honest broker" for the NSC process and adviser to the President.

In short, the Tower Board's "model" is also ours: we recognize the need to keep all NSC principals fully informed and to fairly represent their views to the President. These are among the critical aspects of our role as "keeper of the process."

A clear vertical organization and strict lines of authority have been imposed on the NSC staff. There will be no freelancing. Appropriate management disciplines have been reasserted.

> Controls exerted by the NSC's Executive Secretary and by its Office Directors will promote better staff and interagency coordination.

o An important new position of NSC Legal Adviser has been created, with the clout to assure full accountability.

The NSC Legal Advisor is readily available to the NSC staff. Legal considerations are fully addressed in the NSC process. These are important recommendations of the Tower Board, and are being implemented.

o A new directive strictly prohibits the NSC staff itself from participating in any covert operations.

As is its proper role, the NSC will provide review of, guidance for, and direction to the conduct of national foreign intelligence and covert actions.

O Under the President, the NSC has initiated a sweeping review of existing covert actions, as well as the adequacy of procedures for approval and coordination.

This zero-based review addressed all relevant legal and policy considerations, including:

- oo Whether current covert action programs are consistent with Presidential findings;
- oo Whether they are effective in support of, and consistent with, our policy objectives; and
- oo Whether there are programs that are no longer effective and should be cancelled.

- The President has reaffirmed his strong commitment to make the Congressional oversight process work, and work well. Procedures for dislosure and consultation about intelligence matters will be followed. The President has directed that full and current information concerning covert actions be provided to the Congressional committees through the CIA; that directive will be followed.
- The process of interagency coordination is being revitalized, in accordance with the model for management of the national security system recommended by the Tower Board. The NSC system is back at work in coordinating the nation's vital defense and foreign relations agenda.
- -- Although I have emphasized the importance of process and organization, our system still allows for bold, but well considered, initiatives and well-staffed issues are being moved rapidly up to the President for his decision. I am confident that with this present NSC system in place, the President will close his Administration on a strong and confident note.

TALKING POINTS FOR YOUR MEETING WITH THE REPUBLICAN LEADERSHIP COUNCIL ON JUNE 16, 1987

STATUS OF INF AND PROSPECTS FOR NEGOTIATING SUCCESS

- -- Talks have come a long way. An agreement along the lines long laid out by the President could be within reach this year.
- -- The prospect of getting Soviet agreement, for the first time in history, to real reductions in nuclear arms is due to the firmness with which both this Administration and the NATO Alliance have approached the INF issue.
- -- Good discussion of INF at Venice. President welcomed Kohl's decision to support a global zero outcome in US and Soviet SRINF. We agree with him on exclusion of German Pershing IAs and believe that, consistent with Montebello decision, they should be modernized.
- -- Hope to achieve NATO consensus on SRINF at Foreign Ministers meeting in Reykjavik. President will then look over Reykjavik results and provide new instructions to Mike Glitman.
- -- In Geneva, we now have a joint draft treaty text with the Soviets, but there remain important brackets. Key here is verification, including getting Soviet agreement to appropriate on-site inspection of suspected sites.
- -- SRINF may still be a problem too. Soviets still call for zero SRINF in Europe. We and Allies insist that this be global and concurrent with INF agreement.
- -- We will also continue to push hard for global zero on LRINF, although this is not a precondition for an interim agreement.
- -- Finally, want to stress two key points: 1) INF must be viewed in context of our broader arms control objectives; we attach equally high priority to a START agreement and are pushing hard as well for an effective global CW ban and the redressing of the conventional imbalance. And, 2) with or without an INF agreement, we are determined to sustain NATO's strategy of flexible response, including needed nuclear modernization as called for at Montebello. We look to you in Congress to provide crucial support in both of these areas.

Mr. Thomas N. Burnham is the National Co-Chairman of the Republican Congressional Leadership Council. He is also the Managing Partner and Executive Committee Chairman of Burnham, Connolly, Oesterle & Henry, an international law firm with offices in Ann Arbor, Detroit, Washington, D.C., and London.

A practicing attorney for the past fourteen years, Burnham specializes in Antitrust, High Technology Corporate Activities, Computer Sciences, International Marketing and Joint Venture Law.

An active participant in the Republican Party, Burnham rose through the ranks of various regional chairmanships to become National Co-Chairman for the 1987 President's Dinner, the largest political fundraising event ever held. He served as National Regional Chairman for the President's Dinner in 1984, 1985 and 1986. Moreover, he acted as the Co-Chairman of the First, Second and Third Inaugural Anniversary Dinner Dances. He is a former member of the 1984 Inaugural Finance Committee.

Burnham is a member of the Michigan and American Bar Associations. He was recently reappointed to his second term as a Member of the ABA Standing Committee on Forum Committees.

In addition to the practice of law, Burnham is active in the acquisition and sale of real estate.



GERALD R. FORD

GUY VANDER JAGT HAIRMAN NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE

RICHARD M. DEVOS NATIONAL CO-CHAIRMAN

THOMAS N. BURNHAM National Co-Chairman

REPUBLICAN CONGRESSIONAL LEADERSHIP COUNCIL

320 FIRST STREET, S. E. WASHINGTON, D. C. 20003 (202) 479-701

APR 3 387

March 26, 1987

The Honorable Frank Carlucci Assistant to the President for National Security Affairs The White House Washington, DC 20500

Dear Frank:

The Republican Congressional Leadership Council will meet in Washington D.C. for their annual Spring Briefing on June 16, 1987. I'd like to take this opportunity to invite you to speak to the members of this group at our upcoming meeting.

RCLC members contribute between \$2,500 and \$5,000 to the NRCC each year. This amounts to in excess of 3 million dollars for our House Candidates each election cycle.

Our RCLC members are concerned and interested in the political issues of the day so the NRCC organizes two national briefings each year. At these meetings, our members are briefed by Members of the Cabinet, senior White House officials, Members of Congress and other key political leaders. The list of those who have been part of our program is quite lengthy, however in this last cycle the RCLC enjoyed meeting and hearing from Secretary of the Treasury, James Baker; Secretary of Labor, Bill Brock; President Gerald R. Ford; Director of the Office of Management and Budget, Jim Miller; Dr. Henry Kissinger and Ambassador Philip Habib just to name a few.

Following our full day of briefings the President and Mrs. Reagan will host a private White House reception in honor of the RCLC for the seventh consecutive year. As a speaker on our program it would be our pleasure to have you join us at the White House for this special evening.

Our schedule for the meeting is still flexible, and we would be more than willing to arrange a mutually convenient time for your talk. We have allocated 45 minutes for you and ask that you divide your time between remarks and questions.

I know your participation in this event would guarantee a major success. Thank you for your consideration and I will be in touch with you in the next few days to confirm your attendance.

Sincerely,

Guy Vander Jagt

Chairman

National Republican

Congressional Committee

note WAC'S comments on Attached copy marked at paper clips.

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

June 10, 1987

ACTION

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7.4

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Tab II Tom Burnham Bio

Tab III Incoming

Prepared by:
David Matthews

TALKING POINTS FOR MR. CARLUCCI'S USE WITH REPUBLICAN LEADERSHIP COUNCIL, JUNE 16: PERSIAN GULF

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National Security Council The White House

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National Security Council The White House

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RECEIVED 10 JUN 87 14

TO

CARLUCCI

FROM FORTIER

DOCDATE 10 JUN 87

MATTHEWS

10 JUN 87

KEYWORDS: VENICE SUMMIT PERSIAN GULF VANDER JAGT, GUY

ARMS CONTROL

CONGRESSIONAL

AFC

SUBJECT: VANDER JAGT REQUEST CARLUCCI SPEAKING ENGAGEMENT 16 JUN

ACTION: FOR DECISION DUE: 12 JUN 87 STATUS C FILES WH

FOR ACTION

FOR CONCURRENCE FOR INFO

CARLUCCI

COMMENTS

NSCIFID (MC CF) REF# LOG

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

DISPATCH

W/ATTCH FILE (C)