

Ronald Reagan Presidential Library
Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Executive Secretariat, NSC:
Agency File

Folder Title: Secretary of State's Evening Reports
(10/01/1984-11/20/1984)

Box: RAC Box 7

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library Inventories, visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

Last Updated: 6/6/2024

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: AGENCY FILE

Withdrawer

RBW 4/25/2013

File Folder SECRETARY OF STATE EVENING REPORT (10/01/1984-11/20/1984)

FOIA

M453

Box Number 7

SHIFRINSON

75

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
158214	MEMO	KENNETH DAM TO RR <i>R 1/25/2016 M453/5</i>	1	10/1/1984	B1
158215	MEMO	KENNETH DAM TO RR <i>R 1/25/2016 M453/5</i>	1	10/2/1984	B1
158216	MEMO	KENNETH DAM TO RR <i>R 1/25/2016 M453/5</i>	1	10/3/1984	B1
158217	MEMO	KENNETH DAM TO RR <i>R 1/25/2016 M453/5</i>	1	10/4/1984	B1
158218	MEMO	KENNETH DAM TO RR <i>R 1/25/2016 M453/5</i>	1	10/5/1984	B1
158219	MEMO	GEORGE SHULTZ TO RR <i>R 1/25/2016 M453/5</i>	1	10/9/1984	B1
158220	MEMO	DAM TO RR <i>R 1/25/2016 M453/5</i>	1	10/10/1984	B1
158221	MEMO	DAM TO RR <i>R 1/25/2016 M453/5</i>	1	10/11/1984	B1
158222	MEMO	DAM TO RR <i>R 1/25/2016 M453/5</i>	1	10/12/1984	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: AGENCY FILE

Withdrawer

RBW 4/25/2013

File Folder SECRETARY OF STATE EVENING REPORT (10/01/1984-11/20/1984)

FOIA

M453

Box Number 7

SHIFRINSON

75

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
158223	MEMO	MICHAEL ARMACOST TO RR R 1/25/2016 M453/5	1	10/15/1984	B1
158224	MEMO	GEORGE SHULTZ TO RR R 1/25/2016 M453/5	1	10/16/1984	B1
158225	MEMO	GEORGE SHULTZ TO RR R 1/25/2016 M453/5	1	10/17/1984	B1
158226	MEMO	DAM TO RR R 1/25/2016 M453/5	1	10/18/1984	B1
158227	MEMO	DAM TO RR R 1/25/2016 M453/5	1	10/19/1984	B1
158228	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	10/22/1984	B1
158230	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	10/23/1984	B1
158232	MEMO	SHULTZ TO RR PAR 2/5/2016 M453/5	1	10/24/1984	B1
158236	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	10/25/1984	B1
158241	MEMO	DAM TO RR R 1/25/2016 M453/5	1	10/26/1984	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: AGENCY FILE

Withdrawer

RBW 4/25/2013

File Folder SECRETARY OF STATE EVENING REPORT (10/01/1984-11/20/1984)

FOIA

M453

Box Number 7

SHIFRINSON

75

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
158245	MEMO	SHULTZ TO RR <i>R 1/25/2016 M453/5</i>	1	10/29/1984	B1
158250	MEMO	SHULTZ TO RR <i>R 1/25/2016 M453/5</i>	1	10/30/1984	B1
158253	MEMO	SHULTZ TO RR <i>R 1/25/2016 M453/5</i>	1	10/31/1984	B1
158255	MEMO	MICHAEL ARMACOST TO RR <i>R 1/25/2016 M453/5</i>	1	11/2/1984	B1
158256	MEMO	MICHAEL ARMACOST TO RR <i>R 1/25/2016 M453/5</i>	1	11/1/1984	B1
158260	MEMO	SHULTZ TO RR [COPY OF DOC. 158258] <i>R 1/25/2016 M453/5</i>	1	11/5/1984	B1
158258	MEMO	SHULTZ TO RR <i>R 1/25/2016 M453/5</i>	1	11/5/1984	B1
158263	MEMO	SHULTZ TO RR [COPY OF DOC. 158261] <i>R 1/25/2016 M453/5</i>	1	11/6/1984	B1
158261	MEMO	SHULTZ TO RR <i>R 1/25/2016 M453/5</i>	1	11/6/1984	B1
158264	MEMO	SHULTZ TO RR <i>R 1/25/2016 M453/5</i>	1	11/7/1984	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: AGENCY FILE

Withdrawer

RBW 4/25/2013

File Folder SECRETARY OF STATE EVENING REPORT (10/01/1984-11/20/1984)

FOIA

M453

Box Number 7

SHIFRINSON

75

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
158266	MEMO	SHULTZ TO RR [COPY OF DOC. 158265] R 1/25/2016 M453/5	1	11/8/1984	B1
158265	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	11/8/1984	B1
158271	MEMO	SHULTZ TO RR [COPY OF DOC. 158268] R 1/25/2016 M453/5	1	11/9/1984	B1
158268	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	11/9/1984	B1
158272	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	11/13/1984	B1
158275	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	11/14/1984	B1
158276	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	11/15/1984	B1
158277	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	11/16/1984	B1
158279	MEMO	SHULTZ TO RR R 1/25/2016 M453/5	1	11/19/1984	B1
158280	MEMO	SHULTZ TO RR PAR 2/5/2016 M453/5	1	11/20/1984	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

~~CONFIDENTIAL~~DEPARTMENT OF STATE
WASHINGTON

October 1, 1984

MEMORANDUM FOR: THE PRESIDENT

FROM : Kenneth W. Dam, Acting *KWD*

1. EC-Central American Summit. Our intense efforts this past week to keep the EC-Central American conference at San Jose on track were successful. There was no embarrassing communique. Pressure on our Central American friends to sign an inadequate agreement was contained. Support of the Contadora process was couched in the communique in terms of the September 1983 Document of Objectives instead of the draft Acta, as Colombia and Mexico actively sought. The communique characterized the Acta as a "fundamental stage in the negotiating process" -- our view exactly. Most importantly, the conference did not take any steps likely to boost the Sandinistas' international standing.

On economic aid, the Europeans agreed only to negotiate a framework agreement for economic cooperation. Mexico's CADESCA was not endorsed as a vehicle for such assistance. How much, if any, aid would go to Nicaragua would depend on specific projects that would have to be approved on both sides and that would not in any event be implemented until 1986 or later.

2. Reaction to Gromyko's Washington Meetings. The reaction to Gromyko's meetings with you and George has been the lead story around the world and most coverage has been cautiously upbeat. Le Monde in Paris noted "there is every reason to believe that the Reagan-Gromyko meeting will not be followed by sensational developments. It could, however, be a first step in a new era of U.S.-Soviet relations." The moderate Tribune de Geneve headlined "Reagan has brought off a coup" and reported that dialogue "is preferable to distrustful silence." Japanese media commentary also welcomed the reopening of U.S.-Soviet talks, but took note that nothing concrete had resulted. The September 30 TASS report of George's second meeting, while hardly upbeat, represents the most positive treatment to appear so far in the Soviet press. We believe this dispatch reflects Gromyko's personal touch and is particularly noteworthy as it comes against the background of six months of harsh anti-U.S. rhetoric in the Soviet media.

3. Meeting with Swiss State Secretary Edouard Brunner. I met today with Swiss Deputy Foreign Minister Edouard Brunner for talks on a number of bilateral issues. He asked that we try to inject some political influence into the legal problems (e.g., civil aviation, extra-territoriality, etc.) that beset us by scheduling a meeting between their new Justice Minister, who will be named tomorrow, and Attorney General-designate Meese after the beginning of next year. Such a meeting would not be a panacea, but could set a useful framework for settling our disputes. On other issues, the discussions confirmed the broad concurrence of U.S. and Swiss policies.

~~CONFIDENTIAL~~

DECL: OADR

DECLASSIFIED

NLRR M45315 #158214
BY RW NARA DATE 1/25/16

~~SECRET~~

158215

SENSITIVE S/S 8427260

DEPARTMENT OF STATE
WASHINGTON

84 OCT 3 8:33

October 2, 1984

MEMORANDUM FOR: THE PRESIDENT

FROM : Kenneth W. Dam, Acting *KWD*

1. Location of Embassy in Jerusalem. I told Rep. Gilman today the Administration was not prepared to go beyond the contents of the Secretary's letter of September 20 on Jerusalem. The Hamilton and Mica Subcommittees then held a scheduled markup session and voted out House CR 352, expressing the Sense of Congress that the U.S. Embassy in Israel should be located in Jerusalem.

2. Nicaraguan opposition negotiations on elections. Nicaraguan Coordinadora leader, Arturo Cruz, has engaged in a new round of direct negotiations on electoral participation with Sandinista Front National Directorate member Bayardo Arce at the Rio de Janeiro Socialist International meeting. Arce reportedly proposed: registration of Coordinadora candidates; GRN guarantees of "full liberty of expression" and security for the campaign; full and immediate suspension of guerrilla activity, effective October 25; and postponement of the elections to January 25, allowing a 90-day campaign period. The Coordinadora in Managua has not accepted this proposal and discussions between the two sides continue. The FDN is now assuming a role in the action because of the proposed ceasefire.

3. Southern Africa: Negotiating round in Luanda. Deputy Assistant Secretary Frank Wisner returned Monday evening from Luanda where he and a small team conducted the most recent round of negotiations with the Angolans on Namibia and Cuban troop withdrawal. The two days of meetings, which took place at the Angolan presidential compound, confirmed the fundamental Angolan commitment to withdrawal of Cuban troops in exchange for a Namibia settlement, and were useful to the more moderate Angolans as a means to broaden the consensus with the military and hard line elements of the MPLA regime on the details of the timing of a withdrawal. Frank reiterated our views on what would constitute a minimally-acceptable offer on withdrawal. The Angolans asked for a recess in the talks to reflect on our points, and we have tentatively agreed to reconvene in Luanda in two weeks.

~~SECRET~~

DECL: OADR

DECLASSIFIED

NLRR M453/5 #158215
BY *RW* NARA DATE 11/23/16

~~SECRET~~

158216

1984 OCT -4 AM 9:23

SENSITIVE S/S 8427572

DEPARTMENT OF STATE
WASHINGTON

RR RR

October 3, 1984

MEMORANDUM FOR: THE PRESIDENT

FROM : Kenneth W. Dam, Acting *KWD*

1. Letter from British Foreign Secretary on San Jose Meeting. British Ambassador Sir Oliver Wright called on me today to deliver a letter from Foreign Secretary Howe on the recently concluded European Community-Central America meeting at San Jose. Sir Oliver summarized Howe's message as stating that the British and the Community collectively had met 95 percent of the concerns Secretary Shultz had expressed before the San Jose meeting. The British consider the San Jose meeting more successful than expected and of more than routine value. He said that it had not been possible to ensure that no aid would go to Nicaragua because the Community program is regional; however, the amount of assistance to Nicaragua would be small and the British would ensure this aid was confined to unexceptional areas such as agriculture and health care.

2. Shlaudeman/Motley Meeting with Ortega. Harry Shlaudeman and Tony Motley met with Comandante Daniel Ortega last night in New York, as a substitute for a Nicaraguan initiative to meet with the Secretary. As he exited the meeting, Harry said it all: "Those fellows are full of themselves." Displaying a very self-satisfied attitude, they indicated no give on the election date or Arturo Cruz's participation, and felt they were positioned well vis-a-vis U.S. and world public opinion on the election and the Contadora process. Harry and Tony took the opportunity to restate our position regarding their election, the Manzanillo Talks, and the Contadora process. Tony reiterated our previous marker regarding introduction of jet fighter aircraft into Nicaragua. The Sandinistas' current bullish posture is an additional factor for us to consider in predicting their next moves.

3. Greece. A Greek Deputy Foreign Minister told Embassy Athens today that despite Prime Minister Papandreu's recent, personal assurances that U.S. Nuclear Powered Warships (NPWS) could visit Greece normally, his government plans to "review" its position and to establish "new and rigid safety rules" governing such visits. Therefore, he said, Greece would "postpone" U.S. NPW visits at least until the end of the year. Rick Burt called in the Greek Ambassador to reiterate to Athens our concern that any policy denying U.S. NPW visits would have serious consequences for our relations.

~~SECRET~~

DECL: OADR

DECLASSIFIED
NLRR M45315 #158216
BY *RW* NARA DATE 1/25/16

~~SECRET~~

158217

84 OCT 5

SENSITIVE
DEPARTMENT OF STATE
WASHINGTON

S/S 8427701

October 4, 1984

OR 10/5/84

MEMORANDUM FOR: THE PRESIDENT

FROM : Kenneth W. Dam, Acting *KWD*

1. Nicaragua ICJ Case. The State Department Legal Adviser was told confidentially by a Court Registry source that the Court decided today by a 9-6 vote not to hold a hearing on El Salvador's application to intervene in the case, and decided by a 14-1 vote that El Salvador will not be permitted to intervene in the current proceedings. The Court will make these decisions public on Friday or Saturday. We are encouraging El Salvador to release its letters to the Court, to promote informed public discussion of the Court's action, and to take the lead in dealing with the press. We will coordinate our public statements with the Salvadorans. The Court apparently intends to adhere to its schedule to start on October 8 the oral argument by the United States and Nicaragua on U.S. objections to the Court's jurisdiction and to the admissibility of Nicaragua's case.

2. Nuclear Powered Warship Visits to Greece. The Greeks have reversed their recent denial of a U.S. submarine visit, which they had justified on safety grounds. Following a strong demarche by Rick Burt with Greek Ambassador Papoulias, a somewhat embarrassed Greek Government informed our Embassy today that we could proceed with the submarine visit scheduled for mid-October. We are not out of the woods yet regarding subsequent visits, but the Greek about-face alleviates the urgency of the issue. We are examining the Greek request for information on nuclear safety to see whether we can be responsive within the parameters of existing U.S. policy and procedures. It is possible, however, that the "safety procedures" study is just a political pretext for denial of future nuclear powered warship visits.

3. Meeting with Singapore Foreign Minister Dhanabalan. I had a wide ranging discussion today with Singapore Foreign Minister Dhanabalan, touching on the situation in the Philippines, Kampuchea, and Islamic fundamentalism. With respect to the Philippines, Dhanabalan questioned whether Marcos would bring Aquino's assassins to justice. He is also worried about Marcos' health. On Kampuchea, he said that the UN course on Kampuchea is now set, and indicated that Vietnam's rejection of Indonesia's overture last spring to include Vietnam in a peacekeeping force had strengthened the commitment of the ASEAN countries to a hard line against the Vietnamese. Dhanabalan expressed concern over the rise in Islamic fundamentalism in Malaysia, and the unwillingness of the Mahathir administration to meet the problem head-on.

~~SECRET~~

DECL: OADR

DECLASSIFIED

NLRR M453/5 #158217

BY RW NARA DATE 1/25/16

~~SECRET~~DEPARTMENT OF STATE
WASHINGTON

84 OCT 6 AIO: 14

October 5, 1984

WHITE HOUSE
SITUATION ROOM
MEMORANDUM FOR: THE PRESIDENTFROM: Kenneth W. Dam, Acting *KWD*

1. U.S.-Ethiopian Bilaterals. Dick Walters and Chet Crocker had a ninety-minute meeting with Ethiopian Foreign Minister Goshu Wolde. We may have set the stage, after many false starts, for a substantive dialogue aimed at reducing bilateral strains and regional tensions. We explained that we are prepared to discuss all outstanding issues, including the Eritrea conflict which is at the top of Ethiopia's agenda, provided Mengistu is prepared to deal with our priority problems. We also said that the U.S. is prepared -- as a separate humanitarian matter -- to provide significantly larger amounts of emergency food aid to counter Ethiopia's massive famine, provided we had clear assurances of the necessary government-to-government working arrangements to make such an effort possible. Though he did not completely avoid polemics, Goshu Wolde did welcome our clear statement of intentions and said that his government fully shares the desire for improved relations and strengthened regional stability.

2. Korean Dissident Meets with Assistant Secretary Wolfowitz. Leading Korean dissident Kim Dae Jung met October 5 with Paul Wolfowitz, Assistant Secretary for East Asian and Pacific Affairs, to discuss Kim's announced plan to return to South Korea by the end of the year to "fight for democracy." Kim urged the U.S. to provide greater public support for Korean democratization. Wolfowitz, noting numerous public statements by you and by other senior U.S. officials, reiterated U.S. support for democratization but stressed that U.S. influence on Korean internal affairs is limited. At an earlier meeting, Elliott Abrams, Assistant Secretary for Human Rights Affairs, told Kim that the U.S. could not guarantee his safety and freedom of movement in Korea. Kim, whose case is similar to that of Benigno Aquino, has 17 years remaining on his 1980 conviction for insurrection and may be reimprisoned if he returns to Korea.

~~SECRET~~

DECL: OADR

DECLASSIFIED

NLR/M453/5 #158218

BY FW NARA DATE 1/29/16

~~CONFIDENTIAL~~

S/S 8428072

158219

THE SECRETARY OF STATE
WASHINGTON

October 9, 1984

04 OCT 10 A 7:49

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz ^{ups}

1. New Zealand PM Lange Hints at Policy Change on Nuclear Powered Ship Visits. Lange, who returned to New Zealand on October 8 after attending the UNGA and visiting London and Singapore, reaffirmed in a press interview his government's intention to remain in ANZUS. He also stated that his government's ban of port visits by nuclear powered warships (NPWs) might be reviewed if Washington could show that they were environmentally safe and not nuclear armed. During his meeting with me in New York on September 24, Lange had indicated he would try to change his government's policies banning nuclear ships but that reversal of the NPW ban would be easier than that on nuclear armed ships. Given our policy of neither confirming nor denying the presence of nuclear weapons on any ship, a change of policy on NPWs alone would have no practical effect. Nonetheless, his statement on a possible change in this area is his first public comment on the possibility of any kind of policy change and thus is encouraging as the first tentative step in the right direction. On the downside, however, a recent New Zealand public opinion poll shows opinion running at 2 to 1 against visits by nuclear-armed ships even though public opinion favors nuclear-powered ship visits by the same margin. (C)

2. US - Omani Bilaterals. Discussion of the Gulf War dominated Mike Armacost's political consultations with Omani Minister of State for Foreign Affairs Yousef bin Alawi October 8. Alawi stressed the importance which Oman attaches to keeping open contacts with Iran; his government sees Khomeini and hard line advisors as still firmly in control. Oman believes Iran would like to improve ties with the Soviets but will not accept any preconditions. Alawi emphasized that the presence of a US Carrier Battle Group in the Arabian Sea serves as an effective deterrant to Iranian and Soviet provocation in that region. He reiterated Oman's satisfaction with present U.S.-Omani military cooperation but saw US positions on Arab-Israeli issues as constraining cooperation with other GCC states. (C)

DECL:OADR

~~CONFIDENTIAL~~

DECLASSIFIED

NLRR M453/5 #158219

BY RW NARA DATE 1/25/16

~~CONFIDENTIAL~~

6

S/S 8428191

158220

DEPARTMENT OF STATE
WASHINGTON

A 0: 33

October 10, 1984

MEMORANDUM FOR: THE PRESIDENT
FROM : Kenneth W. Dam, Acting

KWD

RN

1. Beirut Security. We have reduced the number of permanently assigned American personnel in Beirut to 27, plus 18 Marine Security Guards. Embassy functions are being carried out at the Ambassador's Residence in Yarze under extremely tight security. The Residence compound is guarded, both inside and outside of the defensive perimeter, by armed Lebanese Armed Forces (LAF) and locally hired guards. Only U.S.-controlled vehicles are permitted on the compound. A manned armored personnel carrier with .50 cal. machinegun guards the entrance. Boulders, razor wire, a parked van, and a hydraulic barrier system also block access to the compound.

Structural surveys indicate that the Baaklini annex can be reoccupied if we decide to do so. Both this building and the Porfin complex are under heavy guard by the LAF and locally hired guards. Our emergency reaction team has completed its on-site investigations and is preparing its report; we expect at least a preliminary outline by this weekend. The Senate Foreign Relations Committee Investigative team has also returned from Beirut and plans to report to Senator Percy by Friday, October 12.

2. South Africa. The situation in South Africa remains tense although the level of violence has subsided over the past week. Violence in black areas over the past several weeks has resulted in at least 80 deaths and hundreds of detentions. In an unusual move, the Army was called in to support the police in controlling violence, but was later withdrawn. We have no confirmation of reports that large numbers of children have been detained, but, certainly, youngsters comprised a large proportion of the demonstrators. More violence and increased detentions are likely. There is a growing possibility of major "treason" trials of United Democratic Front (UDF) leaders or banning of the UDF itself, as well as forced removals of black squatters, which could trigger widespread press coverage here.

~~CONFIDENTIAL~~

DECL:OADR

DECLASSIFIED

NLRR M453/5# 158220

BY RW NARA DATE 1/25/16

~~SECRET~~ a

158221

S/S 8428303

DEPARTMENT OF STATE
WASHINGTON

October 11, 1984

R
10/12/84

04 OCT 12 8:03

MEMORANDUM FOR: THE PRESIDENT

FROM : Kenneth W. Dam, Acting *KWD*

1. Philippine Developments. Tension is high in Manila as Filipinos await the issuance of the Agrava Board report, which will implicate the Philippine military in the Aquino assassination. The Board's highly-respected General Counsel has told us that the Board is unanimous in the view that the General in charge of the Aviation Security Command and other military were involved. Four Board members also favor citing Armed Forces Chief of Staff General Ver, at least for involvement in the cover-up. Chairman Agrava does not, however, and that may delay issuance of the report. Meanwhile, Prime Minister Virata is expected momentarily to sign an approved letter of intent for a \$630 million IMF standby credit. Before the standby agreement can go into effect the Philippine Government must take several difficult policy actions, including a free float of the peso, and private banks must come up with more than \$1 billion in new financing. However, prospects now seem reasonably good that the long-pending standby arrangement can be approved by the IMF Executive Board by the end of November.

2. Meeting With FRG State Secretary Hennig. In a meeting with Mike Armacost today, West German State Secretary for Inner-German Relations Ottfried Hennig predicted a visit to the FRG by East German leader Honecker would not take place before next summer. Meanwhile, West German-East German relations are quiet, with cultural and environmental talks continuing. Hennig speculated that the Soviets' "revanchism" campaign against West Germany is related to the 40th anniversary of the victory over Nazi Germany coming up in 1985, and would not let up until then. Hennig says Genscher's visit to Poland is still uncertain, but Ceausescu's trip to Bonn is firm. Hennig was briefed on the Secretary's meeting last week with East German Foreign Minister Fischer. Hennig, who is one of the Christian Democrats' leading Latin American experts, said he was very impressed by progress in El Salvador. He also felt Mexico's position was improving as the leadership began appreciating the external danger better and tackling internal reforms.

3. US-Israel Joint Economic Development Group. Under Secretary Wallis agreed today with Danny Halperin of the Israeli Embassy to hold the first meeting of the US-Israel Joint Economic Development Group (JEDG) in Washington on October 25-26.

DECLASSIFIED

~~SECRET~~

DECL:OADR

NLRR M453/5 #158221
BY RW NARA DATE 1/25/16

~~SECRET~~ 10

158222

84 OCT 13 AIO: 28

DEPARTMENT OF STATE
WASHINGTON

October 12, 1984

MEMORANDUM FOR: THE PRESIDENT

FROM : Kenneth W. Dam, Acting *KWD*

1. Sub-Saharan Food Crisis. Recent crop information from Sub-Saharan Africa makes it clear that the drought, food shortages, and potential for famine will be worse this year than last. Information on food stocks and rainfall suggests the production shortfall could be as much as 8-10 million tons. The countries most threatened include Sudan, Chad, Kenya, Niger, Mozambique, and Ethiopia. Ten million people may be seriously affected. The situation in Ethiopia is alarming; we have estimates that 125,000 may have died already. We tripled food aid to Africa in the last twelve months, but even more will be required to hold down the human death toll, and limit the potential for instability. Peter McPherson has launched a high level interagency task force to coordinate the overall U.S. response.

2. The Philippines: IMF Letter of Intent Signed. Prime Minister Virata on October 11 signed an approved letter of intent for a \$630 million IMF standby credit. Before the standby agreement can go into effect the Philippine Government must take several difficult policy actions (e.g., a free float of the peso), and private banks must come up with \$1 billion in new financing. Treasury today announced its agreement to provide \$45 million in short-term financing bridged to the IMF credits when these conditions have been met; the Japanese will also provide \$30 million and the Koreans \$5 million. It now seems that the long-pending standby arrangement, the first step toward resolving the Philippines' massive debt problem, can be approved by the IMF Executive Board by the end of November.

3. Under Secretary Armacost Meeting with Nicaraguan Opposition Leader Adolfo Calero: Mike Armacost met today with Nicaraguan Democratic Force (FDN) President Adolfo Calero. Armacost stressed the importance we attached to the FDN's efforts, and expressed our deep regret that Congress had postponed further funding. Calero said he appreciated our efforts. Morale was high in the FDN, which had secured sufficient funds and supplies to continue its efforts for the short term, and the troops were fighting hard. Regarding the FSLN-Coordinadora electoral negotiations, Calero was skeptical that the Sandinistas would allow free elections, and expressed concern that Coordinadora leader Arturo Cruz would not remain firm on the elections. Armacost reiterated the importance with which we viewed democratization and the FDN, and said Cruz appeared to be remaining firm.

DECLASSIFIED

~~SECRET~~NLRR M453/5 #158222
BY *RW* NARA DATE 1/25/16

DECLASSIFIED

S/S 8428526

158223

NLR M453/5 #158223

BY pw NARA DATE 1/25/16

84 OCT 16

A 8: 45

~~SECRET~~

DEPARTMENT OF STATE
WASHINGTON

October 15, 1984

MEMORANDUM FOR: THE PRESIDENT

FROM : Michael H. Armacost, Acting Secretary *MA*

1. El Salvador: La Palma Meeting. President Duarte and FDR/FMLN leaders meeting at La Palma in El Salvador today concluded their historic five-hour talks on a positive note to the cheers of large, orderly crowds. Speaking on the church steps following the meeting, Duarte, who distributed a written agenda calling for talks, an amnesty, and reincorporation of rebels into the democratic process, reiterated that Salvadoran reality had changed and commended the results as leading toward the path of peace. Both sides agreed in a communique to create a joint commission to discuss proposals "inspired by the national desire for peace, pluralistic democracy and social justice." The commission -- to include four representatives from both sides and be moderated by a Salvadoran bishop -- is to meet in late November at a time and place to be determined. In a press conference following the meeting, rebel political leader Ungo and FMLN commander Cienfuegos expressed satisfaction with the meeting as a first step in a long, complex process of dialogue. Significantly, no major leader from either of the two predominant guerrilla armies attended.

2. The Mariel Talks. Cuba has brought the talks to at least a temporary halt and is now letting this word out to diplomats and visitors. It is suggesting that its willingness to continue the talks is dependent on receiving a "satisfactory" explanation from us about the August 11 SR-71 overflight of Cuba. It is too soon to say if Cuba will resume the talks after the U. S. elections. Havana has left itself with that option. However, its current efforts to link the overflight issue with the continuation of the talks and its gloomy forecasts of forceful U. S. measures against Nicaragua or even against Cuba itself after November 6 suggest that the Cubans may be in no hurry to resume the talks.

3. Ceausescu in West Germany. Romanian President Ceausescu arrived in Bonn on Monday for a state visit. Ceausescu will use his visit to try to expand Romania's economic ties with its leading Western trading partner, just as he used Manescu's visit to Washington to press for expanded commercial relations and an announcement on the Control Data export license. Ceausescu will also stress the need for relaxation of East-West tension and may offer further progress on ethnic German emigration from Romania, which is already running at the highest level in ten years.

~~SECRET~~

OADR

~~SECRET~~

SENSITIVE

THE SECRETARY OF STATE
WASHINGTON

October 16, 1984

158224

MEMORANDUM FOR: THE PRESIDENT

RR S/S 8428545

From : George P. Shultz *GPS*

1. El Salvador: La Palma Conference, Day 2. Tom Pickering's preliminary readout from one of the participants is that the meeting went extremely well--the participants were very civil and courteous. The representatives of the guerrillas' political front seemed eager for talks, giving leverage to Duarte. Significantly both they and the commandantes accepted Duarte's principal thesis that conditions in El Salvador have changed since 1980, and they agreed to a joint communique noting the people's desire for pluralism and democracy. Both sides also agreed to establish a joint commission. The Front's four principal "demands" were for national dialogue, peace, humanizing the conflict (exchanges of prisoners and the wounded), and a ceasefire. Duarte saw no problems with the first three, but said nothing could be done now on a ceasefire. It could be discussed under the rubric of humanizing the war. The next meeting will be held in late November--the guerillas want more time to organize themselves. Meanwhile, evidence suggests the ERP--the guerrilla army based in eastern El Salvador and led by Joaquin Villalobos--is not pleased with the exercise. While Villalobos did not attend the conference because he was unable to get to La Palma, he may have had some political problems as well. A broadcast by ERP-controlled Radio Venceremos late last night was as unrelenting as ever, listing a long series of demands and repeating after each that "without these conditions, there can never be peace." (SENSITIVE)

2. Apparent Setback on Lebanese-Israeli Military Talks. Lebanese Prime Minister Karami's position on direct military talks between Lebanon and Israel has hardened. Despite apparent agreement earlier this week on a flexible formula that would allow such talks to take place under UN auspices, Karami today presented President Gemayel with his "systematic and definitive" position: either direct talks are held under the auspices of the 1949 Mixed Armistice Commission--an arrangement Israel has consistently rejected--or there can only be proximity talks under UNIFIL auspices. Under the latter formula the two sides would have to sit in separate rooms with the UNIFIL representative shuttling between them. Gemayel believes Karami's position is firm and has Syrian support. When Dick Murphy relayed Karami's views to UN Under Secretary General Brian Urquhart this afternoon, Urquhart responded that if Gemayel could not budge Karami from his position then there would be no point in pursuing the concept of a UNIFIL framework for the talks. Urquhart noted grimly that this could be the beginning of the end for UNIFIL because, unless the contributor nations saw some prospect for their troops to play a constructive role, they would soon resort to their earlier consideration of recalling their forces. Urquhart plans to let Karami know that the UN believes this latest position is a non-starter. We believe the UN should take the lead at this point in trying to break the impasse. (S)

DECL:OADR

~~SECRET~~

DECLASSIFIED

NLRR M453/5 #158224

BY RW NARA DATE 1/23/16

DECLASSIFIED

~~CONFIDENTIAL~~

S/S 8428776

158225

13

DECLASSIFIED
M453/5 #158225
PARA DATE: 1/25/16
BY: [signature]

THE SECRETARY OF STATE
WASHINGTON

October 17, 1984

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz

eps

[signature]

1. International Reaction to the Chernenko Interview. The Washington Post interview with Chernenko appeared too late to be picked up by most of the European press, but it has been the subject of intense diplomatic discussion and analysis today. Most observers seem to agree that there was little new on substance but a more positive tone. This view was frequently expressed at a meeting of the North Atlantic Council, when Secretary General Carrington raised the interview. The Norwegian State Secretary for Foreign Affairs told Rick Burt that Chernenko had excluded the real issues of interest on European security. He said it was important to continue pointing out that it is the Soviets that walked away and stayed away from the Geneva negotiations. The evening edition of Le Monde did carry a basically factual front page article entitled "A Step Forward by Mr. Chernenko", which put a generally favorable gloss on the presentation, particularly regarding space arms control. (C)

2. British Lower North Sea Oil Prices. The British National Oil Company (BNO) today announced that it was lowering the price of most of its North Sea crudes by \$1.35. This action follows a decision by Norway on Monday to allow the price of a substantial portion of its exports to float downward in response to market pressures. The BNO decision marks the first time since early 1983 that the British have lowered their official price. While the British privately expressed the hope that their action will not trigger a general decline in oil prices, OPEC will now come under pressure to convene an emergency meeting to decide how to react to the British and Norwegian moves. We believe there is a strong possibility of a modest downward price adjustment, which might be publicly described as an oil market correction to the strong dollar (the currency in which oil is priced). For most countries of the world, oil actually costs more today than it did before the \$5 reduction a year and a half ago. (C)

3. General Assembly Accepts Israeli Credentials. The UN General Assembly today defeated an Iranian challenge to the credentials of Israel's delegation. This is the third year in a row that Iran has presented such a challenge. As before, it was crushed by a Nordic procedural motion by a vote of 80 (US) in favor and 40 opposed, with 22 abstentions--a slightly wider margin than last year. Quite a few delegations did not participate in today's vote, including some Arab states--e.g., Jordan, Lebanon, and Oman--who absented themselves deliberately. Several Arab representatives expressed resentment at Iran's takeover of what they considered an Arab cause, which they felt Iran was pushing to a predictable defeat. Egypt voted in favor of the Nordic motion, as it has for the last two years. (C)

DECL:OADR

~~CONFIDENTIAL~~

~~SECRET~~

158226

DEPARTMENT OF STATE
WASHINGTON

October 18, 1984

MEMORANDUM FOR: THE PRESIDENT

FROM: Kenneth W. Dam, Acting *KWD*

1. The Philippines: Uncertainty Grows as Aquino Assassination Report Nears. The lone eyewitness to the assassination of Aquino by one of the accompanying security guards has recanted the secret testimony he provided in July. A letter to this effect was delivered to the Board by the chauffeur of the legal counsel to President Marcos's Presidential Security Command. This news has already been leaked to the press. Board General Counsel Narvasa does not believe this development will affect the conclusion of the Board's legal staff, which he heads, that there was a military conspiracy in the murder and cover-up. Narvasa blames the Philippine military for the about-face of the secret witness, who feared for his life and asked for anonymity when he testified. Narvasa and some Board members have received death threats, and all Board members plan to leave the Philippines immediately upon the report's publication out of fear of possible military reprisals.

Rumors abound on the release date of the report. Four of the five Board members still favor extending responsibility for the assassination to military Chief of Staff General Ver. If unanimity is not reached on the Ver issue today, the Board will probably decide to issue a majority report and give Board Chairperson Mrs. Agrava (the lone hold-out) the option of appending a dissenting opinion. Whatever the Board does, the highly respected General Counsel's staff report implicating General Ver will be the standard against which the public will judge the Board's final report.

2. Kidnapped Priest Released in Sudan. Three Catholic priests kidnapped by southern Sudanese rebels September 8 (including Father Major, an American citizen) were released by their captors this morning in the remote town of Mayom in southern Sudan. Since several dissident groups control access to the town, our Embassy is attempting to charter a small plane to bring the priests to Khartoum. Since extracting the priests is a sensitive and delicate operation, we are holding this information very closely to avoid publicity. Father Major's family and interested Congressmen have been informed.

~~SECRET~~

DECL: OADR

DECLASSIFIED

NLRR M453/5-#158226

BY *DW* NARA DATE 1/25/16

Received 53

~~SECRET~~

The President has seen _____

1984 OCT 20 PM 12:13

158227

84 OCT 20 PM 12:09

DEPARTMENT OF STATE
WASHINGTON

October 19, 1984

MEMORANDUM FOR: ^{WHITE HOUSE} THE PRESIDENTFROM: Kenneth W. Dam, Acting *KWD*

1. Developments in Southern African Negotiations. Our recent talks in Luanda have produced a major Angolan political decision to negotiate Cuban troop withdrawal in the context of a regional settlement, particularly implementation of U.N. Resolution 435. For the first time, the Angolan government has tabled a specific proposal which includes a calendar for the withdrawal. The proposal is inadequate in its present form, but nevertheless marks a starting point for future negotiations. From now on, we will be discussing, not the principle of whether there should be Cuban troop withdrawal, but its numbers and timing.

2. El Salvador: Aftermath of La Palma. President Duarte has moved quickly to keep up the military pressure on the guerrillas in the wake of the La Palma conference. The Salvadoran army launched two major offensives yesterday: one to interdict infiltration routes along the southern coast and one into the guerrilla stronghold in northern Morazan department. Reaction to La Palma from the Salvadoran right is divided. D'Aubuisson termed the conference a farce without any real substance. However, Hugo Barrera, number two in D'Aubuisson's ARENA Party, has taken a much more moderate line. Curiously, the right is faulting Duarte for not having negotiated a ceasefire, despite the fact that a ceasefire would be very beneficial to the guerrillas.

On a troubling note, a previously unknown organization styling itself the "Salvadoran Suicide Command" has demanded that our Embassy in San Salvador close within 20 days or "risk the same fate as their friends in Lebanon." We are seeking to determine the seriousness of this threat.

3. Meeting with ILO Director General. I met today with the Director General of the International Labor Organization, Francis Blanchard of France. The Director General was here at our request to discuss his agency's 1986-87 budget, which is currently under preparation. I complimented Blanchard for the ILO's important work in promoting human and trade union rights, but at the same time strongly emphasized the need for maximum budget restraint, noting a growing willingness on the part of influential Congressmen to legislate limits on U.S. contributions. Blanchard promised "restraint" and "prudence" but did not go so far as to commit himself to hold his budget to zero real growth.

~~SECRET~~ SECRET
DECL: OADRDECLASSIFIED
NLRR M45315 #158227
BY RW NARA DATE 1/25/15

~~SECRET~~

S/S 8429151

16
158228

THE SECRETARY OF STATE
WASHINGTON

October 22, 1984

MEMORANDUM FOR: THE PRESIDENT

84 OCT 23 A 7: 43

From : George P. Shultz *WPS*

1. China Mixes the Market With Socialism. The Chinese Communist Party's October 20 decision on economic reform is likely to be a milestone on China's path to a transformed economic structure. The new package of reforms retains China's socialist system and a core of centrally-planned economic activity, but envisions increased reliance on market forces and relaxation of state control in the industrial and services sectors, to parallel the reforms that have already taken place in the agricultural sector. Over the next five years, there is to be looser state planning and decentralized enterprise management with a greater reliance on monetary and fiscal policy and less on a rigid command system. The Chinese will move toward rationalized prices and wages, which are highly sensitive areas for Chinese workers. The gradual pace for implementing the reforms reflects a reluctance to provoke inflation and other painful dislocations, but there is little chance that these problems can be avoided. The document gives considerable emphasis to the role of foreign investment and trade in China's economic development, which bodes well for the future of US-China economic relations. The decision which was adopted only after intense discussion within the Party, testifies to the willingness of Deng Xiaoping and other pragmatists to take political risks. (C)

2. ROKG to Begin Secret Dialogue With Leading Dissident. The South Korean Government has decided to send an emissary to the US next month to begin a secret dialogue with exiled dissident politician Kim Dae Jung in an effort to delay his planned return to Korea before the end of the year. Official Korean sources tell our Embassy that President Chun Doo Hwan will not object to Kim's plan to solicit political support in Western Europe if Kim will delay his return to Korea until after the upcoming (January or February 1985) Korean parliamentary elections. Although top Korean Government officials continue to tell us that Kim will be jailed upon his return, our Embassy believes that position is negotiable. Although both the ROKG and Kim have asked for our support, we will remain neutral in their discussions. (S)

3. Kidnapping of Father Jerzy Popieluszko. Polish Government spokesman Jerzy Urban said unofficially today that Popieuluszko, a prominent Solidarity defender and critic of the regime, has been sighted and that the kidnapping "is almost certainly a provocation" against the government. A noted Solidarity activist has told our Embassy that workers plan short prayer breaks to show their interest in Popieluszko's safe release, but do not want to provoke the authorities with anything more dramatic at this stage. The Solidarity activist speculates that the hardline factions in the Polish security services or the KGB itself orchestrated the kidnapping. (C)

DECL:OADR

DECLASSIFIED

NLRR M453/G #158228

~~SECRET~~

BY RW NARA DATE 1/25/16

THE SECRETARY OF STATE
WASHINGTON

~~CONFIDENTIAL~~17
158230

October 23, 1984

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*

1. Gonzalez Publicly Endorses NATO. Spanish Prime Minister Gonzalez personally endorsed Spain's continued membership in NATO in an October 23 State of the Nation address in which he also called for a political dialogue aimed at rebuilding a new security consensus around the Alliance. At the same time he repeated his personal view that military integration into NATO is not necessary and that the US military presence should be progressively reduced. Gonzalez said he plans to develop a consensus document for submission to the parliament and to hold the promised referendum on NATO by February 1986. Gonzalez' announcement follows closely what he has been telling us in private and is generally a positive step. However, while he has privately assured us that he will not foreclose military integration and will seek only minor adjustment in our military presence, his statements today could unintentionally generate pressures limiting his future freedom of action. The Spanish have specifically asked that we not argue publicly with Gonzalez' statement at this time. We agree that the best course is to continue in our private dialogue and to limit our public comment to a reiteration of our support for full Spanish participation in NATO. (C)

2. Loss of Key Salvadoran Military Commanders not Irreparable: The death in a helicopter crash of three key military commanders should not impair the overall improved performance of the Salvadoran Armed Forces. The death on Tuesday of Col. Monterrosa, the field commander fighting the major guerrilla concentrations in eastern El Salvador, and two of his principal deputies is a significant loss. Monterrosa had been an aggressive and effective commander who symbolized the new Salvadoran army. But improvements in the Salvadoran Army have been sufficiently broad based as to suggest that the armed forces will be capable of absorbing this loss. US training is beginning to pay off at the junior and field grade officer levels and the additional resources voted by Congress this year are making a difference in increased mobility, firepower and communications. Minister of Defense General Vides Casanova has shown ability in selecting tough field commanders such as Monterrosa. Vides has immediately moved to assign another effective officer to replace Monterrosa, and we believe that the Salvadoran Armed Forces is capable of maintaining the initiative against the guerrillas. (C)

DECL:OADR

~~CONFIDENTIAL~~

DECLASSIFIED
NLR # M45315 #158230
BY RW NARA DATE 1/25/16

SECRET

S/S 8429344

THE SECRETARY OF STATE
WASHINGTON

October 24, 1984

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*84 OCT 25 ^{LU} A 8: 48 *R* 10/25/84

1. Israeli Government Announces Further Economic Measures. Prime Minister Peres instructed his economic advisors to begin negotiations today with the Histadrut labor organization and Manufacturers Association on a "package deal" for wage/price restraint. Peres' goal is to cut inflation from the current level (in excess of 400%) to roughly 50%. Peres also agreed to another \$500 million in budget cuts and has announced further reductions in subsidies on certain basic food items and on gasoline. Prices of these items are expected to increase by 24%. It is too early to assess what impact these and earlier Israeli government actions will have in reducing Israel's spiraling inflation and growing balance of payments deficits. Further action will likely be required to reduce government expenditures and real wages. (S)

2. Marcos Submits Majority Report. Philippine President Marcos has submitted both the majority and minority Agrava reports to a special graft and corruption court, thus dispelling concern that he would use legislative legerdemain to protect Chief of Staff General Ver. Ver will join twenty-five others, including two other generals, before the court, although it is unclear whether the Agrava Board majority is recommending his indictment for murder or only for the resulting cover-up. Philippine reaction remains calm. [redacted]

[redacted] military officers do not fault the majority's findings, although they worry about being tainted for the actions of a small military group. Questions remain over whether the court, created and appointed by Marcos, can act impartially and with dispatch. (S)

DECL:OADR

SECRET

DECLASSIFIED IN PART

NLRR M453/5 #158232
BY RW NARA DATE 2/5/16

DECLASSIFIED

~~SECRET~~

S/S 8429402

158236

THE SECRETARY OF STATE
WASHINGTON

October 25, 1984

BY DWS DATE 1/25/16
#158236

84 OCT 26 9:12
B

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*

1. Under Secretary Armacost's Visit to Israel October 21-24. Mike Armacost visited Israel to continue the semi-annual consultations with Director General of Foreign Affairs David Kimche, which Larry Eagleburger began last year. With Kimche, Mike discussed out-of-area issues--like Africa and the USSR--and ways we can cooperate on these issues. Mike also discussed bilateral issues with the full range of senior Israelis. Prime Minister Peres asked Mike to convey his warm thanks to you for your help and understanding during his visit to Washington. Peres reviewed with Mike his newly-launched effort to win a wage/price freeze with the Histadrut Labor Association and manufacturers. He said he is serious about economic reform and intends to cut real wages, not just to restrain increases. This is a serious challenge for Peres, but his intentions are encouraging, since only a cut in real wages is likely to reduce Israel's soaring inflation to a manageable level. On relations with Egypt, Peres said he wants progress on the Taba issue, but needs assurances that Mubarak will reciprocate to improve relations with Israel. Otherwise, Peres said, he would lack support from his Cabinet for a move on Taba. Peres expressed concern that King Hussein still thinks Arafat can unite the PLO and support Jordanian entry into negotiations. Peres said he doubts Arafat can do this. He also mentioned, as he did in Washington, his plans for improving the quality of Palestinian life on the West Bank as a way of drawing Jordan into the peace process. (S)

2. Gemayel's Visit to Libya. In a meeting yesterday with Reg Bartholomew, President Gemayel explained that his unexpected meeting with Qadhafi on Monday was aimed at heading off Libyan support for Walid Jumblatt's recently formed coalition of Lebanese opposition groups, the National Democratic Front (NDF). According to Gemayel, the NDF depends on Syria for political support and on Libya (which Jumblatt also recently visited) for financial support. Gemayel believes he made some headway with Qadhafi and has gained at least a respite from NDF pressures. By personally visiting Tripoli Gemayel may, in fact, have flattered Qadhafi out of financing the NDF--at least for the moment. Although Gemayel denied that he also sought financial aid for Lebanon and said he would leave this to an emissary at a later date, it is difficult to believe the subject did not arise given the recent catastrophic decline in the value of the Lebanese pound. Gemayel also took it upon himself to raise the issue of US-Libyan relations with Qadhafi and stressed that it was in Qadhafi's interest to improve them. Gemayel thought he detected a sincere desire by Qadhafi for an opening to the US and Gemayel offered himself as a possible intermediary. Reg told Gemayel we saw little evidence of Libya's desire to change its behavior and consequently no serious prospect that we would want to pursue the matter. (S)

DECL:OADR

~~SECRET~~

Confidential

CLASSIFICATION

CIRCLE ONE BELOW

IMMEDIATE

PRIORITY

ROUTINE

MODE

SECURE FAX # 78

NON-SECURE FAX #

TTY #

PAGES 1

RELEASER LWS

DTG 271428Z OCT 87

RR

FROM/LOCATION/

1. THE WHITE HOUSE SITUATION ROOM

TO/LOCATION/TIME OF RECEIPT

1. DAVID FISCHER FOR THE PRESIDENT / CAMP DAVID MD

INFORMATION ADDRESSEES/LOCATION/TIME OF RECEIPT

2.

SPECIAL INSTRUCTIONS/REMARKS: ATTACHED:

RECEIVED
1987 OCT 27 A 10:51
CAMP DAVID

Confidential

CLASSIFICATION

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

DECLASSIFIED

S/S 8429564

NLR# M453/g #158241
BY RW NARA DATE 1/25/16

~~CONFIDENTIAL~~

158241

84 OCT 27 AIO: 21

DEPARTMENT OF STATE
WASHINGTON

October 26, 1984

MEMORANDUM FOR: THE PRESIDENT

FROM : Kenneth W. Dam, Acting *KWD*

1. Victory in UN on Central America. We won a decisive victory in New York today: the General Assembly adopted by consensus a resolution supporting the Contadora Peace Process, and Nicaragua decided not to put its anti-U.S. resolution to a vote. Over 60 countries spoke during this two-day debate and all supported the Contadora process and draft resolution. Ambassador Sorzano strongly rebuffed Nicaraguan efforts to turn the debate against the U.S.

2. Scandal Rocks Kohl Government. Press allegations that important officials improperly accepted large sums of money from the giant Flick industrial conglomerate, which caused the downfall of Economics Minister Lambsdorff in June, have claimed another victim. Faced with incriminating testimony, Bundestag President Barzel resigned under fire yesterday, and other senior politicians, possibly Foreign Minister Genscher and Chancellor Kohl himself, could be implicated. Kohl succeeded Barzel as head of the opposition CDU in 1973, and Barzel is accused of accepting large payments to step aside for Kohl. Opposition SPD figures have also been tentatively identified as culpable.

3. Huguang Bonds Case Dismissal. The Alabama District Court today dismissed the long-pending Huguang Railway Bonds case against China. This case has been a significant irritant in U.S.-China bilateral relations for the past two years. The case was dismissed on the ground that the immunity standards of the 1976 Foreign Sovereign Immunities Act should not be applied retroactively to bonds issued in 1911. The plaintiff bondholders have 30 days to appeal the decision, and we do not yet know if they will do so. The Court's decision may set an important precedent in other lawsuits against China in U.S. courts based on old bonds.

4. UK Disapproval of U.S. and UK Airlines' Winter Discount Fares. British authorities have disapproved the winter discount fares sold subject to government approval by U.S. and UK firms since last July. The UK fears that use of these fares could result in antitrust action against British Airways in U.S. courts. The U.S. approved the fares. We have suggested an arrangement under the U.S./UK Aviation Agreement authorizing the fares. The Justice Department has offered a Business Review letter assuring British Airways that Justice does not intend to bring an enforcement action under the antitrust laws. Although these actions would not prevent a private litigant from bringing an antitrust case in U.S. courts, it would provide British Airways a substantial defense against private antitrust law suits. We continue to discuss the disapproved winter discount fares with the UK in an effort to resolve this issue before the November 1 effective date. Over 100,000 passengers could be inconvenienced and/or major U.S. international airlines subjected to heavy fines if the British rigidly enforce the disapproval.

~~CONFIDENTIAL~~
DECL: OADR

DECLASSIFIED

S/S 8429703

~~SECRET~~

SENSITIVE

158245-22

BY AW MARS DATE 1/25/15 #158245

THE SECRETARY OF STATE
WASHINGTON

October 29, 1984

84 OCT 30 A 7: 44

RR 10/30/84

MEMORANDUM FOR: THE PRESIDENT ^{WPS}

From : George P. Shultz

1. Meeting with Nicaraguan Opposition Leader Arturo Cruz. I met October 29 with Nicaraguan Coordinadora (CDN) leader Arturo Cruz and five other Nicaraguan opposition representatives. Cruz reviewed his efforts to negotiate electoral conditions with the Sandinistas and outlined the obstacles now facing the democratic opposition. Without opposition participation, Cruz believes the November 4 balloting would solve nothing, it would only polarize Nicaragua. The Sandinistas appear incapable of accepting a pluralist society. CDN President Luis Rivas asserted that the US--the "natural ally" of the Nicaraguan opposition--would have the final decision on events in that country but the opposition needed a fuller understanding of US objectives. I stressed the importance we attach to democratization and to the efforts of Cruz and the CDN and reiterated that the Administration's policy toward Nicaragua would remain constant--there was no hidden agenda and there would be no changes after November 6. We had absolutely no illusions about the Sandinistas, but growing isolation and economic difficulties in conjunction with opposition efforts could force them towards pluralism. We appreciated the major difficulties facing the CDN, and urged it to continue its important struggle. (SECRET/SENSITIVE)

2. Mubarak-Armacost Meeting. President Mubarak told Mike Armacost in Cairo Saturday that he could not meet with Peres until (a) the Taba dispute is all but resolved, (b) there is some positive movement on Palestinian issues, and (c) Israeli withdrawal from Lebanon has begun. Mubarak sees a summit as the culmination of a dialogue with Israel--rather than the beginning. Mike and Nick Veliotes noted that the Egyptian position on this point appeared to be regressing and that it would not go down well in Washington. On the positive side, Mubarak reiterated Egypt's firm commitment to peace with Israel and acknowledged the importance of improving communication with Israel. He said the Israeli ambassador would be provided greater access in Egypt and promised to send a special emissary to Peres. While Mubarak expressed confidence that he can manage his relations with Israel and with the moderate Arabs simultaneously, it is also apparent that he does not want dramatic moves with the Israelis to derail Arab moves toward recognition of Egypt. (S)

3. Walter Wriston. Walter Wriston, former Chairman of Citicorp, was sworn in this morning as a Consultant to the Department. Walt will focus his attention on the broad policy area encompassing the future implications of communications-related high technologies for the conduct of foreign relations. In addition to his meetings with me, Walt held meetings during the day with a number of experts, from both within and from outside government. We hope to stimulate ideas and refine concepts for addressing the effects of technological change on foreign affairs into the next century. (U)

DECL:OADR

~~SECRET~~

DECLASSIFIED

~~SECRET~~

S/S 8429770

23

158250

M49315 #158250
NARA DATE 1/25/16
BY RWJ

THE SECRETARY OF STATE
WASHINGTON

October 30, 1984

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz

84 OCT 31 9:16
PC 10/31/84

1. Maribel Impasse Overcome. The Cuban Government told our Interest Section today that it is ready to resume the talks on migration issues as soon as we are. The Cuban response came four days after our oral reaffirmation that we have taken no action against Cuba to humiliate it or to place pressure on it in the migration talks. Cuba had informally suspended the exchanges on this subject following its protest against an alleged US SR-71 overflight of the island in August. The next step is for Cuba to provide the US with a progress report on its assessment of material which we have given Cuba since the second round of the talks. (S)

2. Poland: Reaction to Father Popieluszko's Death. Popieluszko's funeral, as yet unscheduled, will draw thousands of Poles and interest in the case within Poland will continue after the funeral. Once the funeral is over, public attention will shift to the investigation. The Church and responsible Solidarity leaders will probably continue to keep calm while demanding that justice be served. If the government attempts to cover up, public confidence in the regime will decrease further. If those guilty and brought to trial are sentenced, Jaruzelski could marginally improve his standing in the country. The three secret police officers under arrest for the crime continue to provide contradictory evidence. One officer who previously stated that he had personally killed Popieluszko has withdrawn his confession. (C)

3. Armacost-Fahd Meeting. Mike Armacost and Dick Murphy met with King Fahd and Foreign Minister Saud over the weekend in Jeddah. Fahd made a plea for the US to push Israel on Middle East settlement issues following the election (which he said he assumed you would win.) He urged the US not to cement its relations with Israel at the Arabs' expense, because that, if coupled with lack of progress toward a Middle East settlement, might cause the Arabs to turn to Moscow. At the same time, Fahd indicated continuing Saudi readiness to help US efforts through its contacts with Syria and the Palestinians. In an earlier meeting, Foreign Minister Saud reviewed the standard Saudi position on Lebanon. Saud suggested that domestic Lebanese opposition may well prevent the GOL from engaging in direct military talks with the Israelis. (S)

4. Pinochet Backsliding on Democracy. After several months of study and approval of the military Junta, Pinochet announced Monday the indefinite postponement of a law legalizing political parties. Pinochet seemed concerned that this law would open demands to advance Congressional elections, now scheduled for 1990. In a preemptive effort to quell a planned national strike called for yesterday and today, Pinochet sent 140 persons into internal exile and put about 1,000 others under preventive detention. We have issued a strong statement of concern about both Pinochet's apparent backsliding and the non-democratic left's increasing violence, and we will continue to support a dialogue between the government and the opposition. (C)

DECL:OADR

~~SECRET~~

~~CONFIDENTIAL~~THE SECRETARY OF STATE
WASHINGTON

October 31, 1984

158253

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz

84 OCT 1 4 48:09
 GPS
 OR 11/1/84

1. Gandhi Assassination. Rajiv Gandhi was sworn in as Indian Prime Minister only hours after the death of his mother. His immediate problem will be to control reprisals against Sikhs and counter-violence against Hindus in the Sikh heartland. From early reports we cannot judge whether order can be maintained, and there are reports of communal conflict throughout India. The government has banned assembly of more than five persons. Our delegation will leave Washington Thursday afternoon with the funeral ceremony scheduled for late Saturday afternoon. I expect to have a meeting with Rajiv, and will stress our friendship, support for Indian unity, and desire to help in any way we can. Rajiv inherits his mother's prejudices about us, but we may be able to work with him. He was trained as a pilot in the US, has an Italian wife and, as a relatively young manager-technocrat, may be more susceptible to western influence than was his mother. (C)

2. New Japanese Cabinet. As expected, Prime Minister Nakasone reshuffled his Cabinet and top Liberal Democratic Party (LDP) posts after his formal reelection as LDP President on Wednesday afternoon. The new Cabinet is a strong one which bodes well for a continuation of close US-Japan cooperation across the board. Among the most prominent positions in the Cabinet, Foreign Minister Abe and Finance Minister Takeshita have been retained in their current positions. New Defense Agency Director Koichi Kato is a strong proponent of close cooperation between the US and Japan. (C)

3. Japanese to End North Korea Sanctions December 31. The Japanese announced October 31 that sanctions imposed on North Korea following last year's bombing in Rangoon will be lifted on December 31. There was reportedly strong support in the Japanese bureaucracy for an immediate lifting of sanctions. However, consideration for Japan's improving relations with South Korea, as well as the US position that lifting sanctions prematurely could have a negative impact on the nascent North-South dialogue, apparently convinced Nakasone and Abe to delay lifting sanctions until the end of the year. The decision enables the Nakasone Government to "clear the decks" on this issue during the life of the current cabinet, but delays implementation of that decision to try and meet South Korean and our concerns. At the same time, the public announcement of the decision could vitiate much of the credit gained by delaying its implementation. The Japanese have informed the South Korean Government of the decision to lift sanctions. In response, the South Koreans asked that the announcement include a number of specific points, such as a renewed condemnation of the Rangoon atrocity, which were included in the text of the announcement. Nevertheless, the South Korean reaction to the Japanese decision was negative, and they may well issue a statement taking exception to the Japanese decision. The decision will at a minimum cost Japan some of the good will which resulted from the Chun visit. (C)

DECL:OADR

DECLASSIFIED

~~CONFIDENTIAL~~

NLRR M453/5 #158253

BY RW

NARA DATE 1/25/14

~~SECRET~~DEPARTMENT OF STATE
WASHINGTON

November 2, 1984

MEMORANDUM FOR: The President

FROM: Michael H. Armacost, Acting Secretary *MA*

1. Soviet Delegation to Gandhi's funeral: The delegation, led by Soviet Head of Government Tikhonov, indicates the high priority Moscow accords its relationship with India. The delegation's composition reflects the fairly standard practice of sending one full Politburo member (the Premier), one candidate member (Kuznetsov) and a foreign affairs professional (First Deputy Foreign Minister Malt'sev) to such events, but in this case the three representatives are all aging members of the old guard. Gromyko's absence is in accord with standard Soviet practice.

2. Soviets Deny Fuel Export Embargo to the UK: The Soviet Foreign Ministry said today that the announcement of a fuel embargo to the UK was made "without clearance" and that their trade policy "remains unchanged." While the British are seeking clarification, they believe the original announcement was a bureaucratic blunder. Nevertheless, we intend to use this event to underscore to the Europeans the vulnerability inherent in excessive reliance on Soviet energy.

3. U.S. Nuclear Powered Warship (NPW) Transit of the Suez Canal: The Egyptian Government has authorized the Arkansas to pass through the Canal on an extraordinary basis to maintain surveillance of a Soviet naval group it has been tailing from the Indian Ocean. Since 1977, we have been seeking GOE agreement for routine NPW transits. Mubarak is still withholding blanket transit approval for NPWs, but has promised to look at it again in the next few weeks.

4. Japanese Sperm Whaling: We have concluded another round of whaling talks with the Japanese. We want to lower the profile of this contentious bilateral issue. Under U.S. law, Japan could lose half its fish allocation from U.S. waters if it takes sperm whales, for which the International Whaling Commission (IWC) set a zero quota. In seeking a compromise with the Japanese, we must deal with the continuing Congressional support for the IWC commercial moratorium, which you are on record as supporting.

~~SECRET~~

DECL: OADR

DECLASSIFIED

NLRP M45315 # 158225
BY *RW* NARA DATE *1/25/16*

~~SECRET~~

158256

DEPARTMENT OF STATE
WASHINGTON

November 1, 1984

MEMORANDUM FOR: The President

FROM: Michael H. Armacost, Acting Secretary *MA*

1. Philippine Coup Rumors: Acting Philippines Armed Forces Chief of Staff Ramos and Defense Minister Enrile have both spoken unusually frankly to us about Marcos' support within the Philippine military. Both Ramos and Enrile dismiss rumors of a military coup. Ramos proclaims his loyalty to Marcos and the constitution, and Enrile says ninety percent of the military, many of whom dislike General Ver and would welcome his departure, respect the principle of civilian rule. Marcos appears still to be in control of the military. But he must cope with pressures from the political opposition, economic community, Catholic Church, and even from some in his own administration. These new tensions result in unprecedented tests to Marcos' leadership.

2. Soviet Fuel Delivery to the UK Halted: The Soviets have announced a halt in deliveries of fuel to the UK for the duration of the coal miners strike. This is a serious miscalculation by the Kremlin. It undercuts Moscow's claim to be a reliable trade partner, revives concerns about West European over-dependence on the Soviets for energy and makes a mockery of their longstanding complaints about US sanctions. We are in touch with the British as to how we might exploit this. Because of the sensitivity of the coal strike in the UK, joint moves must be cleared in London.

3. UN Falklands Resolution Passes: The UN General Assembly today passed this year's Falklands Islands Resolution, drafted by Argentina and co-sponsored by 19 other Latin American countries, by a vote of 89 (including the U.S.) to 9, with 54 abstentions. The votes were essentially unchanged from the past two years. We again kept a low profile. UK fears of a major defection by its EC partners were laid to rest when France and Greece announced they would again abstain.

~~SECRET~~

DECL: OADR

DECLASSIFIED

NLRR M453/5 #158256
BY RW NARA DATE 1/25/16

~~SECRET~~

S/S 8430207

158260

THE SECRETARY OF STATE
WASHINGTON

November 5, 1984

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*

RR

1. My Meeting With Moshe Arens. Arens, who is now a Minister Without Portfolio in the Israeli government, called on me today to discuss the Israeli economy. Although Arens is not directly involved in the GOI's economic policy process, he is concerned; we had a chance to express our uneasiness about the slow pace of Israeli reform. I suggested that Israelis may not fully understand the seriousness of the situation. I also urged the importance of early consultations in the context of the Joint Economic Development Group. Arens said he would see Peres and Modai immediately and encourage them to send a technical team as soon as possible to begin consultations with us. Arens feels that the GOI fully grasps the gravity of the problem and is moving to address it; he is worried, however, that the steps taken so far may be inadequate. Arens asked about cutting the defense budget, and I repeated what we had told Peres--it should not be necessary or advisable to sacrifice defense to deal with the economic crisis. (S)

2. Argentine Loans "Substandard". Bank regulators have voted to classify as "substandard" Argentine short-and medium-term loans that are more than 30 days in arrears. The Argentines have expressed great sensitivity over the loan classification; Ken Dam, who will be in Argentina tomorrow, will try to allay their fears. He will explain to the Argentines that the classification is based on the extent to which the debts are serviced properly; that the existence of substantial arrears over a long period left the regulators with no real choice; and that the regulators have classified only certain overdue loans, and not Argentina itself. The regulators have maintained pressure on Argentina and the commercial banks by agreeing to reconsider the situation in January. They will then decide to upgrade or downgrade the debt, depending largely on Argentina's performance under its IMF agreement on the status of new money negotiations with the banks. (C)

DECLASSIFIED

NLR M453/5 #158260

BY *RW* NARA DATE *1/25/16*

DECL: OADR

~~SECRET~~THE SECRETARY OF STATE
WASHINGTON

November 5, 1984

158258

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*

1. My Meeting With Moshe Arens. Arens, who is now a Minister Without Portfolio in the Israeli government, called on me today to discuss the Israeli economy. Although Arens is not directly involved in the GOI's economic policy process, he is concerned; we had a chance to express our uneasiness about the slow pace of Israeli reform. I suggested that Israelis may not fully understand the seriousness of the situation. I also urged the importance of early consultations in the context of the Joint Economic Development Group. Arens said he would see Peres and Modai immediately and encourage them to send a technical team as soon as possible to begin consultations with us. Arens feels that the GOI fully grasps the gravity of the problem and is moving to address it; he is worried, however, that the steps taken so far may be inadequate. Arens asked about cutting the defense budget, and I repeated what we had told Peres--it should not be necessary or advisable to sacrifice defense to deal with the economic crisis. (S)

2. Argentine Loans "Substandard". Bank regulators have voted to classify as "substandard" Argentine short-and medium-term loans that are more than 30 days in arrears. The Argentines have expressed great sensitivity over the loan classification; Ken Dam, who will be in Argentina tomorrow, will try to allay their fears. He will explain to the Argentines that the classification is based on the extent to which the debts are serviced properly; that the existence of substantial arrears over a long period left the regulators with no real choice; and that the regulators have classified only certain overdue loans, and not Argentina itself. The regulators have maintained pressure on Argentina and the commercial banks by agreeing to reconsider the situation in January. They will then decide to upgrade or downgrade the debt, depending largely on Argentina's performance under its IMF agreement on the status of new money negotiations with the banks. (C)

DECL:OADR

~~SECRET~~

DECLASSIFIED

NLRR M453/5 #158258

BY RWS NARA DATE 1/25/16

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

EXECUTIVE SECRETARIAT, NSC: AGENCY FILE

Withdrawer

RB 4/25/2013
W

File Folder

SECRETARY OF STATE EVENING REPORT (10/01/1984-11/20/1984)

FOIA

M453
SHIFRINSON

Box Number

7

75

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
158263	MEMO SHULTZ TO RR [COPY OF DOC. 158261]	1	11/6/1984	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

DECLASSIFIED

~~SECRET~~

BY RW NARA DATE: 11/25/16
NLR # M45315 # 158263

THE SECRETARY OF STATE
WASHINGTON

November 6, 1984

158263

RE

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz ⁴⁸³

1. Soviet National Day. Defense Minister Ustinov is apparently ill and did not appear at the Kremlin celebration of the anniversary of the October Revolution. Gorbachev entered the hall in fourth place behind Chernenko, Tikhonov and Gromyko. Gromyko delivered the principal speech. As at the UNGA, he sharply criticized the US for undercutting arms control and US-Soviet relations, and insisted it was up to us to move first. But, like Chernenko in his Washington Post interview, Gromyko also stressed that there were "possibilities" for improving relations. We are telling the press that we disagree fundamentally with Gromyko's history and are disappointed to hear him repeat the line that it is up to us to pay a price to get them back to the nuclear negotiating table. We are also reiterating our readiness to engage in serious negotiations whenever the Soviets are prepared to do likewise. Meanwhile, at the Soviet Embassy reception here, Dobrynin told us he got an 85 percent attendance rate instead of the 60-65 percent he expected. As in previous years, the State Under Secretary for Political Affairs was the senior guest, but there were more officials from State and other agencies with working relationships with the Soviets, and Dobrynin was pleased. (S)

2. Threat to US Personnel in Colombia. Colombian President Betancur may soon sign orders extraditing the first Colombian narcotics trafficker under the bilateral treaty we signed three years ago. This will advance our efforts to control cocaine trafficking from the Andean countries. The Colombian drug mafia, however, has threatened to retaliate if any of its number is transferred to US jurisdiction. We are therefore moving to strengthen measures to protect the 135 US employees and their 350 family members who serve in Colombia. Over the last year we have increased security with a number of important changes, including moving all personnel into restricted access apartments. The Embassy is now preparing to institute protection for the home-to-office commute, where we believe our personnel are most vulnerable, and to take other additional protective measures. The Embassy will also seek to ensure that we have advance warning of any eventual signing of an extradition order. Betancur may be waiting for the ruling we expect this week from a New York judge on the extradition of an American to Colombia. We are looking at this threat with great care and will be deciding in the next few days what further should be done. (S)

3. Armacost's Meeting With Allied Ambassadors. At lunch today a group of key Allied ambassadors probed Mike Armacost on the outlines of US policy in a second Administration. The ambassadors welcomed what they described as the apparent "new mood" in US-Soviet relations. They praised recent Administration speeches on a wide range of foreign policy topics. The ambassadors underscored the great convergence of US and allied views on political issues, contrasting this with the tensions of several years ago, and urged that this point be underscored in briefings to the press and Congress. FRG Ambassador Van Well noted, in particular, that this upbeat line would have an impact on persistent Soviet efforts to split the Alliance. (SENSITIVE)

DECL:OADR

~~SECRET~~

DECLASSIFIED

~~SECRET~~ 70

BY FW M45315 #158261
 DATE 1/25/16

THE SECRETARY OF STATE
 WASHINGTON

November 6, 1984

84 NOV 7 A 8: 14

158261

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*

1. Soviet National Day. Defense Minister Ustinov is apparently ill and did not appear at the Kremlin celebration of the anniversary of the October Revolution. Gorbachev entered the hall in fourth place behind Chernenko, Tikhonov and Gromyko. Gromyko delivered the principal speech. As at the UNGA, he sharply criticized the US for undercutting arms control and US-Soviet relations, and insisted it was up to us to move first. But, like Chernenko in his Washington Post interview, Gromyko also stressed that there were "possibilities" for improving relations. We are telling the press that we disagree fundamentally with Gromyko's history and are disappointed to hear him repeat the line that it is up to us to pay a price to get them back to the nuclear negotiating table. We are also reiterating our readiness to engage in serious negotiations whenever the Soviets are prepared to do likewise. Meanwhile, at the Soviet Embassy reception here, Dobrynin told us he got an 85 percent attendance rate instead of the 60-65 percent he expected. As in previous years, the State Under Secretary for Political Affairs was the senior guest, but there were more officials from State and other agencies with working relationships with the Soviets, and Dobrynin was pleased. (S)

2. Threat to US Personnel in Colombia. Colombian President Betancur may soon sign orders extraditing the first Colombian narcotics trafficker under the bilateral treaty we signed three years ago. This will advance our efforts to control cocaine trafficking from the Andean countries. The Colombian drug mafia, however, has threatened to retaliate if any of its number is transferred to US jurisdiction. We are therefore moving to strengthen measures to protect the 135 US employees and their 350 family members who serve in Colombia. Over the last year we have increased security with a number of important changes, including moving all personnel into restricted access apartments. The Embassy is now preparing to institute protection for the home-to-office commute, where we believe our personnel are most vulnerable, and to take other additional protective measures. The Embassy will also seek to ensure that we have advance warning of any eventual signing of an extradition order. Betancur may be waiting for the ruling we expect this week from a New York judge on the extradition of an American to Colombia. We are looking at this threat with great care and will be deciding in the next few days what further should be done. (S)

3. Armacost's Meeting With Allied Ambassadors. At lunch today a group of key Allied ambassadors probed Mike Armacost on the outlines of US policy in a second Administration. The ambassadors welcomed what they described as the apparent "new mood" in US-Soviet relations. They praised recent Administration speeches on a wide range of foreign policy topics. The ambassadors underscored the great convergence of US and allied views on political issues, contrasting this with the tensions of several years ago, and urged that this point be underscored in briefings to the press and Congress. FRG Ambassador Van Well noted, in particular, that this upbeat line would have an impact on persistent Soviet efforts to split the Alliance. (SENSITIVE)

DECL:OADR

~~SECRET~~

DECLASSIFIED

~~SECRET~~

S/S 8430482

31

158264

M45315 #158264
NARA DATE: 1/25/16
BY: JWS

THE SECRETARY OF STATE
WASHINGTON

November 7, 1984

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz

NOV 8 9 21
407

1. Meeting with Belgian Foreign Minister. I met with Leo Tindemans for an hour today. Tindemans described the Western European Union as an important step in the strengthening of European cooperation, which he believes will reinforce NATO by creating a better European consciousness. He stressed that this effort is neither anti-American nor anti-NATO. I reiterated our strong opposition to the proposed sale of Belgian nuclear technology to Libya. Tindemans said that he is taking soundings among the EC partners as to whether others would step in and make such a sale if the Belgians did not. I took note of the progress Belgium is making on INF deployment, and expressed our admiration for the role that Tindemans has played in the NATO context. (C)

2. Armacost Meeting with Rosenne. During a lunch with Mike Armacost today, Israeli Ambassador Rosenne voiced concern that the French and the Egyptians would float a new resolution in the Security Council aimed at restoring momentum to the Peace Process. Rosenne asked that we head off such an initiative should it arise. Mike noted that Dick Murphy will be stopping in European capitals at the conclusion of his Middle East trip, and would try to prevent any unhelpful European moves. Mike added that we would talk to the Egyptians about the issue. Rosenne also stated that he had been formally instructed by Jerusalem to ask us not to provide air-to-air missiles to the Saudis. Mike responded that no final decision had been made, but as a general proposition defended the necessity of arms sales to moderate Arab states such as Saudi Arabia. (S)

3. ICJ Elections Go Well. Today's election of five new ICJ members went well for us. The Security Council and the General Assembly elected on the first ballot Evenson (Norway), Ni (China), Lachs (Poland), Elias (Nigeria), and Oda (Japan) for the 1985-1994 term. We supported all five. Lachs, Elias, and Oda were reelected; Evenson and Ni replaced FRG and Syrian judges respectively. The US achieved three major goals: we kept our commitments to vote for the PRC and Japanese candidates, we avoided the loss of a Western European seat, and we defeated the Syrian incumbent. The new composition of the Court represents a slight improvement for US interests. (S)

4. Chile: Cabinet Crisis and State of Siege. Yesterday President Pinochet declined to accept most of the resignations submitted by his Cabinet, including those of Minister of Interior Jarpa and Minister of Finance Escobar. He also imposed a nationwide state of siege for the first time since 1978, giving him more sweeping powers to deal with leftist-inspired terrorism than under the pre-existing state of emergency. The state of siege could result in more human rights abuses. Our Embassy in Santiago reports that armed civilians (believed to be secret police) have raided at least three leftist-oriented establishments and taken some 20 people to unknown destinations. Other raids are rumored. We do not know if Pinochet made any policy concessions to induce Jarpa, heretofore the key Cabinet figure in the democratic transition, to remain. It does appear that the other members of the military junta exerted pressure on Pinochet not to give the Interior portfolio to a representative of the far right. Nevertheless the declaration of a state of siege clearly makes any dialogue with the moderate opposition on an orderly transition much more difficult. (S)

DECL:OADR

~~SECRET~~

~~SECRET~~

S/S 8430681

SENSITIVE

RR has seen
RV

THE SECRETARY OF STATE

November 8, 1984

WASHINGTON

158266

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz

1. Luncheon for American Jewish Leaders. At my lunch today with Jewish leaders, our guests conveyed their warm support for you and the Administration's policies toward Israel. The group was concerned about Israel's economic crisis and asked for our views. I said the GOI's reform program to date offers some breathing space, but more needs to be done to cut the budget and reduce inflation. The best way we can help is to be firm on the need for corrective policies, while assuring the GOI that we will help in a crisis. On the peace process, Ken Bialkin recommended a more passive US position while Max Fisher thought we should be active in trying to break the current impasse. He cited the Egyptian-Israeli treaty as an example that progress is possible, even when the odds seem unfavorable. I noted that while we should avoid unrealistic expectations and initiatives, if we opt out, others, like the Soviets, will move to exploit the vacuum, to our disadvantage. Since events will not stand still in the Middle East, we will continue to look for realistic ways to shape the process, and if possible get negotiations started on the basis of your September 1, 1982 initiative. (S)
2. Ken Dam's Meeting with Alfonsin. President Alfonsin told Ken in Buenos Aires yesterday that he was pleased at the outcome of the US elections. He understands and appreciates the recent US decision to classify specific loans as sub-standard, but not Argentina as a whole. Alfonsin at last appears ready to pursue what will be painful economic adjustments, and called the agreement between Argentina and the IMF "realistic". He outlined his plans for bringing the Argentine economy under control, saying he intends to cut inflation by 50 percent. He stressed attracting American investment and expanding Argentine exports to the US. While economic leadership is urgently needed, Ken reports that we must not lose sight of the enormous steps Alfonsin has taken to restore democracy in Argentina. Alfonsin emphasized that the days when the military could disrupt the constitution of Argentina are over. (S)
3. Lebanese-Israeli Military Talks Begin. UNIFIL Commander Callaghan told the UN that he was pleased by today's opening of the Lebanese-Israeli military talks in Naqura in south Lebanon. During the five-hour session, which Callaghan described as business-like and friendly, agreement was reached to meet every Monday, Wednesday and Friday. According to press reports, the Israeli delegation rejected the opening Lebanese position that everything said or done at the talks would be within the framework of the 1949 armistice agreements. After the predictable initial statements on this issue were made, however, participants reportedly appeared willing to let the matter drop. Lebanese government officials told Ambassador Bartholomew they interpreted this as a positive omen. (C)
4. Resumption of Relations with Iraq. Iraqi Deputy Prime Minister Tariq Aziz told Dick Murphy in Baghdad today that he is looking forward to meeting with you on November 19, as prelude to a joint announcement that the US and Iraq have restored diplomatic relations after 17 years. The Iraqi Government claims that its outlook has matured over the years, and that it sees itself as a force for regional stability. Iraq has helped in efforts to reintegrate Egypt into the Arab world without preconditions, and has supported Hussein in his efforts to obtain a negotiating mandate from the Palestinians. Your meeting will be an opportunity to encourage such constructive movement.

(SENSITIVE)

DECL:OADR

~~SECRET~~

~~SECRET~~

S/S 8430681

SENSITIVE

158265

M45315 #158265
 NARA DATE 1/25/16
 THE SECRETARY OF STATE
 WASHINGTON

November 8, 1984

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz

04 NOV 9
 A 7:42

1. Luncheon for American Jewish Leaders. At my lunch today with Jewish leaders, our guests conveyed their warm support for you and the Administration's policies toward Israel. The group was concerned about Israel's economic crisis and asked for our views. I said the GOI's reform program to date offers some breathing space, but more needs to be done to cut the budget and reduce inflation. The best way we can help is to be firm on the need for corrective policies, while assuring the GOI that we will help in a crisis. On the peace process, Ken Bialkin recommended a more passive US position while Max Fisher thought we should be active in trying to break the current impasse. He cited the Egyptian-Israeli treaty as an example that progress is possible, even when the odds seem unfavorable. I noted that while we should avoid unrealistic expectations and initiatives, if we opt out, others, like the Soviets, will move to exploit the vacuum, to our disadvantage. Since events will not stand still in the Middle East, we will continue to look for realistic ways to shape the process, and if possible get negotiations started on the basis of your September 1, 1982 initiative. (S)
2. Ken Dam's Meeting with Alfonsin. President Alfonsin told Ken in Buenos Aires yesterday that he was pleased at the outcome of the US elections. He understands and appreciates the recent US decision to classify specific loans as sub-standard, but not Argentina as a whole. Alfonsin at last appears ready to pursue what will be painful economic adjustments, and called the agreement between Argentina and the IMF "realistic". He outlined his plans for bringing the Argentine economy under control, saying he intends to cut inflation by 50 percent. He stressed attracting American investment and expanding Argentine exports to the US. While economic leadership is urgently needed, Ken reports that we must not lose sight of the enormous steps Alfonsin has taken to restore democracy in Argentina. Alfonsin emphasized that the days when the military could disrupt the constitution of Argentina are over. (S)
3. Lebanese-Israeli Military Talks Begin. UNIFIL Commander Callaghan told the UN that he was pleased by today's opening of the Lebanese-Israeli military talks in Naqura in south Lebanon. During the five-hour session, which Callaghan described as business-like and friendly, agreement was reached to meet every Monday, Wednesday and Friday. According to press reports, the Israeli delegation rejected the opening Lebanese position that everything said or done at the talks would be within the framework of the 1949 armistice agreements. After the predictable initial statements on this issue were made, however, participants reportedly appeared willing to let the matter drop. Lebanese government officials told Ambassador Bartholomew they interpreted this as a positive omen. (C)
4. Resumption of Relations with Iraq. Iraqi Deputy Prime Minister Tariq Aziz told Dick Murphy in Baghdad today that he is looking forward to meeting with you on November 19, as prelude to a joint announcement that the US and Iraq have restored diplomatic relations after 17 years. The Iraqi Government claims that its outlook has matured over the years, and that it sees itself as a force for regional stability. Iraq has helped in efforts to reintegrate Egypt into the Arab world without preconditions, and has supported Hussein in his efforts to obtain a negotiating mandate from the Palestinians. Your meeting will be an opportunity to encourage such constructive movement.

(SENSITIVE)

DECL:OADR

DECLASSIFIED

~~SECRET~~

S/S 8430826

Pics has seen

158271

THE SECRETARY OF STATE
WASHINGTON

November 9, 1984

84 NOV 10 AIO: 09

BY RW NLRR M453/5 #158271
NARA DATE 1/25/16

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*

WHITE HOUSE
SITUATION ROOM

1. Cheysson's Future. A new French Foreign Minister is a distinct possibility before the end of the year. Rumors of Cheysson's departure are not new; yet they have intensified in recent weeks. It now appears likely he will be leaving soon after his November 19-20 visit to Washington, perhaps for an appointment to the EC Commission. Although Mitterrand and Cheysson have been in agreement on the key East-West issues, Cheysson has taken a more "third world" approach to many regional issues. He was the proponent of dialogue with Qadhafi and the architect of the agreement with Libya on Chad. Cheysson's favorable comments on the Nicaraguan elections earlier this week are typical of his outspoken statements on Central America which are often critical of the US. He is frequently out of step with the Elysee. Cheysson's likely replacement, European Affairs Minister Roland Dumas, is a close Mitterrand confidant. Mitterrand will retain control of foreign policy and no major changes are likely. But closer coordination with the Elysee under Dumas may bring us smoother relations with France on regional issues. (C)

2. Joint Korean Olympics Proposed. North Korea has secretly proposed through the International Olympics Committee (IOC) a meeting with the Republic of Korea Government (ROKG) to discuss the possibility of jointly hosting the Seoul Olympics in 1988. This offer coincides with recent Soviet meddling in the Olympics, both with an earlier suggestion to an ROKG ambassador of a joint hosting by the two Korean sides and by recent Soviet articles suggesting that the Seoul venue for 1988 be changed. We believe, however, that the ROKG retains a commanding position with the support of a substantial majority of IOC members for Seoul as the venue, and it would be unlikely for the IOC to consider a joint hosting scheme without the host ROKG itself proposing it. In the interests of maintaining a dialogue with Pyongyang, we expect the ROKG to agree to exploratory talks with North Korea, but Seoul will emphasize another option: a combined North-South Korean team. (S)

3. Hungarian Emphasizes European Sentiment. Hungarian MFA State Secretary Janos Nagy told Mike Armacost and Rick Burt today that Eastern and Western Europe remain bound together, in large part by the wishes of the people on both sides of the continent who insist that their common European heritage be recognized. Nagy said that the Soviet leadership still took decisions on a collective basis, even if Gromyko and Ustinov played a dominating role in foreign affairs. He also admitted that Moscow had made clear to its Eastern European allies the USSR's inability to supply needed energy and raw materials. Nagy's thoughts reflect Hungary's conviction that it has a role to play in improving East-West contacts, particularly in a climate where relations between the two major powers are strained. (C)

DECL:OADR

~~SECRET~~

~~SECRET~~

S/S 8430826

1582108

THE SECRETARY OF STATE
WASHINGTON

November 9, 1984

84 NOV 10 10:09

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz

WHITE HOUSE
SITUATION ROOM

1. Cheysson's Future. A new French Foreign Minister is a distinct possibility before the end of the year. Rumors of Cheysson's departure are not new; yet they have intensified in recent weeks. It now appears likely he will be leaving soon after his November 19-20 visit to Washington, perhaps for an appointment to the EC Commission. Although Mitterrand and Cheysson have been in agreement on the key East-West issues, Cheysson has taken a more "third world" approach to many regional issues. He was the proponent of dialogue with Qadhafi and the architect of the agreement with Libya on Chad. Cheysson's favorable comments on the Nicaraguan elections earlier this week are typical of his outspoken statements on Central America which are often critical of the US. He is frequently out of step with the Elysee. Cheysson's likely replacement, European Affairs Minister Roland Dumas, is a close Mitterrand confidant. Mitterrand will retain control of foreign policy and no major changes are likely. But closer coordination with the Elysee under Dumas may bring us smoother relations with France on regional issues. (C)

2. Joint Korean Olympics Proposed. North Korea has secretly proposed through the International Olympics Committee (IOC) a meeting with the Republic of Korea Government (ROKG) to discuss the possibility of jointly hosting the Seoul Olympics in 1988. This offer coincides with recent Soviet meddling in the Olympics, both with an earlier suggestion to an ROKG ambassador of a joint hosting by the two Korean sides and by recent Soviet articles suggesting that the Seoul venue for 1988 be changed. We believe, however, that the ROKG retains a commanding position with the support of a substantial majority of IOC members for Seoul as the venue, and it would be unlikely for the IOC to consider a joint hosting scheme without the host ROKG itself proposing it. In the interests of maintaining a dialogue with Pyongyang, we expect the ROKG to agree to exploratory talks with North Korea, but Seoul will emphasize another option: a combined North-South Korean team. (S)

3. Hungarian Emphasizes European Sentiment. Hungarian MFA State Secretary Janos Nagy told Mike Armacost and Rick Burt today that Eastern and Western Europe remain bound together, in large part by the wishes of the people on both sides of the continent who insist that their common European heritage be recognized. Nagy said that the Soviet leadership still took decisions on a collective basis, even if Gromyko and Ustinov played a dominating role in foreign affairs. He also admitted that Moscow had made clear to its Eastern European allies the USSR's inability to supply needed energy and raw materials. Nagy's thoughts reflect Hungary's conviction that it has a role to play in improving East-West contacts, particularly in a climate where relations between the two major powers are strained. (C)

DECL:OADR

DECLASSIFIED

NLRR M453/5 #1582108

~~SECRET~~

BY

RW

NARA DATE

1/25/16

~~CONFIDENTIAL~~

S/S 8431043

158272

THE SECRETARY OF STATE
WASHINGTON

November 13, 1984

84 NOV 14 12

A 7: 49

182 11/14/84

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz

1. Luxembourg: Nuclear Free Zone, Civil Aviation. In meeting with Luxembourg Foreign Minister Poos this afternoon, I emphasized the link between Alliance cohesiveness and our ability to negotiate with the USSR. I told Poos that we were bothered by Luxembourg's parliamentary vote on a nuclear free zone in Europe, and noted that such actions make the INF deployment situation much more difficult to manage, especially in Belgium and the Netherlands. Poos tried to put a good face on a bad resolution. He argued that the idea of a denuclearized zone should be viewed in the medium term and as a goal to be reached at an advanced stage of arms control negotiations, ratified by both the US and the USSR. We went into the civil aviation issue in some detail. I cautioned Poos that, in any negotiations for route rights, the US aviation industry would aggressively protect its interests, and that it might be best to leave the Cargolux situation as it is. I urged Poos to consider carefully the idea of a Model Air Agreement, without an exchange of route rights, which we recently proposed to them. (C)

2. Meeting With German Defense Ministry Official. In a meeting with Mike Armacost today, senior FRG Defense Ministry official Hans Ruehl said that he has doubts whether the Kohl government can live with SDI if it goes beyond the research phase. He clarified that it was space defense that caused the political problem, not ABM (presumably to protect our ICBMs). Ruehl also told Mike that the FRG Cabinet has voted to extend territorial waters beyond 12 miles in an area off Helgoland, a move opposed by both the US and his own Defense Ministry. (C)

3. Nicaragua Declares State of Alert. Following a week of increasingly alarmist anti-US rhetoric, the Nicaraguan Government on November 12 placed all units of the armed forces on a state of alert, citing the serious threat of military aggression facing the country. The Sandinistas have made a dedicated effort to foster an invasion scare based on US reaction to last week's Soviet arms delivery. Their actions include a November 9 summoning of an emergency UN Security Council session, a barrage of protest notes released to the media, and heated speeches by Sandinista leaders attacking the US. In addition to its obvious purpose of painting the US as an aggressor, the Sandinista campaign has two other probable motives: it helps divert international attention from the accelerating Sandinista military buildup, and takes the minds of Nicaraguans off economic and political problems that have produced widespread unhappiness over Sandinista rule. (C)

4. China is Willing to Receive Peace Corps Volunteers. The key Chinese official in charge of inviting foreign experts to China told Embassy Beijing on November 7 that China is ready to receive Peace Corps volunteers and is willing to sign a contract whenever the two sides can work out the details. The only problem the Chinese have is with the name: they are concerned about the packaging, and want the volunteers to operate in China under a different name such as "American Volunteers in Service in China", for the first two years. We are consulting with The Peace Corps to propose a pilot program to the Chinese. (C)

DECL:OADR

DECLASSIFIED

NLRR M453/5 #158272

~~CONFIDENTIAL~~

BY RW

NARA DATE 1/25/16

~~SECRET~~

S/S 8431206

158275

31



THE SECRETARY OF STATE
WASHINGTON

November 14, 1984

MEMORANDUM FOR: THE PRESIDENT

84 NOV 15 A 7: 58

PC 11/15/84

From : George P. Shultz *gps*

1. Colombian Extraditions Endanger Americans. President Betancur today ordered the extradition of two Colombian drug traffickers to the United States, a welcome action that nonetheless raises concerns that traffickers will carry out their threats to retaliate against Americans when extraditions take place. We have sharply increased security at the Embassy in Bogota, imposed a freeze on official travel to Colombia, and instructed our Ambassador to begin evacuating about 10% of his personnel. Mindful of threats against our personnel there, Betancur gave our Ambassador several hours notice before signing the orders; we in turn are advising the Colombians of our action. We can accelerate this drawdown procedure if needed. (C)

2. Greece Reacts to Jet Transfers to Turkey. Last week we decided to transfer 12 US-origin F-5 aircraft from Norway to Turkey and four more to Portugal. Our decision not to transfer any of the excess F-5's to Greece, although justified on economic and military grounds, was a message to Papandreou that his insulting behavior is not cost-free. The Greek response, announced tonight, was surprising even for Papandreou: the Greeks announced the purchase of 40 F-16Gs as part of their next generation of fighter aircraft. Greece will buy 40 Mirage-2000's from France, and will purchase additional aircraft during the next three years. We expect some media speculation linking the F-5 and F-16 decisions, saying that Papandreou "punished" us by purchasing some of his aircraft from France. Yet we expected the Mirage purchase, and General Dynamics is confident that it can net the additional planes-- probably twenty in number--once its Greek F-16 program is underway. (S)

DECL:OADR

~~SECRET~~

DECLASSIFIED

NLRR M453/5 #158275

BY AW NARA DATE 1/25/16

~~CONFIDENTIAL~~

S/S 8431318

158276

THE SECRETARY OF STATE
WASHINGTON

November 15, 1984

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*

1. German Views on Technology Transfer. I met today with the FRG Foreign Ministry's State Secretary for Economic Affairs, Juergen Ruhfus. He said that Chancellor Kohl has asked for a Cabinet-level study of the technology transfer issue, including export controls. Ruhfus added that Foreign Minister Genscher has asked him to visit Washington to register three West German concerns: (a) delays in granting US export licenses to German manufacturers; (b) restrictions on scientific exchanges and conferences; (c) discriminatory treatment of US subsidiaries of FRG firms in bidding on Pentagon contracts. Ruhfus said that he was pleased with the openness of his discussions today with DOD and Commerce, and that he looked forward to equally positive talks in Washington tomorrow. (C)

2. Ghorbal-Armacost Breakfast. Egyptian Ambassador Ghorbal had the peace process very much on his mind in a chat this morning with Mike Armacost. He seemed relatively upbeat on the prospect for progress, but stressed that the US should play a more active role. He referred to Peres' difficulties and the possibility of a PLO split. He also noted that there was a limited window for action--and suggested that I make a trip to the region soon. He might well make the same pitch when he calls on you tomorrow. Ghorbal also commented on the discussion of the Egyptian proposal for an MFO role in Taba at this week's MFO trilateral in Rome. He implied that Mubarak might condition his pledge to send a special emissary to Israel on GOI receptivity to this idea. (C)

3. Initial North-South Korean Economic Talks Go Well. The atmosphere of the first economic meeting between North and South Korea was businesslike and a second session was scheduled for December 5. Negotiators from the North focused on joint ventures while the South concentrated on direct trade possibilities, but differences in emphasis do not appear unbridgeable. The South's low-key reference to the Rangoon bombing did not provoke a response. While serious negotiation has yet to begin, the two sides agreed to open an economic "hotline" and the North proposed separate meetings between deputy prime ministers. It is too soon to tell if North Korea is after propaganda advantage or seriously interested in reducing tension between the two Koreas. (C)

4. West German Decision to Extend Territorial Seas. German Ambassador Van Well met today with Mike Armacost to explain why the FRG Cabinet had on November 7 reaffirmed a decision originally announced in October, 1983, to extend the FRG territorial limit to 16 miles in the North Sea. Last December you wrote Chancellor Kohl that this would be contrary to international law, and that the US could not recognize it. At that time, the FRG promised to review its proposed act, to examine alternative solutions, and to consult with the United States before taking any action. Ambassador Van Well advised that the Cabinet decision was made after the review of alternatives, that the decision now has the force of law, and that the Chancellor is sending a letter to you explaining the decision. Mike stated that we were concerned that no prior consultation with us had occurred as promised earlier, and that the United States will have to protest the extension. (C)

DECL:OADR

DECLASSIFIED

~~CONFIDENTIAL~~

NLRR M453/5 #158276

BY RW

NARA DATE 1/25/16

~~SECRET~~

S/S 8431535

158277

THE SECRETARY OF STATE
WASHINGTON

November 16, 1984

RR

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *usp*

84 NOV 17 A 8:02

1. US-Indian Technology Transfer Agreement. Today a USG inter-agency team in New Delhi reached ad referendum agreement on a US-Indian Memorandum of Understanding on Technology Transfer, which seeks to protect US strategic technology from diversion to the Soviet bloc. This agreement supports the objectives which you set in your October 11 National Security Directive on US Policy towards India and Pakistan. The agreement was negotiated at the highest levels of the Indian Government. Also resolved was a long-standing issue which will permit the sale of a multi-million dollar silicon manufacturing plant to India. (S)

2. El Salvador: Dismissal of Charges in Sheraton Case. The Salvadoran Supreme Court dismissed definitively charges against Lt. Rodolfo Lopez Sibrian, who had been charged with the 1981 murder of the two AFL-CIO labor advisors and their Salvadoran colleague. The two triggermen have stated that Lopez provided them with the weapons, pointed out the victims and ordered the killings, but under Salvadoran rules of evidence their testimony is inadmissible. With this dismissal, no new evidence can be introduced, and new charges in this case cannot be brought against Lopez. This is a major setback and is a consequence of a judiciary that predates the Duarte Administration and is not responsive to the policies of his government. It also will undercut the bipartisan support for our policies in El Salvador. The AFL-CIO only recently came around to supporting military assistance for El Salvador; this may now be threatened. The Supreme Court's decision to dismiss the charges is a serious challenge to the direction Duarte has been taking and bolsters the arguments of the Left that Duarte is a hostage to the extreme Right and the military. Tom Pickering is consulting with Duarte on steps he and we can take to offset this travesty of justice. (S)

3. Meeting With Yaqub. My follow-up meeting with Pakistani Foreign Minister Yaqub continued the same lines of discussion as at the White House. On the nuclear issue, Yaqub stressed again Pakistan's willingness to consider bilateral measures together with India, but he stated that unilateral Pakistani steps on safeguards or inspections were unacceptable. Yaqub acknowledged there were two views about Rajiv Gandhi's prospects, but said clearly he thought it highly improbable that Rajiv would be able to cope with India's many problems. Yaqub went on at length about Soviet leadership weakness and international failures, and thought the Soviets were likely to remain defensive and indecisive until the leadership question is resolved. He expressed satisfaction with the failure of Soviet military and political efforts in Afghanistan, but worried that they might be motivated to strike out in some way; while he did not say so, he clearly had in mind his own country. (S)

DECL:OADR

DECLASSIFIED

NLRR M453/5 #158277

~~SECRET~~

BY RW NARA DATE 1/25/16

~~CONFIDENTIAL~~

S/S 8431723

158279

THE SECRETARY OF STATE
WASHINGTON

November 19, 1984

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*

84 NOV 20 4 01 PM

1. My Meeting With Foreign Minister Cheysson. In our meeting today Cheysson said he approved of our proposal for umbrella talks with the Soviets and asked how we would proceed so that France could be in step with US policy. I explained that we are still working on ways to implement our strategy. He emphasized the importance of nuclear deterrence in maintaining the peace and reiterated standard French concerns that SDI may encourage public support for nuclear disarmament and lessen support for the French deterrent. Cheysson tried to downplay Qadhafi's duplicity in Chad. He argued that Qadhafi had reinserted his troops and equipment only after concluding that the withdrawal meant victory for Habre. I expressed our general concerns about Qadhafi's behavior. I also told Cheysson that I was astonished at his comments in support of the Nicaraguan elections. Cheysson did not seem to be persuaded by our brief discussion of the issues but supported our view that the Contadora Acta had to be strengthened. (C)

2. My Meeting With the Bahamian Foreign Minister. New Bahamian Foreign Minister Clement Maynard came to Washington to express his government's desire to improve relations with the US. His list included better coordination in dealing with drug trafficking and illegal immigration, qualifying for CBI designation, and expediting a mutual legal defense assistance treaty--the key to our ability to bring drug traffickers to justice. I told him we welcomed his new mandate and would be especially receptive to improving coordination in the law enforcement-narcotics field. In a private session, Maynard raised his government's deep concern over increased Cuban/Soviet activities aimed at Bahamian youth. I promised to see what we could do to counter their actions perhaps through increased scholarships and other exchanges in the US for Bahamian youth. The new Foreign Minister's attitude represents a dramatic shift from his predecessor who was not only obstructive but personally difficult. We hope Maynard's positive approach translates into positive deeds. (C)

3. Yugoslav Debt Refinancing. Yugoslav Deputy Foreign Secretary Loncar saw Ken Dam today to argue the Yugoslav Government case for a multi-year debt rescheduling agreement with official creditors. He handed Dam a letter to you (being sent separately) from the Yugoslav State Presidency in support of this request. Loncar said that the success of the Yugoslav stabilization program since 1981 in moving toward more of a market economy has come at the expense of a continuing decline in the standard of living, which has created a rise in social tensions. This has created a perception by some elements of the leadership that the IMF and Western Governments are putting unacceptable pressure on Yugoslavia. He said that a period of "political relaxation" is needed; that is why the GOY believes a multi-year rescheduling is necessary. Dam assured Loncar that we are anxious to continue our leadership in providing financial assistance to Yugoslavia, but said that we are not prepared to agree to rescheduling in the form proposed by the Yugoslavs, which we do not believe is in Yugoslavia's best interest. He stressed that we will be prepared to discuss our intention to support Yugoslavia not only in 1985, but in future years as well. (C)

DECL:OADR

DECLASSIFIED

~~CONFIDENTIAL~~

BY *DWS* NARA DATE *1/25/16*
M453/5 #158279

SECRET

DECL: OADR

S/S 8431919

DEPARTMENT OF STATE
WASHINGTON

November 20, 1984

EO 13526 3.3(b)(1)>25Yrs

EO 13526 3.3(b)(6)>25Yrs

MEMORANDUM FOR: THE PRESIDENT

FROM: Kenneth W. Dam, Acting *KWD*

1. Reports of Marcos Illness Continue. President Marcos, who has not been seen in public since November 13, telephoned Ambassador Bosworth November 20 to assure him that he remained in full control of the Philippine Government. Although the President said he was only suffering from contagious flu, his voice was weak and his speech hesitant [REDACTED]

An unfortunate short-term effect of the Marcos health rumors may be to complicate the Philippine effort to round up the new private bank financing necessary to activate the recently agreed-upon IMF Standby Credit. Were Marcos to die, there is a clearly defined but untested constitutional mechanism to choose a successor, but following months would certainly be rocky. Marcos' incapacitation could paralyze government decision-making and provoke a lengthy political crisis, to the detriment of our interests. In any scenario, the communist insurgents would be in no position to seize control, but they would play a spoiler role to heighten instability.

2. U.S. Israeli Joint Security Assistance Planning (JSAP) Talks. Israeli defense experts today asked for \$2.24 billion dollars in FMS assistance in FY 86 -- an increase of \$840 million over the FY 85 FMS level. In response, we presented a possible \$1.4 billion program for FY 86 that would preserve Israel's qualitative military edge and purchase most of the items on Israel's list. This could be accomplished by delaying start-up dates for some procurements and cutting back on spare parts and other follow-on supports costs. The Israelis strongly resisted our proposal. We agreed to meet again December 19-20 and asked Israel to prepare alternative program proposals ranging from \$1.7 to \$2.24 billion. When pressed to extend Israel's authority to negotiate offset arrangements in FMS commercial contracts, we said we would do so but at a straight dollar rate rather than a percentage cap. We indicated that we were looking at a \$200 million offset limit for FY 85, but we will have to resolve this in the next round of talks.

3. South Korea Proposes Indirect Approach to China. The South Korean government is considering asking the Japanese government to approach Beijing with the proposal that China recognize South Korea in exchange for Japanese recognition of North Korea. Seoul sees this as a step toward eventual full "cross-recognition" which would also involve the U.S. opening relations with North Korea and the Soviets establishing relations with South Korea. The South Koreans have asked for our views of the proposal, which comes at a time of increased North-South contacts. We share Seoul's view that even partial cross-recognition would be worthwhile. However, in considering our reply we will have to weigh carefully the timing of an approach and North Korea's probable opposition to relations between Beijing and Seoul.