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OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

July 30, 1981

SECDEF EYES ONLY FILE

MEMORANDUM FOR THE RECORD

SUBJECT: State/DoD Breakfast

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 25 Sep 2019 Authority: EO 13526
Declassify: _____ Deny in Full: _____
Declassify in Part: M
Reason: 3.3(b)(6)
MDR: 18-M-1033

+ S.U.S.C.
#552

Location: State Department

Participants: State

Defense

Secretary Haig
Deputy Secretary Clark
Bud McFarlane
Rick Burt

Secretary Weinberger
Deputy Secretary Carlucci
Fred Ikle
Jay Rixse
Carl Smith

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Chief, Records & Declass Div, WHS
Date: SEP 25 2019

1. (U) After an initial exchange regarding the success the President enjoyed yesterday on the tax bill and the fact the Senate Select Committee resolved its concerns about the DCI, the regular agenda was addressed.

2. ~~(S/NF)~~ Secretary Haig asked what we had done with regard to the basing of GLCMs in Belgium. The Secretary responded that his earlier meeting with Swaelen had gone very well and that he had seemed pleased we would be providing him information regarding the economic benefits to be derived from such basing. The Secretary indicated he had just sent a letter to Swaelen enumerating these benefits and noted they totaled somewhat in excess of \$1 billion. All agreed this would perhaps go a long way in securing the Belgians' consent to such basing.

There was then some discussion as to whether such an approach might work with the Dutch; however, it was recognized we may have to wait until a new Dutch government is formed before we see how they are going to approach this issue. It was mentioned that Richard Perle had been meeting with the Acting Minister of Defense to try to gain their support for GLCM basing but we would not learn until later in the day how that meeting had gone.

The Secretary then noted we were making good progress in the HLG and that there was another meeting in August and one scheduled for September. He said prospects were good for getting an agreed-upon negotiating position that could be tabled in any meeting with the Soviets. He went on to indicate that an interesting initial negotiating position to test the Soviet's resolve would be to propose they remove all SS-20s. He noted this would be hard, but it may be

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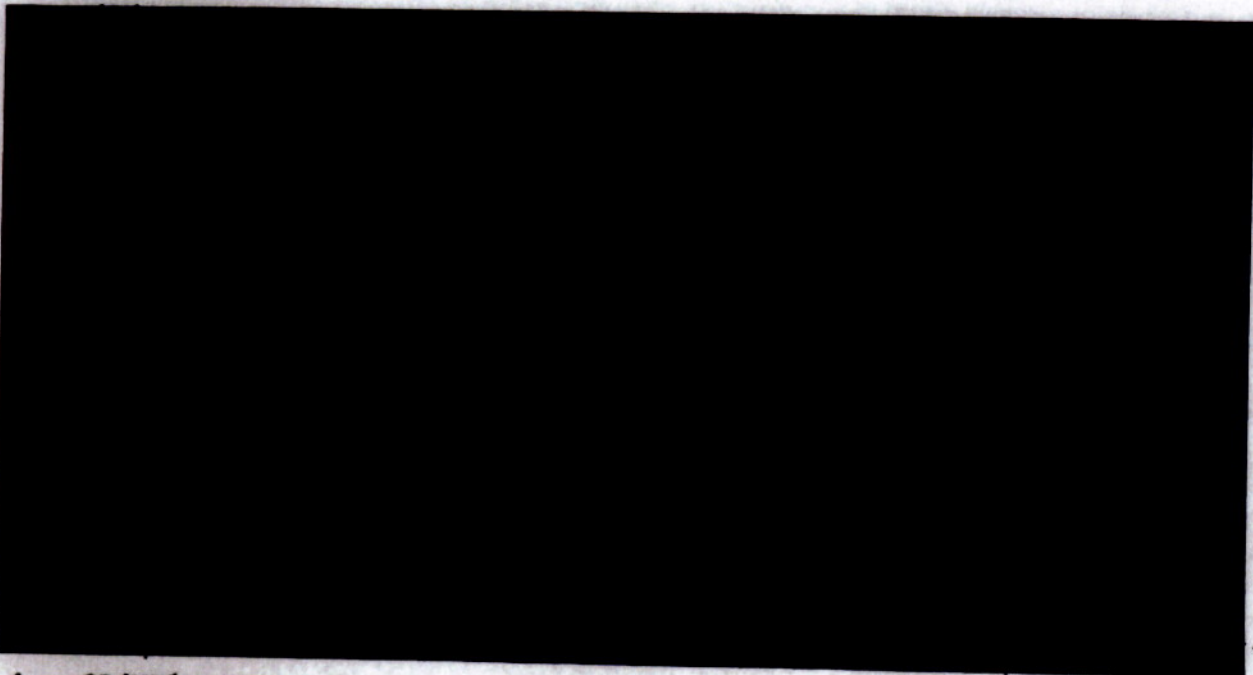
Chief, Records & Declass Div, WHS

Date: SEP 25 2019

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2

useful for us to take the high moral ground since we did not have any new systems deployed yet.



OSD 3.3(b)(6)

4. ~~(S/NF)~~ The subject of Sadat's impending visit was discussed briefly, especially in terms of the FMS proposal which is going to be discussed at the NSC meeting tomorrow. Mr. Carlucci noted it was important to get the cash flow problem solved because, if we do not have the authorization, the whole program will fall apart; therefore, we must make sure the White House (i.e., OMB) understands this problem and does not stand in the way.

The Secretary commented that he had signed the joint memorandum for the President and, though he signed it, he did have one small problem (which he decided to overlook in the interest of getting the paper to the President): calling attention to the fact that we would have to deal outside of the normal budgetary process. He said this would only require announcement and that, by flagging it in such a way, it might give us more problems than it was worth. Haig agreed and noted that he had not sent it back for rewrite for the same reasons the Secretary had not. Mr. Carlucci summarized by saying it would be no good to get the \$1.3 billion of FMS for Egypt if the cash flow problem was not addressed.

Haig indicated that in his discussions with the Egyptian Ambassador they had agreed that the most important part of the visit by Sadat was to allow him to establish a personal relationship with the President; therefore, we wanted to try to avoid raising any little things we might want in the meeting with the President--such concerns could be taken up in the other meetings that would be held. In this regard, Haig felt everything was pretty much on track except the issue of

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Authority: EO 13526

Chief, Records & Declass Div, WNS

Date: SEP 25 2019

~~SECRET/SENSITIVE/NOFORN~~

3

[REDACTED] Mr. Carlucci commented that even this issue seems to be going along pretty well as a result of his meeting with Sadat. He has designated Bob Murray to head up a team which could resolve the technical issues as well as put them in the proper context in order to assuage some of Sadat's concerns

[REDACTED] Mr. Carlucci said it might be best if this issue was raised at the Secretarial level only in the context of mentioning we have appointed our commission and they would proceed to work with the Egyptians on this matter.

5. ~~(S/UR)~~ Relating to the Sadat visit, the discussion turned to Libya, since this is something which would be raised by Sadat himself.

Given Sadat's obsession with Qadhafi, it was expected he would raise with the President his concerns and seek support of the United States in taking those actions necessary to ultimately bring about Qadhafi's removal. Mr. Carlucci mentioned that, during his visit in Egypt, Sadat had indicated that all he wanted was some air mobility and he would go in and take care of Qadhafi; however, when pressed, Sadat agreed it probably was not really a feasible option, although it was attractive.

Haig then mentioned he had a draft joint memorandum for the President which he would be sending over for review by the Secretary which would indicate a general line the President should take with Sadat regarding Libya and Qadhafi. The essence of the memorandum indicated the President should tell Sadat that now is not the time to move against Qadhafi, that he ought to strengthen his own forces and that he should undertake some actions jointly with us. The Secretary asked if this would not lead him to ask for a larger amount of security assistance. Haig said he felt that the current package which the President would suggest to Sadat was not ungenerous. Haig then went on to indicate some of the items the memorandum set forth as basic principles: stress that the U.S. is serious about countering Qadhafi; joint planning; reaffirmation that we will protect the Egyptians from actions by the Soviets if they get into trouble; a statement that we believe direct military moves against Qadhafi is not a good thing at the present time; and stressing the nature and type of various diplomatic and other pressures we intend to exert on Qadhafi. The Secretary commented that he felt we ought to be a little more forthcoming on covert action and thought that in the joint planning section we should indicate that we would like to conduct joint planning for covert action with the Egyptians. He said he felt it was important for the President to make this point himself to Sadat.

Haig then raised the issue that he had some new thoughts regarding the Gulf of Sidra operation, specifically regarding notification. He felt that the current proposal regarding the issuing of

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OSD 3.3(b)(6)

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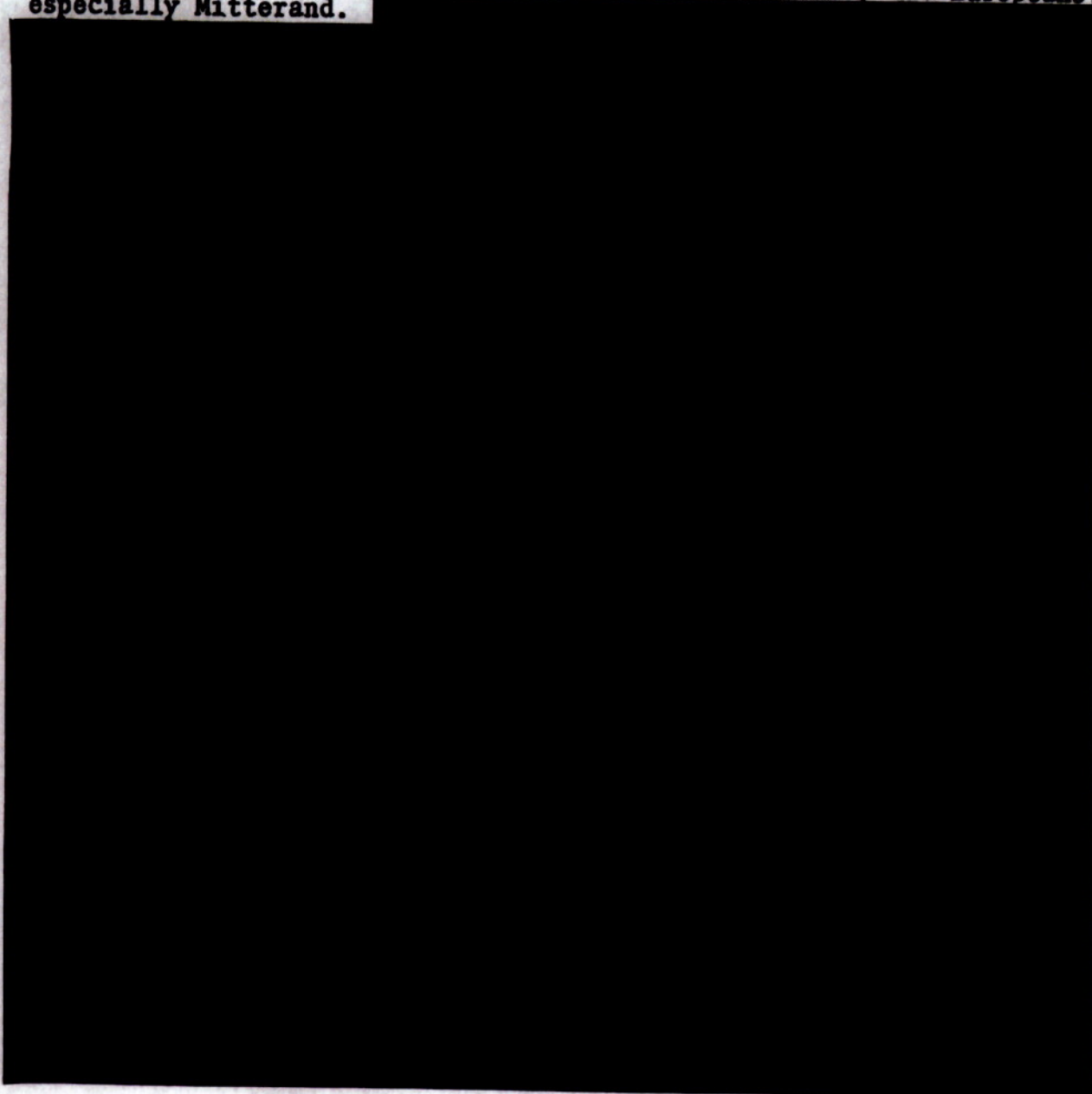
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Date: SEP 25 2019

~~SECRET/SENSITIVE/NOFORN~~

4

the notices, and only calling attention at the Second Secretary level of various countries, was insufficient. The Secretary and Mr. Carlucci said it was probably important that we personally notify Sadat, Bourguiba and Hassan since they would be directly affected and were very supportive of our approach toward Libya. Haig, however, wanted to tell the French, the British, the Germans and the Italians. Both the Secretary and Mr. Carlucci indicated strong opposition to this suggestion indicating that to do so would be to blow out of proportion the operation and such a move was likely to be fraught with more dangers than benefits. Haig, on the other hand, argued forcefully that it was essential we notify the Europeans, especially Mitterand.



OSD 3.3(b)(6)

~~SECRET/SENSITIVE/NOFORN~~

DECLASSIFIED IN PART

Authority: EO 13526

Chief, Records & Declass Div, WNS

Date: SEP 25 2019

~~SECRET/SENSITIVE/NOFORN~~

5

OSD 3.3(b)(6)

8. ~~(S/NF)~~ A rather lengthy discussion of ERW then ensued occasioned by Haig's indication that he had fallen off of his prior commitment to proceed. The Secretary recounted that they had met with the President in the Oval Office and agreed to proceed with the ERW production decision after Schmidt's visit. Haig then asked the Secretary if, were he to find himself leading the Charge of the Light Brigade and was halfway down the valley and found that he had lost a large number of men, he would proceed based on a decision or agreement of the preceding month. The Secretary responded that he would. Haig then said he had no way of knowing in June that the problems involving the Europeans would grow. Specifically, he cited the fact that he had confronted the emerging proposal for a nuclear free zone in Europe and had managed to get everybody to fall off. This could be undone, and TNF could become unravelled, if we proceeded with the ERW production decision at this time. The Secretary then asked whether there was in fact any time at all that would not bother someone in Europe. Haig agreed that someone would always be bothered, but still the question was when it could be best managed and he felt that now was not the best time. The Secretary reminded Haig that what we were dealing with was a production decision that was public knowledge, since it was a matter of Congressional interest, and

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Date: SEP 25 2019

~~SECRET//SENSITIVE//NOFORN~~

6

suggested that failure to take the decision at the time appointed would in effect be a change in policy which would have far more disturbing effects than if we were to go ahead with the decision everyone expected.

Haig said that at the Ottawa Summit meeting he had been cornered by Genscher, who had pleaded with him not to surprise the Germans regarding ERW, suggesting that if we did so it would completely undercut the fragile German consensus in support of TNF. He said Carrington had also made a similar approach and concluded that we could not therefore ask the President to walk into this kind of a problem. The Secretary responded that it was not so big a thing as Haig was making it out to be, suggesting that what was issued was only a decision which involved our own force structure and it was something that was in the public domain. He said it was not like making a decision to deploy GLCMs, or even something like the Gulf of Sidra operation. He said there was absolutely nothing in the proposed production decision which could give the Europeans any cause to think that there had been a change of policy; the situation, in fact, was exactly the opposite--failure to make this decision now would indicate a change in policy and would leave the Administration subject to criticism of being as indecisive as Carter had been.

Haig then said he felt he could argue against that; at any rate, he did not like the announcement and his experts had told him it was all wrong. Both the Secretary and Mr. Carlucci indicated the announcement as stated in the memorandum to the President had been carefully worked out by both sides and was perfectly straightforward and should not elicit any concern or opposition on the part of the Europeans; however, if State had some minor changes they wanted to make, we would certainly be willing to entertain them.

Haig went on to suggest that making this decision now would further undercut his meeting with Gromyko in September and could lead Gromyko to stonewall us rather than be responsive on the wide variety of issues that Haig intended to raise. The Secretary countered with comments that we might in fact be in a better position to meet with Gromyko, as well to deal with our European allies, by making this decision now because we would be dealing from a position of strength, having indicated we are going to take those actions necessary to improve our own force structure and not throw those onto the bargaining table.

The Secretary noted he was very concerned that one would always be able to find some excuse to delay a decision like this. Haig countered that if the ERW decision is made, it is likely to affect TNF and then we would be very sorry that we had made it. The Secretary said that should not be the case; he noted the TNF decision has been reaffirmed by all of the allies and that we have made it contingent upon talks with the Soviets and that he, like others in the Administration, was ready to move ahead with those talks as soon as we were

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Date: SEP 25 2019

~~SECRET/SENSITIVE/NOFORN~~

7

ready. He further reiterated that the ERW decision is just like continuing the production of nuclear weapons of any sort for our arsenal--these neutron weapons are not really any different from any of the others we have, except that they are extremely effective against the Soviet superiority in tanks. He noted that, to make any change in our internal production decision because it might make two or three people in Europe very nervous, is going about things the wrong way. Ikle then commented that if we did not make such a production decision, the allies could see it as the U.S. having weakened its resolve and therefore they might be encouraged to get us to fall off our TNF proposal. The Secretary then asked again if there could ever really be a time when it would be more propitious to make such a decision and Haig replied in the abstract by saying he could give us any number of times that would be better. The Secretary noted that, if we were concerned about TNF and given the length of time these discussions would go on, we would effectively be postponing the ERW decision indefinitely.

Haig then commented that the ERW decision would not give us a free ride, that it would cost us something and he did not think the gains would be worth the cost. The Secretary countered that there may well come a time when the allies will want us to be able to use such weapons and if we do not make the decision now, then we will not have them when we and they need them. Haig said that while that may be true, if we pass that to the Germans, they will fall off of the overall strategic equation and everything would unravel rapidly.

Rick Burt suggested that with the forthcoming visit of Woerner, it might be worth soliciting his view. The Secretary commented that he hoped State representatives would take the same line that we would in any meetings with Woerner, i.e., that such a production decision is for the U.S. to make in order to strengthen its own armed forces. The Secretary further noted that, once a U.S. decision is made, it should be carried out; we should not continually defer it. He said we were in fact producing the components separately, and that all that was needed now was to marry them up so we would have an adequate stockpile available should they be needed.

Haig indicated he was not happy with this point of view and he saw that criticisms would continue to grow in Europe. The Secretary countered that one never got any additional support for something by delaying a decision. He went on to note that there were three things which came to his mind, besides the U.S. force build-up, which bothered the Soviets: ERW; TNF; and selling arms to the Chinese. He commented that if it bothered the Soviets so much, they must be good decisions. He concluded by noting that if we delay now, this in effect means that we will agree that we will never do it.

9. ~~(S/NF)~~ At this point Haig expanded the discussion to indicate his displeasure with the fact he was not being involved in the White House meetings on various strategic decisions. He stated that whatever

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decisions are made would be left to him to implement, and by excluding him, he was not able to provide information critical to making such decisions (i.e., how the Europeans would feel about it). He said that the Secretary had told him in June that he would be involved in those decisions but he had not been. The Secretary responded that, whereas in June he indicated that this was the case, he had not yet received the report from the Townes committee which would enable him to sit down and discuss this matter. He then went on to say that the ERW production decision was not related to those other strategic program decisions. Haig objected, saying they definitely were linked. The Secretary responded they were linked only in the way that there would always be someone who would object to our strategic decisions, just as there was always someone who would object to our ERW decision.

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