



DEPARTMENT OF STATE

Washington, D.C. 20520

GE

SECRET

Minutes

Meeting of the Interagency Coordinating Committee
for U.S.-Soviet Affairs (ICCUSA)

Bureau of European Affairs

OSD review completed

Department of State

State Dept. review completed

March 21, 1978

Introductory Comments

Co-Chairman Vest opened the meeting by summarizing the status of the two questions which were the subject of interagency differences at the February 21 meeting: the visa question on which State and the FBI have differed, and the question of contacts by US exchange visitors with Soviet dissidents. On the former question, Mr. Vest said he and Assistant Secretary for Consular Affairs Barbara Watson would be meeting with Justice, along with the FBI and INS, in the hopes of working out a satisfactory arrangement. On the dissident contacts' question, Mr. Vest said it is complicated and a legitimate basis for differing views exists. The Co-Chairmen are still weighing the issues and will be making recommendations to the NSC; ICCUSA members will be informed how the differences are resolved.

U.S.-Soviet Relations - Recent Developments

Dr. Shulman began his discussion of the first agenda item by stating that there are probably several levels at which the U.S.-Soviet relationship works itself out. There are the exchanges in the press, the responses from TASS and NOVOSTI, etc., which give a much more volatile, quick-reacting picture of the relationship than is warranted. Our impression is that the Soviets are entering a period of stock-taking on foreign and domestic issues as well as in respect to relations with the U.S. Ambassador Dobrynin has been called home for consultations, and he left no doubt before his departure that he expected to

MORI/CDF C03359777

SECRET

participate in a rather searching examination of relations with the U.S. including a sorting out of the mixed signals which the Soviets feel they have been receiving from the U.S. There are also indications that a CPSU plenum may take place in the next month, at which there would probably be discussion of domestic and foreign policy.

Dr. Shulman continued that his impression is that although serious questions have arisen in bilateral relations because of Soviet foreign policy, there is somewhat more steadiness to the relationship than one might judge from the sallies and countersallies in the press. For example, in the arms control area, there is an array of talks being conducted, which are listed in the Calendar of U.S.-USSR Activities and will be dealt with later on the ICCUSA agenda. It is our anticipation, as expressed by the President and the Secretary of State, that the negotiations on SALT will move forward. If that is the case, and if they lead to a treaty along with a summit, that will have a substantially stabilizing effect, since it would put a floor under other elements of the relationship which are fluctuating to a considerable degree. The arms control talks loom very large in the totality of the U.S.-Soviet relationship.

Dr. Shulman continued that in the Middle East the level of Soviet irritation and frustration at being elbowed out of the action seems to have intensified. The Soviets have been moving closer to the Syrians, the Iraqis and the rejectionist factions within the PLO as a possible strategy for ensuring that they have a role in Middle East developments. Moscow has hosted most of the leaders of those interests in recent weeks, and it was probably a source of embarrassment and concern to the Soviets that the Al Fatah raid in Israel came two days after the Arafat visit.

Discussions with the Soviets in New York indicate that they have found themselves in a dilemma: they wanted a strong condemnation of Israel but the Iraqis, the Libyans and Arafat favored a prompt move for a cease-fire. The Soviets abstained to avoid offending the rejectionists. It is clear that the Soviets are presently waiting to see the effect on the Middle East negotiations of the PLO raid and the Israeli attack on Lebanon as well as Begin's visit to the U.S. The Soviets will press us to return to the Geneva track. They have made clear that they feel we were involved in planning and supporting the Israeli attack on Lebanon.

SECRET

Turning to the Horn of Africa, Dr. Shulman noted that the situation had subsided somewhat as a factor of perturbation in bilateral relations. The fighting has diminished and the Somali troops have withdrawn. The Soviets have been fairly responsive to our representations to ensure that the Somali borders are observed. They appear to have also made some efforts vis-a-vis the Ethiopians to moderate the scale of reprisals as the Ethiopians re-occupy the Ogaden. However, there have been no official Soviet assurances on Eritrea. Although the Cubans are already present there in modest numbers on the coast, the Soviets appear to prefer a political solution.

In response to our pressure for an early reduction of Soviet and Cuban forces, the Soviets have not been responsive but have stated that this is a question which the Ethiopians and themselves must decide. They have pointed privately to the possibility of a draw-down of the Soviet forces but have made no statements regarding the Cubans. Our concern remains that the scale of Soviet involvement goes well beyond what is appropriate for a policy of restraint. We have mainly shown our displeasure through public utterances. One of our principal concerns relates to what lies ahead in the south of Africa. The Soviets may conclude that the Horn was a successful exercise. There is a strong Cuban sense of mission in Africa and it suits the Soviets' interest; therefore they have provided logistical and material support. We do not want to have the same pattern repeated in the south, where there could be large-scale bloodshed.

Dr. Shulman said that the President's Wake Forest speech had not drawn an official Soviet response although the Soviet press had commented. The President spoke directly about what elements in Soviet behavior have caused concern, and about our determination to see that US security requirements are fully met. The Soviet press reacted as might be expected. The question remains whether the Soviets will see this as a challenge to them, as a bearing-down on them in terms of SALT, or as serving domestic requirements. It is clear that there has been a tightening of Soviet policy towards dissidents since Belgrade; Rostropovich and Grigorenko have been deprived of their citizenship and it seems likely that the Shcharanskiy trial will begin in a few weeks. We have no clear information as to what to expect at a trial; we will try to be attentive and to adjust our responses depending on the choices the Soviets make. The level of charges is one factor, i.e., whether the more serious charge

SECRET

of treason is brought. Another is how the trial is conducted, whether the CIA is implicated, in which case the President's word is involved, or whether the testimony of others is relied upon. A third variable is how the sentencing is handled; if the sentence is severe and the CIA charge is used, this will result in a major perturbation in U.S.-Soviet relations, with strong public reaction here and in Europe.

Impact on Exchange Activities

Dr. Shulman said that thought is being given to how the Shcharanskiy trial might impact on the activities of the ICCUSA agencies. It is clear that we will have to stay in close touch as the situation develops. It is not possible to give guidance at this point, and agencies should therefore go ahead with the activities they have planned. We will have to take counsel after it becomes clear how the Soviets will deal with the issue.

Mr. Schoonover (Deputy Head of the U.S.-USSR Agriculture Agreement, the Department of Agriculture) asked whether in light of Dr. Shulman's comments, Secretary Bergland's proposed visit to the Soviet Union in the period May 7-16 would be appropriate. Mr. Schoonover explained that Agriculture has been trying to convey the Secretary's plans to the Soviets but the telegram transmitting the information to the American Embassy, Moscow, has been held up in the NSC for several weeks. Mr. King (NSC) confirmed that no decision had been taken on the proposed visit. Mr. Vest said that it appeared these questions would have to be decided on a case-by-case basis. Dr. Shulman said his own feeling is that the Bergland visit should go forward. Obviously it would be impossible to express disapproval by cancelling trips if they have not first been planned. Dr. Shulman asked Mr. King to let him know as soon as a decision is made.

Mr. Slocombe (DOD) raised the question whether the general tone of the relationship at present should not be reflected in our approach to exchanges with the Soviets. Dr. Shulman said that up to now the decision has been not to use exchanges to indicate displeasure with Soviet policy in the Horn. There is no doubt, however, that if Rhodesia draws Soviet attention in the same way, there will be a much more serious review of exchanges with this in mind. We would probably evaluate the relative gains and losses promised by the individual activities, and perhaps cancel those where the gains would be marginal. Dr. Ramundo

SECRET

(DOT) wondered whether we were taking adequate account of the Soviet perceptions of our actions. If we do something because of the Soviet handling of Shcharanskiy but do nothing because of Soviet behavior on the Horn, would not the Soviets draw some conclusion about our priorities and be tempted to undertake other "Horns"? Dr. Shulman commented that the point was a fair one. However, the reason there has been some hesitation in canceling activities was that we wanted a read-out of Soviet responsiveness to proposals bearing on the Horn. For a time it appeared the Soviets would be responsive to having an observer corps in Ogaden, but their position shifted after remonstrances from Ethiopia. The story of the Horn is not yet over and the situation is being watched closely by State and the NSC. There have been mixed signals on the question of linkage because of the shifting nature of the problem. The Administration's position, after all the sorting-out, is that our displeasure over the Horn will not affect the major negotiations, but the Soviets should know that their behavior will complicate tasks lying ahead, such as ratification of SALT.

Following Dr. Shulman's comments there was a brief discussion of upcoming exchange activities with the Soviets as listed in the Calendar of U.S.-USSR Activities. Mr. Slocombe (DOD) suggested that the Soviet psychiatrists delegation expected at Irvine, California, for a joint seminar April 11, could raise controversy should a Soviet psychiatrist have played a role in the Shcharanskiy trial by that time. (Note: This particular exchange is a neurophysiological symposium sponsored by the National Academy of Sciences.) Mr. Vest noted that Congressman Price would be in Moscow later in March and the Shcharanskiy case might be a problem for him. Mrs. Hancock (HUD) wondered why a working group meeting was not listed on the Calendar; Mr. Garrison (State) and Mr. Wilkinson (State) noted that there were some three hundred joint projects and eighty working groups, precluding the listing of all such activities in the Calendar.

U.S.-Soviet Military Contacts and Exchanges

Deputy Assistant Secretary Siena (DOD) introduced the next agenda item saying that the Administration had begun with the expressed desire and intention of expanding and making more regular military exchanges. Last year there were reciprocal War College visits, and a War College visit is also under consideration this year, although the Soviets have recently countered with a suggestion that we exchange

SECRET

a delegation of senior general officers. This is still being discussed. Mr. Siena continued that last year the Soviets sent two lecturers here and sent one officer to lecture in the USSR. Last year the Soviet lecturers spoke about historical topics, and this year we have suggested they send someone to deal with current topics. With regard to ship visits, the Embassy suggested that we not advance a proposal at the moment because of the problem on the Horn, and also because of a cool reception given an overture floated by our Naval Attache last December.

Mr. Siena discussed a visit last year by the Commander in Chief of Soviet Forces in Germany, Ivanovskiy, to Heidelberg. It was a very professional, non-political visit and the U.S. side thought it went well. Ivanovskiy was impressed with the capability of our forces in Germany. There is also a projected exchange of Army historians, and a visit of the U.S. Russian Institute at Garmisch, for which visas were recently arranged after the intervention of the Embassy in Moscow.

Mr. Siena continued that it was decided early in the Administration to extend an invitation from the Chairman of the Joint Chief of Staff to the Soviet Chief of Staff. The Ambassador, however, wished to use delivery of the invitation as an opportunity to meet with the Minister of Defense. General Brown is due to retire this summer, and we may proffer a new invitation. But until the Ambassador sees the Minister of Defense or passes the invitation on through channels, the prospects do not look promising.

Mr. Siena stated that military exchanges offer political and military benefits to the U.S. side. We operate an open military establishment in comparison with theirs, which means they benefit less from such visits than we do in terms of gathering information since they can get information about us without such visits. Visits to U.S. bases may impress them. Ivanovskiy was impressed how our soldiers live, in relative luxury compared to the conditions obtaining in the Soviet Union. Ivanovskiy was also impressed by the discipline and by the combat demonstration which he saw. He also commented favorably on the comparative effectiveness of our rotation policy. Mr. Siena also noted such visits represent contacts between those with some voice in policymaking. The program of visits can be adjusted to suit the major political conditions of the moment. However, if one tries to fine-tune them to every up and down in relations, the Soviets will view them as essentially political, not professional, and we will get a different reaction from them. As they

SECRET

are, they provide possible marginal benefits, and allow the development of some personal relationships. To the extent the participants understand each other, the visits are useful. Also, such exchanges provide some direct information on Soviet military personnel.

Mr. Siena continued that DOD sees no significant disadvantages to having these exchanges, and there is an interest in continuing them. With respect to the future, there is a proposed War College visit, although the Soviets are unenthusiastic about the inclusion of U.S. civilian personnel. Exchanges of lecturers are expected to continue. There may be ship visits and exchanges of personnel at the general officer/admiral level. The question has been asked whether the program of exchanges should be "institutionalized." Mr. Siena said he was not entirely sure what is meant by this, but the Soviets would probably be suspicious if we approached them with an ambitious proposal. They would also probably say "no." Mr. Siena said we should probably continue as we have been doing. With respect to exchanges with East European countries, DOD sees no urgency in accelerating them. As to the PRC, our military would like to enter into some exchanges, but this is a small part of a much larger problem. As to having a formal relationship with the Soviet Union, the feeling is that the system works well enough as it is.

Dr. Huberman (OSTP) noted that the military-type exchanges remain basically political notwithstanding the desire to avoid fine-tuning them for political reasons. If the USG decides to cut back exchanges for political reasons, the exchanges in the military area should be among the first candidates. Mr. Siena clarified that he recognizes the exchanges are political but treating them as overtly political vis-a-vis the Soviets would have consequences that we should be aware of.

25X1 [redacted] noted that there is evidence that the Chinese want to increase military contacts with the U.S. and NATO countries. There has been an approach reported by the Embassy in Moscow, but Ambassador Toon was negative. Dr. Shulman clarified that Ambassador Toon was concerned that we not resume contacts at the level of military attaches, particularly in Moscow. Instead we should start at the level of Ambassadors, which could be done by a courtesy call by the Chinese Ambassador. The Ambassador's approach was the right one. [redacted] called attention to the photograph on the front page of the March 21 Times showing a Chinese visitor in West Germany sitting on a tank turret; this would have to be included in any scrapbook of nightmares for the Soviets.

25X1

SECRET

Review of Arms Control Talks

Mr. Gelb (State) said that in his presentation he would take account of the fact that arms control negotiations are very technical and highly complex, and therefore not easily understandable. Therefore, instead of discussing technicalities, he would provide a broad sense of where the negotiations stand.

All of the U.S. arms control proposals are framed in order for the U.S. to achieve stability and security at a lower level of armament. It is hard to accomplish because in almost all the negotiations what we are negotiating is not comparable on each side. There are different emphases in our strategic weapons postures. It is difficult to trade off what they consider important for what we consider important. However, despite all the technical problems, despite the difficult political relationship, the negotiations have gone fairly well, and progress is being made.

In SALT there was great difficulty with the Soviets last March. What we have been doing since they rejected our comprehensive approach is to work back towards it. We have been trying to bring them down to numerical parity with us, which requires the Soviets to dismantle some four hundred units and us none. We have begun dealing with the issue of qualitative controls, in order to pull in the reins on further technological developments. We have pursued this while protecting our basic strategic program -- the cruise missile, MX and the Trident. The Soviets have been particularly forthcoming over the past three or four months; there should be further progress toward an agreement in the next two or three months.

On the CTB negotiations, the talks are going reasonably well but there are several serious problems: the Soviets would like to continue to have PNEs while we feel there should be a complete ban, and there is a verification problem.

On the Indian Ocean talks, our goal is to try to bring about a stabilization of force levels, Soviet and American, to where they have been in recent years. This would freeze the situation in a way favorable to us. The problem is that the Indian Ocean happens to abut the Horn of Africa; we recently gave the Soviets the word that we consider their activities in the Horn inconsistent with the substance and spirit of the negotiations. They will resume when mutually convenient.

SECRET

There are also negotiations on radiological weapons. After we told the Soviets what they were and what could be covered by an agreement, we have had a number of discussions. This is more important to Brezhnev than to us. On chemical weapons, reasonable progress is being made but how does one verify the destruction of such weapons? This is a difficult problem. On conventional arms talks, we expect to continue the talks in Helsinki in early May. The objective is to try to create conditions so that there will not be future "Horns." There has to be restraint on the part of the Soviets, our allies, and the recipients of weapons. On civil defense, nothing has happened, and it is difficult to frame a proposal. On anti-satellite weapons, the U.S. is ready to talk. This is important since we verify arms agreements through satellites, and the Soviets have developed an anti-satellite system which can be destructive. We expect to be in ASAT negotiations with the Soviets in the near future. The problem is that one can verify certain things but it is difficult to verify things such as lasers. Finally, there is MBFR which goes on and on, with twists and turns. We look forward to pressing the Soviets further on data so that ultimately we can have negotiations aiming at achieving equality in manpower and a reduction in Soviet tanks.

Dr. Shulman asked if there has been a pattern of Soviet behavior in making more data available in both SALT and MBFR. Mr. Gelb indicated that they have been providing more information. Mr. Slocombe (DOD) commented that it is important to understand that data exchange is not a verification device but is a way of ensuring that we have a common understanding of what was agreed upon. Mr. Luers said it is worth noting that even at the height of detente we have never had such a scale of activity in the arms control area as now. Mr. Vest noted that the Administration is making a serious effort in MBFR as well as SALT.

Ex-Im Bank Legislation

After noting that the Export-Import Bank Act comes up for renewal this fall, Co-Chairman Vest asked Mr. Edgar (State) to report on how the question of restrictions on credits for the USSR is being handled.

Mr. Edgar said that the Act, which was adopted in January 1975, has two kinds of ceilings: a general limit on new loans and guarantees of \$300 million, and a more rigid restriction on loans for Soviet energy development. The restrictions are not operative because the Jackson-Vanik Amendment precludes any lending to the Soviets. The

SECRET

Import-Export Act expires at the end of September and the Administration has proposed a five-year extension of lending authority for the Bank. The question at this point is whether we should seek changes in the ceiling and try to find a way to give back to the Administration the authority to grant or withhold credits which was taken away by Jackson-Vanik. Changing the Ex-Im Bank legislation alone would not mean we could grant credits to the Soviet Union, since Jackson-Vanik would remain in force. However, there is also the argument that a limited change might provide a signal to the Soviets that the U.S. is serious about wanting to straighten out the trade problem, and it might give them some incentive to take steps in the emigration area, which would in turn make it possible to change Jackson-Vanik.

Mr. Edgar said that when the Administration was asked at the House hearing on March 13 about its position, Assistant Secretary Katz responded that we have no proposals to make at this time. There was further discussion yesterday at the Senate hearings, and Senator Stevenson asked why we couldn't consider an approach which would condition credits not only on emigration but on other issues of interest as well. We know from Stevenson's staffers that the Senator has in mind some return of flexibility to the Administration to grant credits. Treasury Assistant Secretary Bergsten said that the Administration had no proposals to make at this time, although it hoped eventually to normalize our trade relations. Stevenson replied that the Administration's unwillingness to take a position seemed to be prompted by political expediency, and there was no need to be intimidated on this issue. In fact it might be politically expedient to consider the kind of proposal he is suggesting. The Senator said it would be useful to hear the Administration's views on this question. That is where the matter presently stands.

In response to a question from Mr. Slocombe (DOD), Mr. Edgar explained that the \$300 million credit ceiling in the Act, which applies for a three-year period, would be restrictive. During a two-year period in the early 1970's, the Soviets were granted approximately \$470 million in Exim credits. The sub-ceilings on credits for energy development are even more restrictive.

Mr. Luers (State) commented that this did not seem the appropriate time to confront the Jackson-Vanik issue. But if the Senator is giving us an opportunity to improve basically bad legislation, and return some authority back to the Executive, even apart from the question of giving signals to the Soviets, then we should probably do this.

SECRET

Mr. Luers hoped the Administration could be responsive, and asked how much time remained. Mr. Edgar said that mark-up of the bill would probably take place in May. It is unclear whether other agencies would be testifying at the Senate hearings (State and Commerce have not yet testified). Mr. Reich (Commerce) said Commerce believed that in terms of the long-term strategy of removing Jackson-Vanik, the Stevenson approach might be the way to signal to the Soviets that although nothing practical can be done immediately, the Administration has this long-term objective in mind. It might induce the Soviets to ease up on emigration. If the Senator is giving us an opening, we should not be difficult. Mr. Luers (State) said he would consider the effort worthwhile in order to improve the quality of the legislation, not to signal the Soviets. Mr. Reich added that the Jackson-Vanik restriction makes it very difficult for our business community to be competitive in their relations with the Soviets vis-a-vis other nations. Every day, businessmen come in and tell us that if only we could provide comparable credits we could get much more business. The Soviet area has vast potential, and we are denying ourselves the opportunity to expand ties and make a fruitful contribution to the overall relationship through business contacts. They are potentially numerous and significant.

Ms. Searing (Treasury) said Treasury agreed with these views, but there is concern about adding other criteria, besides emigration, to the legislation. It would be better to remove, rather than add, restrictions. Dr. Shulman concluded the discussion by saying that the Administration will have to face this policy issue: whether an increase in credits and trade should be made subject to such conditions as Soviet restraint in crisis areas or human rights areas. The discussion here points up the need to obtain an understanding with the NSC and the President.

World Oceans Agreement -- Preparations for Renewal

Mr. Vest asked Dr. Martineau (NOAA) to discuss the review under way for possible renewal of the World Oceans Agreement with the Soviets. Dr. Martineau explained that the Agreement terminates on June 18 and the Soviets appear receptive to renewing it. The U.S. side has developed its position, and a recommendation is being forwarded to Mr. Vest in a day or so. NOAA is recommending that we seek renewal as that lies in our long-term interest. Both countries have the largest ocean capabilities and experience in the world. The World Oceans Agreement

SECRET

provides a useful framework for cooperation. The U.S. side recognizes that the Agreement so far has had only marginal benefits, with no real net gains or losses on either side. DOD (Navy) has expressed reservation, believing there may be liabilities for national security. If it can be shown that there are national security risks, we would of course not propose renewal. Dr. Martineau also mentioned that a Joint Committee meeting has been proposed by the Soviets for May 21, but the NOAA telegram has been held up in the NSC even though time is getting tight, and six or eight weeks are usually required for preparations.

Transportation Agreement -- Preparations for Renewal

Dr. Ramundo (DOT) briefly summarized the status of the review leading to possible renewal of the Transportation Agreement. DOT is prepared to extend the Agreement with some curtailment. The Soviets must deal with the agency on the basis of full reciprocity. Since the Soviets have not been reciprocal in some areas DOT has already unilaterally suspended maritime cooperation which has led the Soviets to try to persuade us to reverse this position. If we renew the Agreement, it will be a better Agreement because they will understand that we mean what we say.

Next Meeting

In concluding, Co-Chairman Vest said the next meeting has been tentatively scheduled for April 18.

SECRET