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DEPARTMENT OF STATE
WASHINGTON

November 1, 1979

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MEMORANDUM FOR: THE PRESIDENT *WC*
FROM: Warren Christopher, Acting

1. Lancaster House. Cy's response yesterday to Peter Carrington was well received. Carrington had asked us to renew our efforts to convince the Front Line, and Kaunda in particular, of the UK's sincerity at Lancaster House. In his reply, Cy commended the British on the positive way they were responding to Front Line concerns on the transitional proposals and repeated our willingness to help. He suggested, however, that we wait until we learn more about the reaction of Kaunda and Nyerere to Margaret Thatcher's latest letters before approaching Kaunda and the other Front Line presidents.

The British intend to step up the pace of the negotiations and plan to table further proposals on the transition tomorrow. They appear prepared to extend the initial 2-month proposal for the transition period by one month. Next week, HMG will introduce legislation concerning a Governor for Rhodesia and will state that sanctions will be lifted when the Governor arrives in Salisbury.

2. PRC Trade Agreement. I testified before Charlie Vanik's Subcommittee on Trade today urging approval of the PRC Trade Agreement. I was questioned closely about the basis for your exercise of the waiver authority under the Jackson-Vanik amendment. Looking ahead to possible later submission of the Soviet agreement, I emphasized that your action

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was based on a combination of circumstances including the emigration statistics, public statements, and private diplomatic communications. I declined a request to make available the specific diplomatic exchanges with the PRC.

Senator Jackson had testified earlier today and tried to establish an unreachable standard for the Soviet case, namely that you must have in hand and make available specific assurances. I think there was some acceptance of the position that you are entitled to look at a combination of factors in reaching your judgment about waiver, but the hearing was a reminder of the difficulties we will face in getting approval of the Soviet agreement.

Juanita Kreps, Tony Solomon, and Reubin Askew also testified in favor of the agreement, which will be widely supported.

3. SALT II Markup. The SFRC today adopted by a 13-0 vote a McGovern-Pell-Chafee understanding setting forth guidelines for SALT III. Language requiring specific percentage reductions was dropped by McGovern in exchange for language urging mutually agreed year-by-year reductions. Friday the Committee hopes to complete markup after considering understandings dealing with Backfire, theater nuclear forces in SALT III, maintaining essential equivalence, Cuba and ASAT. As you know, the proposed Glenn understanding on Backfire poses the greatest risk.

Next Tuesday the SFRC will consider the Resolution of Ratification and will incorporate the understandings already adopted. At that time any Member may ask for reconsideration of items "tentatively" agreed to. Church expressed hope that the Committee could take a final vote the same day.

4. Foreign Assistance Conference. House-Senate Conferees on the Foreign Aid Appropriations Bill adjourned this evening after settling the issue of indirect restrictions on US contributions to the multilateral development banks, but leaving a number of other issues unresolved. The Conferees agreed to

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drop all indirect restrictions in exchange for a letter from World Bank President McNamara assuring the Congress that the World Bank will not provide loans to Vietnam in FY-80. The Conferees also agreed to language which would ban military aid to Panama but allow economic assistance. The Conferees added \$30 million in disaster assistance for Cambodia refugees, agreed to \$15 million in economic support funds for Syria, and included \$14.5 million for assistance to African refugees.

The Conferees were unable to agree, however, on World Bank funding levels; funding for the Institute for Scientific and Technological Cooperation (ISTC); compromise language restricting US voluntary contributions to United Nations programs which provide assistance to the PLO, SWAPO and other national liberation movements; EXIM Bank funding levels; and funding levels for bilateral economic programs. The Conference has now recessed for at least a week.

5. Namibia/Angola. In the Security Council this afternoon, Angola called for sanctions against South Africa because of its alleged incursions into Angola. A resolution to this effect will probably be circulated tomorrow. South Africa has neither admitted nor denied the Angolan allegations. Although hard evidence is lacking, we are fairly certain that the South African raids occurred, probably as the Angolans have described them.

6. Israeli Settlements. Today's special session of the Israeli Cabinet authorized the Ministerial Defense Committee to find an alternative site for Elon Moreh. Although it was expected that Cabinet hardliners might try to force through measures that would obligate the Government to pursue an aggressive settlements campaign, no decisions on future settlements efforts were announced. The Cabinet's decision to avoid a showdown and carry out the Supreme Court's ruling against Elon Moreh should probably be counted as a victory for Begin's efforts to hold his Government together. Even if the Government succeeds in finding an alternative site, however, it will likely encounter a stiff confrontation with the Gush Emunim when it actually seeks to remove the settlers from Elon Moreh.

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7. Iran. Today's anti-Shah demonstrations in Tehran passed without major incident. A crowd of 3,500 demonstrators gathered in front of our Embassy to chant slogans and place banners on the outside walls. A much larger crowd heeded the instructions of the demonstration's organizers and did not advance beyond a square located about three miles from the Embassy. The crowd in front of the Embassy was peaceful and controlled and none of the demonstrators entered the compound. The Iranian Government cooperated fully by augmenting the police elements which normally protect the Embassy compound. Our Charge is aware of no plans for further protests in the immediate future.

8. Bolivia. Bolivian military forces today overthrew that country's democratically-chosen government in a predawn coup. The military's action was largely unopposed, although there are unconfirmed reports that a number of people were killed or wounded. The largest labor organization has called a 24-hour general strike in protest, but this is not expected to alter events. By mid-day most Bolivian armed forces throughout the country had declared their support for the leader of the coup, Army Colonel Alberto Natusch. We announced today that we deplore the disruption of the democratic, constitutional process in Bolivia. We also privately informed coup leaders we were suspending military and economic assistance pending a review of developments.

9. El Salvador. Although we continue to hear rumors of planned demonstrations against our Embassy in San Salvador, none has materialized since the armed assault October 30. The Salvadoran National Guard has provided 24-hour coverage and has promised armored vehicles when requested. The presence of such vehicles at the Embassy apparently deterred a planned attack yesterday.

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