THE WHITE HOUSE

WASHINGTON

SECRET/SENSITIVE

NATIONAL SECURITY COUNCIL MEETING

Wednesday, February 25, 1981 11:00 a.m. (60 minutes) The Cabinet Room

FROM: Richard V. Allen

I. PURPOSE

Continue discussions of El Salvador, F-15 enhancement package to Saudi Arabia and Poland will be discussed from the February 6, 11, and 18 meetings. (S)

II. BACKGROUND

A. El Salvador

With El Salvador, we are dealing with a situation that is going to require fast action. It is somewhat like the U.S. economy, we have inherited a mess in our own backyard. Just as the U.S. economy cannot be remedied with quick fixes in an '81 Supplemental or an '82 Amendment, a disaster in Latin America, and particularly Central America, will not be reversed with quick military fixes, essential as they are . . . The paper before us today is a good paper, but it proposes only the initial quick fixes to prevent immediate failure. Regardless of the outcome, what is needed is to gear up for the longer haul; determine a long-term strategy; implement a comprehensive regional program; and establish a new relationship with our Latin neighbors. We will follow up on this in our subsequent meetings. (8)

B. Sale to Saudi Arabia of F-15 Enhancement Items

I previously approved the proposal to sell F-15 enhancement items to Saudi Arabia while providing Israel with additional security assistance. Prior to notifying Congress, however, we should be clear on all major components of the proposal. (8)

SECRET/SENSITIVE Review on February 24, 1987

DECLASSIFIED

NLRR <u>F00-002</u> * 833 BY <u>()</u> NARADATE 6/25/08 Al (Haig), have the Israelis agreed to the actions you proposed to take for them, namely increased Foreign Military Sales credits in FY 83 and FY 84 and a more forthcoming approach on Kfir sales? (S)

- Has OMB cleared the additional FMS credits?
- How will U. S. aerospace companies such as Northrop and General Dynamics react to the Kfir decision? Won't this cost Northrop an F-5 sale in Ecuador?

We should be prepared to ask the Saudis to be more helpful in a number of areas in return for this favorable decision. Specifically, we should ask what they intend to do in the energy and security fields, including whether they will resume security assistance to moderate Arab states such as Egypt, Sudan, Morocco, and Tunisia.

Because there will be intense Congressional and public scrutiny of this decision, I believe that one person in State should be identified to coordinate Administration actions. Jim Buckley (Under Secretary of State for Security Assistance) may be such a person.

C. Poland

With the settlement of the student strikes and assorted labor disputes, Poland is probably the nearest thing we have to good news on the agenda today. Although Brezhnev recently criticized the West for engaging in "subversive activity" in Poland and took a swipe at the past Polish leadership, he did somewhat balance his remarks with some favorable commentary about the party's new course in Poland and acknowledged that some workers' grievances were legitimate. (S)

Ask Secretary Haig about our participation in assisting the Poles financially. (S)

Poland is still potentially a real problem for us. Ask Casey not to relax on this problem.