

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 5, 1969

MEMORANDUM FOR DR. KISSINGER

FROM: Morton H. Halperin *MH*

Attached are the three papers that you requested during the President's trip:

A. Vietnam Policy Alternatives

(B.) The NSC and New Initiatives *Separate folder*

C. International Space Cooperation. *Separate folder*

Since I was on leave during much of the time that you were away, Winston Lord, who as you know has worked with me on many of these memorandums, did most of the drafting of these papers.

Attachments

a/s

(SECRET - SENSITIVE ATTACHMENT)

THE NSC AND NEW INITIATIVES

This memorandum responds to your request for my views on possible NSC work schedule over the next several months with particular reference to the possibility of "bold initiatives." This memorandum: (1) describes some of the current shortcomings of the NSC system; (2) considers items currently on the NSC Agenda and what initiatives may result from them; (3) considers possible new initiatives.

I. Current Status of the NSC System

I think that the new NSC system has functioned far better during its first six months than we had any right to expect. The process has actually been used and has resulted in Presidential decisions on a number of issues. More important, the bureaucracy has begun to think in terms of options and alternatives rather than a single course of action. The system has also resulted in the President and his principal advisors coming to grips with major issues, such as Okinawa reversion and German offset, in a systematic way, taking account of long-range considerations and without the pressure of immediate deadlines.

However, there are beginning to be danger signals which suggest that the system is running into serious trouble. The main concerns are:

1. Major issues are moving outside the NSC system. Three of the most important issues -- perhaps the most important -- facing the government, are now being dealt with largely outside the NSC system, while they were initially within the system. For differing reasons, Vietnam, SALT, and the Middle East are now effectively outside the NSC procedures. I recognize that there were valid reasons for treating each of these items as we have, but the result is to begin to move toward the Eisenhower Syndrome of using the NSC for low priority issues and dealing with important matters in other ways. Unless the line is drawn and these issues are moved back into the system there will be increasing pressure to deal with other major issues on an ad hoc basis.

The memorandum in which the President made his decisions regarding China also had unfortunate implications. After the bureaucracy had labored long and hard to produce a reasonable paper on China policy, without warning and without explanation to the bureaucracy, and

prior to NSC consideration of that paper, the President announced decisions on many issues contained in that document. While I think I can guess at the reasons for the President's action, it tended to undercut the belief that the President would not make major decisions unless the issues were fully argued out in the NSC system. This can only lead to attempts to have the process short-circuited on other issues, arguing the pressure of time or security.

2. Deadlines are beginning to slip badly. A number of responses to NSSM's have been delayed repeatedly, even in cases such as India-Pakistan military policy and SVN internal security where the request for the study came personally from the President. Initially the delays resulted in part from the overloading of the system but this is no longer the case. Delays now result in part from the fact that people have discovered that it is relatively easy to get a delay. They also result from the fact that some studies submitted on time (frequently because of weekends and long nights of work) have been cancelled out of the Review Group, often at the last minute and without explanation. This has produced a good deal of cynicism in the bureaucracy. For example, we have just been asked whether we really want the Sino-Soviet paper when we say we want it and whether we can give assurance that the schedule will be adhered to. The paper can be done on time only by long hours during the summer and there is reluctance to do so if the study will lie on the shelf when it is completed. (We have given these assurances.)

Delays are also resulting from the failure of some of the operators on the NSC staff to emphasize the importance of deadlines and to give priority to their own participation in these projects. This results in part from the fact that they are overworked, and in part from the fact that some of them do not really accept the system.

The failure to meet deadlines and the accompanying failure in some cases to take the project seriously leads to inferior papers and also to delays in making necessary policy decisions. For example, the Indian, Pakistani, and Greek governments have all been told for some months that our military assistance policies are under review in the NSC system but we still do not even have papers completed. I suspect that Sisco believes in the end that he will get decisions by some informal means. If he is proven to be correct, the system will be further undermined. In any case, the long delays tend to make the papers less relevant and to lead people to believe the system cannot be used where relatively quick decisions are needed.

3. Implementation of NSC decisions is unsatisfactory. We have not done very well at all in devising procedures to implement NSC decisions and to monitor that implementation. As you pointed out many times, one of the main failures of the Johnson Administration was that the bureaucracy was never informed as to why the President was making the decisions he was making. I believe that we are almost equally guilty of that charge. Moreover, in many cases, no decisions have been reported at all or only to a very limited circle and there is no procedure for NSC staff follow-up. Aside from implementation problems, this lack of concrete results from NSC meetings undercuts the morale of the bureaucracy which labors to produce the papers and prepare for the meetings. This poses the danger that the NSC will be considered more and more as a high level seminar rather than a decision-producing body.

II. NSC Agenda Items

1. Korea. The Korean study will be the first program-budgetting study discussed by the National Security Council. How this study is treated will have an important effect on whether program-budgetting can be made to work. If it does work, this will be a substantial change in the way the government makes decisions dealing with major aid recipients and could lead to more effective implementation of policies. In order for this to be accomplished, the President will have to make decisions which provide guidance for the development of budget and program decisions for all of the agencies concerned, and we will have to find a way to make these stick during the budget process. BOB is sympathetic, as is Elliot Richardson and his staff, and it should be possible to work this out using the Under Secretaries Committee and the BOB budget review process.

On the substance regarding Korea, I think this can be a test case of our determination to force Asian countries to take greater responsibility for their own security. After consultation with the Koreans and with the Congress, we should announce a major increase in Korean military assistance designed to enable the United States to remove most, if not all, of its ground troops from Korea. This action will symbolize our determination that Asians should be responsible for their own defense when possible and could also lead to substantial budget savings.

2. Sino-Soviet Relations. This paper will be a test of whether it is possible to get imaginative thinking out of the bureaucracy. As you know, Elliot Richardson is personally chairing the group set up

to do the study and the work is being done by the new 7th floor staff. From the study could come a new U.S. approach to the Sino-Soviet split. I would think it could include somewhat paradoxically both a greater willingness to cooperate with the Russians in dealing with certain specified threats arising from Chinese support for insurgency and at the same time a greater willingness to deal with China.

3. Southern Africa. I believe that this issue should be looked upon almost entirely in domestic policy terms. If we continue to move in the direction of increasing our contact with the white nations of Southern Africa I believe we run the risk of a major domestic controversy which would jeopardize other aspects of U.S. foreign policy. I do not see any benefits that make this risk worth taking.

4. France. I believe we should be prepared to increase military cooperation with France and in other ways to improve our relations.

5. Latin America: A New Approach. Based on the Rockefeller report and against the backdrop of the recent NSC review of Latin American policy, the President could outline this Administration's overall approach to Latin America. He would avoid overblown rhetoric and grandiose slogans, but would project a fundamentally different approach to the hemisphere. For example, there could be major new American emphases on multilateral giving and receiving of economic assistance, initiatives from Latin American countries rather than from the U.S., American support of regional and sub-regional common markets, U.S. moves on trade and commodity problems of special interest to the Latin Americans. We could link these emphases with a downgrading of the role of the military in Latin America, including a search for control over arms assistance and purchases in the hemisphere and a scaling down of our military missions.

6. U.S. Military Posture. A growing feeling that we are spending too much money on defense is likely to rank with Vietnam as a major source of domestic controversy over the coming years. I believe that at a minimum the President must establish that he personally has carefully reviewed the General Purpose Force budget and has dealt with such specific issues as aircraft carriers and new tactical fighters. The second half of NSSM 3 was designed to raise the fundamental issues. My own view is that the General Purpose Force budget can be substantially cut both by avoiding new and expensive technologies which are not worth their cost (e.g., nuclear carriers) and also by cutting back on the number of forces we maintain for Asian contingencies. I would not reduce the forces maintained for NATO, although I would bring some home.

7. CBW. This is, of course, a growing domestic problem. There has been up to now almost no civilian control of the CBW program although the Joint Chiefs have for the past three years been asking for a national policy. I believe this is an area in which major initiatives could be taken which would enhance our security and gain the President substantial domestic credit. We could do one or all of the following:

- a. ratify the 1925 Geneva Protocol;
- b. unilaterally cease the production of all biological weapons;
- c. cease the production of all lethal chemical weapons;
- d. announce that we will not ship lethal chemical weapons overseas;
- e. support the British proposal for a ban against biological weapons or put forward a more comprehensive proposal of our own.

I do not accept the argument that we need lethal biological weapons as a counter to such threats from other nations, and the arguments for storing any CBW lethal weapons overseas seem to me to be very weak.

8. Post-Vietnam Asia. The President has, of course, on his trip begun to lay out a new policy in this area. The problem is to give the policy specificity and to manage implementation. This will be a major challenge which will require both a Presidential address and careful instructions to the bureaucracy.

III. New Foreign Policy Initiatives

1. China: Trade Steps

Initiative. After NSC review of our China policy based on the revised paper, the President would decide, and we would announce, additional limited steps in this field. These would be along the lines of the moves the President was prepared to make when he approved NSDM 17 on June 20, i.e., changes in our foreign assets and export control regulations.

Rationale. Following up our tourist and passport moves, these steps would show our readiness for more normal relations with the Chinese people. We would not expect positive Chinese Government reaction, but we would, perhaps, be setting the stage for some reciprocal movement, and we would at least be sending signals to the post-Mao leadership. We would gain support here and abroad for a reasonable China policy and preempt criticism about our inflexibility. We would be keeping the Soviets edgy about our intentions toward China. There would be some marginal commercial gains.

Problems. Coming on top of our July 23 liberalization of tourist purchases and passport regulations, these moves could be viewed as a sign of a major shift in our China policy. We can expect strong reactions from the GRC, who disapprove of our more modest steps this month. Other Asian allies might well either be upset or begin to move precipitously on their own China policy. The Soviets, rather than being just edgy, might respond negatively to this apparent playing off of them against the Chinese. They might show their disapproval in other areas, such as in SALT or the Middle East discussions.

2. Eastern Europe: Trade Liberalization

Initiative. As a result of his visit to Rumania, and reflecting an earlier NSC study on East-West trade, the President could either (1) move more decisively within the present Export Control Act, assuming it is extended without change; or (2) ask for or support revisions in certain areas of our East-West trade policy, such as relaxing our export control regulations toward the COCOM level; taking a more flexible attitude toward non-strategic trade in COCOM; amending shipping regulations; and/or seeking authority to grant MFN treatment to Eastern Europe in exchange for concessions from the other side.

Rationale. This would serve to improve communications and relations with Eastern Europe. The USSR would be included, of course, so as not to make this move an anti-Soviet one. In addition, including the Soviets would offset the possibly negative effects of our China trade moves on US-Soviet relations. (In fact, initiatives toward both China and Eastern Europe in the trade field could be bundled up in one overall package.) We would give U.S. businesses a crack at the Eastern European markets which will have increasing potential and where Western Europe is aggressively promoting its trade. Increased exports would help our balance of payments position and more two-way trade could help to keep down inflation. Changes in our COCOM policy would remove significant irritants in our relations with our NATO and Japanese allies.

Problems. These initiatives would cut across our overall linkage approach to U.S.-Soviet relations, unless the Soviets were being demonstrably forthcoming in other areas. We would be giving up certain bargaining counters with the other side (although MFN, for example, would only be granted in exchange for reciprocal concessions). Relaxed export controls, even if only on non-strategic goods, could give some strategic and technical spin-offs to the USSR and Eastern Europe.

3. Cuba: Move Toward Change

Initiative. As a result of NSC review, the President would direct institution of the policy suggested in the NSSM study, the "carrot and stick" option, "working for the breaks" version. This could be folded into a more vigorous exploration of recent Cuban initiatives toward us.

Rationale. We would be changing our policy, in a careful fashion, from the present isolation approach which will have decreasing effectiveness in coming years. We would seek to explore recent relative moderation in Cuban behavior, e.g., in its more restrained subversive activities, its toning down of anti-U.S. rhetoric, its cracking down on hi-jackers, etc. Cuba is in serious economic trouble, especially with regard to its sugar shortfalls, and might be amenable to better relations, with the possible prospects of economic assistance. We would be showing the Soviets that Cuba, in our backyard, is not their exclusive preserve.

Problems. Even a cautious "carrot and stick" approach would be very difficult to control. Other Latin American countries would be made aware of our approach and this could prematurely unravel hemispheric diplomatic and economic isolation of Castro. He could pick up unilateral benefits without making meaningful moves in return.

4. Vietnam: The Building of Southeast Asia

Initiative. The President would announce that a fixed percentage of our savings from our reduced activities in Vietnam would be applied to the reconstruction of South and North Vietnam, and to multilateral development institutions in Southeast Asia, such as the Mekong Valley project and the Asian Development Bank. Our contributions to the multilateral institutions would be contingent on matching funds from

other donors such as Japan. We would invite the Soviet Union to join the multilateral development efforts.

Rationale. President Johnson foreshadowed U.S. post-war assistance to North and South Vietnam and we are already supporting multilateral development institutions. President Nixon has indicated concurrence with these policies. However, a firm specific pledge would have a dramatic impact and would flesh out our post-war development intentions. The percentage of Vietnam savings to be used would have to be large enough to be meaningful, but not so large as to cut deeply into the overall savings which should be applied at home. (In fact, the President could couple this pledge on overseas reconstruction and aid with a larger pledge for domestic problems to offset possible criticism over our priorities.) This initiative would signal our views that security fundamentally rests on development, not military might. That we seek to prevent future Vietnams before they start. That we still care about Asia and the third world despite our Vietnam frustrations and our domestic demands. That our emphasis is multilateral, both in giving and receiving. That we expect other developed countries to do their fair share. That we welcome Soviet participation. It would also have the incidental side effect that Hanoi could term our efforts of reconstruction as "ransom" for war damage, an implied condition for release of U.S. prisoners in the NLF ten points.

Problems. There would still be criticism in this country that all Vietnam savings should instead be devoted to domestic priorities, both military and civilian. Other countries may not be willing to match our efforts. The Soviets might resist participation, viewing our initiative as an effort to block their drive toward greater influence in Asia. At the same time, some elements here and abroad would oppose a Soviet role as giving them a wedge into Asian affairs. Although the thrust of our efforts would be positive, they could be viewed as anti-Chinese in character.

5. Seabeds: Drive for a Treaty.

Initiative. We would make determined efforts to reach agreements with the Soviets on a seabeds treaty.

Rationale. We would be seeking to keep the seabeds peaceful before real exploration begins, just as the outer space treaty insured peaceful competition before the first moon landing. Our differences with the Soviets should be bridgeable if we are willing to make a real attempt at agreement. Such a treaty would represent movement on arms control by the super powers as envisaged by the NPT, and would thus help

ratification of the latter. (The opening of SALT would be another move, but no early concrete results can be expected in these discussions. Agreement on the seabeds treaty could impart some momentum to SALT.) This would represent another concrete illustration of moving our relations with the Soviets from confrontation to negotiation.

Problems. The Soviets could keep on insisting upon demilitarization elements which would impinge on our national security objectives.

6. Space: International Cooperation.

Initiative. We would take two steps to demonstrate our desire to internationalize man's exploration of outer space.

(a) We would invite other countries to participate in our national program, e. g., joining in manned explorations, helping to man our earth-orbital laboratory, contributing scientific experiments for space flights. Although we would invite all nations to participate, significant contributions could be made by only a few, e. g., the Soviet Union, Western Europe and Japan.

(b) We would also propose an international conference to begin working toward a global organization which would replace all national programs in the longer term.

Rationale. All people on the Planet Earth are one in relation to other parts of the universe. Cooperation in this field could improve overall relations among nations. Technology would be pooled. A great deal of money could be saved. This in turn would allow man to explore outer space while at the same time blunting criticism that the money should be spent on earth. International cooperation would help to insure that outer space remains peaceful. The scientific findings and technological benefits from space exploration could be fully shared with all countries in the world.

Problems. Close cooperation with other nations could prove somewhat difficult technically. With the Soviets, it might involve some disclosure of security and technical secrets. Some elements in this country would complain that we should not invite the Soviets and other nations to join us now that we are clearly ahead in space after the moon landing and mariner missions. (Note: A separate paper more fully explores the possibilities for international space cooperation.)

7. NATO: European Unity.

Initiative. After NSC review of the future shape of NATO, we could move to help promote a real European caucus within NATO, a truly equal partnership. We would encourage our allies to consult among themselves and to deal with us more as a unit on NATO matters, recognizing the necessity for continued close bilateral relations as well. With a European caucus, we could explore understandings on troop levels and implement the reduction in U.S. forces in Europe which Congress will demand and which the Europeans expect. We would entertain assistance to a UK-French-centered European nuclear force that would have to be consistent with the NPT.

Rationale. Only a clear U.S. willingness to see European cooperation will help bring it about, not only within NATO, but perhaps in political and economic fields as well. Such an approach on our part, for example, might also help pave the way for U. K. entry into the Common Market, although we would continue not to meddle into this question or other areas where the Europeans should certainly set the pace. Greater European cohesion in NATO should help us to assure that they take on a fair share of defense burdens. It would enable us to reduce our forces in Europe with the least disruption.

Problems. European unity, whether in NATO or elsewhere, will be difficult to bring about in any event. We will need a delicate diplomatic touch to distinguish our encouragement of a European caucus and greater European cohesion from U.S. interference. The role of Germany, especially in the nuclear area, could be very tricky. True European cohesion will cause us problems as well as bring us benefits. Reduced American presence in Europe will be difficult to engineer, no matter what route we choose.

8. Foreign Aid: A New Approach and Rationale.

Initiative. After a report from the Blue Ribbon Panel and review of internal studies, we would outline a new approach to foreign aid. The emphasis could be on multilateralism, regional cooperation, private assistance, and technical help. Our rationale for overseas assistance would be humanitarian and development, not political or security.

Rationale. A new approach to foreign assistance is needed to save the program, which has been coming under increasing attack

and budget slices. Our purposes in the program would be more clearly defined. We would be seeking to secure continued support for the aiding of the less fortunate around the world, and attempt to get longer range commitments from Congress for planning purposes, in exchange for greater efforts by other developed countries, pronounced emphasis on multilateralism and regional cooperation, a greater reliance on the private sector and the transfer of technical skills rather than cash.

Problems. This initiative could look like just another restructuring of a tired program. The mood of the Congress and the country might still remain skeptical and reluctant. The approach might look too altruistic. Other developed countries might prove unhelpful in increasing their own assistance efforts.