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THE SECRETARY OF STATE WASHINGTON

February 4, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: Alexander M. Haig, Jr.

1. Meeting with Isareli Ambassador Evron: The meeting with Ambassador Evron today afforded an opportunity to stress that our policy towards Isarel was based on two pillars:
1) the commitments to Israeli security made by every US President since 1948, and 2) Israel's value as a strategic ally. Ambassador Evron expressed deep satisfaction with this assurance.

Based on firm instructions from Tel Aviv received overnight, Evron expressed concern over Cap Weinberger's February 3 statement on the Saudi F-15 package and what Israel sees as Saudi Arabia's deep hostility toward it. He conceded, however, that Israel is very much aware of the importance of Saudi Arabia in wider US interests in the Middle East. Evron implied that Israel might be flexible on the F-15 equipment for Saudi Arabia if we were prepared to look sympathetically at Israel's additional air defense needs. Evron was reassured that US actions were motivated strictly by considerations of regional defense and strategic balance; these considerations were as important to Israel as to the US. The Ambassador was told that we hope to move rapidly on the F-15 issue so we can address more important issues. A joint State/Defense proposal on this issue will be forwarded to you shortly.

The meeting also provided an opportunity to invite Israeli Foreign Minister Shamir to meet with me when he transits the United States enroute to Mexico on February 21-22. (S)

2. Spain-NATO and Our Bilateral Agreement: The Spanish Ambassador called on me today to discuss two issues: 1) NATO membership for Spain, and 2) the negotiation of a new bilateral agreement covering US use of Spanish military facilities. The Ambassador was informed that we hoped Spain would move quickly to join NATO and that we attached high priority to the achievement of a new bilateral agreement.

He was asked to convey to the King that we understood the need to delay His Majesty's visit to the US and that we greatly admired the King's continuing leadership of the Spanish transition. (C)

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3. Americans Detained in Iran and American Properties:
Mohi Sobhani, one of the Americans detained in Iran, was
released from prison today. Apparently, he intends to remain
in Iran for the time being.

Cynthia Dwyer, who is from Jack Kemp's District, was "tried" today as well, according to the Swiss. We sent a strong message to Tehran through the Swiss that the Iranian handling of these cases would influence our assessment of the Carter agreements. The Swiss are cautiously optimistic about the outcome of the "trials," to be announced by Monday. In the meantime, we are withholding criticism, as is Mrs. Dwyer's husband.

We have nothing further on Zia Nassry, the third American.

Under Secretary of State-designate Stoessel today handed the Swiss Ambassador a note requesting the Swiss Embassy in Tehran to assume custody of US Government-owned properties in Iran. We authorized the Swiss to inform the Iranian authorities that we would permit the Government of Algeria to assume custody of Iranian properties here in return. (C)

- 4. Launch of ICBM; Notification of the Soviet Embassy: We notified the Soviet Embassy today of the planned launch of an ICBM from Vandenburg Air Force Base tomorrow. This practice was begun in 1979 following signature of the SALT II agreement, which would require such notification. Pending a full review of our approach to SALT II "observance," we felt it was advisable to continue this past practice in order to avoid any misinterpretation by the Soviets. (S)
- 5. Use of Utapao Airbase in Thailand: Following a successful interagency meeting we convened on Thailand last Friday, we have instructed Ambassador Abramowitz to explore with Thai Prime Minister Prem possibilities for staging a few regular P-3 and logistic support flights to the Indian Ocean region through the airbase at Utapao. If our proposal proves acceptable to the Thai, it will enhance our strategic access to the sensitive Southwest Asian area. (S)
- 6. Oil Supplies for Portugal: As a consequence of the Iran/Iraq conflict, Portugal lost about 50 percent of its supply and may be facing an oil shortfall in April. The Portuguese are drawing on their stocks while seeking other supplies. In the meantime, Texaco, source of 5 percent of Portuguese consumption (10,000 barrels daily) refused to renew its contract for 1981. Portuguese cooperation with us (for instance, the use of their military bases in a Middle East crisis) has been based on





our assurances that their oil supply would be secure. While this situation is not precisely analagous to an embargo, the Portuguese asked our help. Following my call to Mr. McKinley, Chairman and Chief Executive Officer of Texaco, the company has agreed to supply Portugal with the 10,000 barrels per day that had been in jeopardy -- on a temporary basis. We will follow up with the GOP to make sure a prompt response is given to the Texaco offer. (S)

- 7. Publication of Human Rights Report: The Senate Foreign Relations Committee will release the annual human rights reports (one is critical of Korea) to the press on Monday morning, February 9, but publication will not occur until the next day. This will allow Korean President Chun, who is leaving the US on Friday (February 6), to capitalize on the goodwill generated by his visit. (C)
- Poland: The Interagency Group on Poland chaired by Under Secretary-designate Stoessel reviewed today the situation in Poland, the status of contingency measures in the event of Soviet intervention or Polish use of force, and the development of a US position on short- and long-term financial aid to Poland. We are continuing to consult with our allies to assure that our contingency plans will be ready should the Soviets intervene or the Polish Government resort to force. In this regard Foreign Minister Francois-Poncet telephoned me on February 4 to advise that Giscard and Schmidt will meet today and requested any contributions we might have for this meeting. I emphasized our concern for concerted action on Poland contingencies, our firm support for theater nuclear modernization and our intention to consult on any future action on the "neutron bomb." Europeans were somewhat unsettled by Cap's remarks on this subject during his press conference. Poncet's call was a welcomed change in French style. I anticipate both leaders may reaffirm Giscard's initiative on Afghanistan launched by the French last weekend. (S)

MEMORANDUM

The President has seen____

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THE WHITE HOUSE

WASHINGTON

SECRET ATTACHMENT

February 5, 1981

MEMORANDUM FOR:

THE PRESIDENT

FROM:

RICHARD V. ALLEN

SUBJECT:

Secretary Haig's Evening Report

Herewith Secretary Haig's Evening Report of February 4, 1981.

SECRET ATTACHMENT