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UNDER SECRETARY OF STATE
FOR POLITICAL AFFAIRS
WASHINGTON

June 17, 1981

MEMORANDUM FOR: THE PRESIDENT
From : Walter J. Stoessel, Jr.
Acting Secretary of State

1. Soviet Message on US Arms Transfers to China.

Soviet Ambassador Dobrynin called on me this morning to convey an oral statement on the possibility of the transfer of US arms and arms technology to China. The statement said the Soviets assumed that the current Administration was aware of earlier high-level assurances which the US had given the Soviets on the subject of China; the statement went on to say that if, despite such assurances, we were to arm the Chinese this would be regarded as being "outright hostile toward the USSR." I told Dobrynin that, if we had any comment after careful study of his statement, we would be in touch with him.

2. Soviet Reaction to Presidential Press Conference.

The Soviets have responded to your press conference yesterday with a sharp personal attack in their media. In a TASS news agency report released today they strongly criticize your comments on China and other regional issues. Your remarks on the Soviet system got them where they are particularly vulnerable, drawing charges of "slander." This is the first time since their early outbursts on the terrorism issue that the Soviets have criticized you by name. Clearly, you got their attention.

3. House Foreign Affairs Subcommittees' Hearing on Israeli Attack. I briefed two subcommittees of the House Foreign Affairs Committee this morning, at their request, on the Israeli raid situation. The questions which followed my opening statement focused on Iraqi nuclear intentions, whether Israel was indeed acting in self-defense, and what our response is going to be when and as we make a final determination. We will appear before the Senate Foreign Relations Committee tomorrow morning for a similar airing.

4. Greeks Suspend Defense Negotiations. Greek Foreign Minister Mitsotakis told Ambassador McCloskey today that his Government had decided to suspend the defense negotiations. Mitsotakis described the Greek announcement, to be made on June 18, as moderate in tone and as emphasizing the goodwill effort that both sides made to reach agreement. It will say that our defense facilities will continue operating pending resumption of negotiations after Greek elections in the fall. In our public statements, we will emphasize that we do not believe US-Greek relations will be adversely affected and that we are prepared to resume the negotiations when desired.

DECLASSIFIED

RDS 2/3 6/17/01 (STOESSEL, Walter J., Jr.)

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BY GN NARA DATE 7/3/14

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

pw 3/12/13
SECRET ATTACHMENT

June 18, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: Acting Secretary Stoessel's Evening Report

Attached is Acting Secretary Stoessel's Evening Report for June 17, 1981.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver