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THE SECRETARY OF STATE  
WASHINGTON

June 30, 1981

MEMORANDUM FOR: THE PRESIDENT

From : Alexander M. Haig, Jr. @

1. Meeting With Australian Prime Minister. In my meeting with Prime Minister Fraser, we discussed the latest developments in South Africa. I indicated that after Assistant Secretary Crocker's trip, we were very discouraged; we had considered withdrawing from the peace-keeping process. Deputy Secretary Clark's trip, however, did produce some forward movement especially on South Africa's agreement to a UN peace-keeping force. We were also concerned about the continued Cuban presence in Angola, which would be unsettling to the non-aligned countries. There had been no movement yet on this issue, but our representative in Havana had been approached, in confidence, about the possibility of a phase-out of Cuban forces. We also talked about the roles of SWAPO and Mugabe and the need to keep both "honest." I reiterated our position that if we did not work with them, then there would be fertile grounds for further unrest. On the issue of providing economic incentives to developing countries, Fraser wanted it clearly understood that Australia's approach was premised not on moralistic grounds, but rather on strategic reasons: to help keep the Soviets out. At my request, he repeated this position at lunch for the benefit of Senators Warner and Nunn. (S)

2. The Israeli Election. Initial projected results of the Israeli election, based on an exit poll conducted by one of Israel's most experienced pollsters, shows the Labor Alignment holding a one or two seat margin over the Likud (48-49 for Labor to 47 for Likud). Peres will find it very difficult to form a government on this basis; he needs 61 for a working majority and, among the smaller parties, the religious bloc (12-14 seats) would be more comfortable in a Likud Government. Assuming that the final count several days from now will resemble this projection, President Navon would then decide whether to ask Peres or Begin to try to form a new government. Should he decide to ask Peres to do so (on the basis that the Alignment won the largest number of seats) it might take Peres several weeks to explore whether he can assemble a coalition. If he fails, then Navon would turn to Begin. Throughout this period, the present government would continue in office with full power. Though the results of the election are extremely close, we would expect that Begin will probably be able to form the next government with the support of the religious camp and perhaps the far right. His cabinet will thus be tightly balanced and he will have correspondingly less flexibility on issues of concern to us. (S)

RDS 2/3 6/30/01 (HAIG, Alexander M., Jr.)

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The President has seen

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET ATTACHMENT

July 1, 1981

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RE

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: Secretary Haig's Evening Report

Attached is Secretary Haig's Evening Report, which was received today, for June 30, 1981.

CC: The Vice President  
Ed Meese  
Jim Baker  
Mike Deaver

SECRET ATTACHMENT

RW  
3/12/13