SECRET 1º

THE SECRETARY OF STATE WASHINGTON

July 8, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: Alexander M. Haig, Jr.

- Appearance Before Senate Foreign Relations Committee. In a closed session this afternoon I briefed the Committee on my recent trip to Asia. Fifteen of the seventeen members attended and most of their questions concerned China--especially our decision to move China from the enemy category to that of a friendly non-aligned nation. The members were reassured when I pointed out that the Chinese had not asked for any arms nor had we offered them. They also responded favorably to my assertion that we were not about to allow the Soviets to have a veto over our developing relationship with the Chinese. A number of members on both sides emphasized the serious difficulties that would be presented by the AWACS package. I made it clear that we had their concerns in mind; we had already delayed consummation of the deal because we are waiting to hear from the Saudis their views on the modalities of the sale. I urged them all to give us the opportunity to make our case. (U)
- 2. Meeting of US-Spanish Council. Spanish Foreign Minister Perez Llorca and I attended a meeting of the US-Spanish Council and held a bilateral meeting. Perez Llorca discussed Spain's timetable for entry into NATO this fall. He told me that the Spanish government had made the formal decision to enter NATO; I promised to be as helpful as possible. I also stressed the need for flexibility in our negotiations on military bases. Although we and the Spanish were far apart, we would negotiate in good faith to try to reach a new agreement before the September 21 expiration date. (C)
- 3. Sinai Negotiations. Ambassador Sterner has met the past two days with Prime Minister Begin and the Israeli chief negotiator, David Kimche, in an effort to find an acceptable way to refer to the possible future removal of the Multinational Force (MFO) or its replacement by a United Nations Force. Sterner proceeded to Cairo this evening with a new formulation which, if acceptable to the Egyptians, will settle the text. Before signing the agreement, however, Begin wants to obtain Moshe Dayan's support. If he succeeds, then the package could be initialled by July 16 or 17. (S)

RDS 2/3 7/08/01 (HAIG, Alexander M., Jr.)



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BY _____ NARA DATE / 3 / Lb

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET ATTACHMENT

July 9, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: Secretary Haig's Evening Report for

Attached is Secretary Haig's Evening Report for July 8, 1981, which was delivered to my office today.

cc: The Vice President
Ed Meese
James Baker
Michael Deaver

SECRET ATTACHMENT