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THE SECRETARY OF STATE
WASHINGTON

July 28, 1981
155687

MEMORANDUM FOR: THE PRESIDENT

From : Alexander M. Haig, Jr. *AMH*

1. Senate Hearing on Trade Policy. My testimony on the Administration's trade policy this morning before Jack Danforth's Trade Subcommittee of the Senate Finance Committee stressed the importance of a healthy world trading system to your economic program. I also discussed the role of trading policy in our relations with allies, developing countries and adversaries and described the Administration's efforts to expand exports. Most questions dealt with East-West trade issues, particularly our policy on the use of trade sanctions in the event of a Soviet invasion of Poland. The Senators were also concerned about Western European energy dependence on the USSR. I reported on the discussion of East-West economic issues at Ottawa and assured them that we and our allies had developed comprehensive contingency plans for a concrete response to any Soviet move into Poland. (U)

2. Ambassador Habib's Briefing on the Hill. Phil Habib was extremely well received by well-attended executive sessions of both the House Foreign Affairs and Senate Foreign Relations Committees. Phil gave an extensive and "flavorful" briefing on his efforts first to defuse the Syrian missile crisis and then to achieve a de facto ceasefire, adding our thoughts on next steps.

At both hearings, Phil fielded several questions on how AWACS and F-16s had figured in his negotiations. Phil explained that he had succeeded in turning aside all discussions of these topics, noting that he was charged only with obtaining a ceasefire. There was also considerable interest in the role of the Saudis. (S)

3. Senate Foreign Relations Committee Hearings on Conventional Arms Transfers. Under Secretary Buckley, accompanied by representatives from the Department of Defense and the Arms Control and Disarmament Agency, appeared before the Committee to discuss the Administration's conventional arms transfer policy. The Senators were generally supportive. They wanted assurances, however, that we would consult on the Hill before making commitments on specific arms sales to the Chinese. (U)

RDS 2/3 7/28/01 (HAIG, Alexander M., Jr.)

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BY CU NARA DATE 7/3/16

MEMORANDUM

The President has ~~seen~~ *Al*

THE WHITE HOUSE
WASHINGTON

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July 29, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: Secretary Haig's Evening Report

Attached is Secretary Haig's Evening Report of July 28, 1981.

cc: The Vice President
Ed Meese
James Baker
Michael Deaver

RW
3/12/13 ~~SECRET~~ ATTACHMENT
Received July 29, 1981 - 12:30 p.m.