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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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August 31, 1981

RB

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: Secretary Weinberger's Weekly Report

Attached is Secretary Weinberger's Weekly Report for August 28, 1981.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver

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DATE: 5/2/13
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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

158746

28 AUG 1981

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on Defense Activities

DoD Air Traffic Controller Augmentation to the FAA: To date 810 military air traffic controllers (488 Air Force, 206 Army, 116 Navy) have been deployed to 69 FAA facilities. An additional requirement for 425 personnel to be deployed over the next 30 days was identified by FAA this week bringing the DoD support to 1235 by late September. The FAA says that they will require the military traffic controllers for more than six months. Thus far, we have been able to cope with the loss of these controllers, although there have been some adverse effects on military operations. We are working closely with the FAA to reinstate military flight operations that were curtailed during the initial period of the strike. (U)

Meeting with British Minister of Defence: During my meeting with John Nott in London on August 20 we discussed the following key issues:

- UK Defense Review. I stressed our concern over the extent of proposed reductions in their surface Navy, the need to improve the readiness condition of ships put in reserve and, worries we have about the UK's ship-building plans. Nott reaffirmed that he still plans to maintain about 50 ships available for NATO missions in the Atlantic, though eight frigates would be put in standing reserve. The principal issue is whether the ships in reserve would be ready for active duty and how soon. As Nott firms up his plans, we will get more details through the joint working groups that we established. Nott was quite emphatic, however, that even with Prime Minister Thatcher's planned three percent real growth to defense spending, he saw no alternative but to cut back on the Navy. My real concern is that deeper cuts may be required later.

- ERW. Nott thought we had made the "right" decision and would consult with Prime Minister Thatcher about supporting it publicly.

- ABM. Though I assured Nott that at present we contemplate no change to the treaty, he stressed concern that any possible changes would create serious political problems in Europe.

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Review on 27 Aug 87

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- D-5 Missiles. Nott was extremely anxious for a U. S. decision on the D-5 before September 1, at which time they would otherwise have to obligate about \$150 million to preserve the D-4 option. I sent a letter this week to Prime Minister Thatcher affirming your decision to go forward with D-5. They will be very grateful for this, and very pleased with your prompt action. (S)

AT&T Anti-Trust Suit: We have analyzed the effects on national security which would result if the courts were to find in favor of the Justice Department's ongoing anti-trust suit against AT&T. We think that the relief proposed by Justice would cause substantial harm to national defense and security and emergency preparedness telecommunications capabilities.

Our analysis was not prepared for introduction in the lawsuit, but was nevertheless introduced by AT&T. The judge admitted the study as evidence.

The study represents our views on the effects of the relief sought by Justice. We hope that in view of our concerns Justice will at least modify its position on relief or, better yet, agree to dismiss the suit altogether. (U)

F-16 Deliveries: We still project delivery of all suspended F-16 aircraft to Israel prior to Prime Minister Begin's departure from Israel. Four are scheduled to be delivered on August 31, six on September 2, and four on September 3. I will advise you promptly of any changes. The cause of the problems which grounded the planes last week has been determined and restrictions are being lifted as the required maintenance actions are completed. (U)

Arms Sales to China: Dick Allen has forwarded to you the joint memorandum from Al Haig and me on this subject. Dick agreed with us to recommend approval of our policy guidelines for arms sales, Chinese eligibility to make Foreign Military Sales (FMS) purchases, and our approach for the Chinese R&D Chief Liu Huaqing visit. Your decisions will give us the guidance needed to complete our preparations for the visit.

Before the Chinese decide whether a visit by Liu would be worthwhile, they want to know what we are willing to sell them. They have also pressed us for assurances on the Taiwan arms sales issue. We worked with Al Haig on the list of items we might sell, and some we would not. In a demarche on August 26 to the Chinese Defense Attache and their Foreign Office, our Embassy in Beijing

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gave the Chinese the detailed information on the various types of items. We also told them that we must have their response before August 31 on our proposed dates for the Liu visit of September 16-30. If we have not heard from them by then the meeting dates may have to be changed. We did not, however, offer any new assurances about arms sales to Taiwan. The decision is now entirely up to them. (S)

U.S. Wins World Helicopter Championship: Flying a near-perfect performance in the final event, the United States Helicopter Team took first place in the 4th World Helicopter Championships held in Piotrkow Trybunalski, Poland, last week. The United States team, sponsored by The Helicopter Club of America, consisted of four U.S. Army aircrews and one from Bell Helicopter. Scoring 2253 points, the Americans edged out the Federal Republic of Germany team at 2251, USSR (2115) and Great Britain (2040). This is the first time the United States Army has competed in the championships conducted under the auspices of the International Aeronautical Federation. (U)

Update on Lt Cooke Case: A general court-martial on 11 charges against Lt Cooke (the officer charged with turning over key missile firing data to the USSR) has been convened. The trial will begin on August 31 at Andrews AFB, Maryland.

Lt Cooke's petition requesting dismissal of charges, on the grounds that he had been granted immunity, was dismissed by the Court of Military Appeals in a 2-1 ruling. The immunity issue will probably be the first one to be addressed by the court-martial. We anticipate some adverse press coverage on the immunity question because of the inconsistencies between the SAC and Air Force Office of Special Investigation versions of the story, and because of SAC's delay in communicating its understanding of the agreement. (U)

Pakistan's Request for Earlier Delivery of F-16 Aircraft: After reviewing the offer we made in mid-July to begin deliveries of F-16 aircraft to Pakistan 27 months after signing the Letter of Offer and Acceptance, Pakistan's Foreign Minister informed Al Haig that President Zia wants us to provide the aircraft sooner. Zia maintains that he must have some F-16s earlier to meet his internal and external political needs, i.e., to keep domestic critics of the U.S. connection and outside threats (USSR and India) at bay. Five F-16s within one year would probably suffice.

We have only three potential sources for expediting delivery of F-16s and essential spare parts and support equipment: diversion

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from the USAF inventory or production; diversion from other foreign customers; or use of F-16 production lines of the European Participating Governments (EPG) consortium.

Diversion from USAF would degrade our military readiness and, consequently, be difficult to justify to Congress. It is not feasible to take F-16s away from Israel and Egypt or our other current foreign programs.

Hence, DoD is supporting State in contacting the EPG members (Belgium, the Netherlands, Norway and Denmark) to determine whether this source can enable us to fulfill Pakistan's request. I have already spoken with the Belgian and Dutch defense ministers, and they are examining the proposal with interest. (S)

Legislative Affairs: We expect a considerable amount of Hill activity immediately following the month long Congressional recess. We anticipate (and in fact have already received requests for) several hearings as soon as your decisions are announced on proposed strategic arms programs (MX, B-1) and related funding requests.

High on our priority list for bills to be considered when Congress returns is our requested military pay raise. We are continuing to push this item in the hope that we will have a bill ready for your approval prior to the October 1, 1981 effective date. I will be appearing before the House Defense Appropriations Subcommittee in mid-September just prior to their beginning mark-up of the FY 1982 DoD Appropriations Bill. With the late start on the appropriations process in the House and the need for full consideration in the Senate, we strongly expect DoD will be forced to operate under a continuing resolution because of the failure to have an appropriation bill passed by Congress before the October 1 beginning of the new fiscal year. (U)

Preparations for Prime Minister Begin's Visit: Al Haig and I will be sending you a memorandum soon suggesting four U. S. initiatives which will expand our strategic cooperation with Israel: (1) small scale naval exercises; (2) additional discussions on medical host nation support; (3) a broader involvement in strategic planning; and (4) approval to use some Foreign Military Sales credits offshore to enhance our defense trade initiative. In addition to my talks with Prime Minister Begin at Blair House, I plan to host Minister of Defense Sharon here on September 11 for separate defense discussions on these new initiatives plus our other programs. (S)

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TO/LOCATION/TIME OF RECEIPT

1. JIM BAKER FOR THE PRESIDENT/LOS ANGELES / TOR 311207 Z AVE 8/

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INFORMATION ADDRESSEES/LOCATION/TIME OF RECEIPT

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SPECIAL INSTRUCTIONS/REMARKS:

SECRETARY WEINBERGER'S WEEKLY REPORT

LOS ANGELES: PLEASE DELIVER TWO COPIES TO MR. BAKER ONE FOR HIS USE AND ONE FOR THE PRESIDENT.

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