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THE SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

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September 21, 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary of Defense (September 15-21, 1979)

SALT: My testimony before Frank Church's Foreign Relations Committee allowed me to talk through our budget program and how we intend to use the 3% real growth in defense spending, and to make clear that your decisions on budget growth for FY 81 and FY 82 will be determined by programmatic needs, and therefore may or may not exceed 3% real growth. To the repeated requests of the Committee for details of the 1981 defense budget, I indicated that while full details would have to await your presentation to Congress in January, we would provide as much preliminary data as possible. I will draw heavily on the substance of my statement to the Committee at three public appearances in Boston on Monday. I will address the World Affairs Council at noon, the Harvard/MIT Arms Control and Disarmament Seminar later that afternoon, and a Q&A session at the Kennedy School of Government at Harvard that night.

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Legislative Issues: The FY 80 Authorization bill contains two particularly troublesome provisions, one in the House version and one in the Senate. The nuclear carrier seems to have more support in the House this year. On the Senate side, though, John Stennis does not yet have his personal prestige involved in its favor (as he did last year, which would probably have led to an override if the effort to do so had reached the Senate). Stennis wants to avoid a veto but doesn't know whether a CV can be pushed through the Conference Committee. I will send you later today a proposed talker for the meeting with Stennis, Price, and Bennett, which needs to take place before the next meeting of the Conference Tuesday afternoon. The talker explains why a CV is more cost-effective, even in the face of more oil price rises, and suggests a CV and SSN compromise.

After Cy and I discussed the provision withdrawing our economic sanctions against Rhodesia, I called Mel Price to relay our mutual concerns and indicate the strength of your views. He has agreed to do what he can in the conference committee; I sent him some material to support such action.

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Despite the House rejection of the Panama Implementing Legislation yesterday, I continue to anticipate passage before October 1. But we are prepared for contingency operation of the Canal if necessary.

Israeli Minister of Defense Weizman: Weizman's visit was productive and produced some valuable understanding on several matters. I assured him that we would study their aircraft co-production proposal and discuss it further in about two months. We expect in the meantime, I indicated, to make progress in placing Israeli firms on procurement bidder lists for tanks, aircraft components, and armored personnel carriers. I told Weizman that increases in financial assistance above present levels in current dollars were very unlikely.

Space Shuttle: I am concerned about possible effects of NASA R&D overruns on Defense programs. So far schedules crucial for our uses are being protected and we have been assured this will continue. Nevertheless, we are looking at plans to buy insurance in the form of expendable boosters. I am following this program closely and will have contingency plans available should NASA problems become even more serious.

Egypt: My meeting with Vice President Mubarak provided an opportunity to assure the Egyptians of our intent to do what we could to help them on their equipment needs, within current fiscal constraints and weapons availability. I told him we were unable to provide the 80 additional F-4s they requested (except for perhaps a few), but would consider their request for F-16s and M-60 tanks.

I also met with Minister of Defense Ali and reemphasized Administration support for Egypt. I agreed with their decision not to buy the two Gearing-class destroyers. Although we are unable to provide the newer ships they want, we will continue to work with them on naval force planning. Zbig, Cy, and I have discussed the funding level and equipment choices for Egyptian military assistance requirements. Following a recent PRC meeting, our proposals are being prepared for transmission to you. My overall assessment is that both meetings with the Egyptians were realistic, yet satisfactory to both sides.

Visit of President of French National Assembly: Jacques Chaban-Delmas will visit next week to discuss sensitive US-French topics and SALT. Although a Gaullist, he is one of our stronger friends in French politics and is a possible candidate for Prime Minister within the next two years. I will use the opportunity to stress US-French cooperation and support of NATO objectives.

*Harold Brown*

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