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THE SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

November 2, 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary of Defense (October 27 - November 2, 1979)

Defense Cooperation with Egypt, Portugal, and Turkey: Bill Perry, my Under Secretary for Research and Engineering, and I have been very encouraged by Egyptian, Portuguese, and Turkish capability to manufacture defense equipment. We have been working to increase their internal production through bilateral agreements and joint projects, particularly in light of FMS program fund restrictions. Egypt clearly has by far the largest defense industrial capacity--far better than we had previously thought possible--but Portuguese and even Turkish industry also offer considerable potential for increased defense-oriented production. Our joint programs offer an impressive opportunity to develop allied national resources for defense purposes--I intend to expand these programs and will consult with Cy Vance to give our projects higher visibility in State.

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Korea: Although it is still too early to predict with confidence the long term effect of the Park assassination on U.S.-Korean security arrangements, I continue to be encouraged by the coordinated--and stabilizing--effect of U.S.-Korean defense forces reaction to the crisis. This eased the Korean military's apprehensions about external security. In turn this encouraged them to support Korean governmental institutions and civilian rule.

China Trip: The Chinese have agreed to a unilateral U.S. announcement of my trip to China. We are announcing today that I will visit the PRC January 6-13 at the invitation of the Chinese Defense Minister Xu Xiangqian.

Loring Air Force Base, Maine: As a follow up to our breakfast discussion last Friday, the Defense Department has worked out an accommodation with Ed Muskie on the proposed realignment action at Loring. On Wednesday, we announced that previous plans to reduce operations have been re-evaluated and that Loring would continue as a fully operational B-52 base. Ed agreed to eliminate provisions and restrictions pertaining to Loring from the Military Construction bill (the condition we laid down) and is aware of your interest.

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SALT: At present it appears that the SALT Treaty will be reported out by the SFRC. But we may face some difficult category 3 reservations even in Committee. Jack Javits told me he thinks debate could begin before Thanksgiving.

FY 80 Appropriations Bill: The FY 80 Appropriations bill proceeds slowly. Although agreement has been reached on the issue of where to build the six missile frigates, conference agreement and floor action may not be concluded before November 20th--requiring yet another continuing resolution. It may well be necessary to propose a formal procedure to decouple payroll disbursement authority from the Appropriations bill.

U.S.-Jordan Joint Military Commission (JMC): Despite strains in personal and diplomatic relations with King Hussein, the JMC mechanism has allowed us to convey our continued concern and support for Jordanian security. To follow up on JMC recommendations we intend to ask Congress for continued support for Jordanian Armed Forces modernization. This action should put Jordan's Chief of Staff, LtGen bin Shaker (with whom I met on Wednesday), in a better position to discourage King Hussein from concluding arms deals with the Soviets as well as set the stage for consultations with the King about West Bank and related issues.

Soviet Arms Deal in Yemen: Last week I asked Deputy Assistant Secretary of Defense Robert Murray to visit Yemen and review our military program there in light of President Ali Abdallah Salih's apparent decision to accept a large package of Soviet arms. Our future programs will depend to some degree on Saudi actions to stop--or react to--the Soviet deal. We would expect the Saudis to fund further U.S. programs unless the Yemeni-Soviet deal is accepted. A Yemeni arms deal with the Soviets would be a setback for the Saudis as well as for us.

Cambodian Refugees: We have airlifted 800 tents to Thailand to provide shelter for the refugees and we stand ready to transport food, medical supplies, and a 30-member medical unit. The State Department and international relief organizations have been reluctant thus far to use military resources pending further assessment of the diplomatic implications of employing military equipment and personnel in that area.

*Harold Brown*

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