

11/9/79 [2]

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Note w/att	From Civiletti to The President (8pp.) re: Report on Iran-Related Actions/enclosed in Hutcheson to Civiletti 11/9/79 <i>OPENED 1/30/97</i>	11/879	A
memo w/att	From Brzezinski to The President (22 pp.) re: Long-Term Military Relationship with Egypt /enclosed in Hutcheson to Brzezinski 11/9/79 <i>SANITIZED 1/30/97</i>	11/7/79	A

FILE LOCATION
 Carter Presidential Papers- staff Offices, Office of the Staff Sec. Pres. Hand-writing File 11/9/79 [2] BOX 155

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11/8/79

MR President

Two papers are attached. The first is a brief status report on actions, preparation for action & work to create authority for prompt future action. Item 4 is preparation only and is of doubtful validity. (One copy of this paper has gone to Dr. Bozowski.)

The second paper is a brief legal summary of the very grave legal issues presented by 1st amendment ^{to} restricts. I have not presented anyone else with this paper purposely because it is for your information & not for debate by others or to be used by anyone ^{anywhere} to challenge your authority.

Respectfully
B

I have advised St. Jordan of these two papers & the method of communication. BLC

~~SECRET~~



Office of the Attorney General
Washington, D. C. 20530

Good
J

November 8, 1979

Department of Justice Status
Report on Iran-Related Actions

Demonstrations by Iranians

1. The permit to demonstrate in Lafayette Park issued to Iranian students by the Department of Interior has been revoked by the Secretary.
2. The Attorney General has asked Mayor Barry and the D.C. Chief of Police to attempt to dissuade Iranian students from demonstrating in the District of Columbia. As a second position, the Mayor and Chief of Police will try to negotiate an agreement for the demonstration by Iranian students to be confined to areas away from the White House, Capitol and Pennsylvania Avenue. The Mayor and the Chief have pledged to use their best efforts.
3. In the event persuasion fails, a motion for a temporary restraining order is being drafted which would ask the court to enjoin demonstrations near the White House, Capitol or on Pennsylvania on the theory that any violence arising from these demonstrations is very likely to cause immediate, direct harm to the American hostages held in Iran.
4. A broader request for an injunction which would prohibit demonstrations anywhere in the Capital of the United States is also being prepared.
5. A teletype has been sent to all United States Attorneys instructing them to ask local officials to give notice of all requests for demonstration permits by Iranians, and to ask local officials to limit demonstrations as much as they legally can.

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Classified by the Attorney General
Reason for Classification: Foreign Relations
Review for Declassification: 11/8/99

DECLASSIFIED
E.O.12958, Sec.3.6

cc. Brzezinski,

PER 9/16/00 HR RE NLC-92-156
BY [Signature] NARS. DATE 11/20/96

6. An emergency modification of Department of Interior regulations is being prepared which would prohibit the issuance of a permit to Iranian students to demonstrate on property under the aegis of the Department of Interior unless approved by the Secretary. This emergency regulation would be effective for seven days and would suspend the regulation that requires action by Interior within twenty-four hours.

Current Deportation or Departure of Iranians

There are 1,037 current deportation proceedings against Iranian students in which orders to show cause have been issued and the cases are in various steps of the administrative process.

218 out-of-status Iranians have been deported or were granted voluntary departure in the last six months. In the same period 60,000 Iranians left the United States without the Government asking them to leave.

Prospective Deportation of Iranians

1. The Immigration and Naturalization Service is prepared to conduct an updated survey to identify out-of-status Iranian students presently in the United States for immediate institution of deportation proceedings under present law.

2. Memoranda of legal analyses of the authority to effect, and drafts of implementing regulations, orders or statutes are being prepared for the following:

- a. Summary revocation by Executive Order or a statute of all nonimmigrant visas of Iranian nationals, or any subset thereof.
- b. Abbreviation of the procedure required to deport out-of-status Iranians under the present law, or legislation to accelerate this process.
- c. Expulsion or detention of representatives of the Iranian Government presently in the United States.

3. The Immigration and Naturalization Service is preparing an estimate of the time it would take to expel a given number of Iranians if the deportation process can be accelerated and voluntary departure encouraged by institution of deportation proceedings.

4. Regional Directors of the Immigration and Naturalization Service have been instructed to ask local officials to detain

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- 3 -

arrested Iranian demonstrators until they are questioned by INS officials to determine whether or not they are subject to deportation proceedings.



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~~CONFIDENTIAL~~

cc Ben

J

Office of the Attorney General
Washington, D. C. 20530

November 8, 1979

MEMORANDUM TO: The President
FROM: Benjamin R. Civiletti
Attorney General *B. Civiletti*
SUBJECT: Iranian Student Demonstrations

The following is a summary of the central constitutional and other legal principles relevant to the current and proposed demonstrations by Iranian students in the City of Washington. Principally due to the actions taken by the Nixon Administration to impede and interfere with anti-war demonstrations, this is an area of law as to which there has been a great deal of writing both by the Supreme Court and by the federal courts in the District of Columbia. The controlling considerations can be briefly articulated.

First, under our Constitution, persons in this country legally or illegally - whether aliens, out-of-status students or others -- are entitled to the same First Amendment protections and rights as citizens. Thus, to whatever extent our Constitution confers rights to engage in marches, demonstrations, or speeches, those rights are available to citizens and non-citizens alike. Of course, courts will look at the particular circumstances in each case, and the identity, nationality, or other attributes of the individual demonstrators may in some cases be relevant in applying the controlling legal standards.

Second, as you well know, the First Amendment guarantees to all persons the right to "free speech," -- including the right to march or demonstrate. That right is not absolute. Courts have long recognized the power of the Government to regulate the time, place, and manner in which these activities are conducted. However, because the City of Washington is the seat of Government, and because there is special symbolism associated with the Capitol, White House and other federal facilities, the courts have recognized a special right to

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for Preservation Purposes**

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12856, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

assemble and to engage in speech here. Indeed, as a result of the cases that arose out of the Vietnam Veteran, May Day, Cambodian Incursion and other demonstrations during the Nixon Administration, the law with respect to the use of these particular facilities in this city is fully developed. Again, as you would expect, it establishes broad First Amendment rights to demonstrate here and imposes very strict limitations on the ability of the Government to regulate or interfere with Washington demonstrations.

Persons are legally entitled to receive permits to demonstrate at the Capitol, White House sidewalk, and Lafayette Park unless the Secretary of Interior and other appropriate officials determine that those demonstrations will occasion a "clear and present danger" to life, property, or order. On the basis of an affidavit from the Secretary of State outlining the potential harm to hostages, all permits have been denied or revoked. Therefore, this student group -- the Moslem Student Association -- has now no permission to demonstrate on these federal premises.

No one would question that the enormity of the possible consequences in this case would satisfy the "clear and present danger" standard: the "danger" could hardly be more clear. But the gravity of the possible injury is only one part of the equation. Because of the fundamental and essential nature of First Amendment rights in a free society, the cases require that there be a convincing showing that these extreme consequences will flow immediately, directly and necessarily from the demonstration. It is on this issue that our proof may be found lacking. On the basis of law enforcement assessments available at this time and those likely to be obtainable, it is difficult to make the case that the danger is indeed "present," i.e., that there is evidence of a direct, causal link between the proposed demonstrations and tragedy in Tehran. We can clearly show that if this demonstration ends in violence, there is serious risk of death in Tehran. However, we have no evidence or compelling reason to believe that violence will occur if the demonstration goes forward. To the contrary, the evidence available now suggests that these will be peaceful vigils and marches. Moreover, the District and Park police officials involved have all advised and would testify that they have a better opportunity to prevent violence if the demonstrators are marching with a permit in prescribed areas than if permits are denied and the demonstrators appear at random in the city.

SENSITIVE

Third, on the streets and on land other than federal property in the District of Columbia, persons have a Constitutional right to gather and speak, and no permit is required. The students now have a right to gather and walk from place-to-place or engage in vigils so long as they do not obstruct traffic. While it would be procedurally possible for the Government to go to court and seek to enjoin even these activities, the constitutional standard is extremely high for the issuance of such a prior restraint which the courts have analogized to a suspension of the First Amendment. The Government would have the burden of proving to the Court that the First Amendment activity poses a "grave, immediate, and irreparable" threat to the lives of our hostages in Tehran. As with the "clear and present danger" test, we have no question of our ability to persuade any court that the "harm" here is of the highest order, but again we have little basis for showing a court that the harm will flow "directly" and "immediately" from these student marches.

Such a Court injunction against all speeches and demonstrations to be issued in advance of the activity carries the heaviest burden, and requires the courts to apply standards that failed to satisfy the Supreme Court in cases such as the Pentagon Papers case where the showing of threat to life as well as the foreign relations of the United States was strong. Without evidence of the likelihood of confrontations or violence here by the participating demonstrators, it is highly unlikely that a court would grant a request for such an injunction. We know of no case in which a court has been willing to sustain an injunction as broadly applied as this one would need be.

Finally, these cases that have established the legal standards for demonstrations here in the District of Columbia have also become the vehicles for defining the civil liabilities of Federal Government officials. In a series of rather celebrated cases in the last few years, it has become established that law enforcement officers and their supervisors may be held personally accountable in money damages to persons who are prevented from exercising their speech rights. In order successfully to avoid a judgment of civil liability an official like the Secretary of Interior must be able to show that he had no basis for knowing that his action was outside the law. Stated differently, if an official "ought to know" that he is acting beyond the authority that the laws and the Constitution and the cases provide, he may be subjected to liability. Neither the fact that he is acting with the best of motives, nor that

SENSITIVE

he is carrying out an explicit direction from the President or anyone else, will shield him from possible personal liability. Each of the actions described above -- revoking permits, barring demonstrations, etc. -- carries with it this prospect, and each action must be assessed in light of the reasonableness of its legal basis.

In the final analysis the most difficult of the legal questions will be resolved not by the court in ruling on an injunction or on a civil suit against our officials. The most difficult questions are ultimately yours to make before any court actions are initiated. Because of your duty to take care that the laws be faithfully executed, and because of mine to aid you in that constitutional function, we have to decide whether the law empowers or forbids Government action. Of course, that judgment will not be made in a vacuum or on the basis of hypothetical circumstances. We have endeavored to assure ourselves that we have as much information as possible and that we have carefully considered the legal alternatives. Prepared in that fashion we should be in a position to make the difficult judgments should that be required.

*You can submit individual
issues or proposals to me
as required -
J.C.*

SENSITIVE

THE WHITE HOUSE

WASHINGTON

09 Nov 79

Zbig Brzezinski

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

Jim McIntyre

~~SECRET~~

5025

THE WHITE HOUSE
WASHINGTON

11/8/79

Mr. President:

Jim McIntyre's comments
are attached.

Copies have been given to
the Vice President, Hamilton
and Frank Moore.

Rick/Bill

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
FOR APPROPRIATE HANDLING
LAST DAY FOR ACTION

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
X	BRZEZINSKI
X	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

#6216

*State/DoD must
assess Egypt/Israel
military needs
as part of the ZBB
approach to '81
budget - compared
to world wide
nation-by-nation
priorities.
F.C.*

ACTION

November 7, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
SUBJECT: Long-Term Military Relationship
with Egypt (C)

ZB

At Tab A is the State-Defense decision memorandum on longer-term military assistance to Egypt, which you requested after the PRC met on this subject. I have held this memorandum awaiting Jim McIntyre's comments, but they are still not available, and I think that a decision is needed now. (C)

The State-Defense memorandum provides the technical information you need to make the crucial decisions required, so I would like to address myself to the larger picture. With these decisions, we have the opportunity, and in my view the obligation, to cement a relationship of vital importance to the United States. President Sadat has nowhere else to turn for military assistance. He is in this position by virtue of turning away from the Soviets and moving closer to the United States and Israel -- steps of unprecedented benefit to our interests in the Middle East. Our failure to support Sadat militarily at this critical juncture could have disastrous effect on our overall peace effort. (S)

It is important to stress that we have taken responsible steps to keep the assistance package at a reasonable level. We received a larger and more expensive list from Sadat, but we pared that list by projecting smaller, yet more sophisticated, Egyptian armed forces. Further, we are working with the Egyptians to build up their indigenous arms production base, and, if the moderate Arabs move closer to the peace process, we hope to encourage their resuming contributions to Egypt's defense. (S)

I strongly agree that we need to provide more assistance and preferred financing terms in FY 81, and that this funding should be in addition to the already strapped FY 81 security assistance budget. We do not want an arms delivery gap to occur during the next two critical years, nor do we want to affect adversely vital interests elsewhere as we move to protect the interests at stake here. (S)

Review on October 17, 1985

DECLASSIFIED
E.O. 12356, Sec. 3.4
PER 33043 NLS/RE NLS-42-157
BY NARS, DATE 11/20/94

Finally, I think that sufficient facts are presented here for you to make a decision at this time, rather than to wait until after the budget cycle runs its course next month. Sadat is expecting a reply shortly, and delaying the decision until December could affect the Strauss/Linowitz visit on November 17. (S)

RECOMMENDATION:

That you approve each of the five recommendations in the State-Defense memorandum at Tab A. (U)

Approve _____

Disapprove _____

Attachment

P.S. I would recommend that you first look at p. 8 of the joint State/DoD memo - and then refer back only if you feel you want more detail.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Long-Term Military Relationship with Egypt

Issue for Decision

You asked for a decision paper examining the implications of a long term military assistance program for Egypt along the lines proposed by the PRC, and alternatives. In this paper, we have taken into account the budget impacts of continuing security assistance for Egypt, as you requested.

BACKGROUND

Following Vice President Mubarak's visit last June, you wrote to President Sadat suggesting that our two governments work closely to plan a longer-term military supply relationship, in order that Egypt could satisfy a greater proportion of its military equipment needs over the next several years. You also indicated at that time the hope that Egypt would assign highest priority to economic development rather than to military programs. DOD began the planning process with Egypt in August. Based on its report of the results of this first exchange, the PRC met on September 20 to consider the issues and make some recommendations.

The DOD report validated Egypt's priority military needs for the defense of its homeland. The analysis showed that whatever assistance we could provide within feasible financial assistance levels would not meet all their needs and would not create a significant threat to Israel; Egyptian force structure would in fact be less than that in the 1973-79 period. It is also clear that, with the cessation of Soviet assistance earlier and Arab assistance at the time of the Peace Treaty, the US is seen by Egypt as not only chief supplier of military equipment but practically the only source of substantial credit assistance. In view of present political circumstances and Egypt's economic situation, the US is likely to remain in this position for a while to come.

SANITIZED
E.O. 12356, Sec. 3.4
PER 2/2/93 [Signature] RE 11C-92-158
BY [Signature] NARS DATE 11/20/96
+ 8/13/96 DOD/12

Classified by Dep Sec Def

Declassify on _____
Review on 17 Oct 1985

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Our decisions on the scope of a longer term arms supply relationship thus have significant political content. This is true not only of the size of the program, but also its pace. The deliveries in the current "three-year" program are front-loaded. Therefore, if we simply phase in a five-year program after "the three-year program," we will have a severe interim "delivery gap" of 2-3 years which will put a serious strain on our overall relationship.

The PRC recommended a multi-year security assistance program for Egypt, involving \$350 million in FMS credits in FY 1981 and \$800 million annually for the five years thereafter, FY 1982-86, borrowing from the unspent portion of the \$1.5 billion peace package to assist earlier starts of selected new programs in order to minimize the gap in deliveries of equipment, and relying on future appropriations to ensure full funding of approved programs. The PRC also recommended that we agree to sell F-16 aircraft and M60A3 tanks to Egypt, as well as a few more F-4Es (i.e., about 15) if necessary.

There are several issues that require your decision:

- The multi-year nature of the US commitment;
- Annual funding levels;
- Whether to begin additional funding in FY 1981;
- Use of "cash-flow" financing;
- Sale of F-16 aircraft and M60 tanks.

The Nature of the US Commitment

With the Peace Treaty, the \$1.5 billion FMS program, and your decision to enter into joint planning, we are already well on the road toward a long term security assistance relationship with Egypt. To move the planning process beyond this point, we need to indicate to Egypt what level of credits we might provide in future years.

Given extensive and pressing Egyptian modernization needs, and the high costs of the programs involved (e.g., 80 F-16s for \$1.8 billion or 900 M60s for \$1.2 billion), we would not be able to fully fund the most important programs with a single year's credits, nor delay the start of programs till the requisite credits had been accumulated. This means we must start selected major programs with available credits, e.g., drawing upon the unspent portion of the \$1.5 billion

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program, taking the risk that Congress will appropriate in subsequent years the credits necessary to continue those programs (this is called the "cash-flow" approach). Nevertheless, we do not propose a formal multi-year budget commitment. Rather we recommend that we continue the planning process with Egypt, indicating the specific level of FMS financing we intend to seek from Congress in FY 1981 and FY 1982. We would make clear that financing is subject to annual Congressional authorization and appropriation. We would point out that we do not have a formal multi-year commitment with Israel. We would indicate that we intend to request substantial levels for the out-years, suggesting we use the FY 82 figure (and by implication its extension in future years) for planning purposes only. As programs are planned by the US and Egypt together under these sums, the US would carefully control the flow of letters of offer to them in order to avoid overcommitment.

FY 82 Funding Levels

We have studied Egypt's military needs and priority equipment requests in great detail. We examined alternative annual funding levels to see what militarily justified types and quantities of equipment could be bought by Egypt with our credit assistance. Illustrative alternatives are as follows:

- \$500 million a year would permit purchase over five years of some 50 F-16s, 300 M60s, 4 patrol gunboats, but a severely cut-down list of vehicles and other equipment, and no additional air defense. This is well under the quantities Egypt has said have priority and which we believe are justified from a military point of view.

- \$650 million a year would allow us either to add somewhat to the numbers of aircraft or tanks Egypt could buy or to offer a more substantial amount of the smaller equipment items the Egyptian services would like so much to have and we believe they urgently need.

- \$800 million a year would permit purchase of the full quantity of priority F-16s (80), but still only 300 M60s, plus other equipment, but no more aircraft and no more air defense weapons. This amount would neatly replace Arab military aid, which was \$800 million a year.

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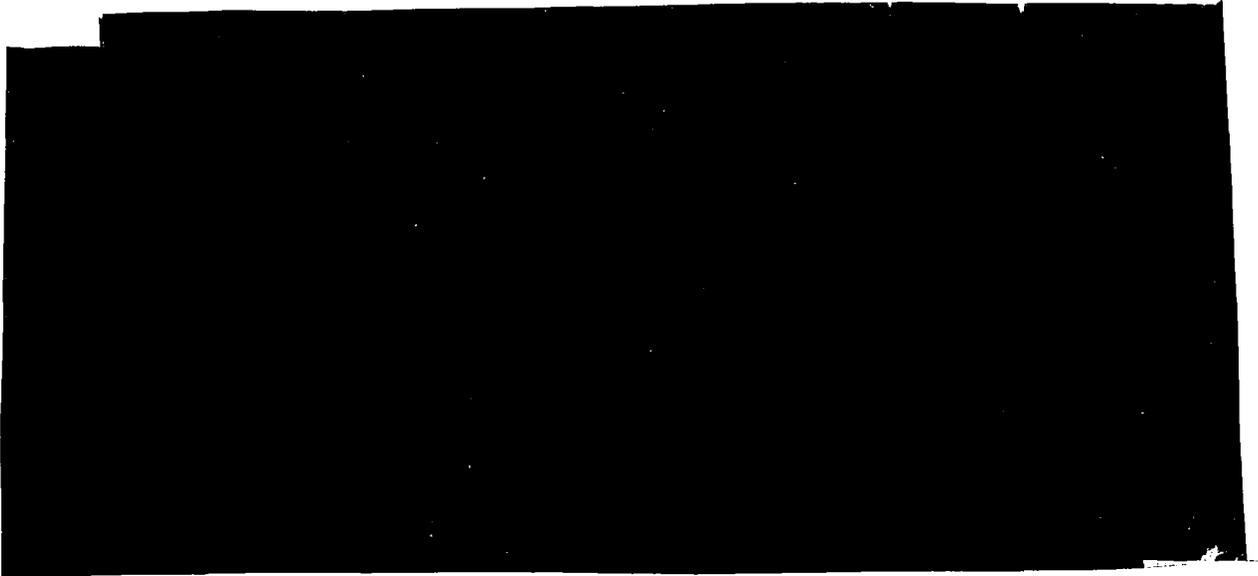
4

- \$1 billion a year - President Sadat's request and the same as Israel now receives - would permit the purchase by Egypt of 80 F-16s, the full priority complement of 900 tanks, additional air defenses, but no additional aircraft or frigate-type ships.

The PRC recommended \$800 million a year.

None of these alternatives meet all of Egypt's needs or priority requests. They would, however, provide some of Egypt's requirements for advanced weapons (which we support) over the next six years. Nonetheless, the lower alternatives shown above would result in considerable delays in the delivery of equipment, because of the slow pace of programs required. While we are also embarking on a program of limited production assistance to Egypt, it will have minimal impact in satisfying Egyptian requirements for the foreseeable future.

The budgetary impact differential among these annual funding levels is not great, assuming no "forgiveness" (grant aid) is involved. For FMS credits extended by the Federal Financing Bank, the annual appropriation must cover only the guarantee fees, which equal 10% of the loans. Thus, the budget appropriation would range from \$50 million to \$100 million a year. OMB already assumes, in its budget projections for FY 1982, credit funding at the \$500 million a year level. (The possibility of FY 1981 funding is discussed below).



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We do not recommend forgiveness for Egypt. Egypt's external financing deficit appears just about balanced by the external assistance they receive. Egypt should be able to manage the interest and subsequently the principal repayments if we offer the same terms provided for under Peace Treaty package--10 year grace period and 20-year repayment of principal thereafter. By the same token, however, we do not recommend that Egypt directly fund a major portion of approved purchases from their own resources. It would merely divert resources from priority economic development. In our judgment, these recommendations would not lead to a requirement for an increase in currently projected U.S. economic aid levels to Egypt.

FY 1981 Funding

The original \$1.5 billion treaty package was supposed to cover a three-year period, but it is already committed and it satisfied only a small portion of Egypt's priority needs. If we do not begin the new assistance program until FY 1982, we would face a politically difficult two-year gap before we can even announce a new sale to Egypt, and a three or four-year gap between completion of major deliveries from the \$1.5 billion program and the start of new deliveries. In the meantime, Egypt's Soviet equipment will be seriously deteriorating, with attendant decline in Egyptian military morale.

There will be unspent credits remaining from the \$1.5 billion package--either \$520 million in FY 1980 or \$320 million in FY 1981 and we could draw upon those to start new programs for Egypt ("cash flow"). However, we would have to pay them back out of subsequent years' appropriations.

Therefore, the PRC has recommended some new funds be made available in FY 1981 to permit a transition to be made to the new longer-term program. The PRC specifically suggested \$350 million for this purpose.

Additional credits for Egypt in FY 1981 could have serious implications for the overall FMS credit program. State and Defense have requested a global level of \$2.304 billion for FY 1981 (the present OMB mark is \$1.98 billion). \$1 billion of this is for Israel, \$175 million is for treaty

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commitments to Spain, Philippines, and Panama; \$250 million is for Turkey, leaving only \$879 million for Greece, Jordan, Thailand, and numerous smaller but crucial programs around the world. A program for Egypt cannot be undertaken with the security assistance financing levels cited above. A decision to begin a regular program of FMS financing for Egypt means the level will have to be raised by the amount earmarked for Egypt, for FY 1981 and beyond.

Alternatives for FY 1981 funding are as follows:

- No new credits in FY 1981. We could make some minor new program starts by borrowing from the unspent portion of the \$1.5 billion, but this alternative would probably be insufficient to start any major program, like F-16. [REDACTED]

[REDACTED] Some new U.S. resources need to be committed to meet our foreign policy objectives.

- \$225 million in new credits in FY 1981. This would make available a total of \$545 million in credits in FY 1981, permitting some new program starts. However, at the pace these amounts would permit, the delivery gap could be reduced in perhaps only one major program. The budget impact would be only \$22.5 million (10%) additional.

- \$350 million in new credits in FY 1981. This would make available up to \$670 million, and would allow substantial new starts and acceleration of deliveries to close the delivery gap. It would impose less of a "cash flow" payback burden in FY 1982 and thereafter. The budget impact would be only \$35 million (10%) additional. The PRC recommended this alternative.

Use of Cash Flow Financing

The foregoing alternatives for FY 1981 funding have assumed the use of cash flow financing to minimize the deliveries gap. Objections to cash flow financing, which we utilize in the Israeli program, have been raised because of the financial risk to the US involved unless a long-term FMS financing program at substantial levels were established. Because of this risk we do not recommend cash flow financing across the board; rather we propose this method of financial implementation only on a selected basis to begin important programs in FY 80 and 81 and only drawing on committed but

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not yet spent funds from the original \$1.5 billion program. We believe that limiting the use of cash flow financing in this manner meets previous objections and limits our financial exposure to an acceptable level. Cash flow financing (up to \$320 million available) in combination with new FY 81 funds (e.g. \$225-350 million) would make available up to \$545-670 million to begin new programs in FY 1981. This will help bridge the gap until a more substantial program can begin in FY 82.

Equipment

Only F-16 aircraft and M60 tanks pose policy issues. Their release poses no serious arms control or arms transfer issues given the quantities under consideration and the quality of equipment in neighboring countries. We have sold identical or superior equipment to other friendly nations in the area. Tactically, Israel could object [REDACTED] and we will need to conduct extensive consultations with Congress before any formal proposal is made. Because of production line problems the tank sale may have to be notified to Congress relatively soon. F-16s might wait, although we need a decision in principle to permit us to continue our discussions with the Egyptians.

We have looked at less capable equipment such as F-4s and M48A5s from the U.S. inventory, but have concluded we cannot strip U.S. forces without adversely affecting U.S. combat capability. [REDACTED]

[REDACTED] This may change over time and we will keep the situation under review.

Congressional and Israeli Implications

A substantial continuing FMS program for Egypt will come as no surprise to either Israel or to the Congress. Israel will probably not object as long as the program does not threaten its security -- which any feasible programs do not -- [REDACTED]

[REDACTED] Congress has been supportive of our security assistance to Egypt. We will have to guard against Congressional attempts to wedge the Egyptian program in under the overall level or to cut crucial programs in other countries. Once we have your decisions, we plan to consult closely with key members and committees about the emerging program.

Recommendations:

1. That we continue our five-year planning discussions with Egypt, without seeking a multi-year appropriation from Congress, on the basis of anticipated annual FMS credit amounts of up to:

- \$1 billion (equal to Israel) _____
- \$800 million (recommended by PRC) _____
- \$650 million _____
- \$500 million _____

2. That we begin new FMS financing in FY 1981 at:

- \$350 million (budget impact \$35 million) _____
(PRC recommendation)
- \$225 million (budget impact \$22.5 million) _____
- Other _____

3. That the amount of financing for Egypt in FY 1981 and in subsequent years be added to the projected FMS financing level.

- Approve _____ Disapprove _____

4. That the "cash flow" approach be used in FY 1980 and FY 1981 to facilitate selected new program starts and sustain the momentum of programs.

- Approve _____ Other _____

5. That you approve in principle the sale of F-16 aircraft and M60 tanks.

- Approve _____ Disapprove _____



 SECRETARY OF STATE



 SECRETARY OF DEFENSE

25 OCT 1979

OCT 17 1979



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

November 8, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *J. McIntyre*

SUBJECT: Security Assistance Relationship with Egypt

State and Defense have forwarded the joint decision memorandum on our long-term military assistance relationship with Egypt which you requested following the September PRC meeting. I understand that Dr. Brzezinski is also sending you a memorandum on this subject. Because their memorandum proposes substantial additional FMS financing not included in the regular 1981 budget submission and a major executive branch commitment for 1982 and beyond, we have taken the time necessary to give this important budget decision the thorough review called for under your procedures for new commitment proposals. Although State and Defense raised this issue with you last month, we have only in the last few days received from them the necessary data to complete our review.

Our review reinforces my earlier recommendation that you not make your decision on the Egypt program until it can be evaluated in light of the full 1981 security assistance budget request, because:

- State's 1981 FMS request, which does not include the proposed \$350 million for Egypt, already exceeds the planning ceiling by over \$300 million. Furthermore, the budget requests of the foreign affairs agencies in total are \$3 billion over the ceiling in BA and \$1 billion in outlays.
- Our preliminary ZBB analysis suggests that State's 1981 request includes FMS program packages that are clearly of lower priority than a minimum level program for Egypt.
- Despite our having informed them of the budget pressures, State and Defense refused to provide a ZBB ranking that shows alternative levels for Egypt within a worldwide program -- they argue that the entire Egypt FMS program must be additive to their already high 1981 request.
- State and Defense, in their desire to initiate a large program, are proposing a "cash flow" approach to financing most of the program. This approach would borrow from obligated but unspent funds to make down payments on new orders. They would thus pyramid existing authority in a way which mortgages future appropriations to pay for past commitments. Some cash flow financing may be inevitable, but OMB has concentrated on finding ways to reduce the size of the unfunded future liability.

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DERIVATIVE CL BY Ed Sanders/IAD
 DECL REVW ON 11/8/85
DERIVED FROM State/Defense

11/20/96

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- . An ad hoc decision on Egypt carries the risk that our 1981 FMS request could substantially exceed the overall program level likely to be supported by Congress and put us once again in the position we now face in allocating a 1980 program that cannot possibly satisfy the expectations of all the countries who believe they have priority claims.
- . The greater the size of Egypt's program, the more vulnerable we will be to Israeli pressures for increased military aid. State is currently considering increases in their \$1.0 billion 1981 FMS request for Israel. It may also be harder to hold the line on more aid for Turkey if Egypt gets a big increase.

The principal reason offered for an earlier, separate decision on military aid to Egypt is that further delay in informing Sadat and Mubarak about the results of David McGiffert's August survey of Egypt's military needs could raise doubts about the sincerity of our commitment to provide military aid on a long range basis. I realize the importance of reassuring Sadat, but, it should be possible to assure them of U.S. support while reserving time to complete a thorough review of the budget implications of proposals for a major new multi-year military aid commitment. David McGiffert's visit to Egypt now scheduled for late November would only have to be postponed until mid-December to allow time for your final decisions on the 1981 security assistance budget. There are no urgent deadlines on placing orders for major systems (F-16's or M-60's).

I understand some consideration is also being given to conveying your decision to Sadat during the Strauss/Linowitz visit on November 17. However, I cannot judge the relative importance of giving Sadat this information this soon as compared to allowing more time to evaluate these proposals in the light of your tight budget situation.

If, nevertheless, you feel you must make a decision now, my recommendations on the State/Defense proposals follow. A budget issue paper upon which these recommendations are based is attached.

In considering alternatives, I believe we must not lose sight of the broader questions affecting this specific decision.

- . Should the U.S. approve \$2.4 billion in new sales to Egypt in 1980-81 and embark on a \$4.3 billion multi-year program so soon after the \$1.5 billion Peace Package?
- . Are arms sales of this magnitude consistent with the Administration's general policy of arms transfer restraint?
- . Would the Administration be vulnerable to accusations that we are repeating some of the same mistakes we made in not restraining the Shah's acquisition of arms?

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- Should we undertake with Egypt the kind of multi-year commitment that it has been your policy to avoid and which we have recently told Turkey is "out of the question?"
- What should be the balance between U.S. military and economic aid to Egypt (we currently plan \$750 million of ESF and \$250 million of P.L. 480 aid)?
- Can we count on the Congress to support a multi-year program of this magnitude -- if not, we will be borrowing serious trouble in the future?
- AID is concerned that the magnitude of these new sales coupled with the \$1.5 billion Peace Package will contribute to a rapidly growing Egyptian foreign debt problem. Even during the 10 year grace period, the annual interest payments on the FMS package will rise to about \$750 million -- adding to Egypt's debt service burden which already amounts to 22% of export earnings. AID reports that Egypt is embarking on multi-billion dollar projects with European manufacturers for telecommunications, housing, and other construction seemingly in the absence of any long-term framework as a guide. These economic concerns reinforce my view that we should limit new military programs to the minimum that will meet overall political objectives. Failure to meet domestic economic needs is likely to be a greater threat to Sadat than any likely military threat.

Recommendations

If you believe that you must decide on the Egypt proposals before we have completed the regular 1981 budget review, I recommend the following:

- Withhold a decision on the specific new fighter for Egypt pending a review of alternative aircraft (e.g., F-5G's) and direct the PRC to review and forward for your decision the question of approving a follow-on intermediate export fighter (FX).
- Approve a limited one-time exception allowing cash flow sales to Egypt in 1980-81 for 300 M-60's and two squadrons of new fighters (approximately 35 aircraft) with total cost not to exceed \$1.5 billion.
- Approve \$225 million in FMS financing for Egypt in 1981 which together with \$212 million of unexpended Peace Package credits will be sufficient to finance the limited cash flow options recommended (Alternative #4 in the attached paper). If you feel that for political reasons a higher 1981 level is essential, you could approve \$350 million in 1981 while limiting cash flow orders and outyear levels (Alternative #3).
- Approve \$500 million in FMS financing for Egypt in 1982 (sufficient to cover 1981 payments due on the limited cash flow option) and authorize

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State and Defense to inform the Egyptian government of this planning level after consulting with the Congress.

- Direct that no planning levels beyond 1982 be conveyed to Egypt and that the Egyptian government be informed that future year levels of financing will be determined on the basis of an annual review of the threat, Egypt's economic situation, and our own budget situation. (This is our present policy toward Israel.)

Decision

1980-82 Orders and Financing

Alternative #1: \$2.4 billion new military orders (80 aircraft, 300 tanks); \$350 million FMS financing in 1981, \$800 million FMS in 1982. (State/Defense request)

Alternative #2: \$2.0 billion new military orders for aircraft and tanks (60 aircraft, 300 tanks); \$350 million in FMS financing in 1981, \$650 million FMS in 1982.

Alternative #3: \$1.5 billion new military orders (35 aircraft, 300 tanks); \$350 million in FMS financing in 1981, \$500 million FMS in 1982.

Alternative #4: \$1.5 billion new military orders (35 aircraft, 300 tanks); \$225 million FMS financing in 1981, \$500 million FMS in 1982. (OMB recommendation)

Cash Flow Financing

Allow cash flow financing after 1981. (State/Defense request)

Limit cash flow financing to \$1.5 billion of new orders in 1980-81 only. (OMB recommendation)

Fighter Aircraft

Approve sale of F-16 in principle. (State/Defense recommendation)

Withhold approval of F-16 pending PRC review of follow-on intermediate export fighter (FX). (OMB recommendation)

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Future Commitments

Inform Egypt of 1982 FMS planning level and further authorize its use as basis for joint planning with Egypt for 1982-86 period.
(State/Defense request) _____

Inform Egypt of 1982 FMS planning level only; FMS financing beyond 1982 to be determined on the basis of an annual review of the threat, Egypt's economic situation, and U.S. budget. (OMB recommendation) _____

Attachments

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Issue Paper
International Security Affairs
1981 Budget
Issue #1: Egypt

Background

In late June the President directed that the Secretary of Defense begin planning a longer term military supply relationship with Egypt. Since then, U.S. and Egyptian officials have exchanged visits and on September 20 the Policy Review Committee recommended that:

- The U.S. discuss military sales with Egypt based on anticipated annual levels of \$800 million of FMS financing for the 1982-1986 planning period.
- The U.S. provide Egypt \$350 million of FMS financing in 1981 to provide a "bridge" between the 1979 three-year \$1.5 billion Peace Supplemental and the beginning of a five-year planning period in 1982.
- The "cash flow" method of financing (essentially incremental down payments on large scale purchases for which most payments would be made from financing available in later years) be used in 1980 and 1981 to facilitate the start of selected new programs -- the current proposal, however, requires cash flow financing well beyond 1981.
- The U.S. sell Egypt F-16 fighters and M-60 tanks in addition to other, less controversial, weapons systems.

OMB suggested that the President defer final decisions on these recommendations until State and Defense examined their long-term implications as well as other less costly alternatives; the President so directed (he also pointed out that budget constraints would be very severe).

The State/DOD recommendations are designed to:

- Respond to the President's directive to develop a longer term military assistance relationship with Egypt. (State and DOD arbitrarily chose 1982-1986 as the planning period.)

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- Bridge the two to three year gap in major military deliveries between the equipment procured under the 1979 Peace Package and that which could be procured under a new annual FMS financing program beginning in 1982.

- Provide President Sadat a visible sign of U.S. support both to recognize his positive participation in the peace process and to quiet potential criticism from the Egyptian military because of their deteriorating Soviet weapons inventories.

Statement of Issues

- A. What levels of FMS financing should the U.S. provide Egypt in 1981 and 1982?
- B. To what extent should FMS orders for Egypt be financed on a cash flow basis?
- C. What commitment, if any, should the executive branch make to provide FMS financing to Egypt beyond 1982?
- D. Should the U.S. approve now the sale of F-16 aircraft to Egypt?

Alternatives (All amounts are additive to the \$1.5 billion 1979 Peace Package commitments.)

- 1. Provide \$350 million of FMS financing in 1981, \$800 million in 1982, and use the 1982 level for joint planning with Egypt for 1983-86. Allow \$2.4 billion orders on cash flow basis in 1980-81 and continued use of cash flow after 1981. Approve F-16 sale (80 aircraft) in principle.
- 2. Same as Alternative #1 except provide \$650 million of FMS financing in 1982 and use this level for joint planning in 1983-86. Approve F-16 sale (60 aircraft) in principle.
- 3. Provide \$350 million of FMS in 1981 and \$500 million in 1982, with level of FMS financing beyond 1982 to be determined on basis of annual review. Limit cash flow financing (not to exceed \$1.5 billion) to 300 M-60's and limited order of new fighter aircraft. Defer decision on specific fighter aircraft pending PRC review of a follow-on intermediate export fighter.
- 4. Same as Alternative #3 except provide only \$225 of FMS financing in million 1981. (OMB recommendation).

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Alternative #1 - Cash Flow (\$350 million in 1981; \$800 million, 1982-86) (State/DOD request)

State and Defense propose an explicit commitment to Egypt to seek from Congress \$800 million in FMS financing in 1982 and authority to use the 1982 level for planning purposes in discussions with the Egyptians about the balance of the 1982-86 planning period.

State and Defense propose to use \$350 million of new 1981 financing, together with \$212 million of obligated but not yet expended Peace Package funds, to order on a cash flow basis \$2.4 billion in new items in 1980-81 (80 F-16 fighters, 300 M-60 tanks, and \$98 million in other items). These orders would mortgage future FMS programs to the extent of \$2.1 billion. Payments due under this option without any further new orders would total \$800 million in 1982 and \$589 million in 1983.

For 1983-1986, the State/Defense plan assumes \$800 million annually which, in addition to covering payments due on past orders, would permit an additional \$2.0 billion in new orders, largely on a cash flow basis. The volume of new orders is projected to exceed annual FMS financing throughout the five-year period with the "mortgaging" to end in 1985.

The State/Defense plan assumes no resumption of Saudi or other Arab financial support for Egypt's military modernization or economy in the 1981-86 period.

Advantages

- Permits early orders for F-16's and M-60's assuring a substantial flow of new items following delivery of Peace Package items.
- Provides dramatic demonstration to Sadat and Egyptian military of our commitment to long-range military assistance relationship.

Disadvantages

- Placement of \$2.4 billion in new orders in 1980-81 on cash flow basis would mortgage future security assistance programs by committing the U.S. to provide FMS financing in the \$800 million range for several years.

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- . An additional \$2.4 billion in new orders during the 1979-81 period supposed to have been covered by the \$1.5 billion Peace Package could be regarded by the Congress as excessive.
- . Sales to Egypt totaling \$3.9 billion in the 1979-81 Peace Package period will provide Israel additional leverage for raising our annual FMS credit level (State is considering a \$200 to \$500 million increase for Israel).
- . The proposed level of new orders on a cash flow basis would preempt Congress by committing the U.S. to major financial obligations in advance.
- . Multi-year commitments on this scale would undercut prospects for shifting some of the burden of financing Egypt's military modernization back to Saudis and add to Egypt's debt-service burden.

Alternative #2 Cash Flow (\$350 million in 1981; \$650 million, 1982-1986)

The 1981 FMS level is the same as Alternative #1 but with lower outyear levels. Because this option is designed to conform to a smaller (\$650 million) 1982-86 annual FMS credit levels, new orders in 1980-81 would be reduced from \$2.4 billion to \$2.0 billion by ordering a smaller number of F-16's (about 60). This would reduce future claims on the FMS program from \$2.1 billion to \$1.7 billion.

Because of reduced payments due, an estimated \$143 million in new orders could be fully funded in 1982 under Alternative #2 compared with no new orders under Alternative #1 (where the full \$800 million would be required to cover payments due on past orders).

This alternative suffers from the same disadvantages as Alternative #1 though the level of new orders and unfunded future obligations is lower.

Alternative #3 Limited Cash Flow (\$350 million in 1981; \$500 million, 1982-86)

Under this alternative only a limited 1981 aircraft sale and 300 M-60's would be financed on a cash flow basis. All other purchases in 1980-81, as well as future years, would either be fully funded by available FMS financing or could be placed if backed by Saudi or other Arab commitments to cover all payments due.

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Two squadrons (36-40) of F-16's or a larger number of less expensive aircraft (F-5G's), total cost approximately \$1.0 billion, could be ordered in 1981, requiring an estimated \$65 million in unexpended Peace Package funds to cover first year payments. Because the 300 M-60's costing \$451 million will have to be ordered in 1980 before 1981 FMS financing become available, they could be financed initially with \$80 million in committed but unexpended Peace Package funds, and the \$215 million in payments due in 1981 could be paid out of the \$350 million in new 1981 FMS. With a total of \$562 million available (\$212 million from the Peace Package and \$350 million in 1981 FMS credits), there would be \$202 million left to fully fund other new orders.

This level of financing would cover unfunded liabilities from the \$1.5 billion level of 1980-81 orders and make up for diverted Peace Package funds. Assuming \$500 million annually, an additional \$1,225 to \$1,350 million would be available over the planning period for new orders, including follow-on support, on a full funding basis. Major new orders of fighter aircraft and tanks could be placed on a dependable undertaking basis with resources drawn from Egyptian foreign exchange earnings or resumed Arab financial support.

This option neither assumes nor precludes resumption of Arab financial support for Egypt. It would be less likely to undercut prospects for such resumption than higher annual levels of U.S. aid.

Advantages

- . Permits early orders for 300 M-60's and limited number of F-16's or F-5G's.
- . By restricting use of cash flow financing avoids deeply mortgaging future security assistance programs.
- . A limited unfunded commitment is more likely to be acceptable to Congress.
- . Preserves option of shifting burden of financing future Egyptian orders back to Saudis and increases incentive for Egyptians to seek Saudi aid.

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Disadvantages

- . Egyptians will be disappointed at the limited number of new aircraft to be ordered and lower outyear financing planned.
- . Requires substantial new FMS financing during three-year period of Peace Package.

Alternative #4 Limited Cash Flow (\$225 million in 1981; \$500 million, 1982-86)

This minimum level alternative assumes the same level of orders in 1981 for fighters and tanks on a cash flow basis (\$1.5 billion) as Alternative #3. The difference is that only \$77 million would be available for fully funding new orders rather than \$202 million.

The principal additional advantage would be that the 1981 FMS request level would be \$125 million lower.

The principal additional disadvantages would be that desired orders for miscellaneous other items (TOW vehicles and missiles, command carriers, TANG-class submarines, radars, patrol boats, and support equipment) would have to be substantially reduced unless other resources were available (Egyptian or Saudi).

Multi-year Commitment. We remain concerned that a financing commitment -- however couched as a "planning" level -- will, when combined with major new orders in the 1980-81 period on a cash flow basis:

- . Limit Presidential flexibility in adjusting future worldwide FMS programs to reduced appropriations (State is finding it difficult to reprogram the 1980 FMS program) and changes in the Middle East political climate.
- . Presume a congressional willingness to appropriate higher levels of FMS funding in support of the Egypt program.
- . Reduce Egyptian incentives to look elsewhere (Saudis or other oil rich Arab countries) for financial aid for military procurements.

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- . Increase pressures from other countries for similar commitments. It has been Administration policy to avoid multi-year commitments and we have only recently told Turkey in the course of our base negotiations that such a commitment is "out of the question."

Cash Flow Financing - Only Israel is now allowed to purchase regularly on a cash flow basis. Other FMS customers must have authorized and appropriated FMS financing at the time of sale or they must have sound economic prospects or third country commitments to finance the payments (such as Saudi commitments to subsidize Jordanian and Yemeni procurements). A decision now to approve the sale on a cash flow basis of the proposed 80 F-16's and 300 M-60's will mortgage future security assistance programs to the extent of \$1.9 billion and lock us into an \$800 million FMS payments for Egypt in 1982 and \$589 million in 1983 exclusive of any new orders in the 1981-1983 period. Approval of the proposed additional arms sales (APC's, ships, trucks, etc.) as a basis for planning in 1983-1986 would make it necessary to continue to place orders on a cash flow basis until 1985.

The asserted needs for FMS financing in 1981 and 1982 are based substantially upon the cost of F-16's. That aircraft is having major difficulties because of engine problems. There may be lower cost alternatives. A decision on the new export fighter(FX) could provide such an alternative and this option should be thoroughly examined before a decision is made on what aircraft to sell to Egypt. One of the leading candidates for the FX, is the F-5G which would use a proven engine. Sadat has rejected the F-5E as a "tenth rate aircraft," but the F-5G or other follow-on intermediate export fighter has not been considered.

The State/Defense \$4.3 billion multi-year plan also includes 8 patrol gunboats costing \$1,172 million, items of lower priority in relation to the threats Egypt faces and, consequently, something we should avoid committing ourselves to finance at this time.

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(\$ in millions)

	1980/81 Alternatives				1982 Alternatives				1983 Alternatives			
	#1 Agency Req.	#2	#3	#4 OMB Rec.	#1 Agency Req.	#2	#3	#4 OMB Rec.	#1 Agency Req.	#2	#3	#4 OMB Req.
New Purchases	2,414	2,065	1,702	1,577	--	143	30	30	954	119	215	215
Fighters/Tanks	(2,316)	(1,892)	(1,500)	(1,500)	--	--	--	--	--	--	--	--
Other	(98)	(173)	(202)*	(77)*	--	(143)*	(30)*	(30)*	(954)	(119)*	(215)*	(215)*
Payments Required	562	562	562	437	800	650	500	500	747	650	500	500
(Old Orders)	--	--	--	--	(800)**	(507)**	(470)**	(470)**	(549)**	(531)**	(285)**	(285)**
(New Orders)	(562)	(562)	(562)	(437)	--	(143)	(30)	(30)	(198)	(119)	(215)	(215)
New Funds Available	350	350	350	225	800	650	500	500	800	650	500	500
Unexpended												
Peace Package Credits	212	212	212	212	--	--	--	--	--	--	--	--

* New orders fully funded.

** Includes repayment of funds borrowed from Peace Package.

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THE WHITE HOUSE
WASHINGTON

November 9, 1979

MEMORANDUM FOR THE PRESIDENT (FYI ONLY)

FROM: AL MCDONALD *AM*
SUBJECT: Congressional Tracking System

Attached is an illustration of a new system we have introduced for keeping track of Congressional leanings on major Administration initiatives. We developed this Congressional tracking system earlier this year while trying to muster enough votes to pass the Trade Agreements Act through Congress. It has now been introduced here for general use by our Congressional Liaison group in the White House for the difficult legislative battles we now face in energy, hospital cost containment and SALT.

According to the latest summary results compiled and analyzed on November 6, the analysis indicates that we have 184 Congressmen either leaning for or supporting passage of the Hospital Cost Containment Bill, 200 either leaning against or opposed to passage of the bill and some 47 who are neutral. From this summary analysis, the Congressional Liaison group was able to identify 70 members of Congress who are either leaning against the bill or are neutral who should be targeted for further efforts from the White House. Call assignments for these 70 Congressmen were divided earlier this week among the President, the Vice President, Senior Staff and the Cabinet. Using this system last week, we were also able to identify southern states in which we face our biggest opposition and targeted a mailing to newspaper editors of information on our position on the bill. (This mailing was made up of excerpts of your recent speeches as well as speeches or testimony of other Administration spokespersons which we scheduled at your request two weeks ago.)

This is an example of a management tool which will better enable us to direct our resources where our real problems are and to measure the progress of our lobbying efforts. It not only helps us to achieve our legislative goals but to present a cohesive and organized front to the Congress.

**Electrostatic Copy Made
for Preservation Purposes**

ADMINISTRATIVELY RESTRICTED

LEANINGS SUMMARY FOR
HOSPITAL COST CONTAINMENT

NOVEMBER 6, 1979

TABULATION OF HOUSE OUTREACH LEANINGS

		ALL MEMBERS				
150	I					
140	I					X
130	I					X
120	I	X				X
110	I	X				X
100	I	X				X
90	I	X				X
80	I	X				X
70	I	X				X
60	I	X				X
50	I	X	X		X	X
40	I	X	X	X	X	X
30	I	X	X	X	X	X
20	I	X	X	X	X	X
10	I	X	X	X	X	X
0	I	X	X	X	X	X
		1	2	3	4	5

		DEMOCRATS				
150	I					
140	I					
130	I					
120	I	X				
110	I	X				
100	I	X				
90	I	X				
80	I	X				
70	I	X				
60	I	X				
50	I	X	X			
40	I	X	X			X
30	I	X	X			X
20	I	X	X	X	X	X
10	I	X	X	X	X	X
0	I	X	X	X	X	X
		1	2	3	4	5

		REPUBLICANS				
150	I					
140	I					
130	I					
120	I					
110	I					
100	I					
90	I					X
80	I					X
70	I					X
60	I					X
50	I					X
40	I					X
30	I					X
20	I				X	X
10	I				X	X
0	I	X	X	X	X	X
		1	2	3	4	5

GRAND TOTAL MATRIX

Party	(3) LEANINGS				(5) Strongly Against	TOTAL
	(1) Strongly Favor	(2) Favor	(4) Against	(5) Strongly Against		
Democrats	122	51	27	25	47	272
Republicans	6	5	20	34	94	159
TOTAL	128	56	47	59	141	431

LEANINGS BY STATE - DEMOCRATS

STATE

LEANINGS

	1	2	3	4	5	TOTAL
AL	0	1	0	2	1	4
AR	0	1	1	0	0	2
AZ	0	0	0	0	2	2
CA	12	7	1	2	2	24
CO	2	0	0	1	0	3
CT	3	2	0	0	0	5
DC	0	0	0	0	0	0
FL	4	2	3	1	2	12
GA	1	1	2	1	4	9
GU	0	0	0	0	0	0
HI	1	1	0	0	0	2
IA	2	0	1	0	0	3
IL	6	3	1	0	1	11
IN	2	0	2	0	2	6
KS	0	0	1	0	0	1
KY	3	1	0	0	0	4
LA	0	0	0	0	5	5
MA	9	1	0	0	0	10
MD	2	3	0	1	0	6
MI	12	0	0	0	1	13
MN	1	2	1	0	0	4
MO	1	1	1	2	3	8
MS	0	0	0	3	0	3
MT	1	0	0	0	0	1
NC	3	1	2	2	1	9
NE	0	0	0	1	0	1
NH	1	0	0	0	0	1
NJ	5	3	0	1	0	9
NM	0	1	0	0	0	1
NV	0	0	0	0	1	1
NY	19	5	1	1	0	26

LEANINGS BY STATE - DEMOCRATS

STATE	LEANINGS					TOTAL
	1	2	3	4	5	
OH	5	2	0	2	1	10
OK	1	0	2	0	2	5
OR	2	0	0	0	2	4
PA	6	5	1	1	1	14
PR	0	0	0	0	0	0
RI	1	1	0	0	0	2
SC	2	0	0	0	2	4
SD	0	0	0	1	0	1
TN	2	1	0	0	2	5
TX	3	1	5	2	9	20
UT	0	0	1	0	0	1
VA	1	1	0	0	2	4
WA	3	1	1	0	1	6
WI	4	2	0	0	0	6
WV	<u>2</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>4</u>
TOTAL	122	51	27	25	47	271

LEANINGS BY STATE - REPUBLICANS

STATE

LEANINGS

	1	2	3	4	5	TOTAL
AK	0	0	0	0	1	1
AL	0	0	0	2	1	3
AR	0	0	0	0	2	2
AZ	0	0	0	0	2	2
CA	0	0	3	1	14	18
CO	0	0	0	1	1	2
CT	1	0	0	0	0	1
DE	0	0	0	1	0	1
FL	0	0	1	1	1	3
GA	0	0	1	0	0	1
IA	0	0	1	0	2	3
ID	0	0	0	0	2	2
IL	1	0	0	3	9	13
IN	0	0	1	1	2	4
KS	0	0	0	1	3	4
KY	0	0	0	2	1	3
LA	0	0	0	0	3	3
MA	1	1	0	0	0	2
MD	0	0	1	0	1	2
ME	0	0	1	0	1	2
MI	0	0	2	1	3	6
MN	0	0	0	0	4	4
MO	0	0	0	2	0	2
MS	0	0	0	1	1	2
MT	0	0	0	0	1	1
NC	0	0	0	0	2	2
ND	0	0	0	1	0	1
NE	0	0	1	0	1	2
NH	0	0	0	1	0	1
NJ	2	1	0	0	2	5
NM	0	1	0	0	0	1
NY	1	2	4	1	3	13

LEANINGS BY STATE - REPUBLICANS

STATE	LEANINGS					TOTAL
	1	2	3	4	5	
OH	0	0	0	3	10	13
OK	0	0	0	1	0	1
PA	0	0	1	4	5	10
SC	0	0	0	0	2	2
SD	0	0	0	0	1	1
TN	0	0	1	0	2	3
TX	0	0	0	0	4	4
UT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
TOTAL	6	5	20	34	94	159

THE WHITE HOUSE
WASHINGTON

11/9/79

Al McDonald

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	FOR APPROPRIATE HANDLING
	LAST DAY FOR ACTION

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

ACTION
FYI

		VICE PRESIDENT
		JORDAN
		CUTLER
		DONOVAN
		EIZENSTAT
X		MCDONALD
		MOORE
		POWELL
		WATSON
		WEDDINGTON
		WEXLER
		BRZEZINSKI
		MCINTYRE
		SCHULTZE
		ANDRUS
		ASKEW
		BERGLAND
		BROWN
		CIVILETTI
		DUNCAN
		GOLDSCHMIDT
		HARRIS
		KREPS
		LANDRIEU
		MARSHALL

		MILLER
		VANCE
		BUTLER
		CAMPBELL
		H. CARTER
		CLOUGH
		CRUIKSHANK
		FIRST LADY
		FRANCIS
		HARDEN
		HERTZBERG
		HUTCHESON
		KAHN
		LINDER
		MARTIN
		MILLER
		MOE
		PETERSON
		PRESS
		SANDERS
		SPETH
		STRAUSS
		TORRES
		VOORDE
		WISE

THE WHITE HOUSE
WASHINGTON

AP.
Very good
J

November 9, 1979

MEMORANDUM FOR THE PRESIDENT (FYI ONLY)

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for Preservation Purposes

FROM: AL MCDONALD *AM*

SUBJECT: Calendar of Executive Action

Recognizing your interest in our getting a better planning perspective on actions we can control, we are introducing this month our "Calendar of Executive Action." Attached is an initial copy for the month of November that we have been using this past week on an experimental basis to begin to size up the appropriate timing, sequences and handling of key events, including suggestions for your direct involvement.

As you will recall, we requested information to begin this calendar project at the initial Cabinet meeting this fall. From that input we have attempted to screen and translate that information into a simplified, schematic diagram that should help us to move out ahead of the action to a much greater degree.

In addition to our office, major contributors to the project have been Jim McIntyre, Jack Watson and Stu Eizenstat's staff.

Uses of the Calendar

The calendar can be a useful tool for the following:

1. To plan a pattern of your exposures and the likely major news breaks subject to our scheduling decisions (e.g., the timing of announcements, speeches, public meetings and other events).
2. To schedule negative and positive events so that we are not cancelling out our accomplishments on the same day that negative governmental announcements are to be released.
3. To consider the juxtaposition of upcoming actions or decisions and their relationship to public expectations or reactions related to subsequent events (e.g., in our Tuesday morning meeting, Stu and I mentioned three or four items to get your guidance on timing and the position of events following

our discussion that morning of the calendar. To illustrate, we might want to delay your decision on the Northern Tier Pipeline until after your Washington State trip since it is a divisive issue that could detract from the positive effect of your presence there by isolating Senator Magnuson and others).

4. To program certain speeches and announcements by Cabinet members to reinforce your public positions and to reflect publicly a coordinated, single Administration posture.

5. To bracket key events by others (such as announcements of Presidential candidacies as shown on the November calendar) by appropriate actions by you or other members of your Administration that emphasize your accomplishments and leadership.

6. To coordinate arrangements between White House Senior Staffers and Executive Departments for upcoming events three to four weeks ahead of time. This should improve the quality of outside participation and provide for the smoother running of these activities to achieve maximum impact from them.

The System

We will be updating this calendar on a weekly basis, looking ahead four weeks for planning purposes. As soon as events can be confirmed, we will be designating those responsible to propose complete plans, usually written, covering all of the agencies and participants who could and should contribute to the success of the event.

When the system is fully operational by the end of this month, we will also be able to feed back to each Cabinet officer and agency contributing information their events that are being incorporated in the White House Calendar of Executive Action. That means we can work more closely with them on these major events, leaving all others for their handling in a routine fashion.

From a systems viewpoint, we anticipate sorting information on about 300 events for each four week span. From that broad base we will be making about 50 additions and another 50 changes every week to keep the calendar up to date. After the break-in period during computerization only some 3 hours weekly of keypunch operator time will be required to produce and distribute the information on a selected basis.

Naturally, we will be holding very closely the complete calendar for use by Hamilton and myself in discussions with Senior Staff members. To reduce leaks, we will tightly control copies.

As the system becomes fully operational, we will use the calendar frequently in our daily meetings with you in considering scheduling alternatives against a backdrop of Administration-wide activities.

THE WHITE HOUSE

WASHINGTON

11/9/79

Zbig Brzezinski

The attached was returned in the President's outbox today and is forwarded to you for your information and appropriate handling. Please forward a copy of the attached to Secretary Vance for action.

Rick Hutcheson

cc: The Vice President
Frank Moore

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
FOR APPROPRIATE HANDLING
LAST DAY FOR ACTION

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

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<input checked="" type="checkbox"/>	JORDAN
<input type="checkbox"/>	CUTLER
<input type="checkbox"/>	DONOVAN
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United States Senate

WASHINGTON, D.C. 20510

November 6, 1979

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cc
Cy-
Let someone
pursue this
↓

Dear Mr. President:

Encouraged by the recent successful completion of negotiations with Mexico over natural gas, I write to you on a matter which has occupied my attention for several years concerning our neighbor to the North, Canada.

Among the many items which may be placed on your agenda for the November 9 talks with Prime Minister Clark is one which both I and the Senate as a whole are interested: namely, the border broadcast dispute. In the last session of Congress, the Senate unanimously endorsed a resolution (S. Res. 152) I sponsored which called upon the President to raise this issue with the Canadian government. While I am certain that there is no need to recite the details of this dispute, I would like to take this opportunity to reaffirm my desire to see this problem resolved and would greatly appreciate your assistance during the upcoming talks. If little else, it seems important that we communicate our continued interest to the new Clark Administration.

Just this past March while in Canada, I had the opportunity to discuss this subject with then Prime Minister Trudeau and Mr. Clark. It did not then seem to be an insurmountable problem.

We in the Congress stand ready to reciprocate any action taken by the Canadians to help resolve this dispute. In both the House and the Senate legislation has been drafted which would concede certain tax exemptions long sought by Canada.

The President
November 6, 1979
Page 2

Finally, I might emphasize again that this problem extends well beyond the issue of revenues lost or gained by American broadcasters. What is at stake is the continued health and strength of U.S. - Canadian relations; relations, moreover, which are critical to the well-being of the entire North American continent.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. P. Moynihan', written in a cursive style.

Daniel Patrick Moynihan

The President
The White House
Washington, DC 20500

THE WHITE HOUSE
WASHINGTON

11-9-79

To Jim M^c

Check this out.
Be tough. I'll
back you with
all federal agencies

J.C.

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major energy projects that could eventually match, if not exceed, the impact of the oil pipeline. Even given a sudden cancellation of most or all of the major projected energy projects, Alaska would be far from devastated, according to a state economist. (Bob Shallit, Anchorage Daily News, 10/26)

Recessionary trends are beginning to eat into some of the Texas government's major sources of revenue, despite a record \$3 billion cash surplus in the state treasury. The 1979 tax collections of \$5.4 billion showed their smallest increase in five years, primarily as a result of slackened economic conditions. (Dave Montgomery, Dallas Times Herald, 11/6)

PLAN TO NEGOTIATE URBAN WOES CATCHING ON IN TEST CITIES -- The Carter administration is quietly encouraging pursuit of a plan that could revolutionize the way cities deal with the federal government. If experiments in St. Paul, Minn., Gary, Ind., and Columbus, Ohio, are successful, cities may soon be attacking their problems through collective bargaining and negotiation. Under the plan, called "Negotiated Investment Strategy," a city tells the federal government of its desire to negotiate with state and federal officials and the business community. An initial exchange of views is followed by demands and hard bargaining leading to an agreement on a single, comprehensive urban investment strategy supported by all parties. (Douglas Lowenstein, Dayton Daily News, 11/5)

'BERT LANCE MEMORIAL LAW' DISTURBS BANKERS -- Former OMB director Bert Lance has cast a shadow that darkens the doorstep of every small bank in the country. The shadow is the Financial Institutions Regulatory Act, known as the "Bert Lance memorial law," which restricts overdrafts and loans taken by bank "insiders" -- officers, directors and their families -- and requires buyers of banks to be scrutinized by regulators before taking control. The law is so strict that many bankers are now choosing to do business at other banks. The act may also have two long-term consequences on small-bank ownership: a push toward ownership of banks by large holding companies, and a decline in the value of banks. (Richard M. Johnson, Kansas City Star, 11/4)

STATE FIGURES SHOW FEDS ARE GUZZLING GAS -- Federal gasoline purchases in Missouri are on the rise at a time when the U.S. Department of Transportation is threatening to cut off some state highway funds unless the states force motorists to reduce their gasoline consumption. A review of state statistics for the first nine months of this year shows an increase of nearly 8 percent over last year in federal gasoline purchases, compared to a drop of about 4 percent in distributors' sales to gasoline dealers and other private buyers. Where the increased federal purchases went is unclear, but many federal officials are assuming GSA is responsible. GSA officials deny the accusations. They maintain that gasoline purchases were reduced during the 1978 fiscal year. (Thomas G. Watts, Kansas City Star, 11/4)

THE WHITE HOUSE
WASHINGTON

November 9, 1979

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J*

NOTE TO THE PRESIDENT

FROM: JACK WATSON

Jack

R

Because this is so utterly unbelievable, I
thought you should see it.

This woman's capacity for perfidy and vicious
prevarication is boundless. We are going to
beat them both.

**Electrostatic Copy Made
for Preservation Purposes**

Jane hones blade

for the main-bout

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for Preservation Purposes

It was an average, ordinary flight for Jane Byrne Tuesday night. She sat back in the smoking section of the 727 reading her mail, eating her chopped steak and accusing the President of the United States of blackmail, intimidation, collusion and outright bribery.

And even though those things may have made Chicago famous, the mayor made quite clear she did not like them coming from the White House.

"Carter is calling people all over the state, you know," she said. "Oh, yes. He's on the phone making promises saying he's got 55,000 jobs to hand out, saying he has jobs in Washington, going around to committees saying: 'What does your town want?' These are the things that the President of the United States is doing."

BYRNE WAS FLYING to Boston where, on Wednesday, she would sit in the front row of Faneuil Hall as her candidate, Ted Kennedy, announced his presidential intentions. She would then travel with him to New Hampshire and Maine before flying back with him to Chicago. It would be a good chance to see the country and let the country see her.

My only fear is that America may not quite be ready for the mayor.

"Statements have been made and threats have been delivered by Carter and his people," she said. "We make chicken salad out of chickens." That was one of them.

"That is about as high level as Carter saying he would whip somebody's ass. That is just not presidential. We don't need cheap shots and cheap tactics.

"I don't want to brag, but it took courage for me to endorse Kennedy. It was one of my more difficult decisions.

"**I SAID TO MYSELF:** 'Look what Carter can do to me, look what he can shut off. Maybe I should wait a month.'

"But then I thought of what my election had stood for. I thought of how senior citizens were threatened, how workers were told they would lose their jobs if they voted for me. . . . This is what Carter is doing now.

"I did not want to support a candidate because of blackmail and intimidation. That's what it would have been if I had supported Carter."

Byrne had said earlier in the day that Kennedy would be a shoo-in for President, but she was feeling a little less sure now.

"When I said he would be a shoo-in, I meant in the general election," she said.

"**THE NOMINATION** fight will be an ordeal. An ordeal for both Ted Kennedy and me."

Asked if the President might be a wee bit vindictive toward her should he be retained in office, the mayor said with a look of pure innocence: "No, why on Earth should he be vindictive?" But didn't she bring Carter in to raise money for her, lead him to believe she was on his team and

Roger
Simon



then betray him?

"If he feels betrayed, he has no right to," she said. "I got a call from a presidential aide saying the President would come in for my dinner and I said straight out: 'I don't need him for this dinner. I don't mean to be smart-alecky, but I don't need the President. I've seen the polls.'

"And look, I spent a tremendous amount on that dinner, that boat and those Southern belles. He charged me to fly out, that's standard, but not one sentence in his entire text got applause.

"**WHEN I MET WITH** the President, I made clear to him: 'Mr. President, if you think you are helping me, you're not.'"

Of the most troublesome aspect of her candidate's career, Chappaquiddick, the mayor said she had gone through the same thing herself.

"First of all, have you ever tried to drive on Cape Cod after 10 p.m.? You can't. I tried. You can end up anywhere," she said.

"I tried to find a house there once with a police escort, and it took an hour.

"Three years ago, you know, I was in a train crash. I was taking some Democratic women down to Springfield and we crashed. I passed out and I didn't know it.

"There was broken glass all around me and I didn't even notice it. All the women were screaming and I didn't even know I had injured my shoulder. I called Daley and it took me five tries to dial the number.

"**LATER, I HAD NO** recall of my actions. Now look at Kennedy. He fell in the water. On his head. Shock can do horrendous things to you."

Byrne said she was not worried about Kennedy's detractors, that all the Kennedys had been attacked.

"They are used to it," she said. "Ted didn't have to run. He still would have had his millions. But he chose to, chose to run against a powerful incumbent like I chose to run.

"I feel confident. I'm backing a winner."

And, in a few weeks, when Carter comes to Chicago for his own fund-raiser? Will the mayor be out at the airport to welcome him?

"If I'm in town," she said. Then she thought a moment. "My greeting Mayor Daley at the airport would be just like Mayor Daley going out to greet Richard Nixon."

And if you ever wondered what the twist of the knife sounded like, you just heard it.