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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

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October 1, 1982

WHITE HOUSE
SITUATION ROOM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of Defense Activities

Legislative Affairs: Following extensive negotiations by Frank Carlucci with Representative Bill Nichols, agreement was reached on a bill that will authorize a 4 percent military pay increase effective today. The bill, which passed the House by voice vote on Wednesday, also extends authority to pay important reenlistment bonuses to military personnel and contains Congressionally imposed restrictions on contracting-out that we have adamantly opposed.

Senate consideration of the pay bill has been delayed until the post-election session because of the threat of an unwanted amendment by Senator Bill Armstrong that would reauthorize the GI bill. We do not support Armstrong at the present time for fiscal reasons and because of the favorable recruiting results we have already achieved through increased pay and benefits programs we have initiated. We hope that in a post-election session this issue will be less volatile and that our position will prevail. Meanwhile, the Continuing Resolution will permit continuation of important bonus programs that would otherwise expire October 1.

On Monday the Senate passed the FY 1983 Military Construction Appropriations Bill which provides funding for important Defense programs, including such items as the construction at Ras Banas, the much needed headquarters for European command, and chemical warfare programs designed to give us an effective deterrent to counter the Soviets. A House-Senate Conference Committee met yesterday and completed action on the bill, which should be ready for your signature before the Congressional recess.

In coordination with State, we were very active this week in personally contacting House members to oppose strongly the bill to repeal the sanctions against the Soviet pipeline. As you know, the House Foreign Affairs Committee's ranking Republican Congressman, Bill Broomfield, did an outstanding job in presenting the Administration's position. The close 206 to 203 victory for the Broomfield substitute was especially encouraging in view of the intense pre-election pressure which led to the repeal effort.

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Date: JUN 04 2019

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The Continuing Resolution that will enable us to continue operations until the FY 1983 Appropriations Bill is passed came out of Conference Committee last night and will be considered in both the full House and Senate today. The major hurdle was the Conference Committee and we anticipate no problem in today's floor action. The Continuing Resolution will fund essential Defense programs at levels much higher than the FY 1982 budget and near the levels in the FY 1983 Appropriations Bill. We will continue to work very hard to get the FY 1983 Appropriations Bill passed as soon as Congress returns from the upcoming recess. (U)

Visit of Japanese Minister for Defense Ito: Japanese Minister for Defense Soichiro Ito is here for a visit at my invitation. In my discussions with him on Thursday, I stressed that, in view of the seriousness of the threat and the Congressional mood, it is essential that Japan increase its defense spending for FY 1983 by a greater percentage than it did this year. I also stressed the need for real reciprocity in technology transfer between Japan and the United States. On a positive note, Minister Ito informed me that the Government of Japan has agreed in principle to our deployment of two F-16 squadrons to Misawa, on the far northern tip of Honshu, a location that is better for us strategically. Japan will seek to cover associated construction costs through Host Nation Support arrangements. Minister Ito left me with a distinct impression that he is personally supportive, but unable to make any promises on behalf of his Government. Nonetheless, he will once again convey the points we made to Prime Minister Suzuki. (U)

Survey of Lebanese Defense Requirements: Yesterday I sent to Beirut a thirteen-man Defense Survey Team to examine the capabilities, assets and requirements of the Lebanese Armed Forces. The team left on Thursday evening and will arrive in Lebanon on Saturday. Led by Army Brigadier General Gerald T. Bartlett, the team will provide recommendations to me on how we might best assist the Lebanese government to meet its legitimate defense needs.

This was something I promised to Bashir Gemayel when I met with him in Beirut a few days before his assassination. It is a vital first step in the process of dismantling all the private armies and militia and getting them integrated into the Lebanese Armed Forces. (U)

Visit with Panamanian President de la Espriella: I met with President de la Espriella of Panama yesterday, after receiving him with a full honors ceremony. As you know, he is well-disposed toward the United States and has halted the anti-U.S. rhetoric of his predecessor, President Royo. We discussed the on-going implementation of the Canal Treaty, including major improvements to accommodate anticipated traffic increases in

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the mid-1990s. He pointed out that Panama has recently completed a trans-isthmian pipeline which will result in a temporary traffic reduction of tankers going through the canal. We also discussed the security situation in the region, and he informed me that he is providing police training for Costa Rica, which he fears is susceptible to an externally-supported insurgency. He added that he had recently denied landing privileges for Aeroflot. I believe that his visit to the United States will improve our relations with Panama. I have to add that, as a strong opponent of the Panama Canal Treaty, it was with great reluctance that I complied with the Treaty's provisions by delivering to him a deed to some of the real estate the Treaty requires us to turn over. *LET*

Saudi Counterstrike Capability: The Saudis, in an effort to develop a counterstrike capability against Iran, have made a preliminary overture and a follow-on request to us to assist in this effort. We believe the request provides a good opportunity to advance our strategic interests in Saudi Arabia, and have undertaken to comply with their requests to the greatest extent we can.

Because of the wide-ranging implications of this issue we have discussed it with State and will continue to ensure that appropriate liaison is maintained as the matter develops. We plan a two-phased response to the latest request, the first phase of which will be a policy response through State advising the Saudis of our willingness to help and outlining what we believe is necessary. The second phase will consist of providing what we outline in the policy response--specifically, information and materials prepared by JCS and intelligence agencies, data, materials, and guidance. *LET*

Activation of Special Fraud Investigation Unit: In an effort to pursue, to the maximum possible extent, your commitment to eliminating fraud and corruption in government, I recently announced the creation of a new, specialized investigative unit. The unit is staffed by attorneys and investigators from Justice who will work hand-in-hand with their counterparts here in Defense, and I believe this will provide us a more coordinated and aggressive posture toward identifying and punishing white collar crime.

The unit is now operating, and I believe it will help us in expediting criminal indictments and civil complaints in difficult procurement cases that often have not received priority attention in the past. I also believe that the knowledge of this unit, combined with establishment of the Department of Defense Office of Inspector General that you signed into legislation on September 8, will serve as a powerful deterrent to future fraud and corruption. (U)

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Initial TRIDENT I Deterrent Patrol: On Sunday, the USS OHIO will depart Strategic Weapons Facility, Bangor, Washington on her first deterrent patrol.

the OHIO's milestone deployment will mark the introduction of the TRIDENT I Strategic Weapons System into the Navy inventory. It will also mark the initiation of one aspect of our planned enhancement of our nuclear deterrent posture. In follow-on test operations of the missile system, the USS VON STEUBEN will fire a TRIDENT I (C-4) in early November, and the USS MICHIGAN will fire yet another as a part of her predeployment shakedown training later in November.

As you know, the C-4 will be replaced by the D-5 missile in 1989 as the final part of your program to strengthen all our strategic systems. The D-5 will be even more accurate and have a higher yield than the C-4, and hence will be a greater deterrent. (S)

Defense Support of the Federal Aviation Administration (FAA):

As you know, when the air controllers' strike began in 1981, we started supporting the Federal Aviation Administration through the deployment of military air traffic controllers. From August 3 to November 1, 1981, we deployed over 1000 military controllers from all Services to 128 FAA air traffic control facilities. At that time, we planned on an incremental withdrawal of these personnel beginning January 1, 1982, with the last of them to be removed by September 1. However, at FAA's request we extended a number of these personnel and now plan on a new June 30, 1983 program termination date.

Since the beginning of the program in August 1981, 1024 military controllers have been involved (612 Air Force, 248 Army, and 164 Navy). Currently, we have 195 military controllers in place at FAA facilities. We originally anticipated that we would lose many of these controllers because of the lucrative and available FAA jobs. I am very pleased indeed, however, to report that we retained nearly all these valuable people, partially as a result of timely application of increased reenlistment incentives and the substantial military pay raise. Even so, they are making less than they could as civilian controllers and we are glad to have them back. (U)

Defense Physical Fitness Program: Tuesday I met with George Allen to discuss the Department's Physical Fitness Program. I was pleased to brief him on the program and I believe you may be interested in some of its key points.

We have developed a new program directive that includes both physical fitness and weight control and have established an office to be responsible for oversight and guidance. We also established a Department Committee for Physical Fitness with Service representation which meets on a periodic basis. During the past year we have worked closely with your Council on

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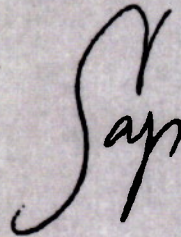
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Physical Fitness and Sports and have also been in regular contact with non-government physical fitness organizations.

The Department Program Directive places primary emphasis on fielding quality programs and secondary emphasis on evaluation and training. It requires each Service to determine and conduct physical training to suit particular Service needs and to enhance general health and lifestyle. It also establishes a uniform standard weight based on percent body fat, requires a medical screen for high risk of heart disease prior to participation, and requires all ages to be tested. I believe we have an excellent program and will continue to press for full participation. (U)

Combined Federal Campaign: Sharing your own personal interest in the Combined Federal Campaign and the benefits that it imparts to the 290 charity organizations it supports, I have taken a personal part in the initiation of the Department's participation in this year's drive. You may recall that last year, with 72% of the National Capital Area Department of Defense personnel contributing, we raised \$4,018,872, 112% of our goal. This year I have accepted a 15% increase for the Department, including my own staff here in the Pentagon. We will be working with all of our Components and other Federal Agencies to make this year's drive even better than the last. (U)



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 Chief, RDD, ESD, WHS
 Date: 04 Jun 2019 Authority: EO 13526 + 5 U.S.C. § 552
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 Declassify in Part: X
 Reason: 3.3(b)(2)
 MDR: 18 -M- 1309

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