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[Prohibiting the Proposed Sale of Certain Missiles to
Saudi Arabia] – Veto (2 of 3)

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DRAFT VETO MESSAGE

I am returning today to the Senate S.J. 316 without my approval. I am vetoing this legislation because I firmly believe that failure to complete the proposed sale of air defense and anti-ship missiles to Saudi Arabia would damage important U.S. strategic, political and economic interests in the Middle East. It would undermine the balanced policy the United States has followed in the area for over thirty years.

Recent Libyan efforts to radicalize the Arab world combined with Iranian gains in the Iran-Iraq war require a meaningful U.S. response at this time. We can make such a response by meeting the legitimate defense needs of Saudi Arabia, a country with which the U.S. has enjoyed friendly and mutually beneficial relations for over forty years. Providing Saudi Arabia the means to defend itself, its Arab Gulf neighbors and the vital Persian Gulf sea lanes is important to vital U.S. economic and strategic interests. We have evaluated the impact of this sale and I can assure you that it in no way jeopardizes the security of Israel.

The U.S. defense relationship with Saudi Arabia was started by President Roosevelt in 1943 and endorsed by every President since. I will not allow congressional action to begin the dismantlement of this policy. Saudi Arabia has worked closely with the United States to ensure the free flow of oil so critical to our interests and those of our European allies and Japan. Saudi Arabia has promoted the security and stability of the Gulf region in the face of Iranian radicalism and Soviet expansionism. Within the context of intra-Arab politics, the Saudis have sought to move the Arab world away

from confrontation and toward conciliation with Israel. Saudi Arabia in particular has made significant contributions toward the search for peace and regional stability. If this legislation were to be enacted, it would not advance U.S. objectives in the area, would not strengthen Israel's security and would not reduce the level of arms in the region. It would mean lost U.S. jobs and export earnings, would diminish U.S. influence among moderate Arab states who are key to a lasting Israeli-Arab peace, and would encourage radical state-sponsored terrorism and further Iranian advances. I am determined to avoid this result.

Finally, I would note that this is the first resolution of disapproval pursuant to section 36 (b) of the Arms Export and Control Act to be enacted by the Congress. I regret that Congress, by enacting SJ Resolution 316, has forced a showdown that successive Administrations and Congresses have heretofore avoided. I veto this legislation, confident that its enactment would gravely harm vital U.S. national security interests.

PROHIBITING THE SALE TO SAUDI ARABIA OF CERTAIN
DEFENSE ARTICLES AND RELATED DEFENSE SERVICES

APRIL 25, 1986.—Ordered to be printed

Filed under the authority of the order of the Senate of APRIL 24 (legislative day
APRIL 21), 1986

Mr. LUGAR, from the Committee on Foreign Relations,
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S.J. Res. 316]

The Committee on Foreign Relations, to which was referred the joint resolution (S.J. Res. 316) prohibiting the sale to Saudi Arabia of certain defense articles and related defense services, having considered the same, reports favorably thereon without amendment and recommends that the joint resolution do pass.

PURPOSE OF THE RESOLUTION

The purpose of the resolution is to disapprove each of the proposed sales to Saudi Arabia about which Congress was formally notified on April 8 pursuant to section 36(b) of the Arms Export Control Act.

The sales to be disapproved by Senate Joint Resolution 316 total \$354 million and include the following defense articles and services:

Nine hundred ninety-five AIM-9L Sidewinder missiles and associated spare parts, 30 Sidewinder training missiles, training, technical assistance and support equipment; total estimated value: \$98 million;

Six hundred seventy-one AIM-9P4 Sidewinder air-to-air missiles, spares, and support equipment; total estimated value: \$60 million;

Two hundred basic Stinger air defense guided missile systems including 200 missiles, an additional 600 missiles, support and training equipment, spare parts, technical support and training; total estimated value: \$89 million;

One hundred air launched Harpoon missiles with containers, spare parts, technical assistance and support equipment; total estimated value: \$107 million.

BACKGROUND

The proposed sale of the Sidewinder, Harpoon and Stinger missiles is the latest step in a massive multi-year military supply relationship unprecedented in our history. Since 1950, sales of defense equipment, supplies, service and construction to Saudi Arabia have reached a total of \$50 billion. By comparison, the Iranian arms sale program totalled \$11.4 billion between 1950 and 1979, when it was terminated after the Shah's departure.

According to the U.S. Department of Defense, the United States has provided about \$50 billion in defense articles and services to Saudi Arabia between 1950 and September 30, 1985.

U.S. MILITARY SALES AND DELIVERIES TO SAUDI ARABIA, 1950 TO SEPT. 30, 1985

[In billions of dollars]

	Delivered through Sept. 30, 1985	To be delivered ("pipeline")	Total
Weapons/ammunition.....	4.2	0.6	4.8
Support equipment includes noncombat ships and aircraft, such as AWACS.....	2.2	5.7	7.9
Spare parts/modifications.....	2.0	1.6	3.6
Support services.....	8.2	4.8	13.0
Construction.....	13.6	7.1	20.7
Total.....	30.2	19.8	50.0

The Saudi program has involved the construction of headquarters and training installations; air, ground and naval bases; and the ships, boats, airplanes, helicopters, armored vehicles, guns and bullets to outfit both restructured and newly created military forces. In the years between 1950 and 1973 only \$2.3 billion was sold to Saudi Arabia: about \$213 million worth of weapons and ammunition, \$65 million in support equipment, \$59 million in spares and modifications, and \$2 billion in support services. In the 13 years since, \$48 billion has been sold.

In December 1973, Saudi Arabia officially asked the executive branch to undertake a comprehensive survey of Saudi air capabilities and develop a 5-to-10 year plan to upgrade and modernize the Saudi Air Force. The executive branch responded that such a survey should encompass not just the air force, but the entire Saudi armed forces. The Saudi Government agreed and, in 1974, a 45-man DOD survey team reviewed the needs of the Saudi army, navy and air force. That study, and subsequent American efforts, have been the basis for the substantial buildup of Saudi forces and infrastructure which has been undertaken in recent years.

After extensive discussions and negotiations, which eventually involved President Carter, the executive branch proposed in 1978 the sale of 65 F-15s. The sale occasioned extensive hearings and debate. On the basis of certain assurances provided to the Congress and executive branch testimony as to intentions, Congress voted not to disapprove the sale, the Senate turning down a resolution of disapproval by a vote of 52-44.

In order to reassure some Members of Congress concerned both by the threat sales of the most sophisticated equipment to Saudi Arabia might pose to Israel and by the burgeoning nature of the Saudi program, the State Department promised Congress that the proposed F-15 sale would not lead to the sale of AWACS airborne radar system or of equipment to increase the range of ground attack capabilities of the F-15 and that the Saudi Air Force was not scheduled to get the advanced AIM-9L all-aspect Sidewinder missile. Nonetheless, by early 1980, the Saudis were requesting major new equipment, including AWACS aircraft and AIM-9L Sidewinder missiles. In 1981, the Reagan administration requested a package which included five AWACS aircraft and an F-15 enhancement package comprised of conformal fuel tanks to extend the range of the F-15s and AIM-9L missiles. The Administration justified the sale and the reversal of the 1978 promises by the Carter administration on the grounds of changed circumstances in the region, including the 1979 Soviet invasion and occupation of Afghanistan, the increased Soviet presence in South Yemen and Ethiopia, the 1979 Iranian revolution and its inherent threat to the Gulf states, and the Iran-Iraq war.

According to the Congressional Research Service, "Congressional opposition to arms for Saudi Arabia stiffened because Saudi Arabia did not support the 1978 Camp David peace agreements and joined other Arab states in ostracizing Egypt after the 1979 Israeli-Egyptian peace treaty. Also, there was a perception that the Saudis instigated the oil shortages and high prices of 1973-74 and the increased oil prices of 1979."

The considerable opposition to the 1981 AWACS sale led President Reagan to provide specific assurances to the Congress, in the course of the Senate debate on a resolution of disapproval. The President pledged, in an October 28, 1981 letter to the Majority Leader, Senator Howard Baker, that transfer of the AWACS "will take place only on terms and conditions consistent with the (Arms Export Control) Act and only after the Congress has received in writing a Presidential certification, containing agreements with Saudi Arabia," that specific conditions had been met in the areas of security of technology, access to information, control over third-country participation, AWACS flight operations, command structure and regional peace and security. Subsequently, this certification was codified into law (P.L. 99-83, August 1985).

For Senators concerned that the provision of sophisticated arms to Saudi Arabia might increase the threat of conflict and undermine progress toward a comprehensive settlement, the following condition cited by the President was of particular significance:

That the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects

for progress toward peace, and that initiatives toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia.

At the time of committee consideration of the proposed missile sale, the first AWACS deliveries were scheduled within a matter of months. There was considerable interest in the committee as to the extent to which the conditions cited by the President had been met, particularly with regard to progress toward a comprehensive settlement.

COMMITTEE ACTION

On March 11, the Committee on Foreign Relations was advised informally by the Director of the Defense Security Assistance Agency of the Reagan administration's intention to sell additional air-to-air Sidewinder missiles and anti-aircraft Stinger missiles, as well as air-launched anti-ship Harpoon missiles as an addition to the force of ship-based Harpoon missiles already in the Saudi inventory.

On April 8, the State Department provided formal notification of the proposed sale. On April 9, Senator Cranston introduced for himself and 60 cosponsors a resolution prohibiting the sale.

On April 17, the committee held a hearing on the Arms Relationship with Saudi Arabia and explored at length questions related to the proposed sale with Administration witnesses, the Honorable Richard W. Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs; and the Honorable Richard L. Armitage, Assistant Secretary of Defense for International Security Affairs. At that hearing, Senators Alfonse D'Amato and Frank R. Lautenberg testified in opposition to the sale.

The committee met in open session on April 23 to further discuss the sale. Following that assessment, the resolution of disapproval was approved by the committee by a vote 11-6. Voting for the resolution were Senators Boschwitz, Pressler, Murkowski, Tribble, Pell, Biden, Sarbanes, Cranston, Dodd, Eagleton and Kerry. Voting against the resolution of disapproval were Senators Lugar, Helms, Mathias, Kassebaum, Evans and Zorinsky.

COMMITTEE COMMENTS

In reaching its decision that the proposed missile sale should be rejected, the committee was most mindful of the history of the military supply relationship with Saudi Arabia, the value of productive and mutually beneficial ties with that nation, and the present highly volatile situation in the Middle East.

The burgeoning threat of terrorism has led to the recent actions against Libya, which has become a fountainhead of state-supported terrorism, the Iran-Iraq war, and the stalemate in the quest for a comprehensive peace were all aspects of the situation which Members believed were essential to take into account.

If the Middle East situation were less volatile and if there was consistent evidence that Saudi Arabia was playing a constructive

role in advancing the peace process, undoubtedly this proposed sale, characterized by Administration witnesses as "routine", would have been far less troubling to some Members. Unfortunately, violence and turmoil are the continuing reality of the Middle East. Accordingly, many members concluded the time is long since past when a business-as-usual approach to our dealings with Middle East nations is tolerable.

It is imperative that we as a nation pursue peace in the Middle East with renewed energy and that we insist that others in the Middle East who profess a commitment to bringing an end to conflict in that region do so with deeds, as well as private assurances. It is crucial that those who will take brave steps for peace not be left to stand alone.

In this context, the proper question is not whether an Arab state is radical or "moderate", but whether it is a nation which foments or supports conflict and terrorism, or whether it is a nation which actively presses for an end to conflict and a just and lasting peace.

When measured by reasonable standards with regard to the peace efforts, most Members concluded that the Saudis have fallen short of the mark. Since more than 4 years have elapsed since the President established criteria to be met by the Saudis prior to delivery of the first AWACS and since the Administration hopes that deliveries will begin this summer, it is appropriate to measure Saudi performance by the President's standard.

In the view of most Members, the case for "substantial assistance" by Saudi Arabia, referred to in the 1981 letter, cannot be substantiated. Although the Administration could point to Saudi involvement in various group efforts, the caveat was applied, as in an April 1986, Administration white paper on the sale, that these efforts have been made "within the context of the Arab consensus." In effect, this represents an acknowledgment of extremely limited contribution to peace over the course of many difficult years in which decisive, vigorous leadership by the Saudis could have made a definite difference.

Moreover, limited Saudi efforts to help in peace efforts must be viewed together with numerous Saudi positions and undertakings which do not contribute to the cause of peace in the Middle East.

Examples include:

- The decision to terminate economic assistance and to break diplomatic relations with Egypt after President Sadat made peace with Israel in 1979. That shabby treatment of Egypt continues.
- The failure of the Saudi Government to support the President's own peace proposal in 1982. The continued lack of active Saudi backing for that and subsequent efforts is a key factor in the present stalemate.
- Failure to stand more visibly in support of King Hussein in his own peace initiatives in recent years.
- Continued funding of Syria, which continues to support terrorism and worked actively to oppose American efforts in Lebanon.
- Continued financial support for the Palestine Liberation Organization, which unrelentingly foments terrorism. Defenders would argue that the funds do not go to the military activities

of the PLO. But no credible mechanism is available to ensure this. Moreover, since money is fundable, the key issue is not the PLO activities to which assistance is ostensibly provided, but the level of support itself.

—Most recently, following the U.S. raid on Libya in response to terrorist activities, the Saudi Government declared “its great regret and condemnation of the attack” and stated that it “denounces such a method” of dealing with the problem. One Member noted the curious inconsistency in the Administration’s strike against a nation committed to terrorist activities while arguing for more arms to a nation which underwrites terrorism.

The Saudis have attempted to maintain political ties across a broad spectrum, from the United States on the one hand to those who direct terrorism on the other. While supporting the goal of pressing the Saudis toward policies more consistent with those of the United States, some Members noted that to ask substantially more from the Saudis might be to ask more than they can be reasonably expected to give. If so, it was noted, then a wiser course for the United States would be a restrained military supply relationship with the Saudis.

Most Members do not view the composition of the package as being a decisive factor in the committee’s decision to recommend that the sale be prohibited. Among the weapons already delivered to Saudi Arabia, according to published sources, are: about 1100 AIM-9L and 660 AIM-9P missiles; 400 Stingers and 200 launchers; and about 100 Harpoon ship-to-ship missiles. Although the numbers of such missiles, if this sale is approved, will be substantially in excess of Saudi defense needs, the committee did not vote to disapprove the sale on this basis. Rather, the committee finds that, absent any evidence of Saudi cooperation in the peace process, further sales of weapons and military services are unjustified.

In this connection, the Administration’s argument that this sale is predicated on a need to respond to any emergency or threat arising from the long-simmering Iran-Iraq conflict is flawed. The President already possesses sufficient authority to provide equipment such as that which is proposed in this sale, pursuant to Section 36(b)(1) of the Arms Export Control Act. Such authority was invoked in 1984 to provide Stinger missiles for Saudi air defense. The committee fails to see the urgency of this sale given the simple fact that delivery of the missiles to be sold will not begin until 1989 and will not be completed until 1991.

The proposed sale has once again been characterized as a test of American “reliability and our credibility.” The committee rejects the imposition of this as a criterion. Moreover, the committee believes that now is the time for Saudi Arabia to demonstrate its commitment to peace in the region.

It has become standard executive branch practice over several administrations, under strong Pentagon prodding, to whet the Saudis’ appetite for advanced arms and then to inform Congress that those arms the Saudis have been convinced to seek must be provided lest a relationship be jeopardized. Last year, when Congress became concerned, the Administration retreated and the Saudis turned to the British for aircraft. Unfortunately, too many

will draw the conclusion that this episode demonstrates that either we sell or others will. Instead, the episode demonstrates both that the executive branch sorely needs to repair its consultative relationship with Congress and that the United States needs to consult and work with other arms suppliers lest all meaningful constraints on sales disappear.

COST ESTIMATE

Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate requires that committee reports on bills or joint resolutions contain a cost estimate for such legislation in the fiscal year it is reported and in each of the following 5 years. The resolution of disapproval, if approved by both Houses of Congress, would not involve any additional direct cost to the U.S. Government.

EVALUATION OF REGULATORY IMPACT

In accordance with Rule XXVI paragraph 11(b) of the Standing Rules of the Senate, the committee has concluded that there is no regulatory impact from Senate Joint Resolution 316.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes are made by this joint resolution.

ADDITIONAL VIEWS OF SENATORS LUGAR, MATHIAS,
KASSEBAUM, EVANS, AND ZORINSKY

We oppose Senate Joint Resolution 316, the resolution of disapproval that would prohibit the sale of three types of missiles to the Kingdom of Saudi Arabia. In our judgment, the sale should be approved because it will help the United States retain viable relationships with friendly, pro-western states in the region without adversely affecting the military balance in the Arab-Israeli conflict. Our refusal to approve this sale would distance us from those regimes whose support we need to help resolve problems of mutual concern.

In the many years that we have had the privilege of serving in the U.S. Senate, there have been many controversial military sales, almost all of which have been to countries in the Middle East. The proposed sale before us today is, in our view, one which should not be as controversial as it has become. It is a modest sale which adds no new capabilities to the Saudi armed forces. We don't want to minimize the importance of the sale but rather to point out that we risk serious and possibly long-lasting injury to our foreign policy interests in the Middle East if we deny a friendly pro-western regime the basic tools it needs to defend itself. Ultimately, the damage will be more political than military, as friendly states question our reliability in addressing the multiple security problems in the area. It will also encourage our adversaries to take advantage of fractures in traditional U.S. relationships in the region.

If the overriding basis for judging whether to go forward with this sale is the extent to which it will advance our foreign policy interests, the following arguments offer some of the more important reasons for doing so.

It is absolutely essential to our regional policy that we maintain viable relationships with friendly and moderate states in the Middle East. If we fail to do so, we risk not only losing whatever leverage we now have, but we also run the risk of weakening Israel's security as well. There is no country more concerned with Israel's security than the United States. Other countries which could easily provide the same types of missiles will not protect Israel's interests to the extent we can and will. Israel's interests are a lower priority for them. If the Saudis are turned down on this request, they will go elsewhere as they did when they purchased the Tornado. The results of that sale are already a net reduction in Israel's security and denial of this sale would add a further loss. We need to think very hard about this.

We must think about a second reality in the region. Despite the frustrations we all feel about the slow progress toward Middle East peace, there have been positive changes in recent years in the relations between Israelis and Arabs. When compared to previous decades, these changes have been major ones. Instead of turning our

back, we should nurture, encourage and facilitate these changes. We cannot do this by disengaging from the region or blocking a military sale which breaks no new ground.

Over the past several years, we have seen the Israeli-Egyptian peace treaty, the Sinai accord, and several conflict settlements in Lebanon involving Israel and Arab states. We have also seen sincere attempts by King Hussein to initiate peace negotiations with Israel. The King was able to do this in part because of Saudi assistance payments to Jordan. Earlier, King Fahd authored a peace plan for the region. The Saudis have been helpful in Lebanon. They have pushed for a settlement in the Iran-Iraq war. They have provided assistance to the Afghan freedom fighters and to Morocco whom we also assist. We believe it is in our interests to prod the Saudis at every opportunity to play an even more active and positive role. We cannot expect them to respond to our requests, however, if they believe we have disengaged from their security concerns. We must also remember that even our close allies do not always agree with us on all issues.

Our paramount goals in the Middle East are to further our national security interests. Advancing the peace process, containing the Iraq-Iran war, limiting Soviet influence in the area and maintaining access to energy supplies are all ways of advancing our interests. Our military assistance can further these interests by helping friendly states protect themselves against external aggression. For 30 years, our security assistance and arms sales programs have been a primary instrument for achieving these objectives. They have helped to develop the trust and confidence among regional states in our actions and intentions. Because of our success, the Soviets have played only a peripheral role in the region. We should not unilaterally forsake what has been a successful foreign policy vehicle. We are not sure how we would accomplish the same security and foreign policy goals absent credible military relationships in the area.

Although this sale is primarily proposed for security and political purposes, we cannot ignore the economic benefits. The proposed missile sale is a direct cash sale, involving no U.S. financing, credits, or subsidies. It would bring capital directly into the U.S. economy. We stand to lose up to \$20 billion in U.S. revenues over the life of the Saudi Tornado purchase because we opted out of that process. Disapproval of this missile sale will result in the loss of more than \$354 million in revenues. Together, these two cases would cost the United States hundreds of thousands of man-year jobs throughout our economy. The economic loss could be even greater as there could be spill-over into civilian purchases from the region as well.

This sale, coming 5 years after the last major arms agreement to Saudi Arabia, is a concrete demonstration to moderate and radical states that the U.S. connection can make a difference. It will send a signal to Tehran that we are serious about assisting the Saudis and other pro-western Arab states and that we are ready to honor our commitments to their security. This is particularly important as the Iran-Iraq war now appears to have shifted in favor of Iran—at least for the moment—and poses a more serious threat to Saudi Arabia and other regional states. Finally, it will signal that in the aftermath of the Libyan strike, we will make the distinction be-

tween radical and moderate Arab states. This distinction will appear to be blurred if we fail to respond favorably to this and other legitimate requests.

Some argue that we would be doing the Saudis a favor by selling them these missiles and that this would be interpreted as a reward for their current attitude toward terrorism or Middle East peace. This sale is not a favor or a reward to the Saudis. Rather, it is a sale based on the calculation of our interests in the area. Providing these missiles is not a signal of approval to the Saudis, it is a way of maintaining our intermediary role in Middle East politics.

Our refusal to sell these weapons would be a diplomatic blow which would isolate us from those states in the area who play a role in resolving regional problems. We would be driving the Saudis, and probably other friendly Arab states, to purchase more military equipment from the Europeans, or even the Soviets, a decision they clearly do not want to make but may feel compelled to make as we isolate ourselves from the problem of the region. It would be an invitation to the Soviet Union to play a more active role in the area. This would not be in anyone's interests—ours, the Saudis or the Israelis. We're convinced that our refusal to provide these missiles would exacerbate the problems of the region by playing into the hands of terrorists and by driving a wedge between us and Arab states.

In sum, this sale may not provide all the security the Saudis need to deter Iran in the Persian Gulf, but refusal on our part to approve the sale will have enormous symbolic significance and lasting adverse effects on our interests—as well as those of the Saudis and the Israelis.

ADDITIONAL VIEWS OF SENATOR JESSE HELMS

At the present time, I do not favor the sales to Saudi Arabia. During the hearing on April 23, I asked numerous questions of the representatives both of the State Department and the Defense Department about frequent reports of the continued support by Saudi Arabia for terrorist operations of the PLO. These reports are persistent and persuasive.

I voted against reporting the resolution to disallow sales because I was dissatisfied with having to deal with this complex issue on an expedited schedule. I was even more dissatisfied that the Administration failed to deal with the issues I raised during the hearing on a forthright basis. The examples I was able to present with the limited resources available to an individual Senator were necessarily fragmentary. I asked for a report, in writing, which would confirm or deny the total amounts of assistance provided by Saudi Arabia to the terrorist groups, so that Senators could exercise informed judgment.

The Administration did not provide these facts. I was convinced that the committee should not act without complete information, and I was not yet ready to vote to disallow the sale. Issues should be decided on principle, and not on the basis of pique against bureaucrats.

Nevertheless, the timetable will require us to act on this issue very shortly on the Senate floor. I leave open the possibility that the Administration may provide information that is persuasive for rejecting the resolution, but nothing I now know would suggest that it should be rejected. My present disposition is to vote in favor of disallowing the arms sale when the issue comes to the Senate floor.

I asked a number of questions relative to reports in the press of continued Saudi financial support to the PLO and the Palestine National Fund, even though the Palestine National Fund's own reports complained that Yassir Arafat had diverted the Saudi payments to the PLO military account. Yet even though Saudi Arabia knew the funds were being diverted to military purposes, the Saudis continued to send more money.

I asked about alleged diversion of U.S. weaponry to the PLO, particularly the issue of 75 mm shells found in the hands of the PLO in Lebanon, shells which had been manufactured in the U.S. Army Ordnance Plant and delivered to Saudi Arabia. I supplied the committee with photographs of crated 75 mm ammunition, as well as a shipping tag showing the shipment numbers. The State Department apparently did not feel that it was necessary to check out these numbers.

I am still waiting for detailed confirmation or denial of both categories of information. The reports I cited were from the press and from monitoring of foreign broadcasts, as well as some published

documents of the PLO. But I want an official confirmation, in writing, from the U.S. Government. I want to know the total of actual Saudi support for the Palestine National Fund and the PLO, not just generalizations based on pledges of support. I want to know about the diversion of the 75 mm shells. I want to know of any other examples of diversion.

I also asked for information about Saudi arms purchases from other countries for delivery to the PLO.

We heard a lot of talk from the Administration about how the Saudis are proponents of peace in the Middle East. Well, perhaps they are, but the record apparently shows that they are also supporting terrorist activities.

On the other hand, I am also disturbed by reports in the news a few days ago of an attempted \$2 billion diversion of U.S. arms to Iran, including allegations from unnamed Administration officials that the Israeli Government had some knowledge of the plot. Does the Administration really believe that the Israel Government has some complicity in shipping arms to Iran at the same time we are being asked to sell arms to the Saudis to counteract Iranian threats of aggression?

I think that U.S. policy still needs a lot of explanation, and it appears that the only way we will get it is to debate these issues on the Senate floor.

I asked a number of questions relative to reports in the press of continued Saudi financial support to the PLO and the Palestine National Fund, even though the Palestine National Fund's own reports complained that Yasser Arafat had diverted the Saudi payments to the PLO military account. Yet even though Saudi Arabia knew the funds were being diverted to military purposes, the Saudis continued to send more money.

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United States Department of State

Washington, D.C. 20520

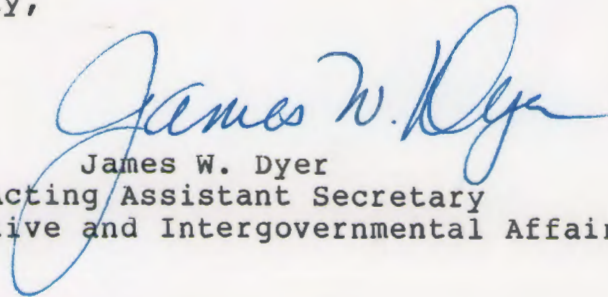
MAY 8 1986

Dear Mr. Miller:

I am responding to an oral request from OMB Legislative Affairs for our comments on S.J. 316. Senate Joint Resolution 316 would prohibit the sale of air defense and anti-ship missiles to Saudi Arabia which the President proposed in an April 8 notification to Congress pursuant to section 36(b) of the Arms Export Control Act. Failure to veto the resolutions would undermine important U.S. strategic, political and economic interests and undermine a balanced U.S. policy in the region. In a earlier letter to Senator Dole, the President advised that he would veto any resolution of disapproval.

I recommend that the President veto Senate Joint Resolution 316 as soon as possible. I have enclosed a proposed veto message.

Sincerely,



James W. Dyer
Acting Assistant Secretary
Legislative and Intergovernmental Affairs

Enclosure:

Draft Veto Message.

The Honorable
James C. Miller, III,
Director, Office of Management and Budget.

98 MAY 15 4:3:00
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MAY 8 1988

Dear Mr. Miller:

I am responding to an oral request from OMB Legislative Affairs for our comments on S.J. Res. 316, Senate Joint Resolution 316 would prohibit the sale of air defense and anti-air missiles to Saudi Arabia which the President proposed in an April 8 notification to Congress pursuant to section 3(d) of the Arms Export Control Act. Failure to veto the resolution would undermine important U.S. strategic, political and economic interests and undermine a balanced U.S. policy in the region. In a letter to Senator Dole, the President advised that he would veto any resolution of disapproval.

I recommend that the President veto Senate Joint Resolution 316 as soon as possible. I have enclosed a proposed veto message.

Sincerely,

James W. Dyer
James W. Dyer
Acting Assistant Secretary
Legislative and Intergovernmental Affairs

Enclosure:

Draft Veto Message.

The Honorable
James C. Miller, III,
Director, Office of Management and Budget.

RECEIVED
86 MAY 12 3:00

**PROHIBITING THE PROPOSED SALES OF CERTAIN MISSILES
TO SAUDI ARABIA**

APRIL 29, 1986.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FASCELL, from the Committee on Foreign Affairs,
submitted the following

REPORT

together with

DISSENTING VIEWS

[To accompany H.J. Res. 589]

The Committee on Foreign Affairs, to whom was referred the joint resolution (H.J. Res. 589) prohibiting the proposed sales of certain missiles to Saudi Arabia, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

COMMITTEE COMMENT

On April 8, 1986, the executive branch formally notified the Congress under the requirements of section 36(b) of the Arms Export Control Act that it intends to sell to Saudi Arabia:

995 AIM-9L Sidewinder missiles, and related defense articles and defense services (Transmittal No. 86-29A);

671 AIM-9P4 Sidewinder air-to-air missiles, and related defense articles and defense services (Transmittal No. 86-29B);

200 Stinger air defense guided missile systems, and related defense articles and defense services (Transmittal No. 86-29C);

100 air-launched Harpoon missiles, and related defense articles and defense services (Transmittal No. 86-29D);

Under the requirements of the Arms Export Control Act, the executive branch must notify Congress 30 calendar days before issuing a letter of offer to sell to a foreign country defense articles and services for \$50 million or more, design and construction services

for \$200 million or more, or major defense equipment for \$14 million or more. Pursuant to section 36(b) of the act, as amended by Public Law 99-247, letters of offer for such major sales shall not be issued if Congress enacts a joint resolution prohibiting the sale during its 30-day review period.

Over the last several months, the committee has also been following carefully U.S. policy on possible arms transfers to states in the Middle East. In July 1985 the executive branch completed a 6-month long Middle East arms transfer study and since then the committee has reviewed in detail the conclusions of that study, the assumptions behind its conclusions and its implications. Several hearings and briefings have been held since last July on several arms sales issues in the Middle East. Hearings were also held after April 8, 1986, when these proposed arms sales to Saudi Arabia were formally presented to the Congress. The Subcommittee on Europe and the Middle East heard testimony from the Department of State and the Department of Defense April 22, 1986 on these proposed sales.

House Joint Resolution 589 disapproving the sale of missiles to Saudi Arabia was introduced by Hon. Mel Levine, of California, on April 9, 1986, and had 22 cosponsors as of April 22. Following its hearing April 22, the Subcommittee on Europe and the Middle East, by voice vote, voted to report the resolution to the full committee favorably.

In considering House Joint Resolution 589, the committee was guided by several considerations. The committee does not believe this sale would further U.S. interests because of Saudi Arabia's lack of support for fundamental U.S. national security interests in the Middle East. The United States has several vital interests in the Middle East in addition to ensuring access to oil and preventing Iranian attempts to export revolution. These interests include broadening the peace process, combatting international terrorism while denying terrorists any base of support, and helping Egypt and Israel to maintain their military and economic security.

In the view of the committee, Saudi Arabia has failed to support the United States in each of these three critical areas. Saudi Arabia will not actively support Egypt because of Egypt's pursuit of peace with Israel. The Saudis have provided financial support to the Palestine Liberation Organization and Syria, which have been involved in international terrorism. According to the State Department, Saudi Arabia provides \$85 million annually to the PLO. In addition, Saudi Arabia criticized recent U.S. military actions against Libya, a state which has engaged in a consistent pattern of direct and indirect support for international terrorism.

The committee also questions whether the proposed missile sale will help Saudi Arabia counter the Iranian threat. The war between Iran and Iraq is being waged on the ground between ground troops, and anti-aircraft or antiship missiles will not counter that particular threat. Moreover, the committee questions whether the Saudis need more missiles, in addition to those already in their possession, to maintain their defense capabilities. Finally, the committee questions the inclusion of Stinger missiles in this proposed package because of their possible diversion to unfriendly groups.

Given these factors, the committee, on April 23 approved House Joint Resolution 589 by voice vote, a quorum being present.

REQUIRED REPORTS SECTION

COST ESTIMATE

The resolution would not involve any additional direct cost to the U.S. Government.

INFLATIONARY IMPACT STATEMENT

Enactment of this resolution will have no impact on inflationary forces.

STATEMENTS REQUIRED BY CLAUSE 2 (1) (3) OF HOUSE RULE XI

(a) Oversight findings and recommendations

In addition to the hearings cited above, Members of the Congress and congressional staff have participated in numerous briefings and other discussions dealing with this sale and other issues relating to the Middle East. As a result of these oversight activities, the committee recommends that House Joint Resolution 589 be approved.

(b) Budget Act

The enactment of House Joint Resolution 589 will create no new budget credit or spending authority.

(c) Committee on Government Operations/Summary

No oversight findings and recommendations which relate to this measure have been received by the Committee on Government Operations under clause 4(c)(2) of rule X of the Rules of the House.

(d) Congressional Budget Office cost estimate

No cost estimate concerning this measure has been received from the Congressional Budget Office.

DISSENTING VIEWS OF HON. LEE H. HAMILTON, HON. GERRY E. STUDDS, HON. BUDDY MacKAY, HON. HENRY J. HYDE, AND HON. GERALD B.H. SOLOMON

We support the sale of these missiles to Saudi Arabia because this sale serves United States national interests, will not adversely impact on the arms balance in the Middle East and sends an important signal of reassurance to friends throughout the strategically important Persian Gulf during a tense period of time when conflicts in the region abound and extremism and terrorism threaten voices of moderation and Western interests.

This sale must be seen in the context of a recent series of events taking place in the Middle East which have eroded the U.S. position in the Arab world, and made some Arab friends have real doubts about U.S. reliability. The stalemate in peace efforts, the series of terrorist actions and the subsequent reprisals, many of which we can justify, have had a cumulative negative impact on U.S. interests with many important Arab countries. Denial of these sales will lead to further erosion of U.S. influence in the area, and unfortunately further call into question the United States' reliability and credibility.

The United States has had an important 30-year special relationship with Saudi Arabia. This security tie is based on the importance and the vulnerability of Saudi Arabia, the Gulf and their oil assets to external threats. These assets have been available to the West and it is important that they remain available and not become subject to Iranian or Soviet threats. It is in our national interest to respond to this longstanding Saudi arms request and to demonstrate continued U.S. reliability as a security partner for Saudi Arabia and other friends in the Persian Gulf.

The military reasons for not disapproving this sale are clear. This limited number of defensive air-to-air, ground-to-air and air-to-sea missiles represents a scaled back sale to the Saudis: conspicuously from this package are further advanced sophisticated weapons, F-15 aircraft and enhancement packages for previously sold F-15 aircraft, all items which the Saudis desire. These missiles will augment or upgrade missiles already in the Saudi inventory, meet specific Saudi defense needs, help prepare for the collective defense of the Gulf region against Iranian or Soviet attack, and reduce the likelihood that the United States would have to intervene in support of vital U.S. interests. Without this sale, Saudi missile stocks would be deficient by 50 percent in 1991 because of missile attrition due to obsolescence, training and normal stock in repair.

It should be noted that it is the judgment of most defense analysts, American or Israeli, governmental or non-governmental, that this missile sale will not affect adversely the balance of military power in the Middle East. Israel enjoys today a growing military qualitative edge in the region, according to U.S. defense experts,

and it is not actively opposing this sale. Not only does this sale not represent a threat to Israel, but it is clear that Iran, which threatens Saudi Arabia in the Persian Gulf, represents a greater threat to Israel than does Saudi Arabia.

The political reasons for not disapproving this sale are equally strong. Saudi Arabia is a pro-Western, anti-Communist country. This sale can help assure that Saudi Arabia can protect its own security, contain threats from the Iran-Iraq war and Iranian extremism, guard against Soviet inroads and help maintain international access to oil in a region which contains some 60 percent of the world's proven oil reserves.

Passage of this resolution would undercut the U.S. ability to maintain a role as an honest broker in the Middle East, and undercut efforts to restart the peace process. It would play into the hands of those radicals who seek to foment anti-Americanism and portray the United States as anti-Arab and a co-belligerent in regional conflicts. This resolution disapproving this sale gives solace to U.S. opponents in the Middle East—to those in Lebanon who seek to eliminate U.S. influence and presence; to those ruling Iran who have a visceral hatred of the United States; to those in Syria who seek to undermine U.S. policy; and to those in Libya who consistently support international terrorism.

We all are disappointed that Saudi Arabia is often not as supportive of U.S. policies or as helpful as we would like it to be. However, we cannot compare our policy differences with Saudi Arabia or Jordan or Egypt with those fundamental differences we have with the radicals in the region. Saudi Arabia is a moderate state in an area often prone to extremism. It is important to us and it is pro-Western and staunchly anti-Communist. It is in Israel's interest as well as our own, as Israel's staunchest ally, to maintain our credibility and reliability with states like Saudi Arabia and Jordan. Denying this sale would be counterproductive to that goal and would further erode our position in the Middle East. It is especially important now in the absence of any viable peace process that the United States maintain a strong position with our moderate friends in the Arab world and not permit further drift and deterioration in this volatile region.

We also believe that this sale should not be disapproved given the current situation in the Persian Gulf and Arabian Peninsula. Iran has recently established a beachhead in Iraq near the Kuwait border. The entire population of the Gulf is seeking reassurance for its security. U.S. willingness to support Saudi self-defense has served as a deterrent to Iran. We need to show that willingness today to our friends throughout the Gulf region. And at the other corner of the Peninsula, South Yemen has recently experienced a coup and the situation is unstable, exacerbated by Soviet interference. This raises the potential of a renewed threat on Saudi Arabia's southern border. We cannot give South Yemen any encouragement. This resolution, if passed, would.

Finally, it is a simple fact that if we do not sell these arms, others will. Because the United States decided recently to defer any decision on further aircraft sales to Saudi Arabia, the Saudis decided to buy British aircraft and the State Department estimates that the United States will lose at least \$12 billion in business over

the next twenty years. More important than the commercial factor, we believe it is in our national interest and in the interest of our friends in the area, including Israel, for the United States to maintain its defense relationship with Saudi Arabia. That relationship represents both influence and leverage. We cannot let it erode without hurting ourselves and our friends and allies throughout the region.

We believe that in the overall political and strategic context of the region, one must conclude that this sale is in the United States national interest. We hope our colleagues agree and will vote against House Joint Resolution 589.

- LEE H. HAMILTON.
- GERRY E. STUDDS.
- BUDDY MACKAY.
- HENRY J. HYDE.
- GERALD B.H. SOLOMON.



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GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

WASHINGTON, D.C. 20301

May 12, 1986

Honorable James C. Miller III
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Miller:

This is in response to your request for the recommendation of the Department of Defense on the enrolled enactment of S.J. Res. 316, 99th Congress, a joint resolution "Prohibiting the sale to Saudi Arabia of certain defense articles and related defense services."

The resolution would prohibit the United States from offering to sell specified missiles and related articles and services to Saudi Arabia.

The Department of Defense recommends that the President disapprove S.J. Res. 316. Enactment would strike a severe blow to United States foreign policy and national defense interests by undermining the confidence of moderate Arab states in the willingness of the United States to assist in meeting their legitimate security needs.

Your office has advised that the Department of Defense need not submit a proposed veto message, since this is being prepared elsewhere in the executive branch.

Sincerely,


H. Lawrence Garrett, III

WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/13/86 ACTION/CONCURRENCE/COMMENT DUE BY: ^{Wed}~~Friday~~, May ¹⁴~~16~~, noon *COB*

SUBJECT: ENROLLED RESOLUTION S.J. RES. 316 - PROHIBITING THE PROPOSED SALE OF CERTAIN MISSILES TO SAUDI ARABIA

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	POINDEXTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
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REMARKS:

Would you please give to my office your comments on the attached OMB recommendation as well as on the draft veto message by noon Friday, May 16. Thank you.

RESPONSE:

Clarey

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

1005 MAY 14 1986

DATE: 5/13/86 ACTION/CONCURRENCE/COMMENT DUE BY: Friday, May 16, noon

SUBJECT: ENROLLED RESOLUTION S.J. RES. 316 - PROHIBITING THE PROPOSED SALE OF CERTAIN MISSILES TO SAUDI ARABIA

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
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REMARKS:

Would you please give to my office your comments on the attached OMB recommendation as well as on the draft veto message by ~~noon Friday~~, **C.O.B.** Thank you.

5/14

RESPONSE:

*Excellent Veto Statement
No objection -
Hilly*


David L. Chew
Staff Secretary
Ext. 2702

1986 MAY 14 10 10 10

WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/13/86 ACTION/CONCURRENCE/COMMENT DUE BY: Friday, May 16, noon

SUBJECT: ENROLLED RESOLUTION S.J. RES. 316 - PROHIBITING THE PROPOSED SALE OF CERTAIN MISSILES TO SAUDI ARABIA

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
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REMARKS:

Would you please give to my office your comments on the attached OMB recommendation as well as on the draft veto message by noon Friday, May 16. Thank you.

RESPONSE:

Concern w/ recommendation



David L. Chew
Staff Secretary
Ext. 2702

MD
WBL
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CCM

Received 10-

Document No. _____

1986 MAY 14 11:15

WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/13/86 ACTION/CONCURRENCE/COMMENT DUE BY: Friday, May 16/86 noon

SUBJECT: ENROLLED RESOLUTION S.J. RES. 316 - PROHIBITING THE PROPOSED SALE OF CERTAIN MISSILES TO SAUDI ARABIA

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	POINDEXTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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REMARKS:

Would you please give to my office your comments on the attached OMB recommendation as well as on the draft veto message by noon Friday, May 16. Thank you.

RESPONSE:

OK


David L. Chew
Staff Secretary
Ext. 2702

THE WHITE HOUSE
WASHINGTON

100-100000
MAY 13 1986

May 14, 1986

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY AND DEPUTY ASSISTANT
TO THE PRESIDENT

FROM: PETER J. WALLISON 
COUNSEL TO THE PRESIDENT

SUBJECT: Enrolled Resolution S.J. Res. 316:
Prohibiting the Proposed Sale of
Certain Missiles to Saudi Arabia

Counsel's office has reviewed the above-referenced resolution and, for the reasons set forth in the Office of Management and Budget's May 13, 1986, memorandum to the President on this issue, recommends that the President veto Senate Joint Resolution 316. Furthermore, this office has no objections to the State Department's "Draft Veto Message."

THE WHITE HOUSE

WASHINGTON

May 14, 1986

MEMORANDUM FOR DAVID CHEW

FROM:

JOHN TUCK 

SUBJECT:

Enrolled Resolution S. J. Res. 316
Prohibiting the Proposed Sale of Certain
Missiles to Saudi Arabia

The timing on transmission of the President's veto message has to be coordinated closely with Legislative Affairs, Senator Dole/Howard O. Greene. This vehicle when returned to the Senate is highly privileged and is the pending business when it comes through the door (technically).

Page 2: "Congressional views" are wrong. Rudman voted against us.

Overall, the draft veto message is not strong enough, the style in my view is flat.

Note #1: "I cannot accede to precipitous congressional action that would signal the dismantlement of this policy."

Note #2: Change "strengthen" to enhance.

Note #3: Add the point it could result in the necessity to increase U.S. military presence in the area to protect our vital interests -- in conjunction with the Carter doctrine which identified the Middle East as an area of vital importance to this nation. (See attached).


Note #4: There ought to be a point that the Saudis oppose terrorism as strongly as any country.

WHITE HOUSE STAFFING MEMORANDUM

cob 5/14/86

DATE: 5/13/86 ACTION/CONCURRENCE/COMMENT DUE BY: 

SUBJECT: ENROLLED RESOLUTION S.J. RES. 316 - PROHIBITING THE PROPOSED SALE OF CERTAIN MISSILES TO SAUDI ARABIA

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
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KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Would you please give to my office your comments on the attached OMB recommendation as well as on the draft veto message by noon Friday, May 16. Thank you.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

DRAFT VETO MESSAGE

I am returning today to the Senate S.J. 316 without my approval. I am vetoing this legislation because I firmly believe that failure to complete the proposed sale of air defense and anti-ship missiles to Saudi Arabia would damage important U.S. strategic, political and economic interests in the Middle East. It would undermine the balanced policy the United States has followed in the area for over thirty years.

Recent Libyan efforts to radicalize the Arab world combined with Iranian gains in the Iran-Iraq war require a meaningful U.S. response at this time. We can make such a response by meeting the legitimate defense needs of Saudi Arabia, a country with which the U.S. has enjoyed friendly and mutually beneficial relations for over forty years. Providing Saudi Arabia the means to defend itself, its Arab Gulf neighbors and the vital Persian Gulf sea lanes is important to vital U.S. economic and strategic interests. We have evaluated the impact of this sale and I can assure you that it in no way jeopardizes the security of Israel.

The U.S. defense relationship with Saudi Arabia was started by President Roosevelt in 1943 and endorsed by every President since. ^{CAN} [I ~~will~~ not allow congressional action to begin the dismantlement of this policy.] Saudi Arabia has worked closely with the United States to ensure the free flow of oil so critical to our interests and those of our European allies and Japan. Saudi Arabia has promoted the security and stability of the Gulf region in the face of Iranian radicalism and Soviet expansionism. Within the context of intra-Arab politics, the Saudis have sought to move the Arab world away

Note #1

Note #2

from confrontation and toward conciliation with Israel. Saudi Arabia in particular has made significant contributions toward the search for peace and regional stability. If this legislation were to be enacted, it would not advance U.S. objectives in the area, would not ~~strengthen~~ ^{enhance} Israel's security and would not reduce the level of arms in the region. It would mean lost U.S. jobs and export earnings, would diminish U.S. influence among moderate Arab states who are key to a lasting Israeli-Arab peace, and would encourage radical state-sponsored terrorism and further Iranian advances. I am determined to avoid this result.

Note #3

Finally, I would note that this is the first resolution of disapproval pursuant to section 36 (b) of the Arms Export and Control Act to be enacted by the Congress. I regret that Congress, by enacting SJ Resolution 316, has forced a showdown that successive Administrations and Congresses have heretofore avoided. I veto this legislation, confident that its enactment would gravely harm vital U.S. national security interests.

(c) 1980 McGraw-Hill, Inc., Business Week, November 3, 1980

work . . . with the larger democracies like Venezuela, Colombia, and, to some extent, Mexico, in trying to fill the void which has been created by the gradual disengagement of America from the type of relationship that emerged in the '30s." But the result of Carter's approach, according to Reagan, has been "to alienate our friends in the hemisphere, to encourage the destabilization of governments, and to permit Cuban and Soviet influence to grow." Instead, Reagan advocates a more direct U.S. policy of opposing leftist expansion by means of economic assistance to countries in the Caribbean. Recently, Congress approved \$75 million in aid to Nicaragua, where a revolution brought a leftist-led junta to power. "We could start," says Richard V. Allen, Reagan's chief foreign policy adviser, "by taking that \$75 million and targeting it elsewhere."

But Carter's most momentous, and potentially riskiest, foreign policy move may be the gradual buildup of a U.S. military presence in the Middle East under the "Carter Doctrine." After Western Europe and Japan, the two strategic areas that the U.S. pledged to protect against Soviet aggression after World War II, the Persian Gulf and Middle East region "has emerged now as the third vital strategic zone," Brzezinski says. "The Carter Doctrine obligates the U.S. to defend it if it is threatened." The danger, Allen says, is that Carter has made a commitment to defend the area without having the military capability to do so. For Brzezinski, though, the Carter Doctrine is a new phase in "the long and difficult process of building deterrence."

THE DIFFERENCE ON DEFENSE

Carter

Committed to boost defense spending to 5% of GNP, with outlays rising from \$154 billion in fiscal 1981 to \$243 billion in fiscal 1985. Backs M-X missile deployment but remains opposed to new manned bomber

Will renew drive for Senate ratification of SALT II treaty. Pushed for stand-by draft registration

Reagan

Calls for crash program to beef up U.S. strategic and conventional forces, with outlays rising to 6% of GNP, or as much as \$310 billion, by 1985

Would boost Navy shipbuilding budget by 25%, speed up dispersal of land-based missiles, and begin production of B-1 bomber

Rejects SALT II until U.S. military forces have been greatly strengthened

Opposes draft registration but favors major increase in military pay

1986 MAY 15 11:10 AM

WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/13/86 ACTION/CONCURRENCE/COMMENT DUE BY: Friday, May 16, noon

SUBJECT: ENROLLED RESOLUTION S.J. RES. 316 - PROHIBITING THE PROPOSED SALE OF CERTAIN MISSILES TO SAUDI ARABIA

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	POINDEXTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	WALLISON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	<u>CLERK</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
KING	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Would you please give to my office your comments on the attached OMB recommendation as well as on the draft veto message by noon Friday, May 16. Thank you.

RESPONSE:

Disapprove
JAS

Tom

Defer to speechwriter
~~FL~~ TG

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

Wed 14
Friday, May 16, noon

DATE: 5/13/86 ACTION/CONCURRENCE/COMMENT DUE BY: Friday, May 16, noon

SUBJECT: ENROLLED RESOLUTION S.J. RES. 316 - PROHIBITING THE PROPOSED SALE OF CERTAIN MISSILES TO SAUDI ARABIA

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	POINDEXTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
BALL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	WALLISON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	<u>CLERK</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
KING	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Would you please give to my office your comments on the attached OMB recommendation as well as on the draft veto message by noon Friday, May 16. Thank you.

RESPONSE:

David L. Chew
Staff Secretary
Ext. 2702

WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/15/86 ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 am, Fri., 5/16/86

SUBJECT: VE TO MESSAGE FOR S.J. RES. 316 - PROHIBITING PROPOSED SALE OF CERTAIN MISSILES TO SAUDI ARABIA (May 15 - 8:30 pm draft)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MASENG	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	POINDEXTER <i>requesting signing ceremony</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input type="checkbox"/>	<input type="checkbox"/>	RYAN <i>see attachments</i>	<input type="checkbox"/>	<input type="checkbox"/>
BALL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN <i>OK</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS <i>no comment</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	WALLISON <i>no obj</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KING	<input type="checkbox"/>	<input type="checkbox"/>	<u>CLERK</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
KINGON <i>no obj</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>ELLIOTT</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LACY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

May we please have your comments on the attached by 9:00 tomorrow morning. Thank you.

RESPONSE:

TO THE SENATE OF THE UNITED STATES:

Last week, both Houses of Congress voted to halt the proposed sale of defensive missiles to Saudi Arabia, and today I am vetoing S.J. Res. 316. The U.S. defense relationship with Saudi Arabia was started by President Roosevelt in 1943 and endorsed by every President since.

I will not permit Congress to dismantle this long-standing policy, damage our vital strategic, political and economic interests in the Middle East and undermine our balanced policy in that region.

The American people and their representatives should understand that this sale is in our interests. It is not just a favor to our friends in Saudi Arabia. And, it is not being done at anyone's expense.

The security of Israel remains a top priority of this Administration. This sale will not endanger Israel's defenses, a fact which is underscored by Israel's decision not to oppose the sale.

Stability of the oil-rich Persian Gulf is another goal of great importance. In a region living in the shadow of the tragic and gruesome Iran-Iraq war, and threatened by religious fanaticism at its worst, we cannot afford to take stability for granted. Saudi willingness to stand up to Iranian threats has been key in preventing the spread of chaos. It has been Saudi Arabia's confidence in our commitment to its security which has allowed it to stand firm.

But Saudi Arabia produces no weapons of its own and we have not sold the Saudis new arms in almost 2 years. If we suddenly shut off that supply, it will weaken our own credibility, as well as the Saudis' ability to defend themselves. It would send the worst possible message as to America's dependability and courage.

It is argued that weapons supplied to Saudi Arabia might find their way into terrorist hands. This charge is without substance. The Saudis, unlike some other friends, have never allowed the unauthorized transfer of U.S. weapons. Just last month, a report to Congress by its own GAO investigators concluded that Saudi security procedures are as tight or tighter than U.S. or NATO standards.

And behind the scenes, the Saudis have aided the effort to combat terrorism, which is as much, if not more, of a threat to them as it is to us. Recently, they refused Qadhafi's requests for aid. Several times in recent months, they have been instrumental in offsetting unjust criticism of the United States and preventing radical states from undertaking joint action against our country.

The Saudis have proven their friendship and good will. They have assisted our efforts to support moderate governments in Egypt, Jordan, and Sudan. They have worked quietly in the search for peace in Lebanon, in the Arab-Israeli conflict, and in the Iran-Iraq war. They also provide impressive assistance to the government of Pakistan, to Afghan refugees, and to the Afghan freedom fighters themselves.

If the U.S. fails to stand by the Saudis now in a time of peril, why should anyone trust us? This precipitous move by Congress could do more to undermine our credibility than all the rantings and ravings of Qadhafi and Khomeni. It would make us less able to act as a peacemaker in the Arab-Israeli dispute. And, over time, it will mean the loss of commercial, political, and security access to the Middle East.

The Congress is playing with fire. I cannot permit our bridges of influence in that region to be burned. The stakes are higher than many Members of Congress seem to understand.

Preventing this sale in the long run will be bad for America, bad for Israel, bad for Saudi Arabia, and bad for the cause of peace.

It is vetoed. I ask responsible members of both parties to sustain this veto and to join me in protecting our country's vital interest.

THE WHITE HOUSE,

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

3885
Received

1986 MAY 16 PM 2:08

May 16, 1986

MEMORANDUM FOR DAVID CHEW

FROM: RODNEY B. MCDANIEL *RM*
SUBJECT: Presidential Veto of S.J. Resolution 316

NSC proposes a signing ceremony for the President's veto of S.J. Res. 316. Attached are a written veto message and draft remarks.

Attachments:
As Stated

WRITTEN PRESIDENTIAL VETO STATEMENT: VETO OF SENATE JOINT
RESOLUTION 316

I am returning today to the Senate S. J. Res. 316 without my approval. I am vetoing this legislation because the failure to complete the proposed sale of air defense and anti-ship missiles to Saudi Arabia would damage U.S. strategic, political, and economic interests in the Middle East. It would undermine the balanced policy the United States has followed in the area for over 30 years.

Recent Libyan efforts to incite the Arab world combined with Iranian gains in the Iran-Iraq war make this a pivotal moment in the history of the Middle East. It is imperative, therefore, that we stick by our friends and help them meet their legitimate defense needs. Who will trust us if we don't?

Saudi Arabia has enjoyed friendly and mutually beneficial relations with the United States for over 40 years. Providing Saudi Arabia the means to defend itself, its Arab Gulf neighbors, and the Persian Gulf sea lanes is vital to U.S. economic and strategic interests.

The U.S. defense relationship with Saudi Arabia was started by President Roosevelt in 1943 and endorsed by every President since. Congress cannot be permitted to dismantle this longstanding policy. Saudi Arabia, in the face of fanaticism, has been a force for security and stability in the Gulf region.

Within the context of intra-Arab politics, the Saudis have played a positive role, seeking to move the Arab world away from confrontation and, in some cases, toward conciliation with Israel. The Saudis have worked closely with the United States to ensure the free flow of oil so critical to our economic well-being and that of our European allies and Japan. Saudi Arabia, if treated as a friend, will continue its moderate and responsible course.

This sale will increase the chances of maintaining peace and will serve the interest of all our friends. Professionals have evaluated the impact of the sale, and the Israelis themselves realize that it in no way will jeopardize the security of Israel. What would threaten Israel is a weakening of U.S. influence in the region or a radicalization of moderate Arab regimes; interfering with this sale would do both.

In summary, if this legislation is enacted, it will not advance U.S. objectives in the area, it will not strengthen Israel's security, and it will not reduce the level of arms in the region. It will mean lost U.S. jobs and export earnings and will diminish U.S. influence among moderate Arab states. We must never lose sight that these moderate Arab leaders, who are friends of the United States, are key to achieving a lasting Israeli-Arab peace.

If we turn our backs in the legitimate security needs of our friends in the region, we seriously reduce the chances for peace and allow the radicals to pursue their evil goals unkindered by the sure knowledge of U.S. support for the forces of moderation. I am determined to avoid such a foreign policy disaster.

Finally, I would note that this is the first resolution of disapproval pursuant to Section 36(b) of the Arms Export and Control Act to be enacted by the Congress. I regret that Congress, by enacting S. J. Res. 316, has forced a showdown that prior Administrations and Congresses have heretofore avoided. I veto this legislation, confident that its enactment would gravely harm vital U.S. national security interests.

ORAL PRESIDENTIAL REMARKS: ~~FOR~~ VETO OF
~~TO THE SENATE OF THE UNITED STATES.~~ SENATE JOINT
RESOLUTION 316

Last week, both Houses of Congress voted to halt the proposed sale of defensive missiles to Saudi Arabia, and today I am vetoing S.J. Res. 316. ~~The U.S. defense relationship with Saudi Arabia was started by President Roosevelt in 1943 and endorsed by every President since.~~

I will not permit Congress to dismantle this long-standing policy, damage our vital strategic, political and economic interests in the Middle East and undermine our balanced policy in that region.

The American people and their representatives should understand that this sale is in our interests. It is not just a favor to our friends in Saudi Arabia. And, it is not being done at anyone's expense.

The security of Israel remains a top priority of this Administration. This sale will not endanger Israel's defenses, a fact which is underscored by Israel's decision not to oppose the sale.

Stability of the oil-rich Persian Gulf is another goal of great importance. In a region living in the shadow of the tragic and gruesome Iran-Iraq war, and threatened by religious fanaticism at its worst, we cannot afford to take stability for granted. Saudi willingness to stand up to Iranian threats has been key in preventing the spread of chaos. It has been Saudi Arabia's confidence in our commitment to its security which has allowed it to stand firm.

But Saudi Arabia produces no weapons of its own and we have not sold the Saudis new arms in almost 2 years. If we suddenly shut off that supply, it will weaken our own credibility, as well as the Saudis' ability to defend themselves. It would send the worst possible message as to America's dependability and courage.

It is argued that weapons supplied to Saudi Arabia might find their way into terrorist hands. This charge is without substance. The Saudis, unlike some other friends, have never allowed the unauthorized transfer of U.S. weapons. Just last month, a report to Congress by its own GAO investigators concluded that Saudi security procedures are as tight or tighter than U.S. or NATO standards.

And behind the scenes, the Saudis have aided the effort to combat terrorism, which is as much, if not more, of a threat to them as it is to us. Recently, they refused Qadhafi's requests for aid. Several times in recent months, they have been instrumental in offsetting unjust criticism of the United States and preventing radical states from undertaking joint action against our country.

The Saudis' have proven their friendship and good will. They have assisted our efforts to support moderate governments in Egypt, Jordan, and Sudan. They have worked quietly in the search for peace in Lebanon, in the Arab-Israeli conflict, and in the Iran-Iraq war. They also provide impressive assistance to the government of Pakistan, to Afghan refugees, and to the Afghan freedom fighters themselves.

If the U.S. fails to stand by the Saudis now in a time of peril, why should anyone trust us? This precipitous move by Congress could do more to undermine our credibility than all the rantings and ravings of Qadhafi and Khomeini. It would make us less able to act as a peacemaker in the Arab-Israeli dispute. And, over time, it will mean the loss of commercial, political, and security access to the Middle East.

The Congress is playing with fire. I cannot permit our bridges of influence in that region to be burned. The stakes are higher than many Members of Congress seem to understand.

Preventing this sale in the long run will be bad for America, bad for Israel, bad for Saudi Arabia, and bad for the cause of peace.

It is vetoed. I ask responsible members of both parties to sustain this veto and to join me in protecting our country's vital interest.

THE WHITE HOUSE,

WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/15/86 ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 am, Fri., 5/16/86

SUBJECT: VETO MESSAGE FOR S.J. RES. 316 - PROHIBITING PROPOSED SALE OF CERTAIN MISSILES TO SAUDI ARABIA (May 15 - 8:30 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MASENG	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	POINDEXTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
BALL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
CHEW	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	WALLISON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KING	<input type="checkbox"/>	<input type="checkbox"/>	<u>CLERK</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>ELLIOTT</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LACY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u> </u>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

May we please have your comments on the attached by 9:00 tomorrow morning. Thank you.

RESPONSE:

No objection
J. Chew

(Rohrabacher)

May 15, 1986

6:00 p.m.

~~PRESIDENTIAL REMARKS:~~ VETO OF SENATE JOINT RESOLUTION 316.

Last week, both Houses of Congress voted to halt the proposed sale of defensive missiles to Saudi Arabia, ^{and} Today I am vetoing that legislation. I will not permit Congress, ^{to dismantle} ~~to do~~ ^{this longstanding policy,} shortsightedly, ~~to do~~ great damage to our vital strategic, political ^{and} economic interests in the Middle East and undermine our balanced policy in that region.

The American people and their representatives should understand that this sale is in our interests. It is not just a favor to our friends in Saudi Arabia. And, it is not being done at anyone's expense.

The security of Israel remains a top priority of this Administration. This sale will not endanger Israel's defenses, a fact which is underscored by Israel's decision not to oppose the sale.

Stability of the oil-rich Persian Gulf is another goal of great importance. In a region living in the shadow of the tragic and gruesome Iran-Iraq war, and threatened by religious fanaticism at its worst, we cannot afford to take stability for granted. Saudi willingness to stand up to Iranian threats has been key in preventing the spread of chaos. It ^{has} been Saudi Arabia's confidence in our commitment to its security which has allowed it to stand firm.

But Saudi Arabia produces no weapons of its own and we haven't ^{not} sold the Saudis new arms in almost 2 years. If we suddenly shut off that supply, it will weaken our own

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rantings and ravings of Qadhafi and Khomeni. It would make us less able to act as a peacemaker in the Arab-Israeli dispute. And, over time, it will mean the loss of commercial, political, and security access to the Middle East.

The Congress is playing with fire. I cannot permit our bridges of influences in that region to be burned. The stakes are higher than many Members of Congress seem to understand.

Preventing this sale in the long run will be bad for America, bad for Israel, bad for Saudi Arabia, and bad for the cause of peace.

It is vetoed. I ask responsible members of both parties to sustain this veto and to join me in protecting our country's vital interest.