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5/21/2013

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File Folder

SECRETARY WEINBERGER'S WEEKLY REPORT

(03/10/1984-03/30/1984)

FOIA

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ID Doc Type	Document Description	No of Pages		Restrictions
159640 MEMO	CASPAR WEINBERGER TO RR RE. WEEKLY REPORT OF DEFENSE ACTIVITIES	6	3/9/1984	B1
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159643 MEMO	CASPAR WEINBERGER TO RR RE. WEEKLY REPORT OF DEFENSE ACTIVITIES PAR 12/22/2622 M453/7	9	3/16/1984	B1
159647 MEMO	CASPAR WEINBERGER TO RR RE. WEEKLY REPORT OF DEFENSE ACTIVITIES	6	3/23/1984	B1
159653 MEMO	CASPAR WEINBERGER TO RR RE. WEEKLY REPORT OF DEFENSE ACTIVITIES	8	3/30/1984	B1
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SECRET

March 9, 1984

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT C. MCFARLANE

SUBJECT:

Secretary Weinberger's Weekly Report

Attached is Cap Weinberger's Weekly Report for Friday, March 9, 1984.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver



DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
White House, Guidelines, Sept. 11, 2008
BY NARA (W), DATE 5/2 1/2

WASHINGTON, THE DISTRICT OF COLUMBIA



March 49 M/ 1984 P6: 54

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of Defense Activities (U)

SITUATION ROUM

Legislative Affairs: We had a good breakfast meeting on Tuesday with our House Democratic supporters of the PEACEKEEPER missile. Attending the meeting were Democrats Les Aspin, Norm Dicks, Al Gore, Jack Murtha, Vic Fazio, Bill Boner, Beverly Byron and Republican Joel Pritchard. The primary purpose of our session was to recapture the momentum that this group provided in last year's victory in the House on the PEACEKEEPER. There is growing concern among these members that, because of budget pressures, Democratic politics, and the stalled arms reduction negotiations, we will face an uphill fight to preserve our FY 1985 request for 40 PEACEKEEPERS. I once again assured the group of our commitment to continue the arms talks at the earliest possible date. I also reemphasized our intent to continue rapid development of the small, single-warhead missile as recommended by the Scowcroft Commission. This will obviously be a continuing issue throughout lengthy Congressional consideration of the FY 1985 Defense Budget. The first major floor vote could come in the House in May with the Defense Authorization Bill. We will continue to work with the White House Coordinating group chaired by B. Oglesby to stay on top of this important initiative.

Another major issue expected to receive close Congressional attention this year is our request for chemical weapons modernization. We intend to pursue this issue very hard in the House, and, as you directed in your memo to me on the subject, I met on Wednesday with our two principal leaders on the issue, Beryl Anthony and Marvin Leath. Both have been extremely helpful in our efforts in the past, and they have again offered to assist in every way possible. I assured them that they will again have our close cooperation in making vote counts and will receive full Department support for this increasingly important program. As you know, Congressmen Anthony and Leath are anxious to meet personally with you on this matter to offer their support and receive assurances of your support, and I believe you have agreed to that after I get you an assessment of our chances this year. am gathering that assessment now. It is refreshing to meet with Members of Congress who have such enthusiasm and dedication for our programs.

Also this week I met with Congressman John Kasich (R-Ohio) to discuss his concern over the spare parts reform issue. John

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has proposed reform legislation designed to prevent manufacturers getting such ownership rights in spare parts that they can charge us any price they choose.

On Friday, Senator Strom Thurmond came by for a brief personal meeting, to which he brought his new candidate for the Court of Military Appeals. Strom's previous candidate backed out. He is very enthusiastic about seeing this position go to South Carolina. (U)

Meeting with West German Chancellor Kohl: On Tuesday I met with Chancellor Kohl in his suite at the Watergate Hotel. We discussed NATO security issues in general, and I reemphasized our commitment to successful arms negotiations and assured him we are most willing to talk to the Soviets in any forum.

I pointed out our concerns on technology transfer and the need for an effective COCOM Secretariat and military subcommittee. I also reiterated the need for Germany to participate in cost sharing for the Master Restationing Plan. Chancellor Kohl was less than enthusiastic on this issue and described Germany's monetary problems in some detail. He also indicated that no German funds were programmed for the Master Restationing Plan. We believe that German participation in the Plan is certainly necessary if we are to persuade Congress to appropriate other funds for needed military construction in Germany. We currently cannot foresee any progress on this issue, but we will continue to work toward this objective at NATO meetings and elsewhere. (S)

Visit with Swedish Minister of Defense Anders Thunborg: On Monday morning I met with Minister Thunborg to discuss European security issues and gave a Pentagon luncheon in his honor. This was the first time a Swedish Defense Minister had visited this country.

Our discussions were somewhat general, but we did focus on technology transfer issues, and I thanked him for his Government's assistance in stopping the illegal transfer of sensitive U.S. computer equipment to the USSR through Sweden. We also discussed submarine intrusions, and he said their anti-submarine capabilities need to be completely rebuilt. Tuesday night we gave a formal dinner for him and his party at Blair House. I believe the meeting was useful, but no major new ground was broken. (C)

Visit with Moroccan Prime Minister Karim-Lamrani: Following a breakfast meeting for Prime Minister Karim-Lamrani and his cabinet ministers last Friday that was given by Will Taft, I met with the group to discuss U.S. assistance programs to Morocco and regional security issues.



Morocco is in deep financial trouble, and King Hassan sent this delegation to ask for more assistance. Working with other agencies, we identified some \$20 million in food grants under P.L. 480 and \$12 million in additional foreign military sales credits, but the Moroccans do not view this as commensurate with their needs. They pointed out the importance of Morocco as a long time, strategically-located friend of the U.S. I believe our immediate response was appropriate, however, and the best we could do since FY 1984 funds are already allocated. I do think that we need to watch Moroccan assistance levels closely in FY 1985 and FY 1986 to ensure our financial support is adequate. (C)

Air-Launched Cruise Missile (ALCM) Test: On Tuesday a captive carry test flight of the ALCM was successfully flown over the Canadian test route by a B-52G from Grand Forks AFB, North Dakota. (Captive carry flights are those in which the missile is not actually released from the aircraft. Various aspects of missile performance and flight control can be tested while flying the missile flight route with the carrying aircraft.) The purpose of the flight was to validate the test route, extending from the Mackenzie River Delta to Canadian Forces Base Cold Lake, Alberta, for ALCM free-flight tests planned to start during the first three months of 1985. The B-52 was accompanied on the route by a specially instrumented EC-135 aircraft to record missile telemetry data and maintain radio contact with Canadian air traffic control and Cold Lake ground control.

Preliminary reports indicate the mission was flown as planned and without significant problems. Following simulated missile launch and using steering commands from the missile navigation system, the B-52 crew flew the 1400 nautical mile route maintaining 1,000 feet ground clearance. Overflight of the target at Cold Lake completed the captive carry test. Final results are pending interpretation and analysis of the recorded telemetry data.

This was the first test we have conducted under the U.S.-Canadian Memorandum of Understanding that I signed last March on the testing of U.S. weapons in Canadian airspace. One potential mission obstacle was removed when a Canadian Supreme Court Justice dismissed a request by anti-nuclear groups for an injunction to bar the test on the morning of the mission. (U)

Success in Operation Exodus: Soviet efforts to acquire sophisticated U.S. technology through illegal means continue to grow as we make legal mechanisms more difficult. A recent success in our efforts to eliminate such Soviet acquisitions involved a \$113,000 seismograph system specifically designed for monitoring nuclear weapons tests that was seized by Operation Exodus agents in December in Denver. The system was part of a larger shipment that also included a laser system, valued at \$53,750, used for



measuring and testing fiber optics, resistor trimming, and for marking silicon wafers.

Seizure of the shipment, which would have been diverted through West Germany to the USSR, has resulted in two arrests for violations of the Export Administration Act and the Arms Export Control Act. Indictments documenting at least an additional twenty shipments illegally exported from the U.S. will be returned, in the near future, against a British citizen and the U.S. owner and manager of International Consulting Group of Englewood, California. Documents seized as a result of the arrests show that International Consulting Group has illegally exported millions of dollars of high technology data and hardware from the U.S.

Following the seizure, identical shipping crates containing concrete were substituted for the original equipment and exported to West Germany where the diversion was to have taken place. The substitute for the seismograph system is currently in a duty free zone in Hamburg (outside the jurisdiction of German Customs authorities) awaiting reexport. The substitute for the laser system was shipped to Munich, where German Customs agents, assisted by our Customs Attache in Bonn, served search warrants on a German firm and on the Munich office of Air Express International. Documents seized as a result of the search warrants show that the laser system had as its final destination the Institute of Physics in Moscow. The investigation is continuing. (U)

Exercise SLY FOX-84: This joint/combined U.S.-Jordan special operations exercise began last week with deployment of exercise forces from the U.S. and will run through the end of March. Exercise ground operations will be conducted in the vicinity of Amman, Jordan, and air operations will be staged from Amman and conducted throughout the country. Combined special operations forces activities include airborne operations, weapons and demolitions firing, individual special operations techniques, combined guerrilla warfare operations, combat patrolling and raids, and assault landing operations. Flight activities will include low level flight training and intruder intercept operations.

SLY FOX 84 is being conducted on a low visibility basis, in accordance with Jordanian desires, the nature of special operations forces, and to avoid possible tension between Jordan and neighboring states. It affords us an opportunity to exercise capabilities to deploy and control special operations forces over great distances and demonstrates our willingness to provide mutual cross training to Jordanian forces in a wide variety of skills. It also demonstrates our resolve and capability to respond to the needs and desires of the Jordanian Government. (S)





NEW JERSEY Crew Relief: On Tuesday the latest increment of naval reservists departed for USS NEW JERSEY. A total of 66 reservists are in this group, including the Commanding Officer of the USS NEW JERSEY Selected Reserve Detachment. The next group of 66 reservists is scheduled to depart on March 26. Thus far, through five increments, 283 reservists and 65 members of the IOWA recommissioning crew have provided relief for the NEW JERSEY crew, affording them an opportunity for leave in the U.S. The NEW JERSEY departed the west coast on her extended deployment last June. (U)

Women's Economic Roundtable: Following the budget meeting at the White House yesterday, I flew to New York for a speaking engagement with the Women's Economic Roundtable and participated in editorial boards with NEWSWEEK magazine and The New York Times.

The session with the Women's Economic Roundtable, a group of top-level women economists and business executives, went very well and was covered by members of both the financial and daily news media. The group was very hospitable and professional, but my sense is that the women present confirmed what we already know--that such groups these days trend toward the liberal view and generally oppose the current level of defense spending.

The editorial boards with both NEWSWEEK and The New York Times also went well. Their areas of interest centered on our part in the Falkland Islands War, Central America, and Lebanon. (U)

Meeting with Business and Civic Leaders: After returning from New York last night, I hosted the ninth in our series of dinners for business and civic leaders. Invitees included presidents and chief executive officers of major businesses and corporations, as well as leaders of civic organizations and activities. Although the weather limited attendance of these leaders to seven, I think we scored some telling points with those who made it. I was particularly pleased with the enthusiastic support for and interest in your Strategic Defense Initiative. We had an extensive discussion on the initiative, and all of the attendees seemed to endorse its intent, as well as the approach we are taking to implement it. (U)

Collier Trophy Award: Army Secretary Jack Marsh announced last week that the Robert J. Collier Trophy for 1983 has been won by the AH-64 Apache Attack Helicopter Team. The Collier Trophy, established in 1911, is awarded annually by the National Aeronautic Association for the greatest achievement in aeronautics and astronautics in America in the previous year.

The AH-64A Apache Attack Helicopter is our most capable anti-tank helicopter and has established a new standard of excellence for ground combat weapons. The Army/Hughes Helicopters team fielded the system through blending of advanced technologies never before



used in a single military aircraft. The Apache's advanced systems gives it the capability to perform anti-tank operations day or night, in adverse weather, and with precision and excellent survivability. (U)

Women's History Week, 1984: In support of the Congressional resolution and your proclamation declaring this "Women's History Week," we recognized the outstanding contributions of military and civilian women to the Department.

Defense activities were launched with a short speech by me and a special presentation in the Pentagon auditorium on the theme for the observance, "Women in Defense: Past, Present, and Future." Other activities included a National Security Seminar for Women, conducted by Assistant Secretary Larry Korb, and programs tailored individually by all the Services and Defense Agencies. (U)

Promotion of Technical Education: The Navy has recently initiated distribution of a 15-minute audiovisual presentation, "Math and Science: Start Now," which will be seen by an estimated 150,000 junior high students by the end of this year. The presentation is designed to encourage junior high students to take the necessary high school courses to prepare them for the technological job market of the future.

Mr. Bill Aldridge, Executive Director of the National Science Teachers Association, has seen the film and remarked that, "It is an excellent presentation which emphasizes the important aspects of science and technology in education. Start Now is remarkably consistent with the message that NSTA believes ought to be conveyed to young people about science." The National Council of Teachers of Mathematics has also endorsed the project. (U)

Progress in Logistics Exhibition: This week we conducted a demonstration of advanced Army mobility equipment at Fort Eustis,
Virginia, in an exhibition called Progress in Logistics (Prolog)
84. Senior Army officers and the news media witnessed support operations in action as Fort Eustis soldiers demonstrated current, proposed, and experimental logistics equipment. Such equipment as the LACV-30 air cushioned vehicle, conventional landing craft, and large mobile cranes were put through their paces, along with newer, experimental equipment. The highlight of the exhibition was an experimental truck that is capable of revolutionizing the overland movement of military supplies. In tests, it towed an 8-ton howitzer over rough terrain while loaded with 12 tons of equipment. It can also pull itself from mud, snow, and ice. (U)

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MEMORANDUM



THE WHITE HOUSE

WASHINGTON

SECKET

March 17, 1984

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT C. McFARLANE

SUBJECT:

Secretary Weinberger's Weekly Report

Attached is Cap Weinberger's Weekly Report for Friday, March 16, 1984.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver



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Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2008
BY NARA
DATE 5/2/1/3



WASHINGTON

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> WHITE HOUSE SITUATION ROOM

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MEMORANDUM FOR THE PRESIDENT

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SUBJECT:

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WASHINGTON, THE DISTRICT OF COLUMBIA

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March 16, 1984

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of Defense Activities

Legislative Affairs: In addition to the White House budget talks, key Congressional committees are beginning action on the FY 1985 defense budget request. One major action came this week in the House Armed Services Committee, where a recommendation was raised for a 7.5 percent real growth in defense spending. This is \$1 billion below our new FY 1985 request. The committee also recommended that the 7.5 percent real growth be sustained in the out years, which would result in higher appropriations than our new proposal for the out years, and the committee's action produced a cumulative level above our own original request for FY 1985-89. Several Armed Services Committee members argued that the committee should approve the Administration's full defense request in order to protect against cuts by other Congressional committees later in the budget process.

As was pointed out in committee by Representatives Sam Stratton, Marjorie Holt, and others, the Congress approved 5 percent real growth last year but actually appropriated only 3.2 percent. We hope to avoid these types of second-level reductions in FY 1985 by our new compromise agreement; however, the prospect of operating under a restrictive Continuing Resolution without an Appropriation Bill also is a very real concern.

In coordination with members of your staff and the State Department, we worked extensively this week on the emergency El Salvador funding request that was approved by the Senate Appropriations Committee. As you know, our Defense Appropriations Subcommittee Chairman, Ted Stevens, was most helpful on this program. Ted's recent inspection trip to Central America has proven to be very valuable.

Continuing the push for our chemical weapons modernization program, I spoke extensively this week with John Tower and Ted Stevens regarding our FY 1985 chemical funding request. Basically, both have urged that we continue actively to promote this program, however, they acknowledge another uphill battle in the Congress. I will be forwarding for your review a more extensive report of my conversations on this sensitive program. (U)

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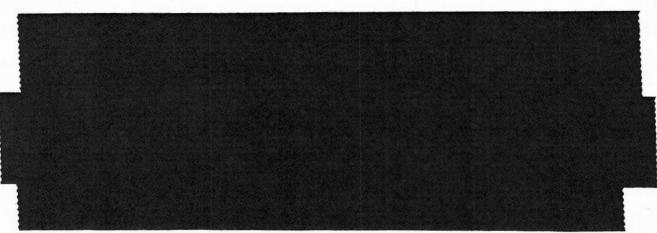


Visit with Spanish Minister of Defense Narciso Serra: On Monday I met with Minister Serra after a full honors ceremony at the Pentagon and later hosted a luncheon, reception, and dinner in his honor. Minister Serra's major concern was the imbalance of arms purchases between ourselves and Spain. In asking for our help with this problem, he stressed that improvement will assist in convincing the Spanish public of the benefits of NATO membership and will allow his government to move gradually toward full integration. I told Minister Serra that we would make a renewed effort, consistent with our laws, to buy what we could from Spain and to work with them to broaden and deepen our cooperative relationship. We are reviewing all aspects of Defense cooperation with that end in mind.

He greatly appreciated his meeting with you, and that had a lot to do with the very favorable attitude he had on departure. He had arrived quite unhappy because Spain had just lost a big airplane contract award. (C)

Visit with Portuguese Prime Minister Mario Soares: Following up on the Wednesday White House activities for Prime Minister Soares, I met yesterday with him in his rooms at the Madison Hotel. I expressed our satisfaction with the renewal of the agreement governing our use of the base at Lajes in the Azores. We also discussed technology transfer, the Portuguese Frigate Program, U.S. assistance for the modernization of the Portuguese Armed Forces, and Portuguese companies competing for U.S. Defense Department contracts. We also discussed the possibility of my visiting Portugal later in the Spring, and the political-military situation in Southern Africa.

He seemed very happy with our relationship now, and particularly with his meeting with you. (C)



The next flight to become operational will be the second flight of GLCMs at Greenham Common in late summer. Thereafter, we will produce missiles and equipment and train personnel to establish at least one new flight per quarter through 1988, when all 29 currently planned flights will be in place.



4.2(a) 3.3(b)(le)



The first off-base training exercise at Greenham Common went smoothly. The convoy left the base around 3 a.m. and caught the protestors by surprise. The convoy departed Greenham Common, proceeded approximately 60 miles to RAF Lyneham, remained for a short time at Lyneham, and then returned to Greenham by road. The convoy was not followed and the Lyneham destination did not surface in press reports. British officials were very pleased with the exercise and offered particular praise to American commanders for the very efficient way they carried out the exercise. The British are pursuing measures to ensure our free access and egress from the base without direct confrontations with demonstrators. As you may recall, these training exercises use vehicles that look and handle like actual missile carriers, but no missiles, warheads, or other launch equipment are involved.

Despite the good news, we are approaching a potentially serious problem that will impact on future deployments if Congress does not support items in your FY 1985 budget. These are primarily military construction programs for housing and support for our personnel. Senator Mack Mattingly has led the opposition to this funding, apparently because he does not perceive the need to build housing, preferring instead that our military personnel be assigned for one year, without families. The host countries want families because they bring with them stability and local economic benefits. The presence of families also demonstrates to the local populace that we believe the sites are safe. For our part, we save money over time because training and maintaining the pool of personnel required for total turnover every year is far more expensive than keeping everyone an average of three years. Longer tours also produce a more capable and efficient force. Also, of course, we want the men to have families with them whenever possible.

While I can understand denial of funding last year, in light of hopes for successful INF negotiations, the difficulty remains that last year's cuts moved forward to this year produce an apparent 42% increase in military construction funds for GLCM. This makes it an obvious target for uninformed budget cutters. We will make certain all involved are informed of the impact of such a proposal.

Another issue we are working affects the site at

As with the other sites, we need to provide housing and facilities for GLCM units and personnel. We have money for an interim plan to erect temporary portable facilities; however, the government so far has not let the contract. This could have an adverse impact on the site becoming operational a year from now. We are working all channels with the government to resolve this. (S)

3.3 (b) (b) 6.2 (a)





Recruiting and Reenlistments—FY 1984: I recently received a report on recruiting and reenlistments for the first quarter, FY 1984. The report specifically addressed recruiting and reenlistment trends as they relate to the Congressional controls on "quality" of accessions. The Congress requires that no more than 20 percent of each Service's recruits be in the Armed Forces Qualification Test (AFQT) Category IV (below average) and that at least 65 percent of Army male recruits have a high school diploma. For the first quarter, FY 1984, 94 percent of all Service new recruits possessed a high school diploma, as did 89 percent of Army male new recruits. Only six percent of all Service recruits were in AFQT Category IV, and only slightly higher were Army male recruits in this category—nine percent. We will issue a press release reporting these first quarter results.

The Army reported a slight decline in the number of individuals taking the enlistment test during the first quarter. We are watching this and other trends in the current recruiting environment closely with a view toward identifying the reasons for the implications of any significant changes. Through the first quarter, all Services have met their overall recruiting objectives, as well as their quality objectives, not only for accessions but for new contracts as well. (U)

U.S. Troop Ceiling in Europe: The FY 1984 Defense Authorization Act provides for a higher ceiling on U.S. troop strength in Europe--320,000 rather than 315,600 (plus 2,600 additional personnel directly associated with the ground-launched cruise missile in both cases)--if various conditions are met. One of these conditions is that our NATO allies will not reduce their troop strength in the FRG during FY 1984. We are required by the act to certify this condition is met.

Allied responses to our request for clarification of their personnel plans show a net <u>increase</u> of approximately 3,500 in allied troop strengths in the FRG. Data from these responses reflect contributions of allies to troop strength in the FRG as follows:

	SEPTEMBER '83	SEPTEMBER '84
BELGIUM	28,591	29,050
CANADA	5,678	5,685
FRG	494,456	495,000
FRANCE	47,537	50,029
NETHERLANDS	8,587	8,422
UK	68,683	68,892
	653,532	657,078

Total Increase

3,546





I now believe that we can fully meet the Congressional conditions for a higher troop ceiling in FY 1984. We are preparing the necessary certification regarding Allied troop strengths and will submit it along with other certifications on: significant priority in our budget and five year defense plan to programs intended to improve NATO's conventional capabilities; and the need for a ceiling higher than 315,600 to meet the U.S. commitment to NATO. The latter certification must be accompanied by a detailed analysis of the United States force and support structure in Europe. The Organization of the Joint Chiefs of Staff is currently preparing this analysis. (S)

U.S.-Israeli Military Talks: The Military-to-Military talks portion of the U.S.-Israeli Joint Political Military Group concluded in Tel Aviv last week. A synopsis of the meetings follows:

- Both sides presented their concepts for operational planning, exercises, and logistics support. Each side clearly stated and understood that all talks, papers, or memoranda were ad referendum in nature and "may not reach fruition, may require considerable time, or may be do-able in the near term."
- Memorandum of Military Discussions: Lays out, in broad terms, objectives of combined efforts and tasks each side would undertake unilaterally/bilaterally to meet the threat.
- Combined Contingency Plan: Describes in general terms a framework for combined operations and provides for annexes for detailed work on specific contingencies; avoids direct reference to specific Arab States; includes purpose, situation, enemy and friendly forces, tasking for each side, and a proposed schedule for development; U.S. Team Chief believes that, due to sensitivity, as specifics are developed, entire project should be compartmentalized. (This is new for the Israelis and they are proceeding cautiously.)
- Combined Logistics Arrangements: Draft is along lines of NATO Host Nation Support Agreement; lays out concepts for storage/prepositioning, maintenance/services, and general support under emergency conditions; primary Israeli interest is in items for storage that are used by both countries and that would be produced/procured through Israeli vendors, then designated for joint use; intermediate/depot level maintenance can be provided for most U.S. items in Israeli inventory—where the Israelis do not possess this capability, they would like to acquire it.



SECRET

 Combined Exercise Planning: Outlines the goals and framework within which each exercise will be planned, executed, and reviewed; desire is for small, low-key exercises initially that are mutually beneficial; near term exercises including airborne command and control in April and four other simple familiarization exercises for follow-on planning/execution this year.

The team visited several industrial/military facilities to evaluate overall current and potential capability. Four follow-on meetings have been scheduled for the April-June time frame. (S)

Potential Cost Savings Through Contract Negotiations: The contract for detailed design and construction of the first LHD-1 Class Multipurpose Amphibious Assault Ship was awarded late last month. The contract is for \$962,059,000 under a fixed price incentive (FPI) format, with a 50/50 government/contractor ratio for sharing overruns or savings.

Negotiations were initially completed in early January for a cost-plus-award-fee contract, but although the cost and fee negotiated were attractive, the Navy continued discussions to achieve an FPI 50/50 contract. This action was taken because a target ceiling price, with a fair but substantial contractor penalty for overrun, is more conducive to contractor cost saving than agreement upon only an "estimated" cost. Moreover, as a modified repeat design of the existing LHA-Class ship, to be constructed by the LHA shipbuilder (Ingalls Shipbuilding), the LHD-1 is a low-risk candidate to be the first FPI 50/50 lead ship contract in our amphibious assault ship program.

With this agreement, all contracts in our FY 1984 shipbuilding program have been executed with either fixed price or FPI 50/50 share ratio contracts. This aggressive contracting posture will continue to promote a keen cost consciousness among the nation's shipbuilders and demonstrate to Congress our ability to manage our ship construction resources wisely.

Construction of the LHD-1 will begin in September 1984, with delivery scheduled for March 1989. (U)

Improvements in Naval Reserve Aviation: In keeping with our efforts to integrate Reserve Components into the total force, two Naval Reserve carrier air wings will be able to deploy and sustain operations on active aircraft carriers before the end of the decade. The following are examples of actions planned to incorporate the latest, front-line aircraft into the Reserve:

 Strike Fighter Squadron 303 will commence operating the F/A-18 aircraft this year at Naval Air Station Lemoore, California;





- The Second Reserve F/A-18 squadron will be established in 1986;
- The transition of Attack Squadron 205 to the A-7E CORSAIR II aircraft will be accelerated from 1988 to 1985;
- The Reserve Carrier Airborne Early Warning squadrons will be fully E-2C equipped by 1988; and
- Fighter Squadron 301 at Naval Air Station Miramar, California will receive the F-14 aircraft in late 1984.

This effort to integrate, or concurrently operate, similar aircraft in both the active and reserve forces is a major departure from the previous policy of providing aircraft to the Naval Reserve as they were no longer needed in active units. (U)

Army Conversion from In-House to Commercial Operations: In support of our policy of relying on private enterprise for products and services to the maximum extent consistent with effective and efficient accomplishment of programs, the Army recently announced plans to study additional potential conversions from in-house operation to commercial contracts in various functions at 12 installations in FY 1984. Conversion to commercial contracts will only be considered after detailed cost comparisons are completed and only if solicitations of firm bids/offers indicate that contracting out is cost effective.

Should contracting out prove to be more economical for any of the activities under study, career employees affected by conversion to commercial contract will be given maximum assistance in continuing their careers as Government employees through reassignment to other positions in the Department or other federal agencies. This assistance will also include the right of first refusal for employment openings with the commercial contractor in positions for which employees are qualified. In cooperation with Labor and State, assistance will also be given to employees in locating positions in other areas of private industry. Where appropriate, the employees will be given the opportunity for retraining to qualify for jobs in their local labor markets. (U)

Exercise TEAMWORK 84: This joint/combined U.S.-NATO training exercise began in Northern Europe last month and will continue into the last week of March. The exercise entered a new phase last week with the arrival of a Marine contingent from the U.S. in the Trondheim area of Norway. They crossed the Atlantic in two C-141 aircraft in a matter of hours and, upon arrival, drew six M-198 towed howitzers and 14 M-913 five-ton trucks from prepositioned equipment stocks at Fremo in Trondelag, Central Norway.





The 120 Marines brought their own communications, transportation, and light equipment in the aircraft and were transported to landing areas in the Tromsoe region, a thousand miles north, by Norwegian merchant ships. This was the first time prepositioned equipment had been drawn for use.

The main exercise landing force consists of the fully equipped Fourth Marine Amphibious Brigade, along with the British/Dutch Third Commando Brigade. The British, Dutch and U.S. Marines are embarked in amphibious ships under the command of a U.S. Navy Rear Admiral and are protected by escorts commanded by a British Vice Admiral. They form part of a NATO fleet of over 150 ships taking part in the exercise.

TEAMWORK 84 tests NATO plans for the reinforcement of Northern Norway; the exercise is being coordinated by the Supreme Allied Commander Atlantic, Admiral Wes McDonald, from his headquarters in Norfolk. The commander of NATO's Striking Fleet Atlantic, U.S. Navy Vice Admiral Joe Metcalf, III, is the on-scene commander. (C)

Air Force Pricing Conference: On Tuesday the Air Force opened a three-day Worldwide Pricing Conference to examine recent improvements in contract pricing practices, with special emphasis on the spare parts and support equipment areas.

Approximately 300 Defense, Air Force, and industry officials are attending the Oklahoma City conference, which includes as speakers executives from several major and small business defense firms. Representatives from the other Services and the Defense Logistics Agency have been invited to participate.

The conference is examining the entire spectrum of pricing, but spare parts and support equipment pricing are being studied in some detail in an effort to develop ideas that will complement our already significant actions to eliminate past deficiencies. (U)

Favorable Court Decision on Education of Military Dependents:
In a very favorable opinion to the Government, the Fourth
Circuit Court has invalidated the 1982 resolution of the Onslow
County Board of Education that had the effect of imposing
tuition on dependent children of military members residing
off-post in Onslow County, North Carolina. The Court offered
three bases for its decision:

 Current law requires a school district that accepts federal funds for school construction to agree to educate federally-connected children on the same terms as other children in such school districts. The Fourth Circuit ruled that Onslow County must honor this agreement at least as long as it continues to use the facilities constructed with the funds for which the assurances were given.



- Current law permits the payment of impact aid to school districts with specified concentrations of federally-connected students. In the Onslow County case, the students in question were dependents of military members who did not reside on Government property. The Court, reasoning that the tuition payments prescribed in the School Board's resolution were tantamount to taxes, held that the resolution conflicted with the Soldiers' and Sailors' Civil Relief Act, as amended, which protects military personnel from specified taxes in states to which they are assigned but where they are not domiciled. Consequently, the Court determined that the tuition resolution was preempted and unenforceable.
- Finally, the Fourth Circuit vitiated the tuition resolution as discriminatory against federally-connected persons.

The Court limited its decision to the School Board's tuition resolution and did not reach the validity of the underlying North Carolina state statute that purported to authorize the resolution. The District Court had invalidated the tuition scheme only on the discrimination ground. In affirming the judgment of the District Court, the Fourth Circuit significantly expanded the scope of the trial court's holding. We expect the Fourth Circuit's opinion to be very persuasive for the Government if there is further litigation in the impact aid area. (U)

Favorable Supreme Court Decision on Sex Discrimination: The Supreme Court, by a 6 to 3 vote, recently overturned an adverse sex discrimination decision against the Navy by the D.C. Court of Appeals. This class action alleged discrimination in the application of Navy promotion policies by female civilian employees at the Navy Data Automation Center.

We believe the remand by the Supreme Court could save Federal agencies from a rash of unwarranted class actions based on statistical analyses that have little relevance to situations of actual discrimination. The analysis upon which the D.C. Court of Appeals based its decision disregarded the minimum objective qualifications for employment or promotion to particular Navy jobs, and erroneously included consideration of personnel actions taken prior to relevant 1972 Supreme Court rulings. The D.C. Court also failed to consider the more favorable promotion experience in the Navy component of women employees, compared to their male counterparts, after 1972, and would have imposed a difficult burden on the Navy to disprove discrimination derived from faulty statistical analysis. (U)

UNCLASSIFIED



TOP SECRET

March 24, 1984

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT C. McFARLANE

SUBJECT:

Secretary Weinberger's Weekly Report

Attached is Cap Weinberger's weekly report for the week ending Friday, March 24, 1984.

cc: The Vice President Ed Meese Jim Baker Mike Deaver

TOP SECRET



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CASPAR WEINBERGER TO RR RE. WEEKLY REPORT OF DEFENSE ACTIVITIES

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

MEMORANDUM



THE WHITE HOUSE

WASHINGTON

SECRET

March 30, 1984

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MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT C. MCFARLANE

SUBJECT:

Secretary Weinberger's Weekly Report

Attached is Cap Weinberger's Weekly Report for Friday, March 30, 1984.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver

DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA RW , DATE 5/21/13



WASHINGTON

SECRET

March 30, 1984

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT C. McFARLANE

SUBJECT:

Secretary Weinberger's Weekly Report

Attached is Cap Weinberger's Weekly Report for Friday, March 30, 1984.

cc: The Vice President

Ed Meese Jim Baker Mike Deaver



DECLASSIFIED
Sec.3.4(b), E.O. 12858, as amended
White House Guidelines, Sept. 11, 2006
BY NARA L. DATE 5/21/13

SECRET-

THE SECRETARY OF DEFENSE

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WASHINGTON, THE DISTRICT OF COLUMBIA

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BY RW NARA DATE 21/16

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March 30, 1984

WHITE HOUSE SITUATION ROOM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of Defense Activities (U)

Legislative Affairs: As we expected, there is intense Congressional interest in our internal efforts to achieve our required budget reductions. On Wednesday I met with Senate Armed Services Committee Chairman John Tower for an extensive discussion of the substantive and political mechanisms required to achieve the level of reductions consistent with the budget compromise. I also talked with Ted Stevens. We have been under considerable pressure from the House Armed Services Committee to provide our recommendations as soon as possible because of the committee's desire to complete subcommittee and full committee markup of the FY 1985 Defense Authorization Bill before the Easter recess. We are making every effort to work with all our jurisdictional committees on this difficult task.

As you know, on Wednesday the Democrat-controlled House Budget Committee rapidly approved a package including a committee amendment that would provide only a 3.5 percent real growth for Defense in FY 1985-FY 1987. This level of funding would cause major disruptions to our Defense rebuilding program. We have been requested by Congressman Del Latta, and have agreed, to provide supporting material that can be used to argue against such severe cuts when the full House takes up the budget resolution next week. (U)

B-lB Strategic Aircraft Update: Progress is continuing on the B-lB production line. We are only six weeks from applying electrical power to the first aircraft and 22 weeks from rollout. B-lA aircraft #4 has been refitted with all the new electronics equipment for the B-lB, including defensive systems. Electrical power was applied last week to test compatibility of all systems, and we expect to begin flight tests in July.

Despite our efforts to publicize how well the program is progressing, the media has not reported this. We are still under budget and well ahead of schedule. Our learning curve on errors in production has been excellent, as reflected in the last engine test, in which only a single loose wire had to be

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re-attached. The General Accounting Office has monitored Air Force and contractor performance closely but has said little since all is going well. Our principal concern now is that with the contractors doing so well--finding few defects, running seven months ahead of schedule, and holding sizable management reserves--we may be accused of having awarded too easy contracts!

During my latest update briefing, I was shown a part to be incorporated in the aircraft that is the largest precision forged aluminum casting ever made. Prior to this new technological breakthrough our capability was only 200 square inches. The new part measures 400 square inches, and the technology could take us to 600 square inches. In producing the part, we have overcome previous difficulties involved in achieving uniform casting strength. The part is lighter, stronger, and cheaper than the same item made by welding smaller pieces together, as was done previously. Production cost of the forging is only 10 percent of the earlier assembly, which translates into a net savings in the B-IB program of \$150 million, after subtracting the technology development program.

The significance of this technology reaches beyond the savings on the B-lB. The breakthrough has been theoretically possible for some time, but it took the savings incentives and latitude for innovation built into the B-lB management contracts to enable the Air Force and Martin-Marietta (the contractor) to invest development money in production line technology. Thus, the development of this technology saves \$150 million on the B-lB and has many possible applications elsewhere (Reynolds Aluminum and Boeing have already applied to use the technique), and we have demonstrated that cost reduction incentives and innovative techniques can indeed result in weapons systems procurement at reduced costs. (C)

Cruise Missile Update: We have activated the fourth B-52 Air-Launched Cruise Missile (ALCM) wing at Fairchild Air Force Base, Washington (the others are at Griffiss Air Force Base, New York; Wurtsmith Air Force Base, Michigan; and Grand Forks Air Force Base, North Dakota) and have now received over 900 ALCMs from the manufacturers. Although these missiles are procured on a fixed-price basis, we are still seeking cost reductions. With one contractor (Williams International), we made an \$8.5 million investment in production line technology on a number of components that will produce an estimated net savings of \$55 million. In my Weekly Report of March 9, I reported the captive-carry flight test; I have attached to this report a map that depicts where our test flights in Canada are flown. The next flight will be in January 1985 and is another captive-carry test (attached to a B-52 that follows missile





guidance). Two free-flight tests will follow in February and March.

I have talked to Senator Mack Mattingly about the European military construction program (MCP) needs, particularly housing for families of American servicemen, for the Ground-Launched Cruise Missile program in your FY 1985 budget. He is not opposed to GLCM deployment, but is looking for ways to trim the budget, and thus opposes having families accompany our servicemen to Italy, etc. Construction in Europe does not have strong support in the Congress. Ambassador Rabb in Italy has told me of the Italian Government's very strong desire to have our families there and of the need for additional U.S. family housing to accommodate them. In addition to diplomatic concerns, accompanied three-year tours (servicemen with their families) will cost us \$54 million less over the next four years than cycling our personnel on one-year unaccompanied tours. Without quick relief, we will be limited to one flight of GLCMs at Comiso, instead of the seven planned, until the housing situation is remedied.

During my current trip, I will have a bilateral meeting with Belgian Minister of Defense Vreven and will discuss GLCM facilities at Florennes. We have funding for these facilities, but there is currently a Belgian domestic dispute over who will get the contract. I have also talked to Dutch Minister of Defense de Ruiter about their keeping their 1979 commitment. July will be critical for the Dutch commitment. After that time, we will have to revise our plans, even if the Dutch finally agree to deployment. Prime Minister Lubbers told me he expects to make a decision in May. Nearly everyone reports that the Dutch Government does not now have the votes for deployment. (I will send you a more detailed report on my trip.)

We are now striving to meet the June initial operational capability (IOC) schedule in the Sea-Launched Cruise Missile (SLCM) program. It is achievable (last year it was thought to be impossible) but will be difficult. The test program is ontrack. Although there were more failures than I would like to see, the tests did have an 85 percent success rate, which is really quite good. The malfunctions were corrected and lessons learned applied to all other missiles.

The perception exists that total program costs have risen by \$1.5 billion between your FY 1984 and FY 1985 budgets (from \$11.5 to \$13 billion). Most of this was caused by the program stretch-out required by Congressional cuts and by the determination that an improved warhead would be required for a follow-on SLCM variant. The latter involves \$600 million that was not





included in the FY 1984 budget because the preliminary concept plans had been decided upon. This weapon variant will not be ready until the 1990s. This issue could cause difficulties in the Congress this year, but it is not a budget increase in the cost of the SLCM program originally submitted.

As you may recall, there are six basic SLCM variants now under development or in production—the TOMAHAWK Land Attack Missile, both conventional and nuclear (T/LAM—C or N) and TOMAHAWK Anti—Ship Missile (TASM) variants for both submarines and surface ships. We have already achieved IOC for the submarine—launched TASM. The others are in—work. The good news in this program is that the USS IOWA will be fitted with SLCM launchers prior to her April commissioning and will be loaded—out with ten TASMs and two T/LAM—Cs in May. This hardware is available now. (S)

Handicapped Employment: I was pleased to receive a report from Air Force Secretary Verne Orr this week that the Air Force continues to be a leader in the employment of the handicapped. In FY 1983, they employed 2,462 severely disabled persons, which represents 100 percent achievement of the Air Force goal. The total handicapped employment representation (which includes the severely disabled) is 9.93 percent of the total Air Force civilian workforce.

The Equal Employment Opportunity Commission has not yet released the official report of agency standings, but we are advised informally that the Air Force compares very favorably with other agencies with over 100,000 employees. With the possible exception of the Veterans Administration and Treasury, we expect the Air Force to lead all other agencies in handicapped employment. (U)

Competition Advocates: In support of our efforts to maximize cost effectiveness in weapons procurement through increased competition, in November 1981 we directed establishment of "competition advocates" in our procurement agencies. Since then, all the Services and the Defense Logistics Agency (DLA) have designated competition advocates in compliance with that direction. The advocates' duties are to ensure that we have the widest possible competition for all contracts.

Almost 300 competition advocates now exist throughout the Services and DLA. We have both military and civilian personnel serving as competition advocates, and we are formalizing the requirement for competition advocates and their responsibilities through a Department directive. (U)





Report on Savings Through Competition: We recently sent a report to Congress that confirms that significant savings result from requiring government work forces to compete with private industry to determine whether an activity should be government or privately operated. The report compared estimated original savings with those actually achieved on 235 contracts awarded during Fiscal Years 1981 and 1982. These savings were 24 percent. Compared to the original operating costs, savings on these 235 contracts came to more than 30 percent. The report also noted that the program has been particularly beneficial to small businesses, which received 186 of the 235 contracts awarded.

Since 1979, the Department has conducted over 900 competitions, and we estimate that the program is saving about \$350 million a year. We believe these savings have been made possible by the creation of more competitively organized and managed government work forces and private contractors than previously existed.
(U)

Exercise GRANADERO I: This joint/combined U.S.-Central American engineer and field training exercise will commence Sunday and run through the end of June. GRANADERO I will build on the lessons learned in AHUAS TARA I and II, enhance our abilities and techniques to conduct multi-national regional military operations, and standardize the process of operational procedures among the participating nations.

The exercise will be conducted in two-phases--Phase I, a preparatory phase, and Phase II, an employment phase. During Phase I, an engineer task force of approximately 800 personnel, the 864th Engineer Battalion, will deploy from Fort Lewis, Washington to Honduras and prepare temporary C-130 assault airstrips at the existing airfields of Cucuyagua and Jamastran. These airstrips will be used extensively to support the exercise forces conducting Phase II.

Phase II will consist of a series of combined counterinsurgency exercise activities in which approximately 1000 U.S. troops will participate. This phase will culminate in a combined/joint airborne/air assault operation. (S)

Exercise GLOBAL SHIELD 84: This Strategic Air Command field training and battle staff readiness exercise will be conducted from bases in the continental United States, Alaska, Greenland, Guam, Japan, and Canada and will include airspace over both the Atlantic and Pacific. The exercise will begin next Tuesday and run through April 13.





GLOBAL SHIELD 84 will exercise U.S. and Canadian command, control, and communications capabilities and ability to conduct operations in pre-, trans-, and post-attack conditions. It is designed to enhance readiness and to provide SAC forces with realistic training missions. Some 150,000 U.S. personnel will participate in GLOBAL SHIELD 84, the sixth exercise in the series in as many years. (S)

Small and Disadvantaged Business Conference/Workshop: Last week we conducted the first Department-wide Small and Disadvantaged Business Utilization Conference and Workshop in New Orleans. Over 600 small and disadvantaged business utilization specialists from Defense offices and installations throughout the United States attended the conference. Major topics discussed included:

- the revised Federal Acquisition Regulation;
- laws and proposed legislation concerning small and disadvantaged business;
- minority business developments;
- the Small Business Innovation Research Program;
- special interest initiatives such as the Southwest Border and Puerto Rican initiatives; and
- Department small and disadvantaged business achievements and goals.

We were pleased to have Small Business Administration Administrator Jim Sanders address the conference as a keynote speaker. Deputy Secretary Taft also spoke to attendees. We believe the conference was a great success and look forward to holding similar events in the future. (U)

Savings Bonds Campaign: We will conduct the Department Savings Bonds Campaign during April, May, and June; in preparation for the campaign and, at the request of General Chairman Sam Pierce, I have asked the Secretaries of the Military Departments and Directors of the Defense Agencies to serve as chairpersons for the campaign in their organizations. Each of them has designated a top official as their assistant for the campaign and selected staff members to conduct person-to-person canvassing of all civilian and military members in their organizations.





We have also mounted a significant publicity effort pointing out the advantages of the current Savings Bonds program and encouraging members to take advantage of the payroll deduction method for bond purchases. We will continue to emphasize the importance of savings throughout the campaign and hope to make this year's campaign the best ever. (U)

Voluntary Credit from Commercial Air Carrier: Earlier this month Flying Tiger Lines, Inc., voluntarily agreed to credit a \$262,494 overpayment the company received from the Military Airlift Command (MAC) five years ago. The overpayment involved a MAC contract with Flying Tiger to ferry troops and cargo to the Pacific during a 1979 annual deployment exercise in the Pacific and Korean theaters of operation.

After negotiations between MAC and Flying Tiger, the carrier voluntarily credited MAC with \$262,494 by adjusting the price of 11 current contract cargo missions to equal the amount overpaid by the Air Force. (U)

Awards for Design Excellence: I was pleased to announce last week the winners in the 1984 Defense Design Awards program for military construction. The highest honor went to the library expansion project at the Air Force Academy in Colorado Springs.

Deputy Secretary Will Taft and Assistant Secretary Larry Korb presented the awards to the winners in a ceremony on Tuesday at the headquarters of the American Institute of Architects, here in Washington. Awards were presented for ten projects that were selected by a Department "jury" that noted the high quality of all projects submitted by the military departments for the competition. The jury was particularly impressed with the excellent design, quality, appropriate use of materials, cost effectiveness, and environmental compatibility of the winning submissions. (U)

Jays

Attachment



