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12/19/83

NATIONAL SECURITY COUNCIL

Israel

Start a file —

Foreign Assistance

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NSC/S PROFILE

UNCLASSIFIED

Lilacs file
FY85 Security Assistance Budget
ID 8309143

RECEIVED 16 DEC 83 17

TO

KIMMITT

FROM UNKNOWN

DOC DATE 16 DEC 83

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KEYWORDS. BUDGET

DEFENSE BUDGET

SECURITY ASSISTANCE

USIA

OIL

SUBJECT: SUMMARY OF RECOMS RE BUDGET REVIEW

ACTION: FOR RECORD PURPOSES

DUE:

STATUS C

FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

ROBINSON

HELM

LILAC

FORTIER

RAYMOND

Martin

COMMENTS

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ACTION OFFICER (S)

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ACTION REQUIRED

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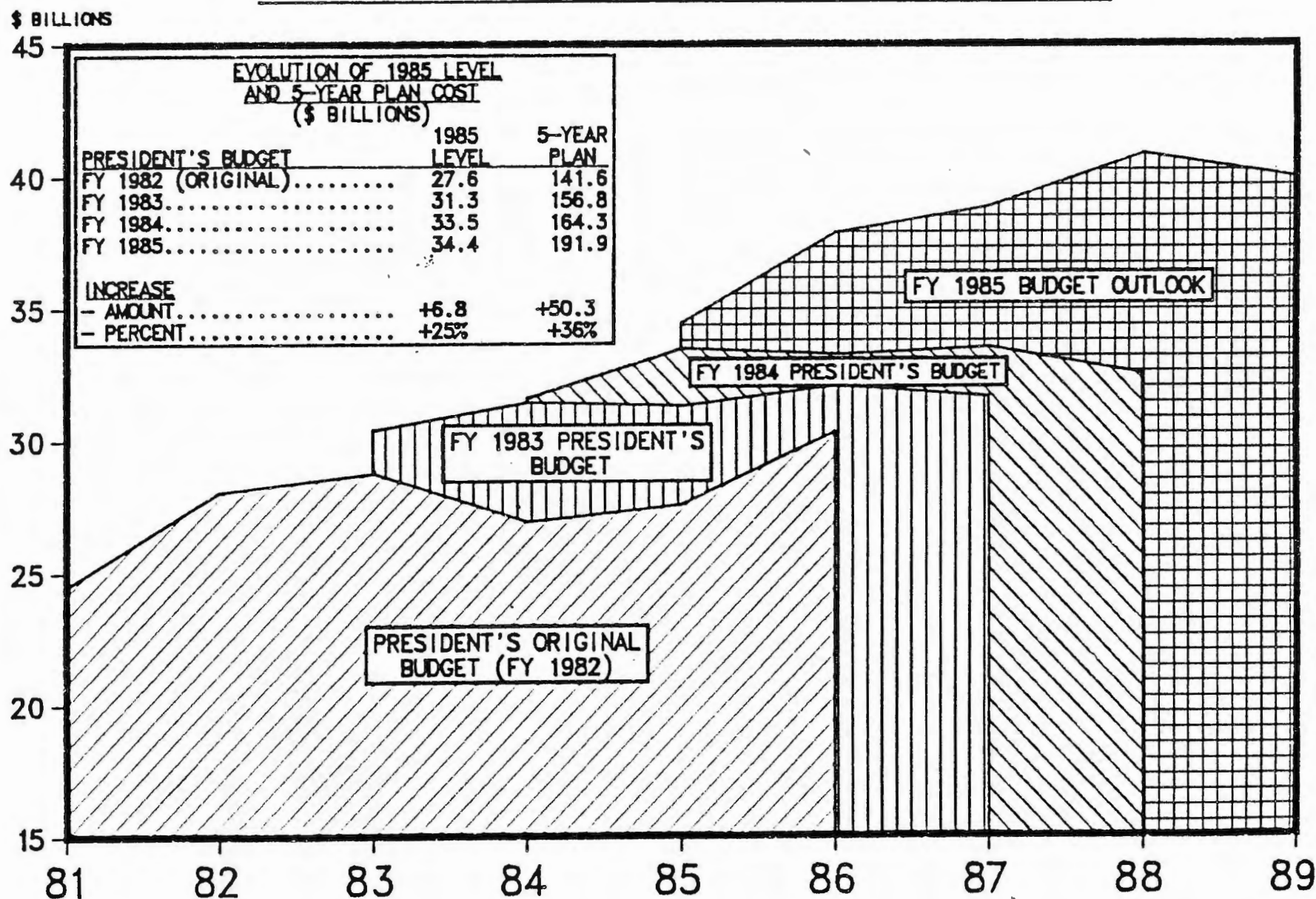
W/ATTCH FILE (C)

SUMMARY OF RECOMMENDATIONS FOR NATIONAL INTEREST PROGRAMS

→ Scott-Tito
12/16 Budget Review

<u>Program</u>	<u>1985</u>	<u>1986</u>	<u>1987</u> (millions)	<u>1988</u>	<u>1989</u>	<u>Total</u> <u>1985-89</u>
1) <u>President's FY 1984 Mid-Session Budget Target</u>	<u>\$31,597</u>	<u>\$33,458</u>	<u>\$33,229</u>	<u>\$33,512</u>	<u>\$32,484</u>	<u>\$164,280</u>
2) <u>FY 1985 Policy Add-Ons to Target:</u>						
3) Defense Weapons Program (DOE)	-187	+813	+1,170	+1,470	+1,159	+4,425
4) Strategic Petroleum Reserve.	+1,507	+688	+638	+646	+692	+4,171
5) Defense Stockpile	+109	+118	+117	+117	+117	+578
6) Security Assistance/Foreign Aid	+834	+1,147	+1,399	+1,524	+1,656	+6,560
7) State Department	+83	+123	+152	+188	+197	+743
8) United States Information Agency	-30	+100	+211	+200	+42	+523
9) NASA (Option #4)	<u>+508</u>	<u>+1,401</u>	<u>+1,924</u>	<u>+3,167</u>	<u>+3,597</u>	<u>+10,597</u>
10) Total Policy Add-On	<u>+2,824</u>	<u>+4,390</u>	<u>+5,611</u>	<u>+7,312</u>	<u>+7,460</u>	<u>+27,597</u>
11) Percent Increase to President's Mid-Session Target	+9%	+13%	+17%	+22%	+23%	+17%
12) FY 1985 Budget Outlook with Policy Add-Ons	<u>\$34,421</u>	<u>\$37,848</u>	<u>\$38,840</u>	<u>\$40,824</u>	<u>\$39,994</u>	<u>\$191,877</u>

EVOLUTION OF FIVE-YEAR BUDGET PLANS FOR NATIONAL INTEREST PROGRAMS



SUMMARY OF RECOMMENDATIONS FOR SECURITY ASSISTANCE/FOREIGN AID

<u>Program</u>	<u>1985</u>	<u>1986</u>	<u>1987</u> (millions)	<u>1988</u>	<u>1989</u>	<u>Total</u> <u>1985-89</u>
1) <u>President's Mid-Session Target .</u>	<u>14,061</u>	<u>13,932</u>	<u>13,900</u>	<u>13,935</u>	<u>13,935</u>	<u>69,763</u>
2) <u>Impact of Policy Changes on Target:</u>						
3) Economic Support Fund	+73	+144	+214	+285	+358	+1,074
4) PL - 480	+235	+288	+321	+344	+363	+1,551
5) Allowance for Central America Initiative (Kissinger Commission)	+750	+750	+750	+750	+750	+3,750
6) Africa Initiative and Other Development Aid	+162	+200	+239	+277	+328	+1,206
7) Military Aid Financing	-518	-344	-208	-69	+73	-1,066
(Increase in Grant Value) ..	(+1,706)	(+1,787)	(+1,867)	(+1,948)	(+2,031)	(+9,339)
8) Multilateral Banks, Micronesia and Other Foreign Assistance	+132	+109	+83	-63	-216	+45
9) Total Policy Add-On	+834	+1,147	+1,399	+1,524	+1,656	+6,560
10) Percent Increase to President's Mid-Session Target	6%	8%	10%	11%	12%	9%

SUMMARY OF RECOMMENDATIONS FOR STATE DEPARTMENT OPERATIONS
AND UNITED STATES INFORMATION AGENCY

<u>Program</u>	<u>1985</u>	<u>1986</u>	<u>1987</u> (millions)	<u>1988</u>	<u>1989</u>	<u>Total</u> <u>1985-89</u>
1) <u>President's Mid-Session Budget Target:</u>						
2) State Department Operations.	2,709	2,772	2,854	2,933	3,045	14,313
3) United States Information Agency	<u>875</u>	<u>883</u>	<u>900</u>	<u>911</u>	<u>911</u>	<u>4,480</u>
4) Total, Mid-Session Target	<u>3,584</u>	<u>3,655</u>	<u>3,754</u>	<u>3,844</u>	<u>3,956</u>	<u>18,793</u>
5) <u>Impact of Recommendation on Target:</u>						
6) State Department Operations: Enhanced Security, Information Collection, Construction and Personnel Levels	+83	+123	+152	+188	+197	+743
7) USIA Construction/ Modernization Program	-65	+58	+163	+146	-40	+262
8) USIA Television Initiative and Other Operations	+35	+42	+48	+54	+82	+261
9) Total Policy Add-On	+53	+223	+363	+388	+239	+1,266
10) Percent Change to President's Mid-Session Target	2%	6%	10%	10%	6%	7%

SUMMARY OF RECOMMENDATIONS FOR THE DEFENSE WEAPONS PROGRAM
AND STRATEGIC PETROLEUM RESERVE

<u>Program</u>	<u>1985</u>	<u>1986</u>	<u>1987</u> (millions)	<u>1988</u>	<u>1989</u>	<u>Total</u> <u>1985-89</u>
<u>Defensive Weapons Program (DOE):</u>						
1) President's Mid-Session Target .	<u>8,037</u>	<u>7,962</u>	<u>8,147</u>	<u>7,767</u>	<u>8,155</u>	<u>40,068</u>
2) Policy Add-On for New Initiatives, Operations and Facilities Maintenance/ Modernization	-187	+813	+1,170	+1,472	+1,159	+4,425
<u>Strategic Petroleum Reserve</u>						
3) President's Mid-Session Target .	<u>792</u>	<u>1,347</u>	<u>1,384</u>	<u>1,422</u>	<u>1,465</u>	<u>6,410</u>
4) Policy Add-On for Raising Fill Rate from 100,000 bbls/ day to 145,000 and Big Hill Construction	+1,507	+688	+638	+676	+692	+4,171
<u>DOE National Interest Program Total</u>						
5) President's Mid-Session Target .	<u>8,829</u>	<u>9,309</u>	<u>9,531</u>	<u>9,189</u>	<u>9,620</u>	<u>46,478</u>
6) Policy Add-On	+1,320	+1,501	+1,808	+2,148	+1,851	+8,596
7) Increase to Mid-Session Target	+15%	+16%	+19%	+23%	+19%	+19%
8) FY 1985 Budget Outlook With Policy Add-Ons	10,149	10,810	11,339	11,337	11,471	55,106

THE WHITE HOUSE

WASHINGTON

January 18, 1984

Presidential Determination
No. 84-4

MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
The Secretary of State

SUBJECT: International Military Education and Training
for Yugoslavia

By virtue of the authority vested in me by the Foreign Assistance Act of 1961, as amended (the Act):

I hereby find pursuant to section 620(f) of the Act that the furnishing of assistance to Yugoslavia under chapter 5 of part II of the Act is vital to the security of the United States, that Yugoslavia is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of Yugoslavia from international communism.

Pursuant to section 614(a) (1) of the Act—

(a) I hereby determine that the furnishing of such assistance to Yugoslavia is important to the security interests of the United States; and

(b) I hereby authorize the furnishing of such assistance to Yugoslavia without regard to section 620(f) of the Act in the amount of \$130,000 in the fiscal year 1984.

This determination shall be reported to the Congress and published in the Federal Register.

Ronald Reagan

cc: The Secretary of Defense

THE WHITE HOUSE

WASHINGTON

January 18, 1984

Presidential Determination
No. 84-4

MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
The Secretary of State

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Pursuant to section 614(a)(1) of the Act--

(a) I hereby determine that the furnishing of such assistance to Yugoslavia is important to the security interests of the United States; and

(b) I hereby authorize the furnishing of such assistance to Yugoslavia without regard to section 620(f) of the Act in the amount of \$130,000 in the fiscal year 1984.

This determination shall be reported to the Congress and published in the Federal Register.

Ronald Reagan

cc: The Secretary of Defense

MEMORANDUM

Received SS

1984 JAN 17 PM 7:11

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THE WHITE HOUSE
WASHINGTON

January 17, 1984

ACTION

MEMORANDUM FOR THE PRESIDENT

SIGNED

FROM: ROBERT C. MCFARLANE *RCM*

SUBJECT: Proposed Presidential Determination Authorizing
International Military Education and Training for
Yugoslavia (IMET)

Issue

To sign the proposed Presidential Determination (PD).

Facts

On November 7, we authorized the State Department to begin consultations with the Congress in support of a PD authorizing IMET for Yugoslavia. The Department has completed these consultations and has encountered no objections.

Discussion

Secretary Shultz has now requested a Presidential waiver to be signed to allow the program to proceed.

Recommendation

OK

NO

RR~~*[Signature]*~~

That you sign the attached certification (Tab A)
and approve the justification (Tab B).

Attachments

Tab A Presidential Determination
Tab B Justification

Prepared by:
Richard T. Childress

cc Vice President

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**JUSTIFICATION FOR PRESIDENTIAL DETERMINATION TO
PERMIT PROVISION OF INTERNATIONAL MILITARY
EDUCATION AND TRAINING FOR YUGOSLAVIA**

I. PROBLEM

Section 620(f) of the Foreign Assistance Act of 1961, as amended (the Act), prohibits assistance under the Act to any Communist country, including Yugoslavia. In accordance with Sections 614(a) and 620(f) of the Act the President is authorized to waive this prohibition if he (1) determines that to do so is important to the security interests of the United States and (2) finds that such assistance is vital to the security of the United States; that Yugoslavia is not controlled by the international Communist conspiracy; and that such assistance would further promote the independence of Yugoslavia from international Communism.

The exercise of the President's authority in this case will permit continuation of training of Yugoslav officers at United States military institutions under the International Military Education and Training (IMET) program. An IMET program for Yugoslavia has been included in the Congressional Presentation Document in support of the FY 1984 security assistance budget and legislative proposals. The forthcoming determination relates to a program of \$130,000 in FY 1984.

II. JUSTIFICATION

Nonaligned Yugoslavia is strategically important because of its position between the Warsaw Pact and NATO and its long Adriatic Coast, access to which has been denied the Soviet Union since the Yugoslav-Soviet break in 1948. Every American President since that time has supported Yugoslavia's independence, unity, territorial integrity, and economic growth as vital to peace and stability in Europe, and therefore to the security interests of the United States.

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- 2 -

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Yugoslav resistance to Soviet control, as well as its independent foreign and domestic policies, are well documented. Since Tito's defiance of Stalin and the Cominform and Yugoslavia's expulsion from the world Communist movement, Yugoslavia has been an outspoken advocate of the right of each country to follow its own course and has served as an example to other communist countries of an alternative "model" to Soviet-style communism. As a founding member of the nonaligned movement, Yugoslavia has frequently been highly critical of Soviet policies, condemning the invasion of Czechoslovakia in 1968 and Afghanistan in 1980 and calling for non-intervention in Polish domestic affairs. Additional evidence of Yugoslav independence from the Soviet Union was the visit of Chinese Communist Party General Secretary Hu Yaobang to Belgrade in May of 1983.

Although Yugoslavia imposes restrictions on many aspects of individual political behavior and holds several hundred political prisoners, its internal political system is notably more liberal than those of other communist states and has become steadily more so relative to them. Its decentralized system of self-management and workers' councils is markedly different from the centrally planned and controlled systems of the Soviet bloc. Finally, Yugoslavia allows its citizens a significantly greater degree of freedom, including the right to emigrate.

In the 1950s and early 1960s, U.S. support for Yugoslavia took the form of both military and economic assistance; during this period, the U.S. was Yugoslavia's largest military supplier. The resumption in 1980 of a training program for Yugoslav officers at U.S. higher military schools signals U.S. interest in establishing a linkage with future Yugoslav military leaders and supporting Yugoslavia's independent foreign and domestic policies. With respect to economic assistance, the United States has played an active role this year in putting together a multilateral financial assistance package designed to help Yugoslavia through a short-term liquidity crisis.

For the foregoing reasons, a Presidential determination under Section 614(a) (1) and 620(f) of the Act in order to furnish IMET to Yugoslavia in the fiscal year 1984 is justified under the standards provided for in law.

Drafted:PM/SAS:Rartim:eot
9/16/83 Ext. 23564

Clearance:EUR/RPM:ERehfeld

EUR/EE:NLang

L/PM:ECummings

DOD/DSAA:RHannus

HA:Fashley

H:LHunt

PM/SAS:DBlakemore

P:SJohnson

PM:TEMcNamara

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MEMORANDUM

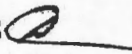
NATIONAL SECURITY COUNCIL

ACTION

January 12, 1984

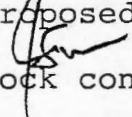
MEMORANDUM FOR ROBERT C. MCFARLANE

SIGNED

FROM: RICHARD T. CHILDRESS SUBJECT: Proposed Presidential Determination Authorizing
International Military Education and Training
for Yugoslavia (IMET)

In response to a memo from Secretary Shultz, we authorized State to proceed with consultations and to furnish the Congress with a written justification to provide IMET to Yugoslavia (Tab III).

State has completed their consultations and has encountered no objections to the proposed Presidential Determination (Tab II).

  Dobriansky and Matlock concur. *OMB concurs.*

Recommendation

That you forward the memo at Tab I to the President requesting signature on the PD at Tab A.

Approve _____

Disapprove _____

Attachments

Tab I McFarlane/President
Tab A Presidential Determination
Tab B Justification for Presidential Determination
Tab II Hill/McFarlane, January 9, 1984
Tab III Kimmitt/Hill, November 7, 1983
Shultz/President, October 10, 1983

CC: J. Matlock
P. Dobriansky
D. Fortier



United States Department of State

Washington, D.C. 20520

201

January 9, 1984

14

MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSE

Subject: Presidential Determination Authorizing
International Education and Military
Training for Yugoslavia

On the Secretary's recommendation, the President on November 7, 1983 approved our proceeding with Congressional consultations in support of a Presidential Determination authorizing international military education and training for Yugoslavia. The President's and Secretary's memoranda on this matter are at Tab 2.

We have completed consultations with the Congress and have encountered no objections to the proposed Presidential Determination. The text of the determination for the President's signature is attached at Tab 1.

Charles Hill
Executive Secretary

Attachments:

1. Presidential Determination.
2. President's and Secretary's memoranda.

15
Presidential Determination
No. _____

MEMORANDUM FOR THE SECRETARY OF STATE

Subject: International Military Education and Training
for Yugoslavia

By virtue of the authority vested in me by the Foreign Assistance Act of 1961, as amended (the Act):

I hereby find pursuant to section 620(f) of the Act that the furnishing of assistance to Yugoslavia under chapter 5 of part II of the Act is vital to the security of the United States, that Yugoslavia is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of Yugoslavia from international communism.

Pursuant to section 614(a)(1) of the Act--

(a) I hereby determine that the furnishing of such assistance to Yugoslavia is important to the security interests of the United States; and

(b) I hereby authorize the furnishing of such assistance to Yugoslavia without regard to section 620(f) of the Act in the amount of \$130,000 in the fiscal year 1984.

This determination shall be reported to the Congress and published in the Federal Register.

cc: Secretary of Defense

THE SECRETARY OF STATE

WASHINGTON

October 10, 1983

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PM
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~~SECRET~~
SAS
H/FX

MEMORANDUM FOR: THE PRESIDENT

From : George P. Shultz *GPS*Subject : Presidential Determination Authorizing
International Education and Military
Training for Yugoslavia

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RF(rs)

In order to permit assistance to Yugoslavia under the International Military Education and Training (IMET) program provided in the fiscal year 1984 security assistance proposals, the Foreign Assistance Act of 1961, as amended (the Act), requires that you make certain determinations under Section 620(f) and 614(a) (1) of the Act. The determinations waive the prohibition of Section 620(f) of assistance to Communist countries. You made such a determination in October of last year (P.D. No. 83-1 of October 1, 1982; 47 F.R. 45859). Before you can make such a determination, however, Section 614(a) (3) of the Act requires consultations with, and the provision of a written policy justification to, the Congress.

I am here recommending your approval to proceed with such consultations and to provide the attached written justification to the Congress. We will then inform you of the results of these contacts and provide the determination for your signature.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

ACTION: PM and EUR

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RF (SHM)

November 7, 1983

MEMORANDUM FOR CHARLES HILL
Executive Secretary
Department of StateSUBJECT: International Military Education and Training
for Yugoslavia

You are authorized to proceed with consultations and to furnish the Congress with a written justification on providing International Military Education and Training to Yugoslavia.

Robert M. Kimmitt
Robert M. Kimmitt
Executive Secretary

rec'd S/S-I 11/7/83
2305 1983

REFERRAL

DATE: 10 JAN 84

MEMORANDUM FOR: DUSAULT, P

OMB RM 8201 NEOB

DOCUMENT DESCRIPTION: TO: MCFARLANE

SOURCE: HILL, C

DATE: 09 JAN 84

KEYWORDS: SECURITY ASSISTANCE YUGOSLAVIA

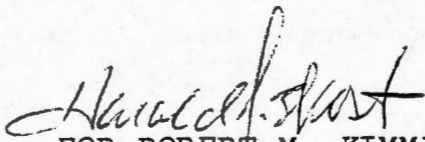
PD

SUBJ: PROPOSED PD / AUTHORIZING INTL EDUCATION & MILITARY TRAINING FOR

REQUIRED ACTION: FOR COMMENT

DUE DATE: 12 JAN 84

COMMENTS.


FOR ROBERT M. KIMMITT

EXECUTIVE SECRETARY