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THE SECRETARY OF STATE
WASHINGTON

June 13, 1977

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MEMORANDUM FOR: THE PRESIDENT

FROM: Cyrus Vance *W*

1. Humphrey: I met this afternoon with Senator Humphrey to discuss the question of military assistance to Egypt. I went over with him the various categories of assistance: 1) assistance already promised; 2) other assistance Egypt has requested; 3) aid to the Egyptian Air Force. He said that he believed we could get category one through the Congress -- although it would not be easy -- and suggested that I come before an informal meeting of his Subcommittee next week. He suggested that I mention at the meeting that of course the Egyptians want additional items which we were not pressing for with Congress at this time. He also suggested that I touch on the assistance which we have received from the Egyptians without raising with them at this time the suggestion that we might wish to reciprocate in the field of maintenance and spare parts for the MIG's. He said that the situation is extremely delicate and that if we attempted to get anything more than approval for category one, i.e., assistance already promised, we would "blow the fuse." I also discussed with him the international financial institutions legislation which will be coming up starting tomorrow and he promised to give us his full support. He is going to shepherd these and the bilateral aid bills through the Senate.

2. Libya: You may have read the press reports concerning Qadhafi's renewed call for improved US-Libyan relations. He cited our failure to accept a Libyan Ambassador and our refusal to permit the export of the eight Libyan-owned C-130 military transport planes as the primary obstacles to better relations. Soviet willingness to sell military equipment to Libya was identified as the basis for current good Soviet-Libyan relations.

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The Libyans have raised this subject with us many times at various levels. We have assured them that we too want improved relations but that such a prospect is remote as long as Libya uses its resources to undermine a negotiated Middle East settlement and supports groups which resort to international terrorism to achieve their ends.

The rationale for our disapproval of sales of military-related equipment to Libya has been Qadhafi's often-asserted pledge to provide military support to all those who will combat the "Zionist enemy," and the evidence that Libya would continue to ignore, as it has in the past, restrictions on third-party transfers. Qadhafi indicated in his speech that if the US were unwilling to deliver the C-130's because they were military, the planes could be transformed to civilian specifications.

We now have under consideration the possibility of offering to substitute new civilian cargo L-100's for the C-130's. We have not accepted a Libyan Ambassador primarily out of deference to the strong objections of Egypt. (In this respect, Fahmy has urged us not to exchange Ambassadors nor to release the C-130's.) Opposition to any US moves toward rapprochement with Libya might also come from Congress. A Sense of the Senate resolution concerning foreign governments' support of terrorism specifically cited Libya and called for sanctions.

3. OAS: Tomorrow morning I leave for Grenada to attend the General Assembly of the Organization of American States. My participation in the sessions will demonstrate our support for the OAS as a major forum for dialogue and multilateral cooperation. Heading the list of agenda items is the work of the Inter-American Human Rights Commission to advance respect for human rights. Other key items are: reform and financing of the OAS; economic development; international terrorism; and the Panama negotiations.

While in Grenada, I shall meet individually with each of the other Foreign Ministers present and discuss major bilateral as well as regional and global issues.

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Before returning to Washington, I shall make an overnight stop, June 16, in Trinidad to hold talks with Prime Minister Williams, who is one of the outstanding figures in the Caribbean. I shall explore a variety of Caribbean issues with him, including prospects for his government joining with others in putting together an economic assistance package for Jamaica.

4. Vesco Extradition: In response to your question about the status of the Vesco extradition, the decision rests with Justice. Griffin is awaiting a recommendation from Assistant Attorney General Civiletti, who returns to Washington tomorrow, June 14.

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