

THE WHITE HOUSE

WASHINGTON

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October 26, 1978

DOS REVIEWED 08-May-2008: NO OBJECTION TO DECLASSIFICATION

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
FROM: WILLIAM E. ODOM *WO*
SUBJECT: Weekly Report

REFER TO DOS

DOC HAS NO OBJECTION TO DECLASSIFICATION AND/OR RELEASE BASED UPON GUIDANCE ON FILE - 2/12/07

Oil Technology Transfers

The Teledyne case has taken an interesting turn. The October 19 deadline set by the Soviets has proven a bluff. Teledyne is still lobbying hard in Congress, Commerce, and at Defense for a national security decision. Whereas DOD/ISA has tried to stampede the case with the help of Commerce, Bill Perry and his DDR&E staff have refused to go along without a careful analysis. Given only the evidence that Teledyne and the Soviets have provided, DDR&E says the case would be unambiguously rejected. Negotiations between Teledyne and Defense begin on Friday, October 26, to permit Teledyne and the Soviets to re-configure the design to acceptable levels.

Whether this is possible is difficult to judge in advance, but given the high level of misrepresentation by both the Soviets and Teledyne thus far, it seems obvious that the Soviets are testing our controls to their limits. Not only have they misled us about the deadline, but they have made unsupportable claims about alternative suppliers. There simply are no non-American sources which are independent of US firms. The Teledyne representative conceded this point when confronted by Defense experts today.

The case may be illustrative of a general erosion of our national security controls on technology. Middle level officials are hardly a match for powerful companies and Soviet negotiators unless they are backed by a vigorously protective attitude from above.

Presidential Emergency Action Documents (PEADs)

The emergency decrees which the President carries in the "Football" for the event of war are badly out of date. Some are even illegal. FPA, the agency responsible for their updating, has pressed without success for an interagency review through OMB for over 18 months. Recently the matter has been raised in Hugh Carter's office and the NSC and taken to OMB. McIntyre was shocked and unaware but ready to act. This week major progress in a hasty revision has been made, and an adequate set of PEADs should be available soon.

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As FEMA comes into being, and as we review the continuity of government programs, a number of additional improvements in the PEADs will be possible. Until we work out how the civil side of the Federal government would transit from peacetime to wartime functions, the PEADs cannot be put in top shape. That issue has not been fundamentally addressed since the 1950s although serious studies were made in 1962 and 1970. The FEMA development presents a unique opportunity to address this neglected issue.

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