

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

ID# 169455

INCOMING

DATE RECEIVED: AUGUST 27, 1990

NAME OF CORRESPONDENT: THE HONORABLE LEON E. PANETTA

SUBJECT: CONCERNS REGARDING THE EFFECT THE MIDDLE
EAST CRISIS WILL HAVE ON THE UNITED STATES
BUDGET

CO 001-07

		ACTION		DISPOSITION	
ROUTE TO:		ACT	DATE	TYPE	C COMPLETED
OFFICE/AGENCY	(STAFF NAME)	CODE	YY/MM/DD	RESP	D YY/MM/DD
FREDERICK MCCLURE		ORG	90/08/27	FM	A 90/08/28 ^J
NS SIT	REFERRAL NOTE:	R	90/09/05 ^{LJ}		I I
99 OMB	REFERRAL NOTE:	I	90/09/05 ^{LJ}		C 90/09/05
99 DOS	REFERRAL NOTE:	I	90/09/05 ^{LJ}		C 90/09/05
99 TRES	REFERRAL NOTE:	I	90/09/05 ^{LJ}		C 90/09/05

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1230
MAIL USER CODES: (A) (B) (C)

*ACTION CODES:	*DISPOSITION	*OUTGOING	*
*	*	*CORRESPONDENCE:	*
*A-APPROPRIATE ACTION	*A-ANSWERED	*TYPE RESP=INITIALS	*
*C-COMMENT/RECOM	*B-NON-SPEC-REFERRAL	* OF SIGNER	*
*D-DRAFT RESPONSE	*C-COMPLETED	* CODE = A	*
*F-FURNISH FACT SHEET	*S-SUSPENDED	*COMPLETED = DATE OF	*
I-INFO COPY/NO ACT NEC		* OUTGOING	*
*R-DIRECT REPLY W/COPY *			*
*S-FOR-SIGNATURE *			*
*X-INTERIM REPLY *			*

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
(ROOM 75, OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.

August 28, 1990

Dear Leon:

Thank you very much for your recent letter to the President regarding the current situation in the Persian Gulf.

We appreciate both being apprised of your concerns regarding the potential costs of maintaining our military forces in the Persian Gulf and receiving your recommendation that the United States take steps to secure financial assistance and other resources from nations that also have vital interests at stake. Please know that I have taken the liberty of sharing your comments with the President's national security and budget advisors so that they, too, are aware of your recommendation.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Frederick D. McClure
Assistant to the President
for Legislative Affairs

The Honorable Leon E. Panetta
House of Representatives
Washington, D.C. 20515

FDM:SLM:

bcc: w/ copy of inc to NSC - for direct response
bcc: w/ copy of inc to OMB - FYI
bcc: w/ copy of inc to Dept. of State - FYI
bcc: w/ copy of inc to the Dept. of Treasury - FYI

16
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CHIEF OF STAFF
226-7200

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COMMITTEE ON THE BUDGET
Washington, DC 20515

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MARTHA H. PHILLIPS
REPUBLICAN STAFF DIRECTOR
226-7270

August 24, 1990

The President
The White House
Washington, D.C. 20500

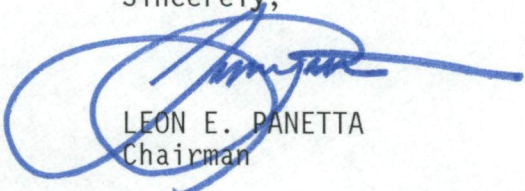
Dear Mr. President:

As you are well aware, the United States response to Iraqi aggression in the Middle East puts an additional strain on our already fragile economy and further complicates the crucial task of reducing the Federal deficit. While your primary responsibility at this time is the successful prosecution of our efforts in the Middle East, I urge you to make every effort to ensure that the full burden of the Middle East initiative does not fall on the United States budget.

While our involvement in the Middle East clearly will impose an additional burden on the U.S. economy and the Federal budget, the burden can be limited if other nations pay their fair share of the costs of ensuring that Iraqi aggression does not threaten the rule of international law, regional peace, the world's supply of oil and the world economy. I urge you to take every possible step to secure from all countries with vital interests at stake commitments to contribute financial and other resources to this effort commensurate with their interests and their ability to pay. I believe American citizens are willing to bear their fair share of the costs of guaranteeing peace and securing borders in the Middle East, but they should not have to bear a disproportionate share of that burden.

I commend you for the strong but cautious leadership you have shown in this difficult challenge in the Middle East. The crisis we confront is both military and economic. A weak economy at home can be equally devastating to our future national security. It is more important than ever that we work together to ensure that these additional costs are paid for and that a strong budget agreement is reached to substantially reduce the Federal deficit over five years. You can be assured of my continuing support in those efforts.

Sincerely,


LEON E. PANETTA
Chairman

cc: Secretary Brady
Director Darman

ID# 169455 - 7068

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THE WHITE HOUSE

WASHINGTON

September 26, 1990

Leon
Dear Congressman Panetta:

Thank you for your letter of August 24 to the President urging that other countries help pick up some of the burden of Desert Shield.

I fully share your concerns. The Administration is working hard with a number of countries to ensure that the military and economic burden imposed on all of us by Iraq's invasion of Kuwait is shared by the principal beneficiaries of our resolve to stand up to Saddam.

In this regard, Secretaries Baker and Brady have just completed very fruitful discussions with our principal allies. We will continue to work closely together in the coming days and months to deal responsibly with this issue.

I appreciate your writing with your views.

Sincerely,

Brent
Brent Scowcroft

The Honorable Leon E. Panetta
U.S. House of Representatives
Washington, D.C. 20515

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Natl Sec Advisor
has seen

September 11, 1990

ACTION

SIGNED

MEMORANDUM FOR BRENT SCOWCROFT

FROM: ERIC MELBY *EM*

SUBJECT: Congressional Correspondence on Gulf Burdensharing

Senator Bumpers and Representatives Panetta and McGrath have written the President (Tab II) urging that we approach other countries to share in the costs of paying for Desert Shield.

Fred McClure has asked that you reply directly to the Congressmen.

Concurrences by: Ginny *W*ampley and Richard Haass *RH*

RECOMMENDATION

That you sign the letters at Tab I.

Attachments

Tab I Letters to Bumpers, Panetta and McGrath

Tab II Letters from Bumpers, Panetta and McGrath

August 28, 1990

Dear Leon:

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U.S. House of Representatives

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1624-3
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7077

August 24, 1990

The President
The White House
Washington, D.C. 20500

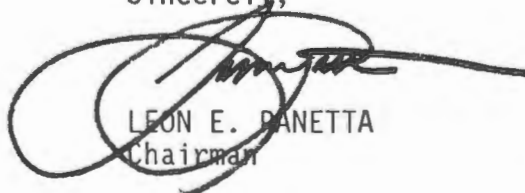
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Director Darman