

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

F0003

INCOMING

DATE RECEIVED: AUGUST 31, 1992

NAME OF CORRESPONDENT: THE HONORABLE HEINZ C. PRECHTER

SUBJECT: FORWARDS COPY LETTER FROM CLAYTON A. WILLIAMS
URGING THE PRESIDENT TO APPROVE THE SALE OF
F-15 AIRCRAFT TO SAUDI ARABIA AND TO TAIWAN

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
ROGER PORTER		ORG	92/08/31	RP	APR 10/19
REFERRAL NOTE:					
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COMMENTS: CC5, "HEINZ"; WRITER IS ALSO CHAIRMAN,
PRESIDENT'S EXPORT COUNCIL

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1140 4200

MI MAIL USER CODES: (A) (B) (C)

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



347646
ASC Incorporated
One Sunroof Center
Southgate, Michigan 48195
313-285-4911

H
R. Porter

August 18, 1992

The President
The White House
Washington, DC 20500

Dear Mr. President:

Attached is a letter I received regarding two major export opportunities for our suffering defense industry.

As you will recall, your President's Export Council, earlier this year, led a trade mission to Taiwan, and identified innumerable trade and business opportunities in that country, including in the defense industry.

As noted, a similar opportunity exists in Saudi-Arabia.

As we both know, contracts of this magnitude create jobs for Americans.

Equally, I recognize the sensitivity of arms exportation -- and the delicate balance that must be struck between trade and other foreign neighbors in the respective regions, such as China.

I sincerely hope you, Secretary Franklin and the other departments and agencies within the Administration can support the pursuit of such opportunities as positive foreign/domestic relations activities.

Sincerely,

Heinz C. Prechter
Chairman

cc: Secretary Barbara Franklin
Clayton Yeutter
Wendy Smith
Clayton Williams

'Where Ideas
Become Reality'

Operating companies:
American Sunroof Company
Automobile Specialty Company
Aeromotive Systems Company

THE WHITE HOUSE

WASHINGTON

October 19, 1992

Dear Heinz:

The President has asked me to let you know how much he appreciated your letter supporting sales of U.S. F-16 aircraft to Saudi Arabia and F-15 aircraft to Taiwan.

As you know, the President has authorized both sales. We are convinced that the sales advance vital U.S. security and foreign policy objectives. You make an excellent point that military aircraft sales benefit the U.S. defense industry which is undergoing a major post-Cold War restructuring.

Thank you again for your advice and counsel on this vital matter.

Warmest regards,



Roger B. Porter
Assistant to the President
for Economic and Domestic Policy

Mr. Heinz C. Prechter
Chairman
ASC Incorporated
One Sunroof Center
Southgate, Michigan 48195

Litton

Applied Technology

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August 10, 1992

Mr. Heinz Prechter
Chairman and Chief Executive
ASC Incorporated
One Sunroof Center
Southgate, Michigan 48195

Clayton A. Williams
President

Dear Heinz,

When we last met in Detroit, you indicated a willingness to pursue major export opportunities of significance to the nation. Two major opportunities of national significance are now at hand.

As you know, the defense industry is in a recession with major job losses in California, Texas, New York and Missouri. Exports of aerospace products have had a very positive effect and have stalled further erosion. Exports remain critical to a gradual build-down of the defense industry.

Two major opportunities, in excess of \$7B total, could be lost to foreign competition without the President's immediate action. They are the sale of F-15 aircraft to Saudi Arabia and F-16 aircraft to Taiwan. These opportunities would provide immediate stimulus to the economies of California, Texas, New York and Missouri and provide a strong benefit to the President's election in these critical states. The Saudi Arabia and Taiwan sales would significantly boost exports, provide jobs, increase corporate profits and provide a near-term influx of cash. Both programs enjoy strong support in the Congress.

I urge you to advise President Bush to take the initiative and present the proposed sales to the Congress. They should be presented concurrently in August for maximum effect. If they slip beyond mid-September, the advantage to the Administration will be lost. This is an excellent opportunity to have the President recognized for putting the U.S. economy and American jobs first.

Let me assure you that I share your strong desire to continue President Bush's leadership over the next four years.

Very truly yours,



Clayton A. Williams
President
Applied Technology

Aerospace Exports

The sale of F-15 aircraft to Saudi Arabia and F-16 aircraft to Taiwan represent over \$7B of guaranteed exports because each country has requested the aircraft and is in strong financial condition.

The sales should be presented concurrently so that both McDonnell Douglas and General Dynamics with all their subcontractors benefit together. Below are highlights on each.

Saudi Arabia

- Approximately 72 F-15 E models
- Prevents closure of the production line in St. Louis and subcontractors nationwide
- Continues over 3,000 jobs which McDonnell Douglas announced would be discontinued if the sale was not approved and continues thousands more jobs as a result of subcontracts.

Taiwan

- Approximately 180 F-16 aircraft
- Continues the F-16 production line in Ft. Worth and subcontractors nationwide.
Creates thousands of new aerospace jobs.

The Administration is concerned the F-16 sale would be objectionable by China. To abate this concern by China of an offensive capability, the F-16 airframe & engines could be sold and the avionics could be provided via the Indigenous Defense Fighter (IDF) Program. IDF is a mini-F-16 under contract by Taiwan with General Dynamics as the prime contractor. The avionics is entirely from American companies and is compatible with the F-16. The IDF avionics could be installed in the F-16 and a common set of avionics would then exist in Taiwan for the F-16 and IDF making logistics and support standard and efficient.

The Administration could advise China that only the airframe and engines and an offensive capability is not being provided. General Dynamics would get the sale and would continue as prime contractor since they are responsible for the F-16 and IDF. U.S. aerospace industry would benefit since all the IDF avionics are American made.