זטיבה: משרד ראש הממשלה

תת חטיבה: משרד ראש הממשלה - לשכת ראש הממשלה

לשכת ראש הממשלה שמעון פרס ויצחק שמיר - ארצות-הברית

סימול מקורי: 5 תקופת החומר: 1/1987-1/1987

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מזהה פיזי: מזהה לוגי:

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כתובת:

מס, תיק מקורי

# משרו החוץ-מחלקת הקשר

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# משרד החוץ-מחלקת הקשר

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# NEWS SUMMARY JANUARY 30TH 1987 -

#### EDITORIALS:

ND- "Policy Paralysis": President Reagan has spoken loudly and carried a wet noodle. The U.S. must develope a believable policy to combat terrorism. There a multitude of reasons why a superpower has difficulty resorting to force in the Middle East. The U.S. is not in the same unambiguous position as Israel, which is in a literal state of war with the nations that employ terrorists against it. Being a superpower should not be an excuse for paralysis. U.S. policy should be coldly calculated, measured, proportional and unyielding.

NYP - "German Honor on the line": The West German's must resist temptation to use the America's Iran affair mistakes as an excuse to strike a deal. For its own sake and that of the West as a whole, Bonn must stand firm.

#### COLUMNS:

NYT -Timothy Ashby-(policy analyst with the Institute for Hemispheric Development at the Heritage Foundation) "The Contras Need Us": The Iran controversy serves only as a diversion from the real issue; making sure the contras win. The contras framework for victory should be - Liberating and holding territory; Military strength and capability to accomplish it; establishing a provisional government in eastern Nicaragua. The Nicaraguans need more than just equipment and training from the U.S. they need confidence that the U.S. is on their side.

DN - Nelson - "A Beacon in the Mideast fog": A fellow came by the other day with one of those truly tragic visions of our time: a practical-sounding solution for the Israeli-Palestinian dispute. The solution offered by Hana Siniora calls for the establishment

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of a Palestinian state - a seperate country with a flag, passports for its citizens, a seat in the U.N.- located on the West Bank of the River Hordan and Gaza strip. He is seeking a long term solution for his people, and is watching Israel, Jordan, and the Reagan Administration let the issue fester.

\*\*\* MEMISRAEL/NEW-YORK \*\*

NYP - Rabinovitch - "Job Open: Martyr in Beirut": Hostages families receiving once sympathetic mail, find it now decidedly hostile. What were these people doing there. Their families portray them as idealistic bridge builders, but it doesn't wash. Suggestion: open an Institute for the Root Causes of Terrorism and house it at the American University.

NEW REPORTS:

SENATE REPORT:

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NYT - Pg. 1 - Rosenbaum - "Senators Charge a Web of Deceit in the Iranian Affair": The Senate Intelligence committee report indicates that Reagan officials deceived one another as well as Congress, and some profits from the arms sales may have been used by an Israeli official for "other projects". It does not specify the projects. Apparently some money was also deposited in accounts controlled by Richard Secord, former air force major general, and two retired CIA agents. The report disputes the presidents claim that the sale of arms was to establish connections with Moderate Arab elements. It was clearly for obtaining the release of hostages. A CIA memorandum received by the panel raised the possibility that Amiran Nir received \$2 million in 1986 for an unspecified purpose. The report raised questions about advise by Attorney General Meese. Sen. Boren said the report showed "serious problems in the foreign policy is made." (NYT cabled in full) (ND -"Report Regan knew early on", ND-"Iran-Contra Link Detailed", DN-"The Tangled web", DN-"Sleaze and stupidity", WSJ - "Arms- Sale Profit was Diverted to Contras Since Early '86, Schate Inquiry Indicates"

NYT - published key sections from the report

NYT - The triad America Corp. cornerstone of Adnan M. Kashoggi's empire has filed for bankruptcy. It listed in court assests of \$116.5 million and liabilities of \$50.1 million.

NYT - Shenon - "Contras Are Focus of 7 Investigations": The FBI wants to know what happened to \$27 million for non-lethal supplies for Contras approved by Congress in 1985. The General Accounting Office is investigating what happened to funds from the Iran arms sale intended for the Contras. Other investigations into smuggling arms, trafficking in drugs, laundered money.

NYP- Flick - Reagan's cabinet members have threatened to quit if Chief of Staff Regan is not fired.

ND- Friedman - The White House belatedly confirmed Pres. Reagan



inscribed and sent a bible to Iran as a gift. The Bible was a part of the unsuccessful attempt to free hostages. The signed bible was requested by Poindexter.

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# HOSTAGES:

NYT- Sciolino - "Sec. of State Shultz said that Iran had strong ties to a group responsible for kidnapping three American teachers last week in Beirut. This was the first time the Administration linked Iran with the kidnappings. After the arms sale was disclosed the President said that there was no recent evidence linking Iran with terrorism against Americans. Shultz called for a prompt decision from West Germany on extradition charges of Hamadei. (DN

Photo- All papers carried a photo of hostage Robert Polhill with guns pointed to either side of his head. Front page of Newsday. The photo was release by a group called Islamic Jihad Organization.

ND - As the U.S. Navy steams toward the Lebanese coast, groups holding hostages say they will die if the U.S. military hits Lebanon. (NYP)

# MIDDLE EAST:

WSJ - Fialka - "How Iranian Dealers Buy Arms of All Sorts
Through British Office": 4 Victoria Street, London houses the
biggest network of private arms dealers in history. The logistic
Support Center for Iran's military services. U.S. intelligence
estimates it spends \$3-\$4 billion a year. (cabled in full)

NYT- Kifner "Moslem Parley Ends Without Resolving Disputes": Conference of Moslem leaders meeting in Kuwait ended today. One resolution from the meeting condemned "criminal terrorism" another called on the U.N. to define terrorism. The conference was divided. Egypt seemed to gain the most just by attending for the first time since 1981. Hussein had a setback when Saudi Arabia gave \$9 million to revive the joint P.L.O.-Jordanian Fund. (ND)

WSJ - Rosewicz- Persain Gulf states are looking both to radical Islamic Iran and moderate, militarily powerful Egypt. None of this official. The Gulf states keenly support Iraq and blacklist Egypt. However, they are eyeing their alternatives. Egypt's reemergence has been bolstered by Saudi and Kuwaiti contributions to the countries financial problems. Egypt's growing strength is a counterweight to Iran.

DN - Jackman - Iran has suffered huge casualties in its offensive against Basra. Pentagon spokesman said there is no imminent danger of Basra falling.

\* - \*

DN- West Germany sent an envoy to Tchran to ask for help in releasing two German hostages

OTHER:

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NYT - Hungarian Jewish leaders appealed to Mayor Koch for financial aid from American Jews to maintain Jewish life in the country. Hungary has about 100,000 Jews, the largest community after the Soviet Union and France.

#### MEDIA NOTES:

NYT - Charles Gibson will retain duties as a political correspondent and sometimes host Nightline while anchoring Good Morning America. He is being paid \$800,000 a year, David Hartman was getting \$2.1 million. (DN)

NYP - Wiht a \$3 million buy out Roger Mudd moves from NBC to "MacNeil-Lehrer Newshour". The relationship between NBC and Mudd had become rocky. (DN, ND)

DN- Kay Gardella - The" Today" anniversary show was a bit too much. Too much back patting. The anniversary program is bland.





סווג בטחוני: 301530 72-11MD

# מחלחת מברק

מנכ"ל מדיני, ממנכ"ל, אמית"ק, מע"ת, מצפ"א, הסברה, ממ"ד, יועץ רה"מ לתקשורת, יועץ שהכ"ט לתקשורת, לע"מ, רו"צ, קש"ח

ייי : עתוכות, ניו יורק

# War Center

How Iranian Dealers Buy Arms of All Sorts Through British Office

They Spend \$3 Billion or More A Year on Iraq Campaign, Much for U.S. Weaponry

An Alleged Israeli Connection

By John J. Fialka

Staff Reporter of THE WALL STREET JOURNAL LONDON-What may be the largest network of private arms dealers in history

operates here out of a modern office building at 4 Victoria St., next to Britain's De-

partment of Trade and Industry.

In it is the Logistics Support Centre for Iran's military services-an agency whose secretive business has involved a wide spectrum of weapons dealers, ranging from thieves and confidence men to agents of the British government.

Spending what U.S. intelligence people estimate at \$3 billion to \$4 billion a year. Iran's arms buyers have faced repeated policy foul-ups, chronic problems with overpriced or faulty equipment and highly publicized Western embargoes on Iranbound arms shipments. Nonetheless, they have managed to ship Iran a mountain of military supplies, which now are being used in a major attack on Iraq.

"It has been a crazy sort of war, where they've had to save up for every battle," explains Hamilton Spence, the managing director of Interarms, Britain's largest private dealer in military weapons. He adds that Interarms itself decided to stay out of the Iran arms trade to protect its armsdealing licenses here and in the U.S.

Amazing Quantities

Mr. Spence and other arms dealers who have seen the monthly shopping lists circulated here by Iran's Logistics Support Centre say they have been amazed at the amounts of weaponry that Iran has been able to buy despite the embargoes imposed by the U.S., Britain and other European countries.

One item that appears every month is an order for 150,000 rounds of 155-mm artillery shells, nearly \$40 million worth. "That has to come from a NATO country." another arms dealer says. "You can't ship such large amounts of material unless the governments concerned are involved, elther actively or by turning a blind eye to what is going on."

Western intelligence estimates say the Logistics Support Centre, in a building primarily known as the headquarters of the National Iranian Oil Co., buys as much as 70% of Iran's arms. Very little of the Iranbound weaponry actually goes through Britain, however, because most of the deals are handled through telexes with offshore dealers, who then ship directly or indirectly to the Mideast. The dealers use shipping brokers, who sometimes mingle arms bound for Iraq and Iran on the same

freighter. At MECH , NOIEM, ON , MORE MANIA DONICH

# Iran's U.S. Ties

Iraq also employs a network of private arms dealers, but Iran's weapons-buying efforts in Western Europe and the U.S. have been much more extensive because most of Iran's arsenal consists of fighter planes, helicopters, radar and missile systems, artillery pieces, tanks and naval ships bought by the former shah from the U.S. and the U.K. during the 1970s.

The Khomeini regime's initial plunge into arms buying here was disastrous. In 1981, the Logistics Support Centre announced that it would require arms dealers to put up 10% of the cost of each order and that the money would be repaid only after Iranians had inspected the weapons.

Most legitimate weapons dealers found the terms harsh and unusual, but Behnam Nodjoumi, an Iranian expatriate, agreed to sell the center 8,000 American-made TOW antitank missiles. According to government prosecutors, the deal was an elaborate fraud. Three Iranian colonels sent to Belgium to inspect the "missiles" were kidnapped, along with two Iranian diplomats and a banker in London.

# Convicted of Fraud

Scotland Yard broke up the swindle a few hours before the center was supposed to send a multimillion-dollar bank draft to a numbered bank account in Switzerland. Mr. Nodjoumi, who was described by one British investigator as "an old-fashioned con man," was later convicted of fraud and sentenced to 10 years in prison.

At about the same time, the center allegedly established ties with another expatriate Iranian, Saeid Asefi Inaniou. According to affidavits filed by U.S. prosecutors in San Diego, Mr. Inaniou developed a ring of U.S. Navy civilian employees and paid them to steal parts for the Navy's F-14 "Tomcat" fighter from various Navy storerooms, including one on the carrier USS Kitty Hawk.

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After F-14 parts valued at more than \$500,000 were allegedly shipped through Mr. Inanlou to Iran, a curious U.S. Customs inspector in Los Angeles opened a box labeled "auto parts" and found an inertial navigation unit for the Tomcat, which is used only by the U.S. Navy and the Iranian air force. The U.S. is seeking to extradite Mr. Inanlou, who lives here and has been indicted on charges of violating U.S. export controls. An attorney for Mr. Inanlou says he won't comment.

Iran insists that it doesn't buy weapons in London. "We don't have any people who handle this business," an embassy spokesman says. In reality, observers say, as many as 50 officers are negotiating deals in the center at any given time.

Abby Ghobadian, a spokesman for the Please Turn to Page 12, Column 1

Several arms merchants say middlemen posing as arms dealers are often used to conceal government-to-government deals, usually orchestrated by intelligence agencies. Middlemen are also used to conceal the bribery that seems inherent in large weapons sales in the Mideast.

"Within a month after contacting a government, you are likely to get letters from three agents in that country wanting to serve you," explains one arms dealer who asks not to be identified. The agent, he says, estimates bribes needed for officials who must approve the deal. Then, the middleman offers an opportunity for the arms seller to take a bribe. "He will say, 'How much do you need for local expenses?" After these calculations, a price is agreed on, and formal negotiations with the government begin.

# Many Middlemen

Although the U.S. arms deal with Iran—which appears to have generated an unexpected windfall for U.S.-backed Contra forces in Nicaragua—appears to have some of these characteristics, watchers of the Logistics Support Centre here say they are baffled by the number of middlemen involved. At the time, in 1985, the center was desperate for electronic parts for the U.S.-built Hawk surface-to-air missile and

for wire-guided TOW missiles. According to arms dealers here, orders for the two systems had been on Iranian weapons circulars for months, apparently without being filled.

Some other Iranian arms deals have used long daisy chains of middlemen. Gerald McDevitt, a former aircraft mechanic who operates a small aircraft-parts business in a London suburb, says he discovered that he was involved in one of them in January 1984. According to Mr. McDevitt, he was to receive a box of American F-5 fighter parts, which he had ordered from a U.S. company for delivery to a second London concern that was supposed to deliver it to a third. When the U.S. seller abruptly demanded a large advance payment, Mr. McDevitt says, he was about to withdraw from the deal when the money was suddenly wired by an unknown party to the U.S. company. "I said, 'Well, this is all a bit odd,' " Mr. McDevitt recalls.

Things got odder when the box arrived. It contained, not parts, but 52 pounds of granulated dog food—substituted by a suspicious U.S. Customs inspector acting on a tip that the parts were bound for Iran.

Mr. McDevitt told British customs investigators, who arrived shortly after the dog food, that he had no idea where the parts were going. He has since been indicted by a federal grand jury in Chicago for violating U.S. export controls, but he insists that he is blameless. "I know numerous companies that are doing a lot of business with Iran," he says, "but I decided not to."

# Forged Documents

Once weapons are located and purchased, according to arms dealers, they are often shipped to intermediate points with forged documents called "end-user certificates" showing that the ultimate destination is an acceptable, nonbelligerent country. Portugal is often used as a way station.

From there, according to arms dealers and intelligence sources, the weapons are taken to the Mideast. This is usually arranged through Danish ship brokers, who have a long tradition of shipping arms around the world. Officials of the Danish sailors' union have estimated that as many as 40 Danish cargo ships are involved in the Iran-Iraq trade, including some ships

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that transported U.S. arms to Iran from Israel. Denmark is among the nations banning weapons exports to Iran and Iraq.

This last segment of the arms trade is also the most hazardous. Just ask Capt. Thomas Screech, the former owner of the British merchant ship Sarah Jane.

According to his ship's documents, his last trip began in July 1982 at the port of Setubal, Portugal, where he picked up a crate holding 2,000 fuzes for 500-pound bombs. The crate was stamped with U.S. markings and shipped from a Long Island company called Western Dynamics Inc. The destination: Iran.

He then went to Valencia, Spain, to pick up 300 tons of artillery and mortar shells and small arms destined for Iraq. Then it was on to a small port in Greece to take on 90 tons of hand grenades bound for Iran.

# Much Cargo Activity

At Qadhima, a Saudi Arabian port on the Red Sea, Capt. Screech says he watched a fleet of 250 Mercedes trucks set off for Baghdad with Iraq's weaponry. Next, the Iranian weapons were taken to Bandar Abbas, at the mouth of the Persian Gulf, where he recalls seeing thousands of tons of weapons and some Danish ships.

Iranian soldiers unloaded the grenades from the Sarah Jane, but they began kicking and spitting at the crate of bomb fuzes when they saw its U.S. markings. Despite Capt. Screech's protestations that Iran's bombs couldn't explode without the fuzes, he says, an Iranian army colonel told him that the soldiers wouldn't unload it. Finally, Capt. Screech says, he was ordered at gunpoint to leave.

But at his next stop, in Dubai, authorities found the fuzes in the ship's hold, and he was arrested for illegally importing weapons. A telex to Western Dynamics produced a reply that the company accepted no liability for the shipment. (The Western Dynamics office has since been closed, and the company couldn't be located for comment.) After five months in Dubai, partly spent in jail, Capt. Screech says he was forced to sell his ship for a fraction of its value to pay a \$55,000 fine and port fees.

When he complained to Iran's Logistics Support Centre here, he received a reply suggesting that he take up the matter with authorities in Tehran. "Since this office has not, in any way, been involved in the subject transaction, we are regrettably in no position to make any comments," the center said.

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הקונסוליה הכללית של ישראל בלוס־אנג'לס

CONSULATE GENERAL
OF ISRAEL IN LOS ANGELES

כ"ט טבת, תשמ"ז 30 ינואר, 1987

063 - n

אל : מר ב. נתניהו, השגריר - נאו"ם

מאת : איתן בנצור - לוס אנג'לס

בלוטה, הצעת פרוייקט של פרופ' סטיב ספיגל, מהוגי דוקטרינת שיתוף הפעולה האיסטרטגי בין ישראל לארה"ב, למחקר על הרחבת תחומי שיתוף הפעולה האיסטרטגי בעידן של קשיים הולכים וגדלים, על רקע של חוק גראם-ראדמן, הגרעון התקציבי ועוד.

לית מאן דפליג כי יש לנו ענין רב במחקר שמימצאיו יצביעו על דרכים להרחבת תחומי שיתוף הפעולה האיסטרטגי ולהרחבת יריעת היתרונות המקופלים במיצויו של שת"פ זה.

הן משה"ח והן משהב"ט מברכים על הרעיון, אך מטילים עלינו את מציאת הדרך ההולמת והבלתי ישירה לסייע במימון הפרוייקט. לפיכך סברתי שאפשר ומרוין ג'וספסון, הפעיל בתחום זה, הדוגל והפועל למען חיזוק מעמדה של ישראל בארה"ב וקשריה עמה, יוכל לסייע בהשקת הפרוייקט וגיוס המשאבים הנדרשים למימושו.

אכיר לך תודה אם תואיל להפגש עמו ולנסות להניעו להתענין בנושא, תוך שמירת דיסקרטיות מירבית. אני תקווה שפנייתך אליו תניעו להיענות והירתם ולסייע בהכנת מחקר חשוב זה.

23/2/ 4/EL

: העתק

- מר מ. רוזן, השגריר - וושינגטון

- מר י. בן אהרן - מנכ"ל רוה"מ

- מר מ: שילה - מנהל מצפ"א

- מר נ. נוביק - יועץ מדיני לשה"ח



8447 Wilshire Boulevard, Suite 409, Beverly Hills, California 90211 (213) 653-5846

OSIAS G. GOREN Chairman

EDWARD SANDERS MAXWELL E. GREENBERG Honorary Chairmen

January 28, 1987

IRWIN S. FIELD Founding Trustee

STEVEN L. SPIEGEL, Ph.D. Chairman, Research Committee

ROBERT M. BORSUK Chairman of Administration Mr. Eitan Ben Tzur Consul General Consulate of Israel Los Angeles, CA

Dear Eitan:

As per your request, I am enclosing a copy of the proposal for the study on possible future American-Israeli defense cooperation. I am also enclosing two copies of the two articles I recently published which appeared in Orbis and Global Affairs respectively.

I believe that the project which we discussed is of critical and immediate significance. As you know, it has been in the planning stage since last July and is now fully prepared for implementation. Although defense cooperation is at the forefront of American-Israeli relations, there has been precious little long term thinking of where we go next into a second, more detailed stage.

Time is particularly precious, because it is urgent that we begin. With a new Congress, an old Administration, and a major scandal in which Israel is peripherally engaged, we must produce new ideas as soon as possible. Moreover, Presidential candidates from both parties will soon be looking for innovative ideas and our project offers a unique opportunity to produce the kind of proposals which can be helpful to them.

As you know, the Center for Foreign Policy Options is a small group in Los Angeles which undertakes projects like this, which are of use to the Jewish community. Contributions are, of course, tax deductible. Even \$50,000 would permit us to implement the first phase of the project, with its accompanying papers and meetings among technical reports.

I look forward to hearing from you concerning your reactions to these ideas.

Sincerely,

mue

Steven Spiegel

# Center for Foreign Policy options

8447 Wilshire Boulevard, Suite 409, Beverly Hills, California 90211 (213) 653-5846

OSIAS G. GOREN

EDWARD SANDERS MAXWELL E. GREENBERG Honorary Chairmen

IRWIN S. FIELD Founding Trustee

STEVEN L. SPIEGEL, Ph.D. Chairman, Research Committee

ROBERT M. BORSUK Chairman of Administration TOWARD A STRONGER, LONG-TERM AMERICAN-ISRAELI PARTNERSHIP

The Center for Foreign Policy Options, a Los Angeles-based, non-profit think tank, proposes to undertake a major study of ways in which the American-Israeli relationship can be systematically strengthened over the next five years and beyond. In light of U.S. budget deficits and the spectre of Gramm-Rudman legislation, increases in the U.S. aid relationship with Israel are unlikely for the foreseeable future. Yet, financial and military pressures on Israel's economy and society will undoubtedly continue and likely will intensify over the next several years.

During the past three years, important strides have been made in strategic cooperation between the United States and Israel. The beginnings of inter-military defense cooperation and marginal changes in U.S. defense procurement practices are significant economic and military first steps in this regard. Nevertheless, the question for the next several years is whether these first steps will be fully developed and in time reinforced by a new set of conceptual breakthroughs. Ultimately, will the budding American-Israeli strategic relationship, now focused on Israel's benefitting from small changes in DOD regulations and practices grow beyond these near-term piecemeal steps to a new, strengthened, enduring level of partnership and cooperation?

The central objective of this project is to study and develop the conceptual underpinnings that could lead to the emergence and sustainability of such a long-term American-Israeli strategic At present, there are at least three different partnership. elements in the development of such a partnership: 1) specific short-term steps, such as amendments to current legislation to permit no-cost leasing of certain military items to Israel; 2) concurrent efforts to change current statutes to allow Israel to be treated in ways similar to NATO allies, such as changes in U.S. procurement practices; and 3) the development of long-term directions which might establish new paths for enduring While this project is in American-Israeli strategic partnership. part intended to develop and flesh out new ideas in the first two near-term areas, its principal contribution may concern the third of these elements and be most important pertinent to middle- to longer-term considerations.

The envisaged project contains two phases. In the first stage, hopefully to begin by January 1987, the Center will identify and bring together eight to ten sympathetic, nationallyknown experts to discuss possibilities for enhanced, longer-term American-Israeli cooperation in their respective areas of expertise (e.g., defense procurement practices and regulations, joint defense projects, technology transfer, foreign equipment evaluation, contract research and development, tactical missile research, military access and basing arrangements, et al.) After the initial meeting, each specialist will develop a paper on the possibilities and prospects for near and medium-term cooperation in his or her specialized area of expertise. At a second meeting, roughly six months later, these papers will be discussed and critiqued. Following this, the papers will be rewritten to take into account critical comments and new ideas. The collected papers will then be integrated and prepared as a series, ready for selective introduction into the policy process.

In the second stage, a strategy will be developed on a bipartisan basis to market the prepared set of ideas to U.S. Executive officials, Legislative officials and their aides, non-governmental leaders, and the media. The fact that 1988 will be an election year in the U.S. will ensure that these ideas, if thoughtful, will receive a fair hearing among the highest policy circles. The net result, it is hoped, would be to develop and have accepted a number of these ideas that would serve to broaden and strengthen the America-Israeli strategic partnership over the next several years.

Project Leader: Steven Spiegel,

Duration: 12 months Cost: \$200,000

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קונ בשחוני גלוי מידי דריפות מידי הרוצות מידי

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אל, המשרד, בטחון בי 197

שברירות ישראל - יושינגטון

אל: מנכייל מדיני, מתנכייל, מצפייא, מעיית, ממייד

דע: מנכל משרד רהיימ יועץ חקשורת לרהיימ יועץ תקשורת לשהבייט מקשיית, מזכייצ - בטחון

להלן תמליל מסיבת העתונאים של הסנטור בורן עם הפצת דו"ח ועדת תמודיעין של הסינאט.

עתונות - קונגרס

PRESS CONFERENCE WITH SENATE INTELLIGENCE COMMITTEE
CHAIRMAN DAVID BOREN (D-OKLA) AND
RANKING MINORITY COMMITTEE MEMBER WILLIAM COHEN (R-ME)

THURSDAY, JANUARY 29, 1987

CHAIRMAN BOREN: First of all, let me say, there's some bad news and some good news. The bad news is that the computer is still printing the report. It will be delivered to you, we hope, within an hour, and adequate copies for everyone to have. The target time now is 6 p.m. If we can get it here earlier, we will get it here earlier. The Intelligence Committee did vote today, by a near unanimous vote, to adopt this report. It was also voted that it was felt by the Intelligence Committee that it would be in the interest of hte public to release this report to the public.

As you know, the Special Committee, chaired by Senator Inouye and Senator Rudman, then met at 3:30, and there was a unanimous vote in that committee to send the report back to us for appropriate action, and there was a letter of transmittal to us which expressed the view of that committee that it would in no way harm the ongoing investigation of that committee for us to release the document to the public. So that document will be released. Unfortunately, now

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פערירות ישראל - ווסינגפון

חמשרד, בסחון, ניו-נברק . 121882 2118 (21 To רגיל

it is simply a matter of technology. In order to get some of the classified footnotes removed, we will -- we are having to reprint the document, and it should be ready for you in full text about 6 o'clock. But Senator Cohen and I wanted to come on up and make some introductory comments about the report, and then it will be delivered here. Just as soon as the copies are available. They will bring them instantly over here, and they will be made available to you.

First of all, let me say that if I were to use three words to describe the report of the committee, those three words would be "preliminary," because obviously we still do not have the testimony of all the witnesses who can provide answers -- final answers to some of the major questions. Another word that I would use to describe it is "fair." Every attempt was made to fairly and objectively summarize all of the evidence that was given to our committee. And the third word that I would use to describe it is "bipartisan." I am very pleased that the vote in the committee was a near-unanimous vote, a very sizeable majority of members of both parties on the committee. It is my strong feeling that in a committee that deals with national security that we should operate without regard to partisan politics. And the committee and the committee staff have operated in that manner certainly on this particular report. I would repeat just briefly what I said earlier. The procedures that were followed in putting together this report have included indexing all the documents sent to the committee.

Since January the 6th, our committee staff has read literally thousands of additional pages of testimony and documents. They've fed into our computer base 1,500 pages of additional analytical data in regard to documents. We had the testimony of 12 witnesses, which had not been completed in early January, fully transcribed, so that those that worked on the report were able to have all of the witnesses' testimony before them at the time that they prepared the draft of the report for our consideration.

And I would also stress that we're very pleased by the fact that there's been no premature release of this report. Our new security precautions of not allowing documents -- or notes to be taken out of the room, even by members of the Senate, appears to be working. And we hope that the way in which this report has been prepared will go far in establishing the credibility of the committee in the future as we try to rebuild a reputation for confidentiality and being able to keep important national security matters confidential, as they should be.

מברירות ישראל - וושינגשון

דף...\$..מתוך..\ל...דפים פונג בשחוני...גלוי דחיפות.....רגיל

המשרד, בטחון, ניו יורק

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Senator Cohen has performed great service in the preparation of this report. He and his staff have worked together to assure that all the members of the committee would be involved. I appreciate his efforts very, very much. We've tried, as I say, to do our duty as we saw it and in an objective way. The report does not draw conclusions. It merely summarizes the evidence, the documents, the oral testimony, all of the evidence presented to the committee. And in each and every case, you will see as you read the report it simply summarizes the source and states what that source said. It does not attempt to draw conclusions, because it's preliminary. And it's impossible at this point to draw final conclusions from it.

I want to now turn to Senator Cohen and ask for any comments that he might have.

SENATOR COHEN: Thank you, Mr. Chairman. I think at this particular point we ought to entertain questions. The Chairman has, in fact, summarized the basic thrust of our report.

Since it reaches no conclusions, how would you see this report being used by the select committee?

SENATOR COHEN: I could respond to that. I see the report being used by the select committee as a foundation for further investigation. I think the select committee is very pleased to have the basic research that has been done in some of the critical areas dealing with the initial decision to sell arms to the Iranian factions as such, and also with respect to attempts to trace the money from the sale and into various accounts. I think that they will be able to build on this rather substantially. So they're looking at it as a foundation, much as a trial litigator would look upon depositions as having been taken to prepare the case.

more speedily. I think all of us in the country realize there are many problems, economic problems and others facing this country. And I know the new special committee wants to get on with its work with dispatch as much as possible, because we do have a lot of other business obviously facing this Congress. We have traced the money trail a little further. We have traced reports of Cayman Islands accounts into which some of the funds were planned to be deposited. But the report cannot reach any final conclusion as to the ultimate resting place of this money. We have not been able to trace the financial chain all the way through to conclusion.

בברירות ישראל - וופינגפון

דף...ל. מחור...לוי שווג בשחוני. גלוי דחיפות.....רגיל

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המשרד, בטחון, ניו יורק

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@ (Inauutole.)

Q What are the major conclusions, preliminary conclusions, that you draw from reading the report?

CHAIRMAN BOREN (?): Well, I think that they're pretty much the conclusions that others have drawn, and that is that we had serious problems here in terms of the way foreign policy was made; that obviously many of those who should have had available advice to the president, the President should have had the benefit of the advice of those with expertise in the field. He apparently did not have the benefit of that advice; that foreign policy was

in part here being made by those who you might categorize as amatuers. certainly compared to the Chairman of the Joint Chiefs or the Secretary of State and others who were obviously not fully consulted and fully kept informed through this process. So that is one of the concerns.

I think also a concern — and you will see this addressed as an open question — we suggest in the report concern about the role that private individuals, people who are not necessarily a direct part of this government and agents of this government, may have played in the actual implementation of foreign policy, and the risks played in the actual implementation of foreign policy, and the risks that might be involved in allowing private individuals, some of them not even American nationals, to be involved in such a close way with the implementation of American foreign policy. Those are just two of the things that I would mention.

Do you any evidence, besides the North memo, that money was actually diverted to the Contras -- any evidence?

CHAIRMAN BOREN: You'll see some references in the report whe you receive it that there are other documents and other messages which referred to the transfer of funds.

O Senator Cohen, can you tell us at this point, is the preliminary assessment that you have made that CIA Director, Casey, and White House Chief of Staff, Donald Regan, told you and your colleagues the truth in their testimony?

SENATOR COHEN: (I don't think?) the report attempts to assess truth or falsehood with regard to the testimony of those witnesses. What it does point out is what information was conveyed by Director Casey and by Donald Regan to the committee, and we leave it up to the individual reader to decide whether or not that reflects the facts or a lack of the facts, under the circumstances. We don't attempt to draw any conclusions with respect to that.

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Did either of you gentlemen find serious conflict in the testimony of the two men we just described?

SENATOR COHEN: I think I would characterize it as finding serious, perhaps, deficiencies with respect to the detailed information that we were looking for. With respect to Mr. Casey, there are a number of hypotheses one could indulge in. As to whether or not he had all the facts available at that time when he came to testify, whether there was confusion reigning around the White House following the disclosure, whether or not there were health factors involved, we don't try to assess -- make any assessment with respect to the credibility or lack of it of the witnesses. We simply state the facts as they were related to the committee.

CHAIRMAN BOREN: I would say that, in reading the report -- and every single person who reads it will undoubtedly draw different conclusions because we merely attempted to set forth a summary of the evidence presented to us. So every member of our committee will probably look at some facts as more important than others. And every member of the press and public will do the same. Once the facts are out, conclusions can be drawn.

I think that one of the things that certainly would be relevant, we do categorize in some detail the various meetings held at the White House, meetings conducted by various officials of government, and we try, wherever possible and whorever we knew the facts, to indicate the namese of the people who were present at those meetings. We don't always know exactly what was discussed at these meetings. But I think, if you look back, we do summarize the testimony of the various high officials of government -- and then we also try to set forth the meetings that they may have attended, and I think all of you will examine those and draw your own conclusions.

Benator, in your opinion, was this a deal, hostages for arms, or was this an attempt to improve relations with Iran?

CHAIRMAN EOFEN: Want to answer that first?

SENATOR COHEN: Well, I'll reiterate what I've said before. I believe what started out as an initial conceptual need to explore opportunities for a different relationship with certain factions in Iran, with hostages' return becoming incidental to that, evolved rather quickly, at the operational level at least, to a predominant concern of the return of the hostages in exchange for the arms. So I think what started out conceptually as a need to explore these new avenues evolved in that direction.

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CHAIRMAN BOREN: I would concur in that. I think that it may well have started out as an attempt to open a relationship with Iran. I don't think arms would have ever been used as the mechanism of opening a new relationship, had the hostage question not been involved. I think very quickly the inclusion of arms as a method of opening a relationship really gave way to arms as a way of getting hostages released. And, as you read through the report, you'll see at several points discussion which indicated that additional arms might not be sent until there was a release of another hostage, or until we had some show of good faith by release of hostages. So yo can see by the timing that it did degenerate, I think, pretty rapidly into bargaining about the exchange of arms and timing the exchange of arms to coincide with potential release of hostages. So it's pretty clear, I think, that Senator Cohen's assessment is borne out by the facts.

Senator, can you characterize (inaudible)

CHAIRMAN BOREN: You will see, and I don't have the report in front of me myself as it's just now being retyped, but you will see in the report a reference to plans — and I can't recall from memory the exact document where a plan to receive some of the funds by setting a Cayman Islands account is set forth. And that is included in the narrative version of the report. Let me not misstate that. I would prefer, until we have the document in front of us, that we have not actually gone in and sought access to the account. This was information that was in documents given to the committee earlier, but apparently not read by the committee staff before January 6th.

Q Was that created by someone in the Administration?

CHAIRMAN BOREN: I'd rather defer an answer to that question because I might make an incorrect statement until you have the document in front of you.

Does the report break any new ground on Oliver North's (inaudible)?

CHAIRMAN BOREN: The report in narrative form sets out a number of meetings that Col. North had with the President. Now let me state that there were usually other participants in those meetings. But there are some — I think in those mentioned in the report, the report will speak for itself on that. But there were a number of meetings, and they were set out — they're set out in the narrative of the report.

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| מאריך ודייה                            | 681                        |
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D Senator Boren, we are at a disadvantage in asking you questions when you haven't got the report.

CHAIRMAN BOREN: We understand, we understand.

• O But could you tell us what you see as the main differences between this repot and the Republican version that (inaudible)?

SENATOR COHEN: Can I respond to that? First of all, I think it would be a mistake for either Senator Boren or myself, or indeed those of you who are here, to try and use the initial report as the standard to which this report will be compared. First of all, that report was not voted upon by the committee to have been released in a public fashion; so it did not reflect the committee judgment that it ought to be released for several reasons. Number one, committee members had not read it. Number two, many felt that it as incomplete. And number three, that, by being incomplete, it was in some respects somewhat misleading. So I don't think that should be the standard to which you look. This is the committee document that is — has developed a bipartisan consensus, an overwhelming consensus. It reflects the fact, as we understood them, as presented to the committee. So ——

CHAIRMAN BOREN: We obviously are not dealing with a choice between partisan reports. This report has been adopted by fourteen members out of fifteen of the committee, which obviously indicates a very strong bipartisan consensus. And I just don't think it would be appropriate to go back and use a staff document, an informal working document that was never approved, or to even refer it — because obviously, when you have 1500 additional pages of analytical data, when you have thousands of pages of documents that had not been fully examined, when you had the testimony of twelve witnesses that had not been transcribed so that the people were working under a tremendous handicap in trying to put that together, you're obviously just going to have a much more thorough researching of all the information before us.

O Senator, we're going to be handed a report at 6 o'clock. Many of us have deadlines within an hour or two. We've all read the excerpts from (inaudible) two weeks ago from the earlier report, and it would be very helpful if you could redflag for us some of the significant things you think are different.

שברירות ישראל - וושינגשון

דף... א. מתוך. יו... דף... אור... אלוי פווג בשחוני. גלוי דחיפות.....רגיל

המשרד, בטחון, ניו יורק

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CHAIRMAN BOREN: Well, I think that one of the things, it would be unfair to the committee is for us to start editorializing, because we have decided intentionally not to have a section that draws conclusions. The report is very preliminary. We feel you chanot draw any final conclusions on the major points of was the law broken -- if so, who broke the law, how high up the chain of command did knowledge and participation go. These questions still remain unanswered. I think that we do catalogue more meetings. lay out on the record for you more meetings, including meetings by the President and other officials. We simply set forth the existence of more meetings, the participants. We do trace the chain of the funds somewhat further. There is just a more comprehensive inclusion of the facts that were presented to the committee. But since we don't draw conclusions, it would be impossible, I think, and inappropriate for me, because we've left it up to every member of the committee to draw their own conclusions ---

Q (inaudible) said earlier that the information (inaudible) that were not read before January 6th were (inaudible) ---

CHAIRMAN BOREN: Yes.

Q Were there other important items that are in this report that, on the basis of perhaps documents or other material, were not available before?

CHAIRMAN BOREN: Well, let me say this. We're not certain how many documents were not read in the preparation of earlier drafts, and this is not a change. We started afresh. This is not a modified version of an earlier draft. That's another reason why it's inappropriate to even refer to it. We started from Ground Zero. We had an index made of all the documents, which wasn't made before, so we don't know what documents they read before and which documents they didn't because no index was made, no check-list was made. We indexed all the documents. All the documents in the committee custody were read by the staff. And, as an indication, 1500 additional pages of analysis of documents was fed into the computer after January the 6th. So obviously, there were vast amounts of material that were not read and analyzed prior to earlier drafts. And that's another reason why it's not appropriate to go back and talk about it.

(inaudible)

מברירות ישראל - וושיבנפון

המשרד, בטחון, ניו יורק ב פחוני. ביחון, ניו יורק ב פחוני. גלוי ביחון, ניו יורק ב פחוני. גלוי ביחון ביחוני. גלוי ביחוני ביחוני. גלוי ביחוני ביחוני ביחוני ביחוני ביחוני ביחוני.

CHAIRMAN BOREN: I would say that, at this point in time, there is still inclusion of no direct evidence that would state that the President knew of the diversion of funds, or that he directed the diversion of funds. Now I have to caveat that by saying you cannot finally resolve that question obviously when you do not have the testimony of Mr. North, Mr. Poindexter and many others. There are more meetings, including those attended by the President and others included in the narrative. But in terms of drawing any final conclusion and in terms of any direct evidence at this point of the President having knowledge or participation, this report does not contain any direct evidence. I think it does paint a picture of the process of making foreign policy that was in real disarray, and creates serious problems for the country.

#### Q (inaudible)

SENATOR COHEN: I think it becomes clear from reading the document that the President was aware of the arms sales very early on. There is still a dispute that has existed from the time the testimony was taken between Bud MacFarlane's testimony, that of the White House, in terms of whether the President originally authorized the Israelis to go forward with the sale. You will have to reach your own conclusion as to whether you agree with that assessment by MacFarlane versus Donald Regan, for example. But I think it becomes clear from the middle of November at the very latest that the President is fully aware that there is an opportunity to proceed with some transfer of weapons to Iran, and kept abreast. Certainly as of December 6 and 7, there is extensive discussion in the White House as to whether or not they should continue the operation and whether or not Bud MacFarlane should go to London to meet with Mr. (Gobanifar) and others. So, I think as of the fall, mid-fall of 185, the President certainly was aware of it.

G Senator Cohen, (inaudible) is there anything strikingly new in the report that you've not seen in the public press in the last few weeks?

SENATOR COHEN: I don't think there are ---

CHAIRMAN BOREN: There are new facts.

SENATOR COHEN: There are new facts. There are not significant departures from material that's been printed or seen on television.

No striking diversions?

SENATOR COHEN: Not in my judgment.

מברירות ישראל - וופינגפון

(inaudible)

SENATOR COHEN: I can't remember what the ---

CHAIRMAN BOREN: We'll have to let the document speak for itself. But let me say again — and we will conclude here very briefly, we had hoped to have the document for you, obviously, as we came. We hoped that the document — we know many of you are operating under deadlines. We will attempt to have the document here for you. Believe me, as soon as it comes out of the printer, here for you. Believe me, as soon as it comes out of the printer, it will be brought here immediately, and we know you're anxious to receive it. It will have some additional facts, and I really wanted senator Cohen to be the one to come to tell you the document wasn't here yet, but he politely gave me leave to say that.

SENATOR COHEN: Senator Boren did make a major misrepresetation. He said there are 133 pages. There really was 77, and that was with the footnotes. It's going to be something under 77 pages.

CHAIRMAN BOREN: That's correct.a So you'll be able to read it more quickly. I was thinking — it was first double-spaced, and Senator Cohen said he wanted it 75 pages long and not 140, so we single-spaced it to come under his guidelines.

q (inaudible) Was the Vice President involved in more meetings than previously thought or --- ....

CHAIRMAN BOREN: I don't think that there is any significant —
as I recall — significant difference in terms of what is out in the
public domain now in terms of the Vice President's participation i
meetings. We do catalogue — and I cannot from memory tell you
exactly how many — we try to catalogue as many of the meetings as
we found that appeared they might have been significant, even if we
don't know exactly what was discussed. If we did find in the White
House records, records that certain meetings took place and the
House records were named, we have laid that out in the report, and
there are more meetings listed in this than perhaps have been out in
the public domain.



סים סים הריבים ריבים סווג בסחוני. סודי ביותר סווג בסחוני. מיידי דחיפות מיידי החיפות מיידי מודי ביותר מאריך ודיים 1600 1600 ינו 87

אל: המשרד + בטחון + ניו יורק \2\2\35

..... 90' BELL'

אל :- מנכייל משרד הבטחון

דע :- מזכיר הממשלה מנכייל מדיני משהייח רמשיין נספח צהייל - כאן ר/מקשייח

"גאותיי

משיחה עם לחוביץ.

- א. התאריכים שהם מיעדים לשיחות הס 8-7 באפריל.
  - ב. נכון לעכשיו הולמס מתגוון להגיע לשיחות.
- ג. חזר ואמר שבשלב זה הם אינם מתכננים שיחות של השכיב מועד השיחות של
  - ה- בין השאר משום שדרוינסקי רק נכנס לתפקידו.

( VI)

תפוצה :- שגריר, ציר א רכב

שגרירות ישראל - וושינגטון

אל: המשרד

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7 7 3 5 0 8 1 0 דף...ן.. מחור.. ב. דפים סווג בשחוני. קודי 09 30 30 1 87 . ATT 1 717MA

מס' מברק.....

אל: מנכייל אוצר

דע: לשכת שר האוצר, עמוס רובין/ רה"מ, מנכ"ל מדיני, מצפ"א, ציי/ כאן, למדו/ כאן

הורדת נטל הריבית על יתרת חוב בטחוני - פגישה עם בוב קימט - יועץ משפטי לאדצד

כידוע לך, קימט מרכז את הטפול בנושא במשרד האוצר, עם הצגת ההצעה האמריקאית כולל לוחות החזר התשלומים, הבעתי השגות לגבי התוכנית המוצעת והקשיים הכלולים בה. בתגובה יעץ הנ"ל בצורה איפורמלית שנתעלם מכל האילוצים של האדצר האמרקאי. הרצון להמנע מתהליכי חקיקה בהעדרות ערבויות ומעומס הקציבי, ונסדבר אל הממשל בסדרת שאלות הבהרה בהתיחס לאפשרויות נוספו *אחרו<u>ת לאלה המוצעוה.</u>* בשיחה דובר על האפשרויות כדלקמן להטבח ההצעה ה<u>תקוריה:</u>

- 1) פריסה מחודשת של החשלומים הגדולים בסוף תקופת ההלואה הנוכחית לומן נועף של <u>30-20 שנדם. בצוכה זן אין אמנם יימחילהיי אבל עומס ההחור השנייג בעולד בהיבה</u> קטן יותר.
- Pre-Payment 2) העברת הערכות הקימת מלווה נוכחי לחדש תוך החזר החוב כולו at face value.

כיום האפשרות לתשלום מוקדם אינה כוללת העברת ערבות (רצ"ב חוות דעת משפטית שהועברה לאוצר המורה על דרך לגלית לביצוע מהלך מעין זה).

- 3) אפשרות מזיגה של רעיון תפריסה עם רעיון התשלום המוקדם (מחשבות הנרי קאופמן. האחים סולומון, החומר המפורט הועבר בנפרד).
  - 4) במידה וכל הנ"ל אינו ישים, יש לחזור לקונגרס ותהליך החקיקה על כל הסכנות הכרוכות ומשך זמן החקיקה כולל קיזוז חלקי של החסכון במידת סך הכל סכום הסיוע העתידי.

מהשיחה הובהר שלמעשה קיימת תשובה שלילית מצרית להצעה מקבילה, כפב שהוצגה -ונעשה נסיון לשנות את ההסדר. לדברי קימט עדיין לא הצליחו להגיע לגיבוש כל שהוא

כללית, נראה לי שקיימת מבוכה רבה ביחס לנושא כולו, שהתחיל בקול תרועה רמה והיום לא יודעים בדיוק איך להגיע לסיומו. (כמאמר הכוזרי על הכוונות ועל המעשים...) והם מצפים לרעיונות טריים מאתנו על מנת לקדם את הנושא.

פיני דרור

BROWN & WOOD

(INCLUDING TUFO & ZUCCOTTI)

BAS MADISON AVENUE NEW YORK, N. T. 10022 212-752-8606

WE FARRAGUT BOUARE SOUTH

WASHINGTON, E. C. 20002

ONE WORLD TRADE CENTER NEW YORK, N. Y. 10048

10900 WILSHIRE BOULEVARD E-2-206-4343

212-839-8300

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BSB CALIFORNIA STREET BAN FRANCISCO. CA. SHIGH

September 8, 1986

## BY COURIER

Jerome H. Silber, Esq. Legal Counsel to the Director Defense Security Assistance Agency Department of Defense The Pentagon Washington, D.C. 20301-1155

Dear Mr. Silber:

Brothers Inc. a copy of my memorandum to him on the question of whether the Department of Defense's guarantee of certain Notes under the Arms Export Control Act remains valid and can continue to be charged against the level of loan guarantee authority for the fiscal years in which the Notes were initially guaranteed, notwithstanding a reduction of the interest rate on the Notes and the amendment of the Guaranty to make clear that, if the DoD requires the holders of the Notes to accelerate the entire outstanding balances thereof upon an event of default, the DoD would make payment under the guarantee in accordance with the installment schedule in the Notes.

Please let me know if you have any questions.

Sincerely yours,

# ROBERT N. McKAY

Robert N. McKay

Enclosure

cc(with enclosure): Mr. Stephen P. Farrar, Director for International Economic Affairs, National Security Council Mr. Mohamed Gawaly, Political Counsel, Embassy of Egypt Mr. Leslie A. Janka, Neill and Company Mr. Miner H. Warner, Salomon Brothers Inc

bcc(with enclosure): Zachary Snow, Esq. (Salomon Brothers Inc)
Walter T. Eccard, Esq.

John A. Quisenberry, Esq.

Kenneth J. Kornblau, Esq.

Joseph C. Reid, Esq.

Files ("Salomon Mortgages")

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### MEMORANDUM TO MR. MINER H. WARNER (Salomon Brothers Inc)

Robert N. McKay (Brown & Wood) September 8, 1986

Re: Sale of, and reduction of interest rate on, Notes guaranteed by the United States under the Arms Export Control Act and held by the Federal Financing Bank and clarifying amendment of Guaranty with respect to such Notes 422

You have advised us that the Federal Financing Bank ("FFB") presently holds a large amount of notes issued by various foreign countries ("Notes") and guaranteed by the United States of America, acting through the Department of Defense ("DoD"), under the Arms Export Control Act. In many cases, the Notes bear interest at the fixed rate substantially in excess of current market rates. Egypt would like a reduction in the rate of interest, and Salomon Brothers Inc ("Salomon") proposes to refinance those Notes with private investors at a lower interest rate (either fixed or floating) reflecting current market rates (but in no event to exceed the present fixed rate). In addition, several prospective purchasers of the Notes, desirous of prepayment protection, want the DoD to agree to an amendment to the guarantee agreement (encaptioned the "Guaranty") making clear that the right of the DoD to require the holder of the Notes to accelerate the entire outstanding balance thereof upon the occurrence of an event of default specified in the Loan Agreement

would be exercised by the DoD only to facilitate the servicing of the guarantee, and that if the DoD exercises this right it would make payment under its guarantee in accordance with the installment schedule in the Notes and any payment by the borrower subsequent to such an acceleration would be for the account of the DoD.

You have asked whether, assuming the DoD agrees to the proposed reduction in the interest rate and amendment to the Guaranty, the guarantee remains valid and can continue to be charged against the level of loan guarantee authority for the fiscal years in which the Notes were initially guaranteed, or whether, for the Notes to continue to enjoy guaranteed status after the consummation of the proposed transaction, it would be necessary for the DoD to execute new guarantees which would be charged against its level of loan guarantee authority for the current fiscal year.

My analysis is based upon the form of Note, Loan Agreement, and Guaranty which you furnished to me, and assumes that the documentation for all of the Notes with which you are concerned is substantially identical.

### CONCLUSION

It is my opinion that, assuming the DoD agrees to the proposed reduction in the interest rate and amendment to the Guaranty, and the Notes are sold to a person or entity with respect to which an assignment of rights under the Guaranty is permitted, the guarantee remains valid and can continue to be

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charged against the level of guarantee authority for the fiscal years in which the loans were initially guaranteed.

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# DISCUSSION

The Arms Export Control Act ("the Act") authorizes the President of the United States to sell to any person (excluding United States Government agencies other than the FFB) promissory notes issued by friendly countries as evidence of their obligations to make repayments to the United States on account of credit sales financed under the Act, and to guarantee the payment of such notes. The act explicitly provides that the guarantee is backed by the full faith and credit of the United States. (22 U.S.C.A. § 2764.)

The President has issued an executive order (Executive Order No. 11958, found at 22 U.S.C.A. § 2751 note (1979 and 1986 Supp.)) delegating his guarantee authority under the Act to the Secretary of Defense. The Secretary of Defense, in turn, has issued a regulation relating to the exercise of this guarantee authority (32 C.F.R. Part 274 (1985)).

The Act, Executive Order, and regulation of the DoD do not provide any guidance on the present question.

However, in 1981, the Comptroller General of the United States, the independent agency which acts as the Government's chief accountant, issued a decision (60 Comp. Gen. 700 (1981)) responding to a similar question which arose under the Farmers Home Administration ("FmHA") business and industrial loan guarantee program. In that decision, the Comptroller General held

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that a loan guarantee made by FmHA and charged against the level of loan guarantee authority for the particular fiscal year in which the guarantee was first approved can continue to be charged against the authority for that year if a new guaranteed lender is substituted in a subsequent fiscal year, provided that the borrower, loan purpose, and loan terms remain substantially unchanged.

With respect to the change of lenders, the Comptroller General reasoned that, although the guarantee is extended to the lender, the lender is merely a conduit through which FmHA provides assistance to an eligible borrower to achieve the statutory objectives. Hence, in his view, a new lender can be designated without changing the essence of the agreement. In our situation, the Loan Agreement provides (in Section 2.4) that the FFB may sell or assign the Note, but that if the FFB intends to sell or assign the Note to any entity other than an agency of the United States the FFB shall give the borrower notice of the intended sale or assignment and the borrower shall have the option to purchase the entire Note on such terms and conditions as are established by the FFB. Although the Guaranty names the FFB as the beneficiary of the guarantee, it expressly provides that the FFB's rights thereunder may be assigned to any individual, corporation, partnership, or other association doing business in the United States of America, and requires only that the DoD be promptly notified of such assignment.

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The Compterlier General's opinion was subject to the proviso that the borrower, the loan purpose, and the loan terms remain "substantially" unchanged. In our situation, there will be no change in the borrower or the purpose of the loan. Furthermore, the reduction of the interest rate should not, for this purpose, be deemed a "substantial" change in the terms of the loan. Although the Comptroller General does not define what constitutes a "substantial" change, what is "substantial" should properly be viewed from the perspective of the guarantor and the risk incurred by the guarantor. A reduction in the interest rate does not increase that risk. I would note, by way of analogy, that it appears to be the general rule (in the absence of a controlling provision in the guarantee agreement) that a reduction in the interest rate on a loan without the consent of the guarantor does not release the guarantor from liability under the guarantee. (E.g., Becker v. Faber, 280 N.Y. 146, 19 N.E.2d 997 (1939); 74 Am. Jur. 2d, Suretyship, § 47 (1974 and 1986 Supp.).) The rationale is that, although an alteration of the debtor's obligation without the consent of the guarantor will generally release the guarantor, a reduction of the interest rate is not an alteration of the obligation, but rather a remission of part of the obligation, and the guarantor is merely being held to the performance of that part of the original obligation which remains in full force and effect. In this connection, it is significant that the new floating rate on the Notes will be limited so as to never exceed the present fixed rate. Assuming the consent of the DoD to the proposed

reduction in the interest rate, there is no need to interpret the provision in the Guaranty providing that the lender will not agree to any "material" amendment of the Loan Agreement or Note without the prior written consent of the DoD.

Nor should the proposed clarifying amendment to the Guaranty be deemed a substantial change within the meaning of the Comptroller General's decision. As presently written, the Guaranty provides that, in the event of a default by the borrower under the Loan Agreement or Note, the FFB shall, if so directed by the DoD, invoke the default provisions of the Loan Agreement pursuant to which the FFB may accelerate the entire outstanding balance of the Notes upon the occurrence of an event of default. The proposed amendment would make clear that the DoD's right to require acceleration would be exercised by the DoD only to facilitate its servicing of the guarantee, and that if the DoD exercises this right it will make payment under its guarantee in accordance with the installment schedule in the Notes, and any payment by the borrower subsequent to such acceleration would be for the account of the DoD. The proposed amendment would appear merely to clarify what is already intended because the Guaranty provides that the amount payable thereunder shall be "the amount of the overdue installment of principal and interest, plus any and all late charges and interest thereon as provided in the [Loan] Agreement", rather than the overdue installment and all amounts owing as the result of acceleration. As a clarification to better express what was originally intended, the proposed amendment would

not be a substantial change. Furthermore, even if the Guaranty as presently written could be construed as requiring the DoD to pay thereunder the entire outstanding balance of the Note upon the acceleration thereof, the proposed amendment should not be deemed substantial within the meaning of the Comptroller General's decision because it would, from a practical approach, lessen the DoD's obligations under the Guaranty by requiring payment by the DoD in installments rather than in a lump sum while in no way lessening its rights against the borrower.

\_\_\_\_\_Although\_the Comptroller General's decision was issued in the \_\_\_\_\_
context of the FmHA's business and industrial loan program, it did not turn upon any particular provisions of that program, and
should be equally applicable to guarantees under the Act.

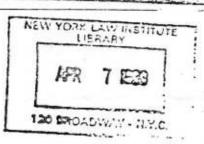
A copy of the Comptroller General's decision is attached.

#### Attachment

bcc(with attachment):
 Zachary Snow, Esq. (Salomon Brothers Inc)
 Walter T. Eccard, Esq.
 John A. Quisenberry, Esq.
 Kenneth J. Kornblau, Esq.
 Joseph C. Reid, Esq.
 Files ("Salomon Mortgages")

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### ATTACHMENT



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# Decisions of The Comptroller General of the United States

VOLUME 60

OCTOBER 1, 1980, TO SEPTEMBER 30, 1981



UNITED STATES
GENERAL ACCOUNTING OFFICE

XXX

#### [B-189712]

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Loans—Loan Guarantees—Rural Development Program—Obligation Authority Beyond Fiscal Year—Ceilings on Loan Amounts— Substituted Borrower Effect

Loan guarantee by Farmers Home Administration (FmHA) initially charged against level of guarantee authority for particular fiscal year in which guarantee was first approved cannot, as general rule, continue to be charged against the authority for that year when entirely new borrower is substituted in subsequent fiscal year, since determination of whether to approve guaranteed loan to particular borrower is an individual one requiring specific eligibility determination by FmHA. However, if substituted borrower bears close and genuine relationship to estainal borrower, such as would exist between corporation and partnership controlled by same individuals, and loan purpose remains substantially unchanged. FmHA would have authority to charge loan guarantee to substitute borrower against celling for fiscal year in which original guarantee was approved.

Loans-Loan Guarantees-Rural Development Program-Obligation Authority Beyond Fiscal Year-Ceilings on Loan Amounts-Revision of Loan Agreement Terms Effect

Loan guerantee by FmHA initially charged against level of loan guarantee authority for particular fiscal year in which guarantee was first approved cannot continue to be charged against ceiling for that year when major changes to character of the project or loan terms occur during subsequent fiscal year. However, if less aubstantial changes are involved where the purpose and scope of the revised loan guarantee agreement are consistent with the purpose and scope of the original guarantee and the need for the project continues to exist. FmHA would have authority to change amended loan guarantee against ceiling for fiscal year in which it was first approved.

Loans—Loan Guarantees—Rural Development Program—Obligation Authority Beyond Fiscal Year—Ceilings on Loan Amounts— Substituted Lender Effect

Loan guarantee by FmHA initially charged against level of loan guarantee authority for particular fiscal year in which guarantee was first approved can continue to be charged against authority for that year if new guaranteed lender is substituted in subsequent fiscal year, provided the borrower, loan purpose, and loan term remain substantially unchanged. Although the guarantee is actually extended to the lender, the lender is merely a conduit through which FmHA provides assistance to an eligible borrower to achieve the statutory objectives. Therefore, new lender can be designated without changing the essence of the agreement.

Agriculture Department-Farmers Home Administration-Loan Guarantees-Approval/Disapproval-Written Notice Requirement

FmHA's regulations as well as terms of relevant FmHA forms indicate that applications for loan guarantees are to be approved or disapproved in writing. Oral notification of loan guarantee approval thus would not be sufficient to create a valid guarantee.

Matter of: Farmers Home Administration-Loan Guarantee Program, September 23, 1981:

This decision is in response to a request from the Acting Administrator of the Farmers Home Administration (FmHA), concerning

several questions that have arisen in connection with FmHA's business and industrial guaranteed loan program. In essence, FmHA is concerned as to whether a commitment by FmHA to guarantee a loan by a private lender to an eligible borrower can still be counted against the authorized loan guarantee ceiling for the fiscal year in which the commitment was made, when changes affecting different aspects of the guarantee occur in a subsequent fiscal year.

Specifically, FmHA's written submission requests that we answer

the following three questions:

1. Whether guarantee authority reserved ("obligated") during a previous fiscal year must be lost irrevocably when the lender is changed during a subsequent fiscal year.

2. Whether guarantee authority reserved during a previous fiscal year must be lost irrevocably when the borrower is changed during a subsequent fiscal year.

3. Whether guarantee authority reserved during a previous fiscal year must be lost irrevocably when major changes to the character of the project or loan

terms occur during a subsequent fiscal year. Subsequently, in informal discussions with representatives from FmHA these questions were further amplified and clarified. Also, we were informally requested to address a fourth issue involving the extent to which a valid guarantee commitment can be viewed as having been created in a particular fiscal year on the basis of FmHA's oral rather than written notification to the lender. We conclude, with exceptions we shall discuss below, that each of the changes indicated by FmHA with respect to questions 2 and 3 would create a new guaranteed loan which must be charged against the guarantee ceiling. for the fiscal year in which the change was made. On the other hand, the change indicated in question 1 would not create a new guarantee and could continue to be charged against the ceiling for the fiscal year in which the guarantee was first approved. Further, with respect to the informal question, we conclude that oral notification does not create a valid guarantee commitment.

FmHA's business and industrial loan program, also known as the rural or industrial development loan program, is authorized by section 310B of the Consolidated Farm and Rural Development Act, as amended (Act), 7 U.S.C. § 1932(a), as follows:

The Secretary may also make and insure loans to public, private, or cooperative organizations organized for profit or nonprofit, to Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, or to individuals for the purposes of (1) improving developing or financing business, industry, and employment and improving the economic and environmental climate in rural communities, including pollution abatement and control, \*\*
Such loans, when originated, beld, and serviced by other lenders, may be guaranteed by the Secretary under this section without regard to subsections (a) and (c) of section 1983 of this title. \*\*

The word "insure" as used in this subsection is specifically defined in 7 U.S.C. § 1991 as including "guarantee, which means to guarantee the

payment of a loan originated, held, and serviced by a private financial agency or other lender approved by the Secretary

The rural development loan program established by 7 U.S.C. § 1932 is funded out of a special revolving fund—the Rural Development Insurance Fund—created under section 300A of the Act, 7 U.S.C. § 1929a. Maximum limitations on the amount of industrial development loans that can be made out of, or under, the fund in a particular fiscal year are set forth in section 346(b) of the Act, as amended, 7 U.S.C. § 1994(b), as follows:

Loans for each of the fiscal years 1980, 1981, and 1982 are authorized to be insured, or made to be sold and insured, or guaranteed under the Rural Development Insurance Fund as follows;

(B) industrial development loans \$1.500.000.000 of which \$100.000.000 may be for insured loans and \$1.700.000.000 may be for guaranteed loans with authority to transfer amounts between categories

Under 7 U.S.C. § 1994(a), Congress can impose additional limitations on the amount of guaranteed and insured industrial development loans that can be made in a particular fiscal year as follows:

(a) . There shall be two amounts so established for each of such programs and for any maximum levels provided in appropriation Acts for the probabilities that the charged and the other against which direct and insured loans charged. . . .

For the 1980 and 1981 fiscal years, such limitations have been included in FmHA's annual appropriation. For example, the following provision is set forth in the Agriculture, Rural Development, and Related Agencies Appropriations Act, Fiscal Year 1981, Pub. L. No. 96-528, 94 Stat. 3095, 2106, December 15, 1980:

For an additional amount to reimburse the rural development insurance fund for interest subsidies and losses sustained in prior years, but not previously reimbursed. In carrying out the provisions of the Consolidated Farm and Rural Development Art, as amended (7 U.S.C. 1988(a)), \$143,282,000.

For loans to be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928 and 86 Stat. 661-industrial development loans, \$741,000,000; and insured community facility loans, \$750,000,000.

Similar language setting a \$1.1 billion overall limitation on the total amount of rural development loans for the 1980 fiscal year, including \$10 million for insured loans and the remainder for guaranteed loans is contained in the Agriculture, Rural Development, and Related

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Although guaranteed loans are included within the statutory definition of insured loans, this provision (7 U.S.C. § 1004(b)) sets one limit for insured industrial development loans and a separate limit for guaranteed industrial development loans. In this context, the term "insured loan" refers to loans which are initially made by FmHA directly out of the revolving fund and are then promptly sold by FmHA with recourse in the secondary market. The term "guaranteed loan" refers to loans which from their inception are made, beld, and serviced by a participating financing institution or other approved lender, with FmHA's assurance that moon default by the borrower it will assume up to 00 percent of the lender's loss on the loan.

Agencies Appropriations Act, Fiscal Year 1980, Pub. L. No. 96-108, 93 Stat. 821, 831, November 9, 1979.

Although the language in the appropriation legislation for both the 1980 and 1981 fiscal years is written in a form that might appear to appropriate \$1.1 billion and \$741 million for guaranteed industrial development loans for the 1980 and 1981 fiscal years respectively, it is apparent that what was intended by the Congress was the imposition of ceilings on the total amounts of guaranteed rural development loans that could be made by FmHA in each fiscal year. It is the existence of precisely these limitations in FmHA's annual appropriation on the total amount of industrial development loans that can be guaranteed in a particular fiscal year that resulted in FmHA's request to us for a legal opinion as to the proper treatment of a guaranteed loan approved in a particular fiscal year which is modified in a subsequent fiscal year.

FmHA urges us to take the position that a guaranteed loan that has been modified should continue to count against the authorized guaranteed loan level for the year in which it was first approved rather than the level of the subsequent fiscal year in which the guarantee was changed.

Before considering the specific issues raised by FmHA, we believe it is necessary to clarify FmHA's use of the term "obligation" in referring to approved loan guarantees. Our Office has taken the position that a loan guarantee is only a contingent liability that does not meet the criteria for a valid obligation under 31 U.S.C. § 200. Ordinarily, when a loan is guaranteed by the Federal Government, an obligation is only recorded if, and when, the borrower defaults-and a Federal outlay is necessarily required to honor the guarantee. This will not usually take place, if at all, in the same fiscal year in which the loan guarantee was initially approved. See GAO Audit Report "Legislation Peeded to Establish Specific Loan Guarantee Limits for the Economic Development Administration." FGMSD-78-62. January 5. 1978. Thus, we have held that it is not necessarily required that funds be available in the underlying revolving fund, or elsewhere, before the agency may approve a loan guarantee so long as the guarantee itcelf is authorized and within whatever annual monetary limits Congress has placed on it. See 58 Comp. Gen. 188, 147 (1978).

Based on informal discussions with FmHA representatives, it appears that FmHA's practices and procedures in connection with its guaranteed loan program are consistent with our interpretation that a

<sup>\*</sup>As is explained at greater length hereafter, funds are not ordinarily appropriated for loan guarantees since no obligation or disbursement of Federal funds occurs when a loan guarantee is approved.

loan guarantee approval does not result in an actual oblightion of funds. Apparently, what FmHA actually does upon approval of a loan guarantee is "charge" the amount of the loan guarantee against the authorized ceiling for that year. Also, it may administratively reserve, or carmark, in its revolving fund a certain percentage of the total amount of the guarantee based on the estimated default rate for such loans.

The primary case cited by FmHA in its submission, B-189712, January 5, 1978, (57 Comp. Gen. 205) and most of the other related cases in this general area involved Federal grants. The issue in these cases was the availability in a later fiscal year of appropriated funds that were obligated in a prior fiscal year where the underlying agreement that formed the basis for the obligation was modified in the later fiscal year, after the end of the period of availability of the funds.

Although the situation in the instant case is somewhat differentsince, as explained above, it does not involve an actual obligation of appropriated funds-the same legal principles are involved. The applicable limitation on loan guarantees, which is set forth in an annual appropriation act, refers to the total amount of loan guarantees that can be approved in a particular fiscal year. The basic question in the "obligation" cases is whether an otherwise binding commitment of funds in a particular fiscal year remains valid if the purpose or the recipient of the funds is changed after the funds are no longer available for a new commitment. Similarly, the basic question here is whether a loan guarantee, once approved, remains a valid and binding commitment if a change affecting the purpose, recipient, or nature of the guarantee occurs after the period of loan guarantee authority expires.

With these considerations in mind, we shall address the specific questions raised by FmHA in its submission (as clarified in informal discussions with FmHA officials) although we have changed the order in which these questions are answered. The first question is whether a loan guarantee initially charged against a level of a loan guarantee authority for a particular fiscal year can continue to be charged against the authority for that year when the borrower is charged during a subsequent year. When the question is presented in this form, without further amplification, the answer is necessarily "no."

We have consistently held in the grant cases that, when the recipient of an original grant is unable to implement the grant as originally contemplated and an alternate grantce is designated subsequent to the expiration of the period of availability for obligation of the grant funds, the award to the alternate grantee must be treated as a new obligation and is not properly chargeable to the appropriation current at the time the original grant was made. See 57 Comp. Gen. 205, supra;

B=164031 (5), June 25, 1976; and other cases cited in those decisions. The rationale behind the general rule is set forth in B-114576, January 21, 1960, as follows:

The awards here involved are made to individuals based upon their personal qualifications. Whether the award is considered an agreement or a grant, it is a personal undertaking and where an alternate grantee is substituted for the original recipient, there is created an entirely new and separate undertaking. The alternate grantee is entitled to the award in his own right under the new agreement or grant and not on behalf of, on account of, or as an agent of, the original grantee. It seems clear that the award to an alternate grantee is not a continuation of the agreement with, or grant to, the original grantee executed under a prior fiscal year appropriation, but is a new obligation.

Similarly, in the case at hand, the determination of whether to approve a loan guarantee to a particular borrower is an individual one, necessarily requiring a specific determination by FmHA of the borrower's eligibility under the relevant statutory and regulatory provisions. Obviously, the determination by FmHA with respect to the eligibility of one borrower and the extent to which approval of a guaranteed loan to that borrower would achieve one of the legislative objectives of the rural development loan program, as set forth in 7 U.S.C. § 1932, would be of no value in making such a determination about an entirely different and unrelated borrower, even if a similar project was involved. Thus, adherence to the general rule, as set forth in B-114876, January 21, 1960, and similar cases, requires us to hold that when a loan guarantee is approved for a new borrower having no relationship to the original borrower it must be treated as an entirely new undertaking and must be charged against the authorized loan guarantee level in effect when it, as opposed to the original guarantee, is approved.

Although the above conclusion answers the question set forth in FmHA's written submission, there are exceptions to the general rule. FmHA's representatives informally advised us of some specific situations that may arise in which the originally approved borrower and the proposed substitute are linked in some way. One example is the situation in which the originally approved borrower—a corporation—is replaced with a substitute borrower—a partnership—(or the reserve). In this example, the individuals controlling both the corporation and the partnership are the same and the purpose of the loan presumably remains the same as well. In this or similar situations, the substituted borrower is not a new and independent entity that is separate and apart from the original borrower.

This distinction is significant. Our Office has held that " • • it may be possible in certain situations to make an award to an alternate grantee after expiration of the period of availability for obligation where the alternate award amounts to a 'replacement grant' and is

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DECISIONS OF THE COMPTROLLER CENTRAL

substantially identical in scope and purpose to the original grant? B-164001 (5) June 25, 1976, supra.

Our decisions in two cases are especially relevant. In B-157179, September 30, 1970, we held that the unexpected balance of grant funds originally awarded to the University of Wisconsin could properly be used in a new fiscal year to support Northwestern University's completion of the unfinished project. Essentially, we took this position because the designated project director had transferred from the University of Wisconsin to Northwestern University and was viewed as the only person capable of completing the project. Further, we found that the original grant was made in response to a bona fide need and that the need for completing the project continued to exist. Our decision analogized the circumstances of that case to the situation involving replacement contracts.

Concerning replacement contracts, we take the position that the funds obligated under a contract are, in the event of the contractor's default, generally available in a subsequent fiscal year " for the purpose of engaging another contractor to complete the unfinished work, provided a need for the work, supplies, or services existed at the time of execution of the original contract and that it continued to exist up to the time of execution of the replacement contract. See 34 Comp. Gen. 239 (1954); and 60 Comp. Gen. 591 (1981).

The second relevant decision—57 Comp. Gen. 205, supra—was the one cited in Fn:HA's submission. In that case we considered whether to allow an alternate grantee to be substituted for the original grantee after the period of availability had expired where the original grant application had been jointly filed by both. We held that, provided the original and revised grants were for the same needs and purposes and were of the same scope (which determination was left to the agency), replacement of the designated grantee by the other applicant did not require a new obligation because " • • the alternative proposal amounts to a replacement grant rather than a new and separate undertaking."

In both these cases a genuine and tangible relationship existed between the original and substituted grantee. Also, in both cases the purpose and scope of the grants, as well as the need for the grant project, remained the same. In the situation suggested informally by FmHA, the original and substituted borrowers would have a similar, if not greater, connection with each other. For example, in the case of a change from a partnership to a corporate borrower, or the reverse, the names of the controlling individuals presumably would appear on both the original and revised applications. Similarly, we assume that the purpose and the scope of the project supported by the loan guar-

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antee would remain substantially the same since the same individuals would be involved. Therefore, we would not object if FmHA charges a substitute loan guarantee against the authorized ceiling of the fiscal year for which the guarantee was initially approved, provided the substituted borrower bears a close and genuine relationship to the originally approved borrower (such as has been discussed herein) and the purpose for which the loan funds are to be used by the substitute borrower is substantially unchanged.

The next question is whether a loan guarantee can continue to be charged against the ceiling for the year in which it was approved "when major changes to the character of the project or loan terms occur during a subsequent fiscal year." Examples of such major changes are listed in the submission as including "major changes to the facility design, project's purpose, loan terms." As was true of the previous question, when the issue is characterized in this fashion, the answer is clearly "no."

Our Office has consistently held that an agency has no authority to amend a grant so as to change its scope after the underlying appropriation has ceased to be available for obligation. For example in 39 Comp. Gen. 296, 298 (1959) we said the following:

We cannot agree that authority to make one grant in a fiscal year necessarily carries with it authority to amend that grant where the amendment would alter the scope of the original grant and require additional funds. The execution of a grant based upon a proposal containing specific objectives, research methods to be followed, and estimates of project costs would ordinarily give rise to a definite and maximum obligation of the United States. To enlarge such a grant beyond the scope of the original is to create an additional obligation and must be considered as giving rise to a new grant. \* \*

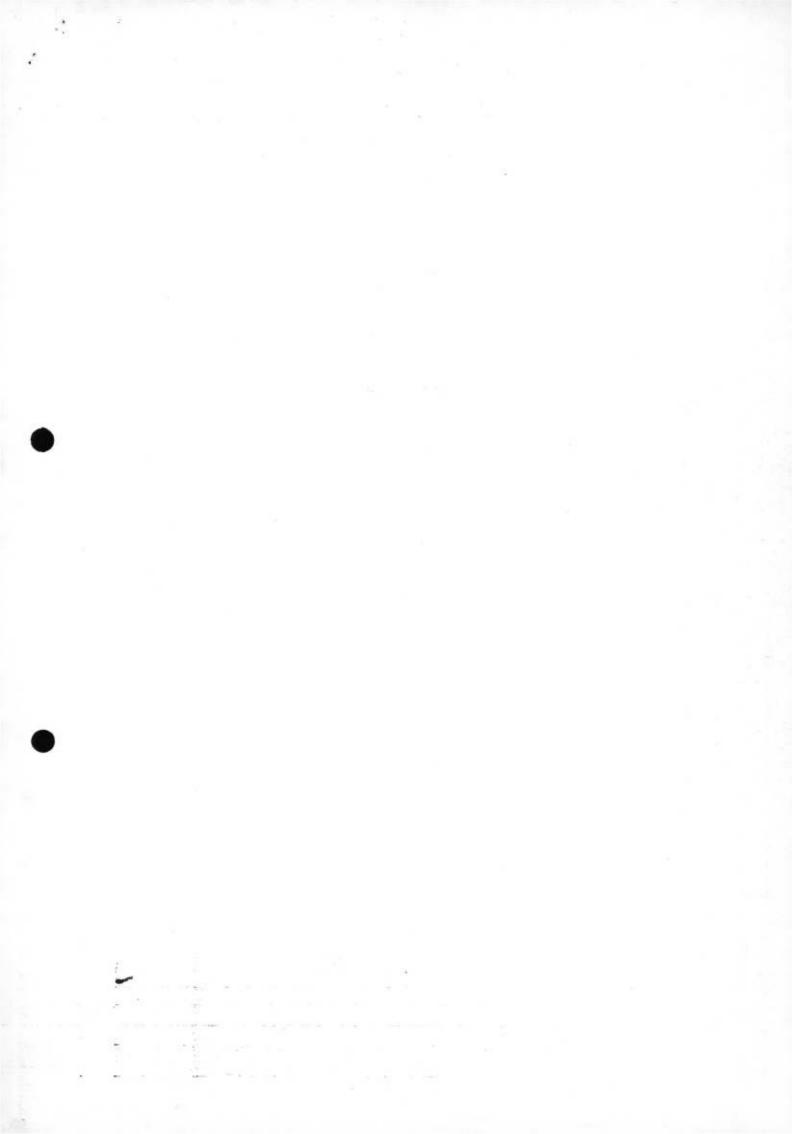
More recently, in 57 Comp. Gen. 459 (1978), we considered whether the Department of Agriculture could substitute one research grant project for another—to the same grantee. We held that although the grant as modified retained some aspects of the original proposal, the research objective and scope of the original grant was changed, creating a new obligation chargeable to the appropriation of the year in which the substitution was made.

Applying these grant decisions to the area of loan guarantees, when a major change to the "character" of the project supported by the guarantee is made, the revised loan guarantee must be charged against the ceiling in effect when the revision is made. We believe that just as a significant change in the terms and conditions under which a grant was made would be viewed as creating a new grant, a significant change in the terms and conditions under which a loan guarantee was appreciate a significant change.

However, the answer to this question as FmHA submitted it does not, as before, completely resolve this issue. FmHA's representatives

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informally advised us that in some instances the only revisions to projects supported by FmHA loan guarantees were relatively minor ones (although no specific examples of such changes were stated). The question then becomes much more difficult to resolve definitively, since we have recognized the existence of exceptions to the general rule concerning modifications of the substantive terms of a grant. For example, in B-74254, September 3, 1969, we did not object to the amendment of an approved grant application after the period of availability of the grant allotments had expired, where the amendments involved changes in the use of the funds from construction to renovation or the

In 58 Comp. Gen. 676 (1979), we considered a similar question as to whether a proposed modification of a grant by ACTION in effect created a new grant where the change involved an enlargement of the area from which participants in the grant project were to be selected. We said the following in that decision:

Our earlier decisions concerning changes in grants after the period of availability of the grant funds for obligation has ended have identified three closely

Whether a bone fide need for the grant project continues;

Whether the purpose of the grant will remain the same; and Whether the revised grant will have the same scope as the original grant.

Thus, the test of whether a modification of the terms of the grant agreement constitutes an amendment to the original grant or a new and separate undertaking is substantially the same test as is used in determining whether an alternate grantee can be substituted for the original grantee. That is, the need for the project must continue to exist and the purpose and scope of the revised grant must be consistent with the purpose and scope of the original grant.

Application of this test to FmHA loan guarantees can only be accomplished, in our view, on a specific case-by-case basis, considering the specific circumstances of a loan and the type of modification involved. However, as stated above, the type of changes mentioned in FmHA's written submission, including "major changes to the facility design, project, purpose, [and] loan terms," would in our view be so significant as to change the scope of the guarantee and therefore would have to be viewed as a new and separate undertaking.

The final question in the submission involves the substitution of one lender for another in a subsequent fiscal year. Based on the preceding discussion this question can be readily resolved. As stated above, the basic purpose of the FmHA rural development loan guarantee program is to provide assistance to eligible borrowers to enable them to accomplish one or more of the statutory objectives. In other words, although the guarantee is extended to the lender, it is clear that the purpose of doing so is not to provide a Federal benefit to the lend-

ing institution but to induce the lender to make the loan to the borrower. In this sense, the lender is just a conduit or funding mechanism through which FmHA provides assistance to an eligible borrower so that the statutory objectives can be realized. Thus, the particular lender involved is of relatively little consequence. In this respect, the relevant statutory provisions do not contain any specific eligibility requirements for lenders. This is clearly distinguishable from the situations discussed above in which the proposed change in the borrower or scope of the project would necessarily have affected the very essence of the agreement.

Accordingly, provided the other relevant terms of the agreement, including the borrower, loan purpose, and loan terms remain substantially the same, we believe that a change in the lender can legitimately be viewed as an amendment of the original loan guarantee. Therefore, the loan can continue to be charged against the authorized loan guarantee level for the year in which the agreement was initially approved.

Informally, we were requested to consider a fourth question—whether the notification of loan guarantee approval by FmHA has to be in writing in order to be effective within a particular year and therefore be charged against the loan guarantee ceiling for that year, or whether oral notification supported by an internal memorandum is sufficient. There are no statutory provisions in the legislation governing the rural development loan program or elsewhere, of which we are aware, that require loan guarantee approval to be in writing. Further, since a loan guarantee does not constitute an actual obligation of funds until the borrower has defaulted and the Government becomes legally "obligated" to make an expenditure in order to honor its guarantee, recording of guarantees is not required by 31 U.S.C. § 200, which requires that obligations be supported by written documentation.

However, FmHA's regulations set forth in 7 C.F.R. § 1980.452 provide in pertinent part as follows:

FmHA will evaluate the application. FMHA will make a determination whether the borrower is eligible, the proposed loan is for an eligible purpose, and that there is reasonable assurance of repayment ability, sufficient collateral, and sufficient equity. If FmHA determines it is unable to guarantee the loan, the Lender will be informed in writing. Such notification will include the reasons for denial of the guarantee. If FMHA is able to guarantee the loan, it will provide the Lender and the applicant with Form FmHA 440-14, listing all requirements for such guarantees.

In our view, this regulation clearly contemplates written notification to lenders of FmHA's decision to approve or disapprove the application for a guaranteed loan. Similarly, the terms and provisions set forth in the various forms and documents used by FmHA in approving loan guarantees (including Forms FmHA 410-35, FmHA 410-1, and

FmHA 419 14) indicate that loan guarantee approval must necessarily be in writing to be effective. In B-187445, January 27, 1977, we concluded that similar provisions in the regulations and contract governing the guaranteed loan portion of the Small Business Administration required that "the approval of a guarantee must, at a minimum, be in writing in order to be valid." Also, sec 54 Comp. Gen. 219 (1974). Accordingly, it is our view that under FmHA's current regulations, oral notification would not be sufficient to create a valid guarantee.

The questions presented to us by FmHA are answered in accordance with the foregoing.

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#### [B-201003]

Interest-Intergovernmental Claims-Federal Agency, etc. Against Flate, Local, etc. Governments-Federal Law Applicability-Claims

As a general rule, interest is not allowed on claims brought against governmental entitles unless expressly authorized by statute or stipulated to by contract. However, where a claim is inter-governmental in nature, and has its origin in Federal the liability of the debtor will depend on Federal law and not local law. If Federal law fails to resolve this question, then agencies must be guided by considerations of equity and public convenience and due regard should be paid

Government Printing Office-Printing and Binding Agreements Debt Collection-Interest Claim-District of Columbia Indebtedness

Government Printing Office (GPO) may charge interest from the date payments were due under agreement between GPO and the District of Columbia for printing and binding services, or if no date was established by agreement, from the date payment was demanded due. Agreement and action on the agreement had their origins in Federal law and interest has been authorized by courts and in statutes on claims brought against District of Columbia in the past.

District of Columbia-Status-Debts Owed to United States-

Although the District of Columbia receives an annual lump sum payment from the Federal Government, a valid claim may exist between the District of Columbis and the Federal Government since they are separate and distinct legal entities. Therefore, claims by Federal Government against District of Columbia may be collected through setoff against unappropriated funds of the District in the

Set-Off-Authority-State, etc. Government Debts-Against Federal Salary Deductions for State, etc. Income Taxes-Public Policy

Government Printing Office (GPO) may not set off debts owed to it by District of Columbia against taxes withheld by GPO from wages of its employees for payement of employees' income taxes. The withheld taxes, while they constitute an employer indebtedness, are held in trust for the benefit of the District of Columbia. Strong public policy consideration precludes the setting off of debts against demands for payment of taxes in the absence of statutory authority.

סווג בסחוני..גלווי.. רחיפות....רגיל....

מצפייא

דע: מנכייל אוצר, מקשייח, רמשיין

#### קונגרס: תקציב 88 וסיוע חוץ

ביום חמישי 5.2 תקיים ועדת המשנה לאירופה ומזיית בועדת החוץ בבית הנבחרים דיון על כלכלת ישראל. יעידו בפניה הייה מרפי (מחמייד) פלטרו (הגנה) ובל ( AIO ) יומיים קודם תקיים דיון על הסיוע לפורטוגל ולספרד. המועד לדיון על כלכלת מצרים טרם נקבע והוא יערך בסוף פברואר או תחילת מרס. על הפרק, כמובן, דיונים אחרים בתחום סיוע החוץ:

בכך למעשה מתחיל תהליך ההרשאה ( authorization) לקראת 881, אשר בסופו אמור להיות מאושר לישראל סכום של 3 בליון דולר (FMS 1.8 -צבאי, 1.2 באי, -כלכלי).

התהליך התקציבי התחיל מיד אחרי ראש השנה האזרחית, כאשר הצעת הנשיא לתקציב הוגשה לקונגרס. השלב הבא, הקורה בימים אלו, הוא הופעת אישים מרכזיים בממשל בפני ועדות התקציב ( budget committees )בשני הבתים, שתפקידן לקבוע את הסכום שיוקצה לכל סעיף מרכזי, מבלי להכנס לחלוקה פנימית.

זהר תפקידן של הועדות המרשות ( authorizing committees), דהיינו הועדות "המקצועיות" בכל אחד מהבתים המתמחות בתחומים שונים - תינוך, חקלאות ועוד, ובמקרה של סיוע חוץ - ועדות החוץ. בימים אלו, ובמקביל לפעילות בועדת התקציב, התהליך מתרחב גם לידי הועדות המרשות, שמטרתן, בתחום התקציב, היא להוציא מתחת ידיהן חוקי הרשאה אשר יתון את המדיניות בתחומים השונים.

בדריים התהליך מתחיל בדיון ( heaking ) בועדות המשנה, האמורות להשם הצעת חוק ( mark up ) משם הוא עובר לועדה כולה, משם למליאת כל אחד מהבתים ומשם ל conference בין נציגי הבתים לגלד על הבדלים. אחיים הנוסח המוסכם חוזר לאישור כל בית בנפרד ומשם לנשיא: לחתימה, לאי-חתימה (שמשמעה שהחוק נכנס לתוקף) או לוטר. וטו מחייב חזרה לקונגרס עד למציאת נוסח המקובל על המחוקקים

והממשל. (אלא אם הקונגרס מבטל את הוטו ברוב של שני שליש בכל בית). תהליך נלווה מחקיים בועדות ההקצבות (appropriation committees). לועדות הללו ועדות משנה המקבילות, בחלוקה גסה, לועדות המרשות. לדוגמא, סיוע חוץ מטופל ברובו המכריע בועדות המשנה לפעולות זרות (foreign operations). תפקיד המקציבים, אם להשתמש במשל מתחום אחר, הוא להכין את ההמחאה, אחרי שהמרשים החליטו מה לקנות, ולהגישה לממשל לחתיבתו. בסך הכל מדובר ב-13 חוקים נפרדים (ובתהליף ארוך, מסובר ומסורבל: אין להתפלא שבנאומו לקונגרס על מצב האומה בתחילת השבוע קרא הנשיא לפשטו).

אשתקד, לקראת שנת התקציב 87' ומסיבות שלא כאן המקום לפרטן, לא עלה בידי הועדות המרשות (חוץ מזו העוסקת בפנטגון) להוציא מתחת ידיהן חוקי הרשאה, ובנוסף לא היו חוקי תקצבה. אי לכך, הממשלה הפדרלית פועלת השנה מכח החלטת ההמשך ( continuing Resolution) אחת. החלטות המשך נועדו במקורן להוות צעד חרום לאפשר המשך מימון אם מסיבה כלשהי לא צלחה העברת חוק. המצב אשתקד גרם לכך שהחלטת ההמשך תפסה למעשה את מקומו של התחליך התקציבי. החלטת המשך מקורה בועדות ההקצבות. מבחינת יחסי הפאת בקונגרס פירוש הדבר שמרכז הכובד (והכח) בתהליך התקציבי עבר מידי המרשים למקצעים. אין פירוש הדבר שועדות ההקצבות (על ועדות המשנה שלהן) פועלות בחלל ריק וללא תיאום עם הועדות המרשות. אולם עם מעבר השליטה בפועל על הארנק לידי המקציבים, איבדו המרשים האמורים להיות מיומנים בכל תחום הרבה מהשפעתם על קביעת מדיניות ועדיפויות וכמובן - גם מיוקרתם:

טבעי, אם כך, שחברי הקונגרס מן הועדות המרשות קובלים על המצב שנוצר ושינסו להחזיר את המצב לקדמותו. ובמילים אחרות - הם ינסו להעביר חוקי הרשאה.

כאמור, בתחום סיוע החוץ מתחיל תהליך ההרשאה בימים אלו ממש. כמדווח, ראשי הועדה, לפחות עכית הנבחרים, מעונינים לפעול כלפני שנתיים ולהעביר חוק שתוקפו שנתיים. באופן כזה הפעילות לטווח יותר ארוך מאשר קבלת חוק נקבעות עדיפריות המאפשרות תכנון לשנה. כאשר ועדת החוץ קיבלה לפני שנתיים חוק המתייחס ל-86' ול-87' נוצר מצב שבמהלך 86' (בעת נדון תקציב 87') המדיניות כבר התווחה, לא היה צורך בדיון ממשי וזה אמנם לא התקיים. כעת, עם הכנת חוק חדש שתוקפו לשנתיים, שוב צפוי דיון רבתי במכלול השאלות הקשורות בסיוע חוץ, דיון אשר לא התקיים לקראת 87'. (בהערת אגב יאמר שמזכיר ההגנה ויינברגר קרא במאמר לפני שבוע שגם בתחומו יתקבלו חוקים בני שנתיים כדי לווסת תכנון והתארגנות.)

עיים חלוקת העבודה המסורתית בקונגרס, חקיקה בנושא כספים מקורה בבית הנבחרים והסנט מתחיל בפעולתו אחיים. בבית העליון עדיין לא נקבע מועד לתחילת הדיון בנושא סיוע חוץ אך זה אינו צפוי להפתח לפני חחילת חודש מרס.

לנוחיותכם מצייב לוח זמנים טנטטיבי שהוכן בועדת החוץ בבית הנבחרים. הוא כולל לא רק פגרות והופעות עדים אלא גם את הסדר המתוכנן לפעילות התקציבית ל-88, כמתחייב מחוק גראם-רודמן- הולינגט.

שובה הרצל

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#### TENTATIVE HOUSE AND COMMITTEE SCHEDULE - 100th CONCRESS

January 5

January 6 - 8

January 8

January 9 - 19

January 21

January 27

Pebruary 12 - 17

Pebruary 18

Pehruary 19

February 24

February 25

Pebruary 26

March 4

February 24 - March 20

March 23 - April 9

April 10

April 11 - 20

April 14

April 15

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President submits outline of FY 1988 Budget

House Convenes, Hambers sworn in

Committee Democratic Caucus

District work period

Secretary of State Shultz (Executive Session)

Pull Committee Organization (7:00 p.m.)

State of the Union Address

FY 1988 budget submitted to Congress

President's Day recess

Secretary of Defense testifies on PY 1988

security assistance request (a.m.)

Secretary of State testifies on PY 1988

foreign assistance request (a.m.);

consideration of Committee report to Budget

Committee (p.m.)

Undersecretary of State Derwinski/AID

Administrator McPherson testify on details

of PY 1988 foreign assistance programs

(a.m.); Loret Ruppe testifies on FY 1988

Peace Corps Programs (p.m.)

Breakfast with Secretary of Treasury Baker;

submission of Committee budget report to

Budget Committee

Breakfast with Secretary of Agriculture Lyng

Breakfast with Secretary of Commerce Baldridge

Subcommittees work on and report legislative

recommendation to Full Committee

Full Committee markup of PY 1988 authorizing

legislation

Congress completes action on FY 1988 budget

resolution

Easter Recess

Passover begins

House scheduled to complete action on FY 1988

1st Budget Resolution

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April 21 - May 15

Hay 15

Hary 22 - 26 Mary 25

June 10

June 15 June 30

July 2 - 6

August 8 - September 8

August 15

August 20 September 7

September 9

September 15

September 21 or 22

September 24 - 27

October 3

October 5

October 10

October 12

October 19

101

661 714

Committee takes <u>all</u> authorizing legislation to the Floor

Consideration of appropriations bills, if ready, and depending on what happens to the Budget Resolution

Memorial Day district work period

Memorial Day

Appropriations Committee reports last FY 1988 regular appropriations bill

Congress completes action on reconcilliation

Congress completes action on FY 1988 appropriations

Independence Day district work period

August/Labor Day district work period

Initial CBO/OMB FY 1988 snapshot

CBO/OMB issue intial report

Labor Day

CBO/OMB report referred to TJC

TJC report initial sequestration joint

resolution

Deadline for House vote on initial sequestration resolution

Rosh Hashanah

Yom Kippur

CBO/OMB issue final FY 1988 sequestration

report

Deadline for TJC to report final sequestration joint resolution (five calendar days after receipt)

Columbus Day

Deadline for House vote on final passage of sequestration resolution (five legislative days after receipt)

vian 66

<sup>\*</sup> Leadership hopes to have House organized by mid-January.

113 660 713

19**57**-01-30 20:15 דר.....מתוך.....דו סווג בסחוני... דחיפות.... מיידי 09.30 .. חידו זיזאת

מנהל מצפייא

דע: מקש"ח, ראש מט"ל. צבי סרופ נספח צה"ל, רמש"ן (ניו יורק)

#### קונגרס: הלביא

ו. החקשר גיים בוכד, מסר שזקהיים לוחץ להתקבל אצל הטנטור בוב קסטן (בכיר המיעום בוועדת המשנה לפעולות זרות -\_ כזכור, בקיץ שעבר, בהיות קסטן יו"ר ועדה זו. ביקר אצלו זקהיים), וברצונו לשוחח עם הסנטור על החלופות ללביא. בהקשר זה, גם חברת LENGEL מבקשת לבקר אצל קסטן (ראו-נא בנפרד דיווח על ביקור אנשי החבר־ אצל איפא"ק).עוּד בטרם יקבל קסטן את זקהיים מבקש בונד לראותני וסיכמנו להפגש ביום ג' הקרוב,ה-2.3.

2. אנא, עד יום ב' בערב (שעון וושינגטון) תדרוך עדכני על תגובותינו (ולו תגובוב ביניים) להצעות החלופיות של זקהיים,על עמדתנו בענין הלביא כיום ועל תוצאות טיסות הנסוי עד כה. אם אפשר אודה גם לתחזית לגבי טווח הזמן בו תתקבל ההחלטה בקשר לעתיד הפרוייקט. בכוונתי, כמובן, להבהיר את מחוייבותנו לפרוייקט (בטרם קבלת החלטה אחרת) ולהדגיש את החיוניות של המשך הקצבת 300 מליון דולר בתקציב לשית 1988 לצורך פיתוח הלביא (ולמטרות צבאיות אחרות).

3. הערה: לאור הנ"ל סביר להניח שזקהיים פונה לאחרים בקונגרס (בשני הבתים) החל בסנטור דן אינוויית, תיו"ר החדש של וועדת המשנה לפעולות זרות, ומקבילו בבית הנבחרים, המורשה דוד אובי.

(27 Y2) 50 C 10937 611/7

12

מנהל מצפייא

דע: מקשיח, ראש מט"ל (ממבטחון) נספח צה"ל, רמש"ן (ניו יורק)

#### חברת שואחות בא משאשו ופרוייקט חלביא

1. יו"ר החברה הנ"ל, בשניל לבאייפאייק) יחד עם ראש מחי ישראל בחברה משתדלן שלהם בגבעה ביקרו אתמול (29) במשרדי איפאייק ושוחחו עם דיין, בחברה משתדלן שלהם בגבעה ביקרו אתמול (29) במשרדי איפאייק ושוחחו עם דיין, בלומפילד ורוזן על הצעות לשיים עם ישראל ועם תעייא אם יבוטל פרוייקט הלביא. מסרו שבמקרה כזה יהיו מוכנים להעניק לישראל את הזכויות לייצר ייתחת רשיון את השליש הקדמי של מטוס האפ-16, דגם שורבה משליש הקדמי של מטוס האפ-16, דגם שורבריהם הצעה זו ניבה מכל הסכם ייצור שקיים כיום עם מדינות אירופה.

 אנשי החברה הדגישו שכל עוד לא החליטה ישראל לגבי עתיד הלביא, לא יעסקו ביילוביי בגבעה בעד הצעתם. טום דיין הגיב נאופן תיובי לפרזנטציה והפציר באורחים להביא את ההצעה בפני המחליטים בארץ, לרבות שר הבטחון.

ילם רו למדן

234 64/4 64 3 20

אל: המשכד

704

1967-01-30 19:08 <u>סונג בסחוני שמור</u> דריים מיידי האריך וזים, 1.87. - 00.00

> אל: נגיד בנק ישראל דע: מנכייל אוצר , רובין - לשכת רהיימ, לשכת שר אוצר

הנדוך: תוכנית אירגון החוב המקסיקני - הקשר למערכת הבנקאית הישראלית

בחודשים האחרונים התקשרו נציגי האוצר האמריקאי מספר תעמים -לברור השתהפות בנק לאומי, דיסקונט והפועלים בתוכנית הבינלאומית למימון מחדש של החוב המקטיקני. תגובתי המובנת היתה שהואיל והמדובר בבנקים פרטיים מן הראוי שהנושא ידון ישירות עם הבנקים ולנו אין כל מעמד רשמי בנושא זה.

ליבנתי את הנושא עם נציגי שלושת הבנקים הנייל. לדאבוני האוצר האמריקאי ממשיך ללחוץ (בידיעת ותמיכת שר האוצר) ובעדינות איננו מקבל את הגישה ייהמתרחקתיי שלנו. סך כל המימון מתבטא ב-\$7.7 בליון מזה קיימות התחייבויות של 2.5 בליון דולר, 270 בנקים התחייבו כבר ו-150 נוספים (מרביתם בנקים קטנים יחסית) עדיין לא התחייבו רשמית להשתתף. ההשתתפות הממוצעת המתבקשת מבנקים קטנים היא בין 3.5-5

ב-- ב-- ב-- ב--

תנחס דרור - וושינגטון

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אל: המשרד

689

פונג בשחוני, קודי שונג בשחוני, קודי דחיפות....מיידי דחיפות....מיידי

מנכייל מדיני

הסנטור הוארד מצנבאום ונשק למדינות ערב לסעיף 2.4 במברק השגריר 659

- ו. היום הזמין מצנבאום את הציר ואת החיים לשיחה בנושא מכירת נשק למדינות ערב. פתח ואמר שבכוונתו להגיש ייהחלטה של אי-הסכמהיי א שכבר דיבר עם טום דיין בנדון נגד כל המכירות המוצעות כעת כחבילה אחת. הוסיף שכבר דיבר עם טום דיין בנדון והלה עומד להוועץ בבוב אשר.
- ביקש, וקיבל מאיתנו פרטים על המכירות שהממשל כבר דיווח עליהן לקונגרס פגזי הייקופרהדיי לירדן, שריוניות הייבראדלייי לסעודיה, ומטוסי האפ-16 לבחריין.
   בנוסף הזכרנו את הידיעות/שמועות שקלטנו לאחרונה בקשר להוקים משופרים לירדן.
   מסוקי ייבלאק-הוקיי לסעודיה ומטוסים לאב-דאבי (דיווח בנפרד). הציר הסביר שמן הסתם מנסה הממשל לנצל את המומנט האיראני כהצדקה למכירות נשק למדינות ערב ידידותיות וזאת כאות לתמיכת ארהייב הנמשכת בהן. אם אכן בדעת מצנבאום להגיש החלטת אי-הסכמה, עליו ציין הציר להיות מוכן להזים את טיעוני הממשל.
- 3. מצנבאום העריך שטיעון האיום האיראני לא יתקבל בקונגרס. הוא מסופק אם בקרב הציבוריות האמריקאית קיימות מדינות ערב שנתפסות כ"ידידות". לדעתו, הממשל מנסה "לשבור סכרים" ולקבוע תקדימים, כך שבעוד זמן מה יוכל לחזור ולבקש כמויות נוספות של הנשק שכבר נמכר ואף להכשיר את הקרקע לאספקת מערכות נשק נוספות שטרם נמכרו. תהה גם באם אין להבדיל בין מכירות נשק לירדן (ומצרים) לבין נשק למדינות ערב אחרות. בכל מקרה סבור שיש לעמוד על כך שכלי הנשק המוצעים לא יפתרו בעיות הבטחון של מדינות ערב האמורות, בעוד בתסריט של מעשי איבה נגד ישראל ניתן להעבירם למדינות העימות ולהפעילם נגדנו באימפקט מצטבר.
  - 4. בדעתו לייזום את השושבינות להחלטת אי-ההסכמה על בסיס דו-מפלגתי, ובנוכחותנו ביקש פגישה עם מנהיג המיעוט, בוב דול, לדון בנושא. בהקשר זה הזכיר גם הסנטורים בוב קסטן וצירלס ברסלי. להערכתו יירתם איפאיק למאמץ עיים למנוע השנות המצב האמביוולנטי שנוצר אשחקד בעת המערכה נגד עיסקת הנשק עם סעודיה.

(4/c 80 24) 2011) 6031 FULL EN CONO 100 -00

פגרירות ישראל - וושינגטון

פונג בטחוני טודי מור ביחור ביחורי מודי מוריך ודיים מורים מו

5. מאיתנו הוא ביקש דברי השמצה ושטנה נגד ישראל שהושמעו בפיסגה האיסלמית בכווית. אנא - בחרגום מוסמך לאנגלית.

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מברירות ישראל - וושינגקון

אל: המשרד + בטחון

637 676

מבע"א

דע: מנכייל אוצר, מקשייח

בית הנבחרים - סיוע חוץ בהמשך לשלנו 635 (599 לבטחון) מאתמול

בפתח הישיבה, עוד לפני דברי המזכיר, אמר יויך ועד התקציב, שלא היה מתערב שהקונגרס יאשר את בקשת הממשל לסיוע חוץ ב-88י. ואת בקשתו לתוספת תקציב ( Supplemental ) ל-67י, וזאת לא בגלל התנגדות אישית שלו או של הועדה או של הקונגרס בכלל לעצם הבקשה. אדרבא, הוא אישית אוהד את רוב הבקשה וישמח אם תמצא דרך לממן אותה, אולם אינו יודע מנין יבוא הכסף. מעבר לחילוקי דעות שלו עם הממשל לגבי הייחשבונאות היצירתיתי שבקשת התקציב של הממשל (העונה לכאורה על דרישות חוק גראם-רודמן מבטאת, הוא שואל מתי יכיר הממשל בעובדה שבסירובו לפגוש את מנהיגי הקונגרס לדיון יסודי בשאלות חקציב, הוא מסכן את עדיפויותיו שלו בתחום סיוע חוץ? בינתיים שמא יאות הוא, המזכיר לדון איתם בעדיפויות? האם אין צרכים הומניטריים הגדולים יותר מצרכים צבאיים? אחדים מאיתנו מוטרדים ממה שנראה כדגש על סיוע צבאי.בהשואה לתקציב האחרון שביקש הנשיא קרטר. התקציב הנוכחי מייצג הפחתה בשעור 35 אחוז בסיוע הומניטרי וגידול של כמעט 300 אחוז בתוכניות הקשורות בבטחון. האם אין העדיפויות הללו

נושאים ישראליים ספציפיים: מעבר למעורבות ישראל בפרשת אירן (628, 593 לבטחון מאתמול): המורשה ג'ימס אובסטר ( oberstar) דמוקרט ממינסוטה, שאל לגבי מידת החשיבות של הסיוע לישראל ולמצרים. המזכיר השיב שהענין חשוב ביותר. תהליך ק.ד. והסיוע הנובע ממנו חיוניים למדיניות החוץ האמריקאית. הממשל ימשיך pursue זאת. ציין שזה

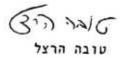
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| פווג בסחוניגלני  |                            |         |
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אחד הסעיפים בהקציב שאינו כלל שנוי במחלוקת זה היה האזכור הספציפי הבודד של סיוע לישראל.

דון סנקויסט ( Sundquist ) רפובליקני מטנסי שאל לגבי מכירת F16 לבחויין ורכב ברדלי לסעודיה - מדוע? והאם יש לממשל עוד תוכניות? המזפיר--נמנע מלהשיב לחלק השני של השאלה, ולגבי החלק הראשון אמר שהענין היה נדיון זמן רב והוא חלק מהדיאלוג המתמשך עם מדינות ערב המתונות.

עוד נשאל המזכיר על נושאים בתחום טיפולו שאינם קשורים ישירות לסיוע חוץ כגון מעורבות הקונטרס בסחר סמים, מדיניות ארה"ענגד טרור לאור פרשת אירן, הסגרת חמאדי, אמריקאים בלבנון, חשש להאזנות לשגי ארה"ב במוסקבה ועוד.



: 74

המשרד + ניו יורק

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116 649

פווג בסחוני. שמור.... סווג בסחוני. שמור.... דחיפות...מיידי.... תאריך וזייח. 29.0,22 ינו 87

> אל :- ארבייל 2 נאויים

ועידה בינלאומית לשל נאו"ם 630 ו-681

מגישושים זהירים מסתבר שאין כאן ערנות מיוחדת לבושא. מסתבר שעדין לא הגיעה לכאן מניו יורק החרגשת או חצורך לפעול אצל מערביות אחרות כדי למנוע בידוד ארהייב מחד כאשר ברור מאידך שאין כל שינוי כעמדת ארהייב לגבי הועידה כזו.

1037 EN/ EN 2000 TOUR SOL

#### NEWS SUMMARY JANUARY 29, 1987 -

#### EDITORIALS

NYP -"Reagan's Reagan again": He's back. That much was clear from the vintage State of the Union address. On the Big Question, he was right up front. He called the arms deal a policy failure, assumed responsibility, promised full cooperation to clear up questions, ..that's all that need to be said. Despite setbacks in recent months the President is back-- and on the move. He deserves the support of every American.

ND - "A Sorry State": Word was that this speech was Reagan's most important. He had to demonstrate that he was putting the Iran-contra scandal behind him and was back in charge. Well he didn't. He must demonstrate through action not rhetoric. After almost three months he still has not come to grips with reality, what really went wrong with the Iran deal.

#### COLUMNS

NYT- Elic Wicsel - "A Letter to Gorbachev": Dear Mr. General Secretary, this is a plea for my friends Vladimir and Masha Slepak. They applied for an exit visa to Israel 17 years ago. This has not always been easy. Vladimir spent five years in Siberia. Last October we spent time together. They are unhappy. Why won't you let them go. I pleaded for Andrei D. Sakharov and you were kind enough to listen. While I'm at it what about my friends Ida Nudel, Zakhar Zonshein, losif Begun, Yuli Edelshtein, Victor Brailowsky, Iosif Bernshtein, Vladimir Prestin, Alexei Magarik, Leonid Volvovky and Alexander Khomniansky. please, Mr. General Secretary, let my friends go - for their sake and others.

ND - Seligsohn - WNET-TV 13 Docudrama tonight "In the Face of Terrorism. This a part of a series of four programs where there

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is a hypothetical situation, in this case a plane hijacking, and we get to watch the decision makers decide what to do. Recorded before the Iran story broke, participants in this program are - CIA Dir. William Casey, James Schlesinger, Lloyd Cutler, Peter Jennings, Leslie Stahl. This is an effective way of watching decision makers under the gun.

WSJ - Hodding Carter - "And the Winner Is...Iran": Reagan brushing over the Iran scandal just shows how he really doesn't understand the full consequences of his flawed plan. Iran is the only clear winner. Deploying the Navy is too late. A new foreign policy must be devised for the future. Given the President's unwillingness to realize and learn from mistakes, it is up to Congress on both sides.

ND - Collins - "Irangate Reporting is Missing the Full Picture": The press is often charged with being to hard on the president but there is a whole new body of thought that they are treating him too gently. This is evident in the coverage of the Iran affair. A national disgrace as well as a scandal has taken place and it is not being portrayed as such. The nature of the reporting has been fragmented.

#### NEWS REPORT

NYT - Friedman - pg. 1- "Israelis Reasses Supplying Arms to South Africa": Political Director General Yossi Beilin is at the forefront in the move to have Israel change its policy towards South Africa. Israel is also under pressure from American Jews and Congress. On the other side is a majority of the beaucracy that want to see Israel-South African relations remain status quo or become more secret. This side is led by Defense Minister Yitzhak Rabin. (cabled)

NYT - Shipler - "Shultz meets with Leader of Rebel in South Africa": Oliver Tambo head of the African National Congress met Sec. State Shultz to have him use American influence to press other Western countries to impose economic sanctions on South Africa. The meeting indicated the U.S. recognizes the A.N.C. which is banned by Pretoria.

NYT - pg. 1 - Boyd - "State Dept. Bars Lebanese Travel, Navy Moves Ships": Travel to Lebanon, on U.S. passports is prohibited and the government has reinforced its naval presence in the eastern Mediterranean and the Persian Gulf. A White House official indicated that President Reagan might abandon his policy of neutrality in the Iran Iraq war and shift toward Iraq. The naval build up is intended to aid in the evacuation of Americans or other foreigners if necessary from Lebanon. Americans have been given thirty days to leave. The United Nations issued a statement today demanding the immediate and safe release of all hostages and abducted people. (NYP, ND, DN)

NYT - The Archbishop of Canterbury said today that he had been



assured that Terry Waite was safe and continuing his mission. The assurances have come from Druse leaders. Some speculate that the success of Waite's last mission may have resulted from White House secret deals. His previous success coincided with arms shipments to Iran. It is possible he was used as a cover without his knowledge. Mr. Waite has acknowledged he conferred with Licut. Col. North before his trips.(ND, NYP) 0791/14+/47

NYT - Tagliabue - "Bonn Police Find More Explosives": In the high grass outside the town of Beckingen, Saarland authorities discovered five gallons of methyl nitrate. This after the arrest of Abbas Hamadei, brother of Mohammed Hamadei. His apartment was raided, several Lebanese were detained - acquaintances of the brothers - one was wounded. Abbas Hamadei was scized Monday night and claimed he had returned to Germany for treatment of a stomach ailment.

NYT- Marham - "West Germans Low-Key about Abductions": The situation on the face of it is a compelling human and political drama, and for this country something new. Yet West Germany's press and television have been covering the story with enormous restraint, and the country appears to be rather unexcited. Government blackout on information has been very successful.

#### IRAN SCAM

NYT - Engelberg - "Reagan to Hold Off on Iran Comments": In a departure from the Adminstration's pledge to make public everything, The White House indicated the President would make few if any public remarks about the Iran affair until the Congressional and Federal investigations are completed.

WSJ - Pasztor - Lawrence Walsh independent counsel for the Iran-contra affair will restrict his probe to fewer issues that expected. He told the Justice Dept. that he intends to take over only three seperate criminal investigations involving supplies, weapons or aircraft provided to the Nicaraguan insurgents. This has prompted disagreement with some Justice officials.

DN - Rainie/Volz - Vice Pres. Bush conceded it was debatable policy to sell arms to Tran. Bush spoke on ABC's Good Morning America. Congressional sources report that the administration is considering FBI director William Webster to replace William Casey.

#### TERROR

WSJ - Walcott- "Reagan Administration Aims to Revive its Tough Policy Against Terrorism": Senior administration officials said they are considering military action against Lebanon if any hostages are killed. The talk of military action could just an attempt to intimidate the kidnappers. Growing consensus is the administration has little alternative but to strike.

NYT - Bernstein - A Paris appeals court ruled today that George



13:47

Abdallah, presumed leader the Lebanese Armed Revolutionary Faction will go on trial fro complicity in the slayings of an American and Israeli diplomat. The U.S. became a civil plaintiff in the case. (ND)

DN - Rehm/Jackman - National Security Adviser Frank Carlucci is visiting Central America to asses the strength of the Contras. Retired Army Gen. Paul Gorman, who supervised the U.S. military build up in the area now says the U.S. should change its strategy 0791 /147/47 in the region.

IRAN'S REACTION

NYT - pg. 1 - Suro - "Iranina Defends Beirut Abduction": Iranian Parliament speaker Rafsanjani defended the seizure of hostages in Beirut. He said the people of Lebanon have no other defense. Iran denies that it supports terrorism. Western officials say they are closely linked with groups like the Islamic Holy War and Party of God. The speaker displayed a Bible signed by Pres. Reagan. Washington officials said the bible was sent after an Iranian envoy had earlier sent the Koran. Iran's speaker insists that Iran remains interested in better relations with America. (WSJ, NYP, ND)

#### MIDDLE EAST

NYT- Kifner - Mubarak met with Assad in another step towards acceptance of Egypt in the Arab Camp. It was the first meeting between the leaders since Mubarak took office in 1981.

WSJ - Ibrahim - Radio Monte Carlo started by French President Charles de Caulle has turned into the most widely heard Arab language broadcast. 12 to 16 million Arabs listen daily. France emerged as the Western power many Arabs look up to. The aim has been to build Arab affection for France.

#### ARABS in THE U.S.

NYT- Arab-America and civil liberties groups today condemned as "politically motivated" the arrest of nine people this wock in L.A. The F.B.1. said it would not comment. Eight of those arrested were Palestinian and arc said to be supporters of militant groups.

DN - Mayor Koch met with the only Warsaw Ghetto survivor left in Poland. There are only 6,000 Jews left in Poland. Dr. Marek Edelman says he stays because after surviving he has a responsibility to take care of the dead. (ND)

#### HOLOCAUST:

NYT - Goldman - Archbishop Valerian Trifa deported from the U.S. after being accused of being a Nazi supporter died today.



ND - A French resistance fighter confronted her torturer today. She identified Klaus Barbiein his cell as the man that tortured her before she was sent to a death camp

ND - HBO will make a TV movie about Simon Wiesenthal.

BLACK HEBREWS:

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ND - Howell - Imam Sirahi Wahhaj, head of the Masjid AtTaqwa Mosque and four others are being charged with burglary and possession of weapons and menacing after confronting and ousting ten people from an apartment where he said drugs were being sold. Wahhaj had reportedly complained to police but said they took no action, so he and several companions did.

#### OTHER

DN-Michael Ray Richardson has signed to play basketball in Israel. He was barred from playing in the U.S. because of drug use.

DN- Charles Gibson will replace David Hartman as co-anchor of Good Morning America.

ND - Daily News will delay building a new plant and refurbish the old one instead. The paper hopes to negotiate a new contract with the unions and get \$30 million in givebacks. The paper reportedly lost \$5.1 million in 1986.

NYP - "Today" celebrates its 35th year and will air a primetime special. It is considered an institution and remains a rating champion.



## Israelis Reassess Supplying Arms To South Africa

## Policy Struggle Covers All Commercial Links

#### By THOMAS L. FRIEDMAN

Special to The New York Times

JERUSALEM, Jan. 28 — Under pressure from both the United States Congress and American Jews, Israel is reassessing its arms and trade relationship with South Africa, Israeli officials and foreign policy experts say.

Whether that reassessment will end up with Israel's adopting sanctions against South Africa, however, will depend on the outcome of a struggle now taking place in the policy-making establishment.

The most pressing factor is the Comprehensive Anti-Apartheid Act, passed by Congress on Oct. 2, 1986, which decreed that by April 1, 1987, the President must receive a report from the State Department that will outline other nations' arms sales to South Africa "with a view toward ending military assistance with countries engaged in that trade."

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The struggle in Israel pits a tiny minority of Israeli officials and intellectuals who want to see Israel not only sever or reduce its trade, cultural and military relations with South Africa but also take a leading role in the fight against apartheid. This group is led by Yossi Beilin, the political director general of the Israeli Foreign Ministry; Amnon Rubinstein, the Minister of Communications, and some scholars, including the political theorist Shlomo Avineri.

Against them is a majority of the bureaucracy that wants to maintain the status quo in Israel-South Africa relations, or perhaps adopt a few token reductions, and to make the already secret relationship even more secret. This group is led by Defense Minister Yitzhak Rabin, one of the staunchest advocates of Israel-South Africa relations, and includes Prime Minister Yitzhak Shamir and former Defense Ministers Ezer Welzman, Moshe Arens and Ariel Sharon, as well as virtually all the other Likud ministers in the Government and most of the Labor Party ones as well.

Foreign Minister Shimon Peres

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seems to be straddling the issue, arguing that "Israel is not going to lead a policy" against South Africa, but will follow whatever line is set by the United States and Western Europe.

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For years, Israel's policy toward South Africa was one of deliberate ambiguity — publicly condemning apartheid, while privately maintaining a pragmatic and mutually beneficial array of commercial and military ties.

This approach, Israeli officials note, is no different from that of most Western nations and perfectly reflects the contradictory impulses in Israel: On the one hand there is an abhorrence of the racism of the South African Government, but on the other hand there is a concern for South African Jews, an often subliminal identification by Israelis with the beleaguered and surrounded Pretoria Government and a "realpolitik" attitude that Israel has too few friends in the world to be chosey about its partners in trade and arms sales.

The exact nature of Israel's military relationship with South Africa is a well-

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kept secret. But military officials say it is extensive enough to involve hundreds, if not thousands, of jobs in Israeli military industries and several hundred million dollars in earnings. With unemployment in Israel on the rise, particularly in military and high-tech industries, longterm arm sales are prized by Israel today.

#### Variety of Arms Sold

According to press reports, Israel in the last 15 years has sold South Africa a variety of military equipment, including light weapons and communications gear and, more important, technologydata packages containing the designs for several major Israeli weapons systems, which were subsequently assembled by South Africa's own military industry. These reportedly include the

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Beyond trade, however, the Tel Aviv daily Maariv reported that South Africans, mostly Jews, have been allowed to invest "tens of millions of dollars" in Israel in recent years, as a result of agreements between the two Governments. This has been an important source of new funds for Israeli industry and construction.

What has prompted Israel to reconsider these relations is the new wind blowing in from the United States.

"Until South Africa became the focus of discussion in the United States, it was not a live issue here," Professor Avineri said. "Now, Israeli politicians realize that there is a price to be paid for the status quo."

If the State Department Bureau of Intelligence and Research, which is preparing the report for the April 1 deadline set by the Comprehensive Anti-Apartheid Act, finds that Israel is selling arms to South Africa, that could, technically, result in an end to Israel's \$1.8 billion in military aid from the United States.

Even though such a result seems unlikely, Israeli officials know that they simply cannot flout the Congress, particularly since a parade of American Jewish groups, including the American-Israel Public Affairs Committee, the so-called Israel lobby, have been trooping through Israeli Government offices for the last year letting officials know that they are falling out of step with the pro-sanctions mood of the

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#### Not Penetrated All Echelons'

"American Jews are trying to convince us to do something regarding South Africa, that's for sure," said Mr. Beilin, of the Israeli Foreign Ministry. "And even if this has not penetrated all the echelons of government here, I believe that the leadership of Israel got the message."

Harry Wall, director of the Israel office of the American Anti- Defamation League of B'nai B'rith, said, "Although the Israel-South Africa relationship has been greatly exaggerated, we have tried to sensitize the Israeli Government not to ignore the depth of feeling that exists on this issue in the U.S."

Despite these pressures, the hardliners in the Israeli Government are
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These hard-liners, then Israeli opponents say, are oblivious to the fact that while Israel criticizes West Germany and France for selling arms to Saudi Arabia just to save jobs in their own countries, that is exactly the argument Israel is using regarding South Africa.

#### Shamir Plans U.S. Visit

In any event, Mr. Rabin has been clearly signaling Mr. Beilin that if he would just keep quiet, something might be arranged with the United States. The subject is expected to be high on Prime Minister Shamir's agenda for his visit to Washington in late February.

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"They want to have their cake and eat
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"Just because Israeli sanctions against South Africa might make some Jews there uncomfortable is no reason for us to overlook our self-interest or moral concerns," said Gideon Shimoni, an Israeli historian of South African Jewry. "More importantly, it is not like the South African Jewish community is monolithically against sanctions. Many of them are leading critics of the South African Government and would like to see faster change and are embarrassed by Israel's pragniatic approach."

#### Lonely Fight in Bureaucracy

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They are instead concentrating on persuading Israeli officials and private citizens not to travel to South Africa and hoping to get the Cabinet at least to adopt some symbolic sanctions that would put Israel solidly within the Western consensus and begin to break the image of Israel and South Africa as sister countries.

Their attitude, said Dan Sagir, an expert on South Africa for the daily Haaretz, is that "if the West is going to be hypocritical, and impose sanctions while selling arms, then let Israel should at least be hypocritical too and impose some symbolic sanctions."

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Continued on Page A6, Column 8

# Israel Reassessing Arms Trade With South Africa

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Continued From Page Al

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מאריך: 30.01.87

משרד החוץ-מחלקת הקשר

שמרר

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אל: המשרד

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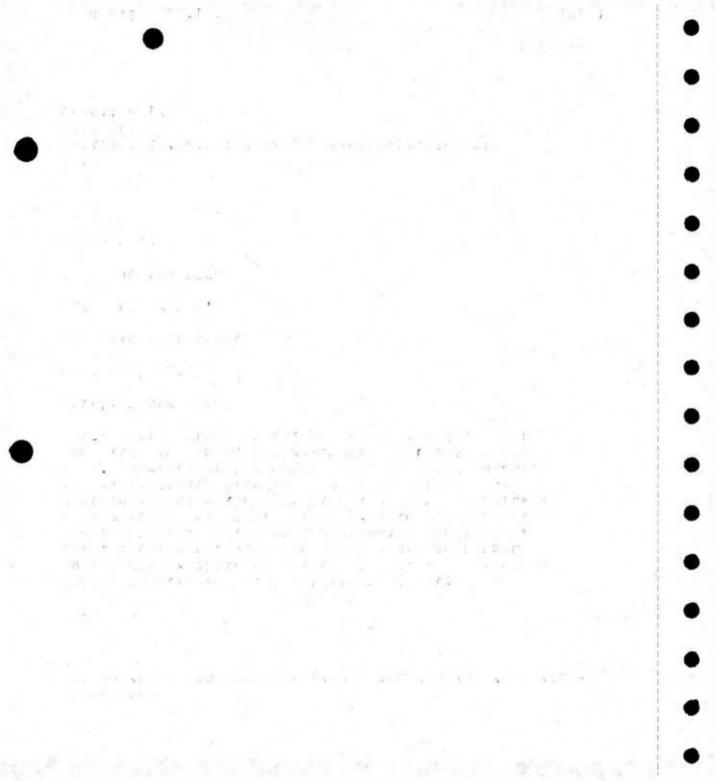
מאת: אילן אלגר

הנדרך: מלחמת המפרץ

עתונאי וסופר מומחה לנושאי צבא וטרור , המקיים אתנו קשר הדוק מסר שיש טימנים שהאיראנים החלו להשתמש בנשק כימי. מסקכותיו נובעות ממספר ידיעות בעתונות האיראנית על פגיעות בכוחות עיראקיים בנשק כימי שלהם כתוצאה מטעויות . נראה שטידרת הפגיעות היתה בגזרה בה העיראקים לא הפעילו נשק כזה כלפי האיראנים. העיראקים , לדברי המקור , מקיימים שתיקה מוחלטת בנושא. המקור נמנה על ידידינו ועוקב בשיטתיות אחר המלחמה. הוא פרסם מספר מאמרים בנושא, לרבות על השימוש בנשק כימי בה . הבטיה להעביר את הידיעות עליהן מבוסקות מסקנותיו.

אלגר

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תארין משרד החוץ-מחלקת הקשר

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מאת: איתן בנצרד ילוטאנגלם

הבנקאי א. ספיגל נפגש עם הקונכ''ל האוסטרי בל. א / שחדר והדמינו לבקר בארטטריה באורח ממשלתה ונשיאה. ספיגל העלה בשיחה סוגיית יחסי אוסטריה אש''פ והשמיע דאגתו מחופש הפעולה הניתן ע''י שלטונות אוסטריה לאנשי אש'יפ . הקוננ''ל אמר כי יחסי אוסטריה - אש''פ אינם עוד נבתקופת קרייטקי. הקונכ''ל האוסטרי אמר עוד כי גם לאוסטריה נענות משלה כנגד ישראל / והעיקרית שבהן היא שישראל מעולם לא טרחה להודות לממשלת אוסטריה על הסיוע שזו הושיטה בסיוורי מעבר לעולים ממזא'יר ובמומ'יים לשחרור שבויי צה''ל . באוסטריה.

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\*דע:מקשח- בטחוך נד 651

\*נשק למדינות ערב

\*1.לבקשתנו מקור בקונגרס בעל קשרים טובים עם הממשל \*פנה לאיסטכצייה מוסמכת במשרד ההגנה ושאל אותו לגבי \*האפשרות של עיסקת נשק עם אבר דאבי (ראר נא מברקנו \*548 מה-1. 23). נמסר שמזמך מנהלים שיחות עם הנסיכויות \*שמתענינות בקבלת מטוסים אמריקאים (אף-16 או אף-18) \* אך נכוך לעכשיו טרם התקלה בקשה ספציפית מהך

\*2.המקור ניצל את ההזדמנות לשארל איש שיחו אם בנוונת \*הממשל למכור בשק לעיראק (לפני כן כתב העתון ווש \*פרסט פנה למקור והתעניך באפשרות כזו). האיש במשרד \*ההגנה השיב שמדיניות ארה'ב היתה רנשארת אי-אספקת נשק \*לשני הצדוים במלחמת המפרץ

\*3. לערמת זאת ביקש איש הפנטבון לדעת כיצד יגיב הקונגרס \*להצעה למכור מסוקי ה''בלאק הוק"' לסעוזיה.המקור הערין \*שהתגובה תהיה שלילית,בטענו שלא יתכך לבקש למכור 200 \*שריוניות מדגם בראדלי וכעבור שבוע לפנות שוב בנסיון \*לספק מסוקים -קרוב לרודאי ירצו בגבעה לדעת מה הך כוונות \* הכלליות של הממשל בקשר לכל מסכת מכירות נשק למדינות \*ערב ולא יהיו מוכנים לשקול כל בקשה IN ISOLATION \*(המקור קיבל על עצמו לפעול נגד מכירת המטוקים וכן \*לנטות לגלות כוונות הממשל האלה).

> מתוך 2 משרד החוץ-מחלקת הקשר 2 17 מתוך סכ ערתק 4

> > \*למדך

\*תפ: שהח,רהמישהבטימנכליממנכליר/מרכזירם יאמן מצפא

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12943

## משור החוץ-מחלקת הקשר שמדר

\*\*

נכנס

1,12943:0110 אל: התשרד מר:ורש,ור: 33,תא: 1700: חד. 290187 בח: מ,טג:ש 8:T3

שמור/מידי

אל: סמנכל מצרים, מצבא, ממד.

דע:מנכל ארצד,שג.קהיר

להלך משיחה עם ראוף גונאיים הציר המצרי כאך.

א. ההרב לאר הב-חזר על כל הידוע לכו (הטעד את אבד גזאלה כנראה הפנטג רן למדות שבשגרירות באן היה להם ברוד שלא מדובר במחילה). לפני כשבועיים כתב מובארק לנשיא שהבעיה לא נפחרה בהצעות שהרגשו וכי אינו יכול לחייב את הדורות הבאים במצרים לחוב כה גדול.נענה שארהב מסכימה לדוך בהצעות אחרות.המצרים,לפי גונאיים,שוקלים אא. לקבל הסכמה להשקעת הסכרם שלא ישולם במצרים עם MATCHING FUNDS תרטפת של אתר יקאים.

בב. הגדלת חלק המזרמנים בסירע האזרחי.

ב. ביקור מובארק ברושינגטון-לובריו הענוב העיקרי נעוץ לאו דוקא בשאלת החוב אלא בשאלת איראן, מובארק מבקש לתת לאבק האירני לשקוע קמעא.הוא גם מעדיף לדברי גונאיים לברא אחרי רהמי רהמלך חוסיין.

ג. איראך-עירק- עם כל הזאגה מההצלחה האיראנית ההערכה במצרים שבצרה לא תיפול. לבקשת העיראקים שלחו לאחרונה קציני צבא עמי לבדרק המצב ולייעץ בחזית.אמר שהערכת המצרים היא שהנשק שספקר ארהב רישראל לאיראך סייע לה בהשגת ההיעגים לאחרונה (אני בדעה שהרא הרשפע מפרסומים כאך שהופצו בימים האחרונים בנוון זה. ע.ע.)

משרד החוץ-מחלקת הקשר

הרפתע מהצהרת הפנטגון שכרכה את שיגור הצי למפ האיסלאמית. אמר שזה מוכיח על חסר רגישות מדהים.

ד. הרעידה האים לאמית-לא היה לו מידע על אשר קרה בכורית עד כה. דק שאל-בד לחץ על ערפאת להגמיש עד כמה שניתן את עמדותיו ולהסכים להפגש עם חוסיין. לדבריו שלמה סערדיה לסוריה עמי שאסד יברא לפסגה. מצבה הכלכלי של סוריה חמור מאד וצפוי שאסד יעשה מאמץ להחלץ מבדידותו.

ה. דברי אבר גזאלה- אחרי שחזרתי לשגרירות קראתי במברק העתרנות את הזברים המיוחסים לשר ההגנה המצרי.התקשרתי לגונאיים ואמרתי כי אם אכן כן נאמר הדבר חמור ביותר.אמר שיבריק לקהיר לבדרק.

> ערן = 8/1

תם: שהחירהת שהבטימנכל ממנכל ממנכל ממדירם אתן מצרים מצפאי MIZE

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\*2. המילטוך הרדה לבר על המידע. גרס שהרועדה הנבחרת \*מעונינת באיטוף העובדות,ואין זה משנה כיצד תעשה \*זאת.מוטב לקבל את התשובות בכתב, ולאו זוקא בעל פה \*וכן,לדעתו, צרין להיות.לאור נכונותנו לתת הבהרות \*במידת הנחוץ,ייתננו 3-4 חברי שותי בנתב.אכן קיימת \*מידה ניכרת של שיתוף בעולה והחלכת מידע בין הרועדות \*הנבחרות בשני הבתיטיוהוא מסכים שניתן להכין שאלון \*משותף-אם כי מובן שבבוא העת תדווח כל ועדה לבית שמטעמו \*היא מונתה.

\*3. הדגשנו שאינוייה העלה את הנושא עמנו באורח בלתי \*רשמי,וכך שתשרבתנו היא בלתי רשמית.המילטון העיר שהדבר \*מרבך לר,רעתה הוא ידבר עם איברייה דיתאם עמד עמדות.שאל

> בנון 2 משרד החוץ-מחלקת הקשר 2 17 \* ערתק 4 שמהדך 14

\*מה רצוי לנו-פנייה לממישראל מהרועדות באמצעות מחמד \*אר פניה לממישראל מממארהב בשם הרועדות. הציר ענה \*שמבחיכתנו זה ענין אמריקאי פנימי ולא משנה

\*+. מכאן עבר הציר לנושא הצעות הממשל בדבר הקלת נטל \*התרבות על הלוואות ה- FMS (מטר לו טבלות הממשל המראות \*את מצבת ההחדרים הנובעים משיטת BALLOONING ) וכך ∗לבקשות הממשל בקשר להחזרת 30 מליון דולר מתוך ה-\*ESF והחלראה של 130 מליון, \*ככי מתדך הסירע האזרחי.המילטדן רשם לפניו \*ושאל רק לגבי עמדתכר ביחט להגדלת הסיוע לשטחים באמצעות

\*המלך חוסיין. \*חזרנו על עמדתנו החיובית כדברי המנכל המזיני להמילטון

\*5. החת' ניצל גם ההזדמנות כדי לעדכן את המילטון בקשר \*לדוח ה- GAO בנושא הלביא.המילטון אישר שלמיטב ידיעתו \*יקבל הדוח הטופי ב-2.8.

1 17

4 7771

\*אל:המשרד

שהח,רהמ,שהבט,מנכל,6מזכירהממשלה

ו+בשיחתם מה-1.11 (מברקנר 289).

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\*אל: המשרד

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7171/TUT1 1717\*

\*אלימזביר הממשלה

\*דע:מנכל הדינו

THITHE

\*אינויה ביקשני לסור אליו בדחיפות.לדבריו יוצא היום \*מברק לממשלת ישראל ממחמיד המבקש בשם שלושת הגופים \*(סנט,ביה'נ' ,והתרבע המיוחד) לסייע בחקירה.אנו נתבקש \*לאבשר לראייר אישים ולהעביר אותם מסמכים שנסכים \*להעביר.

\*אינריה הרסיף שעלינו לומר בתשובה שאנו מוכנים לסייע \*בחקירה וכי אנד מעדיפים שהדבר ייעשה על ידי הצגת \*שאלרת בכתב שעליהר נענה ראס תדרשנה הבהרות נשמח לספקן

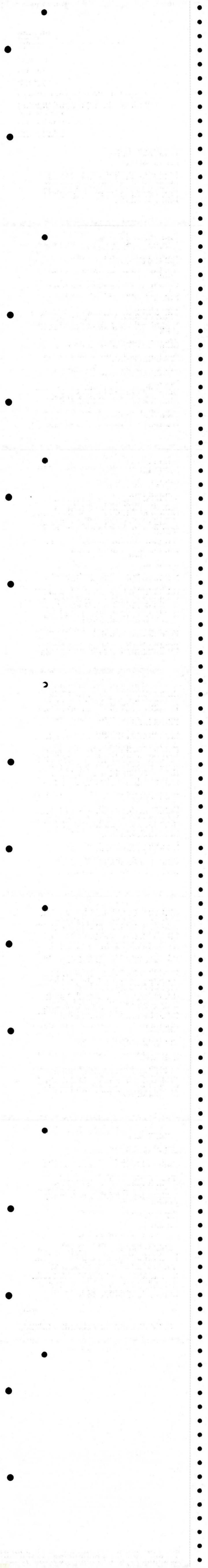
\*הרא יודע שתשובה זו תתקבל כמספקת.

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\*תפ: שהחירההישהבטימנכלימזכירהממשלה

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תארין: 30.01.87 משרד החוץ-מחלקת הקשר
 12936
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                             בלמט
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                                                     אל: המשרד
                  מ-:ורשינר:582,תא:781092,זח:7001,זח:מיעג:ב
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                                                בטחון נר 640
                                                 9/124 73 13
            אל: מנכ'יל מדיני, ממנכ'יל, מע''ת, מצפ''א, הטברה
         זע: יועץ רוה'ים לתקשורת, יועץ שהבייט לתקשורת, דובר
              צהייל, רמייח קשייח, לעיימ, ניו יורק, ר/אמיינ,
                                           ע/ראש אמיינ למחקר
                                      מאת: עתרנות/וראשינגטון
                                           סיכום עתוכות יומי
                                           WEDNESDAY, JANUARY 28, 1987
TUESDAY, JANUARY 27. 1987
MAJOR NEWS HEADLINES
                REAGAN'S STATE OF THE UNION ADDRESS
TOP STORIES:
PRESIDENT REAGAN. IN HIS SIXTH STATE OF THE UNION
ADDRESS, ACKNOWLEDGED ERRORS MADE IN CONNECTION WITH THE IRAN DEALS AND REITERATED HIS SUPPORTIVE
STANCE WITH REGARD TO THE NICARAGUAN CONTRAS, FOR
SDI, AND FOR UPPING THE MILITARY BUDGET WHILE
AVOIDING TAX INCREASES.
                  משרד החוץ-מחלקת הקשר
 WASH. POST: =SERIOUS MISTAKES
. MADE IN IRAN DEAL, REAGAN SAYS: PRESIDENT OFFERS
TO COOPERATE WITH HILL'S DEMOCRATS
PHIL. INQ.: REAGAN REGRETS IRAN DEALINGS:
                                           URGES
CONGRESS TO LOOK TO FUTURE
              REAGAN CALLS RISK WITH IRAN =MAJOR
BALT. SUN:
REGRET'
USA TODAY: REAGAN IRAN REGRET: =DIDN'T WORK
WASH. TIMES:
               REAGAN: LET'S PUT IRAN MESS
BEHIND US
SOVIET UNION ... REFORMS
SOVIET LEADER GORBACHEV YESTERDAY PROPOSED SEVERAL
NEW MEASURES, INCLUDING SECRET BALLOT ELECTIONS
OF TOP COMMUNIST PARTY OFFICIALS, WHICH ARE DESIGNED
TO INJECT MORE DEMOCRACY INTO THE SOVIET POLITICAL
SYSTEM.
WASH- POST: GORBACHEV PRESSES FOR SECRET
BALLOT: MOVE REPORTEDLY AIMED AT PARTY'S OLD GUARD
PHIL. INQ.: SOVIET: CHANGE ELECTIONS: GORBACHEV
CALLS FOR SECRET BALLOTS
BALT. SUN:
             GORBACHEV ASKS REFORM ELECTIONS:
DEMOCRATIZATION OF SYSTEM PROPOSED
PHILIPPINES
AFTER AN ATTEMPTED MILITARY UPRISING, SOME 100 REBEL
PHILIPPINE SOLDIERS REFUSED TO SURRENDER AND
MAINTAINED POSSESSION OF A TV STATION IN MANILA,
DESPITE WARNINGS FOR THE AQUINO GOVERNMENT.
WASH. POST: REBELS HOLDING MANILA STATION: GOVERNMENT
CRUSHES UPRISING AT AIR BASES
PHIL. INQ.: SIEGE DRAGS ON AT MANILA TV STATION
                  משרד החוץ-מחלקת הקשר
CHIC. TRIB.: AQUINO LETS
REBELLION SMOLDER: DEFIANT SOLDIERS HOLD TV STATION
DESPITE THREAT
BALT. SUN:
              100 REBEL TROOPS HOLD
OUT AT TV STATION IN MANILA
SHUTTLE DISASTER ... ONE YEAR LATER
ONE YEAR AGO, THE USA'S WORST SPACE DISASTER, THE
CHALLENGER ACCIDENT, TOOK THE LIVES OF SEVEN.
TODAY, THE NATION'S SPACE PROGRAM CONTINUES TO
LOOK AHEAD TO AMERICA'S FUTURE IN SPACE, BUT OFFICIALS
AGREE THAT NEW SPACE VEHICLES MUST BE DESIGNED
AND BUILT TO GET THE SHUTTLE PROGRAM OFF THE GROUND
AGAIN. USA TODAY: OUT OF TEARS, A BORN-AGAIN LOVE
OF SPACE
CHIC. TRIB .: SPACESHIPS SEEK NEW ROAD TO SPACE.
WASH-POST: SPACE TRAGEDY'S ANNIVERSARY
BEING MARKED TODAY
NEWS ARTICLES
LEAVE LEBANON REAGAN WARNS: =THERE'S A LIMIT' TO
WHAT U.S. CAN DO FOR YOU, AMERICANS TOLD
L.A. TIMES, TULMULTY
                      GERSTENZANG:
                                    PRESIDENT REAGAN
URGED AMERICANS IN BEIRUT TO LEAVE THE WAR-RIPPED
COUNTRY AND SAID THAT THE GOVT. IS LIMITED AS FAR AS WHAT IT CAN DO FOR THEM AND THEIR SAFETY. HE
CONDEMNED THE SEIZURE OF MORE HOSTAGES IN LEBANON
BUT SAID BLUNTLY THAT IF THOSE DAMN FOOLS INSIST
ON STAYING THERE, THERE SHOULD BE A LIMIT ON WHAT
ONE CAN BE EXPECTED TO DO. (27/1/37)
US RETICENT ON ARREST OF PALESTINIANS:9 IN CALIFORNIA
TIED TO SUBVERSIVE ACTIVITY
WASH- POST, THORNTON KURTZ: NINE CALIFORNIA BASED
PALESTINIANS, ALL JORDANIAN NATIONALS, INCLUDING
THE SOUTH CALIFORNIA'S LEADER OF THE POPULAR FRONT
                  משרד החוץ-מחלקת הקשר
FOR THE LIBERATION OF PALESTINE, WERE ARRESTED
BY FBI AND IMMIGRATION AGENTS ON CHARGES OF VIOLATING
U.S. LAWS DEALING WITH ESPIONAGE, SABOTAGE, AND
PUBLIC DISORDER. THE JUSTICE DEPT. HAS RELEASED
FEW DETAILS ABOUT THE CASE BUT THE ARRESTS ARE
THE RESULT OF A LENGTHY FBI INVESTIGATION. (28/1/87)
L.A. TIMES:
             7 LINKED TO PLO TERRORIST OFFSHOOT
SEIZED IN L.A. AREA
FEUDING LEADERS OF EGYPT, SYRIA MEET IN KUWAIT:
ISLAMIC SUMMIT SAID TO MARK END OF CAIRO'S ISOLATION
WASH. POST, RANDAL: AT THE ISLAMIC CONFERENCE
ORGANIZATION SUMMIT IN KUWAIT, EGYPT'S PRESIDENT
MUBARAK MET WITH SYRIA'S PRESIDENT ASSAD - THE FIRST
SUCH MEETING SINCE EGYPT SIGNED ITS PEACE TREATY WITH
ISRAEL. EGYPT HAS USED THE CONFERENCE TO REMOVE
THE REMAINING TRACES OF ARAB OSTRACISM. ATTITUDE
CHANGES TOWARD EGYPT REFLECT MOUNTING CONCERN, ESPECIALLY THAT OF THE SMALL ARAB OIL STATES,
ABOUT THE OUTCOME OF THE IRAN-IRAQ WAR. (28/1/87)
SHULTZ SAYS NO FURTHER IRAN CONTACTS UNLESS IT CEASES
TERRORISM, IRAQ WAR
PHIL. INQ, GREEN: IN CONTRAST TO OTHER REAGAN
ADMINISTRATION OFFICIALS, SEC. OF STATE SHULTI SAID
THAT CONTACTS WITH IRAN SHOULD NOT BE RENEWED AS
LONG AS THAT COUNTRY SUPPORTS TERRORISM AND CONTINUES
ITS WAR WITH IRAG. HE ALSO LINKED THE RECENT
KIDNAPPINGS OF THREE AMERICANS IN BEIRUT TO PRO
IRANIAN HEZBOLLAH. (28/1/87)
CHRIS. SCI. MON.: = NO EXCEPTIONS' TO EMBARGO ON
ARMS TO IRAN, SHULTZ TESTIFIES
BALT. SUN: SHULTZ TELLS CUTOFF OF IRAN ARMS
SALES: =NO EXCEPTIONS' TO EMBARGO
ISRAEL BARGAINING TO SELL ITS SHAKY AIRLINE
                  משרד החוץ-מחלקת הקשר
CHRIS. SCI. MON, HALEVI: EL AL, ISRAEL'S MOSTLE
GOVT.-OWNED AIRLINE IS ANYTHING BUT A MONEY MAKER.
THE FINANCE MINISTER HAS PEGGED EL-AL'S VALUE
AT \800 MILLION. TODAY, THE GOVERNMENT IS CONSIDERING PRIVATIZING THE AIRLINE, AFTER HAVING RECEIVED
OFFERS FROM VARIOUS INVESTORS. RECENTLY, ON A
TRIP TO THE U.S., TRANSPORT MINISTER HAIM CORFU WAS APPROACHED BY CANADIAN BUSINESSMAN WILLIAM
BELIBERG, INTERESTED IN BUYING EL AL. (27/187)
CAN'T RECALL CLEARING '85 ARMS SALE, REAGAN SAYS:
HOSTAGE DEAL WASN'T MAIN GOAL, PANEL TOLD
WASH. POST, CANNON HOFFMAN: PRESIDENT REAGAN
TESTIFIED BEFORE THE SPECIAL REVIEW BOARD, CHAIRED
BY JOHN TOWER (R-TEX.) INVESTIGATING THE NATIONAL
SECURITY COUNCIL PROCEDURES THAT HE DOES NOT REMEMBER
GIVING PRIOR AUTHORIZATION FOR THE SALE OF ARMS
BY ISRAEL TO IRAN IN '85, ACCORDING TO A SOURCE. REAGAN'S RECOLLECTION OF ISRAEL'S ARMS SHIPMENTS
TO IRAN IS IMPORTANT BECAUSE HIS CHIEF OF STAFF
REGAN, AND MCFARLANE HAVE DIFFERED ON THIS POINT.
ALSO, ISRAEL HAS INSISTED THAT REAGAN DID AUTHORIZE
ISRAEL'S ARMS TRANSFERS TO IRAN.
                                  (27/1/87)
WASH. TIMES: TOWER PANEL MEETS REAGAN ON IRAN-CONTRA
ACTIVITIES
PHIL. INQ.: TOWER COMMITTEE INTERVIEWS
REAGAN ON IRAN AFFAIR
AT LEAST 2 KIDNAPPED IN BEIRUT: WAITE'S WHEREABOUTS
REMAIN UNKNOWN
WASH. POST, BOUSTANY: 2 UNIDENTIFIED ENGLISH-SPEAKING
MEN WERE ABDUCTED BY GUNMAN IN WEST BEIRUT SUNDAY
BRINGING TO AT LEAST EIGHT THE NUMBER OF FOREIGNERS
REPORTEDLY KIDNAPPED IN THE PAST TWO WEEKS IN THE
WAKE OF THE ARREST IN WEST GERMANY OF A SUSPECTED
TERRORIST WANTED BY THE U.S. IN THE '85 HIJACKING
OF A TWA PLANE. (27/1/87)
                  משרד החוץ-מחלקת הקשר
              2 REPORTED SEIZED IN BEIRUT = WAITE
PHIL. INQ .:
ALLEGEDLY DETAINED
BALT. SUN: 2 MORE SEIZED IN
BEIRUT= STRIKE PROTESTS KIDNAPPINGS
US MOVING NAVAL FORCE TO NORTHERN PERSIAN GULF:
SUPPORT FOR ARAB ALLIES SHOWN AS IRANIANS ADVANCE
WASH. POST, OBERDORFER I MOORE: IN AN EFFORT TO
REASSURE FRIENDLY ARAB STATES OF U.S. SUPPORT,
THE U.S. IS SENDING FIVE NAVY SHIPS TOWARD THE
NORTHERN PERSIAN GULF AND MOVING AN AIRCRAFT CARRIER
TASK FORCE CLOSER TO THAT SAME REGION, ACCORDING
TO ADMINISTRATION SOURCES, AND CLOSER TO KUWAIT.
(28/1/87)/
PHIL. INQ.: U.S. FLEET REDEPLOYED TO
ASSURE ARABS
EDITORIALS
MOSSAD SAID TO PROFIT FROM IRAN DEAL
WASH. PTST, ANDERSON VAN ATTA: SEVERAL SOURCES
HAVE INDICATED THAT DURING SECRET DISCUSSIONS BETWEEN
THE AMERICANS INVOLVED IN THE IRAN DEALS AND THE
ISRAELIS, IT WAS UNDERSTOOD THAT SOME OF THE PROFITS
RESULTANT FROM OVERCHARGING IRAN FOR ARMS WOULD
GO TO THE MOSSAD FOR ITS UNDERCOVER OPERATIONS
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חורזם:1,12026 אל:רוש/728 מ-:המשרד,תא:780187,זה:1736,דה:ר.טג:ט

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סרדי/רגיל

211

ביקור דג"רג"יאן

הגיע ב-2.10 אזהצ' ויצא ב-23.11 בבוקר.לפי בקשת שגארה'ב נקבער לר הפגישרת הבארת:מנכי'לי משרדי החדץ ורוהמ',חכ' חריש ואולמרט, השר מודעי, מתאם הפעולות בשטחים מד ש.גורן, מנהל המרכז, מזכיר הממשלה, מנהל מצפא.

ה-22.1 אחהצ' בטיפרל הקרנטרליה ביררשליט.

הנרשאים בהם התמקד בעיקר היו הפרשה האיראנית, יחסי ארהייב ישראל, תהליך השלדם, המצב בשטחים והשפעותיו, והלביא.

אמר בסירם הביקור שמאד התרשם מהשיחות מהפתיחות הרבה וממגוון הדעות ששמע המוכיחות בפעם נוספת את הקרקע המוצקת של הדמוקרטיה הישראלית והשאיפה הכנה שמצא בארץ לקידום השלום הדר וציין שהפרשה האיראנית ואף זו של פולרד על אף מומרתך לא תערער את הבטים האיתן הקיים בין ארה"ב לישראל.

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חרדם:1,12026:חרדם:728 אל:רוש/288 מר:המשרד,תא:7280187,דח:ר.שגים

סרדר/רגיל

211

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\*אל:המשרד

\*גרשה שתכפיל את הנטל עלינו.

\*3. עוד אמר אינוייה שהשגריר המצרי ביקר אצלו לפני \*זמן מה.אל-רידי 'במצב רוח קרבי',ובמצרים קיימת בעיה \*בעלת מימדים גדולים למדי: נפגע כבודו של אבו גזאלה \*שחש כאילו הממשל עשה ממנר צחוק.

+4. עם זאת אמר אינוייה כי הממשל יפתח קרפסא"-מעין \*תיבת פנדורה- דלא ניתן לסגור אותה מחדש.הם חייבים \*להציע הצעות כלשהן למצרים ולפיכן מוטב שנתאזר בסבלנות \*ושנמתין עמ' להרויח בזכות המצרים.

\*5. בהקשר זה הזכיר ערן שמובארק דחה את ביקורו המתוכנן \*לרושינגטון בגלל פרשה זו,והממשל אינו שובע נחת מעמדתו.

\*ב. הצעות הממשל בקשר ל- ESF \*

\*1. ערן מסר על בקשות הממשל לפיהן נוותר על 30 מליון \*זרלר מתוך ה- ESF לטובת השטחים באמצעות חוסיין .וכן \*ש'בלרוה' לו 130 מלידן דולר,כב' מתון הסיוע האזרחי \*שנקבל בחזרה במסגרת חוק התוספת לסיוע ( SUPPLEMENTAL ).צי 73,12703,137 \*ין שוחינו את שתי ההצעות-אם כי אי \*התנגדות לתיעול כספים (אחרימ) עבור השטחים באמצעות \*חרטיין רבתיאום אתנו.

> \*2. אינוייה חייב את תשובתנו השלילית. 'אתם צודקים \*ופקחים...תהיו טפשים אם תטכימו', כדבריו.הוסיף שיש \*בהצערת כדי להרגיז את הקונגרט עד מאד.אם הממשל רוצה \*בגישה כזר עליד לפנות מראש וישירות לקונגרס-'ואם \*נסבים, אזי יוכל הממשל לנסות לקדם את הבושא. ' וזולם \*על רקע פרשת איראך יהיה זה בגדר אסון אם תגיע ישראל \*ליעיסקה פרטית' עם הממשל: העניך ידלוך לתקשורת ושם \*תעוות-ואתם (ישראל) תצאו דע מאד,נודפים דיח של 'דג \*ממולא רקוב'.

> > \*למדך

\*תם: שהח,רהמ,מככל,ממנכל,מינרבי,מצפא,אוצר

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#### NEWS SUMMARY JANUARY 28, 1987

#### EDITORIALS:

ND- "Character More than Law, The CJA and democracy": The next director of the CJA should not be a politician but a professional with descent respect for the rule of law. Casey's closeness to Reagan was an asset yet his strong views often colored the data. One area that deserves re-evaluation is the requirement that Congress is not informed in advance of a covert operation, it must at least be notified in "timely fashion". This was suppose to mean days not months. The main problem is not the law but the people appointed to carry it out.

OP- 60:

DN- Nelson - "The high road - Ron tries soaring rhetoric": In his speech last night the President tried to look towards the future as he did when he first took office. It is increasingly evident that for nearly a year during the Iran initiative, he and lost control over his own national security staff. Yet he strode past the disaster in his speech. He claimed credit for rescuing the economy. Referring to the federal debt, which had doubted during his administrations, he said it was ridiculous.

NYP - Evans - Novak - "Schultz Pulls Back From the Fray": Shultz has been reluctant to exert personal influence on major policy decisions. This raises questions that he might leave the administration. He is now also refusing to discuss STAR WARS with several pro-defense GOP members. He chose not to interfere with his deputies decision to visit Bulgaria. Shultz faces a more difficult life from now with Sen Jesse Helms as the top Republican on foreign policy. The two have not always gotten along.

NYP- Anderson - "Israelis Got Iran Arms Cash": According to sources millions of unaccounted for dollars from the Iran arms sale went to the Mossad. What congressional investigators don't

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know is that this was agreed upon during secent discussions with the Israelis. This was a pay off for secretly shared intelligence information. In fairness the intelligence has been accurate. Casey reportedly went along with the deal.

0758/139/7-0

DN- Richard Cohen- "President is held hostage by his policy":
The Iran arms sale is evidence that bargaining for hostages only
means the taking of more hostages. The President should have stuck
to his policy of no bargaining with terrorists. What that means
for the hostages is anyone's guess. Administration officials ment
well but they were foolish, uniformed, and worse, arrogant. If
something good is to come out of this the President should get rid
of yesmen opening up his circle of advisers.

ND - Kempton - "Arming the Children's Crusade": A weapons traffic that our president continues to insist was designed to restore Iran to calmer pursuits seems instead to have served to inflame and fuel frenzies in the ayatollah. Any third party to this war between Iran and Iraq has a guilty part in protracting a slaughter as useless as it is horrible. An estimated 23,000 have died in fighting at Basra. Enlistment in the Ayatollah's Revolutionary Guard begins at 12 years old.

ND - Broder - "The Choice -- It's Regan or Shultz": To judge the President's final quarter of his tenure you must look beyond the president, his rhetoric, and look into the White House Cabinet. It doesn't look good. It could be torn apart because of internal dissension, poorly prepared to export it's remaining opportunities, vulnerable to foreign mischief making. The stark reality in assessing the roles of two Cabinet members is that Shultz is of so little consequence that Chief of Staff Regan felt free to deceive him on the Iran affair.

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NYT- Larry Pintak - (former . CBS correspondent in Beirut, author book on the U.S. involvement in Lebanon) - "Go to Beirut at your own Risk, Not America's": Eastern countries could close their embassies, apparently a single kidnapping ring in West Beirut is apparently much more effective than a hundred diplomats. The flow of human ammunition must be stopped. To go to Lebanon in 1987 is stupid. Get the current hostages out. Refuse to play the hostage game anymore. The terrorists won't stop. The difference is it won't be quite so easy.

NYT- Gamarekian (analysis) "Parallels: U-2, Bay of Pigs, Iran": (interview with Michael Beschloss, student of presidents, author) President Eisenhower was embarrassed at the end of his presidency by the U-2 spy flights over the Soviet Union and Kennedy by the Bay of Pigs. Both are examples of covert actions which were intended to serve policy and blew up, fracturing public policy and farcturing the president. The presidents took blame for the actions and ended up seeing their popularity recover. Beschloss is not sure that will work with the Iran Affair. ..... Beschloss sees adiffernt type of person attracted to Washington today. Today to be in Government it is neccessary to be a good



combatant. The result is a lot of people with good expertise don't get there.

NEW REPORTS:

0758 /139/70

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STATE OF THE UNION ADDRESS- (all papers carried excerpts, and the NYT carried the full text)

NYT- Roberts- pg. 1 - "Reagan Confesses A 'Major Regret": Failure on Iran": In addressing the nation and congress the president regereted that the Iran affair did not free the hostages. He never mentioned the attempt involved selling arms. His breifmention of the affair fell short of Republican suggestions that he appoligize for the afafir. The president was warmly greet at his first appearance after surgery, but only Republicans appaluded during the speech, a sign that partisan tensions are likely to increase. The presidents proposed: a new program to improve economic competitiveness, and science and technology; insurnace to protect against ctastrophic illness; new welfare strategy; new vetoe powers for the president on the budget; propsed \$100 million in additional aid to Nicaragua; proposal for STAR WARS should go forward. (WSJ, ND, DN, NYP)

NYT-Apple- (analysis) -"Echo of Calmer Times": The speech could have been delivered last November or even if the Iran-Nicaragua controversy had never developed. He did not go to Capitol Hill with blood in his eyes, instead he appealed for cooperation. His performance may have gone some way toward achieving his goal of seeming to take charge. Most applause came from the rpublicsan. The democrats no lonegr fear Reagan's electoral power. The speech deliveerd was the result of the struggle between the pragmatists and the ideologues in the Reagan inner circle. The consensus is the President had not regained initiative and that would make the outlook for fer an even more rapid ebbing of the administration's power than is customary in the final two years of a presidential two term presidency.

NYT- Greenhouse - "Reagan's Address Provokes A Highly Partisan Reaction": After the speech Democrats said they wwent willing in principle to rebuild the presidency but skeptical of Reagans competence. The Republicans tried to create a rah-rah atmosphere jumping up and applauding all the time. The Democrats remained in their seats. (DN - "Dems: Ron ain't what he was", NYP - "Even Dems Praise Pres", ND - "Partisan Battle Fought in Rounds of Applause", NYP - "How Dem, GOP Experts Grade the Prez' Speech"

WSJ - Mayer - "Address Crafted to Bring President out of the Shadow of Iran Scandal": Presidents senior aides agree that no less than his vigor, his credibility, and his ability to lead the country were on the line. The final speech refeleted the thinking of one feation led byt presidential assistant Dennis Thomas and White House chief of staff Regan. Treda lightly on foreign policy, brush quickly over Iran, dwell on new frontiers and decomestic policy.



DN - "Democrats Launch Attack" - The Democratic responce to the State of the Union addressed was presented by House Speaker Jim Wright and Senate Majority Ledaer Robert Byrd. They charged Reagan with a breach of faith on Iran. Declared the stae of the union indeficit and in crisis. 0758/139/70 4/6

HOSTAGES

NYT - Clarity - "Anglican Aide is Feared Held in Beirut": The British Government and the Archbishop of Canterbury voices concern today about the safety of Terry Waite. Waite has not been heard from for six days since he went underground to meet to negotiate the release of American hostages in Beirut. (ND, DN, NYP, (list of eight Americans being held and their backgrounds)

NYT - Hijazi - A split has developed within the Islamic Holy War, the clandestine pro-Iranian group holding at least two Americans. The group is divided between militants opposed with the release of hostages under any circumstances and others close to the Iranian regime who wish to make a trade. The more moderate faction is said to be dealing with Terry Waite.

### BONN'S Angle:

DN - Police arrested the brother of hijacker Mohammed Hamadei on suspicion he mat be linked to the kidnapping of 2 West Germans in Beirut. He was arrested in Frankfort. ( NYT )

NYp - Well informed sources in Bonn say the West German's are hoping that trading the terrorist for the two Germasn and an american hostage might please the U.S.

#### IRAN SCANDAL

WSJ - Paltrow - Legal action to prevent the release of information about Swiss Bank accounts in the Iran scandal may hinder investigations. A decision may take months. The bank account records are considered crucial to tracing the flow of money. Accounts so far blocked are connected to : Col. North, Gen. Secord, Mr. Hakim, Adnan Kahsoggi, Roy Furmark, Manoucher, Charbonifar, Donal Fraser... (NYT)

WSJ - Greenberger- Sec. of State Shultz says that Pres. Regan approved the secret meeting last month between U.S. officials and Iranians in order to tell Teheran it couldn't buy any more U.S. arms. The officials in the meeting were Charles Dunbar, State Dept. and George Cave, CIA. (NYT, ND, NYP)

NYT - The executive director of the House committee investigating the Iran-contra arms affair John P. O'Hara has resigned. It is believed he was dissatisfied with restrictions placed on his authority. statements said he quit because he could not arrange a leave of absence from his job.

NYT - Shennon - The special counsel will empanel a grand jury Wednesday in the Iran Contra arms affair. It was unclear when senior Reagan officials would be asked to testify. Subpoenas will be issued shortly. The creation of a garnd jury is a new turn in events. It's work often ends with criminal indictments.



## AL-NAJAH U.!

0758/139/20 5/6

NYT -Friedman - Hundreds of students at Al-Najah University in Nablus demosntrated in support of Al-Fatah. About 500 students carried portraits of Mr. Arafat and chanted against Syria, Jordan and Israel and the Shiite Amal militia. No violence was reported. The demosntration was highly unusual. It is seen as a chanlinege to Israeli authrities. An investigation is being held on allegations that two Israeli officers and eight soldiers had beaten and degraded Palestinian prosioners.

### Mileast:

NYT - Suro - On the front lines the Iranians seem confident. Journalists escorted to the area saw evidence that the Iranian offensive mounted Jan. 9th had succeeded in overwhelming some Iraqi positions. There are signs of ehavy combat. (ND, "Iraq Unmoved by Iranian Incuriosn": Military analysists in Baghdad dispute Iranian claims of major victory. (WSJ)

ND - Pres. Hafez Assad assailed Egypt's peace treaty with Israel at the meeting in Kuwait of Moslem leaders. King Hussein urged leaders to put an end to the Iran-Iraq war.

NYT - Bernie - The adminsitration has ordered five Navy combat ships to move deeper into the Persian Gulf and asked the aircraft carrier John F. Kenndey to remain in the Mediterranean. Officials say there is no imminent military action planned. (ND)

NYT - The Pentagon plans to sel! F-16 fighter jets to Egypt and Bahrain. The toal arms package is worth \$400 million. The move comes as Reagan seeks to improve relations among moderate Arab states.

## Koch in Poland:

NYT -Kaufman - Mayor Koch met with Lech Walesa despite an invittation from the Polish government to meet with a high party official secheduled for the same time. Koch visited the grave of solidarity priest Rev. Popieluszko who was killed by secert police. He also met with members of Jewish communities from several Polish cities. (ND, DN)



MISC.

NYP - The Vatican took the last official step for the beatification of a Jewish woman, Edith Stein who became a Catholic nun and died in Auschwitz. She will be beatified by the Pope this spring when he visits West Germany.

DN - Mordechai Vanunu refused to accept conditions for a meeting with his American girldfriend and continued his hunger strike.

NYT- Israel extended its price controls on goods and services till

March 1988 in aneffort to avery labor unrest.

NYT - Crutchfield - "Faces of Yiddish Muisc" a program of Folk and theater songs was well received at the Merkin Concert Hall. Robert Abelson the Cantor of Temple Israel is the kind of performer utterly in his living room on the stage.

-11c2 38-

אל: מנכ"ל מריני, ממנכ"ל, מצפ"א, מעיית

דע: יועץ רה"ם לתקשורת, יועץ שהכ"ט לתקשורת ר/אמן, ע/ראש אמן למחקר

להלן שאלות ותשובות של מזכיר המדינה בנושאי הועידה הבינלאומית, נשק לירדן ויחסי ישראל-אפריקה.

השאלות נשאלו במסגרת מסיבת עתונאים של WORLDNET השאלות

1,00

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MODERATOR: Thank you, Bonn. Tel Aviv is next with their opening question. Go ahead, please, Tel Aviv.

Q Good morning, Mr. Secretary. My name is Yachova Meir (?), and I am from the Israeli Television. I would like to ask you, what is the American position vis-a-vis the idea of convening an international conference to discuss and maybe to resolve the conflicts in the Middle East?

SECRETARY SHULTZ: We believe that the way to resolve those conflicts is through direct negotiations between the parties. A big part of it was resolved through direct negotiations between Israel and Egypt, and that basic peace treaty has remained. And through all of the ups and downs of the situation, it is there; it's a rock (7). And I think that relationship was reinforced last year as we were able to bring a settlement or agreement to a procedure for settling the Taba issue. Now we need to continue with that, and of course a key country involved is Jordan.

and everybody agrees, and in fact, it's written in the Camp David Accords for that matter that a direct negotiation with Jordan needs to include appropriate Palestinians. There has to be Palestinian representation if you're going to negotiate about something that affects Palestinians so much. So what we believe is that the way to proceed is through direct negotiations. Now the question is whether or not an international conference can be so constructed as to be helpful or some kind of international umbrella helpful in bringing those direct negotiations about. And we worked on that a lot last year and it's a question. It's not necessarily \$6, but if it can be helpful towards that outcome then we think there is something to be said for it.

But the idea of people coming to a conference and sitting around and having a general discussion and negotiation about those sensitive matters, we don't think that would be productive at all.

Q Mr. Secretary, would you welcome Soviet participation in such an international forum?

SECRETARY SHULTZ: It is proposed by many that, among those who would attend, would be the permanent members of the Security Council or some such composition as that. We have thought about that a great deal. Of course, everyone points out as we do that, to truly be eligible to take part, countries involved should have diplomatic relations with both countries, with both Jordan and Israel, or, to the extent that some direct negotiations with Syria might at some point occur -- both Syria and Israel. The Soviet Union

doesn't have such relationships. Furthermore, I know people in Israel feel strongly and so do people in the United States, and I personally do, that the Soviet record in the treatment of people pursuing their religion inside the Soviet Union is bad and we see now a record on immigration, Jewish immigration, from the Soviet Union. It is a extremely low level and we think that attention should be given to those matters as evidence of good intent on the part of the Soviet Union before they take part in something.

MODERATOR: Let's go now to Tel Aviv for its questions. Go ahead, please, Tel Aviv.

My question is, does the US administration plan to (inaudible) with Congress an arms sale with Jordan, which will include Hawk missiles? And does the US expect Israel to soften its opposition to the sale?

SECRETARY SHULTZ: There will be some arms sales proposals, and I'm not here ready to say precisely what. There isn't any immediate plan for an arms sale proposal having to do with Jordan. However, I think that as you look at the situation now in the Middle East, and particularly in the Gulf, at least I take comfort from the fact that we have been able to help our friends, such as Saudi Arabia, provide themselves with better equipment and learning how to use that equipment in their self-defense. And it's been a salutory contribution to doing something about the problems to shipping, for example, that we see in the Gulf. So these are requests that we have made to the Congress and justified on such a basis, and I think that current events are showing the rightness of those moves.

MODERATOR: And now we'll have a final question from Tel Aviv. Go ahead, please.

Q Bearing in mind your recent African tour and the improving relations between Israel and many black African states, do you foresee the possibility of joint American-Israeli projects in the Third World, and in which areas?

SECRETARY SHULTZ: Well, you mentioned Africa, and we've had lots of discussions, official discussions, with Israel about its diplomatic relationships with various countries, including those in

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Africa. We support expanding ties between Israel and other countries, and support Israel's objectives in that regard. Insofar as projects are concerned, I think we do see joint interests in many of these countries, and whether they are in Africa or Central America or wherever they may be -- Asia. And I think particularly in Africa the countries have considerable to learn from Israeli expertise. And I think it's welcome and it's a good thing.

MODERATOR: Thanks to all our participants in today's discussion, and particular thanks to Secretary of State George Shultz for being with us today. I'm Nelson Benton for Worldnet.



11.22

סופס פנינ דף.....מחוך.....דפים סווג בסחוני........ דהיפות......

מאריך וזיים, 1700 28 ינו 87

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אל :- מנהל מצפ"א

דע :- מנכייל בסחון, רי מקפיית

להלן מתוך שיחה עם קונגרסמן טוריסלי (דמ. ניו ג'רסי) חבר תח הועדה למזה"ת בבית הנבחרים וידיד מושבע.

א. עיראק - איראן - הוזמן אשתקד על ידי השגריר העירקח כאן לביקור בעיראק ויצא לשם ב-12.2 העיראקים הבטיחו להביאו לחזית. שאל אם יש לכו ענין במסר לעיראקים עניתי בשלילה אך הוספתי שאעביר לתגובתכם. הוא בדעה שהעיראקים המצוים בלחץ עשויים לגלות ענין. בסיוע שלכו ועביתי שגם אם זה נכון איני רואה את התמורה. הוא עצמו מודאג מהתגובה האמריקאית ובמיוחד מפגיעותן של אניות הצי האמריקאי שכצטוו להצפין במפרץ הפרסי. היה מעדיף לראות טייסת או שתים של חיל האויר האמריקאי בסעודיה או באחת ממדינות המפרץ.

ב. "לביא" - כידוע היה עוריסלי אחד מהקונגרסמנים שנכחו בסכס גלילת ה"לביא". הוא עדיין בדעה שהתכנית יקרה ושישראל לא תוכל שעמד בה. אמר שהרגשתו היא שאוחה חברי קונגרס ובתוכח הוא עצמן שתמכן באישור לשימוש בכספי הסיוע לפיתוח ויצור ה"לביא" יוכלו להתמודד עם השאלה במקרה של הפסקת הפרויקט, מדוע אישרו הוצאה של למעלה מביליון דולר. תשובתם תהיה שכל סנט שהוצא חזק את יכולתה הטכנולוגית של ישראל ובכך חוזק גם בטחונה. גם הוא וגם מייק ון-דוזן ראש צוות העוזרים שאותו פגשתי באקראי ציינד שב"ב"לכ" יתחיל הדיון על ישראל לקראת שנת התקציב והיה רצוי שניתן תשובה באשר להמשך הפרוייקט שכן הם צריכים להתחיל לנסח את לשון החוק. אמרתי שאני מסופק אם תהיה חשובה עד אז ונראה לי שבתנאים הנוכחים ימשך היצור, מה גם שאחרי טכס הגלילה שבה הוא נכח היו כבר מספר טיסות ניסוי מוצלחות.

ג. דראיים - ההפתעה הגדולה בשיחה היחה גישתו של טוריסלי לנושא. הוא ידוע בתור ליברלי קיצוני וכאשר שאלתיו כיצד נתייחס לדויים הממשל אשר יכלל קרוב לוודאי החיחסות לישראל.
אמר שלדעתו ולצערו עברנו את שיא ההתענינות בנושא, בין השאר בשל פרשת איראן. יתכן ויתעורר גל קצר - יומין של ביקורת על ישראל אבל אם הנושא כה חיוני לנו כלכלית ובטחונית אל לנו לדעתו, לעשות וויתורים משמעותיים אף כי נוכל כמובן להקל על עצמנו בנוסחאות שונות. לדעתו אפילו יהפוך גיסי גיקסון את הנושא הדראפייי הכללי לאחד מהנושאים המרכזיים אצלו במסע

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הבחירות, הוא בספק אם שאר המועמדים ואפילו בצד הדמוקרטי יגררו אחריו (התדך כך שכרור · להם שהדרך להכות את גיקסון היא להתעמת עמו בצורה ברורה).

ד. נשק למדינות ערב - טוריסלי שאלני מה עמדתנו לגבי אספקת נשק למדינות ערב ובמיוחד מדינות המפרץ. אמרתי לו שלא חל כל שינוי בעמדה, היינו שאנו מתנגדים לאספקת נשק לכל מדינה ערבית שלא הצטרתה לתהליך השלום. אמר שהוא מבין עמדה זו אך מקווה שלא נצא למערכה רבתי כנגד מכירת ה-16- לבחריין משום שעל רקע ריחוקה מישראל ומלחמת עיראק - איראך לא יתקבל מאבק כזה בהבנה בגבעה.

: הערה

אם כל ההפתעה שבהערכת טוריסלי בענין הדראפייי לא הייתי מתייחס אליה כמשקפת הלך רוח כללי וברור שאנו זקוקים ליותר עדויות כדי להגיע למסקנה שדויים הממשל לא יעורר יותר מאשר סערה רגעית.

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אל: מצפ"א

דע: מנכ"ל ארצר, מקש"ח

### בית הנבחרים סיוע חוץ

מזכיר המדינה העיד ב-28 בפני ועדת התקציב בבית הנכחרים,עדותו הכתובה דומה מאוד לזו שמסר בסנט (מברק למדן 549 מ-23 דנא) ולכן לא תועבר. דבריו על המעורבות חישראלית בפרשת איראן הועברו הנפרד, על פרק השאלות והתשובות ירווח בהמשך.

אמה הרנב

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פגרירות ישראל - וופינגסון

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מצפייא, מזאייר, אגף אירופה, ממייד בינייל ו

### רידגיווי בועדת החוץ

עוזר המזכיר לעניני אירופה, רוזאן רידג'וויי, הופיעה ב-28 בפני ועדת המשנה לאירופה ומז"ת בבית הנבחרים לעדכון תקופתי. עדותה הכתובה בדיפ'. להלן עיקרי תשובותיה לשאלות לפי נושאים.

משבר הסחר עם אירופה: חלה התקדמות במגעים, להערכתה יש סיכוי של כ-50% להגיע להסכמה המקובלת על שני הצדדים. התחייבה שההסדר יכלול גרעינים, לרבות תירס.

סחר עם בריהיים: נשאלה רבות על הסרת המגבלות על ייצוא ציוד לחיפושי נפט וגז, כאשר גילמן מוחה על כך וטוען שלא היתה התייעצות עם הקונגרס אשר אולי ינקוט בצעדים לחקיקת נגד, כאשר לדבריו (ולדברי אחדים מהמשתתפים) לא חל בבריהיים שיפור במצב זייא. הסכימה שהמצב בתחום זה שהפצב ותשובתה לענין הציוד היתה שהיתה התייעצות עם הקונגרס, ההחלטה להסיר המגבלות התקבלה בתיאום מלא עם הלשכה לזייא במחמייד. היה מדובר בהפסד של 2 בליון דולר לשנה והציוד האמור אינו בעל חשיבות אסטרטגית.

רפורמות בבריה"מ וגורבציוב: גורבציוב מנסה להפעיל את המערכת אך לא לבנות אותה מחדש, כאשר הרפורמות שלו נתקלות במערך המפלגתי, הן פוסקות. ללא קשר לשינויים שהוא עשה, הרי שירש לו"ז כלפי ארה"ב מתקופת ברזינייב וזה לא השתנה: לא נסוג מהלו"ז אך אינו מנסה להרחיבו. לארה"ב עדיף שמנסה לבצע רפורמה אך מוקדם לשפוט את ערכה . עדיפויות בריה"מ כיום, לפי הסדר: אפגניסטן, מרכז אמריקה, אנגולה.

יחסי המעצמות: הסיכויים להסכם פיקוח נשק השנה ובשנה הבאה טובים למדי. האופטימיות שלה מתרכזת ב- INF ובצמצום של 50% בטילים בליסטיים. שאלת האימות ( VeRification ) מהווה בעיה. האופטימיות שלת לגבי סיכויים לפסגה השנה - פחותים. נקודת הסכנה ביחסיהן היא במעורבות הסובייטית הגוברת באסיה, במיוחד דרום מזרחה.

אלא לצורך לימוד בלבד. לפולין (פולין ביקור וויטהייד באזור אין משמעו (פולים פוליטיים ותחל בתהליך פיוס הובטח שארהייב תנקוט בצעדים מסוימים אם זו תשחרר אסירים פוליטיים ותחל בתהליך פיוס

 1987-01-29 01:02

דף.....מחוך.2...דפים סווג בסחוני דחיפות.....

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הסגרת חמאדי : הבטחת ארהייב שלא תבקש גזר דין מוות פתחה הדרך להסגרה . לא אמרה האם זו תחבצע.

יחסי ישראל - ותיקן : מדיניות ארהייב היא לעודד מדינות לקיים קשרים עם ישראל. הבהרנו זאת בותיקן ובוושי. לא פרטה.

טאת היצ

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המשרד. בטחון

אל: מנכ"ל מדיני, ממנכ"ל, מצפ"א, מע"ת

דע: יועץ רה"מ לתקשורת, יועץ שהב"ט לתקשורה ר/אמן. ע/ראש אמן למחקר

פרשת איראן

להלן מהופעת מזכיר המדינה לפני ועדת התקציב של בית הנבחרים.

עתונות - קונגרס

MR. FROST: Mr. Secretary, the President last night mentioned in his State of the Union address his continued support for our friends in the Middle East. And you've, of course, made reference to that in your remarks submitted to the committee today. I'd like to ask you a very specific question about the Middle East and about the arms transfer to Iran and the diversion of money to the Contras. One of our best allies in the world, as you know, is Israel. And there have been conflicting statements made by this administration -- on the record, off the record -- to the press about Israel's role in the Iran arms deal and the diversion of funds to the Contras.

Will you state unequivocally, to your knowledge, what Israel did? Was Israeli acting at the specific request of the United States in transferring arms to Iran? Was Israel acting at a specific request to the United States? Did they play any role in seeing that the funds were diverted to the Contras, part of the proceeds of that money? This is an ally of ours, and some statements coming from the administration attributed to unnamed officials have, in a way, maligned Israel for its role.

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SECRETARY SHULTZ: The full story of how all of this came about —— I don't know. But I know parts of it, and I know of a variety of interactions during those times between our government and the government of Israel. But when those who are investigating this make their report, we'll have a fuller account. I believe that with whatever interactions there may have been, we first of all have to say that any decision that we make on something like this, we have to take responsibility for it. Another country may suggest things to us or be willing to do things that are helpful to us, or whatever. But in the end, it's not their decision to make; it's our decision to make. So we have to be very clear about that.

Second, insofar as the diversion of funds is concerned, I know absolutely nothing about that. But I have been assured by my friends in the government of Israel — and I have highly placed friends in the government of Israel — that they have no knowledge whatever of that.

MR. FROST: So Mr. Secretary, your information comes from your friends in Isreal rather than people in the United States government as to what happened.

SECRETARY SHULTZ: Insofar as the fund diversion is concerned, so far as I can see, the information about that hasn't been developed very much. I don't know anything about it other than what you and I can read in the papers. I have no inside information. I do know that people in Israel who presumably would know about their side of it have told me that it was a great surprise to them that there were any funds diverted. That's one side of it. The other side of it is that they were part of this process, but I have said on many occasions, both in private testimony and in public testimony, that whatever information or whatever has been offered to us, that in the end any decision is our decision, and we shouldn't try to blame it on anybody else. And so far as I can see, the President is certainly not doing that.

MR. FROST: So Mr. Secretary, clearly Israel's transfer of the arms to Iran was at the specific request of the United States and was not something that they just did on their own.

SECRETARY SHULTZ: I can't make a fully informed factual statement, because I don't have all the facts. I know about some of them. And there certainly was a lot of discussion between the United States and Israel. So I can only imagine that Israel was very careful about that.

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MR. FROST: Mr. Secretary, I would like to echo some earlier remarks that I have a very high personal regard for you. I find it extraordinary and incredible that the Secretary of State, whoever he may be -- it happens to be you at this time -- can't answer some fairly basic questions about this. I mean, it is a terrible reflection on the way foreign policy is conducted by this administration. You're a man of great integrity, although it is clear that you've been excluded from the formulation of foreign policy in the last year or the last 18 months involving the Middle East and Nicaragua and Central America. I think that's an extraordinary commentary on this administration when they have someone of your caliber and they exclude them from these deliberations.

SECRETARY SHULTZ: Well, I think that's, I believe, a more sweeping statement about the degree to which I have been a part of what's been going on than is warranted by the facts. But at any rate, I have testified publicly before various committees, and I have testified using classified information before the House Foreign Affairs Committee, before the Senate Intelligence Committee, before the Tower Commission, and I'm ready to go into a closed hearing here and testify. So what I know has been made available, and there are certain things that I was aware of and much that I was not on the particular thing having to do with the Iran arms matter.

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שברירות ישראל - וושינגטון

המשרד

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מצפייא

סנט: מדיניות ארה"ב כלפי איראן 27.1-0 602 לשלנו

- ו. אתמול (27) הופיע המזכיר שולץ בפני וועדת החוץ בסנט כעד האחרון בטדרה של הירינגס שמקיימת הוועדה בנדון.
- 2. נראה שהנושא כבר מחחיל לשעמם, מה גם שברור מרכז הכובד בקונגרס מועבר לשתי הוועדות הנבחרות שעומדות לבדוק את הפרשה. למרבה הפלא גם לא ניצלו הפנטורים את התזדמנות להתענין בריבוי החטיפות של אמריקאים ואחרים שאירע בימים האחרונים ואף בדברי הנשיא בפני וועדת טאואר שהובלטו בחקשורת באותו בוקר כאילו שאינו נזכר במתן אישור מראש למשלוחי נשק מישראל לאיראן (כטענת מק-פרליין). הנושא האקטואלי היחידי שהעסיק אותם היה הפגישה עם נציגים איראנים שהתקיימה לאחר הודעת הנשיא ב-6 בדצמבר לפיה הופסקו כל המגעים. שולץ הסביר שלאחר הודעת הנשיא נודע מה- מה שנקבעה פגישה בפרנקפורט עם "הצינור האיראני". הוחלט על דעת הנשיא לקיים את הפגישה עיימ להבהיר לאיראן שלא תהיינה מכירות נשק נוספות.איש מחמ"ד, דאנבר, התלווה לנציג הסי.אי.איי, קייו, ובמהלך הפגישה נתגלו דברים "מזעזעים" שכעבור ימים מספר דווח עליהם שולץ לנשיא. אחרי הפגישה דאנבר עזב את פרנקפורט בעוד קייו נשאר, ואחר כך קייו נפגש בשנית עם הנציג האיראני, שביקש למסור חשובה לדברים שנאמרו בפגישה הראשונה. לדעת שולץ, לא היה יאה לקיים את הפגישה השניה אך לא נגרם נזק כלשהו.
  - 3. דברי הפתיחה של שולץ (רצייב) קבעו את הטון, ואת תוכן מרבית ההירינג על פי רוב מיקדו הסנטורים את שאלותיהם על האימפקט של מכירוח הנשק לאיראן על מדיניות ארה"ב כלפי איראן (שולץ הדגיש לא פעם שלא יימכר עוד נשק לאיראן); על הסיכויים להמשיך במבצע המכונה יי STAL NCH יי ולמנוע מכירות נשק לאיראן עייי אחרים לאחר שבירת הסכר עייי ארהייב; על יחסי ארהייב עם איראן ועם ידידותיה במזהיית בעתיד, ועל מלחמת איראן עיראק ותוצאותיה האפשריות. כייכ שאלו על גיבוש מדיניות חוץ ביצועה והאחריות לנושאים אלה.

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שתי השאלות והתשובות של הסנטורים ביידן וסיימון שנגעו לתהליך השלום,
 הוברקו בשלנו הנייל.

4. תמליל ההירינג בדיפי.

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## STATEMENT FOR SENATE FOREIGN RELATIONS COMMITTEE January 27, 1987

Mr Chairman and members of the Committee:

I appreciate this opportunity to testify on American interests in the Persian Gulf and the importance of some recent developments there. Chief among these is the Iran-Iraq war, whose continuation threatens the stability of neighboring states and the pursuit of our interests in the region. The outcome of this war will affect the strategic shape of the Persian Gulf and Middle East for years to come. It is therefore important to be focus on U.S. policy toward the war and the region at large.

Stability in the Persian Gulf matters to us for three reasons. First, it is critical to the economic health of the West. An interruption in the flow of oil, or control of these energy resources by an unfriendly power, could have devastating effects on the pattern of world trade and on our economy. Second, our interests would suffer greatly if Iranian expansionism were to subvert friendly states or otherwise boost anti-American forces within the region.

Third, as part of the strategic crossroads of the Middle East, this area must not come under the domination of a power hostile to the United States and its allies. Therefore, America's near-term priority is to reassure the Gulf Arab states of our support and to stand fast on our anti-terrorism and arms embargo policies.

### U.S. Policy Toward The War

Since the beginning of the Iran-Iraq war in September 1980, the U.S. has sought the earliest possible end to the conflict — one which would secure the independence and territorial integrity of both countries, as well as security for third parties in the region who now are directly threatened by the conflict.

We have pursued these goals through the following policies:

-- We have been denying Munitions List equipment to both

Iran and Iraq. There was a limited exception to this

policy, as you know. There will be no further

exceptions -- no more transfers of U.S.-origin military

equipment to Iran, either directly or through any third

party.

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We are supporting all reasonable diplomatic efforts to encourage Iran to abandon its unwillingness to negotiate an end to the war. These efforts have included U.S. encouragement of the U.N. Secretary General, the Non-Aligned Movement, and the Islamic Conference -- which is holding its Summit in Kuwait this week. The problem has been lack of Iranian interest in any peace proposal -- except on Iranian terms.

Therefore, we are also energetically pursuing efforts to inhibit the resupply to Iran from third countries of significant weapons systems and spare parts which might enable Iran to carry the war further into Iraqi territory. This is our Operation Staunch, which we will continue to pursue in an energetic and determined manner.

Because of our concern over the possible spread of the Iran-Iraq conflict to third countries in the Gulf, we have publicly and privately reiterated our firm commitments to the security of non-belligerent Gulf states. We have repeatedly warned Iran that any extension of the conflict would be regarded as a major threat to U.S. interests.



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Our relations with these countries -- including the members of the Gulf Cooperation Council (Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates and Oman) -- are important to our long-term security interests. The war directly threatens their security as well as their economic survival. We have publicly stated our fundamental interest in helping the Gulf states defend themselves against attack or subversion.

The war has also highlighted overlapping interests with Iraq, as it defends itself against Iranian attack. The news of our limited arms shipments to Iran was a shock to Baghdad, and it has put some strain in our relationship. Nevertheless, I think both sides understand that we share an overriding common interest in finding an early end to the war. For our part, the United States will continue to pursue this objective; and we will do all we can to reaffirm the strength of our policies toward the Gulf.

### Long-Term American Interests

Our current policies, of course, reflect long-standing interests in this region. Hence I want to review our goals and objectives in the region as a whole.

American interests in the Persian Gulf have long been readily defined.



We have an overriding strategic interest in denying the Soviet Union either direct control or increased influence over the region or any of its states. We have major political interests in the non-belligerent Gulf states, both in their own right and because of their influence within the Gulf and beyond. And we have a vital economic stake in seeing that the region's supply of oil to the West continues unimpeded.

Our multiple interests in the Gulf give us common ground with its various states. As I have mentioned, they share our overriding concern with economic and political stability. Their economic life depends on the flow of gil to the industrialized world. Anything that might disrupt their commercial war, political instability, terrorism, or subversion — is against their interests as well as ours.

Iran is an important element of our considerations as we pursue these multiple interests. That country has been, and remains, a major factor in the region -- both because of its size and strength, and because of its strategic location alongside the Soviet Union and Soviet-occupied Afghanistan. Iranian policy has a direct impact on our strategic, political, and economic stakes in the Gulf. And the current Iranian government directly affects us in another way: through terrorism, which it continues to support and export as an instrument of state policy.



Historically, we have also shared a strategic interest with Iran, whose geography makes it a natural buffer between the Soviet land mass and the Persian Gulf. Soviet designs in the region can be seen in the Soviet occupation of Iran in 1946, and in its invasion and subsequent occupation of Afghanistan. The government of Iran has, of course, been highly critical of the Soviet occupation of Afghanistan — a political fact that underlines a certain commonality of interests between us.

Our various interests in the region give the United States an obvious stake in better relations with Iran. Me you know, we sent a signal of our intentions in the form of an authorized transfer of arms to that country. That signal did not elicit an acceptable Iranian response; and it will not be repeated. While we have an interest in improving our relations with Iran, the Iranians have an interest in normal dealings with us as well. And until they recognize their own interests, , and act upon them, our relations are unlikely to improve. We have said, and we reiterate, that several issues stand in the way of better relations between us: the Iran-Iraq war; and Iranian support for terrorism and subversion in the neighboring states.

Let me conclude with a note about the future of our relations with Iran.

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The President has said that the United States recognizes the Iranian revolution as "a fact of history." We bear no malice toward the Iranian people. But American interests are directly threatened by the Iranian government's pursuit of its war with Iraq; by its sponsorship of terrorism; and by its collusion with terrorist forces elsewhere in the region. We cannot hope for progress without fundamental changes in Iranian policy and practice. Nor can we pursue better relations with Iran to the detriment of our many other interests and commitments in the region.

We look to an eventual improvement in U.S.-Iranian
relations. But American goodwill cannot wish that future into
existence. Iran's rejection of its bellicose and terrorist
policies will be a necessary first step to any progress that
might follow.

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### NEWS SUMMARY JANUARY 27, 1987

#### EDITORIALS

\*\*\* NYT - "No Yellow Ribbons for Beirut": The hostages recently seized in Beirut were warned just days before that they should leave. What does Pres. Reagan owe these pawns in a seemingly endless game; concern for their safety, but no secret missions, no offers of ransom, no more TOW missiles or other weapons for Iran.

DN- "Yankees, go home ": Retaliation for this outrage (taking of hostages) should be swift. But the feat remains that no Americans, other than the essential, should be in politically vulnerable places right now. If Americans insist on dangering themselves then they must accept the responsibility for it. They cannot be allowed to endanger their nation as well.

NYP - "Yankee come home": Americans who have refused to come home have come to represent an active invitation to terror. Many of those who stayed felt immuned because they had Lebanese spouses or were in sympathy with the Arabs, but now they must realize this is folly.

WSJ - "Reagan Race": A suggestion to Reagan for his State of the Union address, Denounce racism. The fact is that racism exists, even in this day and age, as the incidents in Howard Beach and the march in the South demonstrate. Calls for new laws not withstanding, real progress against race based animosty depends on changing minds and habits. Rhetoric does matter. The message is: racism is wrong. An old one, but sad to say, one timely to repeat.

### COLUMNS

NYT- A.M. Rosenthal - "The Next Hijacking": Terrorism, old in warfare has been developed into a weapon of world importance. Nothing gets more attention than a hijacking.

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larael turned over 1,150 for 3 Israelis. Surrender leads to more hostage taking. Television coverage does not lead to further hostage taking, although good judgement should be employed. The pain you see on relative's faces and captive's faces comes from faltering will of governments.

NYT - Wayne S. Smith - "If Truman had Dealt with the Contras": Some say if Truman was alive he would aid the contras...Bunk. Aiding the contras is ineffective policy and has accomplished nothing. Undoubtedly Pres. Reagan will try to convince Americans otherwise this evening in his State of the Union Address. There are legitimate security concerns in Nicaragua but these are unattended by supplying the contras. There is a greater Soviet presence today then we started arming the contras.

NEWS REPORTS

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HOSTAGES :

NYT - Three more men including a Saudi national were abducted in Beirut today. Terry Waite is reportedly under house arrest. Waite had been protected by Druse bodyguards from the time of his arrival until he disappeared six days ago, when they were left behind. Students and teachers paraded through the street to protest the kidnapping of four foreign professors. Callers claiming responsiblity for the kidnappings threatened more abductions if Mohammed Ali Hamadei was not released. (ND, DN)

NYT - Shipler - "Terror's Free Rein" (news Analysis): The kidnappings seem to be illustrations of what specialists on terrorism understand as the virtual powerlessness of a superpower in the face of a few determined men, lightly armed. Better intelligence has thwarted some activites. But methods of retaliation have failed. The history of hostage taking shows Americans have been kidnapped to get concessions from other governments. Terrorism is like theater and Pres. Reagan's personal involvement is like applause. The concern for the hostages has taken time away from other vital interests: Iran-Iraq war, re-establishment of the PLO in Lebanon and the spread of Islamic fundamentalism.

NYT- Boyd - "Reagan says Men Seized in Lebanon ignored warnings": In a statement the Pres. said there is a limit as to what our Government can do for Americans in a chaotic situation such as Lebanon. Americans were warned not to go to Lebanon and were asked to leave. Washington is privately putting pressure on Germany to follow through with the extradition of Hamadei. (ND, DN, NYP)

NYT- Rasky - "White House Panel on Iran has interview with Reagan": Pres. Reagan answered questions about the Iran affair in a 75 minute session with a special White House panel investigating the scandal. The Tower commission's job is to resolve discrepancies





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between statements by Reagan's starr of how the arms deal was carried out. Pres. Reagan says he was not fully informed of the diversion of funds from the arms sales to the contras. (ND, NYP)

NYT- Dionne - "Public Skeptical on State of Union": CBS News/NYT poll says Americans are self-satisfied and believe their lives will improve over the next half decade. They are less optomistic about their economic future and less trusting of the government and the president. 71 percent of the public thought that Reagan could not accomplish his goals for the rest of his presidency. According to the poll Mr. Reagan has so far not been able to convince Americans that he is telling the truth about the Iranian arms sales.

NYP - The State of the Union Address will be aired in prime time and then CBS, NBC, and CNN will devote two hours follow up programming. ABC will only have a one hour rap up. (NYT)

NYT- Mayor Koch today proposed that a synagogue be constructed near a cloister recently opened at Auschwitz that had offended some Jewish groups. He made the suggestion to Cardinal Macharski of Cracow. The Cardinal said dialogue was continuing. (NYP, ND, DN)

NYT- Kifner - The Revolutionary Organization continued to threaten the meeting of Moslem leaders in Kuwait that started today. A caller in Beirut said the group would shoot down planes landing during the conference. They claimed responsiblity for three previous bombings. The importance of the conference appears likely to lie in a major step toward bringing Egypt back into the Arab world.

NYT- Kuwait Foreign Minister denied today that the U.S. pressured the emirate to release 17 Shiite prisoners. Shultz reportedly testified that Adm. Poindexter had pressed Kuwait for the releases.

NYT- Weisman pg. 1 - "Afghan Guerillas Ignored Truce, Say War Goes on": Guerilla leaders say fighting still persists eleven days after the Afghan government declared a cease-fire. American and Pakistani officials are carefully watching events. The communists said they would permit the withdrawal of the estimated 120,000 Soviet troops. Pakistan is involved because it serves as a base for seven guerilla groups.

NYT- Shenon - The FBI arrested seven supporters of a militant Palestinian group that has been under investigation in the U.S. Arrested in Los Angeles were six Jordanians and a Kenyan. One was identified as Khader Musa Hamide. The FBI says he is leader of the Popular Front for the Liberation of Palestine.

DN - Iran will send 100,000 "volunteers" to the front in an attempt to end its war with Iraq.

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ND - Iran edged closer to Basra, Iraq claims they didn't move an inch.

DN - Attacks by terrorists, guerillas and air forces caused more than 25% of all air deaths last eyar.

NYP - The International Federation of Scientists for Soviet Refusniks asked Gorbachev to permit emigration of all scientists who want to leave.

NYT- The amabassador-designate to Pakistan has rejected an approach from the Soviet Embassy here for direct talks on a solution to the conflict in Afghanistan, American officials said today. 0695 /129/64

MEDIA NOTES:

NYT- The anchor at CBS Morning Program, Rolland Smith, is paying more attention to his attire. He has a person especially to choose his suits. The program is now part of the entertainment division and not the news.

DN- NBC is deciding whether to remain in New York and take new residence at Television City the proposed real estate project on the west side of Manhattan by Donald Trump, or move to N.J. would be cheaper to move to N.J.

DN - NBC will pay its affiliates more to air network programming, unlike ABC which just cut its payment program.

NYP - CBS News beat Nightline by airing the first televised interview with speaker of the Iranian parliament Hashemi Rafsanjani. Rafsanjani said Iran was still receiving arms up until two weeks ago. Iran finally opened its doors to other journalists including Nightline executive producer Rick Kaplan, who was unable to get the interview with Rafsanjani but is working on other Iranian stories.

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7-21-28 סווב בסחוני...גלון אאריך וזיח..... זבינואר

אל: מנכייל מדיני, ממנכייל, מצפייא, מעיית

מנכייל משרד רהיים יועץ רה"מ לתקשורת יועץ שהבייט לתקשורת

הופעת מזכיר המדינה לפני ועדת החוץ של הסינאט (27.1)

דויית מורחב בנפרד. בינתיים, להלן כמה מהתיחסויוהיו של מזכיר המדינה לתהליך השלום.

הטקסט המלא של הופעתו בדיפ,

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SECRETARY SHULTZ: Looking back on the last year or so, I think quite a lot has happened. Perhaps a lot of it happened because it wasn't noticed that much. And at the same time, we made quite considerable efforts in what is thought of as the peace process, that is, the work with Israel and Jordan and Egypt and other countries, to see if progress can be made in bringing about peace treaties between Israel and other countries. But we were not able to succeed in our objective, and I think the objective of the parties there, at bringing about a direct negotiation between Israel and Jordan with appropriate Palestinians in the Jordanian delegation. That's what you have to get into being. And then what that kind of group might agree on is the kind of answer that would work, because they are the people who have to make it work.

We made a fair amount of headway on that, and the two things that remain issues and were issues that were not possible to resolve are, number one, in what manner is an international umbrella, conference, arrangement, or whatever you want to call it, potentially useful in getting to that objective? And second, who are — how do you find the Falestinians that are appropriate members of the delegation with Jordan? And you know that they have to be people who have real standing with the Palestinians, because they have to feel "those are my guys," and at the same time, there are clearly Palestinians at this stage of the game that neither Israel nor we, since we would undoubtedly be there, would want to sit down with. So these are the two things. And of course then, once you do sit down, then there are very difficult substantive issues. Now what we have done is have Ambassador Murphy go to the area, he went for a couple of weeks and talked to people, trying to, so to speak, recapitulate the agenda that had been developed last year, see where people stand in their views on various elements of it, and then we have to make an appraisal of what might conceivably be done.

SENATOR BIDEN: And that appraisal, in light of the last month and a half events relating to the Iran-Contra questions, has that been more difficult to arrive at? Or has it been delayed in the making? I mean, what I'm trying to get at is if this investigation moves forward over the next six months, does that essentially mean, in your view, that major initiatives in the region are put on hold while this is still a front and center topic here in Washington, and

consequently, in other parts of the world? Or is it not particularly relevant, the speed with which it is resolved and put behind us here in terms of how it impacts upon your other efforts in the Middle East? That's what I'm trying to get a handle on.

SECRETARY SHULTZ: I agree wholeheartedly with the President, and I think the implication of your question, that we should have a thoroughgoing

investigation of all this, and do it as rapidly as possible, so that it doesn't hang around as something that has some lingering impact on our ability to conduct our business. However, the President has said — and he said to me, "Cooperate with all the committees. Tell them everything that you know about it, and do your homework," and so on. And I've been doing that, and intend to keep doing that. But he has said now, "George, you've got a lot of work to do. So stay busy." I don't have any trouble staying busy. And I am working hard — the President is — on the substance of our foreign policy. And we are a worldwide power, and we have things going on all over the place that we're trying to be a constructive influence on, and we're hard at it.

Now as far as the peace process is concerned, I think that the basic elements are there — that it is important to the countries of the region that there be a peace, if such a thing can be found. And it is that, not U.S. manipulations of some kind or another, that is the basic (vote?) of power, and we have a role to play, and we want to play it. Now with respect to King Hussein, we know that King Hussein, perhaps understandably, feels hurt because we have denied him arms, even though I think even those voting against selling arms to King Hussein will say, "Well, he's a friend and we admire him and so on," and yet we sold some arms to Iran who is in a totally different category, and that pains him. But that doesn't mean we can't work with him, and we are received by him, and he is a sensible and experienced person. And so we will our best.

SENATOR SIMON: That's pretty hard to argue with. If I may finally follow through on a question that Senator Biden asked you. I think one of the finest diplomats this nation has is Dick Murohy Ambassador Murphy. But his shuttling between Israel, Jordan, Egypt does not indicate the same Presidential concern as would the same shuttling by the Secretary of State. Has there been any discussion to is there any consideration being given — to the possibility that you might play a greater role there? I have the feeling that at a few points we were testering very close to having some kind of an agreement, or an agreement to sit down between Jordan and Israel. I have great confidence in your ability personally, but I think simply your presence there would be an indication to King Hussein, as well as to the other parties in the Middle East, that this really is a major concern of the United States. Any reflections?

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SECRETARY SHULTZ: Well, I think, without referring to me bersonally, I think travel by the Secretary of State of the United States of America to some region or country is an important event because of the importance of our country. And that holds true in the Middle East. It's important to go, I believe, if there is any prospect of accomplishing something. I don't think it has to be an odds-on favorite. I think you should be willing to take risks or try — or, work off of relatively small probabilities, if there is something important that can get achieved. At the same time, I think that, if you travel fruitlessly, that that can be a negative.

Now all through last year, as we had, as you noted, some at times rather promising negotiations - and of course I met with the parties here a great deal, and the Fresident did. Fractically everybody was in Washington at one time or another, or in New York. So we had lots of direct face-to-face meetings. But during the course of that and during the course of our intensive efforts to help Israel and Egypt find a way out of the impasse on Taba, I think everybody knew in the region that I was prepared to come practically at a moment's notice, if it could do some good. And they are as concerned not to have a wasted effort as we are. So I am prepared to go, if there is something to be accomplished. And it may very well be that even outside the context of some particular negotiation -- just to go and visit, as members of the Congress do, and the Senate -- at some point might be a good ting for me to do, just because it's one thing to talk to somebody here, and it's another thing to go into their environment and sort of have the tell you how the world looks to them, in that sense.



אל: המשרד

סוג בשחוני. ביותר סווג בשחוני. מיידי ביותר דחיפות. מיידי

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### חקירות ארהייב - איראן : פניית הסנטור אינווייה

למברק מזכיר הממשלה, נר 1070 מ-26,1

- השגריר נפגש היום עם אינווייה (בנוכחות הציר נהחיים), ומסר לו את תשובתנו בהתאם לסעיפים וק2 למברק מזכיר המדינה הנייל. בהקשר זה הצביע רוזן על וועדת טאגאר והאפשרות של שאלות מטעמה, וכן פרי.
- בתגובה, העיר אינווייה שלהערכתו טאואר לא יפנה אלינו. באשר לשתי

  דו אועדות בקונגרס, הוא סבור שיהיה ניתון אות ספר אפשר
  המשיך ואמר שמבחינת ישראל כל עוד והדלת נשארת פתוחה על-מנת לאפשר
  מגע "פנים אל פנים" אם זה יהיה נחוץ, די בכר. הוא ממליץ בהחלט או פריב אות אות מהיינה בכתב ויציע לשתי וועדות הקונגרל שתגשנה "שאלות מוסכמות". "ואם, כפי שאתם אומרים, יהיה צורך בהבהרה נוספת, נוכל לערוך ביקור קצר, "או משהו" (אות אינווייה לתובע המיוחד, ולא התייחס אינווייה לתובע המיוחד, ולא הזכיר אותו בכלל).
  - 3. בהמשך השיחה, ציין אינווייה שנקבל פנייה רשמית מהוועדות באמצעות מחמייד (כפי שסיפר למנכייל המדיני בזמנו - י.ל.), ועצתו הנאמנה היא שנשיב גם אנו באמצעות מחמייד,כי הרי מוטב להשאיר את המגע הרשמי במישור הבין-ממשלתי. בינתיים,ימסור לעמיתיו בוועדה הנבחרת שקבל תשובה בלתי רשמית מאתנו.
  - 4. השגריר העיר ששירבוב ישראל בפרשה ואיזכור שמנו בכל הזדמנות בתקשורת "מרגיזים". אינווייה הסכים,והוסיף שעלינו להתכונן לכתבות מעצבנות

:72

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| סווג בסחוניסודי ביותר |     |
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רבות. גם הצביע על מאמר שהתפרסם ב- \$\$ \$\$ \$\$ (פרסום ימני קיצוני) ובו שואלים אם הסנטור אינווייה נתמנה על מנת לגלות את כל \$\$\$ האמת, או לחפות על \$\$\$\$ COVER-UP ישראלי (צילום המאמר בנפרד).

- אין שים אין שים אות לארהייב ואף אמרה לארהייב 5. כשלעצמי, אמראל, נגיד שישראל הציעה הצעות לארהייב ואף אמרה לארהייב מה לעשות, אי אפשר להטיל את האשמה למבצע על ישראל. זו היתה החלטתנו אנו: ניתן להציע מה שברצונכם, אך אנו חייבים להחליט. זה מביך ומבייש לטעון שמישהו הינחה אותנו מעצמה גדולה והורה לנו מה לעשות, כביכול.
  - .6 על נושאים אחרים בשיחה, בנפרד.

3N (70/1)

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2,2011 Syl -316 . 27 2.3 2,210

שגרירות ישראל - וושינגטון

:78

המשרד

רגיל מאריך וזיית. 27.0900. ינו 87

סופס מנרר דף.....מתוך.....דפים

סווג בסחוני. סודי ביותר

ישי פסי פברק.....

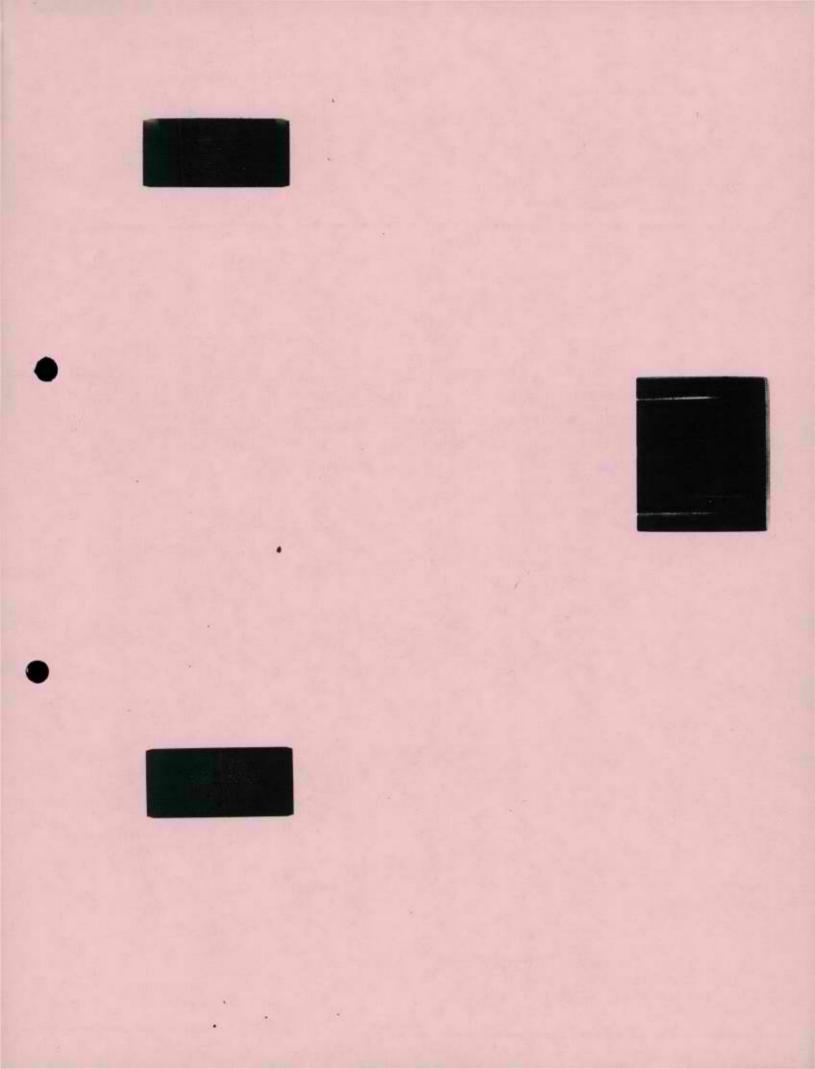
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. איראן - ארהייב. לשלך נר 1072.

560

בפגישה שהיתה לי עם א. סופר , היועץ המשפטי של מחמייד, סיפר לי שלארהייב אין כל אפשרות להמנע מתשלום החמש-מאות מיליון דולר - הם בינתיים משהים את התשלום אך לא לזמן רב. החשש של תשלום מיידי נבע מתוך כך שרצו למנוע היווצרות רושם שזהו תשלום לשחרור חטופים.

שלניר ציר אתלי אפיף ארכים



### מדינת ישראל



משרד תחוץ

תאריך: כו בטבת תשמ"ז

27.1.87

מספר:

שמרר-אישי

אל: יוסי בן אהרון, מנכ"ל משרד רוה"מ אבי פזנר, יועץ תקשורת לרוה"מ מאת: מנהל הסברה

### הנדרך: הליגה לידידות אמריקה-ישראל

בהמשך למכתבי מ- 22.1.87 מצ"ב העתק מברקי לאשר נעים אשר יתאם הפגישה. אבקשכם להשאיר כ- 20-15 דקות לפגישת רוה"מ עם המנהיגים היהודים, בנדון, בתאריך ובשעות המוזכרות במברק המצ"ב.

בברכה

אורי בר נר

העתק: צבי פאר

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אורל בר-נר

26/17/07

MMM

ם-: המשרד, נר: 1072, תא: 260187, זח: 1630, דח: ר, סג: מ, אל:ווש, בבבב

רגיל/סודי ביותר

אלי אבידנ.

איראנ-ארהייב.

בפגישה עם אנשי ממייד סיפר דיק קלרק, כי לאיראנים 9.5 מיליארד דולר ציוד צבאי מוקפא בארהייב. הכל שולם זמנ השאח. האיראנים לא יקבלו מזה דבר.

קיימה מגע עמ האיראנים גם אחרי פרסום הפרשה 2. אחהייב וושינגטונ מעוניינת להמשיכ ולקיים מגע עם טהראנ גם בעתיד. אחד הבושאים בהם דנים עם האיראנים הוא 500 מיליוב דולר רמוקפאים בארהייב, כשהכוונה לשחרר סכום זה בעתיד.

מרכז/מרום

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אאא אל: ווש, מ- המשרד, נר: 1701, חא: 260187, זח: 1500, דח: ר, סג: מ, נבבב

סודי ביוחר/רגיל

סודי ביותר (חריב)/רגיל
ווש, בטחונ
ווש, בטחונ
השגריר, ציר, מתני
הוגריר, ציר, מתני
קוחנובסקי, יוהמיש משהביט
נשק לדרומ אפריקה
מא.צ. של שלמה מרומ והחימי עמ ריצרד קלרק סגנ/ר XXX, ישכ XXX
א. מיפר שהוא אישית מכינ את הקטע על ישראל בדוח
לקונגרס לפי החוק האמריקאי נגד האפרטאייט.
ב. הוא מחכוננ לעשות את המקסימומ להוריד את הטונ לגבי
ישראל אכ יש לו בעייה. לפי הממצאימ שבידו במשכ חמשת

ב. הוא מחכונב כעשות את המקסימות נהו יו את השום כגבי ישראל אכ יש לו בעייה. לפי הממצאים שבידו במשכ חמשת השנים האחרונות ישראל היחה מדינת הספקת נשק הגדולה ביוחר לדרום אפריקה נשק זה כלל פיתוח מטוס הצייטה וציוד אלקטרוני רב.

ג. סיפר שלשמחתו נושא הגרעינ לא כולל במנדט שלו ועל כנ לא חהיה התיחסות לככ בדוים שלו.

ד. ציינ שאינ בידו מידע רב על הספקת נשק לדרומ אפריקה מטעמ מדינות אחרות ואמ לנו יש מידע על ככ רצוי שנמסור לו כדי לאזנ את התמונה לגבי ישראל (ברור שיתכנ ויש כאנ היסידיפ אור בידור שיתכנ ויש כאנ היסידיפ אור בידור בידור שיתכנ ויש כאנ היסידיפ אור בידור 
א העיר שבכל מקרה הוא לא צופה שהקונגרס יפגע בסיוע XXX לישראל. בינ היתר מאחר ונוסח החוק האמריקאי אינו

מנדטורי בנושא זה. ו. לא הגבנו לדבריו לגבי עצמ הספקת הנשק מצד ישראל,

אכ לגבי אופי הדויח המוצע הערנו: ווא). הרגשחנו הינה שלדרגים הבכירים במחמיד אינ ענינ

ביהעלאת הטוני לגבי ישראל בדוחי.

העיר שהוא ער לככ אכ אם יצנזר הדויח יעמוד לפני בקורת חברי סונגרס מסוימים.

ו(ב). ציינו שכמו לגבי כל כלל יאיסורי יש לפרש נוסח החוק האמריקאי באורה מצומצמ, החוק כידוע לו מתייחס ילאמברגו הבינילי ועל כנ לדעתנו הדויח חייב להתייחס רק לאוחמ נושאימ אשר ברור לחלוטינ, לפי פירוש אמריקאי, כי נכנסימ לדי אמות האמברגו.

ו(א,ב). במסגרת האמברגו הצענו שיש להביא בחשבונ הפירוש המשפטי האמריקאי של החלטת מועיב 418 לגבי נושאימ כמו

המשכ בצוע הסכמים קיימים לגבי העברת ידע. נושא זה לדעתנו צריכ להכנס לדויח רק אם אינ כל ספק לפי פירוש אמריקאי, ולא לפי פירוש אוימי, שחל חובה להפסיקנ מיידית. אמ יש ספק בככ אז לדעתנו אינ זה במסגרת המנדט

מיידית. אמ יש ספק בכ של כוחבי דויח. הבטיח לשקול בזאת.

סייבל.==

2001 For 1 -100

CM

12:26

| רחימות:               | ,  |
|-----------------------|--|
| סווג בטחוני:<br>תו"ח: | מחור: ב ל מרוני, ממנכ"ל, אמית"ק, מע"ח, מצפ"א, הסברת, ממ"ד, א ל : יועץ רה"מ לתקשורת, יועץ שהב"ט לתקשורת, לע"מ, רו"צ, קש"ח |
| 271130<br>(0663): 23  | י יועץ רה"מ לתקשורת, יועץ שהב"ט לתקשורת, לע"מ, דו יצ, קש"ח דע : וושינגטון  |
| 63 11102              | מאת : עתונות, ניו יורק   |

### NEWS SUMMARY JANUARY 26, 1987

### EDITORIALS

NYP - "Sitting ducks invite terrorists": Negotiating for the freedom of hostages with terrorists, or with the states that sponsor terrorists, is stupid. What can be done: 1) all Americans ordered out of Lebanon. 2) intelligence gathering towards military action. 3) Action against states that arm, fund, train, shelter terrorists such as Syria, Iran and Libya. Barring airplanes that fly to these countries i.e. Air France, and Alitalia.

#### COLUMNS

DN- Nelson - "State of the union Headless": As Reagan prepares to deliver his sixth State of the Union address polls show a majority of Americans, like him, praise him, admire him, but no longer believe him. Despite the Iran fiasco 54% of the public approves his handling of the presidency. The government he runs is in a shambles. Worse it is headless. Ignore those things over which he has no control. Take national defense and diplomacy, where his word rings supreme, and here his word is not heard at all.

#### NEWS REPORTS

#### HOSTAGES:

NYT- pg.1 - Lewis - "Anger is Voiced Over Americans Still in Lebanon": The general feeling expressed by many is that it is irresponsible for Americans to remain in Lebanon and they do so at their own risk. Two anonymous calls claimed responsibility for the kidnappings Saturday, and one call threatened to kill hostages if the U.S. helps Iraq. Sen. Bob Dole said Americans should leave

dancing in the aisles, just praying. The beginning of a rare visit by an American to Teheran. The hotel clerks says the zoo is closed, because people are stealing the animals and eating them. This reporter found it open, shabby, but many happy families visiting. People still line up for precious kerosene. Bazaars are full despite the war economy. The Imam is the strongest supporter of the bazaars free enterprise. Politics and religion are inseparable. A crowd of 70,000 gathers at the university to chant against Iraq and America and then everyone bows and prays together.

DN- Presidents and princes gather in Kuwait for an Islamic summit that will seek ways to end the Iran-Iraq war. Syrian officials accused Egypt of strengthening its peace with Israel. Egyptians accused Syria of secretly meeting with Israelis and claimed to have documents to prove it. (ND)

### N.Y.C .:

NYT- Kaufman - pg. 1 - Auschwitz Camp Visited by Koch": The Mayor on a private visit to Poland toured the death camp with tears in his eyes. At the wall of death he kissed his hand and placed it to the wall. Koch said this symbolic gesture put him in touch with all the Jews and Christians who perished there. (DN, NYP)

#### OTHER NEWS:

NYT - Taubman - "Russians Hold Key to power But Not to Afhanistan's Soul": After seven years Afghanistan is a country caght between cultures and political allegiances. Authorities tried to portray the scene differently during a carefully controlled five day visit by foreign reporters. They described it as a country living harmoniously.

DN- Soviet Jew Lev Blitshtein has obtained a visa to leave. He applied 12 years ago.

DN- Cardinal O'Connor called on the U.N. to combat the blight of terrorism.

NYP - In Israel you could watch the Super-Bowl for \$15 a ticket at the Hilton Hotel. Yeah!!! GIANTS are number one!

NYT- Geraldine Fabrikant - "Cannon Loses Some Luster": The Securities and Exchange Commission has begun an investigation into the company's accounting policies. Third quarter earnings report showed losses. Cannon's problems are typical of those faced by small film companies.

#### MEDIA NOTES:

DN- According to a recent study Iran Contra arms scandal and South Africa received the most air time in 1986. ABC covered the contra scandal more than any other story, then CBS last NBC. CBS

63 / 123/0663

including diplomats since they are just sitting ducks. He said it is time to take military action if those responsible can be identified. Two of the latest American hostages have Lebanese wives. Three who had been previously abducted were converted to Islam. (ND, DN, NYP)

3

NYT- One of the newest hostages, Alann Steen, had indicated to friends this was going to be his last year, but he felt obligated to finish the term.

NYT- A caller said the four Americans had been kidnapped to prevent the extradition of Hamadei from West Germany. Two callers claiming responsibility for the kidnappings claimed to speak for the Organization of Oppressed on Earth, an extreme Shiite Moslem group. Eight new hostages have been seized since Church envoy Terry Waite arrived on Jan. 12 on a mission to release hostages. Waite remained out of site for the sixth day today.

NYT- Tagliabue - West Germany is still undecided whether to extradite captured terrorist Mohammed Hamadei. Although officials said it was still up in the air, news reports say the government is now leaning toward refusing extradition.

#### IRANSCAM:

WSJ - pg. 1 - Walcott - "Iran Scandal Shows Need to Overhaul Congressional Oversight of Intelligence": Despite efforts to curb the C.I.A. and still allow it some leverage to operate, it seems that intelligence officials still don't trust congress to keep secrets and Congress doesn't trust the CIA to tell the truth. The C.I.A. needs a new charter which would establish rules governing covert activities and spell out penalties for violating them. This would ensure that both branches bear responsibility when something goes wrong.

WSJ - White House spokesman Larry Speakes leaves to become V.P. of communications for Merrill Lynch & Company. (interview follows)

## GULF WAR:

NYT - An Iranian leader said victory was in sight and Iraq claimed it had repelled attacks on the southern war front. Iraq military communique said its planes had flown 114 sorties and all returned to base safely. Iran claims it downed three jets. (ND)

NYT- Daniels - Oil specialists in the U.S. worry that the escalating Iran-Iraq war could cause a shift in world oil supplies and price changes. Prices could jump sharply, higher than ever before. It's a no win situation. If hostilities cool and oil exports increase prices could fall and further problems caused by the previous price decline.

WSJ - Seib - pg. 1 - " Visitor to Iran sees very little of the War, much of normal Life": Cash for a ticket on Iran Air and no

spent the most time covering South Africa. After Challenge Chernobyl, terrorism was the next ranked topic. ABC - 140 minutes, CBS - 107 mins., NBC 104 mins.

そ

WSJ - Capital Cities/ABC will cut payments to affiliate stations for carrying ABC network programs. This was incentive for stations to carry network programming. CBS plans to propose similar cuts.

ND - Magazine advertising hopes for a better year but doesn't expect results til '88. Historically Olympics and elections bring money into the marketplace. The top ten in advertising revenue: Time, TV Guide, People, Sports Illustrated, Newsweek, Business Week, Good Housekeeping, Family Circle, Better Homes and Gardens, Woman's Day.

Fix

ירושלים, כו! בטבת התשמ"ז 1987 בינואר 1-91-ש-6

אל: ראש הממשלה

מאת: עמוס רובין

הנדון: ביקור כלכלי בוושינגטון

להלן דיווח על נושאים כלכליים שעלו בשיחות שנטלתי בהן חלק בוושינגטון בשבוע שעבר, בפגישות "הועדה הכלכלית המשותפת" ישראל-ארה"ב ובמסגרת פגישות לא רשמיות.

נושאים שעלו: - הערכת מצב המשק הישראלי - התוכנית הכלכלית.

– תקציב ארה"ב ל- 1988 והסיוע לישראל, כולל ההצעה להקלה בנטל הריבית ותוכנית הלביא.

> בברכה, רולין עמוס רולין

> > העתק: מר י. בן-אהרן, המנהל הכללי.

## 1. השיחות במסגרת המשלחת הכלכלית

- א. עיקרן הוקדש להצגת נתונים מהמשק הישראלי.
  - ב. זמן קצר (פחות משעה) הוקדש לדיון.
- ג. בדיון הועלו ע"י האמריקאים (הכלכלנים) הנקודות הבאות:
- הבנה לפיחות (נוכח עליות השכר, בניגוד למתוכנן, והחשש לפגיעה בתחרותיות של המשק) (פרופ' סטנלי פישר).
- 2) דאגה להיעדר מדיניות שתייצב שכר ומחירים בניסוח אמריקאי: "מדיניות מוניטרית מרסנת". (הפרופ הרב סטיין).
- חשש מחריגה תקציבית. ביקורת על ביצוע הרפורמה במס בלא שהורחב בסיס המס ע"י ביטול פטורים (הפרופסורים סטיין+פישר).
- ציפיה לתהליך של מכירת חברות ממשלתיות (תת שר החוץ ווליס).
- 5) הערכה כי בלא אבטלה של 10% ויותר לא תיבלם האינפלציה. (דר' מרטין ביילי).
  - ד. אנשי המשלחת הישראלֵית הגיבו:
- .(מנכ"ל האוצר). צריך להבין את מגבלות המערכת הפוליטית
- 2) "המדיניות המוניטרית לא אשמה" "השכר אשם" (נציג בנק ישראל).
- שימוש באבטלה לריסון שכר הוא בעיתי במיוחד במשק הישראלי. גם רגישות לאבטלה, גם נטייה מוגברת לירידה מן הארץ אשר מצמצמת את האבטלה הגלויה ולכן מצמצמת את ההשפעה המרסנת המקווה על השכר. (כלכלנית האוצר).

- 4) מגבלות אמת על מכירת חברות ממשלתיות והתועלת המצומצמת הצפויה מכך הן לצמצום החוב הממשלתי, הן להגברת התחרותיות. מנכ"ל האוצר הסביר שבמשק הישראלי הקטן יש לחברות שונות מונופול טבעי, וגם אם החברה תהיה בבעלות פרטית, יהא צורך בהמשך המעורבות הממשלתית בקביעת מחירים ובהצבת תנאים אחרים למונופול.
- החתום מטה הצביע על ההתלבטות בישראל, שמצאה ביטוי גם בעמדות הדוברים האמריקאיים: האם להיגרר אחר עליות השכר, לבצע פיחותים ובכך לסכן את יציבות המחירים או שמא צריך להתעקש על יצוב המחירים, להימנע מפיחות ובכך לרסן דרישות שכר, גם תוך הסתכנות באבטלה. ובאשר לשכר עצמו; יתכן שהטעות היתה בנסיון הבוטה להוריד אותו , נסיון שחזר ונכשל בכל הפעמים הקודמות. עדיף אולי להתרכז בריסון עליות חריגות בשכר (ע"י מדיניות ברורה של שער חליפין יציב) ולא בנסיונות מכוונים להוריד מהשכר הריאלי הקיים.
- במסגרת השיחות הרשמיות של המשלחת הכלכלית הוצגה גם פעילות כח המשימה. המציגים היו: מקס פישר, אדגר ברונפמן, ברגר ואלן וורצל. בהצגה הושם הדגש על סיוע לשיווק בארה"ב וראייה מפוכחת של אפשרויות ההשקעה, הייצור והיצוא מישראל. אנשי כח המשימה הסתפקו בציפיות למדיניות ליברלית, כולל רפורמות כלליות במיסים ובשוק ההון ולא חזרו על תביעות, שהם משמיעים בישראל להקלות מיוחדות ולתמריצים, לתעשיה ולמשקיעים מחו"ל.

תת שר החוץ ווליס הביע את התרשמותו מהמעורבות העמוקה של אנשי כח המשימה.

#### 2. שיחות לא רשמיות

- א. בפגישות בקונגרס עם עוזרי סנטורים (ראה גם דבריו של יו"ר ועדת התקציב בסנט-מצ"ב), עולים הדברים הבאים:-
- 1) הרוב הדמוקרטי החדש יוצא למלחמה על התקציב של הנשיא. הם אינם מקבלים את ההעדפות שלו בתקציבים לבטחון ולסיוע חוץ ע"ח קיצוצים בתקציבים לצרכי רווחה וכלכלה (חקלאים) בארה"ב פנימה. הויכוח מחריף עקב אי נכונותו של הנשיא להעלות מיסים ע"מ לצמצם את הגירעון ולכן הויכוח מתרכז באילו סעיפי הוצאה צריך לקצץ.

כיוון שהסיוע לישראל נוטל חלק גדול מכלל סיוע החוץ, הרי שכאשר תוקפים את סיוע החוץ יש במשתמע, אם לא במפורש, לחץ על צמצום הסיוע לישראל.

2) ביקורת ספציפית מופנית כנגד התוכנית לדחיית תשלומי הריבית. הביקורת מתיחסת לנקודות הבאות: (א) פגיעה בהכנסות השוטפות למימון התקציב האמריקאי. (ב) גישה לא רצינית ולא אמינה בכך שנוצר "בלון" גדול לתשלום בסוף התקופה שלא נראית דרך איך המדינה החייבת תוכל לעמוד בו. (הדוגמא היתה של מצרים, אבל בעיקרון הדבר חל כמובן גם על ישראל). (יו"ר ועדת התקציב של הסנט).

בשיחה בלתי רשמית עם היועץ המשפטי של משרד האוצר שקיימו הציר הכלכלי וה-ח.מ. הוסכם כי בדחיית תשלומי הריבית אין משום הטבה משמעותית לישראל וכי אין זה פתרון מכובד עבור "מדינה מבוגרת" – ליצור "בלון" מצטבר וגדול לתשלום חד פעמי, שאין סיכוי ממשי לעמוד בו בעוד 20 שנה.

לעומת זאת יש נכונות לשקול אפשרויות להקל על גיוס הון בשוק המסחרי להחלפת ההלוואות הממשלתיות הנושאות בריבית הגבוהה. היועץ המשפטי "הזמין" שאלות הבהרה בכיוון זה, בעיקר אפשרות של העברת חלק מערבות ממשלת ארה"ב לגיוס ההון בשוק המסחרי. אם תימצא דרך לעשות כך, אכן יהא בכך חסכון אמיתי של מאות מליוני דולרים לשנה, בתשלומי הריבית שלנו.

בנושא הלביא, יעמוד הקונגרס על דעתו כנגד הצעותיו של זקהיים. יחד עם זאת יש שם גישה ענינית ביקורתית על הפרויקט – לאמר: הוא גדול מאד כפרויקט יחיד יחסית לכושרו של המשק הישראלי ויש לישראל יתרונות טכנולוגיים יחודיים בתחומים אחרים כגון אלקטרו-אופטיקה, לוחמה אלקטרונית וכדו'.

כאשר ספרתי להם את דברי המשלחת הקנדית בפגישתם עם ראש הממשלה, דברים המחזקים את החשש בישראל לפגיעה בכח האדם הטכנולוגי המועסק בפיתוח הלביא, ענו לי כי דוקא המשך פרויקט הלביא – בהשואה לפרויקטים קטנים יותר אחרים – יחריף את הבעיה כאשר תסתיים עיקר עבודת הפיתוח בעוד כשנתיים.

## .3 המלצות להצגת עמדתנו בביקור בארה"ב

עפ"י התבטאויות יו"ר ועדת התקציב בדבר הנטל הכלכלי שעומסת על עצמה ארה"ב לטובת בטחון בנות בריתה, כולל ההתרשמות "שבנות הברית חושבות כי לארה"ב אין בעיות כלכליות משל עצמה", אני מציע להדגיש בהופעותינו בארה"ב כי:

- א. אנחנו דורשים קודם כל מעצמנו, והראיה נטל שירות החובה והמילואים והנטל הכספי המחייב שיעורי מיסוי כה גבוהים. איננו מסוגלים לישם את העצות הטובות מארה"ב להקטין את נטל המיסוי בשל ההכרח לשאת קודם כל בעצמנו בנטל הוצאות הבטחון. גם ברפורמה שהנהגנו לאחרונה נותרנו עדיין עם שיעורי מס של 48% בהכנסות של כ- 20 אלף דולר לשנה.
- ב. הנטל הבטחוני שאנו עומסים על כתפינו שלנו בכסף ובאנשים, גבוה פי 3 ויותר (אחוזים מהתוצר) בהשוואה לארה"ב עצמה, לנאטו וליפן. בעוד שע"פ מחקרים שונים משלמת ארה"ב את עיקר ההוצאות במערכות הגנה משותפות באירופה ובמזרח הרחוק, הרי שבמקרה שלנו ארה"ב משלמת כשליש ומטה מסך ההוצאות הכספיות, כשכל הנטל האנושי הוא שלנו.
- ג. השיפור שחל בשנים האחרונות בסיוע האמריקאי במעבר ממימון בהלוואות למימון ב"מענק", בלם את ההתדרדרות של המשק הישראלי. ואולם, היקף הסיוע הנוכחי (3 בליון דולר ברוטו ו-2 בליון דולר נטו , שאת עיקרם צריך להוציא בארה"ב עצמה ) חסית לסך הוצאות הבטחון של ישראל (כ-6,5 בליון דולר) אינו מאפשר את הרפורמות הדרושות לצמיחה כלכלית משמעותית של המשק הישראלי. רק צמיחה כלכלית מוגברת תאפשר בטווח הארוך השתחררות מהצורך בסיוע אמריקאי שוטף, ולו ניתן הדבר, היה השתחררות מהשיך בשיפור הסיוע האמריקאי בשנים הקרובות על מנת עדיף להמשיך בשיפור הסיוע האמריקאי בשנים הקרובות על מנת לאפשר למשק הישראלי לצמוח ולעמוד על רגליו.

## .4 מצורפים:

א. מצ"ב דבריו של סנטור צ'ילס, יו"ר ועדת התקציב של הסנט בישיבה עם מזכיר המדינה בנושא סיוע החוץ. ב. מצ"ב כתבה ב-קריסצ'יאן סייאנס מוניטור, הכוללת ראיון עס ה-ח.מ. שהתפרסמה יום לפני בואי לוושינגטון. 2 מאנשי מחמ"ד הפנו תשומת ליבי לפרסום ואף טרחו להביא לי העתק (סדרד, אחד הסגנים של מרפי, ו-וילקוקס, ראש מדור ישראל במחמ"ד).
 בראיון מובעת הדיעה כי אילמלא הסיוע האמריקאי היתה ישראל נדחקת בדלית ברירה לשקול שימוש בנשק גרעיני וכי רמת הסיוע הנוכחית מאפשרת למשק הישראלי שלא להידרדר לתהום אך אינה מספקת לחידוש משמעותי בצמיחה הכלכלית.
 שני אנשי מחמ"ד הנ"ל הסתפקו בהערה כי קראו את הכתבה וכי שמו לב לטיעונים אלו.

# Senator Lawton Chiles Flori

Florida

Senate Budget Committee, Room 634, Dirksen, Washington D.C. 20510

202-224-8695

CONTACT : Dennis Beal

IMMEDIATE RELEASE Friday, January 23, 1987

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Remarks of

Senator Lawton Chiles

at a

Senate Budget Committee Hearing

with

Secretary of State,

George P. Shultz

January 23, 1987

Good morning, Mr. Secretary. -We're pleased to have you with us at the Senate Budget Committee.

For more than four decades, foreign assistance has been one of the mainstays of our national defense. To the extent that we can help our friends be strong, we promote stability and our own security.

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Over the years, we have been generous. Since 1981, we have been very generous. Grant military aid is up over 700 percent. Economic Supported Fund cash transfers have climbed 69 percent. During that time, the State Department has added over 4,300 new employees, with salaries and expenses going up 77 percent. Even when it comes to building and maintaining American embassies, we've seen an increase of well over 280 percent.

All those expenses might have persuaded other nations that we have no economic problems of our own. In fact, we may even have convinced ourselves. Your budget this year includes a 30 percent increase for State Department Operations, and a 13 percent increase in foreign aid.

But Mr. Secretary, the Administration's budget also includes a \$135-\$140 billion budget deficit. While altruism may be in our national interest, alchemy is not yet among our national talents

So, something is going to have to give, and I think it's unrealistic to presume these kinds of increases.

The Administration's budget is about \$30 billion short of the deficit target. Roughly 60 percent of the cuts

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proposed by the President have been rejected by Congress before, and many of those more than once. While military spending gets an increase, education is cut 30 percent, and the Administration generally rules out taxes.

so when I see a \$4 billion increase for these programs, including a \$1.4 billion supplemental request for Fiscal 1987 and even bigger increases in 1988, I have to ask myself how the Administration plans to pay for all this.

Two weeks ago, the Secretary of the Treasury appeared before this committee, and we explored the financing plans within the budget. I brought up the issue of Foreign Military Sales Credits. As I understand it, your idea is to allow a global refinancing of these loans under which you'll allow countries to either prepay or defer a portion of their interest payments, making up the difference in balloon payments, two or three decades down the road.

Mr. Secretary, that's going to cost the United States \$1.7 billion in lost receipts just in 1937-1988. Moreover, the idea seems to rest on questionable assumptions.

First, the nations who owe us and can pre-pay their debt, are those least in need of our aid. Why are we going

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out of our way to help the South Koreans when their economy is booming and South Korean exports are costing us?

payments are supposed to eventually make good on all their financial obligations to us. While I don't want to second-guess the intention of our allies, it doesn't seem likely to me that a country with the financial difficulties of Egypt is going to be able to pay a balloon payment of \$3.5 billion in the year 2009.

Of course, you and I won't have to deal with that crisis, but I wonder what kind of legacy this policy will leave to our children.

The United States is simply not in a position to writeoff, forget about, or multiply our level of assistance when
the federal deficit restricts most other parts of the
budget. Realism must guide us here, and elsewhere in our
foreign operations.

Do you really need more money for these programs? I do not believe that the 235 percent increase in security assistance since 1981 has made us 235 percent more secure.

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The doubling of foreign aid under this Administration certainly hasn't helped our trade situation.

We're going to have to examine these requests very carefully within our overall budget picture. And we're going to have to look closely at something else.

Eighteen years ago, we reached agreement with the Soviet Union to build new embassies in our respective countries. By 1986, we had appropriated almost \$200 million for our embassy in Moscow. The workmanship has been poor, the job is not yet complete, and all indications are that the walls have ears.

Last year, I sponsored legislation requring the Secretary of State to submit a report every six months to the Congress on any failures by the Soviet Union to meet their obligations to our embassy, and what we've done in response. The first report is due February 1, just over a week from now, and I am looking forward to having a copy of the report on that date.

Mr. Secretary, I share your view that investments we make in our allies' security are investments in our own security. Continued foreign aid can make good sense. But

unconstrained growth in these programs is neither realistic nor affordable.

It's still early in the year, and this is the time to ask questions. The key in foreign aid -- as it must be in all budget areas -- is what's the best we can do under our financial circumstances. We'll be searching for those answers in the days and weeks ahead, and I hope we can count on your help.



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                                        *שיחת השגריר עם מרפי
          *השתתפו מצידם זסודארת ווילהוהס מצידנו הציר ומתני.
     *מרפי. אפייו את שיחותיו במז'ת ספק בבדיחה כ-INCONCLUSIVE
                *אמר שפגש בבריסל את קבוצת נאטו גם בקשר לסיוע
        *כספי ליש'ע, העיר שבישראל מצא הסכמה רחבה בממשלה בענין
             *זה. שאל את מבארכ' לגבי שמועות שהוא כאילו מתנגד
         *לכך וממבארכ' שמע הכחשה לכך אך אמר שהזהיר את חוסיין
           *מפני מעשה נחפז בהקשר זה שירגיז את אש'פ' פו יחבכו
            *בדבר,אך התרשם שהמצרים היו ביקורתיים .אשר לביקור
             *עצמו.מטרתו היתה מוגבלת : להעריך אם פרטי החבילה
     +הבלתי שלמה מינואר אשתקד עדיין עומדת בתוקף בצד הירדני.
             *אמרו לכן . עדיין בתוקף ואינם נסוגים משום נקודה
           *ממנה.המלך אמר שתהיה ועידה עם המשך . מדוע? חוסיין
             *מודאג מהקצוניים ואימונו בארה'ב נפגע ולאו דווקא
       *בגלל פרשת איראו האחרונה .זו אכן הוסיפה לערעור האימון
         *כי חוסיין היה המתווך אצל צאדם לשפר היחסים עם ארה'ב
           *ופרשת איראן הינה בגידה במאמציו ,המלך מרגיש שנבגד
          *אישית. לשאלת השגריר לגבי שיתוף אש'פ, אמר מרפי שיש
          *שתי נקודות שנותרו:הרגשתו הטובה יחסית עם סוריה (לא
       *ה'ו פיגועים מאז טתיו 1985) ועדיין אותה מרירות השוררת
         *מצידו כלפי ערפאת. לדעתו:צריך קודם לעבד הפרטים בקשר
         *לועידה ואח'כ' לדון מי ייצג הפלסטינים ואח'כ' הכינוס
         *הממשי של הועידה.לשאלת השגריר,אמר מרפי שחוסיין מדבר
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\*על חמש הקבועות במועב'ט,אם היתה ועידה נוסח ועידת

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\*ג'נבה הרי שמתעורר החשש של קיטוב בין ישראל ארה'ב
\*וברה'מ. כן הוסיף, לשאלת השגריר,שהיה לו לחוסיין
\*קשר מה עם הסובייטים אך זאת כדי לדחוף אותם לחידוש
\*הקשרים עמנו. מרפי אמר,לשאלת השגריר,ששגברה'מ' דובינין
\*בא לראות את רידג'ווי וביקש לראות את מרפי.טרם התקיימה
\*הפגישה עם מרפי, בפגישה עם רידג'ווי מסר ה- STATEMENT
\* של משה'ח הסוביטי. מרפי המשיך וציין בהקשר ליחסי
\*מבארכ' עם אש'פ' שהרגשת הנשיא שאי-אפשר לנוע קדימה
\*עד שלא תהיה הבנה בין ירדן ואש'פ. מאש'פ' לא התקבל
\*דבר, חרף שליחות אלבז, המצרים מנסים לא לפגוע באסטרטגיה
\* של חוסיין וסבורים שעליהם למצוא דרך זה אל זה. לעומת
\*למצרים .יחד עם זאת קים קשר הדוק בין מבארכ' לחוסיין
\*נמצרים .יחד עם זאת קים קשר הדוק בין מבארכ' לחוסיין

\*במצרים המרוץ הוא בעניני כלכלה וטרם שמעו מהם על ה \* האשר \*שאל מה לגבינו ולגבי ה- FMS נענה שרק אתמול נתקבלו \*הפרטים שיידונו עם שוב המשלחת הכלכלית ארצה. אשר \*למצרים ''הם לא אוהבים את הסידור'' חרף העובדה שהוא \*מביא להם רווח קרוב של 200 מליון דולר לחמש שנים \*לפחות. המצרים קוו למחיקת ההבדל מ-12.5 אחוז ל-2.7 \*אחוזי ריבית. כך הבין זאת אבו גאזל כאן בטעות.

\*אשר לתשכום מראש,לשאלת הציר,אמרו שאי אפשר לערב בין
\*שתי התוכניות: חלק תשלום מראש וחלק דחיית התשלום
\*.וילקוקס וסודארת הדגישו שבדקו את הנושא .מרפי אמר
\*שהם מראש היו סבורים שאפשרות התשלום מראש אינה
\*אטרקטיבית (פרט אולי לגבי קוריאה) מכל מקום הם לא
\*נכנסו לדיון לפרטים עם אף מדינה מלבד מצרים וישראל.ענין
\* המחילה יכול גם לעורר בעיות פנים אצל קבוצות שונות
\*בארה'ב, כגון האיכרים ,גם בקונגרס אין חיבה לדבר.הציר
\*אמר שגם לגבי הסידור הנוכחי יש כאלה בגבעה שרוצים
\* לבדוק אם הוא חוקי.

\*מרפי שאל והשגריר השיב לגבי הויתור הזמני של 130 מליון \*דוכר שהדבר אינו מתאפשר מפאת ההוצאות הבטחוניות.הדבר \*נידון בעיון רב.הציר הוסיף שיהיה קשה להעביר הדבר \*בקונגרס ויותר הגון יהיה לבקש במישרין הגדלה של 130

אויסט בין וובלי ואוננו, באימי של לפספונ

#מיליון דולר לתקציב סיוע חוץ . לנו יש ענין שתקציב \*סיוע החוץ יגדל ,כי אז חלקה היחסי של ישראל יקטן \*.

\*סודארת ומרפי הזכירו את ענין הויתור על 30 מליון לטובת \*תוכניות ביש'ע השגריר השיב שאחרי עיון גם בנקודה \*זו חייבים לצערנו לענות בשלילה גם שמבחינת חוסין \*הדבר לא יועיל כל כך .

\*מרפי נשאל ע'י השגריר לגבי יחס הסעודים לגבי ביקורו \*ובו אמר שהם היו שומעים בלבד, חלקו דברי שבח לחוסיין \*והעירו הערת אגב לגבי אש'פ' שאין להם דבר לפעול ממנו.מרפי \* התרשם שהם רצו לעמוד ,,צעד אחד אחורנית''.

\*השגריר ציין שעמדתינו השלילית נשארה כפי שהיתה לגבי \*אספקת נשק למדינות ערב שאין עימן שלום וללא מום, \*מרפי ציין שאין המדובר בירדן שכלפיה לא ביקשו דבר \*מפאת הרגישות בגבעה ובישראל.המדובר הוא באבו ט'בי \*ובבחרין .בגלל החעש הכבד שיש להן מהמלחמה. אשר למלחמה \*עצמה גם כאן אין דבר CONCLUSIVE .ציין שהעיראקים \*לא ערכו התקפת הנגד בעת שהיו צריכים לעשות זאת,דהיינו \*מייד,ולכן האיראנים השיגו התקדמות בשטח.כן ציין מרפי \*טח'א העיראקי היה טוב ופעל בהפצצה לעומק אך לא בסיוע \*טקטי לפעולות קרקע.

\*הציר שאל לגבי עמדת סוריה כלפי הטרור ומרפי השיב שיש \*שינויים ,אותם הסורים כמובן לא יגדירו כשינויים .והם \*במפקדי שדה ביניהם אנשי המודיעין של חיל האויר ח'ולי \* וסעיר. יחד עם זאת אין ידיעה שאבו נידאל אינו ממשיך \*לפעול מתוך סוריה.

\*לשאלת השגריר לגבי האירופאים ולחץ מצידם השיב מרפי \*שבעיקר הבלגים (טינדמן) מגלים פעילות.לא היה שום \*דבר ספציפי אלא למרפי היה רק ה- SENSE להיות חלק \*מהתמונה. סיים ואמר ''אתם צריכים לצפות ליותר לחץ \*מהאירופאים '''.

\*עד כאן .השיחה ארכה מעל לשעה ורבע.

יותמי

## משרד החוץ-מחלקת הקשר

\* \* דף 4 מתוך 4 \* עותק 4 מתוך 32

\*תפ: שהח, רהמ, שהבט, מנכל, ממנכל, ר/מרכז, רם, אמן, מצפא, ליאור, סייבל

משרד החוץ-מחלקת הקשר # 10082 23.01.87 2 71112 1 97 \* סודי ביותר 20 TINA 4 70114 ## DJDJ of it and 8 亚亚 35 表头 \* \* \* 1,10082:DTID# \*אל :והמשרד 10: אם, רח: תו, 1000: הד, 230187: את, 529: הן, שוו: - מא 8:11\* #טודי ביותר/רגיל \*אל: מנכ''ל מדיני (משה''ח) \*טמנכ''ל מזת''ים/משה''ם +מנהל מצפ׳׳א/משה׳׳ח +דע: מנכ''ל משרד רוה''מ, מתאם הפעולות/משהב''ט. 501 hi | | | | | | | | | \*סיוע ליהודה ושומרון \*טודארת ווילקוקס פנו אלי במהלך השיחות הכלכליות כאן \*ואמרו שעל אף התשובה השלילית בענין 30 מיליון הדולר \*כיהודה ושומרון הם עדיין מעוניינים במציאות מקורות \*מימון. הם שואלים כיצד נגיב אם הקונגרס יאשר סכום \*בסדר גודל זה. עניתי שעמדתנו בנושא הובהרה בשיחות \*מרפי בארץ ואם הדברים נעשים בתאום מלא איתנו וזה רצון \*הקונגרס איני רואה בעיה מיוחדת.

\*תחושתי היתה שהם מצפים להתגייסות יותר אקטיבית מצדנו.

\*הדבר נכון לא רק לגבי הסכום של 30 מיליון דולר אלא \*גם כגוי ה- SUPPLEMENTED של 1.3 ביליון דולך 1987-5#

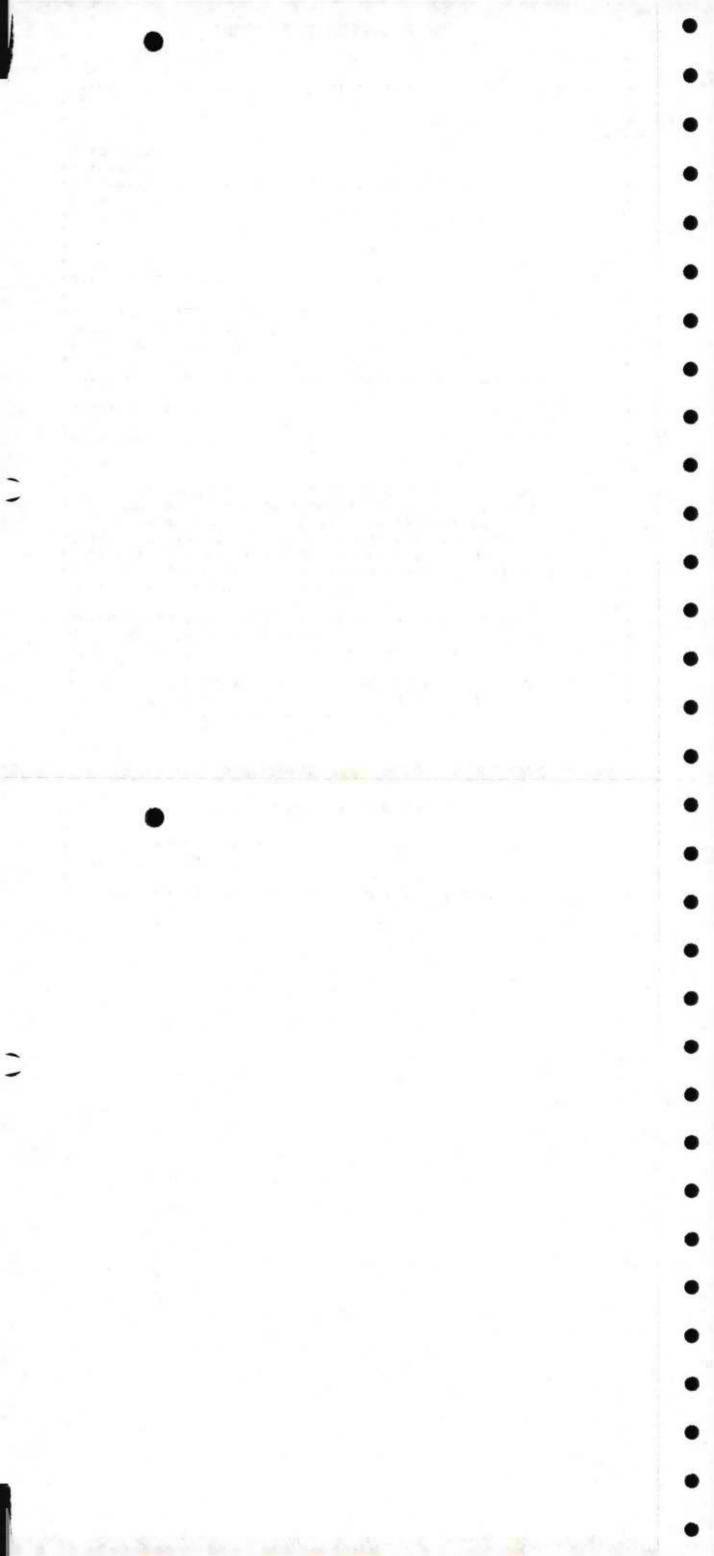
∗שהוגש לקונגרס שם אין כל סכום הקשר לישראל בדרך כלשהיא \*אך הם בדעה שלישראל ענין בהגדלת תקרת סיוע החוץ של \*ארה''ב ע''מ להקטין את חלקה היחטי.

== 171/×

## משרד החוץ-מחלקת הקשר

מתוך 2 2 97 \* 20 7172 4 7J11 #

+תפ: שהח, רהמ, מנכל, ממנכל, ליאור, מזתים, מצפא, ר/מרכז



נננס

# תארין כול מי החלון במחלקת הקשר מודי

חרזט:1,9991 אל:המשרד מ-:מרנרוביה,נר:64,תא:781025,זח:0001,דח:מיסג:ס נד:0

אל מנהל מאף

זע סמנכל פרימור יחטי ארהב ליבריה.ביקור שולץ

ז כללי

א.הבקור נמשך כ 4 שערת בלבד רכלל פגישה עם הנשיא זר.אר רחת צהרים מטעם הנשיא רמסיבת עתרנאים בשגרירות ארהב

ב.הנשיא הציג את עמדרת ליבריה במשך 40 דקרת והתיחט בעיקר לטכנות הצפוירת למשטרו מצד קושרים הזוממים לפלוש כהגדרתו לליבריה.ומצד קזאפי.דו התיחט בקצרה לבעיותיה של ליבריה ובקש שארהב תשלם את החוב ל-IMF. כך טען דו שמשטרו שואף לפיוט לאומי וכי אין עתה אטירים מדיניים וקיים חופש עחרנות

ג.שולץ לא התרשם לטובה מהצגת הדברים ע"י הנשיא ובמיוחד מהטעונים הדלים באשר לכלכלה

בטחון.

ז.לאמריקאים ידוע שליבריה שלמה 2 מליון דולר לרומניה עבור צירד צבאי שקבלה רהתחייבה בתשלום סכום דרמה עבור הספקת ציוד נוסף מרומניה שינלול 10 משורינים נרספים וטילי בתף.שולץ העלה הנושא תרך הדגשת עיניך העסקת מדריכים רומנים שהוא בנגוד לקביעות ההסכם מ-1951 ביך ארהב וליבריה בנושא הצבת משלחת צבאית אמריקנית.

## משרד החוץ-מחלקת הקשר ותרץ נושא רומניה בחופר ברירה לאור הפכנות

למשטרו ושולץ לא לחץ בנושא זה

ה.שרלץ הבהיר לדו שארהב אינה מתערבת בעיניני פנים ולמעשה דחה הכינוי פלישה שנתן הנשיא לנסיון להפיכה בסוף 85. אשר לקדאפי שולץ הבטיח שברגע שיהיה מידע ספציפי ארהב תשקול את עמדתה ומעשיה

> 3. כלכלה. ו.שולץ התיחס בהרחבה לאי הצלחת ליבריה במימוש

המדיניות הכלכלית שנקבעה לרבות אי תשלום חובות לארהב לבנק הערלמי ול-IMF. שולץ לא הגיב כלל לפנית הנשיא לחסול החוב ל-IMF ע"י ארהב.חוב זה מסתכם ביותר ממאה מליון דולר ז.שולץ הודיע לנשיא שארהב לא תשחרר שום כספי סיוע.

לרברת צבאי כל ערד לא ישרלם החוב השרטף לארהב בסך כ 2 מלירן דולר.שולץ הדגיש שהדבר בהתאמה לחוק האמריקאי בנושאי סירע חרץ ח.מנכל USAID מקפירטון שנלווה אל שולץ ויחזור

לליבריה בפברואר בראש צוות שיבחן נושאי הסיוע

4 אונוזיציה.

ט.שרלץ התרשם מהצגת עמדות מנהיגי האופוזיציה אך העלה את חמתם שעה שהכריז שליבריה הגיעה להשגים בנושא זכויות האדם.שרלץ חזר על כך במסיבת העתונאים ובהמשך נמתחה ביקורת גם ע"י מתנגדי המשטר של זו בארהב

והבהיר שאין לדעת ארהב מקום לקיום בחירות חדשות

י.שולץ קרא לאופוזיציה לקבל את המושבים בבית המחוקקים

5 ישראל.

יא.דר לא חרזר לא העלה נרשא ברית ההגנה המשרלשת. לאמריקאים ידוע תוכך מכתבו של רוהם שמיר ועמדתם בנושא שלילית.הם מסחמכים על ההסכם עם ליבריה משנת 1959 הקובע התיעצות בלבד

יב.לציון שלארוחת הצהרים שערכה אשת שר החוץ לכבוד

## אשת מזכיר המזינה הוזמנו נשות שגרירי ארהב סיך קוריאה

משרד החוץ-מחלקת הקשר

קמרון וישראל בלבד יג.ביום הביקור נעצרו מספר מפגינים נגד הבקור שנשאו כרזות בגנות ארהב ובגנות התערבות ישראל בעיניניה של

ליבריה יד.שולץ שבח את דו על עמדתו בהררה אך למעשה לא חלה הפשרה ביחסי ארהב ליבריה כתוצאה מהבקור.לליברים ברור שהמשך הסירע מותנה בתשלום חובות.האמריקנים בדעה שבאפשרות

הליברים לעשרת זאת אם יצמצמו ערד את הוצארתיהם.האמריקאים טרענים שהנשיא דו השתמש בנספים שנועדו לתשלום חוברת לרכש מרומניה וני בדעת זו להוציא כ 8 מליון זולר לבנית חומה סביב הארמון ע'י חברה פינית טר.למחרת הבקור העלה זו בפומבי זרישה שהאמריקאים ישקלו פצוי לליבריה עבור השמוש במתקני ארהב שבליבריה ונן

פצוי לליבריה עבור השמוש במתקני ארהב שבליבריה וכן יותרו על חובה של ליבריה לארהב עבור בנית נמל מונרוביה לפני 40 שנה.אין בדעת האמריקאים להגיב בשלב זה.לליברים הובהר שמק פירטון לא ידון עמט על ביטול חובות טז.האמריקאים לא מוציאים מכלל אפשרות שהליברים יפנו

טז.האמריקאים לא מרציאים מכלל אפשרות שהליברים יפנר לעזרה למקורות אחרים כמו הציר המזרחי אלגיר וקופי.אן רואים זאת בסבירות נמוכה.מעריכים שמקורות אלה אינם נוטים לתת טיוע כספי ואילו קואפי עסוק מאד בצאיד

יז.ארהב אינה מוציאה מכלל חשבון אפשרות של הסרת תמיכתה

בנשיא זר לטונת אשיות אחרת איבצן

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ה. שרלץ הבהיך לדר שארחב אינה מתערבת בעיניני פנים ולכעשה דחה הכינוי בלישה שנתך הנשיא לבסידך להבינה בסוף 85. אשר לקואבי שולץ הבטיח שברגע שיהיה תיוע ספציני ארהב תשקול את עמדתה ומעשיה

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ליבריה

יר.שרלץ שבה את דר על עמדתר בהדרה אך למעשה לא חלה
הפשרה ביחסי ארהב ליבריה בתוצאה מהבקור.לליברים בדיר
שהמשן הסיוע מדתנה בתשלוס חובות.האמריקבים בדעה שבאפשרות

שהמשן הסידע מדחבה בתשלדם חדבות.האמדיקבים בדעה שבאמשרות
הליברים לעשות זאת אם יצמצמו עוד את הוצאותיהם.האמדיקאים
טרעבים שהבשיא דו השתמש בבספים שבועדו לתשלדם חדבית
לרבש מרומניה דבי בדעת זו להוציא ב 8 מלידן זולר לבנית
חומה טביב הארמון עיי חברה בינית

טר.למחרת הבקור העלה דו בנותבי זרישה שהאמריקאים ישקלו

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## NEWS SUMMARY JANUARY 23, 1987

### EDITORIALS

NYT-"Looking to Bonn for Bravery"- Failure of Germany to turn over Mohammed Ali Hamadei would confirm for terrorists that the West talks tough and acts timidly. The world must look toward Bonn for courage and nerve inspite of knowledge that the U.S. engaged in arms-for-hostages dealings with Iran. The U.S. is in a poor position to preach firm antiterrorism but turning Hamadei over would reestablish sensible and credible policy for the world.

NYP-"Bonn dare not soften on terrorism now"- Washington is right to insist that West Germany adhere to the extradition treaty. Bonn has been disturbingly shuffling its feet in the past few days. Any deal to exchange terrorists for hostages ranks as a defeat in the battle against terror.

ND- "Kohl Dilemma - why Hamadei must go": Kohl's decision to release Hamadei is not easy. He faces reelection next Sunday and threats from Lebanon that a West German hostage will be killed. But the Chancellor really has no choice. The West Germans traveling to Lebanon knew the risks. To give in to terrorist demands would only invite more kidnappings.

#### COLUMNS

NYP-Evans and Novak- "White House in Retreat": Caution seems to be enveloping the White House. The offer to former Sen. Howard Baker to head the CIA is an example. The mood of caution is reinforced by the President's withdrawal from active duty. His remoteness from details is not so new. He truly beleives the press is victimizing his administration. What the administration needs now is a challenge.

ND- Collins - "The Mandate That Grew Into A Scandal": There is a dual nature to the dialogue in the press over Contragate. Press reports try to reconstruct the events, while editorials philosophize over a bitter ideological war. The liberals are

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shocked by the secrecy of the government. The whole afflar /119/6/ explodes the press buildt myth of the estcemed President. While conservatives say why pick on us other presidents have done likewise. They say whats wrong with an Imperialist presidency.

## NEWS REPORTS

## GERMAN HOSTAGES:

ND - Peracchio - "Bonn Grapples with Hostage Crisis": Opposition leaders have refrained from criticizing Kohl or suggesting alternative course of action in the crisis. The normally feisty German press has treated the stort with restrain. For the first time government officials have discussed entering into negotiations with Middle East factions.

ND- Anglican Church envoy Terry Waite sent word that he is in the second day of negotiations with kidnapers of American hostages. Waite has been assured that he will be able to meet two hostages Anderson and Sutherland. The negotiations are being held at a secret location.

## IRAN-CONTRAS:

NYT- pg. 1 - Roberts - " White House Officials Show Irritation with Shultz": White House officials are miffed with Shultz over his testimony at Congressional hearings. They say he was trying to shirk responsibility for the Iran arms deal. He is being accused of being too concerned with his own image.

WSJ- Walcot and Pasztor - Sources from the Reagan administration say that North regularly discussed his campaign to aid the contras with Attorney General Ed Meese. The contacts reportedly began after the President instructed North in 1984 to establish a private network to help the rebels. When CIA agents received requests from North and checked with their superiors they were told he was acting with the permission of CIA Dir. Casey and Adm Poindexter.

DN- The special Senate Committe will investigate reports that the administration continued to deal with Iranian officials to free hostages even after the arms sale came to light. (NYP)

NYT- Pear - "Reagan Statements on Iran Deal: The Contradictions of December": Reagans statements on the Iran affair during November and December do not correlate with the events that occured. Diplomatic initiatives to Iran did not end when he said they had.

NYT- Gerth - Former CIA Agent George W. Cave was the figure who reportedly kept in touch with the Iranians even after the whole Contragate affair hit the front pages. According to one source Shultz has told the Congressional Investigation that Cave over stepped his authority.

ND - The CIA and State Department clash over accounts of the December meeting between American and Iranian officials. The CIA feels it is getting a bum rap from the testimony of Shultz.

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NYT- Rosenbaum - New York City criminal lawyer Arthur L. Liman has been appointed chief counsel of the special Senate committee.

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ND - The judge in an arms smuggling case is leaning towards ordering the federal government to turn over defense documents involving key figures in the U.S.-Iran arms deal. The remarks came at a hearing of 17 men accused of plotting to smuggle \$2 billion worth arms to Iran at about the same time as the U.S. approved arms deal.

#### USSR-OPEC-GULF WAR:

NYT-pg. 1- Suro - "Air War Heats Up, but Teheran Still Bustles": The air war between Iran and Iraq seems to be heating up. Air raid warnings have been an everyday occurance in Teheran. The alarms are largely ignored and life goes on as usual. There was an attack north of the city a man and two children were killed. The air has important implications for Iran's domestic politics and its foreign policy. Thousands of men join voluntary military units daily.

WSJ - Seib - The response to the Iranian offensive is increasingly bloody reprisals by Iraq. Some observers think the six year old war may be reaching a decisive stage.

DN- "Iraq Bombs Iran towns"
NYT- "Kuwait Oilfield Fires Preced Islamic Sessions"
ND - "Explosion in Baghdad"

NYT- Keller - The Soviet Union said today it had agreed to cut its oil exports to help OPEC increase world oil prices. The announcement followed the visit to Moscow of the Saudi oil Minister. The cut in oil prices for Moscow produced shortages of coffee and other imported consumer goods. (WSJ, ND)

#### OTHER NEWS:

NYT- Yarrow - Hadassah celebrates it's 75th anniversary. the organization has grown into a \$60 million a year philanthropic empire. "Hadassah has been one of the most important volunteer organizations to contribute meaningfully to the establishment of medicine and eductaion in Israel" said Moshe Yegar, the Israeli Consul General in New York.

NYT- Blair- The Anti-Defamation League and Bnai Brith reported that the acts of anti-Semitic vandalism against Jewish property has declined 7% last year. Harassments, assaults and threats against Jews has increased slightly.

ND - Chad army killed 193 Libyans in operations against that

country.

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ND- Pakistan charged Afghanistan attacked military outposts at least five times since the governments cease fire on Jan. 15.

NYP - Good Morning America ABC's morning program is sending David Hartman's replacement, Charles Gibson, to Hollywood for the first week of the important ratings period. CBS's new Morning Program has failed to do better than the Old Morning News.

#### LETTERS:

NYP-

After Cardinal O'Connors bungled trip to Israel Holocaust studies include several sections on the Vatican -- John Gmerek, Queens --- Religious prejudice was revealed in recent letters to the Post following O'Connors trip.

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## NEWS SUMMARY JANUARY 22, 1987

#### COLUMNS

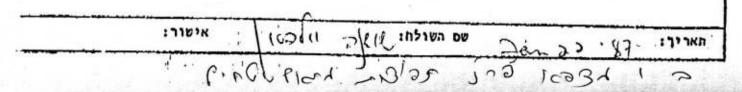
ND - Arthur Hertzberg (prof. of religion at Dartmouth College) "The Vatican Lost the Most": A semblance of harmony has returned
to the relations between Catholics and Jews in New York. But the
matter should not be forgotten. The Cardinal implied that the
Vatican might consider being arbiter between Jews and Arabs.
Peace can begin only when all representatives of various agendas
can find some compromise, while sitting as equals at the same
table.

NYP - Ariel Sharon - "Hostages and Terrorists": Unlike Europe and the U.S. Israel is unfortunately familiar with the taking of its nationals as hostages. It has been our policy not to yield to terror despite horror stories of torture. But sometimes Israel has also had to yield as in the exchange of 4,598 terrorists for 6 Israelis in 1983. The tactical retreat of the Americans by sending limited quantities of arms to free hostages does not signal a fundamental change the Reagan-Shultz policy of an iron fist against terror.

#### NEWS REPORTS

#### IRAN SCANDAL

NYT - pg. 1 - "Shultz Discloses Secret Iran Talks until Last Month" - David Shipler- During testimony to the House foreign Affairs Committee Sec. State Shultz said, that even after the sale of arms to Iran came to light, the U.S. through the CIA continued to maintain contact with the Iranian representative. He said the channel of communication was finally closed after President Reagan ordered it, but it might still be open if CIA Dir William Casey had not been hospitalized. The Iranians claim they had a nine point agenda with the Americans which included urging Kuwait to



591/113/59 free 17 Shiite terrorists. Apparently Poindexter had been pressing Kuwait. He testified he did not know if the nine point agenda had been accepted by the White House. (ND, NYP DN)

NYT- The suite in the Olympic Towers belonging to Saudi investor Adnan Kashoggi has been attached in a dispute over money a British company claims he owes them. This is the latest in a series of set backs for the multi-millionaire. The suite has 16 apartments on two floors.

NYT- Rosenbaum - President Reagan will be questioned by his special commission investigating the National Security Council in light of the Iran - contra affair. The commission will have until Feb to report its findings. A number of White House documents will be turned over to the committee next week.

NYT- Sen. David Boren, speaking at a conference on terrorism sponsored by Time magazine said, he believed President Reagan did not intend to trade arms to Iran for hostages. He says the government should resist taking incidents as hostage taking and turning them into a major national concern.

ND - Susan Page - Congress is drafting legislation to curb the activities of the CIA after it was disclosed that the arms sales and negotitations for hostages were done through the CIA. Leading Republicans are urging Pres. Reagan to replace ailing CIA director William Casey. Some Senators are concerned that recent events might prompt an over reaction to curb activities of the CIA.

ND - Gutman - A statement by the Nicaraguan Democratic Forces said that the the U.S. cannot expect the contras to fight against the Sadinistas if its support is going to be so wishy washy. This is the first public challenge of U.S. strategy. statement further said that a continuin war would only weaken the fabric of the society breaking the moral justification of the cause - national reconciliation.

## TERROR

NYT- pg.1 - "Bonn Hesitates on Extraditing Terror Suspect"-Markham -: The West German government is reportedly hesitating whether or not to extradite the Lebanese terrorist they are holding who is responsible for the TWA hjacking. This follows the kidnapping of a West German in Beirut. Chancellor Helmut Kohl is facing a general reelection on Sunday and has imposed a news blackout. (ND, NYP, DN)

NYT- Terry Waite is said to be meeting with the captors of two Americans still being held in Beirut. The negotiations were being held in secret.

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OTHER NEWS

ND- Militant Jewish leaders in Israel called on Prime Minister Yitzhak Shamir to resign. Shamir had suggested that he would be willing to trade occupied land for peace with the Arabs.

NYT- Cushman - Iran claims to have captured a town east of Basra, Iraq. American officials say Iran's recent progress has been slight. Spokesperson for the State Dept. said that the Iraqis are well armed and both sides are being called on to negotiate a peaceful settlement. (ND)

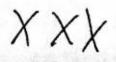
ND- Mayor Koch is planning to leave on a ten day vacation to Poland and Hungary. He will meet with Polish and Hungarian mayors. Koch's parents grew up in a small Polish town. Koch plans to visit the Auschwitz death-camp. He says he wants to see where the Nazis killed his relatives. His trip is strickly unofficial. (NYP)

NYP - Nine Israelis were arrested in Brooklyn for operating a drug network. The heroin was smuggled into Brooklyn via Turkey, Thailand and Montreal. Among those arrested were several Israelis who owned businesses in Brooklyn.

NYT- Berger -"Weisel Warns of Peril in Disunity Among Jews": Elie Weisel winner of the Nobel Peace prize warned that the greatest threat to the Jewish people, greater than anti-Semitism or assimilation is internal disunity. He said extremism on the right is met by extremism on the left. Mr. Weisel was addressing a gathering at the 92nd Street Y in New York. Growing tensions over "who" is a Jew and relations with Israel are of concern.

NYT- In a small library in Miami two rabbis, a priest and four other were discussing passages from the Gospel of St. John that have negative inferences to Jews. This is part of an international effort to confront what many agree is Anti-Semitism in the teachings of the Roman Catholic Church. The project is sponsored by the Anti- Defamation league.

NYT- Boyer - In response to criticism that PBS programs have a liberal slant, the Corporation for Public Broadcasting is going to analyze its programming.



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O Speaking of testimony, does the State Department have information that the ontacts with the Iranians continued after the disclosures made in November by Attorney General Messe?

MR. REDMAN: First, there were cotacts with Iranians. The President and the Secretary have stated that Iran is a strategic country, and because of our interests in the region, we have a legitimate interest in better relations with Iran. However, we will not discuss further arms shipments to Iran, and we are exerting all our influence to discourage arms sales to Iran by other countries. The Secretary said, in his December 8th testimony before the House foreign Affairs Committee, "Iran cannot expect a better relationship with us until it acts to end the war with Iraq, ceases its support for terrorism, and uses its influence with those who hold our hostages to achieve their freedom." That's the end of the quote. But since the Secretary's appearance yesterday was in closed session, I really can't give you any other details concerning that testimony.

Q What you just said was unclear to me. You began by saying there were contacts with Iran. My question was, were there contacts after November 25th. Is your statement is a positive response that there were, in fact?

MR. REDMAN: There were contacts with Iranians.

D After November 25th?

MR. REDMAN: That's right.

And what I also deduced from what you're saying is that, since they involved demands by the Iranians for further arms, they were broken off under the policy that you have described.

MR. REDMAN: Beyond that, I can't go into the details of the testimony, as I've just said. I have described the guidelines, the groundrules, the policy, so that any contacts with Iran would be conducted under those guildelines, under that policy.

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Chuck, any update on the Iraq-Iran war?

MR. REDMAN: A very short one. Fighting continues in the Fish Lake area east of Basra. There has been no significant movement of forces over the past 24 hours. Because you asked the question, as we've repeatedly said before, we're disturbed at the continuing fighting in the area and the tragic loss of life. We deplore Iran's occupation of Iraqi territory, and reemphasize our view that this occupation of Iraqi territory, and reemphasize our view that this war must be ended on the basis of a negotiated or mediated war must be ended on the basis of a negotiated or mediated settlement that preserves the territorial integrity and sovereignty of both countries. We call on Iran to join Iraq in its willingness to pursue negotiations to end the war.

Q When does(?) the administration plan to notify Congress on the sale of squadron of F-16's to Bahrain? Anything on that?

MR. REDMAN: Let me cover two questions. First, we notified Congress Wednesday, yesterday, of the intention of the FMC Corporation to sell to Saudi Arabia 200 Bradley Fighting Vehicles.

This would be a direct commercial sale that requires a State Department license. The details of that sale remain to be negotiated between the commercial supplier and Saudi Arabia, so I don't have numbers to offer. Beyond that, we have notified Congress informally -- informally, in line with standard procedures on FMS sales, of our intention to make other arms sales. But in this case, the details have to remain classified until formal notifications to Congress are made.

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## Contra Aid Sought of Six Nations

Israel Sent Arms As Early as 1984, Senate Panel Finds

> By Bob Woodward and Don Oberdorfer Weekington Post Staff Writers

Over the last several years, Reagan administration officials have solicited assistance for the Nicaraguan rebels from at least six countries—Israel, Saudi Arabia, Brunei, Singapore, South Korea and Taiwan—according to information furnished to congressional committees probing the Iran-contra affair.

Most of the solicitations apparently were unsuccessful, but two congressional sources said yesterday that the Senate Select Committee on Intelligence has evidence that Israel contributed weapons to the contras as early as 1984 in response to a U.S. request.

Israel has repeatedly denied providing money or weapons to the contras, and an Israeli spokesman repeated that denial yesterday.

Secretary of State George P. Shultz previously confirmed a single State Department solicitation to a country identified by other sources as the sultanate of Brunei.

In recent days, he has reported to investigators that, in fail 1985, the department also discussed a Singaporean contribution of long-range radios that was never made, according to administration sources.

In addition, Shultz has told investigators that he has received secondhand and sketchy reports that other government agencies solicited contributions to the contrast from Saudi Arabia and South Korea, the sources said.

In addition, sources said the Senate panel has developed information that a U.S. solicitation was made to Taiwan, South Korea and Saudi Arabia for contra aid. The commit-

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tee has developed no evidence that contributions were made.

The idea of soliciting other countries on behalf of the contras reportedly originated in early 1984 when Congress balked at a Central Intelligence Agency request for an additional \$14 million to help them.

At meetings of an interagency group of State, Defense, CIA and White House officials involved in supervising the covert war, sources said, Lt. Col. Oliver L. North, then a National Security Council staff member, favored obtaining other governments' help.

"North was consumed with getting alternative funding for the contras," said a source who attended the meetings. "He said, 'These guys can't die on the vine.' " Israel, Taiwan and South Korea were mentioned as possible contributors then, according to the source.

Another source at the meetings

said North mentioned those countries but added that the CIA, not the State Department, was expected to solicit the countries unofficially through intelligence or diplomatic channels.

As previously reported, in spring 1984, a senior CIA official approached the Saudis, who turned down the request. Saudi officials and spokesmen have repeatedly denied assisting the contras.

Nonetheless, sources said that, later that year, an associate of retired Air Force major general Richard V. Secord again approached the Saudis, who again turned down the approach, the sources said. In addition, sources said the chairmen of two large U.S. corporations unsuccessfully attempted to obtain Saudi government money for the contras.

Former national security adviser Robert C. McFarlane has testified before congressional committees that, according to his best recollection, Gen. John W. Vessey, former chairman of the Joint Chiefs of Staff, told him after McFarlane had left office that the Saudis had provided \$20 million to the contras.

But the sources said McFarlane had no independent knowledge that the Saudis had provided money. Vessey could not be reached for comment yesterday.

Shultz' reference to a reported solicitation of Saudi Arabia was based entirely on a telephone call from McFarlane last summer, according to informed sources.

Israel, according to a U.S. source, was asked in early 1984 to contribute arms to be paid for later or not at all, or funds from the Israeli treasury to help tide over the rebels until Congress could be persuaded to restore U.S. financial support.

The Israeli government, then as now headed by Yitzhak Shamir, is said to have given formal consideration to the request, which originated from the NSC and the CIA with State Department knowledge. But Shamir is said to have turned

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down the bid at that time on grounds that aid to the contras could severely damage Israel's re-

Assistant Secretary of State Elliot Abrams last summer, has been widely reported. But Shultz told the House Foreign Affairs Committee Wednesday that he still does not know what happened to the money.

The previously undisclosed solicitation of Singapore occurred when humanitarian assistance for the rebels had been authorized to begin Oct. 1, 1985, a State Department official said. It was unclear then whether this U.S. assistance could include such items as radios, which the official said were needed to facilitate air drops inside Nicaragua of "humanitarian" supplies.

Singapore was asked if it manufactured long-range radios of the type needed, according to the official, But, State Department officials said yesterday, Singapore replied that it did not make them, ending the matter.

Little was known yesterday of the reported solicitations of South Korea and Taiwan. Officials of both governments in Washington said they had no information on such requests.

The legality of soliciting other governments to aid the contras is complicated and depends on when the solicitation occurred and whether the requested assistance was for weapons or "humanitarian" aid.

Shultz's testimony Wednesday about continued U.S. meetings with Iranians as recently as last month brought new congressional comment yesterday but no new information from the administration.

White House spokesman Larry Speakes referred questions to the State Department, where spokesman Charles E. Redman confirmed the December contacts but refused to elaborate, saying Shultz had spoken in a closed session. שלנו בטעוני בסעום. בסעום מונד בסעום בשנו ביים בשנו ב

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# Shultz Reportedly Tells Panel That CIA Continued to Meet Iranians in December

By Robert S. Greenberger And David Rogers

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON - Secretary of State George Shultz told Congress that Central Intelligence Agency officials met with Iranian contacts in Europe last month even though the State Department had broken off similar talks shortly before, according to congressional sources.

Mr. Shultz told a closed-door hearing of the House Foreign Affairs Committee yesterday that State Department and CIA officials met with the Iranians in Europe on Dec. 6, but that the department ended the session when the Iranians wanted to discuss exchanging weapons for American hostages, the sources said. But Mr. Shultz said that CIA officials nevertheless held another session with the Iranian contacts.

The December meeting occurred after the White House had set off a political firestorm by disclosing in November that some of the profits from secret arms sales to Iran had been funneled to the Contra rebels battling Nicaragua's leftist government.

Mr. Shultz also told the committee that he was aware of several sources of funding for the Contras, and that the State Department was involved in three of those, according to sources at yesterday's hearing. These activities were taking place at a time when Congress had prohibited the U.S. from providing aid to the Contras.

Mr. Shultz's references to the sources of funding was a reminder of the intricate corporate network that has overseen a supply line on behalf of the Contras running from Switzerland to Central America. Information from public records in various countries yesterday shed new light on some aspects of this network.

Intelligence sources said yesterday that the CIA was seeking to build Iranian contacts and was reluctant to cut off the sources it had developed.

#### 'Draft Agenda' of Demands

The sources said Mr. Shultz told the panel that at the Dec. 6 meeting, the Iranians produced a nine-point agenda that contained both American and Iranian demands. Mr. Shultz said the State Department officials at the meeting hadn't previously seen the document, which he called a "draft agenda."

According to one source, Mr. Shultz said the draft agenda contained a proposal to exchange about 1,000 TOW antitank missiles for four American hostages. Mr. Shultz also said the State Department has a copy of the draft, but wasn't certain whether it was the latest version.

When the State Department officials concluded that Tehran still was interested in exchanging weapons for U.S. hostages held in Lebanon by radical groups under Iran's influence, the department officials decided to cancel the Iranian "channel," Mr. Shuitz told the committee.

Mr. Shultz added that the State Department officials then flew home, the sources said. But, he added, the CIA officials remained and held another session with the Iranians. Mr. Shultz told the panel that he was furious because shortly after the Iran scandal broke, President Reagan said that he was putting the State Department in charge of policy on Iran.

He told the committee that he tried to call President Reagan last month to complain, and was further angered when a White House staff member asked why he wanted to talk to the president, the sources said. Mr. Shultz then called President Reagan on a Sunday morning and was invited by Mr. Reagan to come over.

#### Complaints About Israelis

Mr. Shultz also told the committee that Israel was an active player in the dealings with Iran, the sources said. According to a source at yesterday's hearing, although Mr. Shultz didn't blame Israel for the U.S. actions, he indicated to the panel that "every time he was told the deal was dead, some Israeli would come over and stir the flames."

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Some congressional sources suggested that Mr. Shuitz used the hearing to defend himself and his department and to blame other agencies for the Iran-Contra affair, as he has done since the scandal broke.

One committee member. Rep. Robert Torricelli (D., N.J.), said that Mr. Shultz was "thoroughly organizing his own defense. He outlined the limits of his knowledge, and he won the sympathy of the committee by convincing them that George Shultz was a victim."

One congressional source said Mr. Shultz referred repeatedly to "another country" when discussing the three sources of Contra funding that the department had been involved with. However, one panel member said he concluded that Mr. Shultz was referring to three countries: Brunei, Saudia Arabia and Israel.

State Department spokesmen have said that department officials solicited a \$10 million contribution from the sultan of Brunel, one of the world's wealthiest men. Other Reagan administration officials have said that the Saudis have given money to the Contras, but the Saudi government has denied making such contributions.

Mr. Shultz also told the panel that the State Department was involved in contacting another country—presumed to be Israel—to acquire communications equipment for the Contras. He said, however, that the country didn't have the kind of equipment needed by the Nicaraguan rebels, the sources said.

Reagan, Commission to Meet

Meanwhile, the White House announced that President Reagan will meet Monday with the Tower Commission, which is reviewing the National Security Council's role in the Iran-Contra affair.

The commission originally was given until the end of January to complete its work. The deadline has been extended to Feb. 19 because of a larger-than-expected work load. White House spokesman Larry Speakes said some 40 witnesses have been interviewed, and the panel wants to talk to 15 to 20 more.

The meeting Monday will be Mr. Reagan's first with the three-member commission, headed by former Texas Republican Sen. John Tower, which was appointed in November. Mr. Speakes said the panel members "will probably ask for his (Mr. Reagan's) recollections" regarding the role of the national security staff in the afMr. Reagan met yesterday for 25 minutes with David Abshire, his special counsel on the Iran-Contra affair. Sources said Mr. Abshire briefed the president on conversations he has had with members of the House and Senate select committees investigating the affair.

Mr. Abshire also met with leaders of the Senate select committee and pledged his cooperation. Chairman Daniel Inouye, (D., Hawaii) said significantly more records would be made available than those reviewed by the Senate Intelligence Committee in its inquiry late last year.

Information from public records in Panama. Switzerland and Bermuda provided a new aspect to the supply network to the

Please Turn to Page 24, Column 1

Contras. Panamanian shell corporations figure prominently in this network, and a check of Panamanian records establishes a close connection between a Geneva-based financial-services company, Cle. des Services Fiduciares, or CSF, and a front company that owns a freighter used in shipping arms to the Contras.

The Panamanian company, Dolmy Business Inc., was established in November 1985 by a Panama City attorney had performed similar services for the supply network. Dolmy's top officers include Roland Farina and Jacques Mossaz, who are linked to CSF.

According to Swiss records, Mr. Mossaz once was affiliated with an air-transport company that reportedly played a role in the dealings with Iran. According to Bermuda records, Mr. Farina is linked to a Bermuda firm, CSF Investments, that reportedly helped finance the purchase of aircraft for the guerrilla forces.

Both men have been associated with Willard Zucker, a Geneva attorney and principal in CSF who has had longstanding ties to businessman Albert Hakim, and through him to former Air Force Maj. Gen. Richard Secord.

Mr. Hakim and Gen. Secord were the principal overseers of the network, according to intelligence sources. Meanwhile, Mr. Zucker emerges as the legal expert in the network and Gen. Secord's friend, for CIA official Thomas Clines, appears more a field operative.

The history of the freighter, Erria, and its travel, first identified in detail by the Los Angeles Times, corresponds with previous accounts given by intelligence sources of a shipment of arms for the Contras through Honduras in 1985, and an unsuccessful effort off Cyprus last May to win the release of U.S. hostages in Lebanon. That effort included a \$1 million ransom put up by Texas billionaire H. Ross Perot.

סונ בסחוני. שמור..... דריינות בסחוני. שמור.....

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שברירות ישראל - וושיבגטון

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1/2

אל :- מנכ"ל מדיני מנהל מצפ"א דע :- לשכת ראה"מ, לשכת שר האוצר

### חיוע לישראל

סודארת שאלני אם בפגישת השגריר עם מרפי ניתן תשובה ביחס להצעתם לקיצוץ הריבית על מלוות הסיוע. אמרתי שאנו מצפים לנייר המפרט את ההצעה ואיני צופת תשובה בימים הקרובים, שכן הענין בלימוד.

הבוקר הם הגישו למנכייל האוצר את הטבלה המפרטת את התשלומים הצפויים. ראו נייר המסביר את האופציות.

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- -- Israel faces many difficult economic choices in the coming months as it struggles to reduce inflation and restore growth. The process is made no easier by the heavy repayment burden caused by the high interest rates on a number of outstanding loans under the Foreign Military Sales [FMS] program.
- -- Last year President Reagan directed the State and Treasury Departments to find ways to help relieve that burden. I am very pleased to report that the President has approved changes in the FMS loan program which could allow Israel to reduce substantially its interest payments on FMS loans.
- -- President Reagan took this action, despite numerous administrative obstacles and possibly large budget costs in future years, in an effort to provide the maximum possible flexibilty and support for countries with which the U.S. shares important common security interests.
- -- Countries to which we are offering this will be eligible to seek adjustment of the terms of FMS loans under two options.
- -- Under the first option, we would reduce the interest rate applied to FMS debt from the current average of 12.4 percent to the prevailing market rate for Treasury securities of comparable maturities, currently about 7.2 percent. The difference between payments due under the current and newly-adjusted rates would be capitalized for repayment at the time each loan matures, starting in 2001 and running through 2014. Interest, of course, would accrue on the capitalized interest (compounded semi-annually), but its repayment would be deferred until the maturity of each loan.
- -- At present rates, we calculate the debt service relief would amount to about dols 200 million in 1987, and about dols 300 million annually in 1988-90. Beyond 1990, the savings would decline slowly year by year until the maturity date of each loan, when the capitalized interest and the accrued interest thereon would come due as a balloon payment.
- -- Under the second option, Israel could adopt the second approach which would be to prepay the outstanding principle on any of its high interest FMS loans at their par value without penalty. If this option were selected, Israel must use either its own funds or funds raised from non-U.S. Government sources and without a U.S. Government guarantee.
- -- When we receive confirmation of Israel's interest in our FMS options, we will make arrangements for a meeting of experts to work out how the options would be applied to Israel's circumstances and to review technical details.

1110 0110 דף...ו... בתוך..ו... דפים סווג בסחוני...שמור

רחיפות....מיידי

שברירות ישראל - וושינגקון

בטחון

מאריך וזאת 1330 cmm בי מול8 

אל :- מנהל מצפ"א

דע :- מקשייח

## קונגרס : נשק למדינות ערב

## א. סעודיה - משוריינים

הנוטיפיקציה הבלתי~רשמית על כוונה למכור 200 משוריינים מדגם ברדלי הגיעה לקונגרס אתמול (21). כידוע, כעבור עשרים יום מגישים הודעה רשמית, הנותנת לקונגרס פרק זמן של 30 יום לפעול.

# ב. מטוס את-16 לבתריין

לדברי מקור מהימן, ההודעה הכלתי~רשמית "בדרך" גם כן, אך נכון לאתמול בערב טרם הגיעה לוועדת החוץ בסנט. יש להניח שתגיע עד סוף השבוע.

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שברירות ישראל - וושינגסון

המשרד + בטחון

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BINN. ר/מקשייח משהבייט -: דע :- מנכייל משהבייט

ייגאותיי

שוחחתי טלפונית עם ולד. אמר שבקשר אתכם על התאריכים וכי עובדים על 1-2/4 או 6-7/4. הוסיף שככל הנראה ארוחת ביטל ארוחת ביטל ארוחת הצהרים שלנו אבל השלג ימס בימים הקרובים....

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דף..ו...מתוך...ו..דפים סווג בסחוני.. סודי ביותר

דחיפות...רגיל.....

87 אריך וזיית. 1400 ב2 ינו 87

1,9254:0710 אל:המשרד מ-: בריסל, נר: 151: תא: 210187, זח: 1330: דח: מ, סג: ס

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אל מנהל אירופה 1, מנהל מצפ'א

השגריר בון דע השגריר-ואשינגטונ מאת השגריר בריסל

מידי

הנדון: דיווח מורפי לנציגי נאטו. להלן משגריר רפג ליד נאטו, שחזר וביקש להימנע מכל

התיחסות אליו, על דיווח שמסר (16) מורפי לנציגי המדינות החברות:

בין בעלות הברית גם אם הנושא שנדון אינו בתחום עיסוקיה. ב. הסיבה לסיורו האחרון היתה לנסות לקבוע אם על רקע ההאשמות כנגד ארהב בעניין אספקת הנשק לאיראן או חוסר האיכפתיות שלה (INDIFFERENCE) כביכול , ישנה אפשרות לקדם תהליך שלום או רעיון הועידה הבינלאומית בעניין הסכסוך הערבי-ישראלי.ההתפתחויות

א. הישיבה נמשכה כשעתיים ומורפי עשה רושם טוב מאד ושל מי שמדבר בפתיחות ובכנות. לכל הדעות היה הדיווח שמסר והדיון שהתנהל לאחריו דוגמה טובה של התייעצות

ב -85 וב-86 צמצמו חילוקי הדעות בין הנוגעים בדבר באזור בעניין הועידה ושיפרו סיכויי כינוסה

בצורה שתבוא לקראת התנאים היסודיים של הנוגעים BASIC CONDITIONS COULD BE MET משרד החוץ-מחלקת הקשר מרפי הדגיש שמדובר בקוים מנחים כלליים ( GENERAL (GUIDELINES בלבד ולא בהסכם . דיבר על פרוצדורה בלבד ולא על תוכן.

#### השיב מורפי שאין זה סוד כי קיימימ הבדלים בין רהם לבין מם רהם ושהח . האחרון פתוח יותר ואילו

ישנם יסודות מסוימים שיכלו לתת מקום לתקוות כלשהן. מכל מקום הרושם שקבל בירושלים ובעמאן הוא שישנה . אפשרות לקדם התהליך . ברור שארהג תתמוך בכך

בתשובה לשאלת הנציג הדני על העמדות השונות בישראל,

של גישת המלך הירדני , המוכן לדחות סוגיית שתוף

היחסים הדיפלומטים עם ישראל והתרת יציאת היהודים.

השיב מורפי כי להערכתו חוזר כי להערכתו שאלת יציאת היהודים חשובה יותר לישראל מאשר חידוש היחסים.

וארהב בדיעה שעליה לשלם המחיר לכך,

הפרסטינאים.

המפרץ.

(CREDIBILITY

- השניה: . MD1

ברורה.

כשאלת נציג רפג,

רהם סקפטי ורואה בכל העניין FLIGHT OUT OF REALITY והוא רוצה בשיחות בילטרליות עם ירדן ועם סוריה. . מורפי הצביע לאחר מכן על הבעיה הגדולה של אשף בהקשר זה ציין כמעודדת העובדה שחוסין לא עמד על שתוף אשף או נציגים פלסטינים בשלב זה. לעומת זאת מובראך לא היה באותה דיעה . גישתו של נשיא מצרים מכחלישה עמדת חוסין. בהמשך חזר מורפי על חשיבותה

באשר לברהם , מצרים וירדן רוצות בשיתופה ואילו ישראל

עי חידוש

בכ'א

אם זהו תנאי מוקדם כשתוף ברהם ,

מרפי סיפר כי שגריר ברהם בואשינגטון אמר לריג'ווי תת מזכיר המדינה לענייני אירופה ויחסי מזרח-מערב שממשלתו מעוניינת בכנוס ועידה בינלאומית. הלשון בה משתמשים הסוביטים היא כלא ספק מתונה יותר. אך אין למהר ולהסיק מסקנות לגבי העמדה הבסיסית שלהם. באשר כהמשך , אמר מורפי כי יש להמתין לפיסגה האיסלאמית

משרד החוץ-מחלקת הקשר ועל פעילותו בהוסיפו שפעולות ירדן מועילות ( ט וחשובות לשיפור רמת החיים . מצרים ( USEFUL ) וחשובות לשיפור רמת החיים . מצרים לעומת זאת מהססת מעט משום שלא ברור לה מה חושב אשף באמת . אם יתנגד אשף ( וככל הנראה לא רק בהכרזה פה ושם ) תהיה מצרים זהירה יותר .

מורפי ציין שאמצעים כספיים נוספים רצויים . ציפיות האוכלוסיה גדולות- ואם לא יהיה דבר , יעלה כוחם של הרדיקלים . טוב איפוא אם מדינות אירופה תוכלנה לעזור לתהכיך זה בשטחים. ( בן שיחי העיר כאן שמורפי שם יותר זגש על הגדה מאשר על עזה ). עם זאת יש להיות

מההתפתחויות . היה VERY BITTER כלפי אהב והזכיר שירדן היתה זו שפתחה עיראק בפני המערב וסכלה הדרך

מודעים לכך שאין זה תחליף לתהליך השלום.

# ג. לאחר מכן ענה מורפי על שאלות:

בדברו על המפרץ מסר מורפי שחוסין מודאג מאד

הדגיש שארהב בחושה בדעתה ( DETERMINED ) לא לספק עוד נשק לאיראן חוזר נשק לאיראן ורוצה לעודד בעלי בריתה לעשות כמוה . 2. מורפי מנה שלוש סיבות לאספקת הנשק לאיראן עי ישראל:

- הראשונה: עיראק אויבת גדולה יותר מאיראן.

לחידוש היחסים בינה לבין ארהב.

. בעניין אספקת הנשק לאיראן

15.3 עד 20 אחוזים מהגשק המגיע לאיראן מגיע מהמדינות הקומוניסטיות . בשיחה הבילטרליות ביקשו חוזר בשיחות הבילטרליות ביקשו האמריקנים מהסובייטים שישפיעו על צפון- קוריאה שלא תספק נשק לאיראן, אך הסובייטים

משרד החוץ-מחלקת הקשר

נוספת עם ההנהגה הנוכחית של אשף . לראשי הארגון אין תחושת דחיפות באשר לתהליך השלום . עמדת עראפאת ,338 בעניין 342 בעניין ההכרה בישראל ובעניין הטרור אינה

לא התחילו בימי הליכוד. ציין עוד שאין התנחלויות חדשות בגלל בעיות כספיות. תכנית ממשלת האחדות לא בוצעה . ישנה אף בעיה של עבוי הישובים הקיימים גם משום שאין רבים המוכנים להתיישב בהתנחלויות הקיימות. . סוריה בהתיחסות למאמר שפירסם גדעון רפאל בואשינגטון פוסט אמר מורפי שהם מודאגים מהנשק המתוחכם ( שבידי סוריה

העובדה שישראל הסכימה לפעילות ירדן מצביעה על כך שהיא מעדיפה חוסין על ערפאת . זו הוכחה לכך שירדן יכולה לעשות דברים מסוימים שאשף אינו יכול לעשות אע'פ

כשאלת הקנדי ענה מורפי שאין חדש . הוסיף שההתנחלויות

באשר לסורים, הם קשים, אכזרים וגאים . מורפי הדגיש כי הלחץ המערבי על סוריה חייב להימשך הן במישור

ברהם.

. כמעשים

DOES'NT ) אך ישראל אינה מרגישה בלתי בטוחה ( ? ואסד זהיר . בלעדיו ( FEEL INSECURED תהיה סוריה מסוכנת יותר. מעורבות סוריה בטרור. הטרור הוא חלק מתשתית המשטר . ישנן ידיעות שלאחרונה

ברהם מעוניינת ביציבות מסוימת באזור מחשש לעיליית כוחו של הפונדמנטליזם האיסלאמי, זאת גם בגלל השפעתו על אזורים מסוימים בברהם עצמה .

הועידה הבינלאומית.

.11127 יכא תפס מקום בשיחות שניהל בסבוב . VERY GLOOMY המצב האחרון, חוץ מאשר בירשושלים שם הוצג נושא הבטחו ואדל . הסיכוי לשפור יהיה רק אם הלבנונים ינהלו

התערבות חיצונית . ) אין לאיש הצעה כיצד לקדם פיתרון. מכל מקום, לא ניתן לחזור לאיזון שהיה לפני כן . שאיפת השר שרון לסלק אשף לחלוטין לא התגשמה

עם זאת יש לציין כי אין ירי קטיושות בצפון והדרום תלוי למעשה בישראל . לבנון הפכה לאבן שואבת ליסודות

במציאות . אזור הבטחון בדרום הינו פשרה ישראלית פנימית.

רדיקכיים שונים .

יוניפיכ

חשש גדול במדינות ערב מפני משטר מוסלמי רדיקלי בעיראק. ארהב מצידה אינה מעריכה שיש סיכוי רציני כהתמוטטות המשטר העראקי . ארהב מצידה אינה מעריכה שיש סיכוי רציני להתמוטוות המשטר העיראקי . משטרו של חומיני יציב. אין לַהתעלם מהסכנה שהמלחמה תתפשט למפרץ בפרט לכווית , אך סכנה זו אינה נראית מיידית.

חוסין . כהערכתו עיראק תצליח להבטיח הגנתה. אין סיכוי שאיראן תכבוש בגדאד . ( דבריו נאמרו לפני שהגיעו הידיעות על התקפת איראן על בצרה ).

הדבר פחות רציני ממה שנראה אם לוקחים בחשבון המלחמה בין שתי המדינות . בעלי האניות אינם מתרגשים יתר על מידה.

ולביקוריהם של רהם ושל נשיא מצרים בואשינגטון. אין ספק שבאזור מקווים למעורבות אמריקנית ממשית וחזקה יותר ( STRONGER ). השטחים . לאחר מכן התיחס מורפי בקצרה להתפתחויות בשטחים ולמעורבות ירדן . סיפר על פתיחת הבנק הירדני

## 1. מורפי אמר בגלוי כי הפרשה היוותה מכה רצינית ביותר A VERY SERIEUS BLOW TO OUR ) לאמינות האמריקנית

המיעוט היהודי באיראן המונה כ -40,000

- השכישית: הרווח הכספי

יחסי ירדן- אשף. חוסין אמר לו שוב , כי לא נראה לו שיוכל לשבת פעם

. נתנו להבין שלא יעשו זאת

. סיוע ירדן כשטחים וישראכ

שלארגון הרבה כספים.

ההתנחלויות.

ערך אסד שינויים משרותי הבטחון. מדובר בישנויים ולא בטיהורים. בעניין אבו- נדאל , טוב אם סוריה תנהג כלפיו כפי שעשתה עיראק ( לא ברור אם אמר שסוריה התחיכה לנהוג כלפי אבו- נדאל כפי שעשתה עיראק ). משרד החוץ-מחלקת הקשר

הבילטרלי והן במישור המולטילטרלי . ולא רק עי דיבורים.

אם בשלב זה יש לקחת ברצינות הגמישות שאימצה הדיפלומטיה

הצרפתי העיר שמורפי דיבר על פרוצדורה ושאל מה עם התוכן.

(SUBSTANCE

ברהם תוסיף לספק נשק למדינות האזור. מורפי מסופק

הסובייטית . יש להמתין ולראות כיצד תתרגם אותה

ברור שבסוריה קיימים מחנות אימונים של המחבלים. בגלל אופי המשטר קשה לקבל מידע מודיעיני טוב על

# ענייניהם ולא יהיו תלויים באחרים ( או לא תהיה

מורפי השיב כי בירושלים, בעמאן ובקהיר דיבר על

פרוצדורה בלבד ולא היתה התיחסות לתוכנ(

משרד החוץ-מחלקת הקשר אין סכוי לפרישת הכח בגבול ישראל . ישראל מסוייגת VERY כלפי הכח . עם זאת יודעת שכח האום בגולן ( RESERVED ממלא תפקיד חיובי מאד . אך יש כקחת בחשבון שבסוריה ישנה ממשלה , מה שלא קיים בלבנון חוזר בלבנון. המפרץ. מורפי היה אופטימי שלא יעלה בידי האיראנים להפיל צדאם

. OASIS OF STABILITY המהווה האום , המהווה

איראן לא הצליחה לפצל מדינות המפרץ. ארהב אינה מצפה לשיחות שלום אך אינטנסיביות המלחמה תרד אם כי הקרובות יימשכו . באשר כהתקפות על אוניות ומיכליות נייטרליות במפרץ,

מורפי ציין שהתנהגות עיראק בעניין ההתקפה על השייט

עד כאן עיקרי הדברים. אני מבקש להזכיר בקשת בן שיחי

ארהב הזהירה שני הצדדים ומחזיקה הצי שלה באוקינוס ההודי. מכל מקום אין תשובות ברורות לגבי המתרחש.

שלא להתיחס אליו בצורה כלשהי . ==

. במפרץ הינה גרועה יותר מזו של איראן

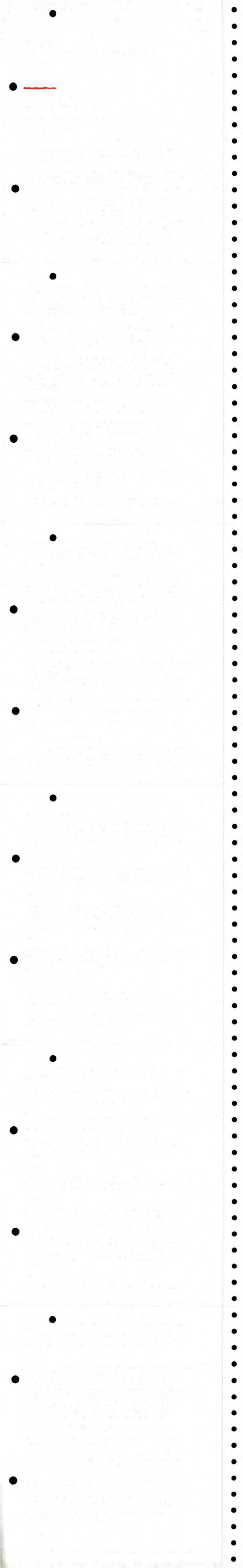
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סודי ביותר/מידי

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תפ: שהח, רהמ, שהבט, מנכל, ר/מרכז, רם, אמן, ענוג, אירא, אירב, מצפא



## משרד החוץ-מחלקת הקשר

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שמור

תרזם:1,8814: אל:רוש/560,אביב/307 מ-:המשרד,תא:710187,זח:7537,דח:ר,סג:ש נד:ם

שמור רגיל

ר רש, האג , בתיב

א. מפי פרידרוגד משג' ארה'ב

אא. מדורח משגרירותם במרסקבה (19)

אב. פקיד משה"ה, יודע דבר ומדרג בינוני, התנדב לספר לאבשי השגרירות כי הסוביט העליון הוציא זה לא כבר יאוקז" הכולל מחילה לעברייני-פעם-ראשונה תחת סעיף 70 (התעמולה אנטי סובייטית) וסעיף 190/1 DISSEMIANTION OF DELIBERATELY HOSTILE FABRICATIONS DEFAMING THE SOVIET STATE AND SOCIAL SYSTEM

אג. לדברי הפקיד הרחל כבר בביצרע והמדובר בכ- 300 איש, ובעבירות 'מדיניות' אך לא בפושעים, מרגלים או 'אויבי מדינה' אחרים. כמו כן אינו חל על 'עבירות דת' לפי סעיף 227

INFRIGEMENT ON THE PERSON AND RIGHTS OF CITIZENS UNDER THE GUISE OF CARRYING OUT RELIGIOUS RITES

אינר חל גם על פעילי זכריות אדם שפגער בחוקים רגילים כגוך "סמים או פרזיטיות", דוגמת אזלשטיין ומגריק.

אד. לשגרירות איך אימות ליזיעה זו ומציינת שצצות שאלות רבות כמיוחד לאותם 'עבריינים' הנמצאים בגלות בברה'מ': מה קורה לאחר ריצוי ענשם, האם ממשיכים בגלות או מורשים לשוכ לבתיהם (כגון סתרוב). שואלים עצמם אם WESTE

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## משרד החוץ-מחלקת הקשר

למשל מקרה IRINA RATOUCHINSKAYA (אשר בסתיר הורשתה לחזור לקייב) מהורה תקוים.

אה. השגרירות מעריכה כי המידע 'נודב' לה לקראת ועידת ז'א בוינה. מוסיפה כי אם מספר גדול של 'עבריינים מדיניים', ידועי שם, יקבלו מחילה, יקבל הדבר תהודה. עד כאך בנושא זה.

או. אם בידיכם מידע משלים הבריקונא.

ב. פגישת שרנסקי - שולץ (דצמבר) ממברק מחמיד:

בא. שרכטקי התיחם להסכם לשכרת עד"ד ארה"ב-כרה"מ. ארמכם הוא התכגד לו מלכתחילה אך בדיעבד מציע שהצד האמריקני ידרוש מהסובייטי רשות לבקר בכית הסוהר CHISTOPOL

בב. שולץ הגים שזו דרישה סבירה. הוסיף שבכל מפגש עם הסובייטימ מביע הצד האמריקני בקורת והתנגדות לדכרי ז'א. להערכת שולץ יש לברה'מ' אסטרטגיית קשרי ציכור שונה ועובדה שהחלה להכיר בנושא ז'א כלגיטימי במפגשים. להצעה הסוביטית לועידת ז'א במוסקבה 'אנו (שולץ) אומרים להם כי איננו זקוקים למילים אלא למעשים'. מבחינת האמריקנים ועידת ז'א במוסקבה עויין נושא פתוח.

בג. שולץ הגיב בנושא הלינקג' יבין אינטרסים חיוניים לביך ז'א' (נאשר שרנסקי הביע ואגה מהידוק יחסי הכלכלה בין ברהמ' לארה'ב) באמרו כי בסה'י בכל מפגש ישנם 'ארבעת הסעיפים' וכי ללא התקדמות בז'א אין הסוביטים יכולים לצפות להתקדמות ביתר.

הרטיף, עם זאת, כי טוב ריעיל שתהיינה תכניות ש'יקרבר בין שתי המעצמות' וארהב עושה זאת ב- REASONABLY PACED בין שתי המעצמות' וארהב עושה זאת ב- מצפה לשיכויים משמעותיים לטובה מהסובייטים אלא אם יהיו שינויים גדולים באוירה. למשל הטכם משמעותי בפירוק נשק עשוי להיות מלווה' מצידם בויתורים בשטחים אחרים. ציין ש'יש בעיות כלכליות' המעכבות פיתוח מהיר של השחך ההדוי. חשוב שהסובייטים יהיו מודעים לעושרו של השוק האמריקני והיתרונות שהוא עשוי להניב עבורם. (פוירוורגר מעיר: מדיניות המקל והגזר)

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בא. שרבסקי החיחם להסכם לשכוח עו"ד ארה"ב-כרה"ה.
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משרד החוץ-מחלקת הקשר

ב. מצדי עדכנתי פרירורגר במימצאים הנוגעים למימוש חוקי ההגירה החדשים (במיוחד דרישת 'אוכיר' לקבל העתקי תעודות לידה של קרובי ורגה ראשונה, המזמינים. דבר המסמן סחבת כיורוקרטית), ציינתי גם מקרהו של דר' יקירביץ, רופא באיכילוב, שנתבקש עי' משפחתו כברה'מ' לבוא בדחיפות לרגל מחלתו האנושה של אביו. התקנות 'מחייבות' תשונה במשך שלשה ימים במקרה כזה, אולם עד כה עברו הרבה יותר משלשה ימים ללא כל תגובה על בקשה רשמית

רה עשרי לשמש מקרה מבחן. (לבקשת דר' יקירביץ אנו מנעים בינתיים לצאת לתקשורת).

הדרם

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תפ: שהחיר המימנכלימזאר

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אל: ווש/ 689

ב-:המשרד, תא:291286, זח:1622, דח:ם, סג:ש,

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שמור/מידי יוסי גל.

רשתתפות ממי רהמי ושהחי בכנס על הטרור.

א. בתאריכים 23-21 בינואר יחקיים בוושינגטונ כנס

בנושא ייטכנולוגיה וטרוריי בארגונו של כתב העת

ב. ממי ודהמי ושהיח הוזמג להרצות בכנס, אכ לא יוכל

להגיע. גם הרצאות באמצעות לווינ אינה אפשרית בשל

נסיעתו לאירופה בתאריכים הנלי. ג. מסתמנת אפשרות שהשר יקליט באולפנ בירושלים את הרצאתו וזו תוצג למשתתפים במהלכ הכנס. בענינ זה

יפנה אליכ איש הקשר עמנו או מישהו LARRY 2ASTLAND יפנה אליכ איש הקשר עמנו

אזר ממשרדו טלפונ: 703)87489470 (703).

ד. יש להסביר לאיש שעליהם לדאוג לכל הסידורים הטכניים להקלטה בירושלים ולהמליצ שהיא תיעשה בייאולפני הבירהיי בשל קרבתם למשרד. המועד הנוח לנו הוא 16.1 בשעה 1030

שעונ ישראל. מובג שכל ההוצאות יחולו על המארגנים.

ה. לידיעתכ, קטעים ממהלכ הכנס אמורים להיות מופצים

לוקשורת בארהייב ובעולם. לשכת השר=

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1691:מוזח. חוזם: 1691 אל:ווש/ 140 ב-: המשרד, תא: 060187, זח: 1839, דח: מ, סג: ש, בבבב נימור/מיידי. גל. שלכ 33. א. דברי ממרהימי ושהיח יוקלטו באולפני הבירה ב-16.1 כנס הטרור. ויועברו אליכמ בדיפי. ב. אנו נדאג לכל הסידורים הטכניים. ג. עלות ההקלטה כ- 800 דולר. נסה לקבל מהמ כיסוי מלא סזוצאות (הזמנת השר וכיסוי הוצאותיו במקומ בודאי היו עולים יותר). באמ הדבר איננו אפשרי, ננסה ככסות ההפרש מזקור אחר. ד. לסייפא בסעיפ אי בשלכ: למותר כהדגיש שתנאי מפורש הוא פדברי השר אכנ יוקרנו ובמלואמ. ה. לסעית גי: נסה נא לאמת מעל לכל ספק השתתפות המלכים, שכנ תהייה לככ השפעה על תוכנ דברי שהיח. תוכת שהיח -COOO

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המשרד

דף.....דפים סווג בסחוני...שמור דחיפות....מיידי תאריך וזיים......מיידי

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מצפייא:

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בפגישה שהיתה לי אתמול אצל ידידים משותפים עם בפגישה שהיתה לי אתמול אצל ידידים משותפים עם מסר לי שהוא מגיע שמונה עתה כסגנו. של מרפי ב- NEA - מסר לי שהוא מגיע ארצה מהודו ופקיסטן וישהה בארץ ב-21 וב-22 לינואר. ממליץ לארגן לו פגישות עם מנהל מצפייא, מנהל המרכז, חברי כנסת. ביקש להפגש עם עתונאים - הומלץ לו להפגש עם עורך מעריב. כן מעוניין להפגש עם אלי רובינשטיין.

מ. רפונ

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שגרירות ישראל - וושינגסון

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המשרד

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תאריך וזיה, 1700 בינו ארין וניה, 1700 בינו

סווג בסחוני. מיידי דחיפות....מיידי

בן-אהרן - מנכל משרד רה"מ.

לשלך חוזם 7706.

מטרתי לסודארת תוכן המסר - בקשר לבקשתם להלוואה בסך 130 מיליון דולר -באייצ שנערכה כאן לרגל שהות המשלחת הכלכלית. הבהרחי לו הטעמים לתשובתנו. קיבל הודעה על כך גם משגרירותם.

הציר עומד להפגש עם אינואה ביום ששי ולעדכנו.

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אל: מצפ"א

דע: מקש"ח

## רעדת החוץ: בבית הנבחרים: שולץ ואירן - החשרם

מזכיר המדינה נפגש (21) עם חברי ועדת החוץ לא"ב ואח"כ קיים הירינג (שנסגר מיד עם פתיחתו) עם חברי אותה ועדה - סה"כ 4 שעות. לדברי אחד הנוכחים חלק נכבד מא"ב הוקוש לפאלות תקציב.

בנושא האירני ציינו המשתתפים את הרושם שעשה (וליתר דיוק - לא עשה) שולץ עצמו, בנושא האירני ציינו השתמע שהוא שמע פרטים על העסקות אך אחרי שהביע התנגדותו לא התעקש נגדן. לא הסביר מדוע בחר להתעלם מקיום מדיניות שהתנגד לה, כנראה הלחץ עליו בנדון היה מנומס; כפי שהגדיר זאת אחד המשתתפים: "כאשר מופיע בפנין אדם חבול ומוכה, אינן מכה אותו יותר בהיותו למטה". שולץ סרב להזכיר את שמה של ברונאי כאשר דיבר על איסוף כספים ממדינה שלישית, אף שאמר ששמה צויין במפורש בעתונות, אך אמר שהחוק מתיר פעילות

לדברי משתתף אחר, הגילוי הגדול היה שה∳ שולץ והן פונדקסטר הביעו את התנגדותם החריפה לעסקה ולכל קשר עם אירן והנשיא עצמו היה זה שהורה להתמיד בה.

ההיבט הישראלי. הנרי הייו (רפובליקני שהוא גם חבר בועדה המיוחדת שמונתה בבית לחקור בפרשה) הוא זה אשר חזר ושאל לגבי גרירתה של ארה"ב לעסקה בידי ישראל. שולע השינ לו שאל ישים מילים בפיו. לא אמר כך, אך הסכים שלישראל אינטרס שונה מלארה"ב, כפי שאמר לאורך כל הדרך. לדברי אחד הנוכחים הרושם שהותירו דבריו על ההיבט הישראלי היה שאלמלא פגישות קמחי - מקפרליין וביקור ניר בארה"ב, כלומר התמדתה של ישראל בקידום הנושא, ההתקשרות עם אירן היתה מתמוססת מאליה.

שובה הרצל שובה הרצל

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בטחוז ף דע

אל: מצפ"א

דע: מקש"ח

## נשק לסעודיה

בנפרד ובגלוי כתבה שהרפיע ב-21 בוושפוסט ובה בין היתר על כוונות הממשל למכור לסעודיה רכב Bradley , ע"פ הידוע לנו. בשלב זה עורך הממשם בדיקות בע"פ לראות מה תהיה תגובת הקונגרס.

נשאלתי היום (חבר קונגרס אחד, עוזר עמשרד אחר) כיצד תגיב ישראל, מעבר להתקבדותה המסורתית, כאשר לכאורה יש שתי סיבות מדוע לא תתנגד. ראשית, הממשל איבד מיוקרתו בקרב מדינות ערב ה"מתונות" והתנגדות ישראלית לצעד שנועד לשקם את מעמדו, עשויה להתפרש כחוסר תמינה בממשל ידידותי כאשר הרא נתון בצרה (ומדברי המורשה השתמע שישראל אחראית לה במידע מה). שנית, כאשר היצע לישראל לרכוש את אותו ברולי עצמו מכספי FMS (קרי - בחצי חינם) סרבה בטענה שאינו יעיל, ואם אינו יעיל לישראל, מה סכנה יש בו כאשר הוא ביווי סעודיה ?

בדודאי עוד נשאל בימים הקרובים - אנא הנחידתכם.

שרה הרצל שובה הרצל

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News Summary January 21, 1987

#### New York Headlines

Top stories on the front page of the New York Times deals with the following: Senate Republicans have picked Helms over Lugar to head the Foreign Relations Committee, The US bid to halt the dollar's decline is called possible by the Administration, A Labor Dept. aide has quit in protest saying that the Reagan Administration pays only lip service to enforcing anti-discrimination laws. Gov. Cuomo proposes raising spending by 7% and cutting taxes, A Senior CIA official is linked to North's efforts on contra arms, and an interview with Kohl, who is sure of victory. Top stories in the New York Post and Daily News tells of a deadly cancer that is spreading like aides. Page 1 stories in the Wall Street Journal tells of mortgage fraud and POWs still in Vietnam.

#### Columns

WSJ-House "Our Disillusioned Arab Friends"

Two weeks of travel in Egypt, Jordan and Iraq find Arabs profoundly confused and deeply dispairing. They speak of bitterness and of being betrayed by the US. The Iraqis bemoan their marriage of convenience with the US and the Saudis are simply too afraid to speak. The only happy Arabs these days are Khadafy and Assad. The theory in the Arab world today is that the U5 and Israel sought a pact with Iran to overthrow Saddam Hussein and turn Basra over to the Iranians. The ultimate irony of all this is that Israel, which appears to have instigated the arms deal, now is loudly demanding apologies from Washington. The whole affair has confirmed the Arabs worst suspicions about the American-Israeli relationship. The lesson they profess to see is that Israel pulls the strings and the US dances.

ND and NYP-Anderson "Khomeini foe Leads Raiders on Attacks on Iranian Cities" Opposition to Khomeini is bubbling inside Iran-but not from the "moderates." A determined group of rebels is fighting Iranian conscripts inside Iran and along the Iraqi border. Their leader is Massoud Rajavi, who is neither for or against the US.

PN-Grady "Iran as Political Football" Handling Iran is easy--all Reagan has to do is tell the truth.

#### Press Reports

New Israeli Novel-Arabesques

literary world on its ear. Anton Shammas is a Farestinian from northern Islael. By writing in Hebrew, he is telling Israelis that he is among them, that he finds, his national identity among them, within their body politic and that he will not be happy moving over to a Palestinian West Bank or Jordinian state.

## Reagan Briefings on Iran Reported

NYT-Boyd-The White House is trying to counter the impression that Reagan has been out of touch with the Iran-contra affair and has said that senior sides have interviewed the President several times about his recollection of the secret operation. (WSJ-staff)

#### Kidnapping of West German Linked to Arrest

NYT-Tagliabue-The West German Gov't said it had received infromation that a West German businessman was seized in Beirut in an effort to prevent the extradition of a Lebanese accused of hijacking a TWA jet.

#### Bush Says Hostage Was Killed

NYT-special-Bush said that an American kidnapped in Lebanon had been killed. It has widely been assumed that Buckley was dead but Bush's remarks were the first explicit acknowledgement by a senior official. Bush did not identify Buckley as a CIA agent. Bush said that Iran deal was not intended to be a trade for hostages but pointed to the concern felt for them.

#### Iran-Iraq

NYT-Trainor-A Pentagon spokesman said that casualties in the latest fighting numbered in the tens of thousands. The outcome remains inconclusive. But the Pentagon s d that there had been no Iranian breakthrough.

WSJ-House (Baghdad) Events of the past two weeks have taken a psychological toll on the Iraqis and even a greater one on apprehensive Arabs, who see their fate hanging on the outcome of this war. The fate of Basra is seen as a critical test. Hussein's regime may not be able to stand a major military loss.

#### Khashoggi

DN-McGovern-The world's richest man can't pay his bills. Yesterday Khashoggi's mult-million dollar Manhattan apartment was seized by court order after he failed to pay a \$2.2 million debt.

## Rock Group Acceds to Arab Protests

NYT-Pareles-A rock sing called "Killing an Arab" by the group the Cure, has resulted in a nationwide campaign to control the implications of the title. Although the song itself does not have racist implications, the Cure has agreed, under pressre by Arab groups, to add a message in the credits of its concert film, place stickers on its albums and discourage American radio stations from playing the song.

#### Letters

NYP-Meir Kahane writes that there is a leftist witchhunt against him in the US. He wonders if Arabs have a right to become the majority in Israel.

NYT-Writer states that it is not news that the Soviet Union is tilting toward Iraq in the Iran-Iraq conflict.

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-דע: יועץ רהיים לתקשורת, יועץ שהבייט לתקשורת, רמייח/קשייח, ניו יורק ר/אמן, ע/ראש אמן למחקר.

תדרוך דובר מחמייד ליום \_\_\_\_\_\_

Do you have any update on the Iraq-Iran war?

MS. DAKLEY: Yes. In regard to the status of the Iran-Iraq war, yesterday the Iranians continued their attempts to break out of their foothold in the Fish Lake (?) area east of Basra. The Iraqis were successful in containing these moves, but some Iranian infantry south of this area managed to move to the west and advanced slightly toward Basra. The Iranians, however, are still outside main Iraqi front lines. We do not believe that Basra is in imminent danger of falling. The Iraqis possess a great advantage in equipment and are committed to defending their territory.

Nevertheless, we are disturbed at the continuing fighting in the area and the tragic loss of life. The people of Iran and Iraq have suffered the effects of this conflict for much too long, and the war also poses a real danger for the stability of the entire region. We deplore Iran's occupation of Iraqi territory and re-emphasize our view that this war must be ended on the basis of a negotiated or mediated settlement that preserves the territorial integrity and sovereignty of both countries. We call on Iran to Join Iraq in its willingness to pursue negotiations to end this war.

Copy of that?

MS. OAKLEY: Yes. Yes?

MS. DAKLEY: The Iranians did this morning claim to have captured a small town near Basra. Do you have any confirmation of that?

MS. DAKLEY: No, I don't. I haven't seen that.

Q The Vice President said last night that Mr. Buckley had been killed. And until last night, that had not been confirmed officially. Do you have any elaboration on that?

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Robert McFarlane said yesterday that when he went to Iran in May with the famous group of people that he was expecting to get the release of all the hostages and to get the remains of Mr. Buckley. So this seemed to indicate that at that point the United States government had concluded that he was dead. Could we get an answer to when the conclusion was made that Mr. Buckley had died? Because much of this seems to have been going on after he died.

MS. DAKLEY: I'll have to look into that. I'm not sure that we can give you an answer. And as I've said, it has been kind of a cumulative effect of weighing all the evidence. Some people may have made up their own minds on the basis of evidence, but that could have been a personal view. Yes?

Q The other day, Fresident Mubarak of Egypt said that he rejected the proposal which the United States offered for rescheduling of the debt, and also about the interest rates. Can you comment on what he said?

MS. DAKLEY: No. In regard to the whole question of FMS debt relief for Egypt, I will stand by what we had said earlier, that these discussions had been going on. And I have nothing further.

Q You mean, there is still now in Egypt an American delegation discussing that?

MS. DAKLEY: No, that's not what I'm saying.

D Because the other day you said that.

MS. DAKLEY: The other day there was a delegation. I don't mean to imply that the delegation has stayed that long. But all I can say is that I stand by what we said, that the discussions are continuing.

Q And what about what he said, that he rejected all what (inaudible) paper?

MS. DAKLEY: I understand that. I'm just not prepared to

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MS. DAKLEY: Although Mr. Buckley's body has not been recovered, the preponderance of information available to us indicates that Mr. Buckley died in captivity. Evaluating all the information we have received, including conclusions of hostages who were released and the long time which has passed with no information to indicate that Mr. Buckley is alive, we have sadly had to come to this conclusion.

Phyllis, do you know where he died?

MS. DAKLEY: No, I have nothing on that.

On the West German case. Has Secretary Shultz been in communication with West German officials since the two German businessmen were seized in Beirut?

MS. DAKLEY: As with any close ally, such as the Federal Republic of Germany, we are, you know, in constant consultation with them. But I just don't have any comment whether Shultz, directly, has been involved with them or not.

Q Can you tell me anything about Germany's history on swapping terrorists for innocent hostages?

MS. DAKLEY: I certainly can't. (Laughs)

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מאת : עתונות, ניו יורק

News Summary January 20, 1987

#### New York Headlines

Top story in the New York Times deals with the new rules on immigration into the US and employment for the immigrants. Also on p. 1 in the Times: Iranian warships are using missiles for night attacks (see Press Reports) Japan's Finance Minister will come to the US to discuss the dollar's fall; The US Reaches the finals in America's Cup; Contra Arms Crews said to smuggle drugs into the US with the knowledge of top officials; Mikhail Baryshnikov has been invited to the Bolshoi to dance again in the Soviet Union. Also, on p. 1 and Headlines in New York Post, Daily News and Newsday: The Strike of the Long Island Railroad. Top stories in the Wall Street Journal deal with the dollar's plunge and problems at the New Yorker Magazine.

#### Editorials

NYT "Stonewalling by Any Other Name" An apology by Reagan will not put the Iran-contra matter to rest. Only facts and hard truth will, and these are not readily forthcoming by the Administration. The public does not know the whole story yet. Administration officials claim that they don't either. Blame for the delay rests on the shoulders of the President and his top aides as they turn stonewalling from a posture into a dance.

#### Columns

NYT-Rosenthal "A Question for the Vatican" Between O'Connor and the Israeli leaders, they have managed to dispel two old sterotypes out people. The Israelis, by getting their country stuck in the muck of the Iran deal, showed that all Jwes are not smart. The Cardinal, by displaying strong public irritation about criticism of his Jerusalem trip, showed that not all Christians dizzy themselves turning the other cheek. The real problem is the Vatican's refusal to diplomatically recognize Israel and the rigidity with which it is enforced in Rome.

#### Press Reports

#### Israelis Kill 4 Guerrillas

NYT-special-Israeli troops killed four armed guerrillas Sunday night after the guerrillas infiltrated into the enclave that Israel calls its "security מס השולחו אישור:

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zone." Rabin, speaking to high school students, reaffirmed Israel's committment to keeping control of the border enclave.

NYT-AP The Lebanese police said 4 Israeli gunboats rocketed Palestinian positions near Sidon. An Israeli military spokeswoman denied any shelling took place. The Lebanese said the shelling was believed to be in retailiation for the stabbing of two Israeli Jews in the Arab sector of Jerusalem Saturday. The Israelis were hospitalized.

#### Israel Bars American Woman From Seeing Vanunu

NYP-Dan-Isareli officials have prevented Vanunu's American girlfriend from visiting him in prison. Judy Zimmet publicly appealed to Israeli officials to allow her to visit. Officials cited "security considerations" in keeping her from him. Sources told the Post that the authorities fear Vanunu might tell her how he was brought back from Europe to Israel.

## O'Connor and Jewish Leaders Meet and Resolve Differences

NYT-Goldman (photo of O'Connor and Jewish leaders) After meeting for mo. than 3 hours, Jewish leaders changed their critical assessment of O'Connor' visit to the Midcast and said that the trip represented "a helpful contribution toward greater understanding" between Catholics and Jews. In a news conference after the meeting, there were apologies all around and expressions of "mutual respect and good will."

## Critics Say US "Privatized" Foreign Policy on Iran

NYT-Tolchin-Several members of Congress say the Reagan Administration, following a pattern of using private industry to run domestic operations, has made unlawful efforts to "privatize" foreign policy in the Iran-contral operation. They say that the Constitution and Congress were circumvented by the use of middlemen who arranged the financing of the arms sales and transfer of funds.

## Reagan Will Not Discuss Iranscam in State of Union Message

NYP-Flick-Reagan will not mention Iranscam in next Tuesday's State of the Union message. An official said that Don Regan vetoed any mention of it because he feels that the worst is over. However, this could change.

#### The Shadowy World of Secord

ND-Gutman & Mitchell-An indepth look into Secord's dealings. North is said to have relied on Secord. Secord has been involved with Israel. In October he said in an interview that he was the guy who negotiated the first F-16s they had in 1979.

## US Might Seek Consecutive Terms in Hijacking

NYT-Shenon-A senior Justice Dept. official said that the department might seek consecutive prison sentences for a Lebanese man accused of hijacking an American jet and killing a passenger. The department is seeking the maximum sentence so that he would spend most of the rest of his life in jail.

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### Fighting Continues in Gulf War

NYT-Trainor p.1-Iranian warships are using Italian-made Sea Killer missiles against oil tankers in night attacks for the first time, according to US intelligence officials. In land fighting, Iranian troops appear to be solidifying their foothold near Basra, according to the US.

NYT-Sciolino-The relentless Iranian shelling of Basra has led to the exodus of much of its population of 1 million, the first time so many of its people are said to have fled. Nevertheless, American officials believe an Iranian victory over Basra is unlikely. Arab diplomats are not so sure. (NYT-Cushman; ND-wire)

#### Letters

NYP-7 letters criticizing O'Connor's re rk about the Holocaust.

Willage Voice-Mordechai Levy, the leader of the Jewish Defense Organization writes that Hentoff's article on the killings at Bir Zeit U. was one-sided and hypocritical. He states that many Arab terrorists are teenagers and that Is eli soldiers must defend themselves. Hentoff replies that the Bir Zeit students were unarmed and that the 12 and 14 year old boys who were killed may or may not have had rocks in their hands. "A State true to Zionism does not murder children and students."

## Inquiring Photographer on TWA Hijacker

<u>DN-7</u> people were asked if the US was right in waiving the death penalty to get the TWA hijacker. 5 people said yes, two people said he deserves to die.

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(NBC) - Meet the Press יום אי בחכנית יום אי אולץ בחכנית יום אי

#### עתונות

MR. SCHWEID: Mr. McFarlane's testimony suggests something else also that's intriguing, suggests that somehow this is Israel's idea; suggests somehow that Israel made the decision and just a couple to three people over at the White House deferred to Israel, and somehow this small country determined US policy. I sthat a fiar representation?

SECRETARY SHULTI: I didn't get that from Mr. McFarlane, but the Israelis were involved in discussions with him-that's how this got started, as I follow it. But, in the end it is not up to somebody else to make our decisions for us; it's up to us to decide, and we have to decide in the light of our interests what it is that we want to do and-take responsibility for it, so we can't blame anybody else.

MR. SCHWEID: Well, it would seem then that the US was carrying out a policy that had neither the support of the Secretary of State or the Secretary of Defense, and I wonder how much force there could be to such a policy? And aren't talking points prepared at the State Department in the first place?

SECRETARY SHULTZ: Well, these were prepared over in the NSC, however I looked at them. And I've already commented on them. Insofar as the policy of trying to position ourselves differently with respect to Iran and have some impact on Iran's general stance is concerned, that's a policy that the President decided on and which everybody supports. In fact, I sense that there's no particular disagreement about that.

MR. SCHWEID: No, but that's sort of what I was getting at before with the Israelis. There was a feeling within the US government that there is a moderate faction in Iran that arms are not, could be encouraged, and could have an impact on Iranian policy.

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# תדרוך דובר מחמייד ליום 20 .1 .87

. MR. REDMAN: Not necessarily. Secondly, in view of the recent kidnapping of more Western hostages in Beirut, I'd like to repeat what we've said on a number of occasions in the past, that we advise US citizens against travel to Lebanon; that we've encouraged those who are there to leave; and that we consider all of Lebanon to be unsafe for Americans in this difficult time.

JIM ANDERSON (UPI): Can you give us a situation report on what is going on in the Persian Gulf? Particularly do you see any new pattern in the shelling of the ships, Kuwaiti ships particularly?

MR. REDMAN: On the question of shelling of ships, I don't have much to offer on that. We've seen the reports. We've no reason to doubt that Sea-killer(?) missiles have been used by the Iranians in these night attacks. We consider that attacks on shipping in the Gulf increase the possibility that a misunderstanding or miscalculation could cause a widening of the war. Concerning what's happening on the land front, the Iraqis are continuing to contain the Iranians in the Fish Lake(?) sector. We believe that press reports of Iranian success over the weekend in moving closer toward Basra are not correct. And beyond that, I really don't have anything else.

BARRY SCHEID (AP): What do you mean they're not correct? They're not correct in the proportions, or ---

MR. REDMAN: They're just not correct that the Iranians have made any significant progress over there.

MR. SCHWEID: But they're heading that way, aren't they?

MR. REDMAN: There had been some movement earlier on — we're talking about perhaps the 9th or 10th of Janaury. But the reports over the weekend which seemed to indicate that there was some sort of major movement forward, that is not our reading of the situation.

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MR. SCHWEID: Alright, if we get down to inches, though, aren't the Iranians making incremental -- to use a favorite State Department word -- incremental gains on the ground?

MR. REDMAN: I can't parse it any further than what I've just done, Barry. You mean several inches, and you call that incremental. I can't --

MR. SCHWEID: Well, no, but when you say the reports are not correct, the Iranians have made claims of, you know, major victories.

MR. REDMAN: For example, you've seen reports of Iranians being on the verge of going into the southern suburbs of Basra, for example. That's not true.

MR. SCHWEID: I just wondered if you could tell us whether the tilt is still in the Iranian direction, that they are moving ahead?

MR. REDMAN: I have no reason to make that tilt at all, Barry. In fact, our reading is that in the past days, that the Iraqis have essentially contained the Iranians in the Fish Lake sector, where they had made some gain, as you know, a week or so ago.

MR. SCHWEID: Let me ask you about the sea-killers. Are these Italian-made? And does the fact that they're now in Iranian hands mean somehow that the Italians are not heeding the US request for an embargo?

MR. REDMAN: I don't have any information as to the origin of those missiles, or where they came from.

O Why do you think you are saying that it is not correct, what the Iranians said last week? What do you base it on? Do you have any (inaudible) information?

MR. REDMAN: I don't talk about the sources.

MR. ANDERSON: -- turn in this confluence of events, the missile attacks on ships at the same time as the offensive? Do you see any possible political motive?

ME. REDMAN: No, I don't have any reason

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to make that evaluation. I can't tie the two together, myself.

G The report in The New York Times was last year. You were talking about attacks last year. You know ---

MR. REDMAN: There have been attacks on ships, of course, by various types of weaponry in the past. What's being referred to here are some attacks that have occurred at night, and by ---

Q But not within the last months while the offensive's been on, correct?

MR. REDMAN: I don't have that detail. I just don't know.

A technical question.

MR. REDMAN: The Fentagon, I think, may have some more to say on the course of the war and what's happened over the last couple of weeks. So 1'd encourage you to stay in touch with them today.

Just a technical question on the (C-killer?) missiles. What's so different about them that enables the Iranians to attack at night?

MR. REDMAN: I don't have that detail.

O Chuck, did the Kuwaiti or the United Arab Emirates, which their ships are being hit this month, contact you or anything like that?

MR. REDMAN: I don't have anything on those contacts.

Do you have any comment on Mr. Yasin Taha Ramadan's accusations and charges by the United States and that the relations with Iraq, between Iraq and the United States have reached bottom, almost, with this thing about U.S. intelligence giving intelligence to Iraq and Iran, which was wrong intelligence?

MR. REDMAN: I don't have anything on that. .

O Coming back to the missiles again for a second, is there anything about the use of the missiles? You said that it demonstrates the problem of the widening of the war. But does the use of those missiles at night pose some kind of new and unusual or especially difficult to deal with threat, either to shipping or to the lragis?

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MR. REDMAN: I can't make that judgment. But again, perhaps the Pentagon would have something more to say on that.

Dhay. And again, can I ask whether there is any evidence -- you said you have no reason to doubt they're using the C-killer weapon. Is there any evidence yet that the Iranians have begun using the American-supplied TDW anti-tank weapons?

MR. REDMAN: I haven't seen anything on that.

Q How about the Soviet ships? Do you have anything on that?

MR. REDMAN: No, I don't.

On the one hand, you seem to say there is no reason to doubt that the C-killer is being used, and the other officials have said that it does increase the danger in the results. What diplomatic activity is going on now to try and stem, as you put it, the widening of the war in the Gulf? Is there any attempt to stop whoever the source is for the C-killers to -- do you support the UN attempts to look into -- that a UN force be in the Gulf?

MR. REDMAN: Concerning diplomatic efforts, there's really no change from our standard position. We support the efforts by anyone who can bring a negotiated or mediated end to this war, and the sooner the better.

Q But in the event -- but there is, I mean, at the moment, there doesn't look like there's going to be a negotiated settlement to the war, and you face the day-to-day problem in the Gulf. What can you -- what is being done to try and contain that?

MR. REDMAN: Our efforts in that regard are essentially the same as they always have been. I don't want to lead you to believe that there's some new diplomatic initiative in the offing that's somehow going to end this war overnight,

although obviously that would be desirable if it could be the case. Beyond that, our policies concerning the Gulf, concerning Operation Stanch, all of those continue, as you're aware.

- Do you have any comment on ---
- Q -- a UN question. Do you support initiatives in the UN

MR. REDMAN: I said we support initiatives by anyone.

#### Q Any old initiatives? I mean --

MR. REDMAN: Any initiative that has a prospect for ending this war without victor, vanquished, with territorial sovereignty intact, that meets that criteria.

In this vein, Chuck, Saudi Arabia, Jordan and Egypt, all the leaders have expressed concern about the way things are going around Basra. And Mubarak has said that if the people -- sort of a vague reference -- agreed (inaudible) that they might intervene in behalf of Iraq. Does the US have any position about whether it would be advisable for Jordan or Egypt to come to the aid of Iraq?

MR. REDMAN: No, I don't have any position on that.

RALPH BEGLEITER (CNN): Do you have any comment on the West German report that the US has a plan to intervene?

MR. REDMAN: Absolutely untrue.

BARRY SCHWEID (AF): Chuck, does the State Department have a position if Iraq's many friends — and there are three examples just referred to — were to try to step up their military shipments to Iraq to compensate for what the Iranians now seem to have? Does the US think that will be just fine, or would you like to embargo arms to both sides?

MR. REDMAN: I don't have any new position on that question, Barry.

MR. SCHWEID: Well, your last position was kind of slippery. It was hard to figure out. You're clear that you're against arms to Iran, but it's not clear to me that while you don't want the war stepped up -- it's clear to me that you don't -- you say you don't want the war stepped up, but it isn't clear to me that you're against stepping up Iraq's military capability.

MR. REDMAN: But our policy is not unclear. The policy concerning shipments to Iraq has been clearly stated any number of times. We don't provide arms to either side, but in terms of Dperation Stanch, that has been applied to the intransigent party in this case, which has been Iran.

Do you know how the Iranians got hold of these missiles?

MR. REDMAN: No, I don't.

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ארו להמשרד, בטחון, ניו יווק לא לא לא לא

O Chuck, can I follow up Ralph's question? What are you saying is absolutely untrue in that German article?

MR. REDMAN: -- what he phrased as the question.

Q There are no contingency plans drawn up for intervention by the United States in the Gulf area?

MR. REDMAN: That the US is -- Ralph, do you want to phrase your question again, as Der Schpiegel (?) said? Let me --

MR. BEGLEITER: My question was whether the West German reports that indicated the US had a plan to intervene in the Gulf war, and your answer was, "Absolutely untrue."

MR. REDMAN: In fact, the story also said the US is positioning US forces in case of an Iranian breakthrough. Untrue.

Chuck, on the same point, Tyler -- Fatrick Tyler -- who's been there and describes an absolutely devastated city, subsequently quoted a so-called Western diplomat in Iraq -- he talks a lot like an American -- he says it's a new ballgame, and that the Iranians have already achieved a significant victory, in effect making Basra uninhabitable. How does that jibe with your poo-pooing the whole Iranian thrust?

MR. REDMAN: Well, you've used a lot of words. You've used words "poo-pooing," "so-called Western diplomats," so I really can't deal with your question under those circumstances, Max. I'm not sure who we're talking to or what we're talking about. What I've given you is our appreciation of the state of affairs as it stands today. That's our appreciation. It is not some unspecified Western diplomat. Secondly, I think reports from the city indicate that the city is not vacant; it has not been evacuated. There are still hundreds of thousands of people there.

Chuck, new subject? Do you have any reason to believe that the West German executive who was kidnapped in Beirut was kidnapped in order to put pressure on the German government not to extradite but to release Hamadi? For example, do you know whether or not whatever group kidnapped him has contacted the West German government? And does the US have any reason to be concerned now that West Germany might back off the extradition request?



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MR. REDMAN: Concerning the nature of any links that may exist, I really can't do any better than what the German authorities have done. I've seen quotations from German spokesmen that they have found some evidence of some link. But beyond that, I just don't have any details to offer. Concerning the extradition request, those papers have been put in the hands of German authorities in Bonn today, along with the supporting documentation. That's gone to the foreign ministry of the Federal Republic. And that documentation included the assurance that the United States would not seek or impose the death penalty in the event Hamadi were convicted in the United States. That's where it stands now, so we'll continue to consult with the authorities in the Federal Republic; but in essence, it's in their hands now.

MR. ANDERSON: What happens now? Does there have to be an extradition trial in Germany?

MR. REDMAN: I'm not expert enough in the German legal system to know exactly how that works. Ferhaps the Justice Department could say more.

- Q Chuck, can I try something else?
- Q --- same subject?

MR. REDMAN: Same subject.

Q Can you go into some of the security problems that might be raised in the United States as a result of this extradition, besides your little announcement at the beginning about wanting Westerners not to go to Beirut? Is there any concern about terrorism in the United States as a result of this extradition?

MR. REDMAN: I don't have anything specific to offer you on that. You know as a general policy matter, we don't really talk about terrorist threats, measures we take, for the obvious reasons—and so I'd fall back on the standard answer of no comment.

MR. BEBLEITER: In that connection, was your announcement at the beginning related — I think you used the plural, "hostages taken," but I'm not sure of that. Was that related specifically to the taking of the West German hostage, or is there some — are there some other incidents that you were referring to?

MR. REDMAN: It was in reference to the two most recent cases. I believe there was a Frenchman taken last week and a German more recently than that.

פווג בפחוני. גלוי דחיפות....רגיל

ורי המשרד, בטחון, ניו יורק אל לא לא לא לא

0 -- comment on Mr. Mubarak's statement in interviews with a lot of newspapers in the last few days about the relation between the United States and Iraq. Can you give us a read-out about the United States relations with Iraq at the present time?

MR. REDMAN: I don't have any reason to give you some new characterization of those relations.

G Because --

MR. REDMAN: We just don't have any special reason now to launch into that.

Q Because there were charges of almost deceitful behavior and other things that plagued the situation in the capture of (inaudible) by Iran, that because of the ---

MR. REDMAN: No, I just don't have anything to offer you on that.

Q Chuck --

MR. REDMAN: Someone else?

0 -- accusation, when they said that you are -- you supply them with disinformation and you are the cause of killing of thousands of Iraqi soldiers, because of this information? You don't like to answer this?

MR. REDMAN: I'm saying I have no comment on those reports. But on the question of disinformation being supplied, that has been denied categorically on the record by the agency involved.

Q Do you have anything about the visit of Mr. Murphy to the Middle East which is completed now?

MR. REDMAN: As you know, or perhaps don't know, Ambassador Murphy is back in Washington. He got in Monday night. He arrived from London, where he had briefed British officials. He'll be reporting first to the Secretary, and, as a consequence, we'll be reviewing the results of his trip. But beyond that, until he's had publicly.

ארי המשרד, נטחון, ניו יורק אל לאל אל לאל אל לאל

The Arabs say in the initial report that's come out that the people, the concerned parties in the area, most of them, they are now calling the United States, emphasizing again and again the need of having an international conference under the ageis of the United Nations to solve the Middle East conflict, because they could not — the United States could not revive the peace process otherwise. Do you have any comment on that?

MR. REDMAN: As I say, I don't have, at this point, any comment on his trip.

Q Do you have anything on what the Secretary's plans are for Congressional testimony this week?

MR. REDMAN: The Secretary has a considerable amount of testimony in the next six days. I believe he testifies five times. A lot of that has to do with the budget, which, of course, is now being considered in the Congress. He testifies on Iran, Nicaragua, the Contras, several times.

Q Could you give us the schedule?

MR. REDMAN: The first testimony is tomorrow, in closed session. That's on Iran. Beyond that, I'll ask the press office to provide a -- I think we did provide last Friday -- yes, we did -- a readout of his scheduled testimony.

Q While in Jordan, Cardinal O'Conner spoke of the possibility of the Vatican sponsoring an international conference on Middle East peace. I wondered if the US would welcome the Vatican playing such a role? If there has been any discussion?

MR. REDMAN: No, I don't have any comment on that.

Mr. A

שברירות ישראל - וושיבבשון

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מצפ"א

רע: הקונכייל בוסטון - א ה ל מיולוט

(chet) Chester G. Atkins פגישת היכרות

יליד 48', נבחר לקונגרס ב-84', הצטרף עתה לועדת החוץ (ועדות המשנה לאסיה ולפעולות בינייל) וחבר בועדת התקציב. אונקרם

עיקר. השיחה התמקדה בנושא סיוע חוץ, לדבריו. חלקה הקבוע של ישראל בעוגה המצטמצמת ( SheinKing Pie ) הולך ובולט ולא יוכל לחשמר לנצח. אין לטיוע חוץ תמיכה בציבור הרחב - מצביעים בעדו בגלל ענין אישי של חברי קונגרט, קרי תמיכתם בישראל, והיכולת להקציב ביליונים לענין ספציפי כשאין תמיכה ציבורית - מצומצא, בנוסף, הממשל הנוכחי נתן לסיוע חוץ שם רע. לאור כל הנ"ל מתבקשת לדעתו בניית קואליציות רחבות (ולא רק פרו-ישראליות) למען סיוע חוץ, כדי שהנושא יתפס בקונגרס ובקהל כענין המשרת את מכלול האינטרסים האמריקנים ולא רק את ישראל.

לאור חברותו בועדת המשנה לאסיה מסרתי לו קצרות על משאלותינו מיפן וקוריאה. סיכמנו שנרחיב בהזדמנות קרובה.

באזור הבחירה של שני מפעלים ישראליים לטכנולוגיה גבוהה. סיפר שניסה לקדם את לשכת המסחר ישראל-ניו אינגלנד אולם בפעילות מעין זו עדיף שהיוזמה תבוא מדרג העטקים ולא מהדרג הפוליטי.

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שברירות ישראל - וושינגסון

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אל: מנכייל משהבייט

דע: רמשיין, נספח צהייל כאך, מנהל מצפייא

לביא

ו. משיחה עם דיק קלארק סגן מנהל ה- א. א. בבית אבידן (16.1). ישראל יכולה להתיחס לאלטרנטיבות שהגיש זקהיים כהצעות פתיחה. לאור להיטוח הפנטגון להשיג ביטול הפדויקט, הוא משוכנע שניתן יהיה להשיג מהם שיפור תנאים למשל בתחום הייצוא. היה יוה אך אמר שאין כל סיבה שלא ננסה. סקפטי באשר להשתתפות ב- T.F. סקפטי

2. פיל וילקוקם בשיחה נפרדת אישר שאכן אפשר להסתכל על הצעות זקהיים כבסיס למו"ם.

