

מדינת ישראל

משרד הממשלה

משרד ראש הממשלה

משרד

המשק בתיק א' 6

לשכת ראש הממשלה -

ארה"ב

2/1985

המשק בתיק א' 6

מס' תיק מקורי

מחלקה

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# MUBARAK SUGGESTS ARAB-ISRAEL TALKS WITH U.S. AS HOST

## SAYS HE IS 'READY TO HELP'

### Urges Washington to Invite a Jordan-Palestinian Team to Hold an Initial Parley

By JUDITH MILLER  
Special to The New York Times

CAIRO, Feb. 24 — President Hosni Mubarak of Egypt urged the Reagan Administration today to invite Israeli and members of a joint Jordanian-Palestinian delegation to the United States to lay the groundwork for direct peace talks.

Mr. Mubarak said in an interview that he was willing to act as host for such a meeting in Cairo, or to attend one "anywhere" that was agreeable to all parties.

"Why not?" he declared. "We are ready to help."

The President said he was "very encouraged" by Israel's decision to withdraw from Lebanon, but reiterated his position that more progress had to be made before Egypt would return its ambassador to Israel, who was withdrawn after the Israeli invasion of Lebanon in 1982.

#### Envoy Sent to Meet Peres

Egypt recently sent an envoy to Bucharest, Rumania, to meet with Prime Minister Shimon Peres of Israel, who visited Rumania last week, and will send another to meet with Mr. Peres soon, Mr. Mubarak said.

He praised the statement on a joint Mideast peace framework signed Feb. 11 by King Hussein of Jordan and Yasir Arafat, chairman of the Palestine Liberation Organization, as a "very good achievement" and stressed that the cooperation agreement was "only a first step."

V.Y Times  
25.2.85

"We can't reach a solution in one hop," Mr. Mubarak said.

In Washington, Reagan Administration officials said today that they were encouraged by the new interest that Jordan, Egypt and Saudi Arabia were showing in negotiations. [Page A3.]

#### Direct Talks Urged

President Mubarak stressed the importance of direct talks between Israel and a joint Jordanian-Palestinian delegation, with or without Egypt.

Israel has refused to negotiate with the P.L.O. But Mr. Mubarak asserted that a joint Jordanian-Palestinian delegation did not necessarily have to include known members of the Palestinian organization. "The P.L.O. has lots of people who are pro-P.L.O. on the West Bank," he said. "Let us be practical."

"Do you know who is or who is not a member of the P.L.O.?" he continued. "How can you confirm this?"

Mr. Mubarak said he thought that the P.L.O. would "coordinate with King Hussein to select moderate figures if they want to reach a solution."

Although the Jordanian-P.L.O. accord calls for peace talks under auspices of an international conference that would include participation by the Soviet Union, Mr. Mubarak said he favored direct talks first between Israel and the joint Jordanian-Palestinian delegation, with an international conference and participation by Moscow to come after an agreement had been negotiated.

An international conference could be the last stage," he said, "as a blessing of the solution."

#### U.S. Opposes Soviet Role

Both Israel and the United States have consistently opposed Soviet participation in Middle East peace talks.

Mr. Mubarak also maintained that the "coordination agreement" between Jordan and the P.L.O. meant that the Palestinian group had accepted United Nations Resolution 242, which calls for the return of occupied territories by Israel in exchange for peace. He urged the United States to disregard what appeared to be conflicting statements by P.L.O. officials about the key U.N. resolution. The United States has refused to recognize the P.L.O. unless it accepts Resolution 242 and Israel's right to exist.

The text of the Jordanian-P.L.O. agreement calls for peace based on "the United Nations and Security Council resolutions."

"The points on paper are a step forward," Mr. Mubarak said, referring to the Jordanian-P.L.O. accord. "Let's concentrate on the agreement and not what is mentioned by various factions."

He took a similar view of statements critical of the Jordanian-P.L.O. accord by the Israeli Foreign Minister, Yitzhak Shamir, noting that he was not certain whether Mr. Shamir was speaking for the Israeli Government.

#### 'Practical' Approach Urged

During the 90-minute interview at Aruba Palace, Mr. Mubarak did not urge the United States to recognize the P.L.O. or to put pressure on Israel to do and other senior Egyptian officials have done in previous statements. He repeatedly spoke of the need to be "practical."

In general, Mr. Mubarak avoided criticism of Prime Minister Peres. But he said that recent statements by Mr. Shamir and the Minister of Industry, Ariel Sharon, were "not helpful at all" to the cause of peace.

He complained, in particular, about recent statements by the two officials about the status of Taba, a small strip of land on the Gulf of Aqaba at the Sinai border that is claimed by both sides.

He said it was "very important" to Egyptian national interests and to public opinion that Taba be yielded by the Israelis.

The Egyptians and Israelis have had one round of talks about Taba and another is expected to be held soon, Egyptian officials have said.

President Mubarak seemed relaxed and confident. Speaking in English, he said that he would pass his views on these and other issues during a trip to

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Washington that he is tentatively scheduled to begin on March 8.

Mr. Mubarak said that during his visit he would also urge the Reagan Administration to lower the interest rate that Egypt is paying on its military debt. The rates that were negotiated several years ago are now "too high" given prevailing rates, he said.

It has previously been reported that Egypt owes \$250 million to \$300 million in interest payments on its military debt.

Mr. Mubarak said he would also ask for increased economic assistance.

Prime Minister Kamal Hassan Ali said in an interview with a British newspaper over the weekend that Egypt would request \$85 million in economic aid this year and an extra billion dollars in additional aid in fiscal 1986, which begins next October.

Mr. Mubarak declined to specify how much additional aid he would seek during his meetings in Washington.

#### U.S.-Sudanese Strain Discounted

The Egyptian President made three other points during the interview:

¶ He called recent published reports of political strain between the United States and the Sudan "exaggerated."

¶ He said he had urged President Reagan not to freeze aid to President Gaafar el-Nimeiry of the Sudan. He also denied published reports that Egypt had withdrawn an air defense unit from the Sudan to try to persuade Mr. Nimeiry to alter his policies. An Egyptian team of 25 technicians had been in the Sudan, he said, helping Khartoum modernize its air defenses and returned to Egypt after its work was completed.

¶ He said the Libyan leader, Muammar el-Qaddafi, had offered him \$5 billion if Egypt would abandon the 1978 Camp David peace accords with Israel. "I told him that Egypt would never do this," Mr. Mubarak said, pointing his finger at his guests to emphasize his anger. "Egypt is not Libya," he declared.

¶ He said he would encourage the United States to abandon its demand that Cuban troops be withdrawn from Angola as a condition for a settlement on South-West Africa, also known as Namibia.

¶ He expressed doubt that Syria could be induced to play a constructive role in the Middle East peace process.

## Shamir Calls Jordan-P.L.O. Pact In No Way an 'Opening to Peace'

By THOMAS L. FRIEDMAN  
*Special to The New York Times*

JERUSALEM, Feb. 24 — Foreign Minister Yitzhak Shamir said today that the agreement between King Hussein of Jordan and the head of the Palestine Liberation Organization, Yasir Arafat, in no way amounted to an "opening to peace."

"We do not see this agreement as being any opening to peace in the region," Mr. Shamir said this morning before leaving on a trip to Europe. "It is our belief that there is no lack of peace programs, but rather a lack of readiness and desire for peace on the Arab nation's part."

"Israel continues to stand by its adherence to the Camp David agreements and its readiness to conduct negotiations with Jordan without preconditions," Mr. Shamir said.

#### Talks With P.L.O. 'Taboo'

Prime Minister Shimon Peres has already dismissed the Hussein-Arafat accord as more an effort to patch up relations between Jordan and the P.L.O. than any breakthrough regarding Israel. Sources close to the Prime Minister say any negotiations involving the P.L.O. are "taboo" for him.

"We will agree to a Jordanian-Palestinian delegation but not a Jordanian-P.L.O. one," said one senior official. "If Hussein wants to use the P.L.O. as a fig leaf for entering talks, that is his business. But the P.L.O. is taboo."

The official text of the Hussein-Arafat accord, which was signed in Amman on Feb. 11, was made public in the Jordanian capital Saturday. It af-

firmed the principle of exchanging territory for peace and called for, among other things, settling of the Palestinian problem in accordance with United Nations resolutions, apparently including Security Council Resolution 242, with its implicit recognition of Israel.

The agreement also called for an international peace conference that the P.L.O. would attend as part of a Jordanian-Palestinian delegation.

#### Accord Draws Little Interest

Ever since word of the Hussein-Arafat accord appeared in the Israeli press, it has received very little attention or public response. The fact that the Egyptians and Jordanians could become so excited about it was seen by many analysts here as indicative of how out of touch they were with the public mood in Israel.

There are several reasons for the Israeli reaction.

For one thing, the agreement appears to many Israelis to be too little too late, the analysts said. The hardliners, led by the chief of the Likud bloc, Mr. Shamir, find the accord inadequate. And the dovish forces in Israel feel that it falls far short of what they would need to convince the Israeli public at large that it was worth pursuing and almost certainly breaking up the national unity coalition over.

Typical of the reaction by leading Israeli moderates was the assessment of the accord by Abba Eban, the chairman of the Foreign Affairs and Defense Committee in Parliament.

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#### A 'Positive' Development

"It is not a negative development," Mr. Eban said of the accord in an interview. "It is very positive that they are agitating themselves about this question and believe that time is not on their side. But on the other hand, it is hard to expect Israelis to throw their hat in the air over this."

"My God, after 37 years all they can come up with is implicit recognition of U.N. Resolution 242. We need explicit recognition of the state of Israel and they offer implicit recognition of 242. Let's say that Prime Minister Peres wants to be adventurous, can he bring this to Israeli public opinion?"

The accord is also seen by Israeli experts on the P.L.O. as a continuation of Mr. Arafat's "La-Am" strategy toward Middle East diplomacy. "La-Am" is a combination of the Arabic words for No and Yes and was coined by P.L.O. officials to describe Mr. Arafat's "compromise" approach.

"The trouble with the agreement is that it could be interpreted to mean everything under the sun," said Itamar Rabinovich, the director of the Dayan Center for Middle Eastern Studies at Tel Aviv University. "All of the escape clauses are built into it."

In the view of Asher Susser, the expert on the P.L.O. and Jordan at the Dayan Center, Mr. Arafat agreed to the ambiguous document with King Hussein as a means to stay in the Middle East diplomatic game without having to say the magic words, "I recognize Israel, or Resolution 242."

#### Arafat Maneuver Seem

According to Mr. Susser, Mr. Arafat was worried that if he simply stood by and did nothing, the Labor-led unity Government of Mr. Peres might eventually enter into some kind of negotiating format with Jordan, especially with

Palestinian residents of the West Bank pressing for an initiative by King Hussein and with Mr. Peres eager to negotiate with the King. By reaching an accord with King Hussein, Mr. Arafat restricts the King's room for maneuver and assures himself a seat in any foreseeable negotiations, Mr. Susser asserted.

"Hussein needs Arafat for legitimation," he added. "Arafat needs Hussein for access into the peace process. This was a way for Arafat to get access without robbing the historical concessions. I think Hussein was actually disappointed with the final document. I think he would have liked to have gone much further."

Another reason why the accord has created barely a blip on the political seismograph in Israel is that it has not been given much attention by the Americans or Europeans. As many commentators here noted, if the agreement is not enough to excite Washington, how can it be sufficient for Israel?

During Mr. Peres's recent trip to Italy and Rumania, Israeli officials said, leaders in the two European countries made no offers to mediate between Israel and Mr. Arafat, who met with Italian and Rumanian leaders shortly before Mr. Peres's visits. The Israelis came away feeling that both the Italians and the Rumanians were unsure of Mr. Arafat's willingness to make genuine concessions and were therefore reluctant to put themselves in the middle.

"Neither the Italians nor the Rumanians pushed the P.L.O. on us at all," said one senior Israeli official who took part in the Prime Minister's trip.

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Moreover, he said, the Arab statements were not concrete enough to encourage the Israeli Government, led by Prime Minister Shimon Peres, to take any risks while it is occupied with economic reform and the withdrawal of its forces from Lebanon.

#### U.S. Backing Sought

Nevertheless, several officials said today that Washington was sensitive to the momentum that seemed to be building up among Arab moderates to gain American backing for another effort at negotiations to bring about an end to Israeli occupation of the West Bank of the Jordan, in return for peace.

A senior State Department official said Mr. Mubarak, who is scheduled to come here for talks on March 11, was sure to press President Reagan then for new movement, just as King Fahd did.

Secretary of State George P. Shultz indicated last week that the Administration might soon be amenable to doing more negotiating. He has been a prime architect of the Administration's policy of avoiding a major American negotiating role in the Middle East before the Arabs are ready to sit down with Israel.

Testifying before the House Foreign Affairs Committee, Mr. Shultz said a number of Arab countries were "urging us to become involved with a high profile." He said the Administration was "saying to them, 'Well, what are you going to do if we do?' and encouraging people to look at their own responsibilities for the peace process."

"We are prepared to work in a helpful and direct way whenever we see the timing of it as appropriate," he said. "And it may be that that would occur sometime soon."

King Hussein and Yasir Arafat, the P.L.O. leader, agreed on the principles for negotiations in a document signed on Feb. 11 and made public by Jordan on Saturday. The State Department had received its own copy earlier, the State Department official said. The official said that much of the document's substance fell far short of what would be needed to persuade Israel to hold talks, and was also unsatisfactory as a whole to the United States.

#### Accepting U.N. Resolution

Specifically, he said, the document did not accept Security Council Resolution 242 of 1967, which calls for Israel to

return an unspecified amount of territory occupied in the 1967 war, in return for having its borders recognized. Formal acceptance of that resolution is a condition for American willingness to deal with the P.L.O.

The document also said Israel should give up all the land seized in 1967 in return for "comprehensive peace," a demand that the United States believes is impractical at this time. The Israelis reject that demand, saying they will not give back all the West Bank, because 60,000 Israelis now live there.

The document also said the Palestinians had the right to "self-determination" as part of an eventual confederation of "states" between Palestinians and Jordan. The United States does not favor a Palestinian state, and Israel also rejects it.

The document said negotiations should be held "under the auspices of an international conference" including the five permanent members of the Security Council and the P.L.O., which would be in a delegation with Jordan. The United States wants direct talks by the parties involved.

#### Approval of Joint Delegation

American officials regarded as a step in the right direction the agreement on a joint Palestinian-Jordanian delegation. The State Department official said this would make it easier to begin talks in the future, provided that senior P.L.O. members are not in that delegation. Israel is believed to be ready to negotiate with a delegation that includes Palestinians as long as they are not well-known P.L.O. officials.

Mr. Mubarak, in his interview today, seemed to agree with the American insistence on direct talks when he said Washington should invite the Jordanian-Palestinian group to Washington to meet with the Israelis and Egyptians. He also said the international conference could be held later to ratify any agreement, and did not have to be the forum for the actual negotiations.

"Presumably Mubarak is working with the Jordanians," the official said, "but we don't know whether everything he says is agreeable to Hussein and to the P.L.O."

Another Administration official said, "Hussein and Mubarak are saying to us, 'Look, take a risk and see what you can do,' and we are saying, 'Let's not cause political turmoil without knowing where everybody stands.'"

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FOREIGN AFFAIRS | Flora Lewis

# Faint Gleam of Peace

**P**resident Hosni Mubarak has prepared with extra care for his trip to Washington next month. The stakes are high for Egypt, but his mood is remarkably relaxed. He evidently feels things are moving again in the Middle East, and that there is now a chance of another break in the long Arab-Israeli impasse.

Mr. Mubarak speaks repeatedly about the need to be "realistic." He has no illusions that peace will burst out suddenly. "We can't reach a solution in one hop. That's impossible," he said, noting Egypt's experience of a long series of steps.

But he wants direct negotiations between Israel and a Jordanian-Palestinian delegation to begin as soon as possible. If both sides were willing, he would be glad to see them invited to meet in the U.S., adding American momentum to get started. Or in Egypt. Or "anywhere," he said. An international conference need only come toward the end of the process, to give a "blessing" when agreement is reached.

What the Egyptian President did not say in an interview with New York Times Cairo correspondent Judith Miller and me may be just as important. He did not mouth the usual Middle East demand that the U.S. put pressure on Israel to extract concessions. He did not recite the usual litany of Arab grievances as if the only problem were the rest of the world's failure to grant redress. He did not run down the Israeli Government and Prime Minister Shimon Peres.

He did refer critically to some tough statements by Foreign Minister Yitzhak Shamir and Industry

Minister Ariel Sharon as "not helpful at all." But he wondered aloud whether they really represented official Israeli Government policy. And he said, "I don't think anybody in this area rejects peace." He is paying special attention not to add, by emotional or impulsive words, to difficulties that he knows will be enormous.

That's the encouraging side, because Egypt had a crucial role to play in what Mr. Mubarak calls the "coordination" between Jordan's King Hussein and the P.L.O.'s Yasser Arafat on future negotiations. Despite lack of diplomatic relations with other Arab states except Jordan, he keeps in close touch with them and is well informed. His goal is perfectly clear — to broaden the peace that Egypt and Israel have achieved.

The darker side is all too evident. The fact that King Hussein published unilaterally the text of his agreement with Mr. Arafat, instead of jointly, reflects his impatience with continued P.L.O. dithering. The text itself is maximalist. It doesn't even name Israel and relies on ambiguities to imply the key concession of recognition. As a result, Jerusalem shows no interest.

The accord merits at most one hand-clapping. Nonetheless, Israel would be ill-advised to turn thumbs down. The "principles" that the text

sets forth as the "basis" for negotiations can be taken as an initial bargaining position, not conditions for the start of talks. That is evidently Mr. Mubarak's view. Also, he points out that there are moderate West Bank Palestinians who might be the negotiators.

He has his own internal reasons for being eager to get things moving. Egypt is running a race against time. Mr. Mubarak proudly cites the big development effort of the last few years, but there is a long way to go before it can bring a tangible return in living standards. High U.S. interest rates are hurting badly and he wants help, \$600 million more this year and another \$1 billion next year.

But population is still soaring, one million more in 370 days. These are the pressures, the President says, that are feeding the frustrations that drive people to fundamentalism and intolerance. He claims he isn't seriously "worried" because there is progress, and because his policy of allowing political and public opinion steam valves should prevent buildup of explosive forces. Rejecting firm repression, he said "violence would create much more violence." He shows confidence.

Still, it is obvious that even the start of talks on the Palestinian issue would spark hope and buy more time, strengthening moderates against extremists who have never produced anything but corpses. The new opening is nothing like the exhilarating vista that the late President Sadat created with his trip to Jerusalem, but that can hardly be expected twice. Israel has nothing to lose in probing to see how much it can be widened. There is a faint gleam ahead, and an urgent need to brighten it. □

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Egypt has played a crucial role

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News Summary February 23-24, 1985

All articles from 2/24 except those otherwise noted.

Columns

NYT 2/23 James Rudin (rabbi & AJC interreligious affairs dir.) "Catholics, Jews: 20 Good Years" Vatican II has fundamentally changed the way Catholics and Jews view one another. Jews are no longer blamed for the death of Christ and anti-Semitism is "deplored." But serious differences remain. Peres had a cordial meeting with the Pope last week but the Vatican still hasn't established diplomatic relations with Israel. The Pope's meeting with Arafat dismayed Jews and the role of the Church during the Holocaust remains a focus of controversy. Still, we commemorate the 20th anniversary of Vatican II as a mandate for further change.

NYP 2/23 Anderson "Very Clouded Crystal Ball on Khomeini" Having failed to cultivate contacts in the Ayatollah's Islamic regime, US intelligence has been flying blind for six years in Iran. The US doesn't even know if Khomeini is dying or not.

The Press Reports

Hussein Outlines Pact

NYT-p.1-Miller (photo of Hussein) Jordan made public the text of its agreement with the PLO that outlines a framework for a joint approach to peace. 5 principals are stressed. A key provision includes "total withdrawal" by Israel of all lands occupied in 1967 for comprehensive peace. Jordan's Minister of Information said that the accord means that the PLO has accepted UN Resolution 242, which calls for the recognition of Israel's sovereignty and border exchanges for the return of occupied lands. His assertion conflicted reports issued from Tunis by the PLO executive committee which repeated the PLO's rejection of 242. This contradiction has caused concern among Western officials over whether progress towards the resumption of peace talks could be made. There was no official comment from Israel yet but it is predicted by a Western official that Israel will strongly criticize the agreement. The agreement calls for Israel to give up Jerusalem as well. (see text of pact-NYT)

NYT-Giniger & Freudenheim-Peres tendered an offer to Hussein this week for a dialogue. Peres also invited the Pope to visit Israel.

Jews Side With Arabs on West Bank

NYT-Reuters photo of leftist Jews staging a demonstration outside Dehaishe refugee camp. Clad in uniforms reminiscent of concentration camps, they protested living conditions.

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of Arabs in Israeli-occupied territory. Israeli soldiers broke up the demonstration.

Lebanese Army - Southern Lebanon/Israel

NYT-Week-in-Review-Kifner-When the Lebanese Army moved into Sidon, the atmosphere was one of carnival. A sheep was slaughtered in celebration. But, the Army had little to do with the liberation. Israel, disillusioned, pulled out on its own. The Lebanese Army doesn't deploy until they receive a lot of promises that no one will be shooting. The intercommunal bloodbath that Israel predicted has not occurred yet. Rather methodical killings of "collaborators" and stepped up attacks on Israeli troops is going on. The Israelis have withdrawn into a hornets nest. Ignorance and arrogance by the Israelis have turned the Shiites into an enemy more lethal than the PLO. The Southern Lebanese Army is falling apart and is widely hated. Sidon residents were jolted when Shiite fundamentalists calling for an Islamic state rolled into town.

NYT-Hijazi-Karami accused Israel of waging a "real war" against Moslem villages in the south and said his gov't was thinking of asking the UN Security Council to hold a special session to discuss the problem. Israel forces are said to have besieged Shiite villages in Tyre and south-eastern districts. The operations began after assaults against Israeli troops increased after the Sidon withdrawal. Rabin called the policy an "iron fist" one with the goal of suppressing terrorists. Berri called for a full Shiite mobilization against the Israeli troops. The state radio and private stations in Beirut said 14 people have been killed and 25 injured since the Israeli actions against the villages began.

DN 2/23-A bomb killed a Lebanese civilian and a Moslem gunman was slain in an exchange of fire with Israeli troops yesterday as guerrillas ignored a security crackdown to press attacks against withdrawing occupation troops. At least three attacks against Israeli troops were made.

Ethiopia Demands Jews Be Returned

NYT-Reuters-Ethiopia demanded the immediate return of 12,000 Jews transported to Israel and said that they were in no way Jewish. A statement issued by the Gov't said "The uprooting of a black people, with black civilization, from where they have lived peacefully for centuries is a serious offense not only to Ethiopia and Africa but also to blacks worldwide, who have shattered the fetters of slavery..." Ethiopia accused Israel of pushing the Ethiopian Jews into the West Bank "to serve as cannon fodder in the event of hostilities."

Kuwait

NYT-AP-The Emir of Kuwait accepted the resignation of the Gov't and asked the

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Crown Prince and Cabinet to stay on temporarily until a new Cabinet is formed. The resignations came after the recent elections. More than 40 incumbents were defeated. Diplomats believe that voters weren't content with the Governments economic and social programs.

Israeli Bomb Scare Backfires

DN p.2 (photo of San Carlos) Police and Gov't officials are angry over an Israeli security check that went awry and sent cops racing through the streets--to defuse a fake letter bomb. Officially, the State Dept. and Israeli officials aren't talking about the incident but the following story was pieced together. An envelope came to a clerk at the San Carlos hotel addressed to an Israeli official who had checked out a few days earlier. There was no return address so the curious clerk peeked inside and saw wires. He called the police and they and a bomb squad came racing through the streets, evacuated the hotel lobby, stopped the elevators, etc... The letter was a dummy bomb and had been mailed by Israeli security officials as part of an internal security check. Security men should have intercepted the letter before it reached the hotel. The State Dept. said an investigation was underway. Weiss & Marques

Letters

NYT Sunday Magazine-Heskel Haddad writes that the war in Lebanon was imposed on Israel and that Israel rooted out the PLO, a success. A Conn. man writes that the invasion wasn't necessary but was a disaster. The Israeli occupation has caused permanent damage to Lebanon and Israel's border will be less secure than before.

DN-Assemblyman Dov Hikind writes that he is astonished that the DN would condone the release of Nazi war criminal Walter Reid.

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NEWS SUMMARY - SATURDAY - FEBRUARY 23, 1985

THE PRESS REPORTS

Israelis Cite Attacks In South Lebanon

WASH. POST-(AP)-The Israeli Army came under attack three times in southern Lebanon today. The soldiers, who escaped harm, returned fire and reportedly killed a Lebanese. Israeli military sources, said a Lebanese man was killed near Deir Mimas village, when Israeli soldiers shot back after being sprayed with small-arms fire. The sources said the victim was among the attackers.

As Economic Miracle Crumbles, Lebanese Face Harder Times

WASH. POST-Boustany-Lebanon's economic miracle is coming undone, and the talent of the Lebanese to thrive on their misfortunes and make money out of thin air is drying up. The Moslem quarters of Beirut observed a strike today in what leftist groups described as a "first warning" to the government to do something about inflation, the high cost of living and a visibly worsening economic situation. A dramatic appreciation of the US dollar on local markets has sent prices soaring and has distracted the Lebanese from their conventional worries over politics and security.

Moroccan Official Here To Address Libya Pact

WASH. POST-Ottaway-Morocco sent a second high-ranking emissary to Washington yesterday to assure the Reagan administration that there is "no substance" to the surprise unity agreement it signed with Libya last September that continues to provoke deep concern. Abdellatif Filali (foreign minister) met with Reagan and McFarlane for what the Moroccan side officially described as a "large exchange of views." The White House had no comment on the meeting.

UN Report Criticizes Conditions In Iran's, Iraq's POW Camps

BOSTON GLOBE-Newell - A UN team sharply criticized the treatment of civilian detainees and prisoners of war by both Iran and Iraq during their five-year war. The three-man UN panel concluded that harsh treatment and violent incidents among prisoners were "far from uncommon." Both countries were criticized for breaking terms of the Geneva Convention.

Handwritten notes at the bottom of the page, including the word "מסמך" (document) and other illegible scribbles.



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The exact wording of the accord, called "a bid for joint action," has been kept secret since its existence was announced Feb. 11, but US and Arab officials have described it as a vital element in efforts to build momentum toward a new Middle East peace initiative.

Moderate Arab Leaders Seek US Support

THE SUN-Jefferson Price III-The widespread Arab complaint that America's withdrawal from Lebanon symbolized the emptiness of Washington's hope to broker peace in the Mideast appears to have turned into anxiety - anxiety reflected in a recent flurry of events that could draw the US back into action in the region. The Arabs are clamoring at the White House, promising plans and demanding assistance.

Ethiopia Demands Black Jews' Return

WASH. POST-(Wires)-Ethiopia demanded the immediate return yesterday of about 12,000 black Jews secretly transported to Israel and said that they were in no way Jewish. "In view of the unlawful abduction of its citizens, the Ethiopian govt. appeals to the international community to prevail on the govt. of Israel to respond favorably to its demand for the orderly and immediate repatriation of its abducted citizens," a lengthy Foreign Ministry statement said.

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מל: המורה, מע"ח, לש' ממכ"ל, ירפז רוח"ם לחקשורה, סגפ"א.  
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 תאריך חתימה: 29/3 -  
 מס. מברק: 514

News Summary February 22, 1985

Columns

NYP-Evans & Novak "Syria's Growing Role in the Mideast" Reagan's call to Assad last week was really an admission by the administration that the US needs Syrian help to help block a Khomeini-like state in Lebanon. That type of state is like a dagger pointed at Israel. But it also threatens every interest the West has in the Islamic world. It is Israel's occupation that has fanned the Islamic fundamentalism in southern Lebanon. All this would have never happened if Assad was brought into the front-and-center in 1983 Lebanon-Israel negotiations. Syria's power is now astounding. Israel has reason to be concerned about Syria's military power, at a time when Israel's military is in retreat for the first time voluntarily. Yet, an Islamic fundamentalist regime in Lebanon is a threat to Syria as well. Syria is a place to be carefully cultivated by the US. Even political realists in Israel know that. So does Reagan.

Press Reports

Israeli Troops Besiege Villages in South Lebanon

NYT-p.1-Kifner-Israeli forces have reportedly besieged at least three villages in southern Lebanon, rounding up dozens of male residents for interrogation. The operation was apparently part of the announced drive against the growing Shiite Moslem population of the region. Shamir said Israel would take "even the most severe" measures to protect its soldiers. Three Israeli soldiers have been killed this week in ambushes. Precise casualty figures and details are scarce because of spotty telephone communication. Also Israeli troops have sealed off the Tyre area but this could not be independently confirmed. Western news agencies received phone calls saying that if the Israelis didn't lift their siege of the villages "earth-shaking suicide-missions" would be carried out.

Israel Seeks Soviet-Chinese Ties

NYT-AP-Peres said, in Rumania, that his gov't would reconsider its objections to UN mediation in the Mideast if the Soviet Union and China eased their hostility towards Israel. He has asked Ceausescu to urge both countries to establish diplomatic relations with Israel. Arafat and the Rumanian leader met last week and he said that Arafat is ready to negotiate and that "this time he is serious." (see NYP-Dan; ND-AP)

התאחדות הסוכנות היהודית, תל אביב

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US-Soviet Talks

NYT-Gwertzman-State Dept. officials said that the US-Soviet Mideast Talks produced no agreements, except a continued desire to see the Iran-Iraq war settled. Reagan spoke at a press conference and minimized the talks. Reagan said that the US doesn't support the idea of an international conference. He said that negotiations must be between the Arabs, Palestinians and Israelis. (see text of Reagan's remarks, -NYT)

Paris Journal Says Abu Nidal is Alive

NYT-Lewis-A French magazine published what it said was an interview with Abu Nidal, who was reported to have died in November. He said that he has planned new attacks on Americans and has decided to execute King Hussein. Lucien Bitterlin, editor of France Pays Arabes, said he met with Nidal on February 6-7.

UN Report Says Iran and Iraq Mistreat Prisoners

NYT-Sciolino-A report by a three-member UN study group has concluded that both Iran and Iraq regularly mistreat each others prisoners of war in violation of the Geneva Conventions. Whippings, beatings, electric shocks, and assaults on sexual organs were not uncommon. (see ND-Kroeger)

Eli Wiesel Speaks to Students

ND-Banner-Wiesel spoke at a Jr. High School in Manhattan yesterday. The students sat in disbelief as Wiesel told his stories.

Magazine Articles

Israel and the Occupied Territories

Journal of Defense and Diplomacy 1/85-Geoffrey Aronson (Georgetown U Center for Contemporary Arab Studies; article excerpted from book "Creating Facts: Israel, Palestinians and the Occupied Territories, 1967-1984, to be published this year) Since the '67 war, Israel has created new realities in the West Bank, Gaza and Golan Heights. Because the population boom envisioned by Likud has not been realized in the West Bank, Israel's agenda for the occupied territories is changing. Israel must now create a legal and institutional system

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to ensure Jewish hegemony over an Arab population approaching parity. "Civil Administration" and Peres's current concern for the "quality of life" in the territories have been conceived as mechanisms for the institutionalization of Palestinian inferiority in the context of permanent Israeli rule. Israel wants the maximum benefits of annexation without its burdens (the need to confer full citizenship upon more than 1 million Arabs). Since 1982, Israeli administrators are paralyzed. Israel now lacks the international understanding for its rule as occupier as well as a class of Palestinians willing to acquiesce. Israel has been able to consolidate its hold over resources and to obstruct autonomous Palestinian cultural, political, economic centers. As the Palestinians remain subject to strict restrictions, Jews in the area enjoy full rights. Labor party leaders know that there are problems for Israel in this annexation but they are still committed to permanent Israeli rule. Due to problems among Arabs and the PLO, Israel has left Palestinians no options. But Palestinians hope and they have adopted sophisticated strategies. Syria is the only true casualty of the US-Israeli alliance. Syria is in a predicament and it will continue to be felt throughout the Arab world. Territory for peace isn't applicable to the Golan Heights. Syria fears an Arab sellout. The US is now complacent. But if Egypt really takes on the Palestinian issue, this US attitude might change. Now, the US isn't concerned with the West Bank,

Lebanon After the Israelis

The Nation-2/23 McLeod "No Peace for Galilee Now" The defeat of Sharon's grand design was assured by the Israeli failure to defeat the Syrians. Israel has won nothing from its 1982 invasion. The Israelis will withdraw even though the Southern Lebanese Army isn't thought to be an effective force at this time. Israel will leave behind a Lebanon that has suffered greatly at its hand. Radical Palestinian groups are already returning to Beirut and may be in Sidon soon. Syria is winning the chess game now.

Music-Is Boy George Anti-Semitic?

MP-gossip-Some are accusing Boy George of being anti-Semitic because his new album cover features figures holding dollar signs in one hand and Jewish stars in the other. Boy George says its "Rubbish." He says his manager and drummer is Jewish and that he had a Jewish lover and is fascinated by the Jewish culture and the fact that there are so many Jews in the music business.

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and flirting with the Soviets, Hussein has again turned to Reagan for help in restarting the Middle East peace process. The agreement between Hussein and Arafat seem to contain little that would entice the US back into the process. But Washington is watching with satisfaction the eagerness of Hussein and other Arab leaders to turn to the US for help in seeking a solution to their disputes with Israel.

Abu Nidal Reported Alive

WASH. POST-(Wire)- A French journalist said Abu Nidal, who was reported to have died in a Baghdad hospital more than three months ago, is alive and well. Lucien Bitterlin, editor of the monthly France Pays Arabes, said in a television interivew that he interviewed Nidal in Syrian-held eastern Lebanon on Feb. 6 and 7, Bitterlin said Nidal told him he had a heart attack and undergone three operations.

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 פבר' 1986

אל: המשרד

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מ/מנכ"ל. מנהל מצפ"א.

שיחת הסגיר - פקוד (21/2)

1. אתמול ביקר הסגיר אצל הסנטור בוב פקוד ושוחח עמו בעיקר על נושאי הסיוע ויחסינו עם מצרים. נכחו עוזר הסנטור לענייני מז"ח, סטיב מיי, והחיים.
2. לאחר שיחה קצרה על "הסכס" חוטיין-ערפאת והמצב בלבנון, התייחס רוזן למצב הכלכלי בישראל. הרחיב תוך פירוט רב על המאמצים הנעשים כיום לשם הבראת המשק וכן ציין את התועלת האסטרטגית והמודיעינית שמקבלת ארה"ב תמורת הסיוע שהיא מעניקה לישראל. בדברו על חוסר המספרים לגודל הסיוע האזרחי המוצע ל-FY 1986 והתוספת לש.ז., הודה רוזן לפקוד על שחתם על מכתב הסנטורים המפצירים בשולץ להחיש הגשת המספרים האלה (המכתב יזום ע"י אלן קרנסטון - נוטה ודיווח בנפרד).
3. בתגובה, אמר פקוד שהנתונים שסיפק רוזן היו מועילים ביותר ויהיו לו לעזר בייחוד במגעיו עם בוחריו הנוטים למחוח ביקורת קשה על מתן סיוע חוץ למה שהם מגדירים "Foreign Rat Holes". דווקא בעת שנאלצת ארה"ב לצמצם חכניות בבית, חשוב במיוחד להבהיר שבישראל מתבצעים קיצוצים של ממש, בסדר גודל של כ-10 אחוזים מכלל התקציב ואף כ-15 אחוזים מהחלק של התקציב שאינו משועבד לתשלום חובות. חיוני גם להדגיש שישראל הינה בת הברית הטובה ביותר של ארה"ב וכן זו שעולה לארה"ב הכי פחות יחסית.
4. מכאן עבר רוזן לנושא מצרים בהטעמו שבידי ארה"ב בלבד הכוח והיכולת להשפיע על עמדות מצרים. פקוד גילה עניין רב בנושאים ושאל שורה של שאלות (מה ירויה מובראכי אם יוחזר השגיר המצרי? מה נימוקיו של מובראכי - בפני רבים מכאן, ובשיחות פרטיות מכאן - נגד החזרת השגיר? מה חיפשו המצרים בעשיית שלום עמנו ולאן מועדות פניהם כיום? ועוד). בתשובותיו, אזכר רוזן שבעת המו"מ חזינו שבמרוצת הזמן תנסה מצרים לקשור כיבוד החוזה למאורעות חיצוניים ולכן הכנסנו לא פעם אלא פעמיים בנוסח, הוראות הקובעות שהחוזה עומד בפני עצמו ושהצודים מקבלים על עצמם למלא אחר התחייבויותיהם מבלי להתחשב בפעולה או חוסר פעולה מכל צד אחר, ובנפרד מכל הסכס אחר. רק לארה"ב, הוסיף רוזן, הסמכות המוסרית לדרוש ממצרים קיום מלא של החוזה.
5. למדן הטביר שלהערכתנו יעדו העליון של מובראכי הינו שיקום מעמדה של מצרים בעולם הערבי, וכל החנאים המצריים לשיפור היחסים עמנו (לבנון, הפלסטינים וטאבה) אינם אלא תירוציים

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לו היינו נותנים את טאבה, למשל, "על מגש" טפק אם זה היה עוזר כל אימת שמצרים לא חשנה מדיניותה הבסיסית. מתבקש איפוא מאמץ לשכנע את מובראכי שיוכל להנות מ"שני העולמות". היינו, שיפור היחסים עם מדינות ערב וגם עם ישראל בעת ובעונה אחת. הדבר ניתן משום שאף אחת מהמדינות הערביות המוכנות לשר יחסיהן עם מצרים (כגון ירדן, מרוקו, עיראק) לא תתנגד לחימום היחסים עם ישראל. יתר על כן, יש להבהיר למובראכי שאם ברצונו להחיות ולהרחיב את תהליך השלום, המשיך השלום הקר אינו אלא *disincentive* לכך. כמו כן, אם ברצונו להיות גשר בין ישראל לבין העולט הערבי, עליו לבנות הגשרים רשמי הכיוונים ולא רק בכיוון הערבים על חשבון היחסים עם ישראל.

6. פקוד סיים חלק זה של השיחה בבקשה שנעזור לעוזרו להכין לא רק את השאלות למובראכי אלא גם התגובות המשפטיות להשובות הצפויות של מובראכי.
7. בתום השיחה שהתנהלה באוירה חמה ביותר, הפגיש פקוד עם סר האוצר החדש, בייקר, שעמד להכנס לפגישה עם פקוד אחרינו.

למדן

שמח כדבר שהיה ממש מן הממשלה  
 (יזכר משה)







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5. גורמים במחמ"ד בודקים כרגע האפשרויות הנ"ל. טרם הגיעו למסקנה פרט לכך שהרביעית אינה ריאלית - חוסיין לא יופיע ללא הפלסטינים. חם דווקא נוטים להתייחס יותר ברצינות ל-2 הראשונות. שרון שאלתו של מילר מה חייב לקרות (לא פירט ע"י מי) כדי שערפאת יהיה במצב של "רוצה אני" מבלי לטבור ידיים ורגליים השאירה בפי טעם מר.

6. בטווח הקרוב <sup>ע"פ מילר</sup> צפויה התרוצצות בינערבית. פגישה נוספת חוסיין ערפאת, ולאחריה חוסיין יגיע למצרים (סדר הפגישות עלול להשתנות). אין ספק שהתחנה הבאה היא ביקור מובראכי כאן. מילר העיר (בצדק) שקשה לראות את מה שקורה בין חוסיין וערפאת ללא המכש המצרי. התחנה הבאה של חוסיין היא להשיג מערפאת מסמך ברור ומפורט יותר.

אלי אבידן

א.ל.

סגור רחוק שאלו מנסים מ/מנסים מרצמו ר (אנסטן) ר/מנס מנס רם אמן

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סגרירות ישראל - וושינגטון

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סיוע

מציב מכתבו של מנהיג הרוב הדמוקרטי גייס רייט, אל שולץ בנושא הסיוע הכלכלי.

קני-סל קניא

אמלתי ליהי מיני - מיני מיני פרוה פלי - קאז מאז רם אמן  
אלזר רובינשטיין

JIM WRIGHT  
TEXAS  
MAJORITY LEADER

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Congress of the United States  
House of Representatives  
Office of the Majority Leader  
Washington, D.C. 20515  
February 21, 1985

Hon. George P. Schultz  
Department of State  
2201 C Street  
Washington, D. C. 20520

Dear Mr. Secretary:

The Administration is to be commended for its commitment to the integrity of the state of Israel. This has been demonstrated by your willingness to recommend assistance to Israel and by your recognition for the need to improve Israel's economic conditions. Your efforts in this regard have been quite adequate.

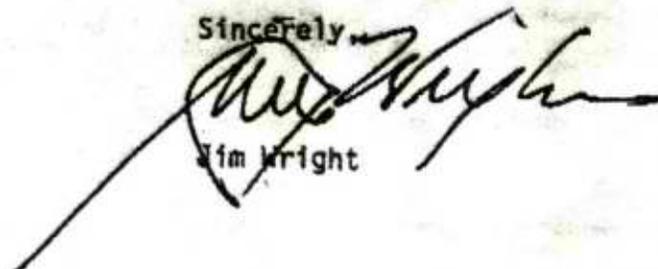
In addition to these steps already undertaken by the Administration, this may be the appropriate time for another positive gesture of recommending a figure for an economic assistance package by submitting a fiscal 1985 supplemental and fiscal 1986 budget request so the Congress may begin its deliberations.

We owe the people of Israel our firm and unequivocal support. Even though we must recognize the limits of our ability to influence the internal affairs of a sovereign state, too much pressure becomes counter-productive and only impedes the achievement of our mutually desired goals.

The state of Israel is very much aware of our concern for their economic stability and I believe that they have initiated steps leading in that direction. At this time, Israel's currency reserve is uncomfortably low, and uncertainty abounds in the financial sector. To further delay your request for an economic assistance package could threaten the economic and political stability of one of our closest allies.

Thank you for your consideration of this request.

Sincerely,

  
Jim Wright



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United States Senate  
WASHINGTON, D.C. 20510

Dear Mr. Secretary:

We wish to commend the Reagan Administration's effort to respond constructively to aid requests of the Israeli government. Because we share the belief that a strong and secure Israel is in the U.S. national interest, we welcome the decision to increase FMS grants to Israel for FY 1986 to a total of \$1.8 billion.

We recognize the State Department's desire to withhold a decision on Israeli requests for supplemental ESF assistance for 1985 and additional ESF funds for fiscal year 1986. We understand the interest you perceive in waiting to assess Jerusalem's progress in implementing economic reforms, without which substantial aid increases can have little long-term impact. And we, too, perceive a reason for impressing upon members of the Israeli cabinet the urgency of genuine economic reforms, and for continuing to encourage the Israelis to do more.

We are writing today to express a belief that this process of negotiation between Washington and Jerusalem has now run its course. Continuation of an exercise in economic brinksmanship -- or 'chicken', if you will -- may soon become counterproductive. The Israeli government has already undertaken a series of important steps to stabilize its economy. A number of these decisions should produce results which cannot be measured in the short-term. Thus the Reagan Administration should not wait to evaluate the results of each of these decisions before making a decision on more ESF for FY 1985 and 1986.

Two essential ingredients for Israel's march toward economic stability must be consumer confidence and cabinet discipline. Yet the Administration's refusal to make commitments regarding a 1985 ESF supplemental or 1986 ESF increase may soon prove harmful to both of these efforts. Israel's cash reserves are extremely low. And threats to the internal stability of Israel's coalition government remain serious.

Therefore we believe the time has now come for the Administration to put forward proposed ESF totals for the 1985 supplemental and 1986. These proposals are needed now by the authorizing and appropriating committees, as we will soon move toward action on legislation addressing these issues.



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Mr. Secretary, we look forward to working with you again this year in a bipartisan fashion to pursue our common goal of aiding in the development of a strong and secure Israel. We hope to hear from you as soon as possible regarding our concerns.

With best wishes,

Sincerely,

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# משרד החוץ-מחלקת הקשר

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# משרד החוץ-מחלקת הקשר

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סודי/סודי ביותר

דון

והחתי אתמול עם לואיס על המתעוררות הפתאומית בווייטנאם  
מסביב לסוריה. לואיס אמר שעד כמה שידוע לו תשובת דובר מחמיד  
הוכנה בתגובה למאמרו של מילטון יורסט ושלא הייתה כל בוונה  
אחרת, דהיינו לא אחות לסוריה או לישראל או לכל גורם אחר.  
בקשר לסלפון של רייגן לאסאל אמר לואיס שהכוונה הייתה אך ורק  
לנסות ולהניע את אסאל לגלות פעילות בלשהיא בקשר ל-4  
החטופים. לואיס העיר שידוע להם יפה שלווין לא שוחרר ע"י  
הסורים אך מהבחינה הסקטית מצאו לנכון לנסות ולנצל את הסדק  
שנוצר על מנת ללחוץ למעורבות אישית של אסאל לדעתם הדבר נהיה  
קריטי למדי מאחר והם קיבלו ידיעות מנדיעוניות דנות למדי  
לפיהן נראה שלאיראנים לפחות שלושה ארגונים נפרדים הפועלים  
כלבונן בשלכל אחד מהם מפעילים שונים בטהרן ומכאן שהם חוששים  
מסכון גדול לחיי החטופים.  
לואיס המשיך וטען שאלה היו שני האירועים היחידים שנגשו  
לסוריה אך שהתקשורת ובמיוחד אוברדורפר, הסיקה מסקנה לא  
נכונה. לואיס גם אמר שהוא מציע שנשים לב שלמרות שני  
האירועים התבטא המוכיר מספר פעמים לאחדונה בגנות הסורים  
מכל מקום לדברי לואיס אין כל שינוי בגישת מחמיד לסורים.  
הוא העיר כדרך אגב שהם אמרו זאת גם לחוסיין בר-און

FORMS 316937.70 5.84

1911

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# משרד החוץ-מחלקת הקשר

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סודי ביותר

2 דף  
2 עותק  
מחוך 30  
מחוך 7

FORMS  
דולר ושעות ביעים של 336967

S.B.A

נושרד החוץ-מחלקת הקשר

5575

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1100

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אל: המשרד, נר: 21, מ: פילדלפיה  
דח: 3, סג: מ, תא: 520285, רח: 1200  
נד: אלעל

בהול/שמו

אל: דרוי

דח: השגריר/ש, בלוב/ש

הדם בנגד שראל-בטקבוס סכסוך העבודה באל-על  
א. סקור המקורב ל- AFL CIO הודיע למשרד הבונדס באן כי  
ראה הצעת החלטה שתובא לפני הועד הפועל של האיגודים המקצועיים  
היום או ביום שני הקרוב, לפיה:

1. יקראו לאיגודים להתרים הבונדס ולממש האיגרות שברשותם.
2. להעמיד משמרות סתאה לפני השגרירות והקונסוליות.
3. להתרים נסיעות לישראל.

1. למרות שמדובר רק ב-5 הווד 5 משרות, הרי ש- JAMES  
 HATFIELD נשיא איגוד הובוכית והפלסטיק דוחף להטביע  
 המצעה הזו.  
 2. הודיעונו נא מה נעשה בנדון עי אל-על.  
 3-11-85

מ: שרה, דהם, מנבל, מצפא, דודלי, בלבליה, רווינשטיין,  
שפא, שרהחבורה, סנבלתחבורה

מחלקת הקשר, תאריך: 14.7.85



# משרד החוץ-מחלקת הקשר

תפ: שהח, רהמ, מנכ"ל, ממנכ"ל, מצפא, תפוצות



סגירות ישראל - רוסינגטון

אל: המשרד

פ.ד.פ. 2000

דד...!...ממוך...א...דסים

סווג בסמוכי...?777?

דמיסום...?777?

ממריך וזיים 1390.21.85

...437...מברק

אל :- מצפ"א , אירוסה ג'

הנדון :- שיחות מרפי - פעליאקוב

מפי רפאל :

1. לא היו כל הפתעות או סיכומים.
2. הרוסים התרכזו בדרישה כללית שיש לצרפם להליך. העלו את נושא חוועידה הבינ"ל אך בעיקר במסגרת דרישתם לשתפם בהליך.
3. מרפי העלה שאלה של כינון יחסים עם ישראל ופוליאקוב השיב בשאלה באם שולץ מוכן לשבת עם קאדומי.
4. מרפי העלה נושא חשפעה ממחנת של ברה"מ על סוריה ופוליאקוב השיב שהאסמה היא בתוקפנות ישראלית.
5. מרפי העלה נושא יהדות ברה"מ וזכה לתשובה שגם בעיית 4 מליון פלסטינאים הינה בעיית זכויות אדם.
6. בנושא לבנון הרוסים דרשו יציאת כל הכוחות הישראלים והסכימו להצבת אוניפי"ל רק אם תוצב על הגבול הבינ"ל.
7. בנושא מלחמת המפרץ הרוסים ציינו שעיקר האמל"ח לשני הצדדים מקורו במדינות המערב.
8. לדברי רפאל הרוסים לא אמרו להם דבר שאינם אומרים בפורומים בינ"ל רגילים.
9. שולחים היום מברק ללואיס עם תדרוך מפורט עבורנו.

  
ס י ל



ממריך וזיים 1390.21.85



ס ד כ ז  
 ס ד כ ז  
 ד... /... מחור... ד...  
 גלוי  
 סוג בטחוני  
 מידי  
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 תאריך וזיחה  
 ס' פבר'

אל: המשרד

441  $\frac{1}{5}$

מצפ"א. ממ"ד.

ויינברגר בועדת החוץ של בית הנבחרים.

1. בהודעה המוכנה ציין ויינברגר כי ארה"ב אינה מסוגלת לשאת לבדה את נטל ההגנה של העולם החופשי. חשוב שבעלי הברית וידידי ארה"ב ישתתפו במאמץ זה. סיוע חוץ הינו כלי חשוב שנועד להגשים אינטרסים ביטחוניים משותפים. הסיוע מקל את הנטל הפיננסי והלוגיסטי של ארה"ב ובאותה עת מסייע לידידים ובעלי הברית לשפר את בטחונם. ויינברגר הבליט את האיום הסובייטי והוסיף:

WITHOUT SECURITY ASSISTANCE, WE WOULD HAVE TO STATION MORE FORCES ABROAD, WE WOULD HAVE TO COMPENSATE FOR INADEQUATE FORWARD DEFENSES, WE WOULD LACK THE NECESSARY POWER PROJECTION ASSETS (E.G., BASES AND ACCESS TO OVERSEAS MILITARY FACILITIES), AND WE WOULD NOT BE ABLE TO HELP OUR FRIENDS TO DEFEND THEMSELVES.

OVER THE PAST TWO DECADES, THE SOVIET UNION HAS INCREASED ITS MILITARY ASSISTANCE AND ARMS SALES TIES TO SEVERAL THIRD WORLD COUNTRIES, JUST AS IT HAS CONTINUED ITS MILITARY BUILDUP. IT IS NOW PROVIDING ARMS TO MORE THAN TWENTY-FIVE DEVELOPING COUNTRIES AND HAS STATIONED NEARLY 20,000 NON-COMBAT MILITARY ADVISORS IN THE THIRD WORLD. SINCE THE MID-1950'S, THE SOVIET UNION HAS DELIVERED MORE THAN \$90 BILLION WORTH OF ARMS TO THE THIRD WORLD, OFTEN AT FAVORABLE PRICES AND WITH SHORT DELIVERY LEAD TIMES. THEY DO NOT PROVIDE COMPARABLE LEVELS OF ECONOMIC

מלחמה / פ  
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 0 7 3 3  
 97... 2... 5... 2... 5... דפים  
 סוג בסחונני  
 דחיסות  
 תאריך וזמן  
 מס' סנדק

441 ~~2~~  $\frac{2}{5}$

ASSISTANCE BECAUSE OF THEIR OWN ECONOMIC FAILURES, BUT PREFER TO USE THEIR MILITARY PRODUCTION AND LOGISTICS SYSTEM TO CREATE AND EXPLOIT VULNERABILITIES AROUND THE WORLD. THE BULK OF SOVIET SALES, OF COURSE, HAS BEEN WITH THE WORLD'S PARIAS STATES -- CUBA, LIBYA, ETHIOPIA, VIETNAM AND NORTH KOREA -- WHO IN MANY CASES USE SOVIET ARMS AND ADVISORS TO HEIGHTEN REGIONAL TENSIONS AND EXPLOIT INSTABILITIES IN THEIR REGIONS.

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2. ויינברגר דיבר על הדיאלוג האסטרטגי עם תוניסיה, מצרים, מרוקו, סעודיה, ישראל, פקיסטן, קוריאה, ירדן ותורכיה. דיאלוג זה התאפשר והתחזק בשל הסיוע והתפתחויות שונות. גם הדיאלוג עם סדנות המפרץ מתפתח בהדרגה.
3. ויינברגר סיפק את ההנמקה המצייב לגבי תכניות הסיוע למדינות השונות.

IN OTHER WORDS, COUNTRY SECURITY ASSISTANCE PROGRAMS ARE THE BUILDING BLOCKS FOR PURSUING THE LARGER STRATEGIC AND FOREIGN POLICY INTERESTS OF THE UNITED STATES. THEY HELP FRIENDLY COUNTRIES MAKE BETTER USE OF THEIR INDIGENOUS RESOURCES, COPE WITH CONFLICTS WITHIN OR ON THEIR BORDERS, AND IMPROVE THEIR DETERRENT CAPABILITY AGAINST EXTERNAL THREATS. IF EFFECTIVE, OUR PROGRAMS HELP REDUCE THE LIKELIHOOD THAT UNITED STATES FORCES WILL BE CALLED UPON TO INTERVENE ON BEHALF OF FRIENDLY OR ALLIED COUNTRIES SHARING COMMON SECURITY INTERESTS. BY ENCOURAGING SELF-RELIANCE AND PROMOTING SELF-SUFFICIENCY AMONG RECIPIENT COUNTRIES, WE CAN AFFORD TO DIRECT OUR ATTENTION TO THE MOST PRESSING INTERNATIONAL SECURITY ISSUES AND PREVENT OURSELVES FROM BEING SPREAD TOO THIN.

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 ס 3 7 7  
 דף... 4... מתוך... 5... דפים  
 טווג בסחונני  
 דחיסום  
 תאריך וזמין  
 מסי מברק

441  $\frac{4}{5}$

AS DO THE REGIONAL COUNTRIES HELPFUL TO THE MIDDLE EAST PEACE PROCESS. ALSO, CONTINUED UNITED STATES SECURITY ASSISTANCE IS ESSENTIAL TO MOROCCO, HONDURAS, SUDAN, SOMALIA, AND OTHERS WHICH MUST MANAGE OR CONTAIN BORDER OR INTERNAL CONFLICTS IN THE FACE OF SERIOUS INTERNAL ECONOMIC PROBLEMS.

5. לאורך הצגת הדברים שלו חזר ויינברגר והתייחס לישראל ומצרים כקטגוריה נפרדת ומיוחדת. שתי מדינות אלו קבלו העלאה משמעותית מעבר לרמות דאשתקד.

6. בסוף ההודעה שלו התייחס ויינברגר לכך שכספי ה-FMS נשארים בארה"ב. ויינברגר ציין את תכנית הלבניא כאחד מהמקרים יוצאי הדופן המעטים

I SHOULD ADD THAT THE MILITARY ASSISTANCE PROGRAM IS NOT A GIVE-AWAY PROGRAM. WITH VERY FEW EXCEPTIONS -- E.G., THE LAVI PROGRAM IN ISRAEL MANDATED BY THE CONGRESS -- VIRTUALLY ALL THE FUNDS APPROVED BY CONGRESS FOR FOREIGN PROCUREMENTS ARE SPENT HERE IN THE UNITED STATES. THESE FUNDS DO NOT GO ABROAD, BUT COME BACK INTO THE UNITED STATES DOMESTIC ECONOMY AND CREATE JOBS AND BRING IN MODEST REVENUES TO THE UNITED STATES TREASURY. THOUGH NOT THE MAIN REASON FOR THIS PROGRAM, IT SHOULD BE REMEMBERED THAT IT REAPS MODEST ECONOMIC GAIN IN ADDITION TO THE LARGE-SCALE STRATEGIC AND FOREIGN POLICY BENEFITS.

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ס.ר.ס. 5.5.5

דפ... 5... מתוך... 5... דפים

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7. ויינברגר דיבר קצרות גם על סכנת הטירור הבינלאומי הנחמך ע"י קבוצות ומדינות הדוגלות במרכסיזם-לניניזם מכאן ובפונדמנטליזם איסלמי מכאן.

8. בחלק השאלות והתשובות היו מעט מאד שאלות לגבי מזה"ת. המורשה זשאן שאל מדוע החליט הממשל להגדיל הסיוע לישראל ולמצרים. ויינברגר ניחח האיומים כלפי שתי המדינות שמקורם חיצוני (ברה"מ) או אזורי-מקומי. קיימת אי יציבות ניכרת במזה"ת והסיוע האמריקני נועד לייצב המצב בנוסף להרתעת חוקפנות חיצונית. ויינברגר עמד גם על הבעיות הכלכליות החמורות הניצבות בפני ישראל ומצרים כסיבה להגדלת הסיוע. ויינברגר ציין כי הממשל מקנה עדיפות גבוהה לחידוש התהליך המדיני על סמך תוכנית הנשיא מ-1982. ויינברגר ציין כי הסכסוך הישראלי-ערבי נמשך זה זמן רב ומעורר רגשנות רבה. הממשל האמריקני מקדיש מחשבת רבה ומוכן להשקיע בכדי להביא לפתרונו. ויינברגר ציין שהסכמי קמפ-דייוויד מאפשרים דיאלוג בין ישראל לבין מצרים וחוסף שיסנה הסכמה שבשתיקה לגבי

relatively equal and comparable levels of aid to Israel and Egypt.

9. המורשה כריס טמית שאל מתי תסתיים בדיקה סוגיית מכירות הנשק למדינות מזה"ת. ויינברגר השיב כי הבדיקה נעשית בעיקר ע"י מחמ"ד ונועדה לבדוק הפרוצדורה והצרכים של מדינות מזה"ת בהקשר לצורך לקיים מאזן הכוחות באזור ולצורך לאפשר למדינות השונות להתמודד עם הסכנות הנשקפות להן. אין תאריך מדויק מתי הבדיקה תסתיים, אולם ויינברגר העריך כי הדבר יהיה בקרוב.

10. לוי שאל האם יש לצפות להודעה בדבר מכירת נשק מתקדם לסעודיה בחום תקופת הבדיקה. הנוכחית. ויינברגר השיב כי אינו יודע מהן תוצאות הבדיקה הנייל. יש לזכור כי ארה"ב מכרה לישראל, סעודיה ומדינות אחרות באזור ציוד רב. התוכנית היא לפי שעה לבדוק צרכי המדינות השונות והדבר מתבצע כעת. עד כאן.

קני-טל 4.11

סגרירות ישראל - ורטינגטון

סגרירות ישראל - ורטינגטון

|     |       |    |     |
|-----|-------|----|-----|
| מל: | המסרד | 50 | 450 |
|     |       | 50 |     |

סגרירות ישראל - ורטינגטון

דף...1...ממון...דפים  
 סוג כסחוני...מקנר...  
 דחיות...בהול לבוקר  
 מדיף וזי...1630...21, סברואר 85

מדיף וזי...1630...21, סברואר 85

ממנכ"ל. כלכלית. מצפ"א.  
 לשכת רוה"מ - אמנון נויבך  
 דע: אברהם אלון - מח' לקשרים בינ"ל של ההסתדרות, תל-אביב

ראשי איגוד המכונאים הראו לי את החצעות שהם עומדים להגיש למשא ומתן בשבוע הבא. החצעות מתחלקות לשני חלקים: האחד דרישה להחזרת כל העובדים לאלתר וחסני כל הנושאים של שכר ותנאי עבודה. במחום זה הם מוכנים להעביר לבוררוח את כל הנושאים שלא סוכמו עד כה או שלא יסוכמו בשבוע הבא כגון סעיפי השכר נשינויים בסדרי העבודה כולל ניידות עובדים, הם מגדירים את החלק השני ככניעה מוחלטת שלהם. לגבי החלק הראשון הם נחנים מתמיכה מלאה ומוחלטת של כל ה - AFL - CIO.  
 אני סבור שהחצעות אלה דורשות התייחסות רצינית ביותר מצדנו.

דני בלוך

מה רמז גנא א/גנא גבסא אהוה פס"א רובינטיין  
 געס ערמבארט אפ"ע אהוה אהוה אהוה



משרד החוץ - מחלקת הקשר

טופס מברק צפון

רושינגטון

אל

9ד מתוד 1 סרדי  
 סיווג בטחוני: סרדי  
 דחיפות: מייד  
 תאריך וזיח: 2114-  
 מס. מברק: 638

השגריר.

הסכם ערפאת-חוסייין.

להלך מתוך שיחת ממנכ"ל בראון עם השגריר לואיס (20.2). נכחו מצידנו: אורון, קידר וח"מ  
 מצידם הייר וקורצר. לואיס פתח באומרו שבידיהם כמה נוסחים להסכם. אי פרסום ההסכם בצורה  
 רשמית נובע מחששו של ערפאת שפרסום כל ההסכם עלול להביא את כל המתנגדים לו להתאחד בביקורתם  
 הרעיון הוא להפיץ בצורה הדרגתית חלקים מההסכם על מנת לרכך הביקורת. בינתיים דלפו חלק  
 מהסעיפים ואכן התגובה הכללית בעולם הערבי יותר אוהדת ממה שערפאת יכול היה לצפות לה.  
 להערכת האמריקנים חוסייין קיבל תמיכת אלג'יר והוא היה באואפוריה. בתגובה הסורית הולכים  
 ומתגברים הטונים המאיימים. הסעודים שתקו בפומבי בעיקר מרצונם שלא להכעיס הסורים אך  
 בשיחות פרטיות אומרים שתומכים במהלכו של חוסייין. בנדר לא הסביר לאמריקנים פשר נסיעתו  
 לדמשק. המצרים מאידך חושבים שהסעודים אינם עושים די.  
 הירדנים מרוצים ההסכם אך אינם רואים בו סוף פסוק. הם מרוצים בעיקר כתוצאה מתמיכת ערפאת  
 במספר נקודות. הם רואים בהסכם חלק מתהליך ולדעתם ימשך תהליך זה עוד שבועות וחודשים עד  
 שערפאת יביע הסכמתו לעקרונות נוספים. חוסייין אמר לשגארה"ב באלג'יר שההסכם הישג חשוב אך  
 עדיין אינו משביע רצון. לדעת הירדנים שני העקרונות החשובים שלהם הסכים ערפאת עד כה הם  
 הרעיון של משלחת משותפת למו"מ אם וכאשר הוא יתקיים וויתורו של ערפאת על העמדה המסורתית  
 שאש"ף הוא הנציג הבלעדי של העם הפלסטיני. הניסוח בהסכם עצמו מעורפל יותר אך המצרים  
 הירדנים משוכנעים שזו המשמעות של אשר הוסכם. לדעתם פירושו של ההסכם הוא שערפאת הסכים  
 לעקרון של פתרון בדרכי מו"מ Peaceful negotiated Solution. גם העקרון של שטח תמורת שלום  
 נראה להם כהישג חשוב.

משרד החוץ - מחלקת הקשר

טופס מברק צפון

דפים 2 מתוך 5

אל

סיווג בטחוני:

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דחיפות:

תאריך וזיחה:

מס. מברק:

לשליח  
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הנציגים האמריקנים בעמאן ניהלו שיחות עם שה"ח מצרים ושר החצר מרואן קאסם. האחרון התגאה בכך שלראשונה נקטה ירדן ביוזמה מדינית והמריצה אותו. קאסם אמר שמתחולל בעולם הערבי תהליך ברירה sifting process בין אלו הרוצים בשלום לבין אלו המתנגדים לו, ולמעשה תהליך זה מתחולל גם בתוך אש"ף עצמו. קאסם קורא להסכם פריצת דרך אמיתית החורג מהסכם פאס אף כי הוא קשור אליו במס שפתיים. קאסם הוא שמעריך כי ערפאת מקבל את הרעיון של שלום המושג בדרך של מו"מ.

לדעת ארה"ב לירדנים ולמצרים אין כל אשליות לגבי קיומה של ועידה בינלאומית וזו רק נוסחה שתאפשר למכור את כל החבילה בקלות רבה יותר.

הרוסים מעוניינים כמובן בקעקוע ההסכם ושגרו לתונים שליח במגמה למנוע קבלתו ע"י אנשי אש"ף כאשר ערפאת שהה בירדן. ברור שבהסכם יש משום התרחקות נוספת בין בריה"מ ואש"ף. יחד עם זאת לא ברור מה מידת התמיכה וההתנגדות בתוך אש"ף להסכם שקדומי, אבו איאד ואבו ג'יהאד נגדו. בשיחה עם סונדרס הביע שה"ח ירדן דעתו שנסיונה של סוריה לבודד את אש"ף שבהנהגת ערפאת הוא שהביא את האחרון להיות ער ורגיש יותר לקו של ערביי יו"ש הרוצים בהרחקת הכיבוש הישראלי מעליהם: ותר מאשר ענינם באידיאולוגיה האש"פית. בשיחה זו אמר שה"ח מצרים כי ברור להם שמה שהושג עד כה אין בו די וכי זהו תהליך. משום כך מדגישים המצרים והירדנים בפני האמריקנים את הצורך שארה"ב לא תהיה שלילית מדי בתגובותיה להסכם על מנת לאפשר לחוסיין להמשיך בתהליך של השגת ויתורים מערפאת. כאמור שה"ח ירדן מצרי מצביע על ההסכם למשלחת משותפת כהישג גדול. והוא מפרשו כאבדן חלקי של עצמאות ובלעדיות אש"ף. זה גם מצביע לדעתו על כך שערפאת אבד אמונו אמונו באפשרות של התפייסות עם סוריה ועל כך שהוא פחות חשוף ללחציה של מוסקבה. מצרי גם

משרד החוץ - מחלקת הקשר

טופס מברק צפ-1

אל

דף 3 מתוך 5 דפים

סיווג בטחוני:

דחיפות:

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תאריך וזמן:

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מס. מברק:

לשימוש  
מח  
הקשר

מעריך שערפאת הגיע למסקנה שמדינה פלסטינית עצמאית אינה בהישג יד אף כי כמובן שלא יוכל להודות בכך בפומבי. מכאן שלדעתו של שה"ח ירדן התוצאה הסופית תהיה קונפדרציה. הבעיה העיקרית היא מציאת נוסחה שתגשר בין הרעיון של הגדרה עצמית והפרשנות האש"פית שלו (מדינה עצמאית) לבין הקונפדרציה.

לדברי שה"ח ירדן מקובלת על ערפאת החלטה 242 (הוא קיבלה in essence) וכך אמר בשיחות אף כי לא יוכל לומר זאת פומבית. מאידך אין הירדנים מאושרים מההתבטאויות השליליות הנשמעות עד כה מחוגי אש"ף ומכך שערפאת עסק בשיגור איגרות (קרקסי, ע'אושסקו) ולא עסק בגיוס נפשות בתוך אש"ף.

הפרשנות האמריקנית היא שהמאמץ של חוסיין מיועד לייצר מתדיין ערבי Arab negotiator שיוכל לשבת עם ישראל על בסיס 242 אך שהוא משוכנע שאי אפשר לעשות זאת בלא תמיכה פלסטינית-אש"פית. במהלך השיחות שלו עם האמריקנים והשיחות שלו עם המצרים והסעודים הוא לחץ על כולם שלא ליצור אצל ערפאת את התחושה של אלטרנטיבה לאופציה הירדנית. המלך חוסיין מכיר בכך שכל התרגיל יהיה אקדמי אם לא יתקיים מו"מ עם ישראל.

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דפים 5 סחוד 4 96

אל

סיווג בטחוני:

דחיפות:

- 4 -

תאריך וזיח': } לשימוש  
מס. מברק: } שה  
הקשר

638

ארה"ב אמרה לאירופים, למצרים ולמלך פהד שאין כל פתרון אלא זה המבוסס על 242. ועידה בינלאומית בהשתתפות חמש הקבועות של מועב"ט תהיה תאשרון פוליטי וכי הגדרה עצמית עפ"י ההגדרה של אש"ף אינה מקובלת על ארה"ב כי פרושה מדנה עצמאית. כמו כן הביעה ארה"ב התנגדות לתפקיד עצמאי לאש"ף בתהליך.

במהלך השיחה עם לואיס הוסכס כי שלש נקודות עקרוניות נשארו מעורפלות ואולי במכוון:

1. לא ברור אם הכוונה בהחלטות האו"ם היא לכל החלטות כולל החלטות מועב"ט.
2. לא ברור משמעותה של הקונפדרציה ומידת העצמאות לחלק הפלסטיני בה.
3. לא ברור אופי והרכב המשלחת המשותפת.

כמו כן היתה הסכמה כי בעיני בריה"מ וסוריה ההסכס הוא לרועץ.

אורון הצביע על כך שעבור המלך חוסיין וגם עבור ערפאת נושאי ההסכס נוגעים בשאלה קיומית ואיש מהם לא יוכל לוותר בנקל.

כמו כן הדגיש אורון שהתגובות הידועות בעולם הערבי אינן, ככל הידוע, אוהדות. האלג'יריס שאליהם מיהר חוסיין לא אמרו דבר בגלוי וזכורה הצפיה שהם יתמכו בהסכס ה-17.5. לואיס טען

שבשנה האחרונה הצטרפה אלג'יר למחנה המתון-פרגמטי. לדבריו חוסיין צופה תמיכה אלג'ירית כנגד ההתנגדות הסורית. אורון ציין כי המבחן יהיה בקיומו של כנס המועצה הפלסטינית באלג'יר.

באשר לסעודיה הוסיף אורון יתכן שיש הסכמה שבשתיקה אך לא נאמר דבר בפומבי. לואיס אמר שלפהד הגיעה אינפורמציה על ההסכס במהלך ביקורו אך הוא העדיף מסיבות השמורות עימו שלא



סגירות ישראל - וושינגטון

אל: ה מ ש ר ד

ק ר פ ס      ס ר פ ק  
 דף.....ממור.....דפים  
 סווג בטחוני.....סודי  
 דחיסות.....מידי  
 תאריך וז"ח.....כבר 21 0900  
 מס' מברק.....423

ממכ"ל. מצפ"א.

פגישה סגן הנשיא בוש עם הקואליציה היהודית האמריקנית.

בפגישה שהתקיימה בשבוע שעבר עלה נושא אספקת הנשק לסעודיה. בוש שמע מהמשתתפים חרדתם  
 לנוכח האפשרות של מכירת ציוד מתקדם לריאד, אולם נמנע מלנקוט עמדה מחייבת. המשתתפים  
 היהודים חזרו והדגישו באזני בוש שביצוע עסקה כזו אינו משרת את האינטרס הישראלי,  
 האמריקני ואת האינטרס האישי של בוש (רמז לאפשרות ריצתו לנשיאות ב-1988).

קני-טל  
ת.א.א

עלה המהרה את המסמך הזה לראש הממשלה ולשר החוץ

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מצפ"א, ממנכ"ל, מע"ת.

STATE DEPARTMENT BRIEFING - FEBRUARY 21, 1985

I have a short announcement on the Vienna talks with the Soviets. As we indicated earlier, the United States and the Soviet delegates met for two days on February 19 and February 20, in Vienna. All of the subjects forecast in our background briefings were raised. But as we said in advance, we were not attempting to reach any agreements or understandings. The meetings, nevertheless, were useful in clarifying each side's policies and positions. They were conducted in a businesslike atmosphere. He are not going to get into the details of the discussions. No follow-on meetings are planned.

QUESTION: Is Ambassador Murphy back in Washington? Did he meet King Hussein or anybody there, in Vienna, while he was there?

MR. DJEREJIAN: I believe Ambassador Murphy is on his way back to Washington, but I have absolutely no reports of his meeting with King Hussein.

QUESTION: It's been reported he's been reporting directly to Shultz on his talks with the Soviets.

MR. DJEREJIAN: I don't know specifically. He'll be, certainly, reporting to the Secretary. I don't know if he'll be reporting directly to the President. But certainly the President will be made aware, is aware, of the discussions.

QUESTION: On the same area, do you have a sort of understanding with the Soviet Union not to declare anything about the discussions?

MR. DJEREJIAN: I am not going to get drawn into what we have agreed to or not agreed to with the Soviets. I will stand by the statement I made.

QUESTION: There was a report in FBIS today, referring to your statement last night about that Israel and Syria ought to negotiate the fate and the destiny of the Golan Heights. Israeli Foreign Minister, and Mr. Sharon, attacked vehemently your statement, and Sharon visited the area, the settlements, and he promised that there will be more settlements in the Golan Heights. What is the State Department comment on such utterances from the Israeli government on the Golan Heights?



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MR. DJEREJIAN: I have no specific comment on the reports you cite.

QUESTION: Could you look into it.

MR. DJEREJIAN: I think it's simple to reiterate what we stated last week. We consider U.N. Security Council Resolution 242 to apply to all fronts, and that obviously includes the Golan Heights.

QUESTION: For Mr. Shamir to say that the Golan heights are an indivisible part of Israel and that United States official statements cannot change this fact, do you have any comment?

MR. DJEREJIAN: I refer you to Mr. Sharon.

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אל: המברה, מע"ח, לש' מסנב"ל, יועץ רוח"ם לחקשורת, מצמ"א.

סינוג בטחוני:

לש' יגב

רמיפות:

רע: רוסינגטון

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תאריך חייב:

מס. מברק:

לדיסט  
מס  
הקשר

ממח: עתונות

95-611

News Summary February 21, 1985

Press Reports

Peres Offers to Go to Jordan

\*NYT-Dionne (Rome) Peres offered to go to Jordan for peace talks and he offered Hussein an invitation to Israel. Peres spoke at a news conference in Rome. He also discussed the US-Soviet Mideast talks and discounted them. Peres later flew to Bucharest for meetings with Ceausescu. On Tuesday, Ceausescu sent an envoy to speak with Mubarak and he met last week with Arafat. The visit to Rome has been viewed a success by Israeli officials. (see NYP-wire)

WSJ-Italy wants to help in the quest for Mideast peace. Craxi called for a "European initiative, Italy is trying to get Common Market nations to give explicit encouragement to the PLO-Jordanian pact for a Mideast strategy. Craxi will soon met with a Jordanian official. He also recieved a letter from Arafat but isn't expected to reply until he meets with Reagan in the first week of March..

US-Soviets End Mideast Talks

NYT-AP-The talks in Vienna ended. Delegates from both sides declined to discuss the substance of the talks. (see ND-combined; DN-combined)

PLO Backs Peace Formula

NYT-Reuters-The inner cabinet of the PLO said it backed Arafat's peace moves with Jordan, provided that they received "full Arab support." According to the generally accepted version of the accord, Arafat dropped a demand to send an independent team to negotiate and abandoned the demand for an independent Palestinian state as a precondition for talks.

Israelis Raid Village

NYT-special-Israeli forces raided a village east of Tyre in what authorities described as the opening of a crackdown against Shiite villages harboring anti-Israeli terrorists. Unofficial Israeli sources say that two gunmen were killed and several buildings were demolished in the all-day operation. The harder line was approved after widespread public criticism that the armed forces in Lebanon hadn't been sufficiently effective against Shiite guerrillas.

טופס מברק גלוי

דף 2 מחוד 2

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מס. מברק:

לשימוש  
לב  
הקשר

French Truce Observer Slain

NYT-AP-Unidentified gunmen shot and killed a French truce observer at a post south-east of Beirut.

Kuwait Votes for Parliament

NYT-Reuters-Kuwaitis voted for a new Parliament in the only Persian Gulf Arab country with an elected assembly able to initiate laws and change or reject government bills. Only 3.5% of Kuwaitis are allowed to vote under a franchise restricted to men over 21, most of whom must be able to trace their roots in Kuwait back to 1920.

Magazine Editorial-On Sharon Trial

The Nation 2/16 "Wrong Case, Wrong Place, Wrong Verdict" The press's reaction to the verdict was astonishing. The consensus is that the First Amendment is alive and well and we can now breath a sigh of relief. On the contrary, the verdict proves that public officials who claimed they have been libeled by a critical story should not be able to sue. The loser was the public.

Nation Fact-Finding Tour to Israel

The Nation-Weekly full page ad-Trip sponsored by the Nation leaving on May 13 and will return June 2. "Find out yourself what's going on in Israel and the Occupied Territories." Arthur Samuelson will lead tour. Itinerary is provided and an extra three day visit to Jordan is optional.

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מ: הסורה, מע"ת, מצפ"א, ממנכ"ל, יג, לט' רות"ם, דובר צה"ל, ע: ניו-יורק.

NEWS SUMMARY - THURSDAY - FEBRUARY 21, 1985

EDITORIALS

EVENING SUN-2/21-"Lebanon's Hostages" One week in Sidon dramatized the many bitter divisions which mock the very notion of Lebanon as a viable nation. After Israeli troops withdrew, bloodletting began within hours. There's every reason to fear a new spiral in the cycle of war and revenge that has gripped Lebanon for a decade. Yet, positive developments shouldn't be overlooked. Israeli troops are withdrawing; Syria indicated it will pull out some of its 30,000 troops. The US and the Soviet Union should try to focus their influence on the continued holding of hostages. They should use their influence on the Syrians and various Lebanese factions to cooperate with a renewed Red Cross effort to free these victims of this murderous war.

THE PRESS REPORTS

PHIL. INQUIRER-Tatro-"Israeli Withdrawal Dilemma Deepens" Intensified guerrilla warfare in southern Lebanon has created a difficult choice for Israel: Either withdraw Israeli troops faster or risk deeper involvement by cracking down on the Shiite Muslim population. Rabin said that he opposed a "hasty withdrawal" because time and extensive preparations were needed to build up defenses along Israel's border. Shamir has hinted that Israel's cabinet should reconsider its withdrawal plans in light of the increased attacks.

Come Visit Israel, Peres Asks Hussein

WASH. TIMES-(UPI)-Peres yesterday invited Hussein to Israel and said he would be willing to visit Jordan to discuss a new joint peace initiative between the monarch and Arafat. Peres also hinted Hussein might be asked to address the Knesset, on the issue, but he gave no indication he would negotiate directly with the PLO.

Two Killed As Israelis Retaliate In Lebanon

WASH. TIMES-(AP)-Israeli soldiers backed by armored units stormed a village in southern Lebanon yesterday and rounded up 200 guerrilla suspects, a UN spokesman said. Israeli military sources said soldiers killed two armed men who shot at them.

Magazine Says Israeli General Probed In Killing Of Hijackers

WASH. POST-(Manchester Guardian)-The man at the center of official inquiries into the controversial killing of two Palestinian terrorists captured alive by Israeli troops last year is a brigadier general in charge of the Army's paratroop and infantry forces, a news magazine said today. Today's report in the news magazine Koteret Rashit had not been submitted to the censor. The magazine named the officer present as Brig. Gen. Titzhak Mordechai. The magazine said that he was the senior officer on the scene.

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Lebanese Resistance Chiefs Vow Continued Effort

\*\*\*WASH. POST-Randal- At first, the Shiites' resistance was passive - boycotting Israeli products, isolating Israeli agents, preventing their own young men from joining Israeli-backed militias. The turning point came last June, said Daoud Daoud, an Amal resistance leader, when he charged plainclothesmen of the Israeli secret police shot and killed three local Amal leaders in separate incidents. Israeli officials have denied involvement in the three killings. (The rest of this article is focused on the Shiite resistance to Israeli forces in Lebanon and is very negative toward Israel - will be sent in 2/25 dip).

U.S., Soviet End Talks On Mideast

WASH. POST-Drozdiak-The US and the Soviet Union concluded their first major consultations on the Middle East in more than seven years but gave no indication whether the talks could lead to new peace negotiations to break the impasse in the Arab-Israeli conflict. US officials said that statements would be released "at some time" in Moscow and Wash, describing the nature and contents of the talks.

Arafat-Jordan Plan Receives Tepid Backing Of PLO Unit

\*\*\*WASH. POST-Dickey-The highest councils of the PLO, after more than a week of public dissension and veiled confrontation, issued a qualified endorsement yesterday of the recently announced plan for joining Jordanian-Palestinian action on Middle East peace that seemed to undermine the initiative almost as much as support it. The Soviet Union indicated its displeasure with the initiative. An article in the Pravda implied the proposal is part of an effort "to impose on the Arabs unequal separate deals." (The rest of this article will be cabled in full today).

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Page 1 and page 2 are in folder 1034 1 2



# official text

February 22, 1985

## PRESIDENT REAGAN'S PRESS CONFERENCE

Washington -- Following is the transcript of President Ronald Reagan's February 21, 1985 Press Conference:

(BEGIN TRANSCRIPT)

THE PRESIDENT: I HAVE A BRIEF STATEMENT HERE. THE FINAL ECONOMIC FIGURES ARE IN FOR 1984 AND THE NEWS IS EVEN BETTER THAN ANTICIPATED. THE U.S. ECONOMY GREW AT A RATE OF ALMOST 5 PERCENT IN THE FOURTH QUARTER AND FINAL SALES INCREASED AT A RATE OF 8 1/2 PERCENT. ECONOMIC GROWTH FOR CALENDAR YEAR 1984 MEASURED JUST A SHADE UNDER 7 PERCENT. IT WAS THE STRONGEST PERFORMANCE IN A SINGLE YEAR BY THE AMERICAN ECONOMY SINCE 1951. OUR RECOVERY IS NOW WELL INTO ITS 27TH MONTH. IT'S THE STRONGEST EXPANSION SINCE THE KOREAN WAR AND OURS IS A PEACE TIME EXPANSION, ROOTED NOT IN A MILITARY BUILD-UP FOR OVERSEAS CONFLICT BUT IN A BROADENING PROSPERITY WHEN AMERICA IS AT PEACE.

WE INTEND TO PROLONG AND TO PROTECT THIS EXPANSION AND WE'LL WORK WITH CONGRESS FOR A SWEEPING PROGRAM OF TAX SIMPLIFICATION AND REFORM, AND WE'RE CONVINCED THIS HISTORIC LEGISLATION CAN AND SHOULD BE PASSED THIS YEAR. AMERICA HAS REDISCOVERED THAT THE KEY TO GREATER ECONOMIC GROWTH, OPPORTUNITY AND PROSPERITY FOR ALL IS TO UNHARNESS THE ENERGIES OF FREE ENTERPRISE.

THE AMERICAN MIRACLE OF WHICH THE WORLD NOW SPEAKS IS A TRIUMPH OF FREE PEOPLE AND THEIR PRIVATE INSTITUTIONS, NOT GOVERNMENT. IT WAS INDIVIDUAL WORKERS, BUSINESS PEOPLE, ENTREPRENEURS, NOT GOVERNMENT, WHO CREATED VIRTUALLY EVERY ONE OF OUR 7 MILLION NEW JOBS OVER THE PAST TWO YEARS.

BUT PROTECTING RECOVERY WILL REQUIRE POLITICAL COURAGE, A FEDERAL GOVERNMENT THAT COLLECTS NEARLY 20 PERCENT OF THE GROSS NATIONAL PRODUCT IN TAXES MUST CEASE SPENDING NEARLY 25 PERCENT OF THE GROSS NATIONAL PRODUCT IN FEDERAL PROGRAMS. OUR ADMINISTRATION PROPOSES TO FREEZE OVERALL FEDERAL PROGRAM SPENDING AT LAST YEAR'S LEVEL, TO CUT 51 BILLION DOLLARS OUT OF PROGRAMS IN NEED OF RESTRAINT, TO REDUCE SPENDING BY HALF-A-TRILLION DOLLARS OVER THE NEXT FIVE YEARS, AND THESE PROPOSALS ARE ROOTED BOTH IN ECONOMIC NECESSITY AND COMMON SENSE.

TO CITE ONE EXAMPLE: REVENUE SHARING. IT DOESN'T MAKE SENSE FOR A FEDERAL GOVERNMENT RUNNING A DEFICIT TO BE BORROWING MONEY TO BE SPENT BY STATE AND LOCAL GOVERNMENTS THAT ARE NOW RUNNING SURPLUSES, THANKS TO OUR ECONOMIC RECOVERY. AS FOR THOSE WHO TELL US THAT GROWTH AND EXPANSION ARE NOT ENOUGH, THAT SPENDING RESTRAINT IS POLITICALLY IMPOSSIBLE, THAT HIGHER TAXES ARE NECESSARY, OUR ANSWER IS SIMPLE. THAT ISSUE WAS DEBATED AND DECIDED ON NOVEMBER 6TH. WE INTEND TO PROCEED WITH THE MANDATE THAT WE'VE BEEN GIVEN BY THE PEOPLE.

QUESTION: MR. PRESIDENT, BUDGET DIRECTOR DAVID STOCKMAN SAYS THE TAXPAYERS OF THIS COUNTRY SHOULDN'T BE RESPONSIBLE FOR THE BAD DEBTS OF FARMERS. DO YOU AGREE



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WITH MR. STOCKMAN? AND IF YOU DO, WHY USE FEDERAL FUNDS TO EXTEND EMERGENCY CREDITS TO FAMILY FARMERS?

PRESIDENT: I THINK THAT MR. STOCKMAN'S MADE IT PLAIN THAT -- IN FACT, HAS APOLOGIZED FOR SOME OF HIS REMARKS, BECAUSE AFTER THREE HOURS OF WHAT WAS AN APPEARANCE BEFORE A COMMITTEE IN WHICH I THINK THERE WAS A CERTAIN AMOUNT OF HARASSMENT AND HECKLING GOING ON, HE HIMSELF HAS SAID THAT HE GOT A LITTLE UPSET.

AND -- NO, I THINK THE FARM PROBLEM IS THE RESULT OF THINGS THAT HAVE BEEN DONE IN THE PAST. IT'S THE RESULT OF THE INFLATIONARY ECONOMY THAT WE HAD FOR SOME TIME. THERE ARE A NUMBER OF FARMERS NOW WHO, THEIR MAIN PROBLEM IS THEY BORROWED ON THE BASIS OF INFLATED LAND VALUES, AND THEN WHEN WE BROUGHT INFLATION DOWN, THAT LEFT THEM WITH LOANS AND THE COLLATERAL DID NOT HAVE THE SAME VALUE.

AND WE HAVE -- MAKING A PROPOSAL AND WE'LL BE TALKING TOMORROW WITH THE CONGRESSMEN ABOUT A PROPOSAL FOR THIS SHORT TERM PROBLEM, THAT WILL INCLUDE LOANS AND LOAN GUARANTEES -- SOME 650 MILLION DOLLARS IN THAT -- AND THEN, SUBSEQUENTLY, WE WILL BE TAKING UP PROPOSALS FOR, HOPEFULLY, GETTING FARM ECONOMY BACK INTO THE FREE MARKET PLACE, AND GOVERNMENT OUT OF THE AGRICULTURAL BUSINESS.

Q: MAY I FOLLOW UP, MR. PRESIDENT? DO YOU SEE A CONTRADICTION BETWEEN GIVING FARMERS EMERGENCY AID, NOW, WHILE PROPOSING TO PHASE OUT PRICE SUPPORTS AND CROP RESTRICTIONS THAT THEY'VE LIVED WITH FOR HALF A CENTURY?

A: AND THAT'S THE PROBLEM. WE WON'T PULL THE RUG OUT FROM UNDER ANYONE INSTANTLY WHO HAS GEARED THEMSELVES TO THESE GOVERNMENT PROGRAMS. BUT THE GOVERNMENT PROGRAMS DIDN'T SUCCEED. MANY OF THE PROBLEMS THEY FACE TODAY ARE THE RESULT OF GOVERNMENT'S INVOLVEMENT. AND I THINK YOU'LL FIND THAT A GREAT MAJORITY OF FARMERS BELIEVE THAT THE ANSWER TO THEIR PROBLEMS IS OUT IN THE FREE MARKET. AND THEN IF GOVERNMENT IS TO HELP, THEN WE SHOULD HELP BY OPENING UP WORLD MARKETS FOR THEM, BY HOLDING TRADE NEGOTIATIONS, BECAUSE MUCH OF THE FARMING ELSEWHERE IN THE WORLD IS GOVERNMENT SUBSIDIZED. AND WE INTEND TO DO ALL THAT WE CAN. IN FACT, THAT WAS ONE OF THE THINGS I TALKED TO THE PRIME MINISTER ABOUT AND WE'RE BOTH AGREED THAT WE SHOULD BE DISCUSSING, IN THE COMING MONTHS, WITH OUR TRADING PARTNERS AND FRIENDS, THE REOPENING OF TRADE NEGOTIATIONS AS MUCH AS WE CAN TO HAVE FREE TRADE, AND BOTH WAYS, IN THE WORLD AT LARGE.

Q: JACK ANDERSON SAID IN HIS COLUMN TODAY THAT IN 1981, YOU PASSED THE WORD TO MOSCOW THAT EVEN IF THE SENATE RATIFIED SALT II, YOU WOULD NOT SIGN IT; THAT IN 1982, MOSCOW TOLD YOU THAT THEY ARE NO LONGER BOUND BY THE SALT II TREATY AND THEY BEGAN TO BUILD UP THEIR ARSENAL OVER THE LIMIT. IS THAT TRUE? AND I'D LIKE TO FOLLOW UP.

A: I READ THAT MYSELF THIS MORNING, AND I WENT INTO THE OFFICE AND I SAID, "WHERE IS ALL THIS COMING FROM?" I DO NOT REMEMBER ANY STATEMENT FROM THE SOVIET UNION OF THAT KIND.

BOTH COUNTRIES HAD BEEN INVOLVED WITH MUTUAL -- OBEYING THE RESTRAINTS OR STAYING WITHIN THE RESTRAINTS MAINLY BECAUSE OF OUR EFFORTS TOWARD WHAT WE'RE NOW APPROACHING, ARMS REDUCTION TALKS; THAT WE FELT THAT IF WE WERE GOING TO ENGAGE IN THOSE TALKS, IT WOULD BE EVEN BETTER IF WE DID ABIDE BY AN AGREEMENT THAT -- ONE THAT HAD BEEN SIGNED, IT HAD NEVER BEEN RATIFIED BUT -- BY OUR GOVERNMENT.

AND I DON'T RECALL THAT AT ALL. AND I HAVE TO SAY THAT WE KNOW THAT THE SOVIET UNION, WE'RE SURE, HAS VIOLATED SOME OF THE RESTRAINTS NOW. AND WE KNOW THAT WE'RE COMING TO A POINT WHICH WE HAVE UP UNTIL NOW BEEN ABIDING BY IT. AND AS WE REPLACE OLDER WEAPONS WITH NEW, WE HAVE DESTROYED THE OLD ONES.

THE SOVIET UNION, ONE OF THE VIOLATIONS OF THEIRS HAS BEEN THAT THEY WERE TAKING NUCLEAR MISSILE SUBMARINES OUT OF ACTION, BUT THEY WERE CUTTING THEM DOWN AND REBUILDING THEM AS CRUISE MISSILES CARRYING SUBMARINES --

Q: WELL, IS IT YOUR MOOD NOW TO STAY WITH THE TREATIES THAT WE HAVE NEGOTIATED, LIKE EVEN ABM, WHILE THE NEW NEGOTIATIONS GO ON?

A: WELL, WE'RE GOING TO STAY WITH THE TREATIES THAT ARE IN EFFECT, THAT HAVE BEEN RATIFIED AND ARE IN POWER. WE'LL HAVE A --

Q: AND SALT II?

A: WE'LL HAVE A DECISION SEVERAL MONTHS FROM NOW TO MAKE WITH REGARD TO WHETHER WE JOIN THEM IN VIOLATING THE RESTRAINTS.

Q: YOU HAVE SAID THAT YOU HAD NEED TO BE CONVINCED OF SHIFTING THE TAX BURDEN FROM INDIVIDUALS TO COOPERATIONS, AS THE TREASURY TAX PLAN SUGGESTS DOING. BUT IN THE STATE OF THE UNION SPEECH, YOU COMMITTED YOURSELF TO LOWERING INDIVIDUAL TAX RATES TO 35 PERCENT OR LOWER. NOW, WHERE WOULD YOU MAKE UP THAT REVENUE IF NOT TO GET IT FROM CORPORATIONS?

A: WHERE WE'RE GOING WITH REDUCING THE RATES AND WHERE WE'RE GOING TO ACHIEVE WHAT WE CALL TAX NEUTRALITY, THAT THERE -- OR REVENUE NEUTRALITY -- WILL BE IN THE ELIMINATION OF A NUMBER OF EXEMPTIONS THAT HAVE EXISTED AND THAT SOMETIMES HAVE -- WELL, THEY'VE BEEN UNFAIR IN THE SENSE THAT SOME ARE ENTITLED TO THEM AND OTHERS ARE NOT. WHEN I ANSWERED THAT QUESTION, OR -- THE OTHER DAY, I MISUNDERSTOOD. I THOUGHT THEY WERE TELLING ME THAT THE PLAN WAS ACTUALLY GOING TO GET A GREAT HIGHER PERCENTAGE FROM BUSINESS. AND I MENTIONED THE FACT THAT I DID NOT WANT TO DO SOMETHING THAT WOULD INTERFERE WITH OUR RECOVERY OR KEEP BUSINESS FROM BEING ABLE TO EXPAND. AND THEN I FOUND OUT THAT, NO, THERE'D BEEN A MISUNDERSTANDING ABOUT THAT QUESTION.

WHAT WE'RE TALKING ABOUT, AS TO MORE REVENUE FROM BUSINESS, IS FROM THOSE ELEMENTS OF BUSINESS THAT HAVE NOT BEEN PAYING TAXES. NOW, IT HASN'T BEEN CHEATING. IT'S BEEN LEGAL IN THAT THAT'S JUST THE WAY SOME OF THE EXEMPTIONS HAD WORKED OUT. AND WE WANT TO CHANGE THAT SO THERE WILL BE A REDUCTION IN RATES FOR EVERYONE. AND WHERE THE DIFFERENCE WILL BE MADE UP IS SOME WHO ARE NOT NOW PAYING TAXES AT ALL, OR PAYING VERY LOW TAXES, WILL BE PAYING THEIR FAIR SHARE.

Q: BUT ARE YOU SAYING, SIR, THAT THERE WOULD BE NO INCREASE IN THE CORPORATE SHARE FOR THOSE BUSINESSES THAT ARE NOW PAYING TAXES, THAT ONLY THOSE CORPORATIONS THAT ARE NOT PAYING THEIR FAIR SHARE WOULD BE EFFECTED? AND, AGAIN, HOW WOULD YOU MAKE UP THE DIFFERENCE, SINCE JUST THE THINGS THAT YOU COMMITTED YOURSELF TO IN THE STATE OF THE UNION WOULD AMOUNT TO 132 BILLION DOLLARS UNDER THE TREASURY PLAN BY 1990, WHEN THEY ARE PHASED IN?

A: THE TREASURY PLAN, AS IT IS NOW, AND WHILE WE'RE STILL GOING TO HAVE TO REVIEW THAT PLAN AND THERE ARE SOME OPTIONS IN THERE THAT WE MAY FIND AREN'T SUITABLE TO PUT INTO OPERATION, BUT THE PLAN WORKS OUT TO REVENUE NEUTRAL AND WITH A REDUCTION IN RATES AND THE -- YOU KNOW -- THE BUSINESS RATE AND THE CORPORATION RATE IS GOING TO COME DOWN FROM 46 PERCENT TO 33 PERCENT UNDER THAT PLAN.

Q: THIS WEEK IN VIENNA AMERICAN AND SOVIET OFFICIALS HELD TWO DAYS OF TALKS ON THE MIDDLE EAST, APPARENTLY THEIR MOST INTENSIVE, ON THIS ISSUE FOR SEVEN YEARS. CAN YOU TELL US ANYTHING ABOUT THEM? AND, ALSO, MR. PRESIDENT, DO THESE TALKS FIT INTO ANY OTHER RECENT DEVELOPMENT SUCH AS KING HUSSEIN'S RECENT MOVE AND YOUR TALKS WITH KING FAHD LAST WEEK?

A: NO. THESE TALKS WERE NOT ANYTHING -- HAD NOTHING TO DO WITH NEGOTIATIONS OR ANYTHING OF THAT KIND. WE SIMPLY FELT THAT IT WAS TIME TO EXCHANGE VIEWS WITH EACH OTHER AND MAKE SURE THAT THERE COULDN'T BE ANY MISCALCULATIONS THAT COULD LEAD TO SOME KIND OF CONFRONTATION OR PROBLEM.

WE BROUGHT THEM UP-TO-DATE ON OUR OWN VIEWS, AND WHAT WE THOUGHT, AND THEY WERE TALKING ON THEIR OWN, AND THAT'S ALL.

Q: MAY I HAVE A FOLLOW-UP, MR. PRESIDENT? ARE THEY - THE SOVIET -- IS THE SOVIET GOVERNMENT STILL PUSHING FOR A DIRECT NEGOTIATING ROLE IN MIDDLE EAST DIPLOMACY?

A: I HAVEN'T HAD A FULL REPORT ENOUGH TO SAY WHETHER THEY MENTIONED SOME SPECIFIC THINGS. THEY HAVE TENDED TO SUPPORT THE IDEA OF A GREAT INTERNATIONAL MEETING. WE DON'T FAVOR THAT. WE DON'T BELIEVE THAT THERE SHOULD BE THAT MANY HANDS IN THE POT, JUST AS WE'RE NOT ENVISIONING ANY PARTICIPATION IN NEGOTIATIONS. WE HAVE SAID WE'LL STAND BY AND WE'LL HELP IN ANY WAY WE CAN, BUT THESE NEGOTIATIONS MUST BE BETWEEN THE ARABS AND THE PALESTINIANS AND THE ISRAELIS.

Q: ON CAPITOL HILL THE OTHER DAY, SECRETARY SHULTZ SUGGESTED THAT A GOAL OF YOUR POLICY NOW IS TO REMOVE THE SANDINISTA GOVERNMENT IN NICARAGUA. IS THAT YOUR GOAL?

A: WELL, REMOVED IN THE SENSE OF ITS PRESENT STRUCTURE, IN WHICH IT IS A COMMUNIST TOTALITARIAN STATE, AND IT IS NOT A GOVERNMENT CHOSEN BY THE PEOPLE. SO, YOU WONDER SOMETIMES ABOUT THOSE WHO MAKE SUCH CLAIMS AS TO ITS LEGITIMACY. WE BELIEVE, JUST AS I SAID SATURDAY MORNING, THAT WE HAVE AN OBLIGATION TO BE OF HELP WHERE WE CAN TO FREEDOM FIGHTERS AND LOVERS OF FREEDOM AND DEMOCRACY, FROM AFGHANISTAN TO NICARAGUA AND WHEREVER THERE ARE PEOPLE OF THAT KIND WHO ARE STRIVING FOR THAT FREEDOM.

AND WE'RE GOING TO TRY TO PURSUADE THE CONGRESS THAT WE CAN LEGITIMATELY GO FORWARD AND HOPEFULLY, GO FORWARD ON A MULTI-YEAR BASIS WITH THE SCOOP JACKSON PLAN FOR TRYING TO BRING DEVELOPMENT AND HELP TO ALL OF CENTRAL AMERICA.

Q: WELL, SIR, WHEN YOU SAY REMOVE IT IN THE SENSE OF ITS PRESENT STRUCTURE, AREN'T YOU THEN SAYING THAT YOU ADVOCATE THE OVERTHROW OF THE PRESENT GOVERNMENT OF NICARAGUA?

A: WELL, WHAT I'M SAYING IS THAT THIS PRESENT GOVERNMENT WAS ONE ELEMENT OF THE REVOLUTION AGAINST SOMOZA. THE FREEDOM FIGHTERS ARE OTHER ELEMENTS OF THAT REVOLUTION. AND ONCE VICTORY WAS ATTAINED, THE SANDINISTAS DID WHAT CASTRO HAD DONE, PRIOR TO THEIR TIME, IN CUBA. THEY OUSTED AND MANAGED TO RID THEMSELVES OF THE OTHER ELEMENTS OF THE REVOLUTION AND VIOLATED THEIR OWN PROMISE TO THE ORGANIZATION OF AMERICAN STATES, AND AS A RESULT OF WHICH THEY HAD RECEIVED SUPPORT FROM ORGANIZATION, THAT THEY WERE -- THEIR REVOLUTIONARY GOAL WAS FOR DEMOCRACY, FREE PRESS, FREE SPEECH, FREE LABOR UNIONS, AND ELECTIONS, AND SO FORTH, AND THEY HAVE VIOLATED THAT.

AND THE PEOPLE THAT ARE FIGHTING THEM, THE FREEDOM FIGHTERS OPPOSING THEM, ARE NICARAGUAN PEOPLE WHO WANT THE GOALS OF THE REVOLUTION RESTORED. AND WE'RE GOING TO TRY TO HELP.

Q: IS THE ANSWER YES, SIR? IS THE ANSWER YES, THEN?

A: TO WHAT?

Q: TO THE QUESTION, AREN'T YOU ADVOCATING THE OVERTHROW OF THE PRESENT GOVERNMENT? IF --

A: NOT IF THE PRESENT --

Q: -- YOU SUBSTITUTE ANOTHER FORM OF WHAT YOU SAY WAS THE REVOLUTION?

A: NOT IF THE PRESENT GOVERNMENT WOULD TURN AROUND AND SAY, ALL RIGHT, IF THEY'D SAY, "UNCLE. ALL RIGHT, COME ON BACK INTO THE REVOLUTIONARY GOVERNMENT AND LET'S STRAIGHTEN THIS OUT AND INSTITUTE THE GOALS."

Q: THEOLOGIAN RECENTLY CRITICIZED YOU FOR SAYING, IN DEFENDING YOUR MILITARY BUDGET, THAT THE SCRIPTURES ARE ON OUR SIDE. I WONDER, DO YOU THINK IT'S APPROPRIATE TO USE THE BIBLE IN DEFENDING A POLITICAL ARGUMENT?

A: WELL, I WAS ACTUALLY SPEAKING TO SOME CLERGYMEN AND I CHECKED THAT WITH A FEW THEOLOGIAN IF IT WAS APPROPRIATE AND -- WELL, WHAT I MEANT ABOUT APPROPRIATE, WAS I INTERPRETING IT CORRECTLY? WAS IT A WARNING THAT YOU -- YOU SHOULD BE PREPARED AND OTHERWISE ASK FOR PEACE BECAUSE YOU WERE OUTNUMBERED AND OUT -- WELL, NOW, WE WOULD SAY OUTGUNNED -- ON THE OTHER SIDE. AND THEY SEEMED TO THINK THAT IT WAS PERFECTLY FITTING, YES. IT WAS A CAUTION TO THOSE PEOPLE IN OUR OWN COUNTRY WHO WOULD, IF GIVEN THE OPPORTUNITY, UNILATERALLY DISARM US.

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Q: TO FOLLOW UP, YOU DON'T HAVE ANY PROBLEM WITH USING THE BIBLE IN A POLITICAL CONTEXT?

A: WELL, I DON'T THINK I'VE EVER USED THE BIBLE TO FURTHER POLITICAL ENDS OR NOT, BUT I'VE FOUND THAT THE BIBLE CONTAINS AN ANSWER TO JUST ABOUT EVERYTHING AND EVERY PROBLEM THAT CONFRONTS US, AND I WONDER SOMETIME WHY WE DON'T RECOGNIZE THAT ONE BOOK COULD SOLVE A LOT OF PROBLEMS FOR US.

Q: I'D LIKE TO COME BACK TO THE PROBLEM OF THE FARMERS. YOU MET WITH SOME STATE LEGISLATORS TODAY. AFTERWARDS THEY SAID YOU'RE NOT REALLY DOING ENOUGH FOR THE FARMERS; IN FACT, YOU'RE CUTTING BACK TOO MUCH TOO SOON. YOU MENTIONED 650 MILLION DOLLARS IN AID. UP ON CAPITOL HILL THEY'RE TRYING TO PROVIDE ANOTHER BILLION. WHERE DOES THE COMPROMISE LIE, IN YOUR MIND?

A: WELL, I THINK THAT WHAT WE'RE DOING WILL GO A LONG WAY TOWARD MEETING THIS PROBLEM. I THINK WE'VE BEEN ENCOURAGING SOME OF THE BANKS, AND IF YOU'VE NOTICED LATELY, SOME OF THE BANKS OUT IN THE FARMING AREA HAVE VOLUNTARILY REDUCED THE INTEREST RATES ON SOME OF THOSE OUTSTANDING LOANS BECAUSE THEY WANT TO CONTRIBUTE AND WANT TO HELP.

WE HAVE SPENT OVER 50,000 MILLION DOLLARS ON AGRICULTURE IN THE LAST THREE YEARS. WE HAVE IN THE BUDGET FOR THIS YEAR SOME 15,000 MILLION DOLLARS. AND IT'LL BE A PRETTY SIZABLE AMOUNT, CLOSE TO THAT NEXT YEAR. AND THAT IS IN THE LONG-RANGE THING OF THE TYPE OF PERMANENT PROGRAMS THAT WE'RE TRYING TO PHASE OUT OVER A PERIOD OF TIME.

BUT I THINK THAT WE ARE PROPOSING MEASURES AND GUARANTEES OF LOANS AND SO FORTH THAT WILL MEET THIS PRESENT CRISIS. AND I THINK, BECAUSE I DIDN'T EXPLAIN THAT THIS MORNING IN MY REMARKS -- THEY WEREN'T ON THAT SUBJECT -- I THINK MAYBE THEY'RE LOOKING AT THE NEWS AND THEY DON'T EXACTLY KNOW WHAT WE HAVE IN MIND AND WHAT WE'RE GOING TO DO.

Q: COULD I FOLLOW, SIR? YOU OWN A RANCH. PERHAPS IT'S A SORT OF A GENTLEMAN RANCHER SITUATION -- I UNDERSTAND YOU DON'T RAISE CATTLE ANYMORE. BUT YOU DO GET A TAX BREAK FOR ONE REASON OR ANOTHER. HOW WOULD YOU EXPLAIN TO THE FARMER IN IOWA OR NEBRASKA WHO CAN'T FIND A BREAK RIGHT NOW THAT KIND OF DIFFERENCE WHICH SEEMS TO EXIST IN THE SYSTEM.

A: THE ONLY TAX BREAK THAT APPLIES TO MY RANCH WAS IN EFFECT A LONG TIME BEFORE I BOUGHT THE RANCH. IT IS A LAW IN CALIFORNIA, AND IT IS A LAW BROUGHT ABOUT IN ENVIRONMENTAL INTERESTS, AND THAT IS, THAT FORMERLY PROPERTY TAX -- AND THAT'S A LOCAL TAX -- PROPERTY TAX ON AGRICULTURAL LAND OR JUST OPEN LAND WAS BASED ON THE HIGHEST POTENTIAL USE OF THAT LAND. AND IT WAS LITERALLY DRIVING SOME FARMERS INTO SALE OF LAND, GIVING UP FARMING, BECAUSE THEY COULD NO LONGER AFFORD TO USE AS FARM LAND, OR MAINTAIN AS OPEN SPACE, LAND THAT WAS BEING TAXED AS IF IT WERE A SUBDIVISION.

AND THIS WAS IN PLACE, AS I STAY, WHEN WE BOUGHT THAT RANCH. IT IS STILL IN PLACE. CALIFORNIA HAS FOUND THAT PROGRAM VERY SUCCESSFUL. IT TAXES IT ON THAT USE AS LONG AS YOU SIGN A CONTRACT THAT YOU ARE NOT GOING TO SUBDIVIDE, THAT YOU ARE GOING TO MAINTAIN THAT LAND -- THAT OPEN LAND. I GET NO INCOME TAX DEDUCTIONS WHATSOEVER WITH REGARD TO THE RANCH, BECAUSE THE TREASURY DEPARTMENT DECIDED THAT, SINCE I COULDN'T BE THERE TO RUN CATTLE OR ANYTHING, THAT IT WAS A HOBBY RANCH, AND I COULDN'T ARGUE WITH THEM ON THAT.

Q: I WONDER IF WE MIGHT RETURN TO NICARAGUA. IN ANSWER TO SAM'S QUESTION WHEN HE PRESSED YOU, YOU SAID THAT YOU -- OR YOU SEEMED TO BE SAYING THAT YOU WOULDN'T ADVOCATE THE OVERTHROW OF THE GOVERNMENT, NOT IF THE PRESENT GOVERNMENT WOULD TURN AROUND AND SAY, "UNCLE." WELL, AREN'T YOU REALLY SAYING THAT YOU WANT THE PRESENT

GOVERNMENT OUT, AND SECONDLY, SIR, SHOULD THE UNITED STATES BE TRYING TO INFLUENCE A GOVERNMENT OF ANOTHER NATION IN THIS HEMISPHERE?

A: I THINK THAT WHAT WE'RE DOING AND WHAT WE HAVE PROPOSED DOING IS WITHIN THE U.N. CHARTER AND WITHIN THE OAS CHARTER AND THE RIGHT OF PEOPLE TO DO WHAT THE FREEDOM FIGHTERS ARE DOING. AND IT IS -- YOU CAN SAY -- IT'S LIKE SAYING, "IS THE GLASS HALF FULL OR HALF EMPTY?" YOU CAN SAY WE'RE TRYING TO OUST THE SANDINISTAS BY WHAT WE'RE SAYING.

WE'RE SAYING WE'RE TRYING TO GIVE THOSE WHO FOUGHT A REVOLUTION TO ESCAPE A DICTATORSHIP, TO HAVE DEMOCRACY, AND THEN HAD IT TAKEN AWAY FROM THEM BY SOME OF THEIR FELLOW REVOLUTIONARIES -- WE'RE SAYING WE WANT THEM TO HAVE A CHANCE TO HAVE THAT DEMOCRACY THAT THEY FOUGHT FOR. AND I DON'T THINK THE SANDINISTAS HAVE A DECENT LEG TO STAND ON.

WHAT THEY HAVE DONE IS TOTALITARIAN. IT IS BRUTAL, CRUEL. AND THEY HAVE NO ARGUMENT AGAINST WHAT THE REST OF THE PEOPLE IN NICARAGUA WANT.

Q: WELL, SIR, WHAT ABOUT THE SPECIFIC PROHIBITIONS BY THE UNITED STATES CONGRESS AGAINST THE KIND OF CONDUCT WHICH WOULD OVERTHROW THEIR GOVERNMENT OR PROVIDE MONEY TO DO SO?

A: THE -- WHAT?

Q: I'M REFERRING TO THE BOLAND AMENDMENT, SIR. THE SPECIFIC PROHIBITIONS OF THE CONGRESS.

A: I THINK THAT SOME OF THE PROPOSALS THAT HAVE BEEN MADE IN CONGRESS HAVE LACKED A COMPLETE UNDERSTANDING OF WHAT IS AT STAKE THERE AND WHAT WE'RE TRYING TO DO.

Q: YOU WILL SOON BE MAKING A DECISION ON HOW TO HANDLE THE MARCH 31ST EXPIRATION OF JAPANESE AUTO IMPORT QUOTAS. IF JAPANESE AUTO SALES DO INCREASE IN THIS COUNTRY, WILL YOU DEMAND THAT THE JAPANESE ALLOW MORE AMERICAN-MADE GOODS TO BE SOLD IN THEIR COUNTRY?

A: LET ME JUST SAY THAT -- COMMENTING ON ANYTHING OF THAT KIND, WE HAVE BEEN IN COMMUNICATION WITH THE JAPANESE, WE HAVE DISCUSSIONS GOING FORWARD NOW ON OPEN MARKETS BOTH WAYS, IN IMPROVING THE SITUATION BETWEEN OUR TWO COUNTRIES.

A DEAL OF PROGRESS HAS BEEN MADE. WE'VE GOT A LONG WAY TO GO YET. BUT EVERYTHING THAT WE'RE GOING TO DECIDE IS GOING TO BE IN THAT CONTEXT OF THE TWO OF US AS TRADING PARTNERS HAVING FAIR TRADE AND FREE TRADE BETWEEN US.

Q: LET ME JUST FOLLOW UP. WITH NO RESTRAINTS, YOUR SPECIAL TRADE REPRESENTATIVES PREDICTED A SALES INCREASE OF 750,000 VEHICLES IN THIS COUNTRY. WILL THE BENEFITS OF THAT FOR CONSUMERS OUTWEIGH THE ADVERSE, OR THE PRESUMED ADVERSE EFFECTS ON THE U.S. AUTO INDUSTRY?

A: THE AGREEMENT THAT IS BEING DISCUSSED IS A VOLUNTARY AGREEMENT THAT THE JAPANESE THEMSELVES INSTITUTED. AND WE'VE HAD A CABINET COUNCIL THAT HAS -- I KNOW SOME OF YOU'VE GOTTEN INFORMATION BEFORE I DID ON THIS -- THAT IS GOING TO BE COMING TO ME WITH A RECOMMENDATION. THEY HAVE NOT DONE SO AS YET. BUT I WILL HEAR ALL THEIR ARGUMENTS, AND I WILL CONSIDER THEM IN THE CONTEXT OF THE NEGOTIATIONS AND THE COMMUNICATION THAT -- OR DISCUSSION THAT IS GOING ON BETWEEN US AND THE JAPANESE.

Q: BACK -- IF I MAY -- TO DAVID STOCKMAN FOR A MOMENT, EVEN HIS MOTHER THOUGHT THAT HIS COMMENTS ON FARMERS WERE A BIT HEARTLESS. HE MANAGED TO ALIENATE IN ALMOST THE NEXT BREATH ALMOST EVERY VETERANS GROUP IN THE COUNTRY. ADMITTEDLY, HIS IS KIND OF A THANKLESS JOB. BUT SOME HAVE SUGGESTED THAT YOU COULD FIND SOMEONE WHO COULD ACCOMPLISH THAT JOB WITH A LITTLE LESS RANCOR. WHAT DO YOU THINK, SIR?

A: WELL, AS I TOLD YOU, I THINK HE'S EXPRESSED SOME REGRET. AND AT THE SAME TIME, I KNOW THE CIRCUMSTANCES AND -- AT THE TIME THAT HE MADE SOME OF THOSE STATEMENTS. AND I KNOW ALSO THAT UNDER THE GUISE OF A COMMITTEE HEARING, SOME OF THE HARASSMENT THAT HE'D BEEN SUBJECTED TO. AND I COULD UNDERSTAND A FELLOW BLOWING HIS COOL.

I THINK HE FEELS, AS WE ALL DO, AND I CERTAINLY FEEL

MYSELF, YES, THE FARMERS HAVE A VERY REAL PROBLEM AND A LOT OF IT HAS TO DO WITH POLICIES THAT LED TO THE RUNAWAY DOUBLE-DIGIT INFLATION THAT WE HAD IN WHICH THEIR LAND BECAME A HAVEN FOR THOSE WHO WERE SEEKING HEDGES AGAINST INFLATION. ALL OF THESE, PLUS THE GOVERNMENT PROGRAMS, HAVE LEFT THEM WITH A VERY REAL PROBLEM. AND WE'RE GOING TO DO OUR UTMOST TO HELP THEM FIND A SOLUTION TO IT.

Q: BUT, IF I MAY, SIR, YOU WANT MR. STOCKMAN TO STAY ON THE JOB?

A: DID I SAY -- YES.

Q: A NUMBER OF THE QUESTIONS HAVE BEEN ON OUR ECONOMIC PROBLEMS ABROAD. THE FARMERS' PROBLEM, PART OF IT IS, SIR, THAT THEY'RE PRICED OUT OF THE MARKET IN THE INTERNATIONAL TRADE BECAUSE OF THE OVER-VALUED DOLLAR. I THINK THAT'S PART OF OUR PROBLEM IN THE AUTO SALES ABROAD, AND IN THIS COUNTRY, WHERE THEY'RE DISADVANTAGED BECAUSE OUR DOLLAR IS SO VALUABLE COMPARED TO OTHER CURRENCIES. I WONDER, SIR, IF YOU HAVE DISCUSSED THIS WITH MR. BAKER AND SOME OF YOUR OTHER ECONOMIC ADVISERS, AND IF YOU HAVE STUDIED THE POSSIBILITY OF TAKING ANY ACTION BY THIS COUNTRY TO TRY TO REDUCE THE VALUE OF THE DOLLAR AGAINST OTHER CURRENCIES, BOTH IN EUROPE AND IN ASIA?

A: I THINK THAT THE PROBLEM -- I CAN REMEMBER WHEN OUR DOLLAR WAS DEVALUED, AND THERE WEREN'T VERY MANY PEOPLE HAPPY ABOUT THAT. I THINK THE PROBLEM OF THE DOLLAR TODAY IS THAT OUR TRADING PARTNERS IN THE WORLD HAVE NOT CAUGHT UP WITH US IN ECONOMIC RECOVERY.

I THINK THEY HAVE A WAY TO GO IN CHANGING SOME RIGIDITIES IN THEIR CUSTOMS AND THEIR METHODS OF DOING BUSINESS AND IN INDUSTRY. AND WHAT WE REALLY NEED IS THEIR RECOVERY TO BRING THEIR MONEY UP IN VALUE COMPARABLE TO OURS.

THERE ARE TWO SIDES TO THIS PROBLEM, AS WE FIND WITH THE TRADE DEFICIT, FOR EXAMPLE, BECAUSE OF OUR INABILITY, WITH THE PRICE OF OUR DOLLAR, TO SELL SOME OF OUR GOODS ABROAD -- THEY ARE TOO HIGH PRICED.

BUT AT THE SAME TIME, YOU TURN TO THE OTHER HAND AND SEE THE PEOPLE IN THIS COUNTRY THAT ARE BENEFITTING BY THE PURCHASE OF PRODUCTS WHICH ARE CHEAP BY OUR STANDARDS -- CHEAP IN PRICE, NOT QUALITY -- IN OUR IMPORTS, AND HOW THAT HAS MANAGED TO HOLD DOWN INFLATION.

I THINK IF YOU START TOYING AROUND WITH TRYING TO REDUCE THE VALUE OF THE DOLLAR WITHOUT CURING THIS OTHER SIDE OF THE ISSUE, WE PUT OURSELVES BACK INTO THE INFLATION SPIRAL, AND THAT WE DON'T WANT.

Q: DO YOU SEE ANY WEAKENING SIGNS IN THE REGION OF THE SOUTHERN -- SOUTHEASTERN FLANK OF NATO IN THE LIGHT OF THE LAST GREEK ATTITUDE, AND ACCORDING TO WASHINGTON POST, THERE WAS A STORY SAYING THAT THE UNITED STATES BASES WILL BE MOVED OUT OF ATHENS. DO YOU INTEND TO DO SO?

A: WE HAVE NO PLANS ABOUT ANY MOVES OF ANY KIND, BUT ALL I CAN SAY ABOUT THE OTHER, AND I DON'T THINK I SHOULD GO FARTHER THAN THIS -- IS TO SAY THAT, YES, WE'RE VERY CONCERNED ABOUT SOME OF THE BILATERAL PROBLEMS BETWEEN COUNTRIES THERE AT OUR SOUTHERN FLANK OF NATO AND THE EFFECT THAT THEY CAN HAVE ON THE WHOLE SECURITY OF THE ALLIANCE.

Q: IF YOU AND MRS. THATCHER ARE CORRECT THAT THE SOVIETS PLAN TO HOLD HOSTAGE ANY PROGRESS ON INTERMEDIATE RANGE AND STRATEGIC WEAPONS IN THE TALKS IN GENEVA IN RETURN FOR CONCESSIONS ON YOUR PART ON YOUR SPACE DEFENSE PROGRAM, HOW FAR ARE YOU WILLING TO GO IN GETTING CONCESSIONS TO GET AN ARMS AGREEMENT?

A: WE BELIEVE IF THE SOVIETS ARE SINCERE IN THE STATEMENTS THEY'VE MADE ABOUT ACTUALLY WANTING A REDUCTION AND EVEN THE ELIMINATION OF NUCLEAR WEAPONS, THEY'LL STAY AT THE TABLE AND NEGOTIATE WITH US. ALL THAT WE HAVE PROPOSED AND ALL THAT WE'RE DOING IS ENGAGING IN RESEARCH WHICH IS LEGAL WITHIN THE ABM TREATY -- WE'RE NOT VIOLATING THAT TREATY.

AND I HAVE SAID REPEATEDLY, AND PRIME MINISTER THATCHER IS AWARE OF THIS, THAT IF OUR RESEARCH DOES PRODUCE THE POSSIBILITY OF SUCH A WEAPON, A DEFENSIVE WEAPON, THAT COULD ALTER THE BALANCE, THEN I WOULD BE WILLING TO COME FORTH BEFORE ANY DEPLOYMENT, AND NEGOTIATE AND DISCUSS THE DEPLOYMENT AND THE USE OF THAT WEAPON IN SUCH A WAY THAT IT WOULD BE USED TO RID THE WORLD OF THE NUCLEAR THREAT, NOT TO GIVE US ANY PARTICULAR ADVANTAGE OVER ANYONE ELSE.

WE JUST THINK THAT THE ABM TREATY ITSELF -- THIS IS ONE PART THAT HAS BEEN VIOLATED -- THE ABM TREATY IS BEING PASSED, BEING A DEFENSIVE WEAPON TREATY, EXPRESSED THE BELIEF THAT THIS SHOULD THEN BE ACCOMPANIED BY REALISTIC REDUCTIONS OF NUCLEAR WEAPONS. AND ALL THERE HAS BEEN SINCE THE TREATY WAS PASSED WAS A TREMENDOUS INCREASE IN THOSE WEAPONS.

Q: MR. PRESIDENT, BACK TO THE TAX REFORM FOR A MINUTE. THE REPUBLICAN CHAIRMAN OF THE SENATE FINANCE COMMITTEE HAS FLOATED A PROPOSAL TO IMPOSE A CONSUMPTION TAX, AND HE SAYS, "PREFERABLY ON ENERGY." DOES THIS FALL WITHIN THE BOUNDS OF FORBIDDEN TERRITORY IN YOUR PLEDGE FOR NO NEW TAXES?

A: WELL, I WOULD HAVE GREAT DIFFICULTY ACCEPTING SUCH A PROPOSAL. I IMAGINE THAT HE'S TALKING ABOUT A TAX IN THE NATURE OF A VALUE-ADDED TAX. FIRST OF ALL, THIS APPEARS TO BE INCREASING TAXES, WHICH I'VE SAID WE WOULDN'T DO. BUT A VALUE-ADDED TAX ACTUALLY GIVES A GOVERNMENT A CHANCE TO BLINDFOLD THE PEOPLE AND GROW IN STATURE AND SIZE. THE -- FIRST OF ALL, YOU ARE KIND OF INTERFERING WITH ONE OF THE PRINCIPLE SOURCES OF LOCAL GOVERNMENT LEVELS AND STATE GOVERNMENTS IN THEIR USE OF THE SALES TAX, SINCE THE FEDERAL GOVERNMENT HAD SO -- YOU MIGHT SAY, CONFISCATED THE AREA OF THE INCOME TAX.

BUT THE OTHER THING WITH THAT TAX IS, IT'S HIDDEN IN THE PRICE OF A PRODUCT. AND THAT TAX CAN QUIETLY BE INCREASED AND ALL THE PEOPLE KNOW IS THAT THE PRICE WENT UP, AND THEY DON'T KNOW WHETHER THE PRICE WENT UP BECAUSE SOMEBODY GOT A RAISE, OR WHETHER THE COMPANY WANTED TO INCREASE PROFITS, OR WHETHER IT WAS GOVERNMENT.

AND I JUST AM NOT ENTHUSED ABOUT IT. I THINK I'VE SAID BEFORE, TAXES SHOULD HURT IN THE SENSE THAT PEOPLE SHOULD BE ABLE TO SEE THEM AND KNOW WHAT THEY'RE PAYING.

Q: IF I MAY FOLLOW UP, SIR. WOULD YOU PUT AN IMPORT TAX ON OIL OR ON OIL-REFINED PRODUCTS, IN THAT SAME CATEGORY?

A: I'M JUST NOT CONSIDERING A TAX OF THAT KIND.

Q: THANK YOU, MR. PRESIDENT.

A: OH, ALL RIGHT. GOOD NIGHT.

Q: WILL YOU BE BACK NEXT MONTH? COME BACK NEXT MONTH, SIR?

Q: ARE YOU CONSIDERING STEPS AGAINST MEXICO FOR NOT COOPERATING WITH US?

A: WE'RE COOPERATING WITH THEM. AND THEY'RE COOPERATING WITH US.

(END TRANSCRIPT)



# official text

February 22, 1985

## PRESIDENT REAGAN'S PRESS CONFERENCE

Washington -- Following is the transcript of President Ronald Reagan's February 21, 1985 Press Conference:

(BEGIN TRANSCRIPT)

THE PRESIDENT: I HAVE A BRIEF STATEMENT HERE. THE FINAL ECONOMIC FIGURES ARE IN FOR 1984 AND THE NEWS IS EVEN BETTER THAN ANTICIPATED. THE U.S. ECONOMY GREW AT A RATE OF ALMOST 5 PERCENT IN THE FOURTH QUARTER AND FINAL SALES INCREASED AT A RATE OF 8 1/2 PERCENT. ECONOMIC GROWTH FOR CALENDAR YEAR 1984 MEASURED JUST A SHADE UNDER 7 PERCENT. IT WAS THE STRONGEST PERFORMANCE IN A SINGLE YEAR BY THE AMERICAN ECONOMY SINCE 1951. OUR RECOVERY IS NOW WELL INTO ITS 27TH MONTH. IT'S THE STRONGEST EXPANSION SINCE THE KOREAN WAR AND OURS IS A PEACE TIME EXPANSION, ROOTED NOT IN A MILITARY BUILD-UP FOR OVERSEAS CONFLICT BUT IN A BROADENING PROSPERITY WHEN AMERICA IS AT PEACE.

WE INTEND TO PROLONG AND TO PROTECT THIS EXPANSION AND WE'LL WORK WITH CONGRESS FOR A SWEEPING PROGRAM OF TAX SIMPLIFICATION AND REFORM, AND WE'RE CONVINCED THIS HISTORIC LEGISLATION CAN AND SHOULD BE PASSED THIS YEAR. AMERICA HAS REDISCOVERED THAT THE KEY TO GREATER ECONOMIC GROWTH, OPPORTUNITY AND PROSPERITY FOR ALL IS TO UNHARNESS THE ENERGIES OF FREE ENTERPRISE.

THE AMERICAN MIRACLE OF WHICH THE WORLD NOW SPEAKS IS A TRIUMPH OF FREE PEOPLE AND THEIR PRIVATE INSTITUTIONS, NOT GOVERNMENT. IT WAS INDIVIDUAL WORKERS, BUSINESS PEOPLE, ENTREPRENEURS, NOT GOVERNMENT, WHO CREATED VIRTUALLY EVERY ONE OF OUR 7 MILLION NEW JOBS OVER THE PAST TWO YEARS.

BUT PROTECTING RECOVERY WILL REQUIRE POLITICAL COURAGE, A FEDERAL GOVERNMENT THAT COLLECTS NEARLY 20 PERCENT OF THE GROSS NATIONAL PRODUCT IN TAXES MUST CEASE SPENDING NEARLY 25 PERCENT OF THE GROSS NATIONAL PRODUCT IN FEDERAL PROGRAMS. OUR ADMINISTRATION PROPOSES TO FREEZE OVERALL FEDERAL PROGRAM SPENDING AT LAST YEAR'S LEVEL, TO CUT 51 BILLION DOLLARS OUT OF PROGRAMS IN NEED OF RESTRAINT, TO REDUCE SPENDING BY HALF-A-TRILLION DOLLARS OVER THE NEXT FIVE YEARS, AND THESE PROPOSALS ARE ROOTED BOTH IN ECONOMIC NECESSITY AND COMMON SENSE.

TO CITE ONE EXAMPLE: REVENUE SHARING. IT DOESN'T MAKE SENSE FOR A FEDERAL GOVERNMENT RUNNING A DEFICIT TO BE BORROWING MONEY TO BE SPENT BY STATE AND LOCAL GOVERNMENTS THAT ARE NOW RUNNING SURPLUSES, THANKS TO OUR ECONOMIC RECOVERY. AS FOR THOSE WHO TELL US THAT GROWTH AND EXPANSION ARE NOT ENOUGH, THAT SPENDING RESTRAINT IS POLITICALLY IMPOSSIBLE, THAT HIGHER TAXES ARE NECESSARY, OUR ANSWER IS SIMPLE. THAT ISSUE WAS DEBATED AND DECIDED ON NOVEMBER 6TH. WE INTEND TO PROCEED WITH THE MANDATE THAT WE'VE BEEN GIVEN BY THE PEOPLE.

QUESTION: MR. PRESIDENT, BUDGET DIRECTOR DAVID STOCKMAN SAYS THE TAXPAYERS OF THIS COUNTRY SHOULDN'T BE RESPONSIBLE FOR THE BAD DEBTS OF FARMERS. DO YOU AGREE



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WITH MR. STOCKMAN? AND IF YOU DO, WHY USE FEDERAL FUNDS TO EXTEND EMERGENCY CREDITS TO FAMILY FARMERS?

PRESIDENT: I THINK THAT MR. STOCKMAN'S MADE IT PLAIN THAT -- IN FACT, HAS APOLOGIZED FOR SOME OF HIS REMARKS, BECAUSE AFTER THREE HOURS OF WHAT WAS AN APPEARANCE BEFORE A COMMITTEE IN WHICH I THINK THERE WAS A CERTAIN AMOUNT OF HARASSMENT AND HECKLING GOING ON, HE HIMSELF HAS SAID THAT HE GOT A LITTLE UPSET.

AND -- NO, I THINK THE FARM PROBLEM IS THE RESULT OF THINGS THAT HAVE BEEN DONE IN THE PAST. IT'S THE RESULT OF THE INFLATIONARY ECONOMY THAT WE HAD FOR SOME TIME. THERE ARE A NUMBER OF FARMERS NOW WHO, THEIR MAIN PROBLEM IS THEY BORROWED ON THE BASIS OF INFLATED LAND VALUES, AND THEN WHEN WE BROUGHT INFLATION DOWN, THAT LEFT THEM WITH LOANS AND THE COLLATERAL DID NOT HAVE THE SAME VALUE.

AND WE HAVE -- MAKING A PROPOSAL AND WE'LL BE TALKING TOMORROW WITH THE CONGRESSMEN ABOUT A PROPOSAL FOR THIS SHORT TERM PROBLEM, THAT WILL INCLUDE LOANS AND LOAN GUARANTEES -- SOME 650 MILLION DOLLARS IN THAT -- AND THEN, SUBSEQUENTLY, WE WILL BE TAKING UP PROPOSALS FOR, HOPEFULLY, GETTING FARM ECONOMY BACK INTO THE FREE MARKET PLACE, AND GOVERNMENT OUT OF THE AGRICULTURAL BUSINESS.

Q: MAY I FOLLOW UP, MR. PRESIDENT? DO YOU SEE A CONTRADICTION BETWEEN GIVING FARMERS EMERGENCY AID, NOW, WHILE PROPOSING TO PHASE OUT PRICE SUPPORTS AND CROP RESTRICTIONS THAT THEY'VE LIVED WITH FOR HALF A CENTURY?

A: AND THAT'S THE PROBLEM. WE WON'T PULL THE RUG OUT FROM UNDER ANYONE INSTANTLY WHO HAS GEARED THEMSELVES TO THESE GOVERNMENT PROGRAMS. BUT THE GOVERNMENT PROGRAMS DIDN'T SUCCEED. MANY OF THE PROBLEMS THEY FACE TODAY ARE THE RESULT OF GOVERNMENT'S INVOLVEMENT. AND I THINK YOU'LL FIND THAT A GREAT MAJORITY OF FARMERS BELIEVE THAT THE ANSWER TO THEIR PROBLEMS IS OUT IN THE FREE MARKET. AND THEN IF GOVERNMENT IS TO HELP, THEN WE SHOULD HELP BY OPENING UP WORLD MARKETS FOR THEM, BY HOLDING TRADE NEGOTIATIONS, BECAUSE MUCH OF THE FARMING ELSEWHERE IN THE WORLD IS GOVERNMENT SUBSIDIZED. AND WE INTEND TO DO ALL THAT WE CAN. IN FACT, THAT WAS ONE OF THE THINGS I TALKED TO THE PRIME MINISTER ABOUT AND WE'RE BOTH AGREED THAT WE SHOULD BE DISCUSSING, IN THE COMING MONTHS, WITH OUR TRADING PARTNERS AND FRIENDS, THE REOPENING OF TRADE NEGOTIATIONS AS MUCH AS WE CAN TO HAVE FREE TRADE, AND BOTH WAYS, IN THE WORLD AT LARGE.

Q: JACK ANDERSON SAID IN HIS COLUMN TODAY THAT IN 1981, YOU PASSED THE WORD TO MOSCOW THAT EVEN IF THE SENATE RATIFIED SALT II, YOU WOULD NOT SIGN IT; THAT IN 1982, MOSCOW TOLD YOU THAT THEY ARE NO LONGER BOUND BY THE SALT II TREATY AND THEY BEGAN TO BUILD UP THEIR ARSENAL OVER THE LIMIT. IS THAT TRUE? AND I'D LIKE TO FOLLOW UP.

A: I READ THAT MYSELF THIS MORNING, AND I WENT INTO THE OFFICE AND I SAID, "WHERE IS ALL THIS COMING FROM?" I DO NOT REMEMBER ANY STATEMENT FROM THE SOVIET UNION OF THAT KIND.

BOTH COUNTRIES HAD BEEN INVOLVED WITH MUTUAL -- OBEYING THE RESTRAINTS OR STAYING WITHIN THE RESTRAINTS MAINLY BECAUSE OF OUR EFFORTS TOWARD WHAT WE'RE NOW APPROACHING, ARMS REDUCTION TALKS; THAT WE FELT THAT IF WE WERE GOING TO ENGAGE IN THOSE TALKS, IT WOULD BE EVEN BETTER IF WE DID ABIDE BY AN AGREEMENT THAT -- ONE THAT HAD BEEN SIGNED, IT HAD NEVER BEEN RATIFIED BUT -- BY OUR GOVERNMENT.

AND I DON'T RECALL THAT AT ALL. AND I HAVE TO SAY THAT WE KNOW THAT THE SOVIET UNION, WE'RE SURE, HAS VIOLATED SOME OF THE RESTRAINTS NOW. AND WE KNOW THAT WE'RE COMING TO A POINT WHICH WE HAVE UP UNTIL NOW BEEN ABIDING BY IT. AND AS WE REPLACE OLDER WEAPONS WITH NEW, WE HAVE DESTROYED THE OLD ONES.

THE SOVIET UNION, ONE OF THE VIOLATIONS OF THEIRS HAS BEEN THAT THEY WERE TAKING NUCLEAR MISSILE SUBMARINES OUT OF ACTION, BUT THEY WERE CUTTING THEM DOWN AND REBUILDING THEM AS CRUISE MISSILES CARRYING SUBMARINES --

Q: WELL, IS IT YOUR MOOD NOW TO STAY WITH THE TREATIES THAT WE HAVE NEGOTIATED, LIKE EVEN ABM, WHILE THE NEW NEGOTIATIONS GO ON?

A: WELL, WE'RE GOING TO STAY WITH THE TREATIES THAT ARE IN EFFECT, THAT HAVE BEEN RATIFIED AND ARE IN POWER. WE'LL HAVE A --

Q: AND SALT II?

A: WE'LL HAVE A DECISION SEVERAL MONTHS FROM NOW TO MAKE WITH REGARD TO WHETHER WE JOIN THEM IN VIOLATING THE RESTRAINTS.

Q: YOU HAVE SAID THAT YOU HAD NEED TO BE CONVINCED OF SHIFTING THE TAX BURDEN FROM INDIVIDUALS TO COOPERATIONS, AS THE TREASURY TAX PLAN SUGGESTS DOING. BUT IN THE STATE OF THE UNION SPEECH, YOU COMMITTED YOURSELF TO LOWERING INDIVIDUAL TAX RATES TO 35 PERCENT OR LOWER. NOW, WHERE WOULD YOU MAKE UP THAT REVENUE IF NOT TO GET IT FROM CORPORATIONS?

A: WHERE WE'RE GOING WITH REDUCING THE RATES AND WHERE WE'RE GOING TO ACHIEVE WHAT WE CALL TAX NEUTRALITY, THAT THERE -- OR REVENUE NEUTRALITY -- WILL BE IN THE ELIMINATION OF A NUMBER OF EXEMPTIONS THAT HAVE EXISTED AND THAT SOMETIMES HAVE -- WELL, THEY'VE BEEN UNFAIR IN THE SENSE THAT SOME ARE ENTITLED TO THEM AND OTHERS ARE NOT. WHEN I ANSWERED THAT QUESTION, OR -- THE OTHER DAY, I MISUNDERSTOOD. I THOUGHT THEY WERE TELLING ME THAT THE PLAN WAS ACTUALLY GOING TO GET A GREAT HIGHER PERCENTAGE FROM BUSINESS. AND I MENTIONED THE FACT THAT I DID NOT WANT TO DO SOMETHING THAT WOULD INTERFERE WITH OUR RECOVERY OR KEEP BUSINESS FROM BEING ABLE TO EXPAND. AND THEN I FOUND OUT THAT, NO, THERE'D BEEN A MISUNDERSTANDING ABOUT THAT QUESTION.

WHAT WE'RE TALKING ABOUT, AS TO MORE REVENUE FROM BUSINESS, IS FROM THOSE ELEMENTS OF BUSINESS THAT HAVE NOT BEEN PAYING TAXES. NOW, IT HASN'T BEEN CHEATING. IT'S BEEN LEGAL IN THAT THAT'S JUST THE WAY SOME OF THE EXEMPTIONS HAD WORKED OUT. AND WE WANT TO CHANGE THAT SO THERE WILL BE A REDUCTION IN RATES FOR EVERYONE. AND WHERE THE DIFFERENCE WILL BE MADE UP IS SOME WHO ARE NOT NOW PAYING TAXES AT ALL, OR PAYING VERY LOW TAXES, WILL BE PAYING THEIR FAIR SHARE.

Q: BUT ARE YOU SAYING, SIR, THAT THERE WOULD BE NO INCREASE IN THE CORPORATE SHARE FOR THOSE BUSINESSES THAT ARE NOW PAYING TAXES, THAT ONLY THOSE CORPORATIONS THAT ARE NOT PAYING THEIR FAIR SHARE WOULD BE EFFECTED? AND, AGAIN, HOW WOULD YOU MAKE UP THE DIFFERENCE, SINCE JUST THE THINGS THAT YOU COMMITTED YOURSELF TO IN THE STATE OF THE UNION WOULD AMOUNT TO 132 BILLION DOLLARS UNDER THE TREASURY PLAN BY 1990, WHEN THEY ARE PHASED IN?

A: THE TREASURY PLAN, AS IT IS NOW, AND WHILE WE'RE STILL GOING TO HAVE TO REVIEW THAT PLAN AND THERE ARE SOME OPTIONS IN THERE THAT WE MAY FIND AREN'T SUITABLE TO PUT INTO OPERATION, BUT THE PLAN WORKS OUT TO REVENUE NEUTRAL AND WITH A REDUCTION IN RATES AND THE -- YOU KNOW -- THE BUSINESS RATE AND THE CORPORATION RATE IS GOING TO COME DOWN FROM 46 PERCENT TO 33 PERCENT UNDER THAT PLAN.

Q: THIS WEEK IN VIENNA AMERICAN AND SOVIET OFFICIALS HELD TWO DAYS OF TALKS ON THE MIDDLE EAST, APPARENTLY THEIR MOST INTENSIVE, ON THIS ISSUE FOR SEVEN YEARS. CAN YOU TELL US ANYTHING ABOUT THEM? AND, ALSO, MR. PRESIDENT, DO THESE TALKS FIT INTO ANY OTHER RECENT DEVELOPMENT SUCH AS KING HUSSEIN'S RECENT MOVE AND YOUR TALKS WITH KING FAHD LAST WEEK?

A: NO. THESE TALKS WERE NOT ANYTHING -- HAD NOTHING TO DO WITH NEGOTIATIONS OR ANYTHING OF THAT KIND. WE SIMPLY FELT THAT IT WAS TIME TO EXCHANGE VIEWS WITH EACH OTHER AND MAKE SURE THAT THERE COULDN'T BE ANY MISCALCULATIONS THAT COULD LEAD TO SOME KIND OF CONFRONTATION OR PROBLEM.

WE BROUGHT THEM UP-TO-DATE ON OUR OWN VIEWS, AND WHAT WE THOUGHT, AND THEY WERE TALKING ON THEIR OWN, AND THAT'S ALL.

Q: MAY I HAVE A FOLLOW-UP, MR. PRESIDENT? ARE THEY - THE SOVIET -- IS THE SOVIET GOVERNMENT STILL PUSHING FOR A DIRECT NEGOTIATING ROLE IN MIDDLE EAST DIPLOMACY?

A: I HAVEN'T HAD A FULL REPORT ENOUGH TO SAY WHETHER THEY MENTIONED SOME SPECIFIC THINGS. THEY HAVE TENDED TO SUPPORT THE IDEA OF A GREAT INTERNATIONAL MEETING. WE DON'T FAVOR THAT. WE DON'T BELIEVE THAT THERE SHOULD BE THAT MANY HANDS IN THE POT, JUST AS WE'RE NOT ENVISIONING ANY PARTICIPATION IN NEGOTIATIONS. WE HAVE SAID WE'LL STAND BY AND WE'LL HELP IN ANY WAY WE CAN, BUT THESE NEGOTIATIONS MUST BE BETWEEN THE ARABS AND THE PALESTINIANS AND THE ISRAELIS.

Q: ON CAPITOL HILL THE OTHER DAY, SECRETARY SHULTZ SUGGESTED THAT A GOAL OF YOUR POLICY NOW IS TO REMOVE THE SANDINISTA GOVERNMENT IN NICARAGUA. IS THAT YOUR GOAL?

A: WELL, REMOVED IN THE SENSE OF ITS PRESENT STRUCTURE, IN WHICH IT IS A COMMUNIST TOTALITARIAN STATE, AND IT IS NOT A GOVERNMENT CHOSEN BY THE PEOPLE. SO, YOU WONDER SOMETIMES ABOUT THOSE WHO MAKE SUCH CLAIMS AS TO ITS LEGITIMACY. WE BELIEVE, JUST AS I SAID SATURDAY MORNING, THAT WE HAVE AN OBLIGATION TO BE OF HELP WHERE WE CAN TO FREEDOM FIGHTERS AND LOVERS OF FREEDOM AND DEMOCRACY, FROM AFGHANISTAN TO NICARAGUA AND WHEREVER THERE ARE PEOPLE OF THAT KIND WHO ARE STRIVING FOR THAT FREEDOM.

AND WE'RE GOING TO TRY TO PURSUADE THE CONGRESS THAT WE CAN LEGITIMATELY GO FORWARD AND HOPEFULLY, GO FORWARD ON A MULTI-YEAR BASIS WITH THE SCOOP JACKSON PLAN FOR TRYING TO BRING DEVELOPMENT AND HELP TO ALL OF CENTRAL AMERICA.

Q: WELL, SIR, WHEN YOU SAY REMOVE IT IN THE SENSE OF ITS PRESENT STRUCTURE, AREN'T YOU THEN SAYING THAT YOU ADVOCATE THE OVERTHROW OF THE PRESENT GOVERNMENT OF NICARAGUA?

A: WELL, WHAT I'M SAYING IS THAT THIS PRESENT GOVERNMENT WAS ONE ELEMENT OF THE REVOLUTION AGAINST SOMOZA. THE FREEDOM FIGHTERS ARE OTHER ELEMENTS OF THAT REVOLUTION. AND ONCE VICTORY WAS ATTAINED, THE SANDINISTAS DID WHAT CASTRO HAD DONE, PRIOR TO THEIR TIME, IN CUBA. THEY OUSTED AND MANAGED TO RID THEMSELVES OF THE OTHER ELEMENTS OF THE REVOLUTION AND VIOLATED THEIR OWN PROMISE TO THE ORGANIZATION OF AMERICAN STATES, AND AS A RESULT OF WHICH THEY HAD RECEIVED SUPPORT FROM ORGANIZATION, THAT THEY WERE -- THEIR REVOLUTIONARY GOAL WAS FOR DEMOCRACY, FREE PRESS, FREE SPEECH, FREE LABOR UNIONS, AND ELECTIONS, AND SO FORTH, AND THEY HAVE VIOLATED THAT.

AND THE PEOPLE THAT ARE FIGHTING THEM, THE FREEDOM FIGHTERS OPPOSING THEM, ARE NICARAGUAN PEOPLE WHO WANT THE GOALS OF THE REVOLUTION RESTORED. AND WE'RE GOING TO TRY TO HELP.

Q: IS THE ANSWER YES, SIR? IS THE ANSWER YES, THEN?

A: TO WHAT?

Q: TO THE QUESTION, AREN'T YOU ADVOCATING THE OVERTHROW OF THE PRESENT GOVERNMENT? IF --

A: NOT IF THE PRESENT --

Q: -- YOU SUBSTITUTE ANOTHER FORM OF WHAT YOU SAY WAS THE REVOLUTION?

A: NOT IF THE PRESENT GOVERNMENT WOULD TURN AROUND AND SAY, ALL RIGHT, IF THEY'D SAY, "UNCLE. ALL RIGHT, COME ON BACK INTO THE REVOLUTIONARY GOVERNMENT AND LET'S STRAIGHTEN THIS OUT AND INSTITUTE THE GOALS."

Q: THEOLOGIAN RECENTLY CRITICIZED YOU FOR SAYING, IN DEFENDING YOUR MILITARY BUDGET, THAT THE SCRIPTURES ARE ON OUR SIDE. I WONDER, DO YOU THINK IT'S APPROPRIATE TO USE THE BIBLE IN DEFENDING A POLITICAL ARGUMENT?

A: WELL, I WAS ACTUALLY SPEAKING TO SOME CLERGYMEN AND I CHECKED THAT WITH A FEW THEOLOGIAN IF IT WAS APPROPRIATE AND -- WELL, WHAT I MEANT ABOUT APPROPRIATE, WAS I INTERPRETING IT CORRECTLY? WAS IT A WARNING THAT YOU -- YOU SHOULD BE PREPARED AND OTHERWISE ASK FOR PEACE BECAUSE YOU WERE OUTNUMBERED AND OUT -- WELL, NOW, WE WOULD SAY OUTGUNNED -- ON THE OTHER SIDE. AND THEY SEEMED TO THINK THAT IT WAS PERFECTLY FITTING, YES. IT WAS A CAUTION TO THOSE PEOPLE IN OUR OWN COUNTRY WHO WOULD, IF GIVEN THE OPPORTUNITY, UNILATERALLY DISARM US.

Q: TO FOLLOW UP, YOU DON'T HAVE ANY PROBLEM WITH USING THE BIBLE IN A POLITICAL CONTEXT?

A: WELL, I DON'T THINK I'VE EVER USED THE BIBLE TO FURTHER POLITICAL ENDS OR NOT, BUT I'VE FOUND THAT THE BIBLE CONTAINS AN ANSWER TO JUST ABOUT EVERYTHING AND EVERY PROBLEM THAT CONFRONTS US, AND I WONDER SOMETIME WHY WE DON'T RECOGNIZE THAT ONE BOOK COULD SOLVE A LOT OF PROBLEMS FOR US.

Q: I'D LIKE TO COME BACK TO THE PROBLEM OF THE FARMERS. YOU MET WITH SOME STATE LEGISLATORS TODAY. AFTERWARDS THEY SAID YOU'RE NOT REALLY DOING ENOUGH FOR THE FARMERS; IN FACT, YOU'RE CUTTING BACK TOO MUCH TOO SOON. YOU MENTIONED 650 MILLION DOLLARS IN AID. UP ON CAPITOL HILL THEY'RE TRYING TO PROVIDE ANOTHER BILLION. WHERE DOES THE COMPROMISE LIE, IN YOUR MIND?

A: WELL, I THINK THAT WHAT WE'RE DOING WILL GO A LONG WAY TOWARD MEETING THIS PROBLEM. I THINK WE'VE BEEN ENCOURAGING SOME OF THE BANKS, AND IF YOU'VE NOTICED LATELY, SOME OF THE BANKS OUT IN THE FARMING AREA HAVE VOLUNTARILY REDUCED THE INTEREST RATES ON SOME OF THOSE OUTSTANDING LOANS BECAUSE THEY WANT TO CONTRIBUTE AND WANT TO HELP.

WE HAVE SPENT OVER 50,000 MILLION DOLLARS ON AGRICULTURE IN THE LAST THREE YEARS. WE HAVE IN THE BUDGET FOR THIS YEAR SOME 15,000 MILLION DOLLARS. AND IT'LL BE A PRETTY SIZABLE AMOUNT, CLOSE TO THAT NEXT YEAR. AND THAT IS IN THE LONG-RANGE THING OF THE TYPE OF PERMANENT PROGRAMS THAT WE'RE TRYING TO PHASE OUT OVER A PERIOD OF TIME.

BUT I THINK THAT WE ARE PROPOSING MEASURES AND GUARANTEES OF LOANS AND SO FORTH THAT WILL MEET THIS PRESENT CRISIS. AND I THINK, BECAUSE I DIDN'T EXPLAIN THAT THIS MORNING IN MY REMARKS -- THEY WEREN'T ON THAT SUBJECT -- I THINK MAYBE THEY'RE LOOKING AT THE NEWS AND THEY DON'T EXACTLY KNOW WHAT WE HAVE IN MIND AND WHAT WE'RE GOING TO DO.

Q: COULD I FOLLOW, SIR? YOU OWN A RANCH. PERHAPS IT'S A SORT OF A GENTLEMAN RANCHER SITUATION -- I UNDERSTAND YOU DON'T RAISE CATTLE ANYMORE. BUT YOU DO GET A TAX BREAK FOR ONE REASON OR ANOTHER. HOW WOULD YOU EXPLAIN TO THE FARMER IN IOWA OR NEBRASKA WHO CAN'T FIND A BREAK RIGHT NOW THAT KIND OF DIFFERENCE WHICH SEEMS TO EXIST IN THE SYSTEM.

A: THE ONLY TAX BREAK THAT APPLIES TO MY RANCH WAS IN EFFECT A LONG TIME BEFORE I BOUGHT THE RANCH. IT IS A LAW IN CALIFORNIA, AND IT IS A LAW BROUGHT ABOUT IN ENVIRONMENTAL INTERESTS, AND THAT IS, THAT FORMERLY PROPERTY TAX -- AND THAT'S A LOCAL TAX -- PROPERTY TAX ON AGRICULTURAL LAND OR JUST OPEN LAND WAS BASED ON THE HIGHEST POTENTIAL USE OF THAT LAND. AND IT WAS LITERALLY DRIVING SOME FARMERS INTO SALE OF LAND, GIVING UP FARMING, BECAUSE THEY COULD NO LONGER AFFORD TO USE AS FARM LAND, OR MAINTAIN AS OPEN SPACE, LAND THAT WAS BEING TAXED AS IF IT WERE A SUBDIVISION.

AND THIS WAS IN PLACE, AS I STAY, WHEN WE BOUGHT THAT RANCH. IT IS STILL IN PLACE. CALIFORNIA HAS FOUND THAT PROGRAM VERY SUCCESSFUL. IT TAXES IT ON THAT USE AS LONG AS YOU SIGN A CONTRACT THAT YOU ARE NOT GOING TO SUBDIVIDE, THAT YOU ARE GOING TO MAINTAIN THAT LAND -- THAT OPEN LAND. I GET NO INCOME TAX DEDUCTIONS WHATSOEVER WITH REGARD TO THE RANCH, BECAUSE THE TREASURY DEPARTMENT DECIDED THAT, SINCE I COULDN'T BE THERE TO RUN CATTLE OR ANYTHING, THAT IT WAS A HOBBY RANCH, AND I COULDN'T ARGUE WITH THEM ON THAT.

Q: I WONDER IF WE MIGHT RETURN TO NICARAGUA. IN ANSWER TO SAM'S QUESTION WHEN HE PRESSED YOU, YOU SAID THAT YOU -- OR YOU SEEMED TO BE SAYING THAT YOU WOULDN'T ADVOCATE THE OVERTHROW OF THE GOVERNMENT, NOT IF THE PRESENT GOVERNMENT WOULD TURN AROUND AND SAY, "UNCLE." WELL, AREN'T YOU REALLY SAYING THAT YOU WANT THE PRESENT

GOVERNMENT OUT, AND SECONDLY, SIR, SHOULD THE UNITED STATES BE TRYING TO INFLUENCE A GOVERNMENT OF ANOTHER NATION IN THIS HEMISPHERE?

A: I THINK THAT WHAT WE'RE DOING AND WHAT WE HAVE PROPOSED DOING IS WITHIN THE U.N. CHARTER AND WITHIN THE OAS CHARTER AND THE RIGHT OF PEOPLE TO DO WHAT THE FREEDOM FIGHTERS ARE DOING. AND IT IS -- YOU CAN SAY -- IT'S LIKE SAYING, "IS THE GLASS HALF FULL OR HALF EMPTY?" YOU CAN SAY WE'RE TRYING TO OUST THE SANDINISTAS BY WHAT WE'RE SAYING.

WE'RE SAYING WE'RE TRYING TO GIVE THOSE WHO FOUGHT A REVOLUTION TO ESCAPE A DICTATORSHIP, TO HAVE DEMOCRACY, AND THEN HAD IT TAKEN AWAY FROM THEM BY SOME OF THEIR FELLOW REVOLUTIONARIES -- WE'RE SAYING WE WANT THEM TO HAVE A CHANCE TO HAVE THAT DEMOCRACY THAT THEY FOUGHT FOR. AND I DON'T THINK THE SANDINISTAS HAVE A DECENT LEG TO STAND ON.

WHAT THEY HAVE DONE IS TOTALITARIAN. IT IS BRUTAL, CRUEL. AND THEY HAVE NO ARGUMENT AGAINST WHAT THE REST OF THE PEOPLE IN NICARAGUA WANT.

Q: WELL, SIR, WHAT ABOUT THE SPECIFIC PROHIBITIONS BY THE UNITED STATES CONGRESS AGAINST THE KIND OF CONDUCT WHICH WOULD OVERTHROW THEIR GOVERNMENT OR PROVIDE MONEY TO DO SO?

A: THE -- WHAT?

Q: I'M REFERRING TO THE BOLAND AMENDMENT, SIR. THE SPECIFIC PROHIBITIONS OF THE CONGRESS.

A: I THINK THAT SOME OF THE PROPOSALS THAT HAVE BEEN MADE IN CONGRESS HAVE LACKED A COMPLETE UNDERSTANDING OF WHAT IS AT STAKE THERE AND WHAT WE'RE TRYING TO DO.

Q: YOU WILL SOON BE MAKING A DECISION ON HOW TO HANDLE THE MARCH 31ST EXPIRATION OF JAPANESE AUTO IMPORT QUOTAS. IF JAPANESE AUTO SALES DO INCREASE IN THIS COUNTRY, WILL YOU DEMAND THAT THE JAPANESE ALLOW MORE AMERICAN-MADE GOODS TO BE SOLD IN THEIR COUNTRY?

A: LET ME JUST SAY THAT -- COMMENTING ON ANYTHING OF THAT KIND, WE HAVE BEEN IN COMMUNICATION WITH THE JAPANESE. WE HAVE DISCUSSIONS GOING FORWARD NOW ON OPEN MARKETS BOTH WAYS, IN IMPROVING THE SITUATION BETWEEN OUR TWO COUNTRIES.

A DEAL OF PROGRESS HAS BEEN MADE. WE'VE GOT A LONG WAY TO GO YET. BUT EVERYTHING THAT WE'RE GOING TO DECIDE IS GOING TO BE IN THAT CONTEXT OF THE TWO OF US AS TRADING PARTNERS HAVING FAIR TRADE AND FREE TRADE BETWEEN US.

Q: LET ME JUST FOLLOW UP. WITH NO RESTRAINTS, YOUR SPECIAL TRADE REPRESENTATIVES PREDICTED A SALES INCREASE OF 750,000 VEHICLES IN THIS COUNTRY. WILL THE BENEFITS OF THAT FOR CONSUMERS OUTWEIGH THE ADVERSE, OR THE PRESUMED ADVERSE EFFECTS ON THE U.S. AUTO INDUSTRY?

A: THE AGREEMENT THAT IS BEING DISCUSSED IS A VOLUNTARY AGREEMENT THAT THE JAPANESE THEMSELVES INSTITUTED. AND WE'VE HAD A CABINET COUNCIL THAT HAS -- I KNOW SOME OF YOU'VE GOTTEN INFORMATION BEFORE I DID ON THIS -- THAT IS GOING TO BE COMING TO ME WITH A RECOMMENDATION. THEY HAVE NOT DONE SO AS YET. BUT I WILL HEAR ALL THEIR ARGUMENTS, AND I WILL CONSIDER THEM IN THE CONTEXT OF THE NEGOTIATIONS AND THE COMMUNICATION THAT -- OR DISCUSSION THAT IS GOING ON BETWEEN US AND THE JAPANESE.

Q: BACK -- IF I MAY -- TO DAVID STOCKMAN FOR A MOMENT, EVEN HIS MOTHER THOUGHT THAT HIS COMMENTS ON FARMERS WERE A BIT HEARTLESS. HE MANAGED TO ALIENATE IN ALMOST THE NEXT BREATH ALMOST EVERY VETERANS GROUP IN THE COUNTRY. ADMITTEDLY, HIS IS KIND OF A THANKLESS JOB. BUT SOME HAVE SUGGESTED THAT YOU COULD FIND SOMEONE WHO COULD ACCOMPLISH THAT JOB WITH A LITTLE LESS RANCOR. WHAT DO YOU THINK, SIR?

A: WELL, AS I TOLD YOU, I THINK HE'S EXPRESSED SOME REGRET. AND AT THE SAME TIME, I KNOW THE CIRCUMSTANCES AND -- AT THE TIME THAT HE MADE SOME OF THOSE STATEMENTS. AND I KNOW ALSO THAT UNDER THE GUISE OF A COMMITTEE HEARING, SOME OF THE HARASSMENT THAT HE'D BEEN SUBJECTED TO. AND I COULD UNDERSTAND A FELLOW BLOWING HIS COOL.

I THINK HE FEELS, AS WE ALL DO, AND I CERTAINLY FEEL

MYSELF, YES, THE FARMERS HAVE A VERY REAL PROBLEM AND A LOT OF IT HAS TO DO WITH POLICIES THAT LED TO THE RUNAWAY DOUBLE-DIGIT INFLATION THAT WE HAD IN WHICH THEIR LAND BECAME A HAVEN FOR THOSE WHO WERE SEEKING HEDGES AGAINST INFLATION. ALL OF THESE, PLUS THE GOVERNMENT PROGRAMS, HAVE LEFT THEM WITH A VERY REAL PROBLEM. AND WE'RE GOING TO DO OUR UTMOST TO HELP THEM FIND A SOLUTION TO IT.

Q: BUT, IF I MAY, SIR, YOU WANT MR. STOCKMAN TO STAY ON THE JOB?

A: DID I SAY -- YES.

Q: A NUMBER OF THE QUESTIONS HAVE BEEN ON OUR ECONOMIC PROBLEMS ABROAD. THE FARMERS' PROBLEM, PART OF IT IS, SIR, THAT THEY'RE PRICED OUT OF THE MARKET IN THE INTERNATIONAL TRADE BECAUSE OF THE OVER-VALUED DOLLAR. I THINK THAT'S PART OF OUR PROBLEM IN THE AUTO SALES ABROAD, AND IN THIS COUNTRY, WHERE THEY'RE DISADVANTAGED BECAUSE OUR DOLLAR IS SO VALUABLE COMPARED TO OTHER CURRENCIES. I WONDER, SIR, IF YOU HAVE DISCUSSED THIS WITH MR. BAKER AND SOME OF YOUR OTHER ECONOMIC ADVISERS, AND IF YOU HAVE STUDIED THE POSSIBILITY OF TAKING ANY ACTION BY THIS COUNTRY TO TRY TO REDUCE THE VALUE OF THE DOLLAR AGAINST OTHER CURRENCIES, BOTH IN EUROPE AND IN ASIA?

A: I THINK THAT THE PROBLEM -- I CAN REMEMBER WHEN OUR DOLLAR WAS DEVALUED, AND THERE WEREN'T VERY MANY PEOPLE HAPPY ABOUT THAT. I THINK THE PROBLEM OF THE DOLLAR TODAY IS THAT OUR TRADING PARTNERS IN THE WORLD HAVE NOT CAUGHT UP WITH US IN ECONOMIC RECOVERY.

I THINK THEY HAVE A WAY TO GO IN CHANGING SOME RIGIDITIES IN THEIR CUSTOMS AND THEIR METHODS OF DOING BUSINESS AND IN INDUSTRY. AND WHAT WE REALLY NEED IS THEIR RECOVERY TO BRING THEIR MONEY UP IN VALUE COMPARABLE TO OURS.

THERE ARE TWO SIDES TO THIS PROBLEM, AS WE FIND WITH THE TRADE DEFICIT, FOR EXAMPLE, BECAUSE OF OUR INABILITY, WITH THE PRICE OF OUR DOLLAR, TO SELL SOME OF OUR GOODS ABROAD -- THEY ARE TOO HIGH PRICED.

BUT AT THE SAME TIME, YOU TURN TO THE OTHER HAND AND SEE THE PEOPLE IN THIS COUNTRY THAT ARE BENEFITTING BY THE PURCHASE OF PRODUCTS WHICH ARE CHEAP BY OUR STANDARDS -- CHEAP IN PRICE, NOT QUALITY -- IN OUR IMPORTS, AND HOW THAT HAS MANAGED TO HOLD DOWN INFLATION.

I THINK IF YOU START TOYING AROUND WITH TRYING TO REDUCE THE VALUE OF THE DOLLAR WITHOUT CURING THIS OTHER SIDE OF THE ISSUE, WE PUT OURSELVES BACK INTO THE INFLATION SPIRAL, AND THAT WE DON'T WANT.

Q: DO YOU SEE ANY WEAKENING SIGNS IN THE REGION OF THE SOUTHERN -- SOUTHEASTERN FLANK OF NATO IN THE LIGHT OF THE LAST GREEK ATTITUDE, AND ACCORDING TO WASHINGTON POST, THERE WAS A STORY SAYING THAT THE UNITED STATES BASES WILL BE MOVED OUT OF ATHENS. DO YOU INTEND TO DO SO?

A: WE HAVE NO PLANS ABOUT ANY MOVES OF ANY KIND, BUT ALL I CAN SAY ABOUT THE OTHER, AND I DON'T THINK I SHOULD GO FARTHER THAN THIS -- IS TO SAY THAT, YES, WE'RE VERY CONCERNED ABOUT SOME OF THE BILATERAL PROBLEMS BETWEEN COUNTRIES THERE AT OUR SOUTHERN FLANK OF NATO AND THE EFFECT THAT THEY CAN HAVE ON THE WHOLE SECURITY OF THE ALLIANCE.

Q: IF YOU AND MRS. THATCHER ARE CORRECT THAT THE SOVIETS PLAN TO HOLD HOSTAGE ANY PROGRESS ON INTERMEDIATE RANGE AND STRATEGIC WEAPONS IN THE TALKS IN GENEVA IN RETURN FOR CONCESSIONS ON YOUR PART ON YOUR SPACE DEFENSE PROGRAM, HOW FAR ARE YOU WILLING TO GO IN GETTING CONCESSIONS TO GET AN ARMS AGREEMENT?

A: WE BELIEVE IF THE SOVIETS ARE SINCERE IN THE STATEMENTS THEY'VE MADE ABOUT ACTUALLY WANTING A REDUCTION AND EVEN THE ELIMINATION OF NUCLEAR WEAPONS, THEY'LL STAY AT THE TABLE AND NEGOTIATE WITH US. ALL THAT WE HAVE PROPOSED AND ALL THAT WE'RE DOING IS ENGAGING IN RESEARCH WHICH IS LEGAL WITHIN THE ABM TREATY -- WE'RE NOT VIOLATING THAT TREATY.

AND I HAVE SAID REPEATEDLY, AND PRIME MINISTER THATCHER IS AWARE OF THIS, THAT IF OUR RESEARCH DOES PRODUCE THE POSSIBILITY OF SUCH A WEAPON, A DEFENSIVE WEAPON, THAT COULD ALTER THE BALANCE, THEN I WOULD BE WILLING TO COME FORTH BEFORE ANY DEPLOYMENT, AND NEGOTIATE AND DISCUSS THE DEPLOYMENT AND THE USE OF THAT WEAPON IN SUCH A WAY THAT IT WOULD BE USED TO RID THE WORLD OF THE NUCLEAR THREAT, NOT TO GIVE US ANY PARTICULAR ADVANTAGE OVER ANYONE ELSE.

WE JUST THINK THAT THE ABM TREATY ITSELF -- THIS IS ONE PART THAT HAS BEEN VIOLATED -- THE ABM TREATY IS BEING PASSED, BEING A DEFENSIVE WEAPON TREATY, EXPRESSED THE BELIEF THAT THIS SHOULD THEN BE ACCOMPANIED BY REALISTIC REDUCTIONS OF NUCLEAR WEAPONS. AND ALL THERE HAS BEEN SINCE THE TREATY WAS PASSED WAS A TREMENDOUS INCREASE IN THOSE WEAPONS.

Q: MR. PRESIDENT, BACK TO THE TAX REFORM FOR A MINUTE. THE REPUBLICAN CHAIRMAN OF THE SENATE FINANCE COMMITTEE HAS FLOATED A PROPOSAL TO IMPOSE A CONSUMPTION TAX, AND HE SAYS, "PREFERABLY ON ENERGY." DOES THIS FALL WITHIN THE BOUNDS OF FORBIDDEN TERRITORY IN YOUR PLEDGE FOR NO NEW TAXES?

A: WELL, I WOULD HAVE GREAT DIFFICULTY ACCEPTING SUCH A PROPOSAL. I IMAGINE THAT HE'S TALKING ABOUT A TAX IN THE NATURE OF A VALUE-ADDED TAX. FIRST OF ALL, THIS APPEARS TO BE INCREASING TAXES, WHICH I'VE SAID WE WOULDN'T DO. BUT A VALUE-ADDED TAX ACTUALLY GIVES A GOVERNMENT A CHANCE TO BLINDFOLD THE PEOPLE AND GROW IN STATURE AND SIZE. THE -- FIRST OF ALL, YOU ARE KIND OF INTERFERING WITH ONE OF THE PRINCIPLE SOURCES OF LOCAL GOVERNMENT LEVELS AND STATE GOVERNMENTS IN THEIR USE OF THE SALES TAX, SINCE THE FEDERAL GOVERNMENT HAD SO -- YOU MIGHT SAY, CONFISCATED THE AREA OF THE INCOME TAX.

BUT THE OTHER THING WITH THAT TAX IS, IT'S HIDDEN IN THE PRICE OF A PRODUCT. AND THAT TAX CAN QUIETLY BE INCREASED AND ALL THE PEOPLE KNOW IS THAT THE PRICE WENT UP, AND THEY DON'T KNOW WHETHER THE PRICE WENT UP BECAUSE SOMEBODY GOT A RAISE, OR WHETHER THE COMPANY WANTED TO INCREASE PROFITS, OR WHETHER IT WAS GOVERNMENT.

AND I JUST AM NOT ENTHUSED ABOUT IT. I THINK I'VE SAID BEFORE, TAXES SHOULD HURT IN THE SENSE THAT PEOPLE SHOULD BE ABLE TO SEE THEM AND KNOW WHAT THEY'RE PAYING.

Q: IF I MAY FOLLOW UP, SIR. WOULD YOU PUT AN IMPORT TAX ON OIL OR ON OIL-REFINED PRODUCTS, IN THAT SAME CATEGORY?

A: I'M JUST NOT CONSIDERING A TAX OF THAT KIND.

Q: THANK YOU, MR. PRESIDENT.

A: OH, ALL RIGHT. GOOD NIGHT.

Q: WILL YOU BE BACK NEXT MONTH? COME BACK NEXT MONTH, SIR?

Q: ARE YOU CONSIDERING STEPS AGAINST MEXICO FOR NOT COOPERATING WITH US?

A: WE'RE COOPERATING WITH THEM. AND THEY'RE COOPERATING WITH US.

(END TRANSCRIPT)

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ממנכ"ל. מצפ"א.

שיחת השגריר עם יו"ר ועדת החוץ של הסנט (19/2)

1. השגריר נפגש אתמול, ביוזמתו, עם לוגאר. נכחו בנרמן (מסגל הוועדה) ולמדן. רוזן העלה שלושה נושאים:

א. מצעדים הכלכליים החסורים שננקטו עד כה לתבראת המשק בישראל, ודחיפות נושא התוספת בסיוע לשנה הנוכחית;

ב. הישלוט הקרי" עם מצרים, והצורך בניצול ביקור מובראכי ע"מ להבהיר דאגת הקונגרס מהמצב הקיים.

ג. מערכת יחסינו עם תורכיה, ורגישות אוזאל לנאמר בארה"ב.

2. תוך התייחסות לדברי השגריר, השיב לוגאר:

א. ברור שכעה נמצא המשק בישראל בשלבי מעבר. ממשלת ארה"ב תפעל במגמה למנוע אשליות מצד מדינות ערב, שמא יחשבו שישראל מתמוטטת כלכלית ופן ינסו לנצל חולשה זו. לא חסרים "נותני עצות" לישראל; כלשעצמו, הוא (לוגאר) היה תומך בתנועת-מה בכיוון "כללי השוק" בישראל (במקום תכנון מרכזי) למען חיזוק המשק. בכוונתו לעבוד באופן הדוק עם שולץ שטבור שכל מדונה ריבונית וידידותית חייבת לתחליט לבדה החלטותיה הכלכליות והמדיניות הקשות. מסיבות טקטיות היפסו טטוקמן ושולץ דרך להעביר הסיוע לישראל ל"חלק אחר" של התקציב (כנראה רמז לכוונה לשאוב את התוספת ל-1985 ול-1986 ואולי אף עצם הסיוע ל-1986 מכספי 1985). בדיון פנימי בנושא זה עמד לוגאר על הצורך להמנע ממתן פתח לביקורת ציבורית על הגדלה בסיוע לישראל בשעה שעומדים לקצץ תוכניות בבית. אינו יודע מתי תוגש הבקשה לתוספת סיוע, אך משוכנע שבסופו של דבר תקבל ישראל תוספת.

ב. להערכתו, ערך שתיח מצרים "ביקור טוב" בארה"ב. בסנט נשאלו שאלות רבות בדבר הנורמליזציה, ומגיד מנה שורה ארוכה מאד של סיבות להצדיק הקרירות ביחסים (גישה שהרגיזה את בושביץ). אין לו ספק שגם מובראכי יישאל שאלות נוקבות בנידון. ברי "לתיות הגון", יש לציין שהמצרים טבורים - בצדק- שבעשיית שלום עם ישראל גילו אומץ ותושייה, ולאחר מכן טבלו מכן מצד ארצות ערב. יתר על כן, מוחו של טאדאט גרט ל- "sobering effect" על מצרים. מאידך לאחיונה אירעו מספר התרחשויות ("stirrings") בעולם הערבי שמבשרות טוב (לא פירט - ייתכן רמז ל"הסכם" חוסיין-ערפאת); מה גם שיש לשאוב עידוד מדברי הנשיא ריגאן למלך פחד, שעל הערבים לשבת ליד שולחן הדיונים עם ישראל, אם ברצונם



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אל: חסרה, מע"ת, מצפ"א, ממנ"ל, יגר, לש' רוה"מ, דובר צה"ל. דע: ניו-יורק.

NEWS SUMMARY - FEBRUARY 20, 1985

COLUMNS

WASH. TIMES-Georgie Anne Geyer- "What Signals Did Fahd Leave Us?" What is left in the wake of Fahd's visit? Shultz claims that US diplomacy is beginning to pay off. There has been hidden movement. US diplomats now visit the area, but quietly, without the usual shuttle show biz which so often turns out futile. Israel got rid of its fanatic chauvinist group as well. When it voted in Peres, it helped to open the way to negotiations with Jordan. Fahd's visit did accelerate the action in Jordan. The visit of Fahd showed again how rarely events stand still in that turbulent region, mostly when they most appear to be doing so.

THE PRESS REPORTS

Israel's Prime Minister Is Unable To Move The Vatican On Jerusalem

WASH. POST-Gilbert-Peres met privately today with Pope John Paul II, but the 40-minute meeting failed to resolve outstanding differences on the Middle East to which the Vatican attributes its continued failure to establish diplomatic relations with the Jewish state. The meeting was described as "cordial" and the two men also exchanged gifts.

High Cost Of Pullout: Israelis See Casualties Increase

WASH. POST-Walsh-Only three days after Israel began its withdrawal, it has become brutally clear to officials and the Israeli public that the process of leaving Lebanon is going to be a bloody, costly affair. The withdrawal would be accompanied by more attacks on Israeli forces by Lebanese Shiite Moslem militias according to senior Israeli officials.

Return To Lebanon Threatened

WASH. TIMES-(Wires)-Rabin said yesterday the Israeli army would invade southern Lebanon a second time if terrorist organizations are allowed to operate freely when Israeli occupation troops withdraw. He made his declaration to the World Council of Synagogues.

US, Soviets Open Talks On Mideast

WASH. POST-Drozdiak-US and Soviet representatives opened two days of discussions here today on a range of issues related to the Middle East. Murphy said the talks were "interesting." Administration officials have insisted that no breakthrough should be anticipated.

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US Tiptoes Back Into Mideast Waters

**CHRISTIAN SCI. MON.-Wiznitzer**-The US is tiptoeing back into the arena of Middle East diplomacy. And it is shifting its tactics by reaching out to Syria as well as to other Arab states. New Israeli moderation and the emergence of a powerful bloc of Arab nations leaning toward moderation offer the US an opportunity to help bring peace to the region by narrowing the remaining gap between Arabs and Israelis. The official word at the state dept. is "wait and see." A flurry of diplomatic activity is in full swing: Israeli and Egyptian officials, as well as Fahd, have visited Reagan recently.

Panel Urged To Press Mengele Search

**PHIL. INQUIRER-O'Brien**-Sen. Alfonse D'Amato told a Senate subcommittee yesterday that new evidence on the activities of Mengele put "a moral responsibility greater than ever" on the US to step up its efforts to track him down. "There is no doubt, this monster, Mengele is alive," D'Amato said. "We can bring him to justice. We can isolate Mengele. There are very few places in this world that will give him sanctuary."

Toronto Trial Stirs Debate On Nazis, Holocaust, Free Speech

**WASH. TIMES-(Wires)**-Ernst Zundel for the last six weeks, has been on trial on charges of spreading lies that could cause racial intolerance. Zundel disputes the generally accepted view that the Nazis killed 6 million Jews in concentration camps. The author of "The Hitler We Loved and Why," the stocky, square-faced man is one of the leading distributors of literature claiming that an international conspiracy of Jews, bankers and Freemasons controls the world. Zundel faces a two-year term if convicted, is trying to prove that the mass executions did not happen.

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מארוחה צהרים עם היועץ היפני מה-20 פבר.

חוסין - ערפאה

1. טוען שיש בידו ההסכם (ביפנית) הכולל 8 סעיפים שנמסרו ליפנים ממקור ערבי במזה"ת. התקשה לאפיין את המקור, אך מוסיף שיתכן שבא מחוגי מקורות באש"פ. הבטיח להמציא לי מחר (21.2) תרגום באנגלית. הוסיף, כמובן, שרצוי להתייחס לאמינותו בזהירות.

מפרץ

2. מיקה (מקבילו היפני של מרפי) חזר לא מכבר מסיוור באיראן. לא היו בכיו בשורות חדשות אך טוען שמצא את האיראנים פחות War Crazy מבעבר. לפני הביקור אמרו שלא ישוחחו עמו על המלחמה אולם במהלכו נחרצו. השינוי העקרי שמיקה מצא שם הוא שהאיראנים אינם מדברים על הכרעה צבאית אלא פתרון מדיני בתנאיהם.
3. המשלחת היפנית בדעה, ללא הוכחה, שבטהראן קיים ויכוח שקט מתחת לפני השטח באשר לקו השקט. היפנים ימשיכו במאמצי תיווך בלתי מורמליים ללא אשליות.
4. בעקבות ה-Shuttles לאי סירי חידשו היפנים רכישת נפט איראני. בחודש ינואר הורה מאזן יצוא הנפט האיראני ליפן על אפס בשל האיום הבטחוני על המיכליות. סיפר שב-19 פגעו האיראנים במיכלית יפנית, איש צוות אחד נהרג. אין לו הסבר למהלך האיראני.
5. תאיראנים ניסו לשדל (את מיקה) למכור להם מכ"מ יפני משוכלל שהחידוש בו היותו מלת מימדי. בעוד שהמכ"מ הרגיל מודד מרחק וכיוון הרי זה שבידי יפן מודד גם גובה. היפנים סרבו.
6. הדיאלוג הפוליטי בין יפן ומדינות המפרץ ובראשן סעודיה אינו מפותח ביותר. הגישה הסעודית, כך הסביר, נותנת עדיפות למי שביכולתו לספק נשק ואמל"ח, דבר המנוגד למדיניות היפנית לאחר מלחמת עולם שנית.
7. אין בדעה היפנים לחדש את העבודות באתר התשלובת הפטרו-כימית בבנדר חמיני כל זמן שהאיראנים לא יוכיחו שביכולתם להגן עליו ועל חיי הצוות היפני. אין להניח שהעבודות יתחדשו בעתיד הקרוב.

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אסיין

8. יפן מנסה להביא את מדינות אסיין לאמץ נוסחת תיווך בנוגע לקמפוצ'יה. שיחות היפנים בהאנוי נחקלה בעמדה נוקשה.
9. שולל השפעה הנעשה ב-Anzua על עמדת יפן באשר לביקור יחידות צי אמריקאיות. יפן, בניגוד לניו זילנד אינה מתנגדת לספינות המונעות בדלק גרעיני כל עוד אינן נושאות חימוש גרעיני עליהן, בחוזה השלום עם ארה"ב מוזכרים שלושה לאווים יפנים בשטח הגרעיני: לא ייצרו, לא ירכשו ולא יציבו אותו על אדמתן. כל שינוי מחייב התייעצות מוקדמת בין הצדדים. כדי להימנע ממצבים מביכים היפנים אינם דורשים אישור אמריקאי על אי המצאות נשק גרעיני על סיפונן.  
 נושא זה, המהווה סלע המחלוקת בין ארה"ב וניו זילנד (גם אוסטרליה), מוצא הד בעתונות ובקרב חוגים במחמ"ד. הדאגה היא שמא בעקבות עמדת לאנג ואף הוק תחזור על עצמה החופעה של התנגדות עממית נוסח "הירוקים" באירופה. נושא זה יעמוד בראש סדר היום של ביקור רה"מ לאנג כאן.

ישראל

10. העלה נושא היחסים הביילטריים וכיצד ניתן לשפרם דוגמאת ביקורי שרים ואישי ציבור יפנים. שאלתי אם עושה זאת ביוזמתו או עפ"י תנרון מהבית. חשיב (בחיוך) "שניהם", אמר שירחיב בפגישתנו הבאה.

אלי אבידן  
 א.א.

שמה רהא נההס אנה סחנה אנה  
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85 פבר' 29. 1955

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אל: המשרד

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אל : ממנכ"ל, מצפ"א ממייד

שולץ בועדת החוץ של הבית  
מתוך שיחה עם המורשה מל לוינ

1. לפני העדות הפומבית של שולץ נפגש המזכיר עם חברי הועדה לארוחת בוקר בדלתים סגורות. לויין שאל המזכיר אם לארה"ב יוזמה חדשה לגבי המזה"ת. שולץ הדגיש כי הממשל עדין רואה ביוזמה רייגן התצעה המעשית ביותר לקדום תהליך השלום.

2. המזכיר נשאל כיצד הוא מעריך את הסכם חוסיין-ערפאת ובענה כי הממשל עדין לומד את חוכנו של ההסכם. שולץ ציין We are studiously ambiguous about it עם זאת, שולץ רואה בנוסחה זו התפתחות חיובית שעשויה לקדם את התהליך המדיני.

3. שאלה נוספת עסקה בבקורו של פאהד בארה"ב. שולץ הדגיש כי אמרו למלך שעליו לנהל מו"מ ישיר עם ישראל ולא עם ארה"ב. שולץ השאיר רושם כי הוא מעודד מהתפתחויות אחרונות במזה"ת אם כי נזהר מלבנות ציפיות. שולץ דיבר על התקדמות הדוגמית בדרך לאחדות התהליך המדיני.

קני-טל  
(1-7)

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מחוד  
סיווג בטחוני:

אל: הסברה, מע"ח, לש' מסנבל, יועץ רוח"ם לחקשורה, כצמ"א.  
לש' יגד

דע: רושינגטון

דרישות:

מאריך ח"ח: 0471  
מס. מברק: 93 01

מח: קהנר

News Summary February 20, 1985

Editorials

NYT-"America Held Hostage Again" What has been happening in Lebanon betrays a little noted condition: Reagan has no better answer to terrorism and hostage taking than Carter did. It is also noteworthy that Syria freed Levin, as if to distance itself from the kidnapers in its region of influence. Reagan hopes for more Syrian help. There is no point in mocking any help, like Ali's recent visit. Lebanon is clearly not a target for Shultz's desire to "isolate, weaken or punish states that sponsor terrorism." But what of Iran? Nothing has occurred since its troops stormed a hijacked Kuwaiti airliner and seized four hijackers. It won't bring them to trial. Forbidding flights to and from Iran is an appropriate reprisal. Action towards Lebanon is plainly difficult. Action towards Iran seems inexplicable.

\*\*\* NYP-"The Networks' Double Standard" NBC Correspondent Bonnie Anderson and her crew had a nasty run-in with Israeli soldiers in southern Lebanon last week. The president of NBC news promptly protested and the Israeli PM pledged that the incident will be investigated. Also last week, Levin was escaped from 11 months in captivity in the hands of Lebanese terrorists. But there will be no protest, no investigation--and above all--no punishment for Syrian officials who might be responsible. News organizations know that this is the difference between a civilized gov't and a band of brigands. But they do not always make that clear to its viewers. If the networks hold Israel to a higher standard than her neighbors, they must at least inform the viewers that they are doing so.

Columns

\*\*\* NYT-Leon Hadar "Wisely-Aiding Israel" Consensus judgement both in the US and Israel, believes that Israel's troubles are purely economic and can be rectified by economic changes. Nothing can be farther from the truth. Israel's economic troubles are due to its staggering--but unavoidable--military expenditures. The Israeli gov't realizes this and has boldly slashed military budgets. Reagan also understands this and has decided to increase military aid to Israel. It also urges Israel to cut its domestic spending. The problem is that a society plagued by unemployment, emigration and social instability cannot be mobilized to fight a war or take risks for peace. Social unrest would play into the hands of Likud. Peres has demonstrated his commitment to withdraw from Lebanon, improve ties with Egypt and laying the grounds for agreement on the West Bank. He also wishes Washington to play an active role in the region. Americans shouldn't put obstacles in his way. Forcing Israel to adopt an American

מאריך: השולח: אישור מנהל החלקה: חתימה:

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מס. מברק:

economic plan spells disaster for hopes of economic recovery and threaten America's long term goals.

Press Reports

Israelis Want Quicker Pullout

NYT-p.1-Friedman-The mounting Israeli casualties and the feeling that little is to be gained by staying has generated heavy pressure on the gov't to withdraw from Lebanon faster than planned. A day rarely passes without a soldier getting killed or wounded. Newspapers, commentators and the public talk about being disgusted by the casualties because they have no meaning or possible benefits. Zeev Schiff talks about the difference in the IDF now and before the Lebanon invasion. He says that the soldiers have the same look as the "American soldiers I saw in the final stages of Vietnam." Remarks made by Gemayel praising the Lebanese attacks on the Israelis have also increased support of a quick withdrawal. The quick shift in public mood sees to have caught Rabin off guard. Rabin favors a withdrawal but is concerned about withdrawing to the international border before Israel sets up security along the frontier using the Southern Lebanese Army.

Peres Meets Pope

NYT-special-Peres met with the Pope and said that the Pope would be "a welcomed guest" in Israel. Peres is only the second PM to meet with the Pope. The first was Golda Meir. Peres stated that Jerusalem would remain Israel's capital, after he met with the Pope. Peres's statement prompted a Vatican spokesman to call reporters together to reiterate the Vatican's support for an international statute to govern Jerusalem. He also said the meeting was cordial but that the Pope and Peres did not have identical views on the Mideast. The Vatican has made it clear that they would not recognize Israel in the near future. A visit by the Pope to what he calls the "Holy Land" has been complicated by differences between Israel and the Vatican on the West Bank, the Palestinian question and Lebanon. (see Photo of Peres and the Pope-NYP; DN)

US-Soviets Meet on Mideast

ND-Wash Post-No statement of the talks were issued. The timing of the US-Soviet meeting stirred speculation that there is a possibility of new peace moves.

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Magazine Articles

Merkava

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The Atlantic-3/85 Peter Hellman "Israel's Chariot of Fire" The Merkava is the first tank ever built in Israel. No nation so small had ever built a tank. The tank was used for the first time against the Syrians in Lebanon. For the first time a Russian T-72 had been destroyed by fire from another tank. At least 8 were destroyed during the battles with the Syrians. What is most astonishing about the Merkava is that it was built speedily and cheaply by a government agency. The tank promises to be a major export item once Israel's needs are met. An armour specialist at the Pentagon calls it one of the world's best tanks. The war in Lebanon proves that tanks are the primary weapon of conventional warfare. Israel Tal, who is said to favor a Palestinian state, is the brainchild of the Merkava. He is widely known as crazy and short in stature but he commands total respect whether the soldiers want to do so or not. The story of how the tank was built and the political arguments that occurred is described.

UN Anti-Semitism

The New Republic 3/4-Toobin (Ed of Harvard Law Review) It turns out that Dr. Maarouf al Dawalibi, a Saudi delegate who spoke at a UN Human Rights Conference, is no novice at Jew-hating. Dawalibi has been at it for two generations, not just in the Arab world but as a servant to the Nazis. He was the "Arab confidence man in Paris" during the war. This doesn't embarrass King Fahd, around whom official Washington has been dancing solicitously for a week, to have such a man as his senior advisor.

Paid Ad-Falashas

NYT-Full page ad by Emunah Woman of America touting "Operation Joshua" a project to help Ethiopian Jews integrate into Israeli society after the fanfare wears off.

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QUESTION: Does the visit of King Hussein to Vienna have anything to do with the talks on the Middle East?

MR. KALB: I have nothing on that.

QUESTION: Israeli Prime Minister Peres, today, not only repeated his invitation for King Hussein to come to Jerusalem, but apparently invited himself to go to Amman, Are we, in any way, going to encourage Jordan to

accept that invitation?

MR. KALB: I saw the story, as you did, on the wires and I have nothing for you on that.

עמנואל

משרד החוץ - מחלקת הקשר

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אל: ממישראל וושינגטון

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קני-טל.

שולץ בועמת החוץ. לשלכם 386.

לואיס מסר אתמול לממנכ"ל את נוסח עדותו של שולץ בפני הועדה בענין הסיוע.

(קשר נא העבירו הרצי"ב)

לשכת בר-און

שמח להגיש את המברק

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SECRETARY SHULTZ'S TESTIMONY BEFORE HOUSE FOREIGN AFFAIRS  
COMMITTEE ON FY-86 FOREIGN ASSISTANCE PROGRAM, FEBRUARY 19,  
1985--EXCERPTS ON ISRAEL

The United States has a commitment to Israel's security extending over three decades. Further progress towards peace depends in part on Israel's having sufficient confidence in U.S. support and assistance. For these reasons, we are recommending a significant increase in foreign military sales on a grant basis for Israel. In addition, we have indicated our willingness to provide extraordinary assistance in support of a comprehensive Israeli economic program that deals effectively with the fundamental imbalances in the Israeli economy. Without such a reform program, however, additional U.S. assistance would not resolve Israel's economic problems, but merely help perpetuate them. Moreover, without economic adjustment, Israel will become even more dependent on U.S. assistance in the future.

Our objective is to seize the window of opportunity provided by greater Israeli understanding of the problems of their economy. Accordingly, the Administration intends to hold open for the time being the amount and form of ESF which we will be requesting from the Congress pending further discussions with Israel and further evolution of its stabilization program.

Our discussions will continue to focus not only on short-term stabilization measures, but also on Israel's longer range development objectives so that Israeli citizens can have confidence in a brighter, more prosperous future. We agreed during Prime Minister Peres' visit here last October to work together to promote foreign investment in Israel, particularly in the high technology area where Israel has a comparative advantage. Both governments are examining existing programs and frameworks which might help to improve Israel's investment climate and attract venture capital from abroad. It is clear that in Israel's case -- as in other countries -- mobilizing both domestic and foreign venture capital depends on an atmosphere that encourages private enterprise, appropriate tax structures and market pricing policies. Private sector initiatives hold the greatest promise for helping Israel achieve its development goals, and we are encouraged by the interest that has been generated in both countries. Our real objective is to support Israel's own efforts to seize the opportunity to establish the fundamental conditions for economic growth in an age of new technology.

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Mr. Chairman, I can't tell you how much I admire the great efforts that Prime Minister Peres and his colleagues have been making in struggling not only with this difficult economic problem but the other problems in Lebanon and in the peace process and in their relationships with Egypt that they confront. And with all of the difficulties in the economy now being faced, I have complete confidence that in the end these problems will be resolved and we will see emerge a healthy, strong and developing Israeli economy with strong leadership there from Prime Minister Peres and his colleagues.

[There was only one Q and A on Israel after the Secretary's prepared testimony]

Chairman Fascell: We want to finish Subcommittee markups by the 15th of March, so that the full Committee can begin markup by the 19th of March, and we can get with an authorization bill to the floor before the appropriation bills hit the floor. There, we need some idea, if you can give us that, as to when you expect to finish up with respect to the balance of the Israeli package....

Secretary Shultz: Well, it's difficult to make a prediction, because it depends on what happens in Israel. But developments have been very strong there and I would hope we'd be able to meet your schedule.



**EMBASSY OF THE  
UNITED STATES OF AMERICA**

Tel Aviv

February 20, 1985

His Excellency  
Shimon Peres  
Prime Minister of the  
State of Israel  
Jerusalem

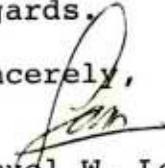
Dear Mr. Prime Minister:

I thought you would be interested in seeing what Secretary Shultz had to say yesterday to the House Foreign Affairs Committee about Israel's economic program and the prospects for additional U.S. economic assistance.

I'm sure you will note the expression of admiration for the efforts you have been making which concludes the Secretary's prepared statement.

With warmest personal regards.

Sincerely,

  
Samuel W. Lewis  
Ambassador

Enclosure

SECRETARY SHULTZ'S TESTIMONY BEFORE HOUSE FOREIGN AFFAIRS  
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אל: הסברה, מע"ת, מצט"א, ממנכ"ל, יגר, לש' רוה"מ, דובר צה"ל. דעו: ניו-יורק.

NEWS SUMMARY - TUESDAY - FEBRUARY 19, 1985

EDITORIALS

WASH. POST-2/19-"Syria A Hero?" Warm words are flowing from Wash. to Damascus to thank the Syrians for their part in the freeing of Jeremy Levin. The govt. of Assad has used the occasion to present itself to the US in the winning role of humanitarian and enemy of terrorism. Let's not get carried away by the fantasy of Syrian-American brotherhood in the cause of anti-terrorism. Not so long ago the US was openly accusing Syria of responsibility in terrorist acts directed against US forces in Lebanon. Syria has importance in its region and Soviet backing to make it a significant military power. US diplomats now must take Syria into direct account. At the least, its interest in spoiling the initiatives of others must be blunted. The Syrians play a hard game.

THE PRESS REPORTS

Rabin Says Lebanon Is Main Threat

PHIL. INQUIRER-(Wires) Rabin said yesterday that Lebanese terror was Israel's biggest security problem and that if it continued after the Israeli withdrawal was completed, the army would fight it with counterattacks from inside Israel rather than by another long-term occupation of Lebanon.

Israel Might Accelerate Pullback From Lebanon

WASH. TIMES-Neff-The second phase of Israel's three-part withdrawal from Lebanon may begin as early as next month, a rush to end what some observers are calling one of the costliest misadventures in Israel's 36 year history. Israel's radio reported that the second phase of the withdrawal would begin in three weeks. Reports in Wash. and Tel Aviv that Israel may now move posthaste to liquidate its occupation came as the last of Israel's troops involved in the first phase of the withdrawal were crossing back into their homeland yesterday.

Gemayel Opponents Demonstrate In Sidon

WASH. TIMES-(AP) Armed Shiite Moslem militants roamed streets of Sidon yesterday, tearing down Lebanese flags and portraits of Amin Gemayel a day after he helped celebrate the Israeli army withdrawal from the city. Militants from Hezbollah, or Party of God, waved AK-47 assault rifles and rocket-propelled grenade launchers, but no shooting was reported. They chanted "Allah Akbar" - God is great and "Sidon is Moslem! It cannot be ruled by a Maronite."

Mideast Talks Opposed

WASH. POST-(Wires)-Peres met for two hours with Premier Bettino Craxi and said they both "absolutely rejected" an international peace conference on the Middle East.

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Saudi To Try To Woo Syrian Leader

BOSTON GLOBE-Baecher-Prince Bandar, flew to Damascus this weekend in an effort to persuade Assad to play a less obstructionist role in the Mideast peace process. It was a direct outgrowth of a weeklong series of discussions here between Fahd and top Administration officials. Bandar will attempt to pass along Saudi Arabia's new perception that the US is prepared to take a more active role as a "partner" in the peace process and not just pass along messages from the various parties.

'8 Nazi Sighting Aired

WASH. POST-Mathews-Mengels, was seen in Paraguay as recently as 1981 working as a beekeeper, according to officials of a leading center for the study of the Holocaust. Rabbi Marvin Hier, dean of the Simon Wiesenthal Center here, will tell a US Senate committee Tuesday of information recently acquired from German-Paraguayan drug dealers that represents the latest account of the whereabouts and activities of the fugitive death-camp doctor.

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כמה מהם ציינו כי אפילו כשמנחם בגין ביקר כראש ממשלה הוא סרב לחצות משמרות שובחים  
 שעמדו לפני מקום שבו הוא עמד להופיע וחדבר עשה רושם כביר.  
 הם בוודאי מצפים שממשלה שבה מפלגת העבודה שותפה חכבד את העקרונות המקוריים של חנועח  
 האיגודים המקצועיים בעולם התופשי.  
 הערה אגב אוסיף כי אחמול הודיע איגוד המורים כי הוא מושך M 450 § מכספיו המושקעים  
 בבנק האמריקני הגדול Manufacturer's Hanover במחאה על שהבנק תומך בחברת חלדה  
 באריזונה שסלקה ממפעליה את איגוד עובדי הפלדה. נראה כי הקו של שימוש באמצעים הפיננסיים  
 של האיגודים מקצועיים לאוח סולידיות עם איגוד הנחון במאבק הופך עתה לבנק מקובל שיבוא  
 לכלל ביטוי לא רק בנושא של אל - על.

דני בלוח



(2) The "Food for Progress" initiative recently announced by the President is also targeted at achieving policy reform but exclusively in the agricultural sector. This initiative would use food aid in strategically important African countries to promote reform in the key agricultural sector, stressing market approaches in agricultural pricing, marketing, and the supply and distribution of fertilizer, seeds and other agricultural inputs. One of the goals of the initiative is to supply American food to reform-minded countries on a multi-year basis. The sale of the commodities on the local economies would provide resources for the governments to use in supplying needed incentives and inputs to the farmers while easing the effects on urban consumers of moving toward a market economy. The details of this proposal, including funding levels and sources, will be transmitted to the Congress shortly.

#### Near East and South Asia

One of the most important foreign policy goals of this Administration is to help achieve a lasting peace between Israel and its Arab neighbors. There are no quick and easy solutions for peace in the Middle East, but our assistance plays a crucial role in furthering the peace process. Israel and Egypt remain our principal partners in the quest for peace, and these two nations would be the largest recipients of our

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proposed foreign assistance for Fiscal Year 1986. Our economic and military assistance programs are needed to strengthen Jordan's security and economy, both of which are vital to enable Jordan to confront the risks involved in playing a significant role in the peace process. Our relationships with Saudi Arabia and the Arab Gulf States are important elements in our efforts to advance the peace process and, as I will mention later, to protect our interests in the Persian Gulf.

The United States has a commitment to Israel's security extending over three decades. Our security assistance proposal aims to easing the onerous burden Israel shoulders in meeting its defense needs. The Fiscal Year 1986 Foreign Military Sales (FMS) program will enable Israel to maintain a qualitative military edge over potential adversaries in the region. Further progress towards peace depends in part on Israel having sufficient confidence in its ability to withstand external threats but also confidence in U.S. support and assistance. For these reasons, we are recommending a significant increase in Foreign Military Sales on a grant basis for Israel.

The U.S. and Israeli governments agreed last October to establish a Joint Economic Development Group to review economic developments in Israel, the role of U.S. assistance in support of the Israeli adjustment program, and Israeli longer-term

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development objectives. At a meeting in December, Israeli government officials presented the annual White Paper outlining Israeli economic objectives and assistance requirements for the remainder of this fiscal year and for FY 1986.

Our security assistance is a reflection of the U.S. commitment to Israel's security and economic well-being. In addition, we have indicated our willingness to provide extraordinary assistance in support of a comprehensive Israeli economic program that deals effectively with the fundamental imbalances in the Israeli economy. Without such a reform program, however, additional U.S. assistance would not resolve Israel's economic problems but merely help perpetuate them. Moreover, without economic adjustment Israel will become even more dependent on U.S. assistance in the future. Our objective is to seize the window of opportunity provided by greater Israeli understanding of the problems of their economy. The Israeli government has made some considerable progress to date in developing an adjustment program. But further progress is necessary if their program is to put Israel back on the path of economic health and additional U.S. assistance is to serve a useful purpose. Accordingly, the Administration intends to hold open for the time being the amount and form of ESF which we will be requesting from the Congress pending further discussions with Israel and further evolution of its stabilization program.

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Our discussions will continue to focus not only on short term stabilization measures, but also on Israel's longer range development objectives so that Israeli citizens can have confidence in a brighter, more prosperous future. We agreed during Prime Minister Peres' visit last October to work together to promote foreign investment in Israel, particularly in the high technology area where Israel has a comparative advantage. Both governments are examining existing programs and frameworks which might help to improve Israel's investment climate and attract venture capital from abroad. It is clear that in Israel's case -- as in other countries -- mobilizing both domestic and foreign venture capital depends on an atmosphere that encourages private enterprise, appropriate tax structures and market pricing policies. Private sector initiatives hold the greatest promise for helping Israel achieve its development goals, and we are encouraged by the interest that has been generated in both countries. Our real objective is to support Israel's own efforts to seize the opportunity to establish the fundamental conditions for economic growth in an age of new technology.

The Camp David accords and the Egyptian-Israeli peace treaty remain the cornerstone of our Middle East peace policy. Egypt has demonstrated its firm commitment to those accomplishments by repeatedly refusing to disavow them as a

Y-1

price for resuming its historic leadership role in the Arab world. Our assistance helps ensure that Egypt will remain strong enough to continue to resist the pressures of radical forces which seek to undo what has been achieved. Egypt remains an important force for moderation and stability not only in the Middle East but also in Africa, where it plays an important role in helping African states deter Libyan adventurism. Egypt's ability to continue this deterrent role depends heavily on our assistance. The FY 1986 Foreign Military Sales Program has been increased to enable Egypt to continue replacing obsolete Soviet equipment and remain a credible deterrent force in the region.

Another major U.S. interest in the Middle East is to maintain free world access to the vital oil supplies of the Persian Gulf now and in the future. The Persian Gulf countries produce over 25% of the free world's oil supply. Through our assistance, we help to improve the security of our friends in this area. Oman is cooperating closely with the U.S. toward our common goal of maintaining security and stability in that vital area and freedom of navigation through the Strait of Hormuz; Oman's agreement to permit access to its facilities represents a key asset for the U.S. Central Command. Although not recipients of U.S. financial assistance, the other Gulf states and Saudi Arabia, as members with Oman in the Gulf

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Cooperation Council, have shown the will and the ability to defend themselves against encroachment of the Iran-Iraq war. The Administration is embarking on a comprehensive review of our security interests and strategy in the area, focusing on how our various programs in the security field complement our efforts in the peace process and contribute to the general stability of the region.

In North Africa we have longstanding and close relationships with Morocco and Tunisia as firm friends and strategically located geo-political partners. Morocco, with whom we have transit and exercise agreements, and Tunisia are both in difficult economic circumstances. Our assistance program in Morocco, in concert with other donors, is designed to help the Moroccan Government as it implements necessary economic reforms. We have expressed to the Government of Morocco our disappointment over the unwelcome development of the Libya-Morocco treaty of August 1984. Qadhafi's aggression against neighboring states and his undiminished support of terrorism and subversion worldwide are continuing causes of concern. We have registered these concerns with the Moroccans and told them that we discount the possibility that association with King Hassan could influence Qadhafi constructively. Despite differing views on how to deal with Qadhafi, however, the economic and political rationale for this assistance to Morocco remains; indeed it is stronger.

# משרד החוץ-מחלקת הקשר

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ד: ד, סג: ס, תא: 190285, זת: 1700

רגיל/סודי

השגריר

1. להלן השיחה בלתי פורמלית עם השגריר לואיס בקראת  
יצאתו לוושינגטון על יחסי ישראל-מצרים ומהליך השלום  
בפרספציה האמריקנית (השיחה ביום בו נודע על הסכמי  
חסיין-ערפאת).

א. לואיס בדה כי הפרספציה באדהייב היא שמצרים לא מילאה  
את כל המוטו עליה במישור הביטחוני ובחזרה השלום. אמנם גם  
על ישראל מוטלת אחריות בתחומים מסויימים (הגביר את הדיווח  
שנוצר בקשר לסמיכות המועדים בין פסקת אופירה לבין הפצצת  
הבור העיראקי). אולם המצרים ותפסים בנושאים בעיקר באחריות  
למצב יחסי השלום. הכולט ביותר בהקשר זה הוא נושא השגריר.  
הנתפס בסמל היחסים ושאומו הטעים לואיס במיוחד הדברים  
מתארים מהדיווחים שקיבלנו על פגישות שהיה המצרי מגיד  
בסגנון ובן שיחה טובייל-לואיס נר 344.

ב. לואיס אמר כי לדעתו האישיה קו ההסדרה הנוכח מנחיתתו  
בהקשר המצרי אינו בשום פנים טיח הדברים אלא הצאתם  
כהווייתם. אך הטון, לדעתו, צריך להיות לא של התקפה על  
המצרים אלא הבנת אכזבה על גישתם. הטון של תפיסה ישירה יש בו  
משום חריגה מהמקובלות ביחסים הבינייל. דהיינו, תקיפת גדינה  
ע"י אחרת בעתה של שיחה. אך הדגיש מפורשות שאין כוונתו  
שאנו נפתיר את העובדות. באמור, אלא נחארן בצירוף הבעת  
אכזבתנו.

ג. באשר לתהליך השלום, השיחה נערכה עם פרסום ייחסי  
חסיין-ערפאת. לואיס אמר כי לכאורה הסיכוי לתוצאה  
בהליך השלום גדל במקצת מאשר העריכו לפני 3-4 חודשים, אף  
כי עדיין אינו מעריכו ביותר מ-20 אחוזים. לואיס ער לכך שגם  
אם כביכול הושגה הסכמה בין חוסיין לערפאת, עוד ארובה וקשה

מס' תצ"א 8842, מס' 1071, מס' 4\*

# משרד החוץ-מחלקת הקשר

הדרך הן במישור המסגרת והן זוראש וראשונה - במישור המהותי  
(נימת לואיס הינה פסימית). סיכס כי ביסודו של דבר הוא צופה  
עממל דייגן ימשיך לתמוך בעמדותיה הבסיסות של ישראל.  
2. השיחה (ביחידות) הינה לאחד אי צי לכבוד סונדרס,  
בהשתתפות אישים שונים מן המערכת הישראלית. אצין מתוך הארוחה  
שלוש נקודות:

א. לואיס וסונדרס ביקשו לשמוע הערכת הישראלים באשר לתגובות  
אפשריות לייזומה"י של תוס"י-טרפאת. הערכתו של לואיס עצמו  
בהמשך (בשיחה ביחידות) הינה כי הממשלה תרצה להציג פתיחות  
לצעדי שלום עם תוס"י. אם כי פהותית אין הישיווך יי  
הערפאתי מקובל עליה.

ב. סונדרס ניסה לפרש פירוש נמיש את התחייבות ארה"ב  
מ-1975 שלא לשאת ולתת עם אש"ף אלא בתנאים הידועים, ואמר  
שלא הייתה לו התחייבות מבנית אלא גישה פוליטית. המשמעות  
כמוכן ברורה (אגב) אין לה פירוש חדש שלו, וכבר השמיעו  
בעבר.

ג. נתעוררה מחלוקת בין סונדרס ללואיס, שעה שסונדרס ניסה  
להשוות ולפתוח סימטריה בין עמדת ישראל (קמפ-דיוויד) לבין  
העמדה האש"פית (פאו כביכול). לואיס טען בתוקף רב, כי  
הביצד ניתן להעלות על הדעת השוואה כזאת בשעה שבקמפ-דיוויד  
הבידה ישראל בייזבויות הלא-שימיות של הערבים הפלסטינאים  
נדבר שמסלחת ארה"ב לא האמינה שיזגו. בעוד פאו אינה כוללת  
הכדה בישראל.

רובינשטיין.

תפ: שהח, דהמ, שהבט, סובל, סובל, סובל, ממד, רס, אמן, מצפא,  
מצרים

משרד החוץ-מחלקת הקשר

9844

\*\* NY \*

שמו

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מל: נוש, נ"י, נר: חנוים 1373, מ: המשרד  
דל: מ, סג: ש, תא: 190285, ל: 1030

שמו/מ"ד

ויקטור הראל

מנחם שלי

אנא העבירו תוכן המברק הרציב ל:

1. MR LAWRENCE K. CROSSMAN  
PRESIDENT  
NBC NEWS  
NEW YORK

2. MR. EDWARD H. JOYCE  
PRESIDENT  
CBS NEWS  
NEW YORK

3. MR. ROONE ARLEDGE  
PRESIDENT  
ABC NEWS

I AM WRITING ON BEHALF OF PRIME MINISTER SHIMON PERES TO  
ACKNOWLEDGE YOUR CABLE AND TO ADVISE YOU THAT HE HAS  
REQUESTED THE IDF SPOKESMAN TO INVESTIGATE THE MATTER  
IMMEDIATELY.

THE IDF ISSUED A STATEMENT ON FEBRUARY 15-WHICH WAS

מס' 33667 על שם ויקטור הראל



60

2 7 1 8  
85 Feb 19 1985  
.....  
.....  
.....

ניו-יורק 72 / בטחון 248 / המשך 358

אל: הסברה, מע"ה, מצפ"א, ממנכ"ל, יגר, לש' רוה"מ, דובר צה"ל. דע: ניו-יורק.

NEWS SUMMARY - MONDAY - FEBRUARY 18, 1985

COLUMNS

**\*\*WASH. POST-Philip Geyelin** "The Mideast: Something New" Something new seems to have been added to the Reagan administration's approach to the Middle East. A renewed energy and a reordering of priorities. The Arab-Israeli-Palestinian conflict is back where it belongs - on the front burner, never mind the old Israeli arguments for cooking it. Us policy seems grounded on the proposition that Islamic extremism and the Palestinian conflict are intertwined. Recent developments offer interesting evidence of a second-term turnabout.

THE PRESS REPORTS

Vulnerable Israeli Border City Gets Its Bomb Shelters Ready Again

**WASH. POST-Walsh-Haim Bitton** -(Kiryat Shemona) director of security in this city has been preparing for the Israeli withdrawal for six months. He and others are preparing for possible future attacks.

Gemayel, In Sidon, Praises 'Resistance'

**WASH. POST-Randal** Gemayel and Karami praised the "national resistance" fighters whose attacks helped pressure Israel into leaving. Gemayel, whose fellow Lebanese Christians had once been allies of Israel, praised the "noble, heroic national resistance" that he said "became the symbol of Lebanese unity and liberation."

Mengele Linked To 1980 Mail

**WASH. POST-(UPI)** Mengele appears to have sent Christmas cards from Portugal to friends in Paraguay as recently as 1980 and seems able to move about in Paraguay, Sen. Alfonse R. D'Amato (R.N.Y.) said yesterday. "The information does indicate he left Paraguay," D'Amato said, adding that Mengele "has the ability to move in and out of Paraguay."

Handwritten note in Hebrew: כפי שכתבתי לך... (As I wrote you...)

Handwritten number: 811115

פגישות רוהיים

17.2.85

י ר ם

18<sup>15</sup>

ש ע ה

כא /

מ ק ו ם

מוזמן (נים) סנטור צב - קונצ'ן

אירו ע

ברוק רב אשה"

מדינת ישראל

תאריך \_\_\_\_\_

אל:

חילוקי

18<sup>15</sup>

מאת: לשכת ראש-הממשלה.

האלב חוק ביום

אלב ח 18<sup>15</sup> ?

הסנאור חשב אלב.

בוני רב

מדינת ישראל

15/2/75

תאריך:

אל: דואר/א.י.צ.

מאת: לשכת ראש-הממשלה.

~~א.י.צ.~~ באופן היקף המטאורים בה קונצ'ין

בה קונצ'ין תאב ול מאז (הקבלה).

ב מסגרת חסימה (נזירה חוק).

אין יש לשל מאג ב לשכת אזורים

מטה יפה.

לוא לוח היקום הקצה ול יס

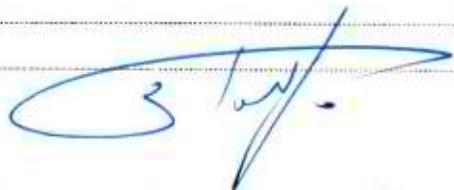
כאמ לשכת למרות אוב בדי

כמו (16/2).

אז המטה מ לשכת מאז לשכת

אוב זה (היקום) לשכת מאז לשכת

מאז מאז (אוב).



2 7 2 8      0 0 1 8  
 ד"ר... ד"ר... ד"ר...  
 סווג... ד"ר...  
 ד"ר... ד"ר...  
 1700.8  
 ...

178  
 (670)

אלו המסוד

אל: גלבוץ. רומא (בינו-עברית בלבד)  
 דע: ס/מנכ"ל. מנהל מצפ"א. מנהל מאו"ר,  
 לשכת רוה"מ.  
 לשכת שר האוצר.

פלשים. הסנטורים דה-קונטיני טריבל.

1. תרכתי את עוזריו של דה-קונטיני בהתאם לשלך 182. (סטרסין כבר נמצא באתיופיה)
2. בדעת דה-קונטיני לא רק לדבר על איחוד המספחות אלא גם להציע שיוקם מנגנון לביצוע התכנית. לעיונכם, רצ"ב נייר שחוכן עבורו בנידון.
3. רצ"ב גם לוח הזמנים של דה-קונטיני. אם יש לכם הערות על תנייר הנ"ל, הוא מבקש שיועברו בדחיפות לבינו ברומא שיכול להשיגו ביום א' וביום ב' (10, ו-11)
4. הביקור בסודאן אינו בטוח, וייתכן איפוא שישארו יום נוסף ברומא (12).
5. דה-קונטיני יגיע ארצה בשבת (16) במטוס חיל האוויר האמריקאי, וישהה שם עד יום ב' (18) בבוקר. ביום א' (17) הוא מבקש לראות את רוה"מ שתייח ושר האוצר, וגם אנשינו העוסקים בנושא הפלשים. הזכר לו את הקשיים (ישיבת הממשלה ביום א' וכו'), ובתגובה עוזרו הראשי בקיור זה (יהודי בשם ארל כ"ץ מאריזונה) שאל על אפשרות של ארוחת ערב עם שר האוצר במוצאי שבת (דה-קונטיני הינו חבר ועדת ההקצבות של הסנט וחבר תת הועדה ל- Foreign operations). אם אפשר, הנריקו נא גם פרטי הפגישות לרומא.
6. הסנטור טריבל (חבר חדש בוועדת החוץ) נוסע אף הוא עם דה-קונטיני לאתיופיה ולישראל. אך יעזוב את הארץ ביום א' (17) מוקדם בבוקר בטיסה אורחית.
7. באתיוסיה יצטרפו שני הסנטורים למורשה אקרמן (עליו ותובכיותיו דווחו בנספד).
8. יחד עם דה-קונטיני נוסעים אשתו (סוזן), וכאמור, ארל כ"ץ.

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178  $\frac{3}{7}$

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DC ROME ADDIS NAIROBI TEL AVIV DC

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Saturday, February 9 - Monday, February 18, 1985

Saturday, February 9

1:50p dpt NAT TW 848

Sunday, February 10

9:00a arr ROME

overnight: Ambasciatori Palace Hotel  
70 Via Vittorio Veneto  
001 396 47 38 31

Monday, February 11

dpt ROME VIA Air Force  
arr Khartoum  
meet w/President Gaafar Nimeiri

Overnight: Khartoum

Tuesday, February 12

6:00a dpt Khartoum via Air Force  
9:00a arr Addis Ababa

overnight: Addis Ababa Hilton  
tel. 448400

Wednesday, February 13

7:30a dpt Addis via chartered aircraft (30 seat Stol aircraft)  
9:30 arr Gonder (tour Falasha villages)

overnight: Goha Hotel, Gonder

Thursday, February 14

7:30a dpt Gonder  
9:00a arr Makelle  
visit feeding/relief sites  
4:00 meeting w/Chairman Mengistu  
Addis  
7:30p dinner w/Charge David Korn, Ethiopian  
officials

Friday, February 15

8:00a dpt Addis via Air Force  
9:30a arr Nairobi  
AM/Neale for Millions Representative Mary Adiedo Okumu to meet plans  
Tel. 40300

Friday, February 15, 1985

Visit Kawangware Project and Dandora w/Mary Adiedo Koumu  
Reuben Johnson and Altrana Murkuria (Tel. 233-6676)  
Family Planning International Assistance

Overnight: Intercontinental, City Hall Way, tel. 33 555 0  
Saturday, February 16, 1985

8:00a dpt NAIROBI via Air Force plane

NOON arr TEL Aviv - \* *arr NAIROBI*

$\frac{4}{7}$

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Monday, February 18, 1985

7:10a dpt TEL AVIV TW 803

2:05p arr JFK (stops in Paris en route)

4:10p dpt JFK TW 749

5:19p arr NAT

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178

$\frac{5}{7}$

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**GUIDELINES FOR ACTION ON FAMILY REUNIFICATION**

**BACKGROUND** - See enclosed background paper, talking points, trip reports from Representatives Wolpe and Ackerman, and correspondence between Representative Wolpe, Goshu Wolde and the State Department.

**OBJECTIVE** - To reach an agreement to allow Ethiopian Jews to be reunited with their families in Israel (see specific objectives in enclosed background paper).

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6  
7 178

FAMILY REUNIFICATION OF ETHIOPIAN JEWS

Background

While over 13,000 Ethiopian Jews are now in Israel, at least 4,000 are believed to be stranded in refugee camps in the Sudan, and 7,000-10,000 remain in Ethiopia. Most of the latter group are women, children, elderly men, and the infirm who are not physically fit to make the dangerous and extremely arduous overland journey by foot to Sudan. Most of those Jews still in Ethiopia have relatives in Israel and virtually all of them wish to leave Ethiopia to be reunited with their families.

The Ethiopian government has traditionally refused to recognize a right of emigration for any Ethiopian citizens and has treated the desire to emigrate as an affront and an expression of disloyalty. People apprehended while trying to leave the country illegally are often harshly treated. In practice, of course, hundreds of thousands of Ethiopians have left the country to escape political oppression and starvation but, legally speaking, emigration is still prohibited.

In the last couple of years, several efforts have been made to secure the government's agreement to allow Ethiopian Jews to leave the country to rejoin family members in Israel. Rep. Howard Wolpe met with Foreign Minister Goshu Wolde in 1983 and secured his oral agreement to allow designated Ethiopian Jews to leave for Israel. Wolpe subsequently passed to Goshu a list of names of Ethiopian Jews seeking reunification with their families in Israel. Goshu said if these people would travel from their Gondar villages to the capital, Addis Ababa (a 250 mile journey which requires an authorized travel permit), they could apply for exit permits to leave the country for Israel. This process was never tried as no one was ever appointed within Ethiopia to coordinate and supervise either the movement of Ethiopian Jews from Gondar to Addis and the processing of their papers in Addis (see Family Reunification Objectives).

Objectives

1. To secure agreement in principle (and in writing if possible) from the Ethiopian government -- if possible from Chairman Mengistu himself -- to allow Ethiopian Jews to leave the country to be reunited with their families in Israel.
2. To secure authorization for the appointment of two people mutually agreed upon by Senator DeConcini and For. Minister Goshu Wolde (one person each to be proposed by the Senator and the For. Minister) who would organize, facilitate, and oversee the process whereby Ethiopian Jews can apply in Addis for emigration (on the grounds of family reunification).
3. To secure permits for the Ethiopian Jews to travel from Gondar to Addis where they will apply for exit permits to leave the country.
4. To obtain the names of those Ethiopian government officials with whom Senator DeConcini will correspond on this issue upon his return to the US.
5. To assure Goshu Wolde that the person who Senator DeConcini appoints to coordinate the family reunification process will begin working as soon as possible and that they will provide an up-to-date list of Jews in Ethiopia and their relatives in Israel.
6. To ensure that the State Department and the American Embassy in Addis Ababa follow up on any agreement reached with the Ethiopians.

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$\frac{3}{7}$

Talking Points

-- I have come to Ethiopia, in part, to follow up on a matter which several Members of Congress have raised in the past -- the reunification of Ethiopian Jewish families.

-- We are concerned about the fact that several thousand Jews in Ethiopia are separated from their families -- husbands from wives, and parents from children -- now outside of Ethiopia. They seek only to be allowed to exercise the universally recognized right of family reunification. This could be done quietly and at no cost to the Ethiopian government.

-- This is a humanitarian issue of great concern to many Members of Congress. Among others, Congressman Wolpe, Chairman of the House Africa Subcommittee, and Congressman Gary Ackerman have discussed it with you before. Frankly, it is difficult for American legislators to understand why, at a time when we are providing massive assistance to alleviate potential starvation for millions of Ethiopians, the Ethiopian government is reluctant to make a simple humanitarian gesture to relieve the personal suffering of a few thousand people who have been separated from their families.

-- As you know, legislation is now being sought in Congress to provide several hundred million dollars worth of famine relief for Ethiopia over the next year. These efforts are encountering considerable resistance because of recent reports -- true or not -- about diversion of food, interference with distribution of food to starving people, and a variety of other human rights problems.

-- The efforts of the friends of Ethiopia to authorize a generous famine relief program, and to overcome these Congressional misgivings, would be greatly helped if I could report privately to influential Members of Congress that the Ethiopian government was taking a humane and forthcoming position on the issue of the reunification of Jewish families.

-- What we seek is a set of orderly and recognized procedures through which all Ethiopians who have close relatives in Israel can apply for permission to leave the country and be reunited with their families. Once the presence of close relatives in Israel is confirmed, I would hope that the necessary documentation would be provided and departure would be permitted in short order with a minimum of obstacles. We would hope that this procedure could be open to all those Ethiopian Jews who wish to rejoin their families abroad.

-- To ensure that a family reunification program is run smoothly, it would be necessary to appoint two coordinators to assist those Jews who want to leave the country. These facilitators would be mutually agreed upon by Senator DeConcini and Foreign Minister Goshu Wolde. They would be stationed in Addis Ababa in order to maintain liaison with your government. They would help Jews to obtain the necessary permits and make travel arrangements. These facilitators could be either Ethiopian or non-Ethiopian.

-- I will advise the American Embassy in Addis Ababa of these discussions and will ask the Charge d'Affaires to stay in close contact with the Foreign Minister concerning implementation of any agreement.

משרד החוץ

סווג ..... ירושלים,

תאריך 2/2/85

אל: אלברטו דה קונצ'יני

מאת: רשת האינטרנט של מדינת ישראל

הנדון: הסכמי - De Concini - ארנז

לכבוד - פאב'ו דה קונצ'יני  
רשת האינטרנט של מדינת ישראל  
בירושלים.

בברכה.

  
(אמילי קלמן)

n. Ind. 1980, 6%. Asian 1980, 1%. Total

|         |       |
|---------|-------|
| 529,688 | (61%) |
| 246,843 | (28%) |
| 76,952  | (9%)  |
| 418,642 | (56%) |
| 295,602 | (40%) |

l, 1909, Phoenix; home, Phoenix; U. of

FR, 1937-67; Phoenix City Cncl., 1949-  
Repub. nominee for Pres., 1964.

224-2235. Also 5429 Fed. Bldg., Phoenix  
and Suite 7-G, Fed. Bldg., Tucson 85701.

Services (3d). Subcommittees: Tactical  
strategic and Theatre Nuclear Forces; Pre-

ad Transportation (2d). Subcommittees:  
ions; Science, Technology and Space.

Indian Affairs (2d).

Intelligence (Chairman).

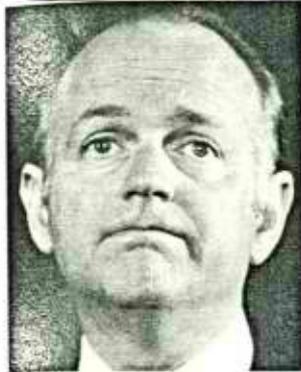
|     |     |     |     |     |
|-----|-----|-----|-----|-----|
| NAB | NSI | NTU | ACA | ACU |
| 100 | 86  | 63  | 100 | 91  |
| —   | —   | 59  | 95  | 92  |
| 100 | 90  | 57  | 95  | 89  |

|     |                          |     |
|-----|--------------------------|-----|
| AGN | 11) Cut Socl Incr Defns  | FOR |
| —   | 12) Income Tax Indexing  | —   |
| FOR | 13) Lim Spdg 21% GNP     | FOR |
| AGN | 14) Incr Wndfll Prof Tax | —   |
| —   | 15) Chryslr Loan Grntee  | —   |

|         |        |               |
|---------|--------|---------------|
| 432,371 | (50%)  | (\$949,992)   |
| 422,972 | (49%)  | (\$2,073,232) |
| 140,765 | (100%) |               |
| 320,396 | (58%)  | (\$394,042)   |
| 229,523 | (42%)  | (\$129,260)   |

**Sen. Dennis DeConcini** (D)

Elected 1976, seat up 1982; b. May 8, 1937, Tucson; home, Tucson; U. of Ariz., B.A. 1959, LL.B. 1963.



**Career** Army Adjutant General Corps, 1959-60; Practicing atty., 1963-65, 1968-73; Special Counsel, Admin. Asst. to Gov. Samuel P. Goddard, 1965-67; Pima Co. Atty., 1973-76.

**Offices** 3230 DSOB, 202-224-4521. Also Ariz. Bank Bldg., 101 N. 1st St., Suite 1634, Phoenix 85003, 602-261-6756, and 301 W. Congress, Tucson 85701, 602-792-6831.

**Committees Appropriations** (13th). Subcommittees: Foreign Operations; Interior; State, Justice, Commerce, and the Judiciary; Treasury, Postal Service, and General Government.

**Judiciary** (6th). Subcommittees: Constitution; Immigration and Refugee Policy.

**Veterans' Affairs** (4th). *Select Committee on Indian Affairs* (3d).

**Group Ratings**

|      |     |      |    |     |     |     |     |     |     |     |     |
|------|-----|------|----|-----|-----|-----|-----|-----|-----|-----|-----|
|      | ADA | COPE | PC | LCV | CFA | RPN | NAB | NSI | NTU | ACA | ACU |
| 1980 | 67  | 67   | 23 | 34  | 20  | —   | 46  | 60  | 40  | 39  | 30  |
| 1979 | 26  | 42   | 46 | —   | 38  | —   | —   | —   | 33  | 64  | 47  |
| 1978 | 35  | 58   | 55 | 43  | 30  | 60  | 64  | 40  | 27  | 39  | 33  |

**Key Votes**

|                        |     |                        |     |                          |     |
|------------------------|-----|------------------------|-----|--------------------------|-----|
| 1) Draft Registr S     | FOR | 6) Fair Housng Cloture | FOR | 11) Cut Socl Incr Defns  | AGN |
| 2) Ban \$ to Nicaragua | FOR | 7) Ban \$ Rape Abortns | FOR | 12) Income Tax Indexing  | FOR |
| 3) Delay MX Missile    | AGN | 8) Cap on Food Stmp \$ | FOR | 13) Lim Spdg 21% GNP     | AGN |
| 4) Nuclr Mortorium     | FOR | 9) New US Dep Educatn  | FOR | 14) Incr Wndfll Prof Tax | FOR |
| 5) Alaska Lands Bill   | FOR | 10) Cut OSHA Inspectns | FOR | 15) Chryslr Loan Grntee  | AGN |

**Election Results**

|              |                            |         |       |             |
|--------------|----------------------------|---------|-------|-------------|
| 1976 general | Dennis DeConcini (D) ..... | 400,334 | (54%) | (\$597,405) |
|              | Sam Steiger (R) .....      | 321,236 | (43%) | (\$679,384) |
| 1976 primary | Dennis DeConcini (D) ..... | 121,423 | (53%) |             |
|              | Carolyn Warner (D) .....   | 71,612  | (32%) |             |
|              | Wade Church (D) .....      | 34,266  | (15%) |             |
| 1970 general | Paul Fannin (R) .....      | 228,284 | (56%) |             |
|              | Sam Grossman (D) .....     | 179,512 | (44%) |             |

**GOVERNOR**

**Gov. Bruce E. Babbitt** (D) Elected 1978, term expires Jan. 1983; b. June 27, 1938, Flagstaff; Notre Dame U., B.S., Marshall Scholar, U. of Newcastle, England, M.S. 1963, Harvard U., J.D. 1965.

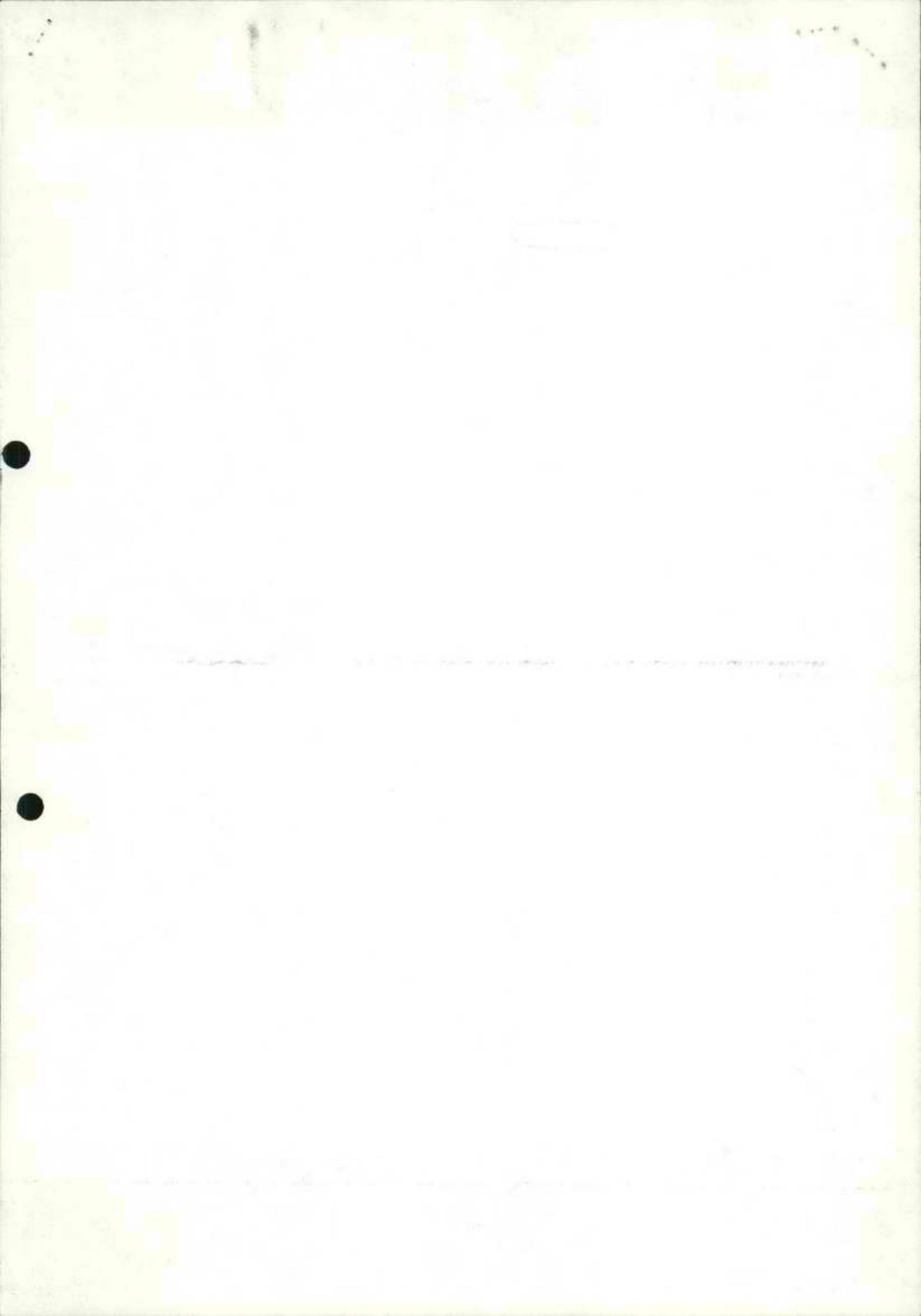


**Career** Spec. Asst. to the Dir. of VISTA, 1965-67; Practicing atty., 1967-74; Atty. Gen. of Ariz., 1974-78.

**Offices** Capitol West Wing, 9th flr., Phoenix 85007, 602-255-4331.

**Election Results**

|            |                            |         |       |
|------------|----------------------------|---------|-------|
| 1978 gen.  | Bruce E. Babbitt (D) ..... | 282,605 | (52%) |
|            | Evan Mecham (R) .....      | 241,093 | (45%) |
| 1978 prim. | Bruce E. Babbitt (D) ..... | 108,548 | (77%) |
|            | One other (D) .....        | 32,785  | (23%) |
| 1974 gen.  | Raul H. Castro (D) .....   | 278,375 | (50%) |
|            | Russ Williams (R) .....    | 273,674 | (50%) |



**SEN. ALAN CRANSTON (D CA)****Senate Minority Whip****Committee on Banking, Housing & Urban Affairs**

- Subcommittee on Economic Policy
- Subcommittee on Financial Institutions
- Subcommittee on Housing & Urban Affairs
- Subcommittee on Rural Housing & Development

**Committee on Foreign Relations**

- Subcommittee on Arms Control, Oceans & International Operations & Environment
- Subcommittee on East Asian & Pacific Affairs
- Subcommittee on Western Hemisphere Affairs

**Committee on Veterans' Affairs, Ranking Minority Member****SEN. ALFONSE M. D'AMATO (R NY)****Committee on Appropriations**

- Subcommittee on Defense
- Subcommittee on Foreign Operations
- Subcommittee on HUD—Independent Agencies
- Subcommittee on Legislative Branch
- Subcommittee on Transportation

**Committee on Banking, Housing & Urban Affairs**

- Subcommittee on Consumer Affairs
- Subcommittee on Financial Institutions
- Subcommittee on Housing & Urban Affairs
- Subcommittee on Securities, Chairman

**Committee on Small Business**

- Subcommittee on Family Farm
- Subcommittee on Urban & Rural Economic Development, Chairman

**Joint Economic Committee**

- Subcommittee on Economic Goals & Intergovernmental Policy
- Subcommittee on Investment, Jobs & Prices

**SEN. JOHN C. DANFORTH (R MO)****Committee on Commerce, Science & Transportation**

- Subcommittee on Aviation
- Subcommittee on Consumer
- Subcommittee on Surface Transportation, Chairman

**Committee on Finance**

- Subcommittee on International Trade, Chairman
- Subcommittee on Social Security & Income Maintenance Programs
- Subcommittee on Taxation & Debt Management

**Committee on Governmental Affairs**

- Subcommittee on Energy, Nuclear Proliferation and Government Processes
- Subcommittee on Information Management & Regulatory Affairs, Chairman
- Subcommittee on Oversight of Government Management

**SEN. DENNIS DECONCINI (D AZ)****Committee on Appropriations**

- Subcommittee on Commerce, Justice, State & the Judiciary
- Subcommittee on Foreign Operations
- Subcommittee on Interior
- Subcommittee on Treasury, Postal Service & General Government

**Committee on the Judiciary**

- Subcommittee on Constitution
- Subcommittee on Courts
- Subcommittee on Patents, Copyrights & Trademarks

**Committee on Rules & Administration**

- Committee on Veterans' Affairs**
- Select Committee on Indian Affairs**
- Joint Committee on the Library**

**SEN. JEREMIAH DENTON (R AL)****Committee on the Judiciary**

- Subcommittee on Juvenile Justice
- Subcommittee on Security & Terrorism, Chairman
- Subcommittee on Separation of Powers
- Committee on Labor & Human Resources**
- Subcommittee on Aging
- Subcommittee on Family & Human Services, Chairman
- Subcommittee on Education, Arts & Humanities
- Subcommittee on Labor

**Committee on Veterans' Affairs****SEN. ALAN J. DIXON (D IL)****Committee on Agriculture, Nutrition & Forestry**

- Subcommittee on Agricultural Production, Marketing & Stabilization of Prices
- Subcommittee on Foreign Agricultural Policy
- Subcommittee on Nutrition

**Committee on Armed Services**

- Subcommittee on Preparedness
- Subcommittee on Manpower & Personnel
- Subcommittee on Tactical Warfare

**Committee on Banking, Housing & Urban Affairs**

- Subcommittee on Consumer Affairs
- Subcommittee on Financial Institutions
- Subcommittee on International Finance
- Subcommittee on Securities

**Committee on Small Business**

- Subcommittee on Urban & Rural Economic Development

**SEN. CHRISTOPHER J. DODD (D CT)****Committee on Banking, Housing & Urban Affairs**

- Subcommittee on Consumer Affairs
- Subcommittee on Economic Policy
- Subcommittee on Securities

**Committee on Foreign Relations**

- Subcommittee on African Affairs
- Subcommittee on Intl. Economic Policy
- Subcommittee on Western Hemisphere Affs.

**Committee on Labor & Human Resources**

- Subcommittee on Family & Human Resources
- Subcommittee on Education, Arts & Humanities

**Special Committee on Aging****SEN. ROBERT J. DOLE (R KS)****Committee on Agriculture, Nutrition & Forestry**

- Subcommittee on Agricultural Production, Marketing & Stabilization of Prices
- Subcommittee on Foreign Agricultural Operations
- Subcommittee on Nutrition, Conservation & Forestry

**Committee on Finance, Chairman**

- Subcommittee on Health, Education, Labor & Pensions
- Subcommittee on Oversight & Investigations
- Subcommittee on Revenue Service
- Subcommittee on Social Security Administration Programs

**Committee on the Judiciary**

- Subcommittee on Courts, Organizations, Jurisdiction & Practice
- Subcommittee on Criminal Law, Procedure & Sentencing
- Subcommittee on Patents, Copyrights & Trademarks

**Committee on Rules & Administration****Joint Committee on Taxation****SEN. PETE V. DOMENICI (R NM)****Committee on Appropriations**

- Subcommittee on District of Columbia, Puerto Rico & Virgin Islands
- Subcommittee on Energy & Environmental Development (Public Works & Transportation)
- Subcommittee on HUD—Independent Agencies
- Subcommittee on Labor, Health, Education & Human Resources

**Committee on the Budget, Chairman****Committee on Energy & Natural Resources**

- Subcommittee on Energy Research & Development, Chairman
- Subcommittee on Public Lands & Water

**Committee on Environment & Public Works**

- Subcommittee on Nuclear Regulation
- Subcommittee on Regional & Community Development
- Subcommittee on Water Resources

**Special Committee on Aging****SEN. DAVE DURENBERGER (R OR)****Committee on Environment & Public Works**

- Subcommittee on Environmental Quality
- Subcommittee on Toxic Substances
- Subcommittee on Environmental Oversight, Compliance & Enforcement
- Subcommittee on Water Resources

**Committee on Finance**

- Subcommittee on Energy & Environmental Affairs
- Subcommittee on Taxation
- Subcommittee on Health, Education, Labor & Pensions
- Subcommittee on Social Security Administration Programs

**Committee on Governmental Affairs**

- Subcommittee on Energy, Nuclear Proliferation & Government Processes

**SEN. DENNIS DeCONCINI** (D AZ) of Tucson. Washington office, 328 SHOB, dial 224-4521. Senate service January 3, 1977 to January 3, 1989. Born May 8, 1937 in Tucson. University of Arizona, B.A., political science, 1959; Univ. of Arizona Law School, LL.B., 1963. U.S. Army svc. in Adjutant Gen. Corps, 1959-60; USAR, 1960-67. Admitted to Arizona Bar, 1963. Practicing attorney in Tucson, 1963—. Special counsel to Governor, 1965; admin. asst. to Gov., 1965-67. Pima County Attorney, 1973-76. Administrator, Ariz. Drug Control Dist., 1975. Married. Roman Catholic. **STATE OFFICES**— Mesa 85201: Suite 315, 20 E. Main, dial 602-261-4998. Phoenix 85003: Suite 2850, Arizona Bank Bldg., 101 North First Ave., dial 602-261-6756. Tucson 85701: Suite 1540, 33 North Stone, dial 602-629-6831.

[Dem.—2; Rep.—3]

#### HOUSE OF REPRESENTATIVES

**FIRST DISTRICT ARIZONA — CITIES:** Chandler, Dreamland-Velda Rose, Gilbert, Guadalupe, Mesa, Phoenix (part), Scottsdale (part), Sun Lakes, Tempe and Williams AFB. **COUNTY:** Maricopa (part). Dist. pop. ('82) 543,747.

**REP JOHN McCAIN** (R AZ—1) of Tempe. Washington office, 1123 LHOB, dial 225-2635. House service, January 3, 1983 to present. Born Aug. 29, 1936 in Canal Zone, Panama. U.S. Naval Acad., 1958, B.S. Pilot. U.S. Navy; POW in Hanoi, 1967-73; Capt. (ret.); Silver Star, Legion of Merit, Purple Heart, Distinguished Flying Cross. Natl. War Coll., 1973-74. Married. Episcopalian. **DISTRICT OFFICES**— Mesa 85202: Suite 151, 1255 W. Baseline Rd., dial 602-897-0892. Tempe 85281: Suite 201, 411 S. Mill Ave., dial 602-261-3181.

**SECOND DISTRICT ARIZONA — CITIES:** Ajo, Gila Bend, Marana (part), Nogales, Phoenix (part), Sacaton, San Luis, Sells, Somerton, South Tucson, Tolleson (part), Tucson (part), Tucson Estates and Yuma (part). **COUNTIES (5):** Maricopa (part), Pima (part), Pinal (part), Santa Cruz (part) and Yuma. Dist. pop. ('82) 543,187.

**REP. MORRIS K. UDALL** (D AZ—2) of Tucson. Washington office, 235 CHOB, dial 225-4065. House service May 2, 1961 to present. Chairman, House Committee on Interior and Insular Affairs; Vice Chairman, House Post Office and Civil Service Committee. Born June 15, 1922 in St. Johns. Univ. of Ariz., LL.B. (with distinction), 1949. Phi Beta Kappa, Phi Delta Phi. WWII service in U.S. Army Air Corps, 1942-46; Capt., USAAF, Pacific Theater, 1946. Admitted to Arizona Bar, 1949. Professional basketball player, Denver Nuggets, 1948-49. Practicing attorney, 1949-61. Pima County Attorney, 1953-54; Chief Deputy, 1950-52. Founder of the Bank of Tucson, 1949. Co-founder, Catalina Savings & Loan Assn., 1961. Chairman, Arizona Committee for Modern Courts, 1960. Author: *Arizona Law of Evidence*, 1960; *Education of a Congressman*, 1972; co-author, *The Job of the Congressman*, 1966. Married. Church of Jesus Christ of Latter-day-Saints. **DISTRICT OFFICES**— Phoenix 85004: Suite 103, 1419 N. 3rd St., dial 602-261-3018. Tucson 85705: 300 North Main St., dial 602-629-6404.

**THIRD DISTRICT ARIZONA — CITIES:** Avondale, Bagdad, Buckeye, Bullhead City-Riviera, Cashion, Chino Valley, Clarkdale, Cottonwood, El Mirage, Flagstaff, Glendale, Goodyear, Kingman, Lake Havasu City, Litchfield Park, Luke AFB, Page, Parker, Peoria, Phoenix (part), Prescott, Prescott Valley, Sedona, Sun City, Sun City West, Surprise, Tolleson (part), Tuba City, Wickenburg, Williams and Youngtown. **COUNTIES (5):** Coconino, La Paz, Maricopa (part), Mohave, Yavapai and Yuma (part). Dist. pop. ('82) 544,870.

**REP. BOB STUMP** (R AZ—3) of Tolleson. Washington office, 211 CHOB, dial 225-4576. House service, January 3, 1977 to present. Born April 4, 1927 in Phoenix. Arizona State Univ., B.S., agronomy, 1951. Delta Chi. WWII service in U.S. Navy, 1943-46. Farmer, cotton and grain. Arizona State Rep, 1959-67. Arizona State Senator, 1967-76; president of Arizona State Senate, 1975-76. Seventh-day Adventist. **DISTRICT OFFICE**— Phoenix 85025: Room 5001, Federal Building, dial 602-261-6923.

**FOURTH DISTRICT ARIZONA — CITIES:** Cave Creek, Central Heights-Midland City, Chinle, Claypool, Eagar (part), Ft. Defiance, Fountain Hills, Globe, Holbrook, Kayenta, Miami, Paradise Valley, Payson, Phoenix (part), Pinetop, St. Johns, San Carlos, Scottsdale (part), Show Low, Snowflake, Taylor, Whiteriver, Window Rock and Winslow. **COUNTIES (6):** Apache (part), Gila, Graham (part), Maricopa (part), Navajo and Pinal (part). Dist. pop. ('82) 543,493.

דף 1 סתוד 2 דפים

אל: דושינגטון

סיווג בטחוני: שמר

דחיפות:

תאריך וזיחה: 2116-

מס. מברק: 649

למינות  
מח  
הקשר

לשגריר, למדן.

דה-קונסיני נפגש עם רוה"מ, שה"ח שר'הקליטה והאוצר והמ/מנכ"ל, כן סייר במרכז הקליטה באשקלון והתרשם מאד לחיוב מהמאמצים הנעשים לקליטת הפלאשים בארץ. דה-קונסיני שהגיע ארצה מבקור באתיופיה העלה בכל שיחותיו את נושא הפלאשים ברוח הדברים שהוברקו בנפרד על ידי תפוצות, תוך הדגשה שבשיחותיו עם שה"ח אתיופיה ואישי ממשל אתיופיים אחרים הבהיר רצון ארה"ב בשפור היחסים להיתר יציאת הפלאשים יהווה אינדיקציה לכך. כן ציין ששמע באתיופיה בקורת קטלנית על ארצות ערב וחשב שהדבר יכול להיות מנוף גם בנושא הפלאשים. שה"ח הסביר המצב המדיני בקרן אפריקה וכן הצורך במאמצים דיפלומטיים שקטים כדי לא לסכן הפלאשים.

דה קונסיני בקש בשיחתו עם רוה"מ ושהח לשמוע כיצד אנו מפרשים את הסכם חוסיין-ערפאת. רוה"מ ציין שאלו נשואים טקטיים בין שני יריבים שהחליטו ללכת מהלך מסוים ביחד תוך חשדות הדדיים. הפניה איננה לישראל אלא לוועידה בינלאומית עם בריה"מ, שהח הבהיר שאם יחליט חוסיין לבוא לשיחות שלום קרבתו לערפאת או הקשר עמו יקטין הסיכויים לשלום כי אש"פ ארגון טרור ומהווה מכשול לשלום ולא מקדמו. שה"ח הביע דאגתו גם מקרבת היחסים מצרים-אש"פ לעומת הנסיגה בנורמליזציה ביחסי מצרים-ישראל. עמד על הצורך בחדוש הליך השלום כפי שנקבעו בהסכמי קמפ דייוויד ביחס לפלשתינאים ובשתוף מצרים וירדן. הנשיא מובארק בביקורו בווינגטון ינסה להערכת שה"ח לקדם העמדות הערביות ולשכנע ארה"ב להכיר באש"פ ולנהל עמו מו"מ. הקונגרס מודע לאי מלוי הסכם השלום על ידי מצרים והשפעה אמריקנית על המצרים לממש הסכמי קמפ דייוויד במישור הביולטרלי עם ישראל וכן לגבי המשך הליך השלום יכולה לתרום בכיוון ראלי גם אם הדבר לא יהיה קל.

בשיחה עם רוה"מ בקש דה קונסיני לשמוע הערכתנו על המצב שישראל בצפון עם החלטתנו לסגת מלבנון ומי ימלא הסלל שינוצר. רוה"מ הסביר שהטרגדיה בלבנון החלה כאשר הצרפתים החליטו להרחיב את שטח לבנון ושההגירה מתוך הקהילה הנוצרית גדלה וסכנה אם הנוצרים שנותרו מאחור. כיום הרוב בלבנון הוא מוסלמי כשההרכב השיעי בתוכו גדל אף הוא. סוריה שמחה על יציאתנו אך גם לה בעיות בלבנון שהיא מדינה שקשה מאד לשלוט בה. ישראל עשתה מאמץ עליון להגיע להסדר עם הלבנונים אך ללא הצלחה.

דה קונסיני ביקש לשמוע מהי עמדתנו לגבי מכירות הנשק לארצות ערב. רוה"מ ושהח הדגישו הכבדת הנטל עלינו. היות צבירת הנשק במחסני המדינות השכנות מעל ומעבר לנדרש לצרכיהן שהנשק לא ינוצל ללוחמה נגד בריה"מ אלא רק כלפינו כפי שהוכח לא פעם בעבר. שלשמירת משטרי סעודיה וירדן אין מטוסי פ-15 או פ-16 דרושים לכך.

בשיחה עם שהח שאל דה קונסיני האם ההסכם לש"פ אסטרטגי הוא בגדר רטוריקה בלבד או יש לו גם היבטים מעשיים. שהח הביע שביעות רצונו מההסכם ומההתקדמות שהושגה. עמד על ההבנה השוררת בין הפנטגון והממסד הבטחוני בארץ והמפגשים הקבועים המתקיימים ללבון שאלות כיצד ארה"ב וישראל יכולות לתרום לבטחון באזור.

בשיחתו עם רוה"מ העלה דה קונסיני שאלת ההתנחלויות ושאל אם לממשלת האחדות הלאומית עמדה שונה מקודמתה. רוה"מ הסביר שהחלטה על הקמת התנחלויות חדשות חייבת להתקבל ברוב בממשלה. ישראל עושה למען שפור איכות החיים בגדה, ליזמה כלכלית ערבית וחופש ביטוי. רוה"מ עמד גם על הטרור ביו"ש שאמנם לא עלה בהיקפו אך הפך ליותר נרעז כשהמגמה היא להרוג ולברוח, הבהיר שבשל כך הוחלט להגביר בזכחותנו הצבאית בשטח, דאם המצב יחזור



# United States Senate

WASHINGTON, DC 20510

February 25, 1985

His Excellency Shimon Peres  
Prime Minister  
Knesset  
Jerusalem, Israel

Dear Prime Minister Peres:

Thank you for taking time from your busy schedule to meet with us on February 17th. I am very grateful to have had this opportunity to share some important views both on the economy and defense of the nation of Israel and to discuss other issues concerning the Middle East as well.

I am most appreciative of the efforts you are making to resettle the Falashas.

Please be assured that I will continue to work with our good friend and ally, Israel.

My very best wishes.

Sincerely,

*Dennis De Concini*  
DENNIS DeCONCINI  
United States Senator

DDC/n

(24)

משרד החוץ - מחלקת הקשר

אל: ממישראל וושינגטון

טופס מברק צפון

דף 1 מתוך 3 דפים

סיווג בטחוני: סודי

דחיפות: בהול

תאריך וזיחה: 1415-

מס. מברק: 483

לשימוש  
מח  
הקשר

רוזן דע: הלפרין. (אנא נים בעקב)

העבר נא את המכתב הרייב של רה"מ למזכיר. המקור יגיעכם בדיפי' הקרוב.

נמרוד נוביק  
יועץ מדיני לרה"מ

טרה ררה אנה אנה

תאריך: 17.2.85 השולח: אישור מנהל המחלקה: אישור המנכ"ל: *By*

2  
3  
483

ראש הממשלה  
THE PRIME MINISTER

Jerusalem February 15, 1985.

Dear Mr. Secretary,

Thank you for your letter of February 13, 1985 and the kind words therein. I was particularly gratified by your appreciation of our efforts, and value your continued friendly advice. I would like to point out, however, that in addition to the various dimensions of our policy that were enumerated in your letter, a most significant precedent was in the first violation of the principle of automatic index compensation. For the months of December 1984, January and February 1985 this amounts to a voluntary agreement to forgo 40% of the now projected 24% indexed cost of living increase. It is our intention to proceed with this gradual process of reducing the index compensation. In so doing, it is imperative that we do not lose public confidence acquired during the period of the first agreement.

We share your concern with the inflationary effect of budget deficits. Yet, while the budget cuts decided upon may appear to roll back the overspending to the approved FY 84/85 level, the actual cut in government expenditures (G) brings this -- inflation relevant -- portion of the budget well under the approved FY 84/85 level. As the portion of the budget devoted to repayment of debt and services exceeds last year's levels by some \$300 million, government expenditures will fall by some \$400 million as compared with the approved FY 84/85 levels. In sum, the total cut, as compared with last year's actual expenditures amount to \$2.2 billion, representing a \$400 million reduction in budget deficit. This represents a 40% reduction in the demand - generating budget deficit (from about \$1 billion to \$600 million). This level does not seem to justify further drastic measures as these may cause serious socio-economic dislocations, and may render the entire program unsustainable. This judgement is also based on our determination to pursue a similar course in subsequent fiscal years.

/2.

The Honorable  
George P. Shultz  
Secretary of State  
Washington  
United States of America

Our decisions concerning the adequate procedure for exchange rate adjustments is based on accumulated evidence whereby substantial sudden devaluations cause uncontrollable price rises. On the other hand gradual adjustments sustained over time will establish an adequate rate of exchange without causing drastic price rises.

I am also pleased to inform you that our commitment to institutional reform is to be implemented in the very near future. Legislation ensuring greater budget discipline will be up for Knesset approval in a few days. The legislative acts required to assure both the independence of the Bank of Israel and a less accommodating monetary policy are nearing completion as well.

Your commitment to the simultaneous need to focus on our development objectives -- echoing President Reagan's generous statement at the conclusion of our meeting last October -- is particularly gratifying. Indeed, it is the promise of a ray of hope that unites our people in their support for present harsh economic measures.

Finally, we are in complete agreement that the prevention of capital flight is urgent and imperative if we are to avoid serious difficulties as well as counterproductive additional taxes and restrictions on imports. Such measures can be avoided if we are successful -- as we trust we will be -- in the two relevant areas:

1. The implementation of the budget cut decided upon; the reduction in personal income and the gradual exchange-rate adjustments will result in reduced private and public demand (durable goods included) and more expansive foreign currency, thus constituting a mechanism for protecting our reserves. The intention of the Bank of Israel to continue its policy of severe monetary restrictions will support this policy as well.
2. Sustaining an adequate level of reserves will provide reassurance as to our continued ability to meet all obligations. It is in this context that the request for supplemented ESF was made.

I trust that all these issues will be discussed during the early March visit to the U.S. by Finance Minister Modai.

I am confident that the combination of our determination at home, and the friendly support of the Administration, under the leadership of President Reagan and yourself will restore and sustain our economic stability, and the promise of growth will be implemented.

Sincerely,

Shimon Peres

# משרד החוץ-מחלקת הקשר

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שמו

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אל: בון , ברטל , האג , לוונדון , פריס , רומא , קהיר ,  
גובה , ז'נה , אמסטר , בוקרשט , בדרן , הלסינקי , קופנהגן ,  
שטוקהולם , טוקיו , קנדה , וושינגטון , אוטבה , לוסאנג'לס ,  
מונטריאול , טורונטו , אמסטר , בוסטון , יוסטון , מיאמי ,  
פרנסיסקו , פילדלפיה , שיקגו , ניו יורק , ניו יורק , 1220 .

מ : המשרד

תת: ד , סגן ש , תא : 170285 , יח: 1500  
נד: דו-שיח אמריקאי-סובייטי

לגיל / שמו

דו שיח אמריקאי סובייטי על המזהים / הנחיות הסברה  
1-19-20 בפברואר 1967 פגשו בוניה נציגים אמריקאים וסובייטים כדי  
לקיים שיחות על המזהים .

להלן קווים שניתן להשתמש בהם :

1. עקרונית מקדמת ישראל בורכה כל צעד שעשוי להפיג את המתיחות  
הבין גושים ולהבטיח את שלום העולם עם זאת אין ישראל  
כבויה שדו שיח אמריקאי סובייטי ישרת את השלום במזהים כל  
עוד בדיהימי ממשיכה לנהל את המדיניות הנוכחית שלה שהיא  
עוינות ביחס לכל ישראל .

2. בדיהימי גילמה עוינות מתמשכת ורבת שנים כלפי ישראל היא  
מילאה תפקיד מכריע בדרדור המצב שגרם למלחמת ששת הימים  
ב-1967 וניסתה את יחסיה הדיפלומטיים עם ישראל בדיהימי  
פועלת בהתמדה לבידוד הבין לאומי של ישראל ומנהלת מסע  
אנטישמי ואנטי ציוני חמור ועיקש. תוך הפצת עלינות שוא על  
העם היהודי ועל ישראל .

3. בדיהימי תומכת בכובינות באוייביה של ישראל במאבקם המדיני  
והצבאי נגדה ובניחוד בסודים ובאשפי שהם המבטול העיקרי  
לשלום במזהים. אין לצפות ממה ליגשה או בייקטיביות ומועילה .

4. סיבות אלה גרמו לכך שכל הדיאלוגים הקודמים, מאז 1967 ,  
שטיפלו במשבר המזהים , וסודיהימי היתה מעורבת בהם עם  
עדהיב, לא הניבו פרי, וזו היתה מוטעית ששלום במזהים תלוי



# משרד החוץ-מחלקת הקשר

בשירות הסובייטים בתהליך, שכן ברור שבדיהימי, יחד עם  
מדינות ערב הקיצוניות, ימילו זימן על כל סיבוי להתפתחות  
היננית ויבשילוח

5. במצב זה ברור שישראל מתיחסת בחוסר אמון כלפי מדינותיה של  
בריהימי השואפת לקדם את אינטרסיה הגלובליים על חשבון  
ישראל יחד על כן, ישראל סבורה שמעורבות סובייטית מוגברת  
בענייני המהיית יש בה סיכון לשלום ומחסום בפני התקדמות.

6. מנהיגים ערבים הרוצים ועדה בייל ומעורבות סובייטית  
בה, תוך הימנעות מווימי ישיד עם ישראל, מעידים על עצמם שלאמיתו  
אל דבר אינם שואפים לשלום.

7. טוודה היסטורית היא שהתקדמות כלשהי בתהליך השלום במהיית  
- הסכם השלום עם מצרים - חלה דק כאשר בריהימי לא היתה  
מעורבת.

8. ישראל רוצה להתום על הסכמי שלום עם שכנותיה הערביות ואת  
ניחן לשות דק ביי מוימי ישיד בין הצדדים לסכסוך, התערבות  
של גורמי חוץ בעלי אינטרסים שליליים כמו בריהימי אינה תרומה  
חיובית ודק תבטיח את התהליך בהצלחה לו תוגרת ישראל על  
קריאתה לתוצות ערב לחדול מהתנגדותן לניהול מוימי ישיד  
לשלום.

9. עם זאת רוצה ישראל להגיש שאם יוליך הדיאלוג הסובייטי  
אמריקאי לניווי בעמדתה העוינת המסורתית של בריהימי כלפי  
ישראל וקודם כל לחידוש היחסים הדיפלומטיים אמה, יהיה בכך  
סימן חיובי שישראל תקדם אותו בנרבה. חידוש היחסים הוא תוא  
חינוי לכל תרומה של בריהימי להשגת שלום בין ישראל לבין  
ארצות ערב  
יג

תפ: שהח, דהמ, שהוש, מוסל, ממובל, סמובל, אמד, דס, אמנ, אירא.  
אירן, מאסוק, מצפה, הסברה, אמד, מאד

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