Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

WHORM Subject File Code: CO074

(Countries: Israel)

Case file Number(s): 033231 (7 of 7)

Box Number: 96

To see more digitized collections visit: https://www.reaganlibrary.gov/archives/digitized-textual-material

To see all Ronald Reagan Presidential Library inventories visit: https://www.reaganlibrary.gov/archives/white-house-inventories

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: https://reaganlibrary.gov/archives/research-support/citation-guide

National Archives Catalogue: https://catalog.archives.gov/

Last Updated: 11/01/2023

Ronald Reagan Library

Collection Name WHITE HOUSE OFFICE OF RECORDS MANAGEMENT

(WHORM): SUBJECT FILE

Withdrawer

DLB 4/30/2010

File Folder

CO074 (ISRAEL) (033231) (7)

FOIA

S10-306

Box Number

96

SYSTEMATIC

ID	Doc Type	Docume	nt Description		No of Pages	Doc Date	Restrictions
90438	BRIEFING PAPER	DUPLICATE OF #90285; MILITARY ASSISTANCE PROGRAMS			1	8/27/1981	B1
90439	BRIEFING PAPER	DUPLICATE OF #90286; ISRAEL AS A STRATEGIC PARTNER			1	8/26/1981	B1
90440	BRIEFING PAPER	DUPLICATE OF #90287; STATUS OF SAUDI AWACS PROPOSAL			1	ND	B1
		R	5/22/2023	DEPT. OF STAT	TE WAI	VER	
90441	BRIEFING PAPER	DUPLICATE OF #90288; THE ISRAELI ECONOMY			1	ND	B1
		R	5/22/2023	DEPT. OF STAT	TE WAI	VER	
90442	BRIEFING PAPER	DUPLICATE OF #90289; MIDDLE EAST NUCLEAR WEAPONS FREE ZONE (MENWFZ)			1	ND	B1
		R	5/22/2023	DEPT. OF STAT	TE WAI	VER	
90443	BRIEFING PAPER	DUPLICATE OF #90290; U.S. ECONOMIC ASSISTANCE TO ISRAEL			1	ND	B1
		R	<i>5/22/2023</i>	DEPT. OF STAT	TE WAI	VER	
90444	BRIEFING PAPER	DUPLIC ISRAEL	ATE OF #90305;	THE THREAT TO	1	8/25/1981	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Ronald Reagan Library

Collection Name WHITE HOUSE OFFICE OF RECORDS MANAGEMENT

(WHORM): SUBJECT FILE

Withdrawer

DLB 4/30/2010

File Folder

CO074 (ISRAEL) (033231) (7)

FOIA

S10-306

SYSTEMATIC

Box Number 96			SYSTEMATIC 555
ID	Doc Type	Document Description	No of Doc Date Restrictions Pages
90445	BRIEFING PAPER	DUPLICATE OF #90306; LEBANG	ON 1 8/25/1981 B1
90446	BRIEFING PAPER	DUPLICATE OF #90308; GOLAN ANNEXATION	HEIGHTS 1 8/25/1981 B1
90447	BRIEFING PAPER	DUPLICATE OF #90309; NORMALIZATION OF RELATIO BETWEEN EGYPT AND ISRAEL	T 10T
		R 5/22/2023 DEPT	. OF STATE WAIVER
90448	BRIEFING PAPER	DUPLICATE OF #90307; SINAI WITHDRAWAL AND THE MULTINATIONAL FORCE AND OBSERVERS (MFO)	1 8/25/1981 B1
90449	BRIEFING PAPER	DUPLICATE OF #90286	1 8/26/1981 B1
90450	BRIEFING PAPER	DUPLICATE OF #90287	1 8/26/1981 B1
		R 5/22/2023 DEPT	. OF STATE WAIVER
90451	BRIEFING PAPER	DUPLICATE OF #90285	1 8/27/1981 B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA] B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Ronald Reagan Library

Collection Name WHITE HOUSE OFFICE OF RECORDS MANAGEMENT

(WHORM): SUBJECT FILE

Withdrawer

DLB 4/30/2010

File Folder CO074 (ISRAEL) (033231) (7) **FOIA**

S10-306

SYSTEMATIC

Box Number 96

				555		
ID	Doc Type	Docu	ment Description	No of Pages	Doc Date	Restrictions
90452	BRIEFING PAPER	DUPLICATE OF #90288		1	8/26/1981	B1
		R	5/22/2023	DEPT. OF STATE WAL	VER	
90453	BRIEFING PAPER	DUPLICATE OF #90290		1	8/27/1981	B1
		R	5/22/2023	DEPT. OF STATE WAL	VER	
90454	BRIEFING PAPER	DUPLICATE OF #90289		1	8/26/1981	B1
		R	5/22/2023	DEPT. OF STATE WAL	VER	

The above documents were not referred for declassification review at time of processing Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

MEMORANDUM



THE WHITE HOUSE

WASHINGTON



September 1, 1981

MEMORANDUM FOR RICHARD G. DARMAN CRAIG FULLER

FROM:

CHARLES P. TYSON

SUBJECT:

Begin Briefing Papers

Attached for distribution to appropriate White House staff and Cabinet are 15 sets each of Presidential Arrival Remarks, Toast, and Departure Statement -- and additional Background Papers that have just arrived. Response and comments should be received at NSC by noon on Thursday, September 3.

The arrival remarks, toast, and departure statement have been reviewed twice by White House speechwriters, NSC staff, and Richard Allen. The additional background papers have been reviewed and edited by the NSC staff.

The final briefing books will be completed for distribution to the President, White House staff, and Cabinet by close of business on Friday, September 4.

181 SEP -1 P6:02





'81 SEP -1 P6 02



Ronald Reagan Library

Collection Name Withdrawer

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT DLB 4/30/2010

(WHORM): SUBJECT FILE

File Folder FOIA

CO074 (ISRAEL) (033231) (7) S10-306

SYSTEMATIC

Box Number

96

IDDocument TypeNo of Doc DateRestrictionsDocument Descriptionpagestions

90438 BRIEFING PAPER

1 8/27/1981 B1

DUPLICATE OF #90285; MILITARY ASSISTANCE PROGRAMS

The above documents were not referred for declassification review at time of processing Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.

Ronald Reagan Library

Collection Name Withdrawer

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT DLB 4/30/2010

(WHORM): SUBJECT FILE

File Folder FOIA

CO074 (ISRAEL) (033231) (7) S10-306

SYSTEMATIC

Box Number

96

IDDocument TypeNo of Doc Date Restric-
pagesRestric-
tions

90439 BRIEFING PAPER

1 8/26/1981 B1

DUPLICATE OF #90286; ISRAEL AS A STRATEGIC PARTNER

The above documents were not referred for declassification review at time of processing Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

 B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.

STATUS OF SAUDI AWACS PROPOSAL

The Administration submitted to the Congress August 24 its proposal to sell to Saudi Arabia airborne early warning and aerial refueling aircraft and F-15 enhancement items. The \$8.5 billion air defense package consists of the following items:

- -- Five E-3A Airborne Warning and Control System (AWACS) Aircraft and associated support, spares, training and ground environment improvements (\$5.8 billion).
- -- 101 ship-sets of conformal fuel tanks (CFTs) for F-15s (\$110 million).
- -- Six KC-707 tankers (with an option for two more) (\$2.4 billion).
- -- 1,177 AIM-9L (Sidewinder) air-to-air missiles (\$200 million).

We recognize that Saudi acquisition of this equipment is of concern to Israel. The air defense package has been designed to meet legitimate Saudi defense requirements, although it will have some impact on the Arab-Israeli military balance. If the air defense package signals an end to Israel's qualitative edge in military technology, the package would pose some danger for Israel. However, since we are firmly committed to maintaining Israel's qualitative edge, the air defense sale to Saudi Arabia is less of a threat to Israel.

We have received <u>four types of assurances</u> from the Saudis, covering physical security, data sharing, restrictions on third party transfers, and restrictions on the area of operation.

The 20-day informal notification period will not begin until September 9 when Congress returns from recess. During the 30-day formal notification period which follows, both houses would have to pass resolutions disapproving the sale in order to block it.

DECLASSIFIED

Authority NEADATE 5/22/2023



THE ISRAELI ECONOMY

Israel has serious economic problems: Inflation is measured in triple digits. The 1981 balance of payments deficit is expected to be \$5 billion (it was \$3.8 billion in 1980). These problems reflect growing private consumption and the Israeli Government's massive deficit spending for defense, debt repayment, commodity subsidies, and social services. Higher import prices and depressed export markets have exacerbated the balance of payments problem. Only strong corrective measures can help solve these problems.

Israel's comprehensive indexing system enables the economy to function despite triple digit inflation. Political costs are high, however, and inflation is now the main economic target of the Begin Government. The Government introduced an austerity program in late 1979 to deal with the chronic balance of payments problem. That program involved real wage cuts, and thereby reduced import demand and stimulated exports. The U.S. supported that program, which succeeded in arresting the balance of payments slide and would, given time, have reduced inflation. Austerity has its political costs, however, and the program ultimately led to the Finance Minister's resignation and the June 1981 elections.

Prior to the elections, Begin's new Finance Minister, Yoram Aridor, switched economic targets to focus on inflation. Motivated in part by electoral considerations, Aridor cut sales taxes on consumer durables and cars and increased subsidies on basic commodities and energy, which led to increased imports and the beginnings of a consumer boom. As a result, inflation declined to about 3 percent in the month before the election, compared to the prior average 10 percent per month.

A policy of stable economic growth can mitigate both inflation and balance of payments problems. Such a policy will require Government budget restraint, reduction of consumption subsidies, and encouragement of the private sector. Otherwise the current anti-inflation program will lead to larger balance of payment deficits, which the U.S. will ultimately be called on to finance. Our assistance programs to date, averaging \$2.2 billion in recent years in addition to the \$3 billion Sinai redeployment package, have been critical in helping meet Israel's foreign exchange requirements. A new austerity program, because of its high political prices, can be implemented only early in the new Begin Administration.

Authority Atale Waiver

BY de NATION DATE 5/20/2023

MIDDLE EAST NUCLEAR WEAPONS FREE ZONE (MENWFZ

Reactions to the recent Israeli bombing of the Iraqi nuclear complex underline the increased tension which can result in the Middle East region from nuclear weapons proliferation. Substantive progress toward dealing with the nuclear problem in the Middle East, if it proves possible, can serve both our non-proliferation objectives and regional stability.

Since 1974 Egypt has sponsored a resolution in the UN calling for the establishment of a MENWFZ. The U.S. consistently supported the resolution, but Israel had abstained until last year -- when it changed its position and joined in consensus adoption of the resolution. We wish to explore the reasons for that change carefully.

Eugene Rostow recently held preliminary and confidential discussions with a number of key countries (UK, FRG, France, Netherlands, Egypt) as well as Israel to elicit ideas on how to progress toward a MENWFZ. The Israelis suggested that we address this inquiry to Foreign Minister Shamir during the Begin visit.

The nature of the replies we get -- particularly from Israel -- will help us gauge how far and how fast we should commit ourselves to this effort. Iraq has shown an interest in discussing the issue, but is unwilling to deal with Israel. Clearly, Arab suspicions of Israel and refusal to engage in direct negotiations will impede actual negotiations on a MENWFZ. Furthermore, since Israel is accepted by all as far more advanced toward a nuclear weapon than any of the Arab states, the Arabs suspect that recent Israeli support for the UN resolution is merely maneuvering for tactical gain.

Nonetheless, by encouraging concerned countries to explore the concept at this time, we hope to achieve progress toward a MENWFZ and also improve the climate for peace in the region.

Authority State Walver

BY DE NARADATE 5/242023

U.S. ECONOMIC ASSISTANCE TO ISRAEL

We have been providing Israel with \$785 million annually in economic assistance since fiscal year (FY) 1978 and have proposed that level for FY 1982. This assistance takes the form of transfers of cash from the Economic Support Fund. Prior to FY 1981, approximately two-thirds of the total package (\$525 million a year) was a grant and the remainder (\$260 million) a long term, low interest loan. For the current year Congress mandated an all grant program as a response to Israel's concerns about its heavy external debt burden. We believe that, with sound economic management, Israel should have no difficulty in servicing its debt. We therefore have proposed a return to the 2/3 grant - 1/3 loan formula in FY 1982, but Congress will likely again mandate an all grant program. The budgetary effects for us are negligible, and we are prepared to accept this modification.

We have never conditioned assistance on Israeli Government willingness to carry out specified economic policies and programs. However, our aid is intended to help Israel cover short-term balance of payments deficits while the government takes steps to strengthen its financial position. The objective is to enable Israel to make do with less aid in future years without suffering a lower standard of living. In this light, we are not satisfied with the efforts that the Government of Israel is making to resolve the difficult balance of payments problems which gave rise to a need for our substantial economic assistance.

We expect to receive Israel's aid request for U.S. FY 1983 about the time of Prime Minister Begin's visit. Given the worsening balance of payments situation this year, we can anticipate that a case will be made for increasing the economic and military aid level. If the question of economic aid levels should arise, we should tell Begin that we are prepared to consider Israel's FY 1983 request in light of Israel's needs and our own (USG) budget and to review it with a high level Israeli delegation as in previous years. We hope the Israeli submission will reflect a program to attack inflation other than through increased consumption subsidies and to bring Israel's international accounts into better balance.

DECLASSIFIED

BY the NARA DATE 5/20/2023

ARRIVAL REMARKS: PRIME MINISTER BEGIN OF ISRAEL SEPTEMBER 9, 1981

Prime Minister Begin, on behalf of the American people,
Nancy and I are honored and delighted to welcome you and
all those accompanying you. We are proud to stand beside
you this morning, joining a tradition of hospitality for
Israel observed by our Presidents for more than three
decades. Your visit is testimony to the warm friendships,
mutual respect and shared values that bind our peoples.

Israel and America may be thousands of miles apart, but we are philosophical neighbors, sharing a strong commitment to democracy and the rule of law. What we hold in common are the bonds of trust and friendship, the qualities that in our eyes make Israel a great nation. No people have fought longer, struggled harder or sacrificed so much in order to survive, to grow and to live in freedom.

We are filled with anguish as we recall the terrible nightmare of the Holocaust, one that we know touched you in the most personal and profound way, Mr. Prime Minister. But if we must recall this pain, it is only so we can say, only so we can ensure: never again.

Our message today is short and simple: We remember. We will always remember.

And to those who still refuse to recognize Israel's right to exist, we have another message: Israel is not America's client, she is our ally, and our friend -- a very reliable friend. And being our friend, she is not alone . . . She is not expendable . . . And she will never be abandoned.

We know Israelis live in constant peril. But Israel will have our help. She will remain strong and secure. And her special character of spirit, genius and faith will prevail.

The prophet Ezekiel spoke of a new age when the "land that was desolate has become like the garden of Eden; and the waste and . . . ruined cities are now inhabited . . . "

We saw how miraculously you transformed and made the desert bloom. We see how, everyday, despite the dangers, your families continue working together, to build a better place to live and prosper in peace and freedom.

Our dream, our challenge, and yes our mission is to make the Golden Age of peace, prosperity and brotherhood a living reality in all countries of the Middle East.

Let us remember that whether we be Christian, or Jew, or Moslem, we are all the children of Abraham; we are all children of the same God.

And let us remember that two men of great faith, leadership and vision -- Prime Minister Menachem Begin of Israel, and President Anwar Sadat of Egypt -- have each stepped forward and taken a bold risk for peace.

Mr. Prime Minister, the skill and dedication to peace of both you and the members of your coalition, have earned our profound respect and admiration. Many cynics said Israel would never make peace with Egypt. But you did. Then they said you would not honor your commitment to return the Sinai to Egypt. But you have. Now they say you

cannot go forward to work out a just and durable peace with all your neighbors. But we know you will.

Let me also thank you Mr. Prime Minister for helping our special ambassador, Philip Habib, to arrange a cessation of hostilities across your border with Lebanon. Still another considered step for peace, one well-taken.

We have reached an important juncture in the peace process. Good will, mutual trust and perseverance can carry us through. I am confident they will. I look forward to discussing with you the vital issues of peace and security that concern our two countries. And I especially welcome this opportunity to get to know you personally.

Prime Minister Begin, I know your entire life has been dedicated to the security and well-being of your people. It was not always easy. From your earliest days you were acquainted with hunger and sorrow. But as you have written, you rarely wept. On one occasion you did. The night when your beloved State of Israel was proclaimed. You cried that night you said, because:

"Truly, there are tears of salvation . . . as well as tears of grief."

Well, with the help of God, and us working together, perhaps one day for <u>all</u> people in the Middle East, there will be no more tears of grief . . . only tears of salvation.

Shalom, Shalom. To him that is far off and to him that is near. And again Mr. Prime Minister, welcome to America.

STATE DINNER TOAST: PRIME MINISTER BEGIN OF ISRAEL SEPTEMBER 9, 1981

Prime Minister Begin, it is a genuine pleasure to welcome you to the White House this evening. I should say welcome you back, because the Prime Minister is no stranger to this room. I even have the funny feeling he may have dined here more often than I have. Be that as it may, once again he is an honored guest, but this time Nancy and I have the privilege and we're just delighted.

I'm not sure whether you saw it or not, Mr. Prime
Minister, but in the play "Fiddler on the Roof," one of the
townspeople asked the rabbi if he had a proper blessing for
the Czar.

And the rabbi answered, "Why of course: May God bless and keep the Czar . . . far away from us."

Well, Prime Minister Begin, as we know, the Jewish people have never been far away from sorrow and oppression during their long and troubled history. Now I don't believe your own involvement with Jewish history goes as far back as the time of the Czars. Not, you understand, that there would be anything wrong with that. You'll hear no criticism of age tolerated in this house.

Lately I've been heartened to remember that Moses was 80 when God commissioned him for public service, and he lived to be 120. And Abraham was 100 and his wife Sarah 90 when they did something truly amazing. And he survived to be 175. So my heavens Mr. Prime Minister, we haven't even hit full-stride yet!

But to be serious a moment, after our conversations today -- very warm and productive -- I am more convinced than ever that we are on the right road. That we really can draw closer to that Golden Age of peace, prosperity and brotherhood. And the reason I think is clear: Providence has blessed us at this critical time with two leaders -- one in Israel, one in Egypt -- uniquely capable of the great decisions required.

Prime Minister Begin, I remember reading in your book "White Nights," how as a young man, being held inside Soviet prisons, you longed to return with your people to the Middle East. Even then you told your captors there would be plenty of room " . . . for the Arabs, for millions of Jews, and for peace." And you've been working ever since to make that dream come true:

Though trained as a lawyer, you passed up the quiet life of a private attorney. From your earliest days, the spirit of freedom burned within you, leading you to make great personal sacrifices for the Jewish people;

As a political inmate in those Soviet dungeons, you learned the horrors of totalitarian abuse. You fought against Hitler. And you spent your early adult years helping create a haven for your people in a new Israel;

Devoted to democratic traditions, you served as leader of your country's loyal opposition for nearly thirty years;

Consistent in your views and skillful in presenting them, you were elected the leader of a free people, who

recently reaffirmed their esteem for you;

Called as a peacemaker, you boldly seized the opportunity for peace with Egypt and skillfully pursued it to a successful conclusion.

Mr. Prime Minister, the commitment you are making is a commitment to future generations.

In the Talmud there is a story about a man named Honi. He was getting on in age and one day a passerby saw him planting carob trees. It is said that the carob tree does not produce fruit for 70 years. The passerby commented to the old man: Certainly you don't expect to see the fruit from this tree. And the old man answered: I came into this world and people had planted trees for me. And I am planting for those who will come after me.

Thank you, Mr. Prime Minister, for planting these seeds of peace. Ladies and gentlemen I ask you to join me in a toast to Prime Minister Begin and our friends the Israeli people. And if I may refer to that rabbi from "Fiddler on the Roof" one more time: May the good Lord bless you and keep you . . . always close to us.

September 1, 1981

(Elliott)

DEPARTURE REMARKS: PRIME MINISTER BEGIN OF ISRAEL SEPTEMBER 10, 1981

Mr. Prime Minister, we have had two days of friendly, useful, and productive talks. I am greatly encouraged by the common purpose I have sensed throughout our discussions, and especially pleased by the friendship and complete candor that has developed between us from the very outset of our meetings. Your views have been invaluable, and your grasp of the issues that concern us is truly impressive.

We have made progress in charting the course we will be following in the peace process in the months ahead. We will work together to maintain the peace concluded between Israel and Egypt, and to build on that peace and broaden it. The United States stands ready to help advance the peace process in any way that is useful to the parties concerned.

In our discussions about the strategic situation in the Middle East, it is only natural we have found much common ground. As friends and as partners in peace, we share a determination to oppose all forces that threaten the freedom, integrity, and peace of our nations. The United States will remain committed to Israel's security and well-being. We will work together with you and with our other friends in the region to counter Soviet aggression and to strengthen the security of all countries in the area.

Mr Prime Minister, this is the first of what I know will be many warm and productive meetings between us. I am delighted to have had this opportunity to come to know you and to discuss the partnership between our two countries.

Through our conversations, I believe we have created new bonds of understanding between the United States and Israel, and renewed and strengthened our special relationship.

I wish you a very pleasant stay in the United States and a safe return to Israel.

(Inom your desk)

SECRET

Visit of Israeli Prime Minister Begin

September 9-10

Sec.3.4(b), E.O. 12850, as emended White House G. DATE 4 25 11

I. Tentative Itinerary

Prime Minister Begin will arrive in New York City on September 8 and will proceed directly to Andrews A.F.B. and then to Blair House. September 9-10 will be occupied with meetings and other official functions. September 11 Being will travel to Plains to meet with former President Carter and will go from there to New York City. He will be in New York September 11-15 and is scheduled to appear on Meet the Press on Sunday, September 13. He will depart for Israel on September 15.

II. Major Issues

- -- General state of bilateral relationship
 - -- Substance
 - -- Atmosphere
- -- Bilateral Assistance
 - -- Military
 - -- Economic
- -- Strategic Relationship
 - -- Israeli role
 - -- US considerations
 - -- Areas of cooperation
- -- Peace Process
 - -- Status of relations with Egypt
 - -- Next steps
 - -- In negotiating context
 - -- Outside negotiations (settlements, confidencebuilding measures, etc.)
- -- Lebanon
 - -- Solidification of cease-fire
 - -- Moving beyond cease-fire
 - -- Syrian missiles



DEPARTMENT OF STATE Washington, D.C. 20520

(With SECRET Attachments)

August 28, 1981

MEMORANDUM FOR: Mr. Dick Darman

The White House

and

Mr. Craig Fuller The White House

SUBJECT:

Visit of Prime Minister Begin

September 8-10, 1981

For your information, attached are copies of the Administration schedule, public statements and background papers which have been submitted to the NSC for the Begin visit.

Deputy Executive Secretary

Attachments:

As stated.



8124941



DEPARTMENT OF STATE

Washington, D.C. 20520

DIST: S/S S/S-S TMB NEA

RF:WEB

August 25, 1981

CONFIDENTIAL

MEMORANDUM FOR MR. RICHARD V. ALLEN

THE WHITE HOUSE

Subject: Administration Schedule for the Visit of Prime

Minister Begin

Attached is a proposed Administration schedule for the visit of Prime Minister Begin to Washington, September 8 - 10, which details the participants and emphasis to be placed on themes and objectives at meetings between the Prime Minister and Administration officials.

> Paul Bremer, III Executive Secretary

Attachment:

As stated.

Cleared: NEA/IAI: CHilk*

NEA/IAI:WAKirby NEA:NAVeliotes

CONFIDENTIAL GDS 8/25/87

Drafted: NEA/IAI: ECubbison: mgk 8/25/81 x23672

CONFIDENTIAL



ADMINISTRATION SCHEDULE/PRESIDENTIAL SCENARIO MEETINGS, PARTICIPANTS AND EMPHASIS OF THEMES AND OBJECTIVES

MEETING WITH SECRETARY HAIG
(Tuesday, September 8, 11:40 a.m.-12:10 p.m., Blair House)

Discuss Program Agenda

U.S. Participants: Secretary Haig, Assistant Secretary Veliotes, Ambassador Lewis.

<u>Israeli Participants</u>: Prime Minister Begin, Foreign Minister Shamir, Ambassador Evron.

MEETING WITH THE PRESIDENT
(Wednesday, September 9, 10:30-10:55 a.m., Oval Office)

Issues:

- H* Global Foreign Policy and Regional Security strategy
- M AWACS
- M Importance of Peace Process
- L Lebanon
- U.S. Participants: The President, Secretary Haig, Ambassador Lewis.
- Israeli Participants: Prime Minister Begin, Foreign Minister Shamir, Ambassador Evron.

MEETING WITH THE PRESIDENT - PLENARY SESSION (Wednesday, September 9, 10:55 a.m.-12:00 noon, Cabinet Room)

- Issues: Review of Meeting with the President
 Hear Prime Minister Begin Presentation
 - H Regional Security Strategy
 - H U.S.-Israeli Strategic Relationship
 - M How to Give Momentum to the Peace Process
 - L Economic and Military Assistance to Israel
 - L Lebanon
- U.S. Participants: The President, The Vice President
 Secretary Haig, Secretary Weinberger, National Security
 Adviser Allen, Counselor McFarlane, Assistant Secretary
 Veliotes, Ambassadors Lewis and Habib, Messrs. Meese, Baker,
 Deaver and Kemp.
- Israeli Participants: Prime Minister Begin, Foreign Minister Shamir, Defense Minister Sharon, Interior Minister Burg, Ambassador Evron, Messrs. Avner, Porat, Kuberski, Bar-On and General Tamir.
- * H = Heavy Emphasis M = Medium Emphasis L = Low Emphasis

WORKING LUNCHEON HOSTED BY SECRETARY HAIG
(Wednesday, September 9, 1:00-3:00 p.m., James Madison Room,
the Department of State)

Issues:

- H How Best to Proceed in the Peace Process
- H Lebanon Situation
- M Regional Security Strategy
- U.S. Participants: Secretary Haig, Secretary Weinberger,
 National Security Adviser Allen, Deputy Secretary
 Clark, Under Secretary Buckley, Counselor McFarlane,
 Assistant Secretary Veliotes, Ambassador Lewis, Ambassador
 Habib, Members of Congress.
- Israeli Participants: The Prime Minister, Foreign Minister Shamir,

 Defense Minister Sharon, Interior Minister Burg, Ambassador

 Evron, others.

MEETING WITH SECRETARY REGAN
(Wednesday, September 9, 4:00 p.m. Blair House)

Issues:

- H Status of Economic Assistance Programs
- L How to Increase Israeli Commercial Exports
- L Review of the Israeli Economy
- U.S. Participants: Secretary Regan, AID Administrator McPherson, Under Secretary Rashish, Ambassador Lewis.
- Israeli Participants: Prime Minister Begin, others.

MEETING WITH SECRETARY WEINBERGER
(Wednesday, September 9, 5:00 p.m., Blair House)

Issues:

- H Regional Security Strategy
- H US.-Israeli Strategic Relationship
- M AWACS
- M Status of Military Assistance Programs
- U.S. Participants: Secretary Weinberger, Ambassador Lewis, others.
- Israeli Participants: Prime Minister Begin, Defense Minister Sharon, General Tamir.

PRIVATE BREAKFAST WITH THE PRESIDENT (Thursday, September 10, 9:00 a.m. Oval Office)

Issues:

The Immediate Future of the Autonomy Negotiations

M AWACS

(Others to be Determined after Wednesday Meetings)

U.S. Participants:

The President

Israeli Participants: Prime Minister Begin

MEETING WITH THE PRESIDENT - PLENARY SESSION (TENT.)
(Tentatively Scheduled for Thursday, September 10, 10:00 a.m.,
The Cabinet Room)

Issues:

U.S.-Israeli Strategic Relationship (Others to be Determined After Wednesday's Meetings)

- U.S. Participants: The President, Secretary Haig, Secretary Weinberger, National Security Adviser Allen, Assistant Secretary Veliotes, Ambassadors Lewis and Habib, plus others.
- Israeli Participants: Prime Minister Begin, Foreign Minister Shamir, Defense Minister Sharon, Interior Minister Burg, Ambassador Evron, others.

MEETING WITH THE VICE PRESIDENT
(Thursday, September 10, 11:15 a.m. Blair House - tentative time)

Issues:

- H Prospects for the Peace Process
- M Regional Security Strategy
- L Administration's Efforts to Revitalize U.S. Economy
- U.S. Participants: The Vice President, Secretary Haig, National Security Adviser Allen.
- Israeli Participants: Prime Minister Begin, Foreign Minister Shamir, others.

MEETING WITH DIRECTOR OF CENTRAL INTELLIGENCE CASEY (Thursday, September 10, 4:00 p.m., Blair House)

Issues:

H Intelligence Briefing

M Israeli Desire for Increased Intelligence Capability

U.S. Participants: CIA Director Casey, others.

Israeli Participants: Prime Minister Begin, others.

MEETING WITH SECRETARY HAIG
(Thursday, September 10, 5:30 p.m. Blair House)

Issues:

H Review of Visit

H Agreement on Follow-on Actions

U.S. Participants: Secretary Haig, Counselor McFarlane, Assistant Secretary Veliotes, Ambassadors Lewis and Habib, plus others.

Israeli Participants: Prime Minister Begin, Foreign Minister Shamir, Ambassador Evron, plus others.

MEETING WITH UNITED NATIONS REPRESENTATIVE AMBASSADOR KIRPATRICK (Monday, September 14, 11:30 a.m., Waldorf Towers, New York City)

Issues:

H Issues Likely to Arise in UNGA and Other

International Organizations

L Lebanon

U.S. Participants: Ambassador Kirkpatrick, Ambassador Habib, plus others.

Israeli Participants: Prime Minister Begin, Foreign Minister Shamir.

T/11/13

8124980



DEPARTMENT OF STATE

Washington, D.C. 20520

DIST: P C S/S-S

S/S-S TMB

NEA S/P RF:WEB August 25, 1981

LIMITED OFFICIAL USE

MEMORANDUM FOR MR. RICHARD V. ALLEN

THE WHITE HOUSE

Subject: Public Remarks for the Visit of Prime

Minister Begin

Attached are draft remarks for the President to use in welcoming Prime Minister Begin to the White House on September 9, at the State Dinner in honor of Prime Minister and Mrs. Begin that evening, and in bidding the Prime Minister goodbye at the White House on the morning of September 10.

Also attached is a draft toast for use by the Vice President in responding to the Prime Minister's remarks at the return dinner, to be hosted by Ambassador Evron at the National Portrait Gallery on September 10.

L. Paul Bremer, III Executive Secretary

Attachments:

Draft Remarks for the President and Vice President

Cleared: NEA/IAI: CHill CH

NEA/IAI:WAKirby // NEA:NAVeliotes/// S/P:FFUkuyama

C:DHaendel

LIMITED OFFICIAL USE

Drafted:NEA/IAI:ECubbison:mgk 8/25/81 x23672 81 AUG 25 PB 32

DRAFT REMARKS FOR THE PRESIDENT WHITE HOUSE WELCOMING CEREMONY FOR PRIME MINISTER BEGIN

Mr. Prime Minister, etc.:

It is a great pleasure for me to welcome you to the White House this morning. I am proud to join what has become a tradition of American presidents. The Prime Minister of Israel is always most welcome here, and we are particularly honored by your visit.

Today and tomorrow we will have the opportunity to meet, to come to know each other, and to discuss in detail the vital issues of peace and security that concern both our countries. I welcome this chance to further strengthen the unbreakable ties between the United States and Israel, and to assure you of our commitment to Israel's security and well-being.

Mr. Prime Minister, our two countries have stood beside each other in special relationship for many years. The United States and Israel share similar beginnings as nations of immigrants yearning to live in freedom. and to fulfill the hopes of their forefathers. Americans and

Israelis alike have sought to establish societies of law, to live in peace and to develop to the fullest extent the potential of our lands. We share a devotion to democratic institutions responsive to the wills of our citizens. Our peoples embrace common ideals of self-improvement through hard work and individual initiative. Together we seek peace for all people; in partnership we are determined to defend liberty and safeguard the security of our citizens.

Mr. Prime Minister, you come at a time of testing and a time of hope. The challenges we face are formidable. The forces of agression, lawlessness and tyranny are intent on exploiting weakness. They seek to undo the work of generations of our peoples. Yet there is hope. We are fully aware of their designs — and we are determined to oppose them. Working with all our friends in the Middle East we seek to reinforce the security of the region as a whole. As we consult together about the problems of security in the Middle East, you may rest assured that the security of Israel is a principal objective of this Administration, and that we regard Israel as an ally in our search for regional peace and stability.

Equally important in our discussions during your visit is the commitment of our two countries to advance the cause of peace in the Middle East. Mr. Prime Minister, your strong leadership, great imagination and skilled statesmanship have been indispensable in reaching the milestones of the past few years on the road towards a just and durable peace in the Middle East. I look forward to receiving the benefit of your views and advice on the great tasks that remain before us. I am confident that the United States and Israel will continue their close partnership as difficult negotiations toward peace are pursued.

Mr. Prime Minister, welcome to the White House.

You have visited it many times in the past, but I want to assure you that this Administration is second to none in its feelings of support for Israel and in its pleasure at having you here with us.

DRAFT TOAST FOR THE PRESIDENT STATE DINNER IN HONOR OF PRIME MINISTER BEGIN

September 9, 1981

Mr. Prime Minister, etc.:

It is a great pleasure and honor for Nancy and me to have Prime Minister and Mrs. Begin with us tonight. They grace our house and are most welcome. The Prime Minister is no stranger to this house -- he has been here on many previous occasions, as have his predecessors in office.

Many turbulent years have passed since President
Harry Truman extended U.S. recognition to the State of
Israel on the day of its independence. We have witnessed
tragic upheavals, wars and conflicts in the Middle
East that have brought enormous suffering to all peoples
of the region. At times these violent events have
threatened the security of the world at large. Conflicts
and acts of terrorism have inflicted pain and grief on
countless thousands of Israelis. The strong desire for
peace that is the highest hope of every Israeli has at
times seemed an unattainable dream.

Through these years of trial, the people of the United States have stood beside the people of Israel, admiring their courage and resourcefulness in the face of

adversity and sharing their hopes and prayers for a just peace. And the Government of the United States has stood beside the Government of Israel as well. Our commitment to Israel's security and well-being is a permanent part of our foreign policy.

We have now begun a stirring new era in the history of the Middle East. For the first time in many decades we have an opportunity to transform the dream of peace into reality. A dramatic change has occurred in the political atmosphere of the region, brought about by two leaders of vision and strength, Prime Minister Begin and President Sadat. Israel is at peace with Egypt, and the leaders of Israel and Egypt are exploring how to build upon the foundation they have laid. The United States is proud to have played a part in this historic undertaking, and tonight I pledge my Administration's whole-hearted willingness to participate in the agenda of peace that remains before us.

Providence has given us at this crucial time leaders uniquely capable of the great decisions that are required.

Mr. Prime Minister, your courage, your vision and your commitment to a secure, just and durable peace have brought us to this moment of hope and promise. Through a lifetime of service to your people, your qualities as a leader have

been tested and strengthened, and your devotion to the welfare of your country has been unwavering. We are honored by your presence this evening and are proud to salute you.

Tempered as a youth by the fire of the Holocaust, you have devoted your adulthood to creating and safeguarding a State for your people in a new Israel;

Devoted to democratic traditions, you served as leader of your country's loyal opposition for nearly thirty years;

Dedicated to your views and articulate in presenting them, you were elected the leader of a free people, who have recently reaffirmed their esteem for you;

A seeker after peace, you had the wisdom and political courage to seize the opportunity for peace with Egypt and to pursue it to a successful conclusion.

You, Mr. Prime Minister, represent the vitality and promise of the State of Israel.

My friends: To Menachem Begin, Prime Minister of the State of Israel.

DRAFT REMARKS FOR THE PRESIDENT DEPARTURE OF PRIME MINISTER BEGIN FROM THE WHITE HOUSE

September 10, 1981

Mr. Prime Minister, etc.:

We have had two days of extremely useful and productive talks. I am greatly encouraged by the common purpose I have sensed throughout our discussions, and especially pleased by the friendship and complete candor that has developed between us from the very outset of our meetings. Your views have been invaluable, and your grasp of the issues that concern us are truly impressive.

I am especially pleased by the progress we have made in charting the course we will be following in the peace process in the months ahead. The cause of peace for all the people of the Middle East is vital and must proceed with imagination and vigor. The United States stands ready to help advance this historic work in any way that is useful to the parties concerned.

In our discussions about the strategic situation in the Middle East, we have found much common ground. In particular, we regard Israel as a strategic partner in opposing those forces that seek to curtail the freedoms that our people cherish. The

United States is committed to Israel's security and well-being. We will work together with Israel and with our other friends in the region to counter Soviet aggression and to strengthen the security of all countries of the area.

Mr. Prime Minister, this is the first of what I know will be many meetings between us. I am delighted to have had this opportunity to come to know you and to discuss the partnership between our two countries. As a result of our meetings, new bonds of understanding have been forged between the United States and Israel, and the special relationship between our countries has been renewed and strengthened.

I wish you and Mrs. Begin a fruitful and pleasant stay in the United States and a safe return to Israel.

DRAFT TOAST FOR THE VICE PRESIDENT AMBASSADOR EVRON'S DINNER IN HONOR OF PRIME MINISTER AND MRS. BEGIN

September 10, 1981

Mr. Prime Minister, etc.:

It is a great pleasure for me to represent the President this evening, and to convey his greetings to the distinguished guests who have gathered here in honor of the Prime Minister and Mrs. Begin. I have had the privilege today of meeting with the Prime Minister to discuss with him the Middle East peace process and the strategic situation inthat region. Our meeting gave me a vivid sense of the qualities for which the Prime Minister is so well-known: his candor, his grasp of detail and his understanding of the effects of history and personality on the events of our day.

The Prime Minister's statesmanship and leadership are responsible for many of the momentous achievements of recent years in the Middle East. They have been eventful years, in which the tide of war, suspicion and hostility that once seemed so unrelenting has been overcome by the irresistible forces of peace and understanding. Israel and Egypt today enjoy peaceful relations and a developing relationship of trust and common purpose. Someday, we hope, all the nations of the Middle East will live in peace and mutual respect, building the future on the firm foundation that has been laid by Israel and Egypt.

This truly revolutionary change in the region has not come easily, or without cost. We are deeply conscious of the sacrifices which Israel has made in pursuit of peace. We know that your decisions have not been easy ones. Much remains unresolved, and many difficult choices lie ahead. But Israel's strength of character and the vigor of its democratic society have been more than equal to these great tasks. The longing for peace that is the essence of the Israeli character has strengthened your resolve at every difficult turn. Your great traditions have never failed you.

The United States is proud of the role it has played in assisting Israel and Egypt to reach this moment. There can never be any question of the commitment of the United States to support Israel's search for peace and security. We are too alike, the United States and Israel, in our view of the world and in our sense of the destiny of men, to hold ourselves apart from the challenges of pursuing peace, or from the struggle to oppose aggression and lawlessness. In these endeavors, Israel can depend on the United States for understanding, support and friendship now and always. We are unswerving

in our commitment to Israel's security and well-being, and regard Israel as a strategic partner in our search for regional peace and stability.

Ladies and gentlemen, I propose this toast to the continued health and leadership of Prime Minister Begin, and to the unbreakable friendship between the United States and Israel.



DEPARTMENT OF STATE

Washington, D.C., 20520



(With SECRET Attachments)



MEMORANDUM FOR MR. RICHARD V. ALLEN THE WHITE HOUSE

Subject: Visit of Prime Minister Begin, September 8-10, 1981

Attached are background papers for the visit of Prime Minister Begin, September 8-10, 1981.

L. Paul Bremer, III Executive Secretary

Attachments:

As stated.

UNCLASSIFIED

Ronald Reagan Library

Collection Name Withdrawer

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT DLB 4/30/2010

(WHORM): SUBJECT FILE

File Folder FOIA

CO074 (ISRAEL) (033231) (7) S10-306

SYSTEMATIC

Box Number

96

IDDocument TypeNo of Doc Date pagesRestrictionsDocument Descriptionpagestions

90444 BRIEFING PAPER

1 8/25/1981 B1

DUPLICATE OF #90305; THE THREAT TO ISRAEL

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.

Ronald Reagan Library

Collection Name Withdrawer

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT DLB 4/30/2010

(WHORM): SUBJECT FILE

File Folder FOIA

CO074 (ISRAEL) (033231) (7) S10-306

SYSTEMATIC

Box Number

96

IDDocument TypeNo of Doc Date Postric-
pagesRestric-
tions

90445 BRIEFING PAPER

1 8/25/1981 B1

DUPLICATE OF #90306; LEBANON

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.

Ronald Reagan Library

Collection Name Withdrawer

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT DLB 4/30/2010

(WHORM): SUBJECT FILE

File Folder FOIA

CO074 (ISRAEL) (033231) (7) S10-306

SYSTEMATIC

Box Number

96

IDDocument TypeNo of Doc Date PagesRestrictionsDocument Descriptionpagestions

90446 BRIEFING PAPER

1 8/25/1981 B1

DUPLICATE OF #90308; GOLAN HEIGHTS ANNEXATION

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.

DEPARTMENT OF STATE

BRIEFING PAPER

Normalization of Relations Between Egypt and Israel

10

Egyptian-Israeli normalization since the signing of the Peace Treaty in March 1979 generally has proceeded well. Israel has attached great importance to the pace of normalization as a tangible measure of Egypt's commitment to their new relationship. The Egyptians have not expanded cultural contacts or tourism to the degree Israelis would like. For its part, Israel has insisted that there not be any linkage between other developments in the region, (East Jerusalem, its settlement policies, or positions in the autonomy negotiations) and the pace of normalization. Sadat is trusted, but the Israelis worry about the commitment to normalization of those in the bureaucracy and the intelligentsia.

Sadat was very embarrassed by the Israeli raid on the Iraqi nuclear reactor which occurred only three days after his meeting with Begin and discomfited by subsequent events in Lebanon. The normalization process, however, has continued, and Begin and Sadat met in Alexandria August 25-26. This moderation is largely attributable to Egypt's desire to avoid any actions which could jeopardize completion of Israeli withdrawal from the Sinai next April.

The Egyptians nevertheless see normalization as implicitly linked to Israeli actions, even though the Camp David Accords make no such connection. Many Egyptian officials believe the pace of normalization should be related specifically to progress in the autonomy negotiations, but Sadat, thus far, has decided otherwise on most occasions. If Sadat decides to slow significantly normalization, it is not likely he would do so before the return of Sinai in April 1982.

Despite these differing perspectives, there has been a significant evolution in the bilateral relationship since the Peace Treaty was signed. Ambassadors were exchanged in February, 1980, and traffic across the interim border at El Arish was begun. Direct air flights between Tel Aviv and Cairo began in March, 1980, and have expanded to seven round-trip flights weekly. Trade, commercial and cultural agreements were concluded, quickly approved by the Knesset, and ratified by the People's Assembly in May of this year. Egypt supplies 2 million tons of oil annually to Israel, at a value of \$750 million in 1980. Some specific activities will inevitably be adversely affected by Egyptian concern over events such as the Israeli raids on Baghdad and Beirut. In general, however, Egypt and Israel seem to be moving toward greater cooperation, particularly in agricultural development and health projects. We will encourage and endeavor to support such cooperation.

CONFIDENTIAL RDS-1 8/25/01 DECLASSIFIED.

AUCHORITY 305 WAINCY

EV dy HARADATE 5/12/2023

Ronald Reagan Library

Collection Name Withdrawer

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT DLB 4/30/2010

(WHORM): SUBJECT FILE

File Folder FOIA

CO074 (ISRAEL) (033231) (7) S10-306

SYSTEMATIC

Box Number

96

ID	Document Type	No of	Doc Date	Restric-
	Document Description	pages		tions

90448 BRIEFING PAPER

1 8/25/1981 B1

DUPLICATE OF #90307; SINAI WITHDRAWAL AND THE MULTINATIONAL FORCE AND OBSERVERS (MFO)

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.

Ronald Reagan Library

Collection Name Withdrawer

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT DLB 4/30/2010

(WHORM): SUBJECT FILE

File Folder FOIA

CO074 (ISRAEL) (033231) (7) S10-306

SYSTEMATIC

Box Number

96

ID	Document Type	No of	Doc Date	Restric-
	Document Description	pages		tions

90449 BRIEFING PAPER

l 8/26/1981 B1

DUPLICATE OF #90286

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.

DEPARTMENT OF STATE BRIEFING PAPER

90490

CONFIDENTIAL

Status of Saudi AWACS Proposal

The Administration submitted to the Congress August 24 its proposal to sell to Saudi Arabia airborne early warning and aerial refueling aircraft and F-15 enhancement items. The \$8.5 billion air defense package consists of the following items:

- -- Five E-3A Airborne Warning and Control System (AWACS) Aircraft and associated support, spares, training and ground environment improvements (\$5.8 billion).
- -- 101 ship-sets of conformal fuel tanks (CFTs) for F-15s (\$110 million).
- -- Six KC-707 tankers (with an option for two more) (\$2.4 billion).
- -- 1,177 AIM-9L (Sidewinder) air-to-air missiles (\$200 million).

We recognize that Saudi acquisition of this equipment is of concern to Israel. However, the air defense package has been designed to meet legitimate Saudi defense requirements; it will have minimal impact on the Arab-Israeli balance. The security of the state of Israel has been and will continue to be a paramount interest of the US. How to present the AWACS case to the Israelis, and how to address their security concerns in the wake of the AWACS sale are not topics addressed here.

We have received <u>four types of assurances</u> from the Saudis, covering physical security, data sharing, restrictions on third party transfers, and restrictions on the area of operation.

The 20-day informal notification period will not begin until September 9 when Congress returns from recess. During the 30-day formal notification period which follows, both houses would have to pass resolutions disapproving the sale in order to block it.

CONFIDENTIAL GDS 8/26/87 DECLASSIFIED
AUGUSTON A tate Walver
AUGUSTON AND DATE 5/22/2023

Ronald Reagan Library

Collection Name Withdrawer

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT DLB 4/30/2010

(WHORM): SUBJECT FILE

File Folder FOIA

CO074 (ISRAEL) (033231) (7) S10-306

SYSTEMATIC

Box Number

96

IDDocument TypeNo of Doc DateRestric-Document Descriptionpagestions

90451 BRIEFING PAPER

1 8/27/1981 B1

DUPLICATE OF #90285

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.

90452

The Israeli Economy

Israel has serious economic problems: Inflation has been running at triple digits and the 1981 balance of payments deficit on current account is expected to be \$5 billion compared to \$3.8 billion in 1980. These problems reflect growing private consumption levels and the Israeli Government's massive deficit spending for defense and debt repayment while maintaining a reasonable standard of living and level of social services for its people. Higher import prices and depressed export markets have exacerbated the balance of payments. Prospects are dim for ameliorating these difficult problems unless strong corrective measures are taken.

Israel's comprehensive indexing system enables the economy to manage with even triple digit inflation rates. Political costs are high, however, and inflation is now the main economic target of the Begin Government. The Government introduced an austerity program in late 1979 to deal with the chronic balance of payments problem. The program resulted in cutting real wages, reducing import demand and stimulating exports. This approach, which the U.S. supported, succeeded in arresting the balance of payments slide and would have, given time, slowed down inflation. However, it imposed substantial political costs on the Begin Government which ultimately led to the Finance Minister's resignation and the June elections.

Prior to the elections, Begin's new Finance Minister,
Yoram Aridor, switched economic targets to focus on the
inflation rate. Partially motivated by electoral considerations, Aridor cut sales taxes on consumer durables and cars
and increased subsidies on basic commodities and energy inputs,
which led to increased imports and the beginnings of a
consumer boom. As a result of Aridor's policies, the
inflation rate declined to about 3 percent in the month before
the election, compared to the prior average 10 percent per
month.

A policy of stable economic growth can deal with both inflation and balance of payments problems. Such a policy will require Government budget restraint, capping and reducing consumption subsidies, and policies which encourage the private sector. Otherwise the current anti-inflation program will lead to larger balance of payment deficits, which the U.S. will ultimately be called on to finance. Our massive assistance programs to date, averaging \$2.2 billion in recent years in addition to the \$3 billion Sinai redeployment package, have been critical in helping meet Israel's foreign exchange requirements. An austerity approach will entail high political costs and can only be implemented early in the new Begin Administration.

CONFIDENTIAL GDS 8/26/87 DECLASSIFIED

Wheney Hale Waiver

Wheney DATE 5/2/2023

15

Authority State Walver Authority State Walver BY M. RADATE 5/22/2023 U.

DEPARTMENT OF STATE BRIEFING PAPER

U.S. ECONOMIC ASSISTANCE TO ISRAEL

90453

We have been providing Israel with \$785 million annually in economic assistance since fiscal year (FY) 1978 and have proposed that level for FY 1982. This assistance takes the form of transfers of cash from the Economic Support Fund. Prior to FY 1981, approximately two-thirds of the total package (\$525 million a year) was a grant and the remainder (\$260 million) a long term, low interest loan. For the current year Congress mandated an all grant program as a response to Israel's concerns about its heavy external debt burden. We believe that, with sound economic management, Israel should have no difficulty in servicing its debt. We therefore have proposed a return to the 2/3 grant - 1/3 loan formula in FY 1982, but it is likely that Congress will once again mandate an all grant program. The budgetary implications are negligible, and we are prepared to accept this modification.

We have never conditioned assistance on Israeli Government willingness to carry out agreed upon economic policies and programs. However, our aid is intended to help Israel cover short-term balance of payments deficits while the government takes steps to strengthen its financial position. The objective is to enable Israel to make do with less aid in future years without sacrificing the legitimate aspirations of the Israeli people for a higher standard of living. In this light, we are not satisfied with the efforts that the Government of Israel is making to resolve the difficult balance of payments problems which gave rise to a need for our substantial economic assistance.

We expect to receive Israel's aid request for U.S. FY 1983 about the time of Prime Minister Begin's visit. Given the worsening balance of payments situation this year, we can anticipate that a case will be made for increasing the economic and military aid level. If the question of economic aid levels should arise, we should tell Begin that we are prepared to consider Israel's FY 1983 request in terms of Israel's needs and our own (U.S.) domestic budgetary situation, and to review it with a high level Israeli delegation as in previous years. We hope the Israeli submission will reflect a program to bring inflation rates under better control, through means other than increased consumption subsidies, and to bring Israel's international accounts into better balance.



10454

MIDDLE EAST NUCLEAR WEAPONS FREE ZONE (MENWFZ)

Authority State Warver

17

Reactions to the recent Israeli bombing of the Iraqi nuclear complex underline the increased tension which can result in the Middle East region from nuclear weapons proliferation. Substantive progress toward dealing with the nuclear problem in the Middle East, if it proves possible, can serve both our non-proliferation objectives and regional stability.

Since 1974 Egypt has sponsored a resolution in the UN calling for the establishment of a MENWFZ. The US consistently supported the resolution, but Israel had abstained until last year -- when it changed its position and joined in consensus adoption of the resolution. We wish to explore the reasons for that change carefully.

Eugene Rostow recently held some preliminary and confidential discussions with a number of key countries (UK, FRG, France, Netherlands, Egypt) as well as Israel to elicit any ideas on how we might make progress on a MENWFZ. The Israelis have indicated we might address this inquiry to Foreign Minister Shamir during the Begin visit.

The nature of the replies we get -- particularly from Israel -- will help us gauge how far and how fast we should commit ourselves to this effort. Iraq has shown an interest in discussing the issue, but is wary of Israel. Clearly, Arab suspicions of Israel and refusal to engage in direct negotiations are serious obstacles to any actual negotiations on a MENWFZ. Furthermore, since Israel is accepted by all as far more advanced toward a nuclear weapon than any of the Arab states, the Arabs suspect that recent Israeli support for the UN resolution is merely maneuvering for tactical gain.

Nonetheless, by encouraging concerned countries to explore the concept at this time, we would hope to achieve some incremental progress toward a MENWFZ and also improve the climate for peace in the region.

August 26, 1981



THE WHITE HOUSE

WASHINGTON

September 5, 1981

MEMORANDUM FOR THE VICE PRESIDENT

SECRETARY HAIG

SECRETARY WEINBERGER

EDWIN MEESE
JAMES BAKER
RICHARD ALLEN
RICHARD DARMAN
CRAIG FULLER

AMBASSADOR VELIOTES AMBASSADOR HABIB

FROM :

MICHAEL K. DEAVER WWW.

SUBJECT:

BEGIN BRIEFING

On Tuesday, September 8, there will be a meeting to brief the President for the visit of Prime Minister Begin. The meeting will take place from 12:15 to 1:45 in the Cabinet Room.

Because it has generally been viewed as successful, we will continue to use the small-group Q&A format. An agenda is attached.

I look forward to your active participation.

AGENDA

Time Allotted	Topic	Lead
10 Min.	Objectives, Schedule, Personalities	Secretary Haig
20 Min. (5 Min.) (15 Min.)	Security Strategy Overview Q&A	Secretary Haig Richard Allen <u>et al</u> .
20 Min. (5 Min.) (15 Min.)	AWACS Overview Q&A	Secretary Haig Richard Allen <u>et al</u> .
20 Min. (5 Min.) (15 Min.)	Peace Process Overview Q&A	Secretary Haig Richard Allen <u>et al</u> .
20 Min. (5 Min.) (15 Min.)	Lebanon Overview Q&A	Secretary Haig Richard Allen <u>et al</u> .