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United States Department of State

Washington, D.C. 20520

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- See Ans



July 26, 1983

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MEMORANDUM FOR COL. JOHN STANFORD
DEPARTMENT OF DEFENSE

Subject: Outstanding Security Assistance Issues
with Israel

Secretary Shultz has sent the attached memorandum to the President, noting that Secretary Weinberger and Secretary Regan may wish to provide their views to the President on the issue involved.

Charles Hill

Charles Hill
Executive Secretary

Attachment:

Memorandum to the President

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WNS
Date: JUL 24 2018

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330-85-0029, Hill, Israel (Per Hill)

SEC DEF CONTR No. X26451

18-M-1200

THE SECRETARY OF STATE
WASHINGTON

July 26, 1983

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DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: JUL 24 2018

MEMORANDUM FOR: THE PRESIDENT
FROM: George P. Shultz *MS*
SUBJECT: Outstanding Security Assistance Issues
With Israel

There are several outstanding defense related issues with Israel that I believe should be resolved during the current visit of Ministers Shamir and Arens. I anticipate that Minister Arens will raise these topics and forthcoming responses will help establish the cooperative relationship with Israel which you approved prior to my April trip to the Middle East. In view of the time constraints involved, I have sent a copy of this memorandum to Secretaries Weinberger and Regan with the suggestion that they may want to provide you their views on these issues. The three questions to be decided and my recommendations are:

-- Use of FMS financing for Research and Development projects in the U.S. for LAVI-related systems. The LAVI fighter aircraft program is of critical importance to Israel and Minister Arens, and the U.S. has already approved considerable financial and technical support for the project. In my view FMS financing should be approved for R&D projects in the U.S. for those systems, and only those systems, that will be produced in the U.S. Although this position falls short of the Israeli request to fund all R&D done here, it is forthcoming and would offer considerable financial resources for the program. It also encourages Israel to produce a significant portion of the LAVI fighter in this country, thereby serving U.S. economic interests.

Approve _____ Disapprove _____

-- Release of the AIM-9M air-to-air missile. Since the missile has been approved for sale to Canada and Australia, it should be released now with delivery in about 18 months.

Approve _____ Disapprove _____

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-- Use of FMS financing for procurement in Israel of one element of Peace Marble II (the second 75 F-16s). This use of FMS financing, involving about \$100 million in Israeli-produced equipment, should be approved. Israel has been the low-bidder on this type of equipment in the past. This procedure would be consistent with those in the 1979 Memorandum of Agreement and the Defense Acquisition Regulations.

Approve _____

Disapprove _____

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Authority: EO 13526
Chief, Records & Declass Div, WHS
Date:

JUL 24 2018

Office of the Secretary of Defense
Chief, RDD, ESD, WHS +5VSC 5552
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