

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: SEPTEMBER 28, 1990

NAME OF CORRESPONDENT: MR. STANLEY BREEN

SUBJECT: EXPRESSES THE VIEW THAT DEBT RELIEF TO ISRAEL
WOULD RESULT IN SOME \$400 MILLION THAT WOULD
BE AVAILABLE FOR USE IN RESETTLING THE MASSES
OF SOVIET JEWS WHO ARE FLOCKING TO ISRAEL

		ACTION		DISPOSITION	
ROUTE TO:		ACT	DATE	TYPE	C COMPLETED
OFFICE/AGENCY	(STAFF NAME)	CODE	YY/MM/DD	RESP	D YY/MM/DD
SARAH DECAMP		ORG	90/09/28	TC	C 90 110 123 TC
79005	REFERRAL NOTE:	R	90/10/10	5TC	# not dated
	REFERRAL NOTE:				
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COMMENTS:

ADDITIONAL CORRESPONDENTS: 1 MEDIA:L INDIVIDUAL CODES: 4800 4400

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

*ACTION CODES:	*DISPOSITION	*OUTGOING	*
*	*	*CORRESPONDENCE:	*
*A-APPROPRIATE ACTION	*A-ANSWERED	*TYPE RESP=INITIALS	*
*C-COMMENT/RECOM	*B-NON-SPEC-REFERRAL	*OF SIGNER	*
*D-DRAFT RESPONSE	*C-COMPLETED	*CODE = A	*
*F-FURNISH FACT SHEET	*S-SUSPENDED	*COMPLETED = DATE OF	*
I-INFO COPY/NO ACT NEC		*OUTGOING	*
*R-DIRECT REPLY W/COPY *			*
*S-FOR-SIGNATURE *			*
*X-INTERIM REPLY *			*

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

UNCLASSIFIED

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

TRANSMITTAL FORM

S/S 9021593

Date October 18, 1990

FOR: Mr. William F. Sittmann
Executive Secretary
National Security Council Staff
The White House

REFERENCE:

To: President Bush

From: Stanley Breen

Date: September 26, 1990

Subject: Expresses the view that debt relief to Israel
would result in some \$400 million that would be
available for use in resettling the masses of
Soviet Jews who are flocking to Israel

WH Referral Dated: October 5, 1990
NSCS ID# (if any): 178655

 The attached item was sent directly to the
Department of State.

ACTION TAKEN:

 A draft reply is attached.

 A draft reply will be forwarded.

 A translation is attached.

XX An information copy of a direct reply is attached.

 We believe no response is necessary for the reason
cited below.

 The Department of State has no objection to the
proposed travel.

 Other (see remarks).

REMARKS:



Director
Secretariat Staff

UNCLASSIFIED



United States Department of State

Washington, D.C. 20520

Stanley Breen
President
Jewish Community Relations Council,
Anti-Defamation League of Minnesota
and the Dakotas
Suite 450
15 South Ninth Street Building
Minneapolis, MN 55402

Dear Mr. Breen:

I am replying to your September 26 letter to the President about the need to grant debt relief to both Israel and Egypt, and to maintain Israel's qualitative edge.

We have recommended relief for Egypt's military debt. However, we believe the different situations of Egypt and Israel call for different policy responses tailored to particular needs. IMF debt forgiveness is not the appropriate response to Israel's economic challenges. In order to alleviate some of its IMF debt burden, Israel in recent years took advantage of measures allowing it to refinance a large portion of that debt at lower interest rates. Moreover, Israel has a relatively strong position with regard to foreign exchange reserves, and has a good record on debt repayment. This debt repayment record is one of the factors which enable Israel to have access to international capital markets. The U.S. continues of course to provide Israel with significant economic and military assistance each year.

Congress has enacted legislation enabling the U.S. Government to guarantee \$400 million worth of loans to be used to provide housing for new Soviet immigrants. The State Department is working with the Government of Israel to develop procedures for implementing this legislation.

Our commitment to Israel's security is unshakable, and we intend to keep our pledge to help Israel maintain its qualitative edge. We hold regular consultations with Israel to determine how its needs can best be addressed.

I hope this information is useful to you.

Sincerely,

Kenneth R. McKune
Acting Director
Office of Israel
and Arab-Israeli Affairs

THE WHITE HOUSE

9021593 E

REFERRAL

'90 OCT-05 7:25 PM

OCTOBER 5, 1990

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 178655

MEDIA: LETTER, DATED SEPTEMBER 26, 1990

TO: PRESIDENT BUSH

FROM: MR. STANLEY BREEN
PRESIDENT
JEWISH COMMUNITY RELATIONS COUNCIL
ANTI-DEFAMATION LEAGUE OF MINNESOTA
AND THE DAKOTAS
15 SOUTH NINTH STREET BUILDING
MINNEAPOLIS MN 55402

SUBJECT: EXPRESSES THE VIEW THAT DEBT RELIEF TO ISRAEL
WOULD RESULT IN SOME \$400 MILLION THAT WOULD
BE AVAILABLE FOR USE IN RESETTLING THE MASSES
OF SOVIET JEWS WHO ARE FLOCKING TO ISRAEL

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE, 20500

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
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STANLEY BREEN
Executive Vice President
HARLAN JACOBS

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A BENEFICIARY AGENCY
OF THE MINNEAPOLIS
FEDERATION FOR JEWISH
SERVICE, THE ST. PAUL
UNITED JEWISH FUND AND
COUNCIL AND THE ANTI-
DEFAMATION LEAGUE OF
B'NAI B'RITH

**Jewish Community Relations Council
Anti-Defamation League of Minnesota and the Dakotas**

FIFTEEN SOUTH NINTH STREET BUILDING MINNEAPOLIS, MINNESOTA 55402 TEL: (612) 338-7816 FAX: (612) 349-6569

September 26, 1990

**The Honorable George Bush
President of the United States
White House
Washington, D. C. 20500**

Dear Mr. President:

As has been stated on numerous occasions in the media for the past two months, there is an increasing awareness of the importance of Israel as the United States' most important ally in the Persian Gulf area. For years, these two countries have shared friendship and information, to the benefit of both parties. As the current situation continues, it becomes more apparent that there are many intricacies in the relationships among all the countries in this troubled part of the world.

It is admirable that the Administration is attempting to ease the financial burden of Egypt by showing it is prepared to consider debt relief or forgiveness. Egypt has proven that it certainly is a willing partner in the attempt to contain the aggressiveness of Iraq. But at the same time, it is also necessary to consider the costs to Israel at this time of crisis.

Despite the fact that Israel has been receiving 3.0 billion in aid, reality is also that inflation has actually reduced this amount by some 25%. Debt relief to Israel would result in some 400 million dollars that would then be available for use in resettling the masses of Soviet Jews who are flocking to Israel in unprecedented numbers.

A second issue of great importance is the necessity to retain the qualitative edge that Israel now has. There is little doubt that this edge has been one of the restraining factors in preventing even more aggression toward the Jewish State.

Without question, the strains on the domestic economy are great, and will continue to grow as our national needs increase. With the additional pressure of the Graham-Rudman automatic cut-back, the decision making process is more untenable.

After careful consideration of all the facts on balance, however, it becomes more apparent that there remains an especially strong case for budget relief for both Israel and Egypt. If not the full amount for each, some type of sharing can possibly be worked out, so that both friends of the United States can be assisted in a prudent financial manner.

Sincerely,

Stanley Breen
Stanley Breen
President

Harlan Jacobs
Harlan Jacobs
Vice President



JEWISH COMMUNITY RELATIONS COUNCIL,
ANTI-DEFAMATION LEAGUE OF MINNESOTA & THE DAKOTAS
SUITE 450
15 SOUTH NINTH STREET BUILDING
MINNEAPOLIS, MINNESOTA 55402

The Honorable George Bush
President of the United States
The White House
Washington DC 20500

