

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

COO74

DATE RECEIVED: JANUARY 28, 1992

NAME OF CORRESPONDENT: THE HONORABLE HOWARD W. CARROLL

SUBJECT: URGES PRESIDENT TO SUPPORT FOREIGN ASSISTANCE
TO ISRAEL, INCLUDING \$3 BILLION IN FOREIGN
AID GRANTS AND \$10 BILLION IN LOAN GUARANTEES

		ACTION		DISPOSITION	
ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
MARY MCCLURE		ORG	92/01/28	MM	92/02/13
REFERRAL NOTE:					
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COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2200 4680 _____
IG 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.

THE WHITE HOUSE
WASHINGTON

February 13, 1992

Dear Senator Carroll:

On behalf of the President, thank you for your recent correspondence regarding United States financial assistance toward Israel.

As you know, representatives of Israel, Arab states, and the Palestinians attended an historic peace conference last October in Madrid. For the first time, the parties began to negotiate directly on the basis of United Nations Security Council resolutions 242 and 338, with the objective of a comprehensive, lasting, and just peace.

In December and in January, the parties met again in Washington to continue direct negotiations. Intensive, substantive exchanges took place. Subsequently, the United States and the Russian Federation cosponsored a meeting in Moscow to organize multilateral negotiations on a variety of issues, including arms control and regional stability, economic development, water, environment, and refugees. In this way, the peace process was significantly expanded to include Arab states from the Gulf and North Africa as well as European governments, Japan, Canada, and China.

The Administration worked tirelessly to make these meetings and these negotiations possible. Moreover, the President has made it clear that he and Secretary of State James Baker will work to ensure that the United States continues to play an active role as an honest broker in helping the peace process to succeed.

The primary responsibility for peace, however, rests with the parties themselves; the United States cannot and will not impose its preferences on any party. Further, the Administration recognizes that it will take time to negotiate real peace and that there may be difficulties and possibly interruptions along the way. However, peace will bring real benefits to everyone.

Regarding loan guarantees, you are aware that President Bush asked Congress to defer consideration of Israel's request for \$10 billion in additional loan guarantees that are intended to help Israel absorb its many new immigrants. The President believed strongly that it was in the interest of everyone to have this

question and the inevitable debate it would have stimulated delayed to allow the peace process to begin. Events have vindicated this approach.

We are committed to the principle of free emigration to Israel. At the same time, we firmly oppose settlement of those immigrants or other Israelis in the occupied territories, which we believe constitutes an obstacle to peace. We are now exploring, with the government of Israel, terms and conditions that would allow us to provide further assistance to Israel in absorbing immigration while simultaneously promoting the humanitarian goal of achieving real peace between Israel and her neighbors.

The President appreciates having your views on this important matter, and he sends his best wishes to you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary McClure".

Mary McClure
Special Assistant to the President
for Intergovernmental Affairs

The Honorable Howard W. Carroll
State Senator
180 North LaSalle Street
Suite 2800
Chicago, IL 60601

8.
LEGISLATIVE OFFICES:

180 NORTH CASALLE STREET
SUITE 2800
CHICAGO, IL 60601
312-726-6700

627E STATE CAPITOL BUILDING
SPRINGFIELD, ILLINOIS 62706
217-782-5500

DISTRICT OFFICE:

7344 NORTH WESTERN AVENUE
CHICAGO, ILLINOIS 60645
312-743-5015



ILLINOIS STATE SENATE

HOWARD W. CARROLL
STATE SENATOR, 1ST DISTRICT

January 24, 1991

President George Bush
The White House
Washington, DC 20500

Dear President Bush:

I urge you to support foreign assistance to Israel, including \$3 billion in foreign aid grants and \$10 billion in loan guarantees.

In our fast-changing world, made unpredictable by Islamic fundamentalism, powerful third-world dictators, nuclear proliferation, ethnic conflicts and the birth of new nations, the United States needs a reliable democratic ally in the Middle East.

Foreign assistance to Israel not only serves U.S. interests abroad, but also stimulates the U.S. economy. Since Israel uses over 80% of U.S. assistance to buy U.S. goods, every \$1 billion in aid to Israel produces 35,000 U.S. jobs. In addition, an economically strong Israel provides a good market for U.S. products.

The \$10 billion in U.S. loan guarantees to Israel involve no cost to the American taxpayer, but are essentially a transfer of funds from private U.S. banks into U.S. businesses via Israel. Israel's excellent repayment record and growing economy guarantee that she will repay the loans.

In addition to serving America's national interest, foreign assistance to Israel is an important humanitarian act to save Soviet and Ethiopian Jews from the dangers of war, poverty and anti-Semitism in their countries of origin.

It is the role of Congress to inform and lead public opinion. I urge you to resist the public sentiment against foreign assistance and to take action that will benefit America as much as it will Israel.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Howard W. Carroll".

HOWARD W. CARROLL
State Senator, 1st District

HWC•mmh

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