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3rd FOIA Number:

8th FOIA Number:

4th FOIA Number:

9th FOIA Number:

5th FOIA Number:

10th FOIA Number:

FOIA MARKER

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Record Group:	Bush Presidential Records
Office:	Records Management, White House Office of (WHORM)
Series:	Subject File - General
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WHORM Category Code:	BE003
WHORM Category Name:	Industry

Document Number:	158432
Alpha File Name:	

SM

6104

ID# 158432

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

BE003

INCOMING

DATE RECEIVED: JULY 16, 1990

NAME OF CORRESPONDENT: THE HONORABLE RON MACHTLEY

SUBJECT: URGES THE PRESIDENT TO MONITOR USE OF FOREIGN
MILITARY SALES (FMS) FUNDS IN THE AWARDING OF
A CONTRACT BY THE GOVERNMENT OF ISRAEL TO A
U.S. GERMAN/TEAM FOR A DOLPHIN COMBAT SYSTEM

ROUTE TO:		ACTION		DISPOSITION	
OFFICE/AGENCY	(STAFF NAME)	ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
FREDERICK MCCLURE		ORG	90/07/16	FM	A900717
NS SINT	REFERRAL NOTE:	R	900724	BS	A900926
99DOS	REFERRAL NOTE:	F	900724		C 1 1
99DOD	REFERRAL NOTE:	F	900724		C 1 1
	REFERRAL NOTE:		1 1		1 1
	REFERRAL NOTE:				

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1240

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.

6104

THE WHITE HOUSE
WASHINGTON

September 26, 1990

Dear Congressman Machtley:

On behalf of the President, I am responding to your July 12 letter, in which you urged that we not approve FMS funds to be spent in West Germany on the Israeli purchase of the Dolphin Combat System.

Let me assure you that the President, Secretary Cheney and I are in full agreement with you on this issue. The contract to which you refer has been discussed with the Israelis on several occasions. The Israeli Ministry of Defense clearly understands that FMS financing will be limited to the U.S. and Israeli origin content only. It is our understanding, however, that the Government of Israel has already budgeted Israeli national funds for the non-Israeli foreign content in the combat systems contracts and the balance of the Dolphin platform contract.

The Defense Department will take all the necessary steps to insure compliance with our decision as you request.

Sincerely,


Brent Scowcroft

The Honorable Ronald K. Machtley
United States House of Representatives
Washington, D.C. 20515

*Response to Conf. Mochly's
Mr. President on Israel's
Ins Program*
National Security Council
The White House

PROOFED BY: WEA LOG # 6104
 URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT
 BYPASSED WW DESK: _____ DOCLOG SA A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
<i>Ken Hill</i>	<u>1</u>	<u>SA</u>	<u>A</u>
Bill Sittmann	<u>2</u>	<u>W</u>	
Bob Gates	<u>3</u>		
Brent Scowcroft	<u>4</u>	<u>APNSA Has Seen</u>	
Bill Sittmann			
Situation Room			
West Wing Desk	<u>5</u>	<u>WMS 9/26</u>	
NSC Secretariat	<u>6</u>	<u>JD 9/27</u>	<u>D</u>

RECEIVED

90 AUG 6 P 4: 11

A = Action I = Information D = Dispatch R = Retain N = No further Action

cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

30 AUG 8 15: 34

DISPATCH INSTRUCTIONS: NSC SECRETARIAT
RECEIVED

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 9006104
RECEIVED: 30 JUL 90 10

TO: MACHTLEY, RON

FROM: SCOWCROFT

DOC DATE: 26 SEP 90
SOURCE REF: 158432

KEYWORDS: ISRAEL
FMC

GERMANY D R
CO

PERSONS:

SUBJECT: RESPONSE TO MACHTLEY

ACTION: SCOWCROFT SGD LTR

DUE DATE: 02 AUG 90

STATUS: C

STAFF OFFICER: CHAMBERLIN

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO
CHAMBERLIN
HUTCHINGS
LAMPLEY
MILLER
NSC CHRON
WELCH

COMMENTS: _____

DISPATCHED BY RCB DATE 10/2 BY HAND W/ATTCH

OPENED BY: NSRCB

CLOSED BY: NSRCB

DOC 3 OF 3

UNCLASSIFIED

UNCLASSIFIED
ACTION DATA SUMMARY REPORT

RECORD ID: 9006104

DOC ACTION OFFICER

001 CHAMBERLIN
002 SCOWCROFT
003

CAO ASSIGNED ACTION REQUIRED

Z 90073010 PREPARE MEMO FOR SCOWCROFT
Z 90080617 FOR SIGNATURE
X 90100209 SCOWCROFT SGD LTR

UNCLASSIFIED

UNCLASSIFIED.
NSC/S PROFILE

RECORD ID: 9006104
RECEIVED: 30 JUL 90 10

TO: PRESIDENT

FROM: MACHTLEY, RON

DOC DATE: 12 JUL 90
SOURCE REF: 158432

KEYWORDS: ISRAEL
FMC

GERMANY D R
CO

PERSONS:

SUBJECT: LTR URGES PRES TO MONITOR OF FORN MILITARY SALES FMS FUNDS IN AWARD
OF A CONTRACT BY GOVT OF ISRAEL TO A US GERMAN TEAM FOR A DOLPHIN

ACTION: PREPARE MEMO FOR SCOWCROFT

DUE DATE: 02 AUG 90

STATUS: S

STAFF OFFICER: CHAMBERLIN

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
CHAMBERLIN

FOR CONCURRENCE
BASORA
DYKE
HAASS
HUTCHINGS
LAMPLEY
WELCH

FOR INFO
GATES
HAYDEN
RICE
SCOWCROFT

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSRCB

CLOSED BY:

DOC 1 OF 1

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

August 2, 1990

Natl Sec Advisor
has seen

SIGNED

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: DAVID C. MILLER, JR.

FROM: WENDY CHAMBERLIN VC

SUBJECT: Response to Congressman Machtley's Letter to the President on Israel's FMS Program

Congressman Ron Machtley wrote the President on July 12, protesting the use of foreign assistance funds by Israel to purchase a Dolphin Combat System from a West German firm. His objection is twofold: it is not our practice to permit the use of FMS for such an off-shore procurement; and that Raytheon did not win the contract.

The Congressman is correct on the first point, and in fact, we have made it clear to Israel that no FMS should be expended for the German procurement portion of the contract. The Israelis intend to use national funds.

Concurrences by: C. David Welch, Virginia Lampley,
Robert Hutchings

RECOMMENDATION

That you sign the letter at Tab I responding on the President's behalf to Congressman Machtley.

Attachments

Tab I Scowcroft letter to Congressman Machtley
Tab A Incoming correspondence

July 17, 1990

Dear Ron:

Thank you for your recent letter to the President expressing your concern that Foreign Military Sales (FMS) funds might be spent abroad if the Government of Israel awards a contract to build a Dolphin Combat System to a U.S.-German team.

We appreciate being apprised of your concerns and of your view that the use of FMS funds in this contract should be monitored by the United States. Please know that I have taken the liberty of sharing your comments with the President's foreign policy advisors so that they, too, are aware of your recommendations.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Frederick D. McClure
Assistant to the President
for Legislative Affairs

The Honorable Ronald K. Machtley
House of Representatives
Washington, D.C. 20515

FDM:SLM:

bcc: w/ copy of inc to NSC - for direct response
bcc: w/ copy of inc to Dept. of State - FYI
bcc: w/ copy of inc to Dept. of Defense - FYI

RONALD K. MACHTLEY
1ST DISTRICT, RHODE ISLAND



COMMITTEE ON ARMED SERVICES
COMMITTEE ON SMALL BUSINESS
SELECT COMMITTEE ON CHILDREN,
YOUTH, AND FAMILIES

CO-CHAIR, NEW ENGLAND ENERGY CAUCUS
ENVIRONMENTAL AND ENERGY STUDY
CONFERENCE
CONGRESSIONAL HUMAN RIGHTS CAUCUS
CONGRESSIONAL TEXTILE CAUCUS
CONGRESSIONAL TOURISM CAUCUS
CONGRESSIONAL CAUCUS ON
WOMEN'S ISSUES
CO-CHAIR, TASK FORCE ON THE ELDERLY

Congress of the United States

House of Representatives

Washington, DC 20515

July 12, 1990

158432
WASHINGTON OFFICE:
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WASHINGTON, DC 20515
(202) 225-4911

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PAWTUCKET, RI 02860
(401) 725-9400
127 SOCIAL STREET
ROOM 172
WOONSOCKET, RI 02895
(401) 762-4052
320 THAMES STREET
SUITE 351
NEWPORT, RI 02840
(401) 848-7920

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I have received word that the government of Israel has decided not to further consider the Raytheon Company's proposal for a Dolphin Combat System. As a result, a U.S./German team will likely be awarded this contract. As I am sure you are aware, our current policy precludes the expenditure of Foreign Military Sales (FMS) funds abroad. Many Raytheon constituents are concerned that FMS dollars will nevertheless be expended for the German (Krupp) portion of this contract.

During the long and fruitful relationship between our two nations, the United States has provided Israel with a great amount of both military and economic assistance. The American people, in turn, treasure the great contribution Israel has made to democracy and stability in a troubled and dangerous region of the world.

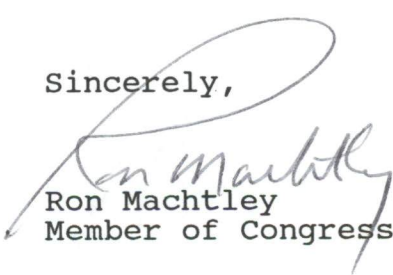
It would be most unfortunate were our nation to permit FMS funds to be spent in West Germany. In addition, I am convinced that the Raytheon Company will provide the Israelis with a superior quality product, as evidenced by the years of service the company's Submarine Signal Division has provided the U.S. Navy.

For these reasons, I ask that you monitor use of FMS funds in this contract, to ensure they are spent consistently with current U.S. policy.

Should you have any questions, please let me know. Thank you in advance for your consideration.

With kindest personal regards,

Sincerely,


Ron Machtley
Member of Congress

RKM:ejs

CONGRESS OF THE UNITED STATES

100th CONGRESS, 1st Session

REPORT OF THE COMMITTEE ON SMALL BUSINESS

Name	Date
Henry Plaster	9/17/92