

~~SECRET NOFORN~~



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

INTERNATIONAL SECURITY AFFAIRS

I-24137/76
9 SEP 1976

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Israeli Military Requirements (U) - INFORMATION MEMORANDUM

SEP 1976

~~(S)~~ NSDM 315 directed that a review of Israel's military requirements be conducted annually or more frequently, if required. We are in the process of conducting that review at the present time. Findings are to be considered by the Senior Review Group and, if necessary, the National Security Council, prior to OMB's submission of budget review material to the President for the following fiscal year.

Israel 09/13

~~(SNF)~~ While the review process has not been completed, intelligence assessments and a military analysis of the Arab/Israeli balance indicate there is no military requirement for the sale of additional military equipment during FY 77 and FY 78 and, in fact, fiscal realities dictate a scaled down Israeli procurement program.

~~(SNF)~~ The review process has further highlighted the fact that Israel would encounter substantial credit financing problems if they sought to order the balance of the NSDM 315 approved list in the FY 77-78 time frame. There is some disagreement as to the required level of Israeli support within the ISA-DSAA structure and that issue is still under discussion.

~~(SNF)~~ We believe the GOI is aware of this review and Ambassador Dinitz may attempt to influence the process and outcome.

~~(SNF)~~ RECOMMENDATION. Because the DoD position is not yet firm and because the issue is still to be addressed in interagency forums, we recommend that you hear Dinitz out and make no commitments.

4 Sept 76

Eugene V. McAuliffe
Assistant Secretary of Defense
International Security Affairs

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Classified by ASD/ISA
EXEMPT FROM GENERAL DECLASSIFICATION SCHEDULE OF
EXECUTIVE ORDER 11652. EXEMPTION CATEGORY SECRET
DATE OF REVIEW undetermined

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