SANITIZED COPY SENSITIVE INFORMATION DELETED



DEPARTMENT OF STATE

13793

OCT 15 1968

Washington, D.C. 20520

Declassified

Authority: 2556

By: Steve Vogel

Date: TO4: 18-2005

The Secretary

THROUGH:

FROM:

NEA - Parker T. Hart

SUBJECT:

<u>Issues to be Considered in Connection with</u>
Negotiations with Israel for F-4 Phantom

Aircraft - BRIEFING MEMORANDUM

The President has asked you to initiate negotiations with Israel for the sale of F-4 aircraft. Israelis have formally requested that negotiations be opened, and we recommend that the first meeting be scheduled between you and Ambassador Rabin early next week. We suggest that you discuss the negotiating position with Secretary Clifford and the President at an early opportunity prior to your meeting with Rabin.

We start from the premise that the acquisition of F-4s will represent a major policy move by this Government in support of Israel and that we should seek to gain certain of our own political objectives with Israel in return for the sale. Coupled with the 100 A-4s now being delivered, the F-4 sale will in fact finally end our long-standing policy of not being the principal supplier of Israel's military needs.

We therefore envisage the negotiations taking place in a political, rather than purely technical, context. The technical problems, such as delivery schedules and financial arrangements, do not pose major problems and could be settled in a rather short period.

Group-3

NODIS REVIEW

Caption removed: transierred to O/FADRC Cat. B - Transferred to O/FADRC with additional access

controlical by S/S Cat. C . Caption and custody retained by S/S

Reviewed by: Ambassador W. Wilman, II

Howngraded at 12-year intervals not automatically declassified.

> STATE DEPARTMENT SYSTEMATIC REVIEW ☐ Retain class'n ☐ Change/class FOIA(b)1

Declassify with concurrence of EO 12958, 25X FPC/HDR by fine

Withdrawal No. PEF Box 91-1267-69

TOP SECRET/NODIS/SENSITIVE

2 .

The problem is: what do we want most from the Israelis; and of these objectives, what seems, feasible to obtain? There are two main areas to consider: (1) Israel's cooperation in bringing about a peaceful settlement; and (2) Israel's nuclear weapons and delivery potential.

Israel's Position on a Peace Settlement

In our judgement it is not feasible to make a direct connection between an F-4 sale and explicit quids from the Israelis on the question of a peace settlement. The situation at present is too fluid for us to know clearly what we would want to ask for; nor would we have any assurance that, if we asked for something and received it, the Arabs would respond in such a way as to translate the Israeli concession into real progress. Also, an explicit connection between the F-4 sale and the Israeli position on a peace settlement would be exceedingly difficult to defend publicly. Instead we propose to link F-4s to Israeli concessions on its nuclear and missile policy.

The negotiations for the F-4s may be able to be managed, however, in a way that will further the diplomatic efforts to develop acceptable peace terms. If, as we assume, negotiations for the Phantoms take place over the course of several weeks, the critical period in New York will be spanned and the Israelis will know we are watching their performance on that front closely.

Nuclear and Strategic Missile Objectives

The latest intelligence indicates that Israel has made the policy decision and is moving rapidly toward obtaining and deploying strategic missiles. Delivery of two MD-620 missiles (approximate 270 mile range-more than the distance from Tel Aviv to Cairo) by France to Israel has reportedly afready occurred, five more are anticipated by mid-1969, and covert construction of missile launching and production facilities has been uncovered. There is a report that Israel intends to provide nuclear warheads for the MD-620 missiles. Although our information on Israel's progress toward nuclear weapons

ICE SECRET/NODIS/SENSITIVE

3

is less certain, there is evidence that Israel has taken a number of steps which, if successful, would reduce substantially the time needed to develop a deliverable nuclear weapon. All evidence suggests that present Israeli policy is to maintain its nuclear option and to proceed with a program to reduce to a minimum the lead time required to exercise that option.

In our view the problems of strategic missiles and nuclear weapons cannot be separated from one another. It makes little sense for Israel to develop a strategic missile (at a cost of \$100 million for R&D alone) with a CEP of about one-half mile if the option of equipping it with a nuclear warhead is not the principal consideration. If Israel deploys its missiles, or even when their presence becomes known—as it surely will, a nuclear warhead will be assumed or anticipated by the Arabs and Soviets.

We do not have it in our power to obtain ultimate assurances from Israel that she will never produce nuclear weapons or deploy strategic missiles. But the coming negotiations on the F-4, and their implication of an American commitment to Israel's conventional military superiority, are our last best chance to obtain commitments that will make it more difficult for Israel to take the critical decision to go nuclear. The F-4s not only assure in large measure Israel's continuing air superiority, they represent the single most dramatic and necessary addition to Israel's military arsenal for the next several years. They should relieve much of the impetus to move into the missile and nuclear field.

Negotiating Objectives

There are various possible commitments by Israel that we can seek in our negotiations. Two alternatives are given below. The more desirable and comprehensive from our point of view is the first, but this will be more difficult to obtain from the Israelis.

- 1. Israel's commitment to sign and ratify the NPT at an early date, and to state publicly that it will not be the first to introduce nuclear weapons or strategic missiles into the area; and in addition, a bilateral written assurance not to produce or otherwise acquire nuclear weapons or strategic missiles so long as these weapons do not appear in Arab hands. (We should make it clear that we do not consider the UAR's past or present ineffective SSM program to be justification for an Israeli program.)
- 2. Israel's commitment to sign and ratify the NPT at an early date and to state publicly that it will not be the first to introduce nuclear weapons or strategic missiles into the area.

Negotiating Tactics

The Israelis are aware of the importance we attach to arms control objectives. They know we have been talking with the Russians about arms limitations. They realize that our questioning of them has been more insistent of late. They probably suspect we know they have received French missiles, although they have chosen not to admit this to you and Secretary Nitze in recent weeks. They suspect that the F-4s will be conditional. We are not, therefore, likely to catch them unawares, and we can expect them to marshal strong arguments: that our intelligence is faulty, that Prime Minister Eshkol has already said Israel would not be the first to go nuclear, that the UAR was the first to embark on a SSM program, that the Israelis already made a considerable investment, that they must have an even stronger independent deterrent than they did in 1967, and that we are infringing on their sovereignty and jeopardizing their long-term security. We can expect them to be, as always, very tough and shrewd negotiators.

We think the best tack with the Israelis is to say that in view of Eshkol's repeated assurances that Israel would not be the first area state to go nuclear, and in view of the great importance the US attaches to the NPT, we assume our request will not give Israel any problem. We are encouraged to believe this will be the case in view

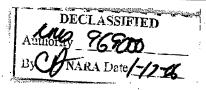
TOP SECRET/NUDIS/SENSITIVE

5

of Eshkol's statement to Ambassador Ball last July which directly linked the F-4s to Israel's problems with the NPT. The absence of F-4s, Eshkol said, "complicates" the problem of signing the NPT for Israel. We recommend that you suggest to the President that he take this line with Ehan if a meeting between the two is arranged before you open negotiations with Rabin next week. We also recommend you take this line if you see Eban and in the initial negotiating session with Rabin.

It is possible that the Israelis will decide to wait us out, believing that public and Congressional pressure will force the sale on much more favorable terms. They might also assume that if all other sources of high-performance aircraft remain closed to them, pressures on the USG to go through with the sale without conditions will increase as Israel's margin of conventional military superiority appears to decline. They probably would, in the interim, continue with their missile and perhaps nuclear program, and may in the end confront us with a fait accompli. They could. any case, await the next Administration if they so choose. (We could, to minimize adverse reaction, and to make sure the next President would be fully aware of the circumstances, brief Vice President Humphrey and Mr. Nixon, and perhaps also Senator Symington before meeting with the Israelis).

In spite of these difficulties, we believe we are justified in making a maximum effort to obtain meaningful commitments from the Israelis. We are dealing here with a matter that not only has a crucial bearing on the Arab-Israel problem but also directly affects US security interests. If Israel builds a bomb it will be the first small state to do so and that fact will have a profound effect on our efforts to keep the other near-nuclears from going over the threshold. As you told an Israeli Foreign Ministry official two years ago, when it comes to the proliferation of nuclear weapons "we are as old as Methuselah"—we have no special interest friends.



JUF SECRET/NODIS/SENSITIVE

I therefore believe we should determine now that if Israel is unwilling to meet our requirements we would rather see the negotiations suspended for a period of months than agree to lesser terms. In doing so, we would have a strongly defensible public position given widespread public sentiment against the proliferation of nuclear weapons. This same consideration should give Israel some pause before trying to generate a public and Congressional campaign to undermine the USG position.

We have worked closely with DOD/TSA in the preparation of this paper. While they agree with the main thrust of its rationale and objectives, they believe we should seek somewhat stronger commitments from Israel concerning its nuclear and SSM intentions. They will be sending their own memorandum up to Mr. Clifford.

Concurrences:

ACDA - Mr. Foster W 10 - Mr. Popper (substance) W

Clearances:

INR - Mr. Austinwo NEA/IAI - Mr. Atherton NEA - Mr. Davies

This paper has been reviewed in draft with Under Secretary <u>Katzenbach</u>, and he approves of its contents.