May 30, 1969

John P. Walsh, State Department Executive Secretary to Assistant to the President for National Security Affairs, 'Israeli Nuclear Weapons Program—NSSM 40'

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Summary:

This may well be the only formal written interagency response to NSSM 40.The State Department and the Defense Department agreed that Israel should sign the NPT and provide assurances not to produce nuclear weapons, but they disagreed on what should be done to get there.

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DEPARTMENT OF STATE
WASHINGTON

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May 30, 1969

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TO: The Assistant to the President for National Security Affairs
The Deputy Secretary of Defense
The Director of CIA
The Chairman, Joint Chiefs of Staff

SUBJECT: Israeli Nuclear Weapons Program - NSSM 40

Herewith are a memorandum of issues raised in the Ad Hoc Group preparing a study of Israel's nuclear weapons program and the basic study.

John P. Walsh

Enclosures:

1. Memorandum of issues
2. Basic study

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DEPARTMENT OF STATE

Washington, D.C. 20520

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NATIONAL SECURITY STUDY MEMORANDUM NO. 40

TO : NSC - Dr. Kissinger
U - The Acting Secretary

FROM : NEA - Rodger P. Davies RPD

SUBJECT: Israeli Nuclear Weapons Program - Issues and Courses of Action

Attached there is a policy study on the Israeli nuclear weapons program as requested in NSSM 40.

The following major issues emerged during meetings of the Ad Hoc Group.

1. Israel's Nuclear Capabilities and Intentions

25X1 and 6, E.O.13526

[redacted] We know that Israel is in the process of deploying a nuclear-capable surface-to-surface missile system (range of about 300 miles); there is circumstantial evidence indicating Israel has acquired fissionable material; there are unconfirmed reports that Israel has begun to construct nuclear weapons. [redacted] Department of State representatives believe more evidence is necessary [redacted] and that Israel [redacted] is aware that actual production and deployment of nuclear weapons could place severe strains on US-Israel relations.

25X1 and 6, E.O.13526

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2. Israel's Assurances on Nuclear Weapons and Relation to Delivery of F-4 "Phantom" Aircraft to Israel

Quite aside from the question of whether the U.S. should impose or threaten to impose this sanction in an attempt to limit Israel's nuclear weapons program, we must face the sensitive issue of carrying forward on deliveries [redacted] Providing an aircraft which could serve as a nuclear delivery system [redacted] might have to be defended in Congress and publicly.

Israel has committed to us that it will not be "the first to introduce nuclear weapons into the area", but there are grounds for believing that Israel does not construe production of a weapon to constitute "introduction." During negotiations in November, 1968 for the sale of the "Phantom" F-4 aircraft to Israel, Ambassador Rabin expressed the view that introduction would require testing and making public the fact of possession of a nuclear weapon. In accepting as condition for the sale Israel's reaffirmation that it would not be the first to introduce nuclear weapons in the Middle East and agreement that it would not use any aircraft supplied by the United States as a nuclear weapons carrier, our reply stated:

> In this connection, I have made clear the position of the United States Government that the physical possession and control of nuclear arms by a Middle East power would be deemed to constitute the introduction of nuclear weapons.

Inasmuch as our reply also made clear that we consider that "unusual and compelling circumstances" requiring cancellation of the F-4 agreement would exist in the event of "action inconsistent with your policy and agreement as set forth in your letter," the door was left open to suspend or cancel the deliveries of the aircraft if Israel by our definition "introduced" nuclear weapons into the area.

3. Will Raising this Issue with Israel now Complement or Undercut our Diplomatic effort to Achieve an Arab-Israel peace Settlement?

Since we are already having a crisis of confidence with Israel over our peace efforts, will the renewal of the dialogue on the nuclear issue cause the Israelis to dig in even harder on their peace terms? It can be argued that the nuclear issue is overriding and that in any event a settlement is unlikely. On the other hand, progress toward peace would probably be the single most decisive factor making the nuclear issue easier to handle.

In defining options, the NSSM 40 study covers a range of pressures that the U.S. might apply to Israel -- for any purpose. If we choose to use the maximum option on the nuclear issue, we may not have the necessary leverage left for helping along the peace negotiations. We are proceeding with our bilateral exchanges with the Soviets on the nature of a settlement with the expectation that Israel will find the outcome difficult but not impossible to accept and that some pressure will be necessary to bring Israel into line. If there is a real possibility that pressure will be needed, these would not differ substantially from those in the study. Use of leverage on the NPT/nuclear issue may seriously detract from our capability to influence Israel on the settlement issue. On the other hand, if we decide to defer using pressure on the nuclear question so as to preserve leverage on a possible peace settlement, we must ask how long we are prepared to do this in the face of Israel's rapidly advancing program, and the knowledge that, the longer we put off making Israel feel the seriousness of our purpose, the harder it will be to arrest Israel's program.

4. Should we Move Directly into a Confrontation with Israel on the NPT/Nuclear Weapon Issue on the basis of Supply of F-4's and other pending Arms Deliveries or Should we Follow a Graduated Approach Relying Primarily on Political Suasion but Maintaining the Flexibility to Move to more Coercive Policies if Israel is Unresponsive

The Department of State believes that a policy of pressure has a fundamental built-in contradiction and involves difficulties for the U.S. that should be carefully

examined. A threat to cut off Israel's supply of conventional arms could build military and psychological pressures within Israel to move rapidly to the very sophisticated weaponry we are trying to avoid. Moreover, to deny Israel arms needed for its defense would be most difficult to justify in the face of continuing Arab threats and commando attacks. Israel would see from the outset that we would be under considerable pressures not to sustain this position and we would have expended much leverage and good will needlessly.

State believes that for the present we should continue the course of using political argumentation, leaving implicit and for future decision possible sanctions if Israel does not respond to our initial representations and proceeds with its weapons program.[1] Our actions on the nuclear issue should be timed so as to complement or at least not undercut our diplomatic efforts to achieve a peace settlement. Our objective would be Israeli signature of the NPT with (a) the tacit understanding that as long as Israel did not complete manufacture of nuclear explosive devices, we would regard this as being within the terms of the Treaty and, (b) a commitment that Israel would negotiate the IAEA safeguards agreement, and (c) an understanding that we will support the Israelis in a reasonable interpretation of Article III consistent with the difference we have drawn between maintaining and exercising the option to manufacture nuclear explosives, provided Israel assures us it will not produce weapons and will consult with us to define this concept in detail.

The Department of Defense (ISA and the Joint Staff) believes that pressures can be applied by the threat to cut off conventional weapons supply and assurances from Israel received with a reasonably good chance (say 75%) of avoiding a public confrontation. Important groups in Israel surely will want to avoid such a confrontation, and the military certainly will not wish to exchange assured conventional weapons supply from this highly preferred source for nuclear-armed missiles. Moreover, it will be difficult, to put it mildly, for Israel publicly to challenge our position on this issue - for our position can be easily and clearly presented as acting in the U.S.

[1] J/PM differs with this view: see footnote on page 6.

interest without jeopardizing Israel's security. (This would not be the case if, for example, we attempted to withhold arms supplies to achieve Israeli concessions to Arabs; our position would be more difficult to defend and sustain publicly in that instance.)

Defense believes that it is important, if we are to stop Israel from going ahead with missiles and nuclear weapons, to demonstrate to the Israelis the seriousness of our purpose so that Israel itself can see the desirability of avoiding confrontation. Israel will surely not stop its long range-nuclear weapons and missile programs unless it is made to feel that the United States is truly prepared to adopt policies which would adversely effect Israel's security with respect to more immediate threats. Moreover, the speed with which Israel is proceeding dictates that we must take steps very soon if we are to stop Israel's nuclear and missile-activity before it is publicly known.

Defense recognizes that we cannot obtain absolute guarantees that Israel will forego strategic missiles and nuclear weapons over the long-run; we can, however, make it more likely that missiles and nuclear weapons will not be used by stopping their production now and by creating a political obstacle -- the necessity to renounce agreements and risk confrontation with the United States -- to their later use.

5. Should we Attempt to Obtain Israeli Assurances that it will halt its strategic missile as well as nuclear weapons program?

Defense believes that in addition to signature of the NPT and assurances of nuclear weapons restraint, we should seek Israeli assurances that it will not produce, further acquire, or deploy strategic missiles. They argue that since the present Israeli "Jericho" missile is not militarily cost effective as a means of delivering a high explosive warhead, the assumption will be made that they are designed for nuclear warheads, and the practical result may be the same whether or not the nuclear weapons actually exist.

The Department of State, on the other hand, believes that getting the Israelis to abandon their SSM program will be very difficult to achieve, given the program's already

advanced stage. Trying to obtain assurances on missiles would therefore seriously compound the difficulty of obtaining assurances on what must be our main objective--the non-production and non-deployment of nuclear weapons.

6. Courses of Action

A. The Department of State holds the following view:

1. A dialogue with Israel on the nuclear question can and should be initiated immediately. We believe this will not affect adversely our current efforts to achieve a peace settlement. We should move to reaffirm our opposition to proliferation as soon as possible preferably at the Ambassadorial level both here and in Jerusalem and underscore that the U.S. Government considers it has a firm commitment in this respect from Israel. We believe strongly that we should not at this juncture link this approach to a suspension or slowing down of shipments of conventional weapons to Israel.[1] This possibility should be reviewed prior to September in the light of Israel's response and further intelligence on the progress of Israel's program.

2. At an early occasion a high-ranking U.S. official--preferably the Secretary of State or Secretary of Defense--should make a public statement on our global non-proliferation objectives and, in particular, our hope that nuclear weapons can be kept out of sensitive areas such as the Middle East. Such a statement should note Israel's assurances to us that it would not be the first to introduce nuclear weapons into the area and urge Israel to sign the NPT.

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[1] J/PM, while in general agreement with the other formulations identified as the State position in this paper, differs with NEA on this point. J/PM believes:

(a) The implications of Israel's possession of nuclear weapons are serious enough for US interests to warrant reminding the Israelis at the outset of the terms of the Warnke letter, and informing them of the possibility that we might not be able to carry through with deliveries of the F-4 and other aircraft if Israel pursues its weapons program;

(b) Unless this warning is conveyed, the Israelis are not likely to pay much attention to our representations.

B. The Department of Defense holds the following view:

1. There should be an early meeting with Ambassador Rabin of Israel for the purpose of conveying to Israel (a) the seriousness with which the U.S. views Israel's missile and nuclear developments, and (b) specific U.S. demands that Israel stop certain of its activities and give us assurances to this effect.

2. The assurances we require from Israel are: (a) private assurances (with inspection rights) that Israel will cease and desist from development or acquisition of nuclear weapons and strategic missiles, and (b) public assurances in the form of a NPT signature and ratification.

3. We should reiterate, on behalf of this Administration, that the American definition of "introduction" applies (e.g., the State of Israel will not physically possess nuclear weapons, including the components of nuclear weapons that will explode).

4. Rabin should be called in by the President, or by the Secretaries of State and Defense. Although the negotiations with Israel will be especially difficult, they will be less difficult if our demands for assurances are unequivocal and made at the highest level.

Drafted by:
State/Defense 5/29/69

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I. ISRAEL'S NUCLEAR WEAPON INTENTIONS

25X1 and 6, E.O.13526

25X1 and 6, E.O.13526

There is no conclusive evidence that Israel has fabricated a weapon, [redacted] Given the impact of this decision on U.S. and world opinion, as well as the domestic political problem it would pose, this final step is one we believe the Labor Alignment in Israel would like to avoid. The fierce determination to safeguard the Jewish people, however, makes it probable that Israel would desire to maintain the ultimate weapon at hand should its security again be seriously threatened.

Last fall the Departments of State and Defense recommended making the supply of F-4 aircraft contingent upon the halting by Israel of its nuclear weapons and missiles program, but President Johnson did not approve the recommendations to that effect. We did, however, during the F-4 negotiations with Israel, accomplish at least three things: (1) we put Israel on notice that the USG is aware of what Israel is doing in the missile and nuclear field; (2) we identified a significant difference between U.S. and Israeli interpretations of what constitutes "introduction" of nuclear weapons (Israeli Ambassador Rabin said that "introduction" would not occur until a weapon had been tested and its existence publicly known: Assistant Secretary of Defense Warnke made clear that the American definition is that mere possession of nuclear weapons constitutes "introduction"); and (3) we deliberately and explicitly left open the possibility that this Administration would reconsider the F-4 sale in light of Israel's nuclear programs.

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II. IMPLICATIONS OF ISRAEL'S NUCLEAR WEAPONS PROGRAM

The implications of Israel becoming a nuclear power need examination from several different aspects.

A. Arab Reaction

The Arabs are aware that Israel's capability in the nuclear field is well-advanced, but the fact of Israel's adding nuclear weapons to its arsenal would have profound political and psychological effect throughout the area.

Although operational nuclear weapons in the Israeli inventory would have a generalized deterrent effect upon the Arabs, it would not guarantee Israel against a wide range of military actions by the Arabs. Israeli nuclear weapons would do nothing to reduce Arab commando activity or the kind of sporadic across-the-lines shooting exchanges between the regular armed forces that we see today. This type of activity could well increase because of the Arab conclusion that, since Israel has a stronger weapon to use against organized forces, Arab strategy should concentrate on guerilla and limited engagement tactics to raise Israeli casualties and to wear Israel down over the long run. We would expect no dramatic change in the Arab-Israel military impasse but some added impetus to Arab government support for guerilla tactics.

The appearance of nuclear weapons in Israel would probably cause the Arabs to withdraw from the NPT and to announce they were compelled to embark on a nuclear weapons program of their own.

The problem for the Arabs would not be money but the acquisition of technical knowledge and fissionable material. We do not believe that the USSR would provide either completed weapons or technical assistance in nuclear weaponry to the Arabs. We also believe it highly improbable that Communist China would provide such assistance. It would be possible, however, for the Arabs to hire on private contract a broad range of scientific and technical personnel from Western Europe.

The acquisition of sufficient quantities of weapons grade fissionable material would be a greater obstacle since the Arabs have neither power reactors which might produce Pu for crude "dirty" devices, nor the necessary chemical reprocessing plants nor uranium enrichment plants. It is generally agreed that even with major external assistance it would take the Arabs at least ten years to develop nuclear weapons.

The appearance of nuclear weapons in Israel would reduce even further whatever remaining prospects there may be for an Arab-Israel settlement. It would deepen the Arab sense of military inferiority and their fatalistic belief that the only solution to the Arab-Israel situation is military conflict at some distant date when the Arabs manage to surpass Israel in strength. Deeply rooted in the Arab psyche is the concept that a settlement will be possible only when there is some parity in strength with Israel. A "kamikaze" strike at the Dimona facilities cannot be ruled out; President Nasser in the past has said that this would be the UAR reaction.

The Arabs would also be thrown into greater military and psychological dependence on the USSR providing the latter with wider opportunities to expand its influence among the Arab states. US interests in the Arab states would suffer proportionately. Even if we did not have to face accusations that we actively helped Israel to develop the bomb, we would be held responsible in many Arab quarters for "allowing Israel to go nuclear". It would add to the strain in our relations with those Arab states in which we still have important interests. The general effect would be to add to the polarization of the Arab-Israel conflict along cold war lines.

B. Soviet Reaction

We believe that the Soviet Union is generally aware of Israel's nuclear weapons program, although we do not know to what extent. The fact that the Soviets have not made an issue with us on this subject may indicate that they feel that this is a US problem; it may also mean the Soviets are undecided as yet how to proceed. Israeli production of nuclear weapons would deal a sharp blow to the prospects for nuclear non-proliferation

and specifically for the NPT, in which the USSR is obviously interested. The Soviets, who profess desire to defuse the situation in the Middle East, view introduction of nuclear weapons as making it even more dangerous and unpredictable. The USSR would be faced, also, with the difficult problem of responding to Arab demands for some form of protection against this threat.

The theoretical range of Soviet actions in reaction to Israeli possession of nuclear weapons might be as follows:

(a) The Soviets might turn over nuclear weapons to the Arabs.

(b) The Soviets might give the Arabs assistance in their own nuclear weapons program.

(c) The Soviets might announce that they were targeting a certain number of their own IRBM/MRBMs or nuclear missile carrying submarines on Israel and that any use by Israel of nuclear weapons against the Arabs could bring retaliation.

(d) The USSR might accept an Arab invitation to station Soviet nuclear capable forces (aircraft or missiles) on Arab soil, targeted on Israel but remaining under Soviet control.

(e) The USSR might make known that it had concluded a security guarantee with the Arabs providing that the USSR would come to their assistance in the event of any attack against them.

(f) Assuming that Israel deploys its MD-620 missile system, the USSR might offer to give the Arabs assistance in developing comparable missiles, perhaps accompanied by an arrangement under which nuclear warheads would be held nearby in Soviet custody.

(g) The Soviets might provide the UAR with a large nuclear reactor for peaceful purposes under Soviet safeguards.

(h) The Soviets might offer the Arabs general assurances of support while avoiding any specific commitments.

(i) The Soviets might privately promise the Arabs a substantial liberalization of its arms policy toward them, both in terms of price and of providing first-line conventional equipment.

The Soviets will feel compelled to take some action to politically neutralize Israeli possession of nuclear weapons, if their position in the Arab world is to be maintained. However, it is extremely unlikely that the USSR would go so far as to turn over nuclear weapons to the Arabs or give direct assistance to an Arab weapons program. We would also judge it unlikely that the USSR would agree to the kind of specific commitment suggested in (d) or (e) either of which would limit Soviet flexibility to avoid a war which could be started by the Arabs themselves (there is every evidence that the Soviets were thoroughly surprised and alarmed by Nasser's actions in May 1967). Soviet assistance for an Arab SSM program is more likely than assistance on nuclear weapons, but still improbable. A more or less explicit threat that IRBMs/MRBMs in the Soviet Union might be used to retaliate against Israel in the event of Israeli use of nuclear weapons against the Arabs is a distinct possibility. An interesting possibility is provided in (g); this would please the Arabs, leave control in the hands of the USSR, and yet alarm the Israelis that the Arabs might have, on their territory, a potential source of plutonium for at least some crude nuclear explosive devices. On balance, we believe that a combination of (c), (h) and (i) is the most likely Soviet response. An immediate surge in the flow of first-rate Soviet arms to the Arab states could be expected. The US would quickly come under pressure to perform in similar fashion for its Arab clients, particularly Jordan. The Soviets would undoubtedly seek to get as much propaganda mileage out of the development as they could with strongly-worded but vague public assurances of support.

C. Implications for US Non-Proliferation Objectives

Because Israeli officials continue to state privately and publicly that Israel does not possess nuclear weapons and does not intend to acquire them unless some other Near Eastern state does so first, Israel's delay in adhering to the Non-Proliferation Treaty and its nuclear program have not yet had much impact on the attitudes toward non-proliferation of countries outside the Near East.

If Israel should announce a decision not to adhere to the NPT, or should remain unwilling to sign after most countries have done so, the Arab states will refuse to ratify the Treaty. A number of other African and Asian countries will probably follow the Arab lead.

The Israeli decision to establish an operational nuclear capability in the Israeli Defense Force would have more serious repercussions, both regional and worldwide.

In the region, the UAR would almost certainly proclaim its determination to acquire nuclear weapons. However, in the absence of direct assistance from one of the existing nuclear weapons' states, it is doubtful that the UAR would be able to establish even a rudimentary military nuclear capability in less than fifteen years. At a minimum, however, all the Arab states will refuse to ratify the NPT and some will declare their intention to acquire nuclear weapons whether they are able to do so or not.

Outside the region, both India, Japan and perhaps Australia would probably find in the Israeli decision a new argument for not signing the NPT. On the other hand, the German decision regarding the NPT will continue to evolve mainly on the basis of other considerations. Israel could well be the bellwether of the smaller non-aligned nations who will be watching for clues to the strength of US views on non-proliferation and arms control measures. Once it became clear that nuclear weapons could not be kept out of the Middle East, it would become extremely difficult, if not impossible, to halt nuclear proliferation elsewhere.

The existence of nuclear weapons in the IDF operational inventory would also by itself increase the danger of nuclear war in the region to some extent. The uncertainties in the Middle East, including the irrational element in Arab policy, would not necessarily preclude an Arab attempt to engage the Israelis in a conventional war of attrition despite the fact that the Israelis have a nuclear capability. Such a situation might greatly increase pressures in Israel to resort to nuclear weapons.

D. Are Nuclear Weapons a Deterrent for Israel?

If the possession of nuclear weapons offered an ultimate deterrent for Israel we would perhaps be prepared to conclude that, whatever other disadvantages this development might have, its contribution to Israel's security, especially with the prospect of continuing Arab hostility, was in the US interest.

Israel wants nuclear weapons, as was both explicit and implicit in our conversations with Rabin, for two reasons: first, to deter the Arabs from striking Israel, and second, if deterrence fails and Israel were about to be overrun, to destroy the Arabs in a nuclear Armageddon.

To deter, Israel believes it would need a nuclear force which is publicly known and, by the large, invulnerable, i.e., having a second strike capability. Israel is now building such a force -- the hardened silos of the Jericho missiles. As Rabin said in November 1968

> ....there must be public acknowledgment. The purpose of nuclear weapons is not to use the weapon itself, but to use their deterrent power. "I don't believe any powers that have nuclear weapons plan to use them, although you cannot ever be sure."

But it is not really possible to deter Arab leaders -- and certainly not the fedayeen -- when they themselves represent basically irrational forces. The theory of nuclear deterrence that applies between the US and the USSR -- a theory that requires a reasoned response to provocation, which in turn is made possible by essentially stable societies and governments -- is far less applicable in the Near East. Israel would never be able to rule out the possibility that some irrational Arab leader would be willing to sustain great losses if he believed he could inflict decisive damage on Israel.

In making known its possession of nuclear weapons, Israel would also be taking some risk that the Arabs would decide this was the moment for a preemptive attack, before Israel could produce more nuclear weapons. Furthermore, the acknowledged introduction by Israel of strategic missiles or nuclear weapons would probably compel the USSR to take compensating and neutralizing actions.

Finally, the limited effectiveness of nuclear weapons as a general deterrent would last only until the Arabs themselves succeeded in developing their own nuclear weapons. Even in this interim period, the intended value of nuclear weapons could be greatly reduced by offsetting actions of the USSR.

E. Strategic Implications for US

Although US and Soviet interests are in conflict in the Middle East, the Soviets appear anxious to avoid a repetition of major Arab-Israel hostilities, particularly as this could lead to confrontation between the United States and the Soviet Union. Neither the USSR nor the US have formal security arrangements with the Arab states or Israel, and neither power views the Arab-Israel theatre as one where its vital security interests are at stake. But both powers also realize that the danger of their becoming directly involved is high when the survival of their respective area clients is threatened. The possession of nuclear weapons by the area states would tend seriously to reduce the margin of safety for us both. Both the US and the USSR would tend to be drawn slowly into playing greater protective roles for their respective clients. In doing so the dangers of confrontation would become that much greater.

F. Conclusion

Israel's possession of nuclear weapons could (a) significantly reduce the possibility of stopping the proliferation of nuclear weapons worldwide and make less likely the successful conclusion of the NPT; (b) increase somewhat the danger of US-USSR nuclear confrontation as the result of an Arab-Israel war; (c) further damage US interests in the Arab states and open corresponding opportunities for an expansion of Soviet influence in this area. The disadvantages to US global interests are such that a major US effort to induce Israel not to produce nuclear weapons is justified.

III. US POLICY

A. US Policy Objectives

If we assume that (a) Israel is proceeding with plans to place a nuclear capability into the operational inventory of the IDF within the next 18 months -- but has not yet done so, and (b) it is in our interest to prevent the Israeli Government from proceeding on this course, there are three possible objectives toward which the US Government can exert whatever influence and leverage it has.

These are to get the Israelis:

(a) to abandon their efforts to maintain a technical option to design and complete manufacture of nuclear explosive devices together with strategic missile delivery systems; or

(b) to refrain from completing manufacture of nuclear explosive devices -- and placing them into the IDF inventory -- without, on the other hand, either challenging or approving the maintenance of a technical option by the Israelis to do so, or the ballistic missile program now underway.

(c) to refrain from completing manufacture of both nuclear explosive devices and strategic missiles.

The first of these alternative objectives probably cannot be attained in the absence of a definitive Arab/Israeli peace settlement because (a) whatever differences of view there are in the assessment of the precise state of the Israeli program it is clearly far advanced and the internal political implications for Israel would make it seem highly unlikely that Israel would be willing to abandon it completely; and (b) it is not enforceable (we cannot force the Israelis to destroy design data and components, much less the technical knowledge in people's minds, nor the existing talent for rapid improvisation).

The second objective, while difficult, is not beyond attainment because (a) it meets what appears to be the principal Israeli objective, namely, to maintain the option

of having an operational military nuclear capability on short notice; and (b) it could be consistent with the NPT by accepting a liberal interpretation of what is "manufacture" of nuclear explosives (and would in any event leave the Israelis the "supreme interests" escape clause).

The argument for including SSM's in our objective is that, since they are not militarily cost effective as a means of delivering a high explosive warhead, the assumption will be made that they are designed for nuclear warheads, and the practical result may be the same whether or not the nuclear weapons actually exist. On the other hand, getting the Israelis to refrain from completing manufacture of their "Jericho" program may be very difficult to achieve and may therefore compound the difficulty of achieving forebearance on nuclear weapons. Israel has already invested an estimated $100 million in R&D for this missile, has started fabricating components on a production line basis, and would argue that if the US agrees that Israel can retain its "technical option" to produce nuclear weapons, it should also have in readiness a fool-proof means of delivering them.

B. Alternative Courses of Action

Our options run from, at one extreme, adopting a "hands off" policy on the thesis that Israel would probably not move to an operational nuclear weapons system unless there developed a critical security situation, to using the maximum pressure at our disposal to induce Israel to adhere to the NPT and to undertake not to complete manufacture of nuclear explosive devices. Between these extremes, the following courses of action might be considered:

(a) Continue our past policy of seeking to induce Israel to refrain from producing nuclear weapons through suasion rather than coercive tactics, making it clear that this development would have adverse impact both on US global security interests and on US/Israel relations.

(b) Seek to get Israeli assurances to desist on its nuclear weapons and strategic missile programs as a quid pro quo for a US assurance that it would meet all future Israeli needs in conventional weapons.

(c) Inform Israel that we would have to cut off further shipments of conventional weapons if Israel opts to go the nuclear route.

(d) Offer Israel a security guarantee.

(e) Approach the USSR with the proposition that if it is willing to agree to a limitation of conventional arms shipments to the Arab states, we will try to persuade Israel to give up its nuclear and SSM program and sign the NPT.

We believe only two considerations are likely to induce the Israelis not to produce or deploy nuclear weapons. The first would be a definitive peace settlement with the Arabs; or secondly, if the US upon which Israel depends for arms, financial support, and its ultimate security makes this a major issue in its relations with Israel.

A commitment to underwrite Israel's conventional military requirements, as suggested in (b), might help to postpone completion of Israel's weapons program but would not of itself have a decisive effect on Israel's nuclear policy. Israel has managed to obtain all of its important arms requirements from the US and probably estimates it can continue to do so in the future. This course alone does not offer Israel much that it does not already have.

A threat to stop further deliveries of military equipment would give Israel pause. It is now heavily dependent on the US as a major supplier of conventional arms and other sources have proved undependable. However, there is the distinct possibility that the more hard-pressed Israel became in conventional capability, the more likely it would move to develop the sophisticated weapons it now has the capability to produce. In addition, depriving Israel of armament supply in the face of increased

Arab and Palestinian militancy would be hard to defend even on the nuclear issue.[1]

A security guarantee from the United States would be welcomed by Israel but would not substitute for Israel's own deterrent strength. Since 1967, Israel has expressed skepticism about the value of big power assurances and it is doubtful if any offer along these lines would have a decisive influence upon Israel's policies. In any case, a security guarantee with Israel involves grave disadvantages for the US. We would be entering an open-end commitment without control over Israeli actions. The repercussions upon our interests in the Arab world would be serious. Moreover, it is extremely difficult to envisage Congress, given its present mood about foreign involvements, as looking favorably upon such a commitment.

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[1] In place of this paragraph, the Department of Defense prefers the following formulation:

A threat to stop further deliveries of military equipment, if seriously made, would cause Israel great concern. It is now heavily dependent on the US as a major supplier of conventional arms, and other sources have proven undependable. There is an apparent contradiction here: the more we deny Israel access to conventional weapons, the more important the advanced weapons become to Israel. It is, of course, in our interest to assure Israel's conventional weapons superiority. But for the present Israel's military superiority is complete and it will remain so for at least a year; we are therefore able to withhold US equipment from Israel, bringing pressure to bear on that government without endangering appreciably Israel's security, if that should be necessary to achieve Israeli commitments on missiles and nuclear weapons. Also, there will be important groups in Israel, including many of the military, who will be greatly concerned with the prospect of losing their conventional weapons supplies, particularly aircraft, and this will work to an advantage. The contradiction, therefore, is for the present more apparent than real.

A possible approach to the Soviets on arms limitation in the Near East is not a true policy alternative but rather a course that can be pursued concurrently with most of the alternatives above. Our probes of the Soviets on this possibility have not so far given us reason to believe that they would be interested in such an arrangement in the absence of an Arab-Israeli settlement. Recent manifestations of increased Soviet concern about tension in the Middle East might make the Soviets somewhat more receptive to this proposal.

C. Preferred Course[2]

Of the policy alternatives suggested above, and assuming we see it in our interest to try to dissuade Israel from its current policies, the feasible courses of action available to us are basically two: (a) a policy based essentially on persuasion; (b) a policy which is prepared to use pressure in sufficient measure to achieve the objective.

The disadvantage of a policy limited to persuasion alone can be simply stated: it is the policy we have followed in the past, it has not worked, and there is no reason to believe it will be more effective in the future. We strongly doubt that tactics relying mainly on persuasion or incentives can prove sufficient of themselves to induce Israel to modify its nuclear policy, even to the extent of signing the NPT while maintaining its option to produce nuclear weapons at short notice. Israel will probably not move on this issue unless it is made to feel that the US is ultimately prepared to adopt policies that could affect its security in equally important ways.

On the other hand, the Department of State believes a policy prepared to use pressure has a fundamental built-in contradiction and involves difficulties for the US that should be carefully examined. If we tell Israel that its decision to further develop nuclear

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[2]The Department of Defense (ISA and JCS) differs in important respects from this section and prefers the formulation set forth on page 12.

weapons will oblige us to cut off the supply of arms from this country, and we are then forced to carry out this threat, we will be in a difficult position. To cut off Israel's supply of conventional arms could build military and psychological pressures within Israel to speed up production and deployment of the very sophisticated weaponry we are trying to head off. This contradiction will be obvious to the Israelis, leaving considerable doubt from the outset as to the credibility of our tactic. Moreover, to deny Israel its supply of arms would be difficult to justify in the face of continuing Arab commando attacks on Israel. In short, Israel would see from the outset that we would be under very considerable pressures not to sustain the policy that we had said we would move to.

For these reasons the Department of State does not think it would be either wise or effective to move directly into a confrontation with Israel on the question of the F-4s or their other pending arms requests. On the other hand, if our policy is to have any impact on Israel, it is essential that we manage our tactics in such a manner as to leave the Israeli Government strongly concerned that we would be prepared to move to more coercive policies if Israel is unresponsive. We believe the best course is a graduated approach, by which we begin with essentially persuasive tactics but maintain the flexibility to move to tougher policies depending on the Israeli response. This should be timed so as to complement or at least not undercut our diplomatic effort to achieve a peace settlement. However, if our action is to be effective, it obviously cannot be postponed indefinitely.

As an initial step, we should resume our dialogue with the Israelis, preferably at the Heads of Government or Foreign Minister level, in which we would make clear to them (a) that we consider it to be a matter of vital US interest that there be no operational nuclear capabilities in the Middle East because the introduction of such capabilities would increase the risk of a US/Soviet nuclear confrontation; (b) that the increase in the risk of such a confrontation in itself is bound to undermine the credibility of the US commitment to Israel; and (c) that an Arab-Israeli nuclear arms race would, in

the end, leave the Israelis in a strategically vulnerable position. We would additionally say that we consider we have a firm commitment from Israel not to develop operational nuclear capabilities, and that should Israel break this commitment, it would have profound repercussions on US-Israel relations, including our policies in support of Israel's security.

We would insist on Israeli signature of the NPT with (a) the tacit understanding that as long as the Israelis do not complete manufacture of nuclear explosive devices, we would regard them as being within the terms of the Treaty; (b) a commitment on their part that they will negotiate the IAEA safeguards agreement required by Article II to apply to material "in all peaceful nuclear activities" on Israeli territory; and (c) an understanding that we will support the Israelis in a reasonable interpretation of Article III consistent with the difference we have drawn between maintaining and exercising the option to manufacture nuclear explosives provided they will assure us that they will stop short of completing manufacture of nuclear explosives and will engage in bilateral consultation with us to define this concept in detail and verify its implementation.

The Department of State believes that, while it would be desirable if possible to obtain Israeli assurances of forebearance on strategic missiles as well as nuclear weapons, this will be difficult to achieve and would seriously compound the difficulty of obtaining assurances of Israeli restraint on the nuclear question. In terms of what we can realistically expect to get with the leverage we can bring to bear, to include missiles would be overloading the circuit. Moreover, while the Department of State would grant the point that the deployment of nuclear-capable missiles will vitiate to some degree international confidence that Israel has decided not to exercise the nuclear option, it also feels that signature of the NPT, plus acceptance of the international inspection and safeguards provided for in the NPT, would accomplish the main task of providing credible assurances on the status of Israel's nuclear program.

If the Israelis are unresponsive to the approach outlined above, we should make it clear to Israel that if it elects to pursue a weapons program, it will be imposing a major strain on US-Israel relations, with serious risk to

US ability to continue to meet Israel's conventional arms requirements. On the other hand, if Israel were to sign the NPT (while preserving its technical option to produce nuclear weapons), the US would see to it that Israel received military equipment to maintain its conventional superiority over Arab forces.

As an adjunct to a decision to move into this phase, a high-ranking US official could give a public speech setting forth a reasoned statement of our concern over the Israeli program. This would preempt a possible Zionist campaign to try to undermine the Administration's position, and at the same time make it clear to the Israelis that the USG was prepared to defend its policy in public.

While these discussions were continuing, the US would have the option to slow down or suspend entirely shipments of conventional weapons to Israel, including the undelivered F-4s. It would also be possible to probe the Soviets again on their willingness to consider a conventional arms limitation accord as quid pro quo for an Israeli stand down on its weapons program.

D. The Department of Defense (ISA and JCS) Preferred Course

The Department of Defense believes that we must move more swiftly, place more demands on Israel, and adopt from the outset a more determined attitude, than the Department of State proposes. The Department of Defense believes that, if Israel continues its present course, confrontation is inevitable: Israel will have "introduced" nuclear weapons and we must then invoke the sanctions called for in our agreement (i.e., cancel the F-4 contract).

But the issue is not, as we see it, persuasion versus confrontation, but whether or not to demonstrate to the Israelis the seriousness of our purpose so that Israel itself can decide to avoid confrontation. It is Israel, after all, that made an agreement that it would not do what it now seems to be doing. Israel will surely not stop its nuclear weapons and missile production unless it is made to feel that the United States is ultimately prepared to adopt policies that could adversely affect its security in equally important ways.

The Department of Defense recognizes negotiations with Israel on this matter will be especially difficult. By placing demands on Israel to stop making nuclear weapons, a public confrontation with the government is possible. But we believe that a confrontation is only likely if (a) they think we are bluffing, or (b) they believe they could reverse our position by so doing. They could use their full range of assets in the United States to persuade us to abandon our demands. They would not, however, enter lightly onto such a course, because the introduction of nuclear weapons by Israel will not be an issue on which they could expect the kind of uncontested American support they have achieved on other issues and because, if they failed to reverse our policy, the long range effects could be very bad indeed. There will very likely be considerable pressures within Israel not to confront the United States and world opinion on the matter of missiles and nuclear weapons.

The speed with which Israel is proceeding dictates that we must take steps very soon if we are to stop Israel's nuclear and missile development. We must meet with the Israelis at a high level. The first demarche should be made by the President, or by the Secretaries of State and Defense together. Such high level participation is needed to convey the strength of our purpose.

We agree with State that a public assurance in the form of an NPT signature is essential (although we do not agree that the IAEA safeguards agreement should apply only to nuclear material "in all peaceful nuclear activities," for this would undermine the inspection arrangements). But we should also demand private assurances from Israel that it will cease and desist from further development or acquisition of both nuclear explosive devices and strategic missiles. It is important that we stop Israeli missile production as well as nuclear production for the reasons cited: we will thereby have stopped one means of nuclear (and chemical) weapons delivery; and we can have greater confidence in Israeli nuclear assurances. Also, if missiles are deployed by Israel, it will be assumed that they have nuclear warheads, and the political results may be the same as though the existence of the nuclear warheads was acknowledged.

It is obvious we cannot obtain absolute guarantees that Israel will forego strategic missiles and nuclear weapons

forever; we can, however, make it more likely that missiles and nuclear weapons will not be used by stopping their production now and by creating a political obstacle -- the necessity to renounce agreements and risk confrontation with the United States -- to their later use.