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CIA PAPER

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MILITARY BALANCE

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THE WHITE HOUSE
WASHINGTON

HAK:

Defense's

Mid-East paper.

{scenario begins
page 10.}

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SECRET/NODIS

June 9, 1970

HAK:

Just before you speak, Dick Helms will have briefed on the implications of the Soviet presence on the military balance.

Therefore, I have assumed you will want to speak mainly on the issues.

I have included a critique of the common perceptions, but I am not sure you want to use this at the meeting. You could just skip that and pick up with either the "considerations of strategy" or the issues themselves.

Helms
HHS

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RH

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Mid-East Issues--NSC Meeting Wednesday, June 10

The situation in the Middle East is now the most dangerous we face. It is difficult to see how the situation in Southeast Asia could produce a major-power war. It is easy to see a number of ways the situation in the Mid-East could. Moreover, the question of the U.S. position there giving way to Soviet predominance is no longer academic. The decisions to be faced now will have an important effect on how the situation develops.

Implications of the Soviet Presence in Egypt

The character of the Soviet move in the UAR should not be underrated.

You may hear the argument made (by Defense) that this move was precipitated by Israeli action or that it is purely defensive and does not threaten Israel. These arguments do not meet the main point: This is a unique turn of Soviet policy--never before have the Soviets put their own forces in combat jeopardy for the sake of a non-Communist government.

It is argued that now the Soviets have rescued Nasser both of them may suddenly change character and be prepared to negotiate seriously. This seems doubtful. Having scored a psychological gain with apparent impunity, it has generally been the Soviet tactic first to consolidate their gains and then to press forward, testing the ground as they move.

The problem, therefore, is not simply that the Soviet military presence may have, at a minimum, limited Israeli military options. The problem is that the USSR has established a new kind of foothold in the UAR and the U.S. has a strong interest in preventing its consolidation and expansion.

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Some Common Perceptions--A Critique

You will hear argument over what the U.S. interest requires and how far the U.S. should go in trying to check the USSR. Some of this argument rests on assumptions that should be carefully examined.

1. The Israeli view is that if Israel and the U.S. will only stand fast, the USSR and the Arabs will decide ^{to negotiate.} This means that the U.S. must give Israel all the equipment it needs and make no concessions to the USSR.

The problem with this is that the Israelis have not really offered the Arabs a negotiating position the Arabs could even consider accepting. So the Arabs feel they have no choice but to fight. Thus the U.S. is left backing Israel in a war of attrition that seems likely to lead only to another war--probably involving the USSR--without any negotiating escape to offer Moscow.

2. The Defense Department view is that all we have to do is to get the Israelis off the Suez Canal to begin the process of reaching a settlement and that will prevent further erosion of U.S. influence. Their argument is that the U.S. has no interest in the Mid-East great enough to warrant a nuclear showdown with the USSR. The U.S. is militarily over-extended and has every interest in avoiding involvement in the Mid-East. Besides, the Arab-Israeli problem is not susceptible of military solution.

The problems with this view are that: (a) If the U.S. shows that it does not have enough interest in the Mid-East to warrant a showdown, then the USSR will never back off. (b) If Israel does not believe the U.S. will defend its existence against the USSR, Israel will have no incentive whatsoever to agree to a settlement based on withdrawal from present lines.

3. It is also commonly said that the Soviets are acting in the UAR purely in a defensive capacity and that the U.S., therefore, need not be concerned because the Soviets will not threaten Israel.

Yet it would be logical for the USSR to extend its influence as far as possible. The near term Soviet objective in the Middle East is to destroy Western influence. The main enemy is not Israel but the West in general and the U.S. in particular. Therefore, it must be assumed that the USSR will do all it can to that end--over and above defending their client.

4. It is sometimes argued that the U. S. can only preserve its position in the Arab world by forcing Israeli withdrawal and placating the Arabs. The supposition here is that if there is a peace settlement the Arab radicals will cease to be a threat.

Arab radicalism, however, is not just a product of the Arab-Israeli impasse. It exploits that impasse for its own ends, but it has roots of its own and will still be present to attack Western interests if there is a settlement.

Considerations of Strategy

The problem is to develop a strategy that will bring into balance the following elements:

1. The Israeli quest for security. Israel views its margin as relatively narrow. Despite its clearcut military superiority on the present scene, its capacity to survive a long war of attrition is limited. Israel feels it must have some breadth of options in trying to cut off a war of attrition or it will feel hemmed in and compelled to strike out. The problem is to put enough pressure on Israel to demonstrate that its stand-fast strategy will not work and yet not so much as to make the Israelis feel they have lost the option to move preemptively.

2. The Arabs have two problems:

--The general problem is that Israel is asking Arab recognition as an entry price to a negotiation in which Israel will hold out for substantial acquisition of Arab territory. The Arabs--entirely apart from their political problems in giving up a principle--do not want to surrender their most valuable negotiating asset until they are sure they will get their territory back for it.

--The moderates' particular problem is that the radicals are exploiting anti-Israeli feeling to win the Arab world. They must have ambivalent feelings about a settlement. On the one hand, they want an honorable settlement.

On the other, they cannot look complacently on the prospect of a Nasser whose forces are no longer tied down by Israel and are backed by Soviet combat personnel.

3. The problem of dealing with the Soviets is to balance between giving them a sense of the dangers of the present situation without denying them an escape. They do not want a confrontation with the U. S. , and they will eventually have to help the Arabs get their territory back if they are to enhance their standing in the Mid-East. At the same time, they have an interest in controlled tension and in maintaining as large a military foothold in the area as they can.

Some Policy Issues

Against the background of the above considerations, it is important to examine some of the policy issues raised:

1. Is a political settlement really an alternative to confronting the USSR, or are the two correlated? The argument has been made (by Defense) that, since we want to avoid a confrontation with the USSR, the only alternative is a political settlement.

--On the one hand, a settlement is conceivable in which the radical Arabs are freed to turn their weapons against the moderates. The Syrians if no longer tied down by Israel would turn against Jordan and Lebanon; the Iraqis would turn against the moderates and Iranian interests in the Persian Gulf; Nasser against the Saudis and the moderates in the Gulf. Back of this would be a strong Soviet military position in the UAR. Nasser backed by the Russians would be a potent anti-Western, anti-moderate force. In other words a settlement is possible which would enhance rather than check Soviet opportunity.

--On the other hand, some methods of confronting the Soviets could create a situation in which Soviet influence expanded while the U. S. position was narrowed. If, for instance, the U. S. simply backed Israel in a long war of attrition, Arab reaction against the U. S. would gradually

whittle away at U.S. influence, and the Arabs would have no one to turn to but the USSR.

The question is not whether we should confront the USSR or try for a political settlement. The question is how we can confront the USSR in trying for a political settlement and how we can improve chances for a political settlement by confronting the USSR.

2. A second issue is: Is a settlement conceivable through negotiations between the belligerents? Is any settlement conceivable that is not imposed?

--On the one hand, the argument has been made (by State) that the interests on both sides must be brought together so a genuine accommodation can be reached. Unless both sides face up by themselves to the requirements of this accommodation, there cannot be a settlement that will last.

--On the other hand, it can be argued that the problem is not that the two sides fail to understand each other's interests but that they understand those interests too well. The Arabs know the Israelis want territory in a settlement. The Israelis know that the Arabs will only grudgingly--and therefore with some thought of eventual reversal of position--accept Israel's existence. That is why there is not sufficient will on either side to reach a settlement.

If the second is at all true, then it remains for outsiders to devise a situation in which settlement of key issues--withdrawal and the recognition of Israel--is virtually forced on the parties along with security measures that make the settlement as enforceable as possible. If there is to be a settlement, it will have to be imposed, regardless of what facade of negotiation may be erected around it for tactical purposes.

3. The next issue is: How can Israel's aircraft requests best be related to the process of achieving a settlement? The two horns of the dilemma are:

--On the one hand, Israel will feel under the greatest pressure to resist a settlement based on withdrawal if it feels that it will not have the means to defend itself. Israelis would judge that their military needs in such a settlement would at least not diminish because it would be giving up its improved defensive positions.

--On the other hand, providing aircraft to Israel now would jeopardize U.S. ability to work with the Arabs for a settlement. Moreover, if the Israelis had what they wanted from the U.S., there would be little incentive to accede to U.S. pressures for a settlement.

Without some commitment from the U.S. that Israel will have the means of defense, it is impossible to expect Israel even to consider withdrawal. The difficulty, therefore, is to combine this assurance with the implied threat of its withdrawal so as to produce the Israeli concessions necessary to peace.

4. The ultimate issue is: Can the U.S. induce Israel to withdraw to essentially pre-war borders in the context of a settlement?

--On the one hand, it is possible to argue (as Defense does) that Israel is so heavily dependent on the U.S. for military supplies and financial support that it cannot stand up against the threat of losing them. The other side of this argument is that nothing short of the clear threat of losing them will move Israel.

--On the other hand, it can be argued (as State does) that the only thing that will change Israel's policy is Israel's own realization that that policy will not work. The task of the U.S. is not just to threaten Israel's lifeline; that would leave Israel with no choice but to stay where it is behind its most defensible lines. The task of the U.S. is to make clear that neither Israel nor the U.S. can win in the present situation but to demonstrate that abundant U.S. support is possible in a changed situation.

The first approach to Israel should not be the threat of cutting off aid; Israel needs the assurance of U.S. support. The moment of truth comes when Israel says it will have to forego U.S. support if the price is withdrawal. Does the U.S. then cut off aid? The realistic choice at that point--having made a substantial offer to demonstrate good faith--is between an absolutely minimal flow of aid and a very substantial flow and not between aid and no aid.

The Principal Options

The considerations above seem to eliminate the extremes. Backing Israel without qualification would give the Israeli Cabinet a controlling voice in setting the conditions for a U.S. -Soviet confrontation. Cutting ourselves off from Israel would leave Israel no incentive for a political settlement and would enhance the Soviet position. The two options that will be advanced at the NSC are:

1. The Defense Department proposal [a memo from Secretary Laird is in your briefing book] would involve denial of aircraft to Israel until Israel had agreed to a phased withdrawal. When Israel's future aircraft requirements are to be met, they should not be met with more attack aircraft like the Skyhawks and Phantoms but with fighter-interceptors more exclusively designed for defense. The Defense proposal would have us work step by step from a de facto cease-fire to partial Israeli withdrawal, demilitarization of vacated territories, reopening the Suez Canal to all nations and the beginning of formal peace negotiations.

The three main conclusions on which Defense bases this position are:

--There is no acceptable military solution to the present impasse. The indigenous belligerents can only fight to a stand-off. Soviet involvement could lead to a nuclear confrontation triggered either by a U.S. -Soviet clash or by Israeli introduction of nuclear weapons in desperation.

--The U.S. also has an interest in checking the spread of Soviet influence. U.S. sale of more attack aircraft now will contribute to further Soviet success in the Arab world.

--The expansion of the U.S. commitment to Israel by promising or implying that U.S. forces would be used directly to support Israel under any circumstances is unacceptable. If Israel surfaces nuclear weapons, the U.S. cannot afford to be involved.

The problem with this approach--viewed in the light of what is written above--is that it is likely to increase Israeli hysteria and the probability that Israel would feel compelled to fall back on nuclear weapons or to

strike out, thereby triggering another war. It would provide no incentive for Israel to reach a settlement. It would encourage the Soviet feeling that they are achieving their objective, and there would be nothing to restrain them from further advances. Even if a settlement were achieved on this basis, it would leave the USSR strong and no sense among the moderate Arabs that they could depend on the U.S.

2. The State Department proposal [a memo from Secretary Rogers is in your briefing book] would involve a limited commitment of aircraft now pending outcome of a new effort to get negotiations started along with a clearly implied promise of continuing aircraft shipments in the fall. To understand this proposal, it is necessary to look in detail at the steps that would be taken:

--Tell Israel that the U.S. is going to make a direct approach to Nasser urging (a) acceptance of a cease-fire from July 1 to September 15 and (b) agreement to get indirect talks started under Jarring. If Nasser responds positively we would expect a positive Israeli response.

--Offer Israel three additional Phantoms each in July and August; as replacements, earmark four Phantoms and four Skyhawks per month for delivery starting in September through year's end. This would be subject to review only if negotiations between the parties showed signs of success. We would in any case make contingency plans for delivery sooner if there is a dramatic shift in the balance; other military requirements would continue to be met.

--Make a direct approach in Cairo urging (a) a ceasefire and military standstill [no further fortification on the Canal] from July 1 to September 15 and (b) agreement to begin indirect negotiations under Jarring promptly on the basis of a simple acceptance by both sides of the 1967 UN resolution. Israel would have to say it is willing to withdraw in accordance with the resolution and the Arabs would have to state their willingness to recognize Israel's existence if it withdraws.

--Inform Nasser that we are limiting ourselves for the time being not to go beyond the 50 Phantom and 100 Skyhawk level committed in 1968 and 1966 but that further deferral of additional sales is only feasible in the context of a cease-fire and negotiations. [This would be true because 6 Phantoms from the original contract for 50 are of a special configuration not to be delivered until 1971, and 3 have been lost. Original Skyhawk deliveries are not scheduled for completion before September.]

--After Cairo had been approached the USSR would be urged to support our effort. However, the primary emphasis would be on direct contacts between Washington, Cairo, Tel Aviv (and Amman). [Secretary Rogers' memo recognizes that more must be done to "reflect our resolve to the USSR," but it recommends only that you direct him and Secretary Laird to make a high priority study of this aspect.]

There are several problems with this approach:

--Above all, it is not clear what the objective is. If it is conceived as a first step toward an imposed settlement, then it could have merit. If not, it is not likely to produce any but minimal interim results. If so, then this should be recognized at the outset because trying to impose a settlement would have political costs. The key decision in imposing a settlement is whether the U. S. is prepared to intervene to settle the boundary issue by pressing Israel's return to very nearly pre-war borders in Jordan and the Sinai in return for enforceable security arrangements.

--Second, a related point is that by making success depend on negotiations with Jarring, this would dilute direct U.S. influence and lessen chances of success. It would be hard enough to impose a settlement on U.S. terms without working through someone who has not proved himself as very imaginative or forceful.

*Problem
Israel - but type
only 3
discussing*

--Third, we would be asking Israel to agree to the principle of withdrawal in return for six Phantoms plus implied promise of 16 more by year's end along with perhaps another ten Skyhawks. What the Israelis would do would depend on how they interpreted our offer. If they just see themselves getting six more Phantoms, then the incentive will be to keep present borders. If they think they will get planes only if negotiations are not promising, there will be no incentive making negotiations succeed. Since there are already serious obstacles to success, it is not hard to see this as a decisive disincentive. Moreover, this still leaves us with another aircraft decision to be made in September just as the proposed cease-fire would be ending.

--Fourth, there is no provision in this proposal to convince the USSR that it will face a more difficult situation if the present situation continues than if there is a settlement. It shows the Soviets too much hesitation.

In short, the Defense proposal ~~seems a non-starter~~. The State proposal has merit--but only if it is considered as a step toward imposing a settlement. Otherwise, its chances of success are slim and it would seem likely to leave us ~~worse off three months from now~~ than we are now.

For the sake of illustrating a modification of the State proposal to take care of some of the above objections, I am attaching a possible "third option."

Conduct of the NSC Meeting

I recommend that you make clear at the end of this meeting that you will need time to decide and that no action should be taken yet. This is necessary to maintain your control over timing of any action and to give you time to consider refinements (or alternatives) to the course of action proposed. In any case, you should have a final look at a detailed course of action before implementation begins.

In your briefing book are talking points and the memos from Secretaries Laird and Rogers. Also, there is a good short CIA paper on the Soviet impact on the Arab-Israeli balance. A much fuller study has been completed but this fairly reflects its conclusions.

Attachment: "A Third Option"

A THIRD OPTION

The purpose of this illustrative course of action is to show how two shortcomings in the State proposal might be met: (1) Instead of dribbling out the aircraft, it offers a large number at once with the thought of withholding delivery. (2) It addresses the Soviet problem more directly. This would involve the following:

--Make this approach directly to Nasser: The U.S. is prepared to press Israel to withdraw essentially to pre-war borders provided Nasser is willing to commit himself to us now and in a formal agreement later to specific arrangements for establishing and enforcing peace. The U.S. is the only government that can attempt this. To do this the U.S. will have to provide assistance to Israel; if Nasser asks us to squeeze Israel and to withhold aid at the same time, he is asking the impossible. If we can achieve Israeli agreement to withdraw, we would ask Nasser to have his representative meet with the Israelis and Jarring to negotiate detailed security arrangements. The U.S. would take an active part in that negotiation. The U.S. would expect that, after agreement, Soviet combat personnel would be withdrawn. In conclusion, Nasser has an important choice to make: If he uses our provision of aircraft to Israel as a pretext for encouraging attacks on U.S. installations elsewhere, then Israel will get the planes without being pressed to withdraw.

--Make this approach to Israel: (1) The U.S. will prepare beginning in September to provide another 25 Phantoms and 40 Skyhawks to be added to present deliveries at the present rates but this must remain secret; the U.S. is prepared to discuss additional requirements in January 1971; the U.S. is prepared to discuss a five-year program of economic assistance. (2) Soviet involvement introduces an element which Israel alone cannot handle regardless of how much equipment the U.S. supplies. Since the U.S. is potentially involved, the U.S. must have a voice in determining the issue on which it becomes involved. The U.S. cannot base that involvement on Israel's right to negotiate major changes in its boundaries. (3) The U.S. therefore wants the Prime Minister's assurance that Israel will withdraw to pre-war borders if the Arabs commit themselves to live at peace and agree to arrangements for enforcing the peace which do not involve Israeli acquisition of territory. [Discussions on military

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and economic assistance could proceed, but no deliveries or disbursements would take place until the Israelis had responded satisfactorily. U.S. leverage would rest on the statement that the U.S. cannot go on supporting Israel unless Israel commits itself to withdraw in a peace settlement and the implied threat of reducing deliveries to a minimal flow.]

--Tell the USSR the same thing we tell the UAR. Suspend for the time being any plans to reduce the size of the Sixth Fleet. Perhaps reinforce the Sixth Fleet with additional anti-submarine warfare capability.

Comment: The purpose of this approach would be to face the USSR with a Vietnam-type involvement against a well-supplied Israel but at the same time to provide an escape via a settlement. The USSR would have to weigh the disadvantage of letting the U.S. out of its present box against the disadvantage of that sort of involvement. The USSR could expect enough tension to remain for its exploitation even after a settlement. This approach would have for the U.S. the advantage of going far enough on the key issues -- boundaries -- to justify realistic hope for a settlement while at the same time offering a sizeable enough inducement to Israel to make an Israeli concession conceivable.

This would seem to combine the best mix of responses to the basic considerations of strategy described above. It would provide Israel with a substantial incentive to cooperate while making clear that the U.S. will not back an Israeli strategy that is likely to produce a U.S. confrontation with the USSR. It is a strong enough response, however, to indicate to the USSR that we mean to stand firm. It would have promise for the Arabs of U.S. pressure on Israel to withdraw.

SECRET/NODIS

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

June 8, 1970

MEMORANDUM FOR GENERAL HAIG

FROM: Jeanne W. Davis *JWD*

SUBJECT: Ambassador Yost's Attendance at NSC Meeting on Middle East

Ambassador Yost's office has called to inquire as to the time of the NSC meeting on the Middle East scheduled for this Wednesday, June 10 -- the implication being, of course, that he is planning to come. Hal Saunders tells me he has been at virtually all NSC meetings on this subject.

Can you please confirm that he is to attend Wednesday's meeting.

Yost to attend NSC meeting on ME

Yes ✓ No _____

Called Gene from WJG

JUN 10 1970

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I. Policy Alternatives

1. The major factor that determines political attitudes and shapes political strategy in the Middle East and about which almost all other issues revolve is the existence of the state of Israel. This statement in no way implies the chief US interest is to preserve the independence of Israel. However, it does serve to highlight the fact that the presence of a Jewish state in the Middle East is at the heart of the problem -- a problem that must be solved before any settlement can be considered permanent.

2. If it is true that the basic problem is the existence of Israel, then our policy alternatives must first address this issue. What are our alternatives?

a. Guarantee the continued existence of Israel* with whatever unilateral, bilateral, multilateral, regional, or international means and policies are required, with the implicit recognition that unilateral employment of US forces may be necessary at some future time if there is no other alternative to ensure the survival of Israel.

b. Support the continued existence of Israel* with multilateral, regional, or international means and policies feasible without a commitment to guarantee Israel's survival by unilateral employment of US forces.

c. Assume no moral responsibility for Israel*, adopt policy of non-intervention in any future war, assume only those responsibilities delineated in the UN charter, supply weapons to both sides on cash or short-term credit basis, with the implicit recognition that Israel may become relatively weaker

*Guarantee of the continued existence of Arab states is not included since the declared policy of Israel does not include their destruction.

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RJG

and be forced to compromise or to face another war with the Arabs.

In the past, our declaratory policy has been Alternative b, yet there has been an implicit assumption that we would intervene to ensure Israel's survival by unilateral means if her destruction appeared imminent.

3. What are the US interests? The chief interests appear to be:

a. Avoid nuclear war with USSR or a direct confrontation wherein the threat of nuclear war is possible.

b. Promote general objectives of US foreign policy, e.g., create world environment suitable for peaceful enjoyment of our own freedom, encourage democratic and peaceful governments, encourage economic development, etc.

c. Prevent area from falling under Communist domination or under domination of any ideology or state antithetical to US interests.

d. Preserve access to oil, and to area in general for communications, transit, commerce, contingency operations, business, investment, and other strategic reasons.

e. Prevent nuclear weapons from falling into the hands of Middle Eastern states.

(Although not stated in US interests listed above, there are strong domestic political reasons for US support for the continued existence of Israel. Additionally, it would not appear to be consistent with our political traditions and moral stance throughout the world to allow the destruction of a democratic, progressive, developing, pro-US, and anti-Communist country.)

4. The problem of Soviet-US confrontation in the Middle East cannot be considered in isolation from other aspects of Soviet-US relations. The

conflict of interests in the Middle East between the two superpowers is caused both by factors indigenous to the area and by factors external to the Middle East, e.g., Soviet ideology, US forward strategy, worldwide US and Soviet commitments, US domestic politics, traditional Russian expansionism, etc. An assumption of this study is that Soviet-US agreement -- implicit or explicit -- is necessary to defuse the Middle East. A Soviet-US agreement in the Middle East not only must contribute to a specific settlement in the area, but also must be consistent with other actions taken in the broader context of East-West relations.

5. Soviet interests in the Middle East are based upon geopolitical and economic factors rooted in tradition, history and ideology. Specific Soviet interests are:

- a. Avoid nuclear war with US, and, presumably, the threat of one due to a direct confrontation.
- b. Eliminate Western influence from area.
- c. Strengthen Soviet influence in area.
- d. Preserve access to area for communications, transit, commerce, and strategic defensive reasons.
- e. Prevent nuclear weapons from falling into the hands of Middle Eastern states.

At present, the Soviets are using the Arab-Israeli dispute, and ensuing Arab hatred of US, as levers to accomplish b, c, and d, above. However, even if the Arab-Israeli dispute were settled, the Soviets would undoubtedly search for other levers to continue to increase their influence and to decrease US influence.

II. Choosing a Policy

1. The present course of events, in which each side increasingly pursues maximal objectives via essentially military means, has worsened the situation and seriously undermined US interests. Israel, in the flush of its 1967 victory, confidently expected very substantial Arab concessions, and has since refused to modify its expectations and demands. In turn, the Arabs refused to negotiate from weakness, especially given Soviet aid, and consider time is on their side. Each side has come to rely almost exclusively on military means to achieve its objectives. The Palestinian refugees have used terrorism, and the Arab governments have developed the "war of attrition". Israel has used air strikes which have turned the Jordan's east bank largely into a no-man's land and have driven 600,000 Egyptian civilians away from the Suez area, and has used commando-style raids which now threaten southern Lebanon with the same fate. It is more than evident to outside observers that matters have gotten steadily worse, rather than better, as more and more emphasis has been given to military solutions.

2. There is no military solution to the present impasse. The Israelis come to us with requests for more bombs and more attack aircraft, to counter Egyptian artillery and to prevent a new Arab offensive, yet experience demonstrates the virtual impossibility of permanently suppressing dug-in artillery by means of air strikes, against a determined and well-supplied foe. Israel has always thought offensively, and does not wish, now, to change its approach, yet to continue to proceed offensively appears destined to provoke a greater Soviet response, and to increase the level of hostilities.

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Israel itself has come to recognize that it cannot, alone, carry out an offensive strategy against the UAR, given the present direct Soviet involvement. Even if we gave Israel the assurances of support it seeks, in the form of limitless supplies of aircraft, equipment, and credit, and even if we delivered ultimatums to the Soviets, this would at best result in an uneasy and unsatisfactory stalemate. The Soviets who are providing large amounts of equipment and thousands of advisors to the UAR and, now, active forces to the Arab "defense", are certainly not going to back down easily from the advantageous position which they now hold. The plain fact is that neither side can, with or without help from its great power sponsors, hope to impose an acceptable military solution on the other.

3. If we continue our present policies, our position and that of Israel will get steadily worse rather than better, leading perhaps to a direct confrontation with the Soviets. The longer the present quarrel continues, the less flexible is either side, the less influence do the moderates exercise, the more extreme the solutions proposed. Deliberately to polarize this situation, and write off the entire Arab world, will not even provide Israel with assurances of an acceptable future: There is nothing we can provide which will enable Israel to halt Nasser's war of attrition, or completely suppress terrorist activity, or assure control of a captive and restive Arab population, or stop Soviet penetration. Thus, at best, Israeli casualties will continue undiminished and will probably increase; worse, Israel will find itself in terrible isolation, with its borders turned into a continuous no-man's land, its neighbors growing more bitter, and the refugees, now

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increased in number, more than ever dedicated to Israel's destruction. The Soviets will have an open door to the entire Arab world, and we can expect to lose our oil investment, to see even the conservative Arab world radicalized, to see North Africa drawn into the dispute to our (and the entire Western World's) loss, to see Turkey and Iran increasingly unhappy with the US position, and to alarm our NATO allies.

Even that is not the worst: The situation is too unstable and too explosive for us to hope, once complete polarization has taken place, that it can be stabilized. It is more likely the Soviets will reject our ultimatums, and will be able to find considerable international support for their position (for example, in opening Suez). Their involvement could increase, along with Israeli loss rates, and we would face the excruciating question of further US involvement. The Soviets could well increase their forces in Egypt, with armored forces and additional air force units, and it is likely that Turkey, Greece, Italy and Spain would refuse to permit the US to use bases in their territory to conduct hostilities against the USSR-Arab forces. Under these circumstances, to make our involvement effective might be very difficult and very costly. The consequences, once US and Soviet forces were directly engaged, are incalculable.

4. If we are to have any hope of achieving our objectives, we must undertake major new political initiatives. Repetition of past proposals is not enough, and it is too late to put together a "bits-and-pieces" policy based on holding on in Jordan, Lebanon, and Saudi Arabia, while providing some modified help to Israel and attempting a Two- or Four-Power solution.

5. For these initiatives to have any chance of working they require, first, that we not provide any additional attack aircraft to Israel at this time, and, second, that Israel agree to a step-by-step approach, including limited withdrawal from the Canal. It is the unanimous belief of the US Intelligence Community, of all US embassies in the Arab world, and of numerous friendly governments, that agreement to further F-4 sales would destroy any hope of settlement. Further, the Intelligence Community believes we could not keep further sales secret. It is likewise the carefully considered judgment of NSSM 93 that Israel does not need additional attack aircraft at this time. Israel already enjoys a very substantial edge in bombing capability over its combined Arab opponents, and the Arabs having nothing remotely as good as the F-4 for attack purposes. To the extent Israel has an air defense requirement it could be met by offering to sell an air defense aircraft without nearly the adverse effect of the F-4s or even A-4s. The F-5 is available from US production, and it already has been sold to Morocco and Libya; the F-8, a plane with good success against MIGs in Vietnam, is available from US excess, and 50 could be rebuilt and sold to Israel in better-than-new (better engines) condition (Israel has requested and been provided this information); and F-104s are available from Canada -- indeed, reports have been received indicating several already have been delivered surreptitiously to Israel. Our decision on aircraft need not, and should not, be based solely on Israel's requests, but on US interests taken together with Israel's demonstrated needs, and on this calculus the F-4 and A-4 can be ruled out completely: Israel does not need them, and it is not in our interest to supply them.

For three years now Israel has held out promises of prospective concessions and hints of future flexibility, but only in the context of a complete settlement of all issues in direct negotiations. This approach has not worked, and it is highly unlikely that it will work in the future. Therefore, Israel must modify its all-or-nothing approach, with suitable safeguards and conditions, for there to be any hope for progress toward a solution. There is of course no guarantee that Israeli concessions, including a limited withdrawal from the canal, will achieve peace, but they will at least unlock one side of the door. It will then be up to us and the Arabs to try, jointly, to unlock the other side.

6 The need for progress toward a political solution is so important to the US, and the alternatives are so disastrous, that it is worth taking whatever steps are necessary, including strong pressures on Israel, to achieve this objective. This is true for Israel as well as for the US. It surely is not in Israel's long-term interests to try to live indefinitely in a hostile land with every man's hand against her. Being isolated with the US may resolve Israel's short term arms supply problems, but it merely makes long-term prospects more grim. It must also be pointed out that, even if these new initiatives and these Israeli concessions do not achieve their full objective, they are certain to have some positive advantages. Israel's image will have improved, as will that of the US. The Soviets will come under pressure to support the new peace moves. Moderate Arab regimes will be under less radical pressure, and Jordan's and Lebanon's chances for survival will be better. We shall, in short, have advanced at least a little toward our basic objectives -- or if not advanced, at least stopped

the backward slide In Pope's words, "Not to retreat is somewhat to advance/a man must learn to walk before he dance."

7. Rather than trying to reconcile anti threat US-Soviet positions by confrontation, a more positive approach - one that proceeds from common interests - would appear more logical. Soviet and US interests coincide in the desire to avoid nuclear war and to prevent Middle Eastern states from acquiring nuclear weapons However, mutual access to the area without exclusive, unilateral control should be possible Arabs and Israelis have mutual interest in survival, although the terms of this survival differ in the two camps The crucial question that must be asked is "Are there sufficient mutual interests among the indigenous and external powers upon which a settlement can be developed?"

8. In summary, this is alternative b, from paragraph 5, above It would represent a substantial US initiative, and even if only the initial aspects are successful, it would provide a breathing spell for more orderly consideration of the new element injected into the Middle East by the Soviets If the Israelis accept the plan, and the Arabs do not, any subsequent US sale of military equipment - including jet aircraft, if considered necessary to ensure Israeli security -- could be justified, and the aftereffects of any such sale in Arab countries should be attenuated If the Arabs accept and the Israelis do not go along, the Israelis would be put on notice that our heretofore implicit guarantee of their security is contingent upon Israeli actions being consistent with US national interests

III Scenario for Cease Fire and Initial Withdrawal

The moves recommended in this scenario are designed to achieve disengagement between Israeli and Egyptian forces along the Suez Canal. In turn, these steps toward a guaranteed cease fire would be geared to other phases leading to an ultimate peace treaty between Israel and the Arabs. While undertaking these initiatives, the US would be furthering certain important policy objectives in the Middle East: (a) tangible movement would take place toward a peace which is in the interest of the United States to achieve; (b) Israel's security, which ultimately depends upon Arab acceptance, would be enhanced, (c) the Arabs and Soviets would be separated by the active intervention of the US through peaceful initiatives, our only hope for countering the Soviets at this point in time being a political one, (d) the political and moral position of the United States in the Middle East and the world at large would be bettered; and (e) military attention in the United States would stay riveted on that area of the world, where paramount military tasks still remain to be accomplished, Southeast Asia.

A. General View of All Phases

The recommendations made below involve only one small but vital movement a movement by the UAR and ISrael, followed by other Arab powers, to stop their open warfare so that they can prepare for peace. Moves on all sides would take place simultaneously in order to avoid embarrassing situations where one party must "lose face" by moving first. Also, public disclosure of detailed plans would be kept at a bare minimum, since it is essential to peace in the Middle East that old rhetorical symbols be jettisoned for minimal gains instead of maximal demands. This scenario details only the establishment of a de facto cease fire on all fronts, including all parties. Beyond such a cease fire are envisaged other phases of a movement toward permanent peace, the first phase meant to move forward to succeeding phases. These phases are

- (a) de facto cease fire,
- (b) progressive demilitarization of the occupied territories with assistance from demilitarization specialists who will prepare studies and recommendations;
- (c) reopening of the Suez Canal to all nations, special attention to points of international sensitivity in the Middle East (Straits of Tiran, Jerusalem), and formal peace negotiations as inducements for progressive Israeli withdrawal under conditions of maximum security,
- (d) UN action on the status of the West Bank of the Jordan and the position of the Palestinians in international society,
- (e) a formal peace treaty.

During the de facto cease-fire phase, and thereafter, the U.S. would

work through the following channels:

- (a) its own good offices in political/military channels;
- (b) third countries (with minimum reliance on USSR);
- (c) interested and reliable private individuals and groups;
- (d) the UN

B. Basic Rules for Cease Fire

Certain basic rules would be agreed upon by the UAR and Israel. First, no crossing of the Suez Canal by UAR ground/air, or Israeli aircraft would be allowed, except for eventual reconnaissance flights. Second, areas of Israeli withdrawal in the Sinai and elsewhere will remain demilitarized until a final peace treaty. Third, multilateral guarantees for the cease fire, probably growing out of an association of states interested in opening the Suez Canal, would be implemented through normal diplomatic pressures and perhaps through UN forces at critical junctures, such pressures and forces would be given carte blanche access to demilitarized zones during the entire period from initial cease fire to final peace. Fourth, the UAR would agree not to build up its forces in a strip along the west bank of Suez equivalent to the first area of Israeli withdrawal on the east bank, except to install ordinary air defense systems up to and including SA-2 but not SA-3 positions. Fifth, no publicity as to arrangements, concessions or negotiations would be made, except in mutually agreed-upon terms. And sixth, both sides would commit themselves publicly to previous U.S. peace settlement proposals -- Egypt to final peace with and recognition of Israel, Israel to withdrawal from the occupied territories.

C. First Steps

Discussions would begin with the UAR, Israel and those powers who might be interested in a multilateral guarantee of a cease fire and withdrawal, if this were coupled with moves to open the Suez Canal to all traffic. To Israel we would raise, through military channels closely held, the question of exchanging a token Israeli withdrawal for a guaranteed cease fire. We recognize the adamant Israeli political position against any withdrawal until a final peace treaty, but a simple Israeli statement favoring withdrawal--while significant in itself--may not be enough for a President Nasser who has found new confidence with assistance from his Soviet friends. He may want something more tangible from Israel in exchange for a cease fire, especially when he has already gone beyond the issue of Israel stating its intention to withdraw to a demand for total, immediate withdrawal (he will have to give on the last point). We can offer the Israelis the possibility of a cease fire with an end to unacceptable casualties, and beyond this, a channel to the Arabs in which mutually advantageous quid pro quos might be arranged. We can also supply them with enough ground mobility -- armored personnel carriers, new tanks, self-propelled guns and more helicopters -- to be able to move back to the Canal quickly in the event of an emergency. We would also offer them sensing devices and reconnaissance drones. At the same time, however, we would make clear that our military commitment is limited to supply of certain equipment (not attack aircraft of the F4 and A4 varieties), and we will provide no direct military support under any circumstances.

To the UAR we would hold out the possibility of a token Israeli withdrawal in exchange for a cease fire, with further withdrawals likely as experience and other quid pro quos continue to develop. We have the great advantage in the Arab world (which is also a liability of course) of being in direct contact with Israel and of having immediate access to Israeli defense thinking. In other words, we can offer our good offices to Nasser so that he can get major concessions from Israel. Also, we offer Nasser an alternative to the USSR, which he will doubtless use to his own advantage. But since our advantage is served by both peace and by stepping between the Arabs and the Russians, we should not balk at the prospect that the UAR will play Machiavellian games. We might also offer the UAR certain sensing equipment for its own surveillance of the cease fire. Simultaneously, we might relax our export controls on certain items--such as trucks, radios, light aircraft and the like--which might be sold by American firms to the so-called "radical" Arab states. Finally, we would want Nasser to give serious attention to resumption of full diplomatic relations with the US.

To other Arab states with whom we have diplomatic relations we would give the broad outlines of our plans, with more details supplied as interest is evinced in cease fire exchanges with Israel. Within the context of official Lebanese and Jordanian auspices, we would attempt to communicate some of these ideas to the Palestinians as well, including future phases of our plan whereby the issue of Palestinian statehood would be raised in connection with the future of the West Bank.

To interested third parties we would begin to explore the possibility of a multinational guarantee for a cease fire, perhaps linked with use of

the Suez Canal. We might start by approaching certain nations immediately west and east of Suez, such as Spain, Italy, France, Great Britain, Greece, Morocco, Tunisia, Turkey, Yugoslavia, Iran, Pakistan, Ethiopia, India, Ceylon and Australia, with the idea of using our combined good offices for persuasion on a cease fire/withdrawal quid pro quo between the UAR and Israel. Italy has been particularly interested in an approach something like this. Consultations would take place through US diplomatic channels on bilateral bases with interested parties, and between the parties themselves on the subject of demilitarization. Perhaps the USSR could be coaxed into such guarantees by some power other than the US, by India for instance. Multilateral representations to the Arabs and Israel would include issues of quid pro quo on cease fire/withdrawal, opening of Suez to all nations (including Israel), carte blanche for diplomatic intervention during demilitarization phases, and so on.

In the United Nations we would first issue a public call -- perhaps in a major public address by the President or Secretary of State -- for support for disengagement, de-escalation and rigorous arms control. We would also approach the Secretary General confidentially on the details of our plan, in order to enlist his good offices.

To the Russians we would announce our plan in general terms, but save intimate negotiations for our relations with other powers (who might well leak information to the Russians). This would force the Russians to guess at our aims and future moves, which would in turn constantly force them off balance. They might well "over-compensate" by trying to

out-initiate us in peaceful overtures, because the highest prize of all in the Middle East could well go to those powers who bring peace with honor to the region. At any rate, our initiatives could in no way escalate warfare in the region, but instead might well contribute to a race between the US and USSR for more clever political tactics. One such tactic might well be an agreement between the US and USSR on limiting new arms deliveries to the Middle East.

To both the Israelis and Arabs we would appeal privately for a temporary cessation of hostilities or at least a stalemate in military operations which would provide a proper context for our new initiatives. This appeal might be carried by special emissaries from the President to heads of states and to key leaders in the Palestinian movement.

If signals are positive in all of the approaches above, we would then move to orchestrate them for an actual cease fire and first Israeli withdrawal. A special group in the US government, perhaps along the lines of the Special Review Group of the NSC which has been meeting on NSSMs 81-82 and 93 (Undersecretary of State, Deputy Secretary of Defense, Chairman JCS, Director CIA, Assistant Secretary of State for NEA, and chaired by The Special Assistant to the President on National Security Affairs), would be organized for purposes of quick response and action on steps toward peace. Working groups would be formed to deal with questions arising out of multilateral guarantees, emergency military supply, Israeli-Arab negotiations, demilitarization, internationalization, UN affairs, Palestinian statehood and a formal peace treaty.

IV. Overall Settlement

The objective of these first steps, of course, is to open the door for an overall settlement.

1. Such a settlement would have to include the following elements.
 - a. The Arab side would have to:
 - (1) End state of belligerency.
 - (2) Control terrorist activity.
 - (3) Allow free transit of Suez and Straits of Tiran.
 - (4) Allow resettlement of Palestinian refugees.
 - (5) Agree to some form of negotiations with Israel.
 - b. Israeli side would have to
 - (1) Withdraw from most of the occupied territories.
 - (2) Accept some refugees and assist in resettlement of remainder.
 - (3) Sign NPT and agree not to acquire nuclear weapons
 - (4) Accept indirect negotiations with Arabs since direct negotiations do not appear feasible.
 - c. Special areas requiring compromise by both sides
 - (1) Gaza Strip
 - (2) Jerusalem
 - (3) Type of negotiations and resultant peace document.
 - d. Countries external to area would have to:
 - (1) Guarantee territorial integrity of all states.
 - (2) Guarantee freedom of transit.

(3) Assist in controlling violations of agreement to include activities of fedayeen terrorists as well as Israeli reprisals.

(4) US and USSR agree not to intervene directly with own forces.

e. Critical factors that must be accomplished.

(1) Persuade Arabs to agree to these concepts including control of fedayeen.

(2) Persuade Israelis to withdraw, thus leaving security to outsiders.

(3) Agreement on resettlement of refugees.

(4) Determine sincerity of USSR to agree to genuine settlement by withdrawal of combat units.

(5) Determine capability of UN to manage affair.

2. The special areas of compromise might include these aspects:

a. Israel and Arab countries to agree not to produce or acquire nuclear weapons or other strategic weapons as long as terms of this agreement maintained.

b. Jerusalem to be declared a demilitarized and open city, with free access to all. For example, tripartite administration -- UN, Arabs and Israeli -- might be established.

c. UN forces to be stationed at Sharm el Sheik and on both sides of Israeli borders. These areas to be demilitarized except for UN force. (Some other sponsorship of peacekeeping forces might be feasible.)

d. Gaza Strip to be made part of Israel but with special status and autonomous Arab administration under UN supervision. (Alternatively, Gaza might become part of Jordan.)

e. Big Four to sign separate protocol to guarantee terms of settlement, to limit supply of arms to area and not to intervene with own forces.

3. This will necessitate at least the following continuing courses of action:

a. Re-establish ceasefire.

b. Formulation of all aspects of a settlement that we are prepared to promulgate, support, and exert pressure to have accepted.

c. Pressure on Israel to agree to this package settlement.

d. Pressure on Arabs to agree to a genuine settlement by accepting independence of Israel and other commitments outlined in this paper.

e. Ascertaining that Soviets want a settlement and not just a temporary defusing while they continue efforts to dominate area.

f. Relating Soviet-US agreements in the Middle East to the broader arena of East-West relations.

g. Information program to ensure domestic and international political support.