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Department of State

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415. Memorandum From the Under Secretary of State (Katzenbach) to President Johnson/1/

Washington, May 1, 1967.

/1/Source: Johnson Library, National Security File, Country File, Israel, Israeli Aid, 5/67. Secret; Exdis. Filed as an attachment to Document 416. No drafting information appears on the memorandum, but another copy indicates that it was drafted by Sterner and cleared in draft by Rochlin, Deputy Assistant Director of ACDA for International Relations Culver Gleysteen, Raymond L. Garthoff of G/PM, Vladimir Toumanoff of SOV, Director of Atomic Energy Affairs in SCI Donovan Q. Zook, Edward A. Padelford of NEA/RA, Director of INR/RNA Granville S. Austin, Bergus, Battle, and Deputy Assistant Secretary in NEA Stuart W. Rockwell. (National Archives and Records Administration, RG 59, Central Files 1967-69, POL 27 ARAB-ISR) An undated memorandum from Battle, forwarding the memorandum for Katzenbach's signature, states that it was prepared at the request of the White House staff. (Ibid.)

SUBJECT

The Arab-Israel Arms Race and Status of U.S. Arms Control Efforts

Conventional Forces. Israel has a safe margin of superiority over any combination of Arab forces likely to attack it and can be expected to maintain that position for at least the next five years. Arab numerical force superiority is more than matched by Israel's superiority in training, leadership, military doctrine and maintenance of equipment. Moreover, the Arab states have made little progress in military coordination among themselves. Recent border clashes have demonstrated that

short of general hostilities, or Israeli occupation of Arab territory, the Arab states will not rush to one another's assistance. In practical terms, therefore, Israel's security must be measured by its ability to maintain military superiority over the UAR, the strongest single Arab state that can challenge Israel.

Nuclear Weapons. Concerned that over the long run the Arabs will achieve superiority in conventional forces, Israel is carefully preserving its option to acquire sophisticated weapons, including, we believe, nuclear weapons. We have no evidence that Israel is actually making a bomb, but we believe Israel intends to keep itself in a position to do so at reasonably short notice should the need arise. The Israeli reactor at Dimona is capable of producing enough plutonium to make one or two bombs a year, but thus far our periodic inspections of this facility (most recently on April 22, 1967) have uncovered no evidence of weapons activity. Our inspectors emphasize, however, that their visits cover only the Dimona site and there can be no assurance that the Israelis are not pursuing a clandestine weapons program elsewhere./2/ Our suspicions that we do not know the full story have been heightened by the Israelis' unwillingness to tell us what happened to 80-100 tons of unsafeguarded uranium concentrate that they bought from Argentina 4 years ago. We have also had reports that Israel has acquired a nuclear chemical separation plant, which--if true--would be a significant step toward a weapons capability. These reports are being urgently investigated.

/2/A "Preliminary Report of the Visit to Atomic Energy Sites in Israel, April 20 to April 24, 1967: Summary and Conclusions (Only)" is in the Johnson Library, National Security File, Files of Harold Saunders, Israel-Nuclear-Dimona-Desalting.

On the Arab side, no state is anywhere near a nuclear weapons capability. The UAR has a small 2-megawatt research reactor which cannot produce significant amounts of plutonium.

Both Eshkol and Nasser are on record as saying that their countries will not be the first to introduce nuclear weapons into the area. Beyond this, however, neither the Egyptians nor the Israelis have accepted IAEA safeguards over their entire nuclear programs, in spite of our urging them to do so. The UAR's position is that so far they

have nothing that requires safeguarding whereas Israel does and should therefore be the one that takes the first step. Israel's position is more complex. Israelis have stressed to us their concern that information obtained by IAEA inspectors, which might be available to the UAR, could aid the latter in planning a military or sabotage operation against Dimona. In terms of their long-range security the Israelis may also have decided that they will not accept limitations upon their sophisticated weapon option in the absence of Arab arms control undertakings in the conventional field.

Ballistic Missiles. Israel has contracted with the French firm of Dassault to purchase an unknown quantity of surface-to-surface ballistic missiles. These missiles are capable of carrying nuclear warheads and would not be militarily cost-effective unless so used. The missile (designated the MD-620) is now being flight-tested by the French. None have apparently been delivered to Israel as yet, but initial deliveries could take place sometime in 1968. Latest evidence indicates that, despite some difficulties with the guidance system, the MD-620 program is moving forward. Israel is also pursuing an indigenous SSM R&D program.

The UAR's SSM program, though widely advertised for many years, has reached a virtual standstill. Most of the West German scientists who were assisting this effort have departed. Flight testing of the UAR missiles has been suspended, and it is estimated that the missile program, at its present level of activity, could not be successfully completed within the next decade.

Soviet Policy. Although the Soviets have gained much from their large sales of conventional weapons to certain Arab countries, we believe it unlikely that they will help any Arab state toward a nuclear weapons capability. There is similarly no hard evidence of Soviet assistance on the UAR's missile program.

U.S. Initiatives. The coming months may well offer our best opportunity in years to press for our arms control objectives because of two possible forms of additional leverage--first, a non-proliferation treaty, and second, U.S. willingness to finance desalting plants in the area. We plan to pursue our objectives along the following lines.

1. *Safeguards and the NPT.* We hope the non-proliferation treaty will prove to be a vehicle to help us get both Israel and the UAR to accept safeguards over their nuclear programs. Much will depend on whether the treaty emerges with a strong safeguards clause. As soon as the U.S. is ready to table a draft treaty at the ENDC, we plan to discuss it with the Israelis and the UAR. We are also exploring ways of overcoming Israel's suspicions of the IAEA, including the possibility of getting Israel a seat on the IAEA Board of Governors.

2. *Ballistic Missiles.* In May last year we raised with Eshkol our concern over Israel's plans to acquire ballistic missiles. Eshkol said Israel would not acquire SSM's "for two, maybe three years." He indicated that if Nasser "abandoned" his missile program, Israel would do likewise. Since the UAR's program has remained inactive in the intervening year, we plan to raise this again with Eshkol in the near future. Our objective is to try to achieve a tacit understanding with the Israelis and Egyptians for mutual forebearance in the further development of their SSM programs. If Eshkol is receptive, we are prepared to approach Nasser.

3. *Talks with the Soviets*. Our probes of the Soviets concerning arms control in the Arab-Israel context have elicited little show of interest thus far. We do not expect that the Soviets will be receptive to an approach on controlling the supply of conventional weapons. However, depending on the course of U.S.-Soviet negotiations on the nonproliferation treaty, we may have a renewed opportunity to take up the problem of nuclear weapons and missiles in the Near East.

4. *Put More Punch Into Our Arms Control Discussions with the Israelis*. We are disappointed not only in the lack of progress of our arms control discussions with the Israelis but in the lack of Israeli candor that has characterized them. There is a large area of Israeli activity and planning that is a closed book to us. During the coming year we would like to see arms control results linked more directly to Israel's requests for military and economic aid.

Continuing Intelligence Surveillance. While our inspections of Dimona can reassure us concerning activities there, they leave open the possibility of Israeli weapons activity somewhere else in Israel. For this reason continuing surveillance of Israel by every means at our disposal must remain a high priority intelligence requirement. We intend also to keep a watch on Israeli efforts to acquire in other countries equipment and technology related to nuclear weapon and missile programs.

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