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DEPARTMENT OF STATE

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MEMORANDON FOR THE PRESIDENT

Subject: Visit of Israeli Prime Minister Eshkol.

I. The Prime Minister: Vigorous for his 68 years, Eshkol is a shrewd, patient, negotiator—well-briefed for his Washington talks. His reputation as a compromiser masks a basic strength and roughness. Since succeeding Ben-Gurion last June, he has established himself as a political power. His English is adequate.

II. On this visit, Eshkol wants (but will settle for less than):

- Purchases of military hardware, principally tanks, as
 -symbol of U.S. support, and
 -means of retaining superiority over Arabs;
- Financial aid to improve his armed forces;
 (if necessary, we can make development loans)
- 3. Impress us with seriousness of U.A.R. missile threat;
 (we disagree)
- 4. Concrete cooperation on nuclear desalinization;
 (we can be forthcoming)
- A boost to his leadership at home.
 (this is to cur interest)

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1. To satisfy Eshkol of our continued interest and ability to safeguard Israel against attack;

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- To maintain U.S. influence among the Arabs. ease Arab-Israeli tensions, and promote trends deverd accommodations;
- 3. To prevent stimulation of the Near best arms race by Israeli acquisition of missiles or nuclear weapons.
- IV. Recommended Points to Make to Prime Minister:
- 1. We are committed to safeguard the independence and integrity of Israel. We have the capability to do so and have stated our commitment publicly and privately.
- 2. Our assessment is that Israel will continue to enjoy its present military superiority over the Arabs for the next several years. Despite exoggerated Israeli claims, for the foreseerable future, the U.A.R. missile capability will remain primarily a psychological threat and the U.A.R. nuclear capability nil. We are concerned about the escalation of the Near East arms race and firmly oppose proliferation of nuclear meapons and missile acquisition by either side. We consider acquisition of missiles, even with conventional warheads. a significant step toward the acquisition of a nuclear capability. We have discussed restraint in this field with both Israel and the U.A.R. and intend to pursue it further. We are not unhopeful of positive results.

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Israel development loans up to \$10 million in FY-1965 end a similar amount in FY-1966 on the same terms as in 1964, contingent upon no drop in our overall aid appropriation levels.

5. Awars of Israel's acute need for fresh water, we are prepared to cooperate in developing practical processes of desalting. We propose the initiation of joint U.S.-Israeli feasibility studies on the type and size of desalting plants most appropriate for Israel's use. If the studies showed positive results, the U.S. would be prepared to consider helping finance an agreed project.

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seek extension of war safeguards to all nuclear facilities in both Israel and the U.A.R, to ease tensions and damp down the arms race.

- 7. That to allay genuine Arab fears and to facilitate our efforts to moderate pressures in the area, Prime Minister consider making pariodic public reductals of charges of Israeli expensionist ambitions, and reiterate his desermination to continue to work for an Arab-Israel peace despite resulfs from the other side.
- 8. Our efforts would be further enhanced by Israeli cooperation on refugee initiatives, on measures to strengthen UNTSO, generally with and within the UN, and on continued quiet implementation of the Jordan water project with minimum publicity.

V. Summary Considerations:

1. Israel's two basic concerns ara

-- long-term security margin over Arabs

-- need for fresh water through salinization

- 2. Israel seeks tangible U.S. support: arms with aid to cover costs or close military association.
- of suspected aggressive expansionist aims underlie the Arab arms build-up and anti-Israeli propagends.
- 4. Arab recognition of U.S. as main bulwark of Israel's long-term security gives special significance to our acts and statements.

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- 5. Arab-Tarael confrontation in shaky equilibrium
 - -- Jordan waters diversion seems unlikely to cause farge-scale hostilities.
 - -- U.A.R. missile developments are insufficient to provoka pra-emprive Israeli autack.
 - -- U.A.R. is in a poor military posture for a major attack.
 - -- Arab relations with the West after some improvements have become uncertain, with flashes of hostility.
 - --Although Khrushchev visit pointed up common Soviet-U.A.R. policies to reduce Western influence in the Near East, joint communique carefully avoided any statement implying aggression against Israel. Record shows Nesser not tool of Soviet policy.
 - -- Any worsening of Arab-West relations resulting from partisan policy in favor of Istaal will damage Israel's interests.
 - -- Vestern ability to help Israel is in direct ratio to Western influence with the Arabs.

Acting Secretary

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PRIME MINISTER ESHKOL OF ISRAEL Official Visit, June 1-3, 1964

Background Paper

THE SITUATION IN THE MIDDLE EAST

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Present Status of the Arab-Israel Confrontation

An uneasy equilibrium continues to exist in Israel's confrontation with a hostile Arab world. Although friction along the borders is constant, there has been no major military clash since March 1962. The most critical Arab-Israel issue this year, Israel's diversion of Jorden River waters, seems less likely to cause large scale River waters, seems less likely to cause large scale hostilities in the near future, though the possibility of Arab counter-action that could escalate cannot be ruled out entirely. Israel's deep concern about U.A.R. missile development does not seem to be sufficient to prompt it to pro-emptive attack. With one-third of its effective ground forces mired in the Yemen and its new weapons development far from achieved, the U.A.R., Israel's principal military antagonist, is in a poor military posture for a major attack.

While the hest of the Arab-Israel dispute seems likely for a time to remain below the flace point, there are many forces at work that could disturb the existing precarious balance and, more generally, what stability there is in the area as a whole. First and stability there is in the area as a whole. First and foremost, Arab hostility toward Israel remains unmitigated. No Arab leader or government is prepared to seek accommodation with Israel and threats to destroy Israel remain a staple of Arab political speeches. The U.A.K. lobbied successfully at the Cairo Summit for a policy of containment of Israel rather than the liberation of Palestine.

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Arnb States Internal Stability

Under the shadow cast by the unrelieved Arab-Israel dispute, the Arab states offer a mixed tableau in their internal affairs, relations with one another, and relations with the West. The Arab governments generally have shown improved internal stability during recent months, and in Soudi Arabia, where Crown Prince Faisal has taken effective power, the prospects for stability and needed internal reform are brighter. There are important exceptions to this pattern, however. In Iraq, in spite of an uneasy truce, a finel settlement of the Kurdish reballion is not clear or in sight. In the Yemen, the civil war goes on, though the resumption of U.A.R.-Saudi diplometic rolations and a mutual announcement that noither has designs in Yeron are positive steps in the diraction of some kind of a modus vivendi between the two outside powers most directly involved. It is in Syria that problems of internal stability are most acute, and have the most direct hearing on the Arab-Israel dispute. Syria is the most bolligerent-minded of Israel's neighbors and the continuance of chronic governmental instability there feeds Israeli fears that an extremist government, newly come to power, might order an irrational military attack, perhaps on Israel's Jordan waters diversion network. It is reassuring to some degree that, in spite of continuing rumblings within Syria, her border troops have apparently been under tight discipline as Israel presared to take water out of Lake Tiberias, and no serious clashes have occurred.

Inter-Arab Relations

The solidarity achieved by the Arab nations at the Arab summit conference, resting on a common recognition that military action was not a rational counter to Israel's Jordan waters diversion plans, has remained reasonably intact. The one important exception is Syria, which has

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become the target of violent U.A.R. and Iraqi propaganda attacks (and according to the Syrians, subversion) during recent weeks. Both governments obviously think the time propitious to try for a more sympathetic and malleable regime in Damascus. Such a regime, in the short run at least, by being more closely tied to U.A.R. policy, would at least be a less erratic and unpredictable neighbor for Israel.

The Arabs and the West

Israel, looking out at the Arab countries about it, must consider not only their internal situations and relations with one another, but also their relations with the rest of the world and, most particularly, with the West. Generally viewed, the Arabs' relations with the West, slowly but perceptibly improving in the recent past, seem now to have entered into a period of uncertainty and, in some facets, hostility. The British have stiffened against what they view as Nasser's chollenge to their control in the southern Arabian peninsula and the Yeman border war is assuming more substantial proportions. Libya, on the threshhold of a new ere of financial independence and urged on by the U.A.R., is seeking to terminate the British and U.S. military presence there. And finally, the West's refusal to take issue with Israel's diversion of the Jordan again highlights, this time in terms of an issue all Arabs can understand ("theft" of Arab water), the West's continuing support of Israel.

Israel and the West: Implications for U.S. Policy

The Arab reaction smid portents of a more general change in the climate of Arab-West relations has been one of both militancy (the southern Arabian peninsula) and moderation (the Arab Summit decision that there would be no military riposte to Israel's Jordan waters diversion). Recent events, however, are read by Israel through its own particular prism. It claims to see in them further symptoms of an Arab hostility as unrelenting toward the West as it is toward Israel. It points to the West's community of interest with Israel and asks that this be

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