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December 1, 2011

## LBJ LIBRARY DOCUMENT WITHDRAWAL SHEET

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<u>Doc #</u>	<u>DocType</u>	<u>Doc Info</u>	<u>Classification</u>	<u>Pages</u>	<u>Date</u>	<u>Restriction</u>
03	report	Israeli Arms requests same sanitization 11/07/11 per NLJ 11-137 (#17)  Dup. #28, Papers of Bromley Smith, "NSC Standing Group Meetings, Volume 2," Box 28 Dup. #17 and #17c-1, NSF, CF, "Israel, Tanks, Volume 1," Box 144 Near Dup. #99, #148c, NSF, Files of Komer, "Israel Security (Tanks), 11/63 - 6/64," Box 32	S	21	04/28/64	A
05n	report	"UAR/Israeli Missile Program"  Dup. #40g, NSF, Memos to the President, "Volume 2," Box 1 Dup. #44a, NSF, Files of Komer, "Israel, 11/63 - 12/64," Box 29 Dup. #44a, NSF, Files of Komer, "Israel Security (Tanks), 11/63 - 6/64," Box 32	S	1	03/06/64	A

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**Collection Title** National Security File, National Security Action Memorandums**Folder Title** "NSAM 290--Meeting Israeli Arms Requests"**Box Number** 3

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## WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#1 memo	Read to Bundy <i>open 12-13-99</i> S 1 p	4/27/64	A
#1a memo	"Response to NSAM 290" <i>open 10/29/02</i> S 1 p	undated	A
#2 rpt	"Israeli Arms requests" <i>open 3/31/03 NLS 02-66</i> S 24 p <i>sanitized 9-13-95 NLS 93-331</i> [Dup. #26c, Papers of Smith, "NSC standing Group Mtg. Vol. II" Box 28] [Dup. #18, NSF, CF, "Israel Tanks, Vol. I" Box 144] [Dup. #96b-96k, 148c, NSF, File of Komer, "Israel Security (Tanks)" 11/63-6/64, "Box 32"]	undated	A
<del>#3 rpt</del>	<del>"Israeli Arms requests" same sanitization, 11/61/11, for NLS 11-137 (#17), 4/28/64</del>	<del>undated</del>	<del>A</del>
<del>#3b memo</del>	<del>NSAM 290 <i>open 1-4-93 NLS 93-67</i></del> S 1 p [Duplicate of #4]	<del>3/19/64</del>	<del>A</del>
#3d rpt	"Inventory of Middle East Armor" S 3 p <i>open 10-3-93 NLS 93-332</i>	undated	A
#3f memo	Wheeler to SecDef S 2 p <i>open 8/26/02 per FRUS, vol. XII, #28</i>	3/12/64	A
#3j rpt	"Availability and Price Data" S 1 p <i>open 2-10-07 NLW/PALCOZ 50</i>	undated	A
#3s rpt	"Provision of Tanks through W. Germany" S 2 p <i>open 10-3-93 NLS 93-332</i>	undated	A
#3u rpt	"UK Attitude toward Supply of Tanks..." S 1 p <i>open 12-13-99</i>	undated	A
#4 memo	Duplicate of #3b <i>open 1-4-93 NLS 93-67</i>		
#5e memo	Bundy to President <i>open 12-13-99</i> S 1 p	3/13/64	A
#5g memo	Bundy to President <i>open 12-13-99</i> S 2 p	3/8/64	A

FILE LOCATION

NSF, NSAM, NSAM 290--Meeting Israeli Arms Requests

Box 3

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#51 memo	Intelligence Memorandum S 6 p	2/25/64	A
#5n rpt	"UAR/Israeli Missile Program" S 1 p	3/6/64	A
#5p memo	NSAM draft S 1 p	undated	A

FILE LOCATION

NSF, NSAM, NSAM 290--Meeting Israeli Arms Requests

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DEPARTMENT OF STATE  
WASHINGTON

2227  
NSAM 290

Bundy

April 27, 1964

MEMORANDUM FOR MR. McGEORGE BUNDY  
THE WHITE HOUSE

Subject: Transmittal of Three Documents on NSAM 290, "Meeting Israeli Arms Requests"

Enclosed are 1) the covering Memorandum for the Standing Group and 2) the two responses of the Department of State and the Department of Defense to NSAM 290, "Meeting Israeli Arms Requests".

It is suggested that, in addition to the regular membership of the Standing Group, the following individuals who have expressed a desire to be present for the discussion be invited to attend the April 28<sup>th</sup> meeting: William C. Foster, Director, Arms Control and Disarmament Agency, and John D. Jernegan, Deputy Assistant Secretary, Near Eastern and South Asian Affairs.

*Mr. Bundy  
was asking why  
Foster? BKS  
Enclosures:*

*Benj H. Read*

Benjamin H. Read  
Executive Secretary

*wed at 5 p.m.*

1. Memorandum for the Standing Group.
2. Department of State and Department of Defense Responses to NSAM 290.

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Group 3

Downgraded at 12 year intervals;  
not automatically declassified.

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
State Dept. Guidelines  
By rg, NARA, Date 12-13-99

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1a

MEMORANDUM FOR THE STANDING GROUP

SUBJECT: Response to NSAM 290, "Meeting Israeli Arms Requests"

The State and Defense Departments have thoroughly analyzed the questions raised in NSAM 290. Their tentative conclusions are that the U.S. is sympathetic to Israel's growing need for modernization of its armor and would find it advantageous from a production and balance of payments point of view to sell 500 tanks to Israel but: (a) Israel's need is not immediate; (b) the political cost to the U.S. of meeting this need directly would be too great; and (c) there are alternate possibilities for meeting Israeli needs via European suppliers which offer promise. The conclusion that the cost to U.S. interests in the area of providing the tanks from U.S. sources would be heavy is supported by SNIE 36-2-64 of 15 April 1964.

Moreover, Israeli acquisition of surface-to-surface missiles is a matter of great concern to the U.S., because of the new arms spiral it would help stimulate in the area and the additional step toward an Israeli nuclear deterrent it might entail.

These judgments are more fully discussed in a State Department paper (Tab A) and one from the Department of Defense (Tab B).

Therefore, the agencies concerned tentatively recommend that the following be the basis for U.S. discussions with Israeli Prime Minister Eshkol:

Yes | 1. The U.S. should tell Israel that, while recognizing Israel's growing need for tanks, the U.S. cannot enter into direct supply at this time.

Yes plus | 2. However, the U.S. believes that alternate sources of supply which meet Israeli needs can be made available, with U.S. help behind the scenes, and is willing to help Israel explore these.

h | 3. The U.S. should tell Israel again of its strong opposition to Israeli missile acquisition and seek to dissuade Israel from going down this road; we are even more concerned about the development of nuclear weapons and insistent that there be no proliferation of such weapons in the Middle East.

4. The U.S. is intensifying its exploration of possible arms control measures to damp down the Middle East arms race, and enlists Israeli help in this effort.

DECLASSIFIED  
Authority FRUS, 64-68, v. 18, H47  
By SJ, NARA, Date 10-29-02

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2227  
This document consists of 24 pages  
No 3 of 38 Copies, Series B.

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NSC STANDING GROUP MEETING

APRIL 28, 1964

SUBJECT: ISRAELI ARMS REQUESTS

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DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 02-66  
By cbm, NARA, Date 3-20-03

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DEPARTMENT OF STATE  
RECOMMENDATIONS FOR ACTION ON ISRAELI ARMS REQUESTS

CONTENTS

Summary

- I. Problem
- II. Conclusions
- III. Recommendations
- IV. Discussion
  - A. Political Climate in the Near East
  - B. Israel's Quest for Security
  - C. Israel's Request for U.S. Tanks
  - D. Israeli Missile Acquisition

Attachments:

- Tab A - Analysis of Key Factors Relating to Israel's Request for Tanks
- Tab B - Impact of Provision of U.S. Tanks to Israel on Major U.S. Policy Interests in the Near East
- Tab C - Economic Effects of Supply of U.S. Tanks to Israel
- Tab D - Field Estimate of Probable Local Reactions to the Supply of U.S. Tanks to Israel
- Tab E - Pertinent Indicators on Israel's Economy
- Tab F - What the U.S. Has Done and Is Doing to Support Israel
- Tab G - Partial List of Current Israeli Requests for Military and Quasi-Military Equipment by or through the U.S.

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NSC STANDING GROUP MEETING

April 28, 1964

Subject: Israeli Arms Requests

Summary

Israel has requested grant aid to acquire 500 modern U.S. tanks, and has inquired about ground-to-ground missiles and naval equipment. Israel concedes its military superiority over the Arabs at the present time, but in the near future believes it needs to modernize its tank force and desires missiles to deter possible future Arab aggression. Although the Arabs recognize U.S. military power as the prime deterrent to their attacking Israel, the latter is determined to build an independent military deterrent.

We estimate that compliance with Israel's arms request would 1) vitiate overall U.S. policy objectives in the Near East, 2) risk severe damage to U.S. military, commercial and financial interests, 3) jeopardize our secret and sensitive arms control initiatives, 4) risk cold war polarization in the area, and 5) accelerate and expand the Near East arms spiral to include missiles capable of conversion to nuclear warheads. Moreover, compliance holds little for the U.S. in terms of greater cooperation from Israel in achieving our foreign policy objectives.

Israeli acquisition of tanks from its usual arms suppliers in Western Europe would meet its needs and pose less threat to U.S. interests. Israeli acquisition of missiles is against the national interests of the U.S. and in our view is also counter to the interest of Israel, and should be opposed.

I. Problem: Israel has stated its need in the near future to acquire tanks, ground-to-ground missiles, and naval equipment to assure its security. It has requested grant aid to acquire 500 U.S. tanks (M-48A3 and M-60).

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Aware of U.S. opposition to proliferation of sophisticated weapons, Israel has merely stressed its needs in this field to U.S. officials but has submitted no formal request. Meanwhile, Israel has arranged to procure ground-to-ground missiles from France in about one year.

While expressing concern about projected expansion of the U.A.R. navy and its acquisition of Komar missiles from the U.S.S.R., Israel has said the naval equipment it requires is not available in the U.S. and has approached the UK and West Germany for submarines.

## II. Conclusions:

1. U.S. military power and our stated opposition to aggression have been the main assurance of Israel's long-term security and are so recognized by the Arabs.

2. Acquisition of tanks, missiles and naval equipment is relevant largely to Israel's determination to have an independent military deterrent against possible future Arab aggression. We consider Israel concedes it enjoys military superiority over the Arabs.

3. Israel can acquire the arms it wishes from its usual Western European suppliers. We judge its request for U.S. tanks is designed primarily to project the image of a close military association with the United States, and secondarily to save money.

4. As shown in estimates from the field (Tab D), the supply of U.S. tanks to Israel would jeopardize current U.S. policy objectives in the Near East and risk serious damage to U.S. military, commercial and balance of payments interests. In our view, it would also militate against Israel's long-term security interest by causing further escalation of the Near East arms race. In addition, our secret and highly sensitive arms control initiatives would be seriously vitiated.

5. Acquisition of missiles by Israel presents serious risks of further cold war polarization in the Near East, acceleration of the arms spiral and eventual acquisition by Israel of a nuclear missile capability.

6. The potential gains from the supply of tanks to Israel, whether in terms of improved relations with Israel or progress toward attainment of our foreign policy objectives in the Near East, are not commensurate with the potential losses.

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### III. Recommendations: That we:

1. Encourage Israel to acquire tanks and anti-tank weapons from usual Western European suppliers.
2. Explore means to facilitate Israel's acquisition of tanks from Western European sources.
3. Dissuade Israel, by appropriate means, from acquiring missiles or developing nuclear weapons.
4. Accelerate and intensify our secret efforts to achieve practical arms control in the Near East.

### IV. Discussion:

A. Political Climate in the Near East: By concentrating on developing and expanding bilateral interests, the U.S. was able from 1959-63 to improve its relations with Near Eastern states. During this period, we followed a policy of firm, but unostentatious, support of Israel and, by tacit agreement with the Arabs, we kept the Arab-Israel problem largely "in the ice box." We hoped to draw upon the resulting good will we had built up to influence the Arabs to a moderate reaction to Israel's off-take of Jordan waters scheduled for the spring of 1964. The decision of the January Arab Summit Conference to eschew military action against Israel was in fact a consequence of our policy. We did not achieve this without cost, however. Congressional attacks on Nasser culminating in the Gruening Amendment had already galled the Arabs. A hostile state of mind further evolved after the Alexis Johnson speech, grew with the President's Weizmann Institute address, and gained further strength with the announcement of the President's invitation to Prime Minister Eshkol. This hostility has taken concrete form in a growing anti-American propaganda campaign and the recent demand by Libya to vacate Wheelus Air Force Base. It is increasingly evident that further deterioration in our Arab relations will result in heavy, possibly damaging pressures against our major interests in this area.

B. Israel's Quest for Security: Israel considers maximum effective security measures vital to its survival. It pins its hopes for security on maintenance of an independent military deterrent supplemented by U.S. support against the Arabs. To achieve this objective, Israel seeks an arsenal of increasingly sophisticated weapons and a close military association with the United States. Israel is not

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satisfied with public and private assurances of U.S. support against aggression. It wants the U.S. to commit itself to joint military planning or a formal military alliance. Short of this, it seeks to project the image of a de facto alliance through increasingly frequent military consultations, exchanges of visits by high-ranking military officers, and a growing volume of military purchases. Israel's request for help in procuring tanks is an integral part of this pattern, since suitable armor is available in Western Europe which traditionally has supplied Israel's armed forces. The sale of U.S. tanks to Israel would be regarded by both Arabs and Israelis as tangible evidence of U.S. military support of Israel against the Arabs.

Israel appears to have assigned a lower priority to the acquisition of missiles and naval equipment. It does not see an immediate threat from the U.A.R. missile program and navy. Current discussions on these items appear to have been designed partly to prepare the ground for later, more serious approaches. Israel used a similar technique to acquire the Hawk missiles. The softening-up process lasted three years in that case.

We believe arms control is vital to Israel's security and ultimate acceptance as a Near Eastern state. Our ability to help in achieving a viable arms control program will be vitiated indefinitely if we now upset our established arms policy and thereby identify ourselves with Israel against the Arabs.

C. Israel's Request for U.S. Tanks: Israel wants tanks to assure continuance of its military superiority over the Arabs. It wants U.S. tanks to symbolize a closer U.S.-Israeli military association. It also hopes to get these free, or very cheaply.

As pointed out in comments from the field (Tab D), supply of modern U.S. tanks to Israel on any terms at any time would jeopardize our basic objectives of assuring Western access to Arab oil and to strategic communications, transportation and base facilities in the Near East. It would also seriously reduce U.S. influence with the Arabs, which is important for Israel's interests, Israel's security, and the peace of the area.

Although the Arabs respect U.S. military power as a prime deterrent to their attacking Israel, the latter insists on maintaining an independent military deterrent. The Joint Chiefs of Staff consider that Israel will continue to enjoy overall military superiority over the Arabs for the next several years but needs to modernize its tank force. Israel has built and maintained a powerful military deterrent by purchases from

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Western European arms sources with little strain on its flourishing economy. Israeli acquisition of tanks and anti-tank weapons from its usual arms suppliers would meet its military needs and pose much less threat to the U.S. interest.

D. Israeli Missile Acquisition: Israel agrees that U.A.R. missiles are effective only as a psychological weapon to disrupt Israel's mobilization system. It insists, however, upon the acquisition of a missile capability to deter Arab attack.

Israel has contracted with a French firm to develop a ground-to-ground missile similar to the Pershing. Twenty-five missiles are scheduled for test firing July 1964 to July 1965. If successful, Israel reportedly plans to order 250 missiles.

The Rowen mission to Israel failed to persuade Israel to give up missiles in exchange for the provision of tanks by the U.S. In any case, because of the leverage it would give Israel to press us for further arms supplies, such an arrangement would not be in the U.S. interest.

The acquisition of missiles by Israel would accelerate the arms spiral in the Near East. It might also call into question the unconditional U.S. pledge to assist Near Eastern states against aggression. The U.A.R. would seek to obtain improved missiles from the Soviet Union and might launch a pre-emptive attack on Israel. A closer U.A.R.-Soviet association and the positioning of missiles acquired by the U.A.R. from the U.S.S.R. could threaten U.S. security interests and complicate the mission of the Sixth Fleet.

A further complication is that concurrent with efforts to acquire a missile capability, Israel is developing the know-how to produce nuclear weapons. To date, no Israeli facilities have a nuclear weapons making capability, but equipment conversions could make this possible within two years or so. Therefore, Israel appears to have the option of joining the small circle of nuclear powers. Upon acquisition of missiles from France, the Arabs would assume Israeli intent to develop nuclear-tipped missiles.

So long as the U.A.R. continues missile development, there is little prospect of diverting Israel from the missile road and perhaps the nuclear road. Conversely, realization that Israel is about to acquire such a capability would drive the U.A.R. either to more sophisticated missile acquisition from the Soviet Union or to a pre-emptive raid or attack. The only apparent way to end this arms spiral is to persuade the U.A.R.

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to suspend its missile program, perhaps through generous economic aid offers; coupled with convincing assurances that U.S. undertakings to oppose aggression in the Near East apply to Israel as well as the Arab states. We would need to make clear that while the U.S. would not countenance and could not permit the destruction of Israel, the U.S. would oppose Israeli territorial expansion and avoid fostering Israeli strength or power at the expense of or in a manner harmful to the Arabs. Also essential would be accompanying public statements from each side forswearing production or acquisition of missiles or nuclear weapons.

Israeli acquisition of missiles is against our national interests and is, in our view, not in Israel's own interest.

Attachments:

- Tab A - Analysis of Key Factors Relating to Israel's Request for Tanks
- Tab B - Impact of Provision of U.S. Tanks to Israel on Major U.S. Policy Interests in the Near East
- Tab C - Economic Effects of Supply of U.S. Tanks to Israel
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## ANALYSIS OF KEY FACTORS RELATING TO ISRAEL'S REQUEST FOR TANKS

I. Agreement to safeguard Israel, but divergence on how to do it: Both Israel and the United States agree on the need to safeguard Israel's independence and integrity. We differ, however, on how to attain this objective. The U.S. hopes to achieve Israel's long-term security through an eventual Arab-Israel accommodation. We seek to maintain influence with the Arabs by adhering to an impartial posture toward the Arab-Israel dispute and by building up our bilateral relations with each Arab state. We use our influence to promote Israel's interests by easing Arab-Israel tensions. We also have given clear public assurances to protect Israel against aggression.

Israel, however, pins its hopes for long-term security on an independent military deterrent supplemented by U.S. support against the Arabs. Israel sees greater advantages in a close military association with the United States than in the maintenance of U.S. influence with the Arabs.

II. Provision of U.S. tanks to Israel would impair our ability to support Israel and vitiate our other policies in the Near East: While the U.S. is committed to safeguarding the integrity of Israel, this is but one of several U.S. objectives in the Near East. We also aim to 1) check the expansion of Soviet influence in the area, 2) assure Western access to Arab oil on reasonable terms, and 3) assure the access of the U.S. and its allies to Near East communications, transportation and base facilities. Maintenance of U.S. influence with the Arabs is essential to achieve these objectives.

Because of our previous policy of restraint on arms sales in the Near East, the supply of U.S. tanks to Israel is likely to convince the Arab governments and people generally that a fundamental policy change deeply hostile to the Arabs has taken place. The Arabs would regard the provocation as being on the general order of that which led to the Suez Canal Company nationalization in 1956. The wave of reaction could be so strong as to override such inhibiting factors of self-interest as do exist. By acceding to Israel's request we would reverse our traditional policy of not becoming a major supplier of offensive arms to either Israel or its immediate neighbors and discredit our policy of constructive balance in the Arab-Israel context. The resulting crisis

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in our Arab relations would cause our influence to plummet when it is needed to support such Israeli interests as the Jordan waters off-take and to moderate reaction in the activation of the Dimona reactor. The transaction would undermine the central policy we hope will assure Israel's long-term security.

In the same stroke, we risk serious damage to other U.S. interests in the Near East. The Arab reaction probably would include a major anti-U.S. propaganda offensive which would stimulate pressures to abrogate or drastically renegotiate oil concessions and military base agreements, and possibly cancellation of U.S. military and commercial overflight rights. It is clear from the sharp Arab reaction to the Johnson speech and the President's Friends of the Weizmann Institute speech that provision of U.S. tanks to Israel would bring greatly heightened, perhaps intolerable, Arab pressure on the U.S. to abandon such military facilities as Wheelus Air Force Base in Libya. Nasser's February 22 speech attacking U.S. bases was a reaction to what he considered hostile U.S. moves and gives a foretaste of what might be expected. His speech did much to stimulate Libya to demand prompt termination of the Wheelus Base agreement. Negotiations are now underway to determine the future of the base.

The provision of U.S. tanks to Israel would also jeopardize the position of Jordan, long considered the keystone to peace in the Near East. It would make it awkward for King Hussein to maintain his close relationship with the U.S. and would increase pressures for a closer Jordan-U.S.S.R. relationship. The King could not afford to continue the "live and let live" policy that characterizes Jordan-Israel relations. He would be forced into closer relations with the U.A.R. and other Arab states that might result in the positioning of U.A.R. forces in Jordan that Israel always has regarded as a serious threat to itself.

III. Secret Agreements or effort to mitigate the effect of the supply of U.S. tanks to Israel would be unavailing: Given Arab suspicions that the U.S. is shifting to a policy of outright support of Israel and the inflamed state of Arab emotions, efforts to mitigate the repercussions of the provision of U.S. tanks to Israel by advance explanation to Nasser would be in vain. Postponement of action or timing the transaction to occur in 1965 instead of 1964 would not help. Secret agreement with Israel now to provide the tanks later would also have disastrous results. Past experience in dealing with Israel on matters of confidence suggests the impossibility of preventing a leak. Moreover, recent reports in the Arab press of Israel's request for tanks would make secrecy doubly difficult. The repercussions of discovery would be worse than the reaction to an overt transaction because the Arabs could attack the U.S. for duplicity

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as well as partiality to Israel. A similar reaction might be expected to the supply of modern U.S. tanks through our European allies.

IV. U.S. Military might assures Israel's security, but Israel insists on an independent deterrent: Achievement of the joint U.S.-Israel goal of assuring Israel's security does not depend upon the provision of U.S. tanks. At President Kennedy's request, the U.S. Government carefully studied its military capabilities and determined that our military forces could repel any attack on Israel. The President so informed Prime Minister Eshkol in October 1963 and assured him we would resist any aggression against Israel or its neighbors. The Arabs, publicly in authoritative press editorials and privately at the Arab Summit Conference, have recognized U.S. military power as a prime deterrent to any Arab attack against Israel.

Israel's insistence upon maintaining an independent deterrent through a strong defense force of its own reflects a psychological feeling of insecurity and determination not to permit control of its defense to slip from its grasp. In terms of a credible deterrent to Arab attack, Israel does not need tanks. U.S. military might is the acknowledged deterrent. Additional tanks would be necessary only if Israel had to rely solely on its own military capabilities. U.S. assurances provide a long-term guarantee of Israel's security and are less damaging to Arab pride than tanks because they are invisible. Israel tank acquisitions would not provide insurance against Arab attack and, in fact, by fanning long-standing Arab fears of aggressive Israeli expansionist ambitions would quicken the arms spiral.

Israeli military men accept the sincerity of U.S. assurances of military support, but believe circumstances may inhibit prompt U.S. reaction in time of need. Deputy Prime Minister Eban has said the provision of tanks would guard against this contingency and would be considered concrete evidence of U.S. determination to fulfill its assurances. It would also symbolize a closer U.S.-Israeli military association.

V. Israel's military superiority is built on purchases from Western Europe: U.S. military authorities consider that individually and collectively the armed forces of the Arab states remain inferior in quality to those of Israel, though superior in numbers and hardware. Israel can expect to maintain its overall military superiority for the next several years. The Joint Chiefs of Staff conclude that sale of tanks to Israel cannot be predicated primarily on military considerations. Modernization of Israel's tank force is militarily sound, but augmentation of its tank inventory is not presently justified.

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Since the 1955 Near East crisis over the Baghdad Pact which led to the original U.A.R.-Soviet arms agreement, the U.S. has refrained from becoming a major supplier of offensive arms to either Israel or its immediate neighbors. Israel, however, has been able to maintain a powerful military machine through arms acquisitions from Western Europe. The arms race has not bled Israel white. To the contrary, it enjoys the highest standard of living in the area, even exceeding that of some Western European countries, and has growing gold and foreign exchange reserves. There is no reason why Israel cannot continue military acquisitions from Western Europe. Israeli Deputy Defense Minister Peres recently said Israel was prepared to purchase any number of second-hand British Centurion tanks. He was also interested in the new British Chieftain tank and the French AMX-30, which we understand will be available in about two years.

Since there is justification for modernizing Israel's tank force and no amount of pressure or persuasion will deflect Israel's drive to acquire tanks, the best course for the U.S. is to endeavor to facilitate acquisition from Western European sources. This might have to include indirect financial assistance and perhaps help in modifying available European equipment to meet Israel's needs. We understand the U.K. will have a number of Centurion tanks that might be suitable if equipped with U.S. 105mm guns.

VI. Adverse repercussions from rejection of Israel's tank request could be mitigated: By acceding to Israel's request for tanks, it does not appear that the United States will be able to obtain an adequate quid pro quo. Israel has flatly declined to give up missiles in exchange for provision of tanks. In any case, because of the leverage it would give Israel to press us for further arms supplies, such an arrangement would not be in the U.S. interest. Our experience with the sale of Hawk missiles to Israel suggests that the supply of U.S. tanks to Israel would not assure any greatly increased Israeli cooperation with U.S. initiatives in the Near East. The Hawk sale cost us dearly in terms of goodwill and influence with the Arabs, but did not make Israel more receptive to U.S. efforts to further the Johnson refugee initiative, strengthen UNTSO or maintain silence on implementation of the Jordan waters off-take.

Conversely, refusal to accede to the request would deprive the U.S. of nothing since Israeli cooperation on U.S. initiatives in the Near East could not be guaranteed by sale of tanks. The only foreseeable adverse result would be increased Israeli pressure on the American Jewish community to support the tank request. These can be counteracted by a

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careful explanation of 1) past and present U.S. economic and military assistance to Israel, 2) Israel's present strong military posture, 3) Israel's remarkably flourishing economy, and 4) the nature of the extent of U.S. assurances of support for Israel in such matters as security and Jordan waters off-take.

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IMPACT OF PROVISION OF U.S. TANKS TO ISRAEL ON  
MAJOR U.S. POLICY INTERESTS IN THE NEAR EAST

Supply of U.S. tanks to Israel would vitiate most of our major policy interests in the Arab world which comprises over 90% of the land area and population of the Near East and contains over two-thirds of the world's known oil reserves.

I. Prevent the Near East from falling under the control of the Sino-Soviet Bloc: The consensus of our missions in the Arab world is that the Arabs would interpret the provision of U.S. tanks to Israel as a fundamental change in policy deeply hostile to them. They would see in it the realization of their suspicion that the U.S. is backing Israel against them. Inevitably they would strike out at the interests of the friend of their enemy and turn to the Soviet Union for added support. A retaliatory cutoff of foreign aid rather than curbing the Arabs would drive them to further excesses and push them further into the arms of the Soviet Union. The result could be a heightened cold war polarization of the Near East with the Soviet Union solidly supported by the Arab world from the Atlantic to the Persian Gulf and the U.S. position reduced to fortress Israel.

II. Arab-Israeli war: The provision of modern U.S. tanks to Israel would give added stimulus to Nasser's efforts to acquire sophisticated weapons. While this might not increase UAR military effectiveness, it would accelerate the arms spiral and increase the chances of miscalculation or desperate pre-emptive attacks from either side.

III. Continue the flow of sufficient Near Eastern oil to meet Western European requirements on reasonable terms: The wave of emotional Arab reaction to the provision of U.S. tanks to Israel is likely to be so strong as in some measure to override feelings of self interest. Arbitrary unilateral measures including possible coordinated harassment of American oil interests would worsen the terms under which the flow of oil would continue. The U.S. balance of payments that benefits directly by upwards of \$1 billion annually would suffer. Our Western European allies would also suffer oil shortages that might have to be made up from more expensive sources than the Near East.

IV. Assure to the United States and its citizens and allies rights and peaceful passage through and intercourse with the area: Following the supply of U.S. tanks to Israel, anti-American sentiment would be

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general in the Near East and U.S. citizens and U.S. Government properties might be threatened with physical harm. Pressures to cut off U.S. military or commercial air and land transit rights would mount. Our position in military installations, such as Wheelus Air Force Base, would become increasingly difficult.

V. Maintain friendly relations with both the Arab states and Israel; and to the degree that opportunities permit, work toward resolution of the Palestine problem without jeopardizing the existence or independence of Israel: Supply of U.S. tanks to Israel would turn the Arabs against the U.S. and preclude our playing any useful role in moving toward resolution of the Palestine problem. Since both the Arabs and the Israelis traditionally have accepted the U.S. as the prime mover in helping to ease tensions between them, our alienation of the Arabs would end the prospect of progress toward resolution of the Palestine problem for the foreseeable future. Hopes for an eventual accommodation between Israel and its neighbors on which the long-term future and security of Israel depend would receive a severe setback. At the same time the relative calm that has characterized Arab-Israel relations over the past five years would be broken. Arab attention that has been diverted by intra-Arab frictions would focus sharply on Israel, breathing new life into latent hatreds, and giving added impetus to the Arab arms build-up. The acknowledged security of Israel's present position would soon be threatened, requiring renewed internal measures and external help to assure the nation's survival.

VI. Encourage political evolution and economic and social development to promote popularly supported, stable, and independent governments: The supply of U.S. tanks to Israel would revive Arab fears and suspicions of the U.S.-backed Israeli expansionist aspirations. This in turn would further divert Arab attention from the vital tasks of internal political reforms or economic and social evolution. Progress now underway in these fields would slacken and the stability for which we strive would be further threatened. The monarchical governments in particular would be subjected to serious stresses and strains.

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## ECONOMIC EFFECTS OF SUPPLY OF TANKS TO ISRAEL

The U.S. has very significant interests in Near East oil and in access to and transit through the area which can be damaged seriously either by direct unilateral actions by one or more Arab states or by harassing actions. The Arabs have begun to focus on the elements of weakness in the U.S., and general Western position with respect to these interests. The dangers are heightened by the strains already apparent in our relations with the Arabs from the series of recent events which the Arabs have interpreted as generally hostile to them.

The importance of Middle East oil to the U.S. is twofold:

a) supply on present reasonable terms is a major element in the economic health of Western Europe, and b) the U.S. private company role benefits the U.S. balance of payments directly by upwards of \$1 billion annually.

We cannot rule out coordinated harassment of American Near East oil interests as a reaction to sale of tanks to Israel. Allowing for some technical complications, oil would probably continue to flow, but the terms might worsen considerably. Certainly the U.S. balance of payments would suffer.

While a distinct possibility, oil nationalization is not, of course, an inevitable consequence of the tank sale. A greatly hardened Arab approach toward oil interests would, however, almost certainly ensue and reinforce the existing OPEC efforts to increase the producing government's share of oil income. Instead of the existing pattern of evolutionary change with gradual adjustments of the company-government roles over a period of years, we would have to anticipate an acceleration of arbitrary unilateral measures and assessments. The Arab countries are becoming increasingly aware that there are many actions short of nationalization which they can take that would be very damaging to Western interests.

The geographic location of the several Arab states give obvious importance to the rights of access and transit, both surface and air, which they control. The potential impact on our own civil aviation interests, for example, can be gauged by comparison with the problems and burdens imposed on Soviet commercial air expansion over the past several years by the denial, at our urging, of various rights by countries in relative key positions. The opportunities for harass-

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ment of our interests by hostile Arab states along these lines is very considerable.

Economic self-interest factors include U.A.R. reliance on U.S. PL-480 food, mainly wheat, and the desire of the oil producing states for steadily increasing revenue. Orderly marketing is important to the oil producing states. Jordan has been heavily dependent on regular U.S. budget support. These factors tend to inhibit Arab counter measures. They are not, however, absolutely controlling either in the short or long-term, and it would be dangerous to assume that they are. The U.S.S.R. might give more aid. Kuwait alone represents a reservoir of emergency economic strength in its large accumulated financial reserves--more than three-fourths of a billion dollars. Kuwaiti willingness to use these resources as an Arab state has already been demonstrated. Prime Minister Faisal of Saudi Arabia has also publicly stated that Arabian oil would be denied "supporters of Israel." A cutback in development in the U.A.R. and a reallocation of resources could, as in the past, do a great deal to see that country through a period of external economic pressure. A slow-up in oil production increases and even emergency cutbacks in revenues could be tolerated by all of the Arab oil producers. Even Jordan has sufficient foreign exchange reserves to see it through well over a year without foreign aid.

In summary, important U.S. interests in the Near East are vulnerable to possible Arab actions against them and a major U.S. offensive arms sale to Israel by the U.S.G.--an obvious and distinct departure in policy--could be sufficient to provoke both long and short-term actions against those interests.

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~~SECRET~~FIELD ESTIMATE OF PROBABLE LOCAL  
REACTIONS TO SUPPLY OF U.S. TANKS TO ISRAEL

At the Department's request, our Embassies in the Near East, North Africa and interested European countries have commented on the questions raised in NSAM 290. The consensus is that there are no gains for the United States from the supply of U.S. tanks to Israel and probable severe damage to U.S. policies and interests in the Near East. Our Embassy at Tel Aviv believes Israel would continue to press for missiles, but perhaps more slowly.

Highlights from the comments of our posts follow:

1. Algiers: The Israeli tank transaction would make the Algerians even less disposed to listen to U.S. advice on the risks in becoming too closely involved with the U.S.S.R. Procurement from Western suppliers would best serve to protect the U.S. position.
2. Amman: The transaction would have the gravest implications for the U.S. position in Jordan and for Israel's own security, which depends to a large extent on stability in Jordan. Popular pressures might force King Hussein to alter drastically his present close association with the United States and accept Soviet military equipment and economic aid. The best alternative would be to supply both the Arab states and Israel with defensive equipments such as anti-tank missiles. The only possibility for a long-term solution would be a U.S. - U.S.S.R. arms agreement for the Middle East.
3. Baida: Libyan reaction to the provision of U.S. tanks to Israel would be stronger than to the 1963 sale of Hawk missiles and would jeopardize the prospect of reasonable settlement of the controversy over continuance of Wheelus Air Force Base. We should encourage Israel to buy from Western suppliers other than the U.S. or U.K.
4. Baghdad: If Nasser decided to arouse the other Arabs, Iraq would perpetrate considerable damage to U.S. interests. Sale of tanks by others would be a correct course. A possible alternative might be equal offers to sell heavy conventional arms to either Israel or the Arab states conditioned upon pledges to avoid acquisition of missiles or nuclear weapons.

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5. Beirut: Specific damage to our position in Lebanon might well include an increased Soviet presence through arms acquisitions from the U.S.S.R., a swing of Lebanon's pro-Western policy toward neutralism, and anti-American acts ranging from individual harassments to sabotage of oil installations. If the transaction should be inevitable we should exact Israeli cooperation on Jordan waters, the Joseph Johnson refugee plan, and strengthening of UNTSO. Near East arms limitation with Soviet cooperation offers the only effective alternative.

6. Cairo: The U.A.R. response would include appeal to the U.S.S.R. for counter weapons, heating up the Arab-Israel cold war, and retaliation against U.S. material interests in other Arab countries, e.g., Wheelus. Most feasible alternative is to help Israel meet its needs from its traditional suppliers.

7. Damascus: Reaction could well be a rupture in U.S.-Syrian relations, retaliatory action against oil pipelines and closer association with U.S.S.R. Best alternative would be supply by U.S. to Israel of latest anti-tank and defensive equipment; less preferable but acceptable would be sale of tanks by other Western suppliers.

8. Jidda: Crown Prince Faysal's "cornerstone policy of friendship with the United States" would come into question. Anti-U.S. pressures could 1) force postponement or rejection of a new USMIM agreement, 2) terminate the major U.S. Government-to-Government program, 3) deprive us of a long-standing position of influence with the Saudi military establishment, 4) jeopardize current delicate oil negotiations, and 5) stimulate a turn toward the Soviet Union. The "fortress Israel" concept has no future in the long run. Israel can meet her minimal defense needs from free world markets. Arms limitation proposals presented publicly by some "neutral" power on our behalf would force both sides to defend before world opinion the rationale of their existing policies.

9. London: Direct sale of tanks to Israel would not serve our area interests. A possible alternative might be U.S. participation in a consortium with Great Britain, France, West Germany, and Belgium that would share the responsibility for meeting Israel's legitimate tank needs.

10. Paris: Arab reaction would be adverse to the U.S. At the same time, the transaction might result in an improvement in the political and economic relations between the Arabs and the French.

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11. Rabat: The tank transaction would stimulate anti-Americanism in Morocco and adversely affect United States interests. Limiting the size of the delivery or promising later delivery would not reduce the outcry.

12. Tel Aviv: The "fortress Israel" concept is not an unfair way to characterize Israel's present stand. Although aware of the U.S. commitment to its national existence, Israel will not agree to subordinate its own urgent defense needs to the political aim of U.S. policy. Refusal or postponement of the Israeli request will not terminate the issue. Israel will continue to press its case in the U.S. until a positive response is obtained or the military necessity, as Israel sees it, is met from non-Communist sources. Given the absolute priority of defense expenditures and failing a favorable U.S. response, Israel would probably scrape up the money necessary to buy tanks from Western suppliers. Compliance with the Israeli request might delay Israel's acquisition of missiles, but only temporarily.

13. Tunis: Sale of arms to Israel would be likely to provoke the Arabs to a compensatory arms build-up, with Soviet or Chinese support. The resulting arms race would jeopardize the stability of the area. The interest of all concerned would be better served by utilization of available U.S. assistance in compensation and resettling of Arab refugees than in a military build-up.

14. Jerusalem: We are still unable to identify any substantial American interest in providing heavy equipment to anyone not in immediate danger of aggression from a major foe of the West. Israel can meet its needs elsewhere.

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# PERTINENT INDICATORS ON ISRAEL'S ECONOMY

1. Israel's GNP has been increasing at the phenomenal rate of ten per cent per annum and this is expected to continue. At the same time, private consumption has been increasing five to six per cent per capita. The current per capita GNP of \$900 is well above that of Italy, Japan, and Greece, and only slightly under that of the Netherlands.

2. Israel's gold and foreign exchange reserves rose some \$80 million in 1963 and now total approximately \$580 million. A further \$60 million increase is anticipated this year. This rise in foreign exchange reserves has taken place even while Israel paid off \$50 million foreign indebtedness in advance of maturity. Further advance repayment of \$35 million in foreign loans is planned for 1964.

3. Current reserves amount to nearly one year's commodity imports. The IMF considers six months coverage of import requirements ample and has recommended that Israel permit a draw down of these reserves by reducing customs tariffs which effectively protect much of Israel's industry from foreign competition.

4. Israel's strong financial position renders it fully able to meet its capital import requirements through conventional borrowing from international lending institutions, the Export-Import Bank and European countries.

5. While German reparations will terminate in 1966, German restitution payments at a high level are expected to continue for some years to come, as are Israel bond sales and unrequited transfers (UJA) from abroad.

6. Israel's foreign exchange debt, totalling some \$832 million is probably about 43 per cent smaller than it appears to be because Israel Independence and Development Bonds which constitute one-half of this debt are largely redeemed, not in hard currency, but with Israeli pounds to meet tourist expenditures and for investment. Past experience shows that 85 per cent of such bonds redeemed have been paid off in Israeli pounds.

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## WHAT THE UNITED STATES HAS DONE AND IS DOING TO SUPPORT ISRAEL

1. On May 8, 1963, President Kennedy publicly committed the United States to support the integrity of states in the Near East and to oppose aggression in any form.

2. On October 30, 1963, President Kennedy wrote to Prime Minister Eshkol specifically affirming United States capability and preparedness to safeguard Israel. This letter, in fact, constitutes a security guarantee.

3. On the Jordan waters diversion, we have committed ourselves to stand by Israel's side during the time of gravest threat that it will have faced since its creation in 1948. We have made extensive diplomatic preparations to protect Israel's welfare in this crisis.

4. The major diplomatic initiative that the United States has carried on in the Near East in the past three years has been that on the Arab refugee problem. This issue, derived from circumstances surrounding Israel's establishment, lies at the core of continuing Arab-Israel hostility.

5. We have made generous arms sales and given extensive credit on military materiel short of major offensive weapons; e.g., 106mm recoilless rifles, sophisticated radar and communications equipment, \$25 million Hawk sales on credit. Government-to-Government and commercial sales total over \$7 million.

6. We have held secret talks with the Israelis in 1962 and 1963 to hear Israel's military concerns in detail.

7. Our aid level of about \$80 million annually these last two years has been roughly \$20 million over the 1948-1960 average and now totals \$986 million as compared to \$1.5 billion of aid to all the Arab states. It will drop next year, but this reflects the remarkable progress Israel has made as well as sharp cuts in our world-wide AID funds.

8. We finance scientific research grants in Israel of almost \$3 million a year.

9. Full United States diplomatic and financial support goes to the elaborate peacekeeping machinery on Israel's borders. We give staunch support to Israel, as warranted, in the United Nations (e.g., Security Council consideration of August 1963 Almogor incident).

10. We continually make clear to all Arab governments, as occasion arises, our firm opposition to Arab actions hostile to Israel and our determination not to allow Israel to be destroyed.

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~~SECRET~~PARTIAL LIST OF CURRENT ISRAELI REQUESTS FOR MILITARY AND  
QUASI-MILITARY EQUIPMENT BY OR THROUGH THE U.S.

1. M-48 and M-60 tanks on grant aid basis: 200 M-48A3's and 100 M-60's now, 200 M-60's later.
2. 113 Sherman M-4 tanks and 3 tank recovery vehicles authorized for sale from French depots 1/10/64.
3. 10,000 rounds of 76mm HE ammunition for Sherman M-4E8 tanks.
4. 3,500 rounds of 76mm HVAP ammunition for Sherman M-4E8 tanks.
5. 400 M-3A1 personnel carrier half tracks from supply depot in France (sale 200 authorized 3/19/64).
6. Out-of-channels oral request for 500 M-59 armored personnel carriers.
7. Credit sale of 1,200 M-35 or M-36 2½ ton 6 x 6 trucks.
8. 100-1500 used G742 2½ ton 6 x 6 cargo trucks.
9. Surface-to-surface missiles (type unspecified).
10. Cooperation with NASA in meteorological sounding rocket program to be carried out in Israel and involving a proposed 18 firings over a three-day period with attendant tracking, radar, and missile safety equipment.
11. AN/MPS-19 and 26 radar (missile tracking)--action suspended.
12. Photovoltaic Infrared Detector useful primarily for missile guidance, fire control and warning systems (denied 3/27/64).
13. Sea-to-sea missiles for naval use.
14. Naval coastal defense equipment (types unspecified).
15. Anti-submarine torpedo (the classified Mark-44)--request denied.
16. Anti-submarine rocket Mark-20.
17. Sale of 25 MAP Ouragan aircraft out of France.
18. Classified anti-jamming (ECCM) components for air defense radar already sold.
19. Airdrop equipment--loan of 2 AN/PRC-25 radio sets.

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20. Set of microfilm and Index for B-47 A, B, E, Aircraft.
21. 25 steel barrel forgings for 105mm gun barrels.
22. 27 training films including those on nuclear, radiological, chemical and biological warfare.
23. Set or production drawings of AN/VRC-24 radio set.
24. Copies of naval operating, performance and maintenance instructions.
25. Miscellaneous training aids.

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NSC STANDING GROUP MEETING OF APRIL 28, 1964

SUBJECT: MEETING ISRAELI ARMS REQUESTS  
(NSAM - 290)

SANITIZED  
E.O. 13526, Sec. 3.5  
NLJ 11-137 (#17)  
By isl NARA, Date 10-31-11

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MEMORANDUM FOR MR. McGEORGE BUNDY, THE WHITE HOUSE

SUBJECT: Meeting Israeli Arms Requests (NSAM 290)

P R O B L E M

To outline an appropriate response to Israel's arms requests, particularly that for 300-500 medium tanks, in the context of other facets of US-Israeli relations as requested in NSAM 290 of March 19, 1964 (Tab 1).

See Discussion for brief background and summary of alternatives available.

C O N C L U S I O N S

In essence, there are three feasible answers to the Israeli request.

A. For the United States to supply their legitimate requirements.

1. It is in the interest of the Department of Defense to sell Israel 500 M-60 tanks. However, recognizing that Israel does not have a valid requirement at this time to augment its tank inventory, the Department of Defense, subject to a US Government policy decision, recommends the sale of 200 M-48A1s converted to M-48A3s over the next year or two and 100 M-60s over the next three years as replacements for obsolete M-4s in the Israeli inventory.

2. Such tanks should be offered as a military assistance sale (MAS) on liberal credit terms--10 years, 10% down,  $3\frac{1}{2}\%$  on balance--rather than as grant aid (MAP).

B. For the US to assist Israel in procuring tanks from Western Europe.

1. For political reasons, it is probably inadvisable for the US to provide Israel with tanks, but the US should assist Israel behind the scenes in meeting its requirements from among Western European sources.

2. Early discussions should be undertaken with the UK and West Germany, and perhaps with France, the Netherlands, Belgium, Italy, Canada, and others to consider all or some of the following ways of meeting Israel's request for tanks:

a. To seek their agreement to a "consortium" arrangement for the supply of 300 medium tanks to Israel.

b. To sound out the possibilities of arranging for West Germany, or another European power, in that order, to supply Israel's tank need with US-type tanks retrofitted in the US, Europe, or Israel, as feasible (diesel engines, 105mm guns).

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c. To sound out West Germany and the UK on the possibility of supplying Israel's armor needs directly from their inventories or from new production of their tanks.

C. For the US to treat the tank request as but one part of the larger problem of controlling the arms race in the Middle East by some or all of the following:

1. Pressing for the agreement of the UK, France, West Germany, and others, as appropriate, to revitalize and strengthen the Near East Arms Coordinating Committee (NEACC) and set up a "consortium" for the joint provision of heavy military equipment to the Middle East.

2. Obtaining Western European agreement and support for a prohibition on the provision of sophisticated weapons to countries of the Middle East, and of information or assistance in developing such weapons, including SSMS, nuclear and other advanced weapons.

3. Obtaining their support, if possible, for an urgent effort to obtain Soviet agreement to prohibit provision of such advanced weapons to the Middle East.

4. Obtaining their collaboration and support, if possible, for a strong, urgent effort to obtain agreement from Mid-East countries to:

a. Forego procurement or production of advanced weapons, including SSMS, nuclear, etc.

b. Seek measures designed to preclude surprise attack, perhaps under the operation and control of UNTSO and UNEF.

c. Agree to an arms "freeze" in the Middle East pending efforts outlined above.

5. Informing Prime Minister Eshkol during his 1-2 June visit that the US considers efforts along the above lines to be of overriding importance and thus the decision on the provision of military equipment is dependent on these efforts and Israel's cooperation in them.

#### R E C O M M E N D A T I O N

That the Standing Group, National Security Council recommend action based upon the alternatives outlined in the conclusions above.

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## DISCUSSION

### BACKGROUND

1. Israeli Request. Israel has asked for a total of 500 medium US tanks (200 M-48A3s in the next year or two and 100 M-60s within two or three years, both to replace obsolete M-4s; 200 more M-60s within the next two or three years to maintain an acceptable ratio with growing Arab tank strength) under grant military assistance (MAP).

2. Israeli-Arab Tank Inventories. Israel now has 464 M-4 medium tanks, some of which have been modified with a 75mm French gun and improved engine; 135 Centurions, 90 of which have been up-gunned with a 105mm gun; and 150 AMX-13 French light tanks. The Israelis claim that the Eastern Arab states have over 2700 tanks, of which 1200 are UAR, and anticipate the Arabs will have 3000 tanks in 1965, of which 1400 will be Egyptian. By 1968-69, they argue, Egypt will have 1800-1900 modern tanks. They claim a need, therefore, for 1000 medium tanks now and 1200 such tanks in 1965 to maintain an acceptable 1:2 or 1:3 ratio as between Israel and the Arab states.

The US disputes the Israeli figure and believes there are 2070 tanks in the inventories of the Arab states, of which 739 are UAR (Tab 2). Another 49 M-48s are funded for delivery to Jordan from FY 1963 and FY 1964 MAP funds. We are also selling a few M-47s to Saudi Arabia.

3. Grant Aid or Credit. The Government of Israel is aware that grant aid is most unlikely, especially in view of Israel's flourishing economy and growing foreign exchange reserves, but continues to press the point. Liberal credit terms are probably available, however, and should be offered in connection with the purchase of US tanks or tanks from foreign sources. The Israelis are aware of the political difficulty this matter presents for the US and are willing to accept tanks either directly or indirectly from other sources; but we should expect it will require strong US pressure to persuade such other countries to supply favorable credit terms.

4. Israeli Procurement Efforts in Europe. Israel is currently obtaining 48 Centurion medium tanks from the UK; delivery will be phased over two years. The Israelis have also shown interest in other Centurions and the new British Chieftain medium tank, especially if available at a "substantial reduction" in price.

5. JCS-Defense Views. The Joint Chiefs of Staff have stated: "Apart from...estimates of overall capabilities, Israel's concern about tanks is justified...there is a military need for Israel to modernize its tank force because the bulk of its tank inventory is obsolescent...Israel needs to replace obsolete M-4 tanks in order to counter Arab T-34s, T-54s, and JS-3s," but see no military justification for an additional 200 at this time. They have urged, however, that before agreeing to provide Israel with tanks, every

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effort be made to limit the flow from Western and Bloc sources of arms to the area (Tabs 3 and 4). Subject to US Government political decision, Secretary McNamara has approved the sale of 200 M-48A3s over the next year or two and 100 M-60s over the next two or three years along with credit for this purpose. In fact, from a purely production/balance of payments point of view, Secretary McNamara favors the sale of 500 of M-60 new tanks. It is assumed that the M-48A3s would be retrofitted from M-48A1s in Army's inventory, the latter to be replaced by new production of additional M-60s, and that the credit would be for ten years, 10% down, 3½% on the unpaid balance--terms under which the HAWK missile was sold.

6. Anti-tank Weapons. Neither the JCS nor the Israelis consider anti-tank weapons an adequate substitute for tanks in this case. The JCS noted that anti-tank weapons and tanks are complementary to each other, so that Israel has a need for an appropriate mixture of tanks and anti-tank weapons (Tabs 3 and 4). Israel, in fact, does have 850 SS-10 and 36 SS-11 wire-guided, and perhaps some SS-12 radio guided, anti-tank weapons purchased from France.

7. Israeli Missile Program. Israel has also asked for 100 Pershing missiles with conventional warheads and for unspecified naval equipment with special emphasis on ship-borne and shore-based missiles to counter UAR Komar class guided missile patrol boats which are being equipped with 13-20 mile missiles. Intelligence reports and discussions with Israeli officials indicate Israel is obtaining 25 test surface-to-surface missiles from Generale Aeronautique Marcel Dessault in France and is considering whether to purchase a production run of perhaps 250-340 of these French SSMs. In response to US pressure Israel has agreed to consider not purchasing further SSMs without consulting the US and is willing to forego any further SSMs if the UAR will do likewise. The Israelis argue, however, that they must have SSMs to counter the UAR program despite the crude nature of the Egyptian missiles. They rest their argument on political and psychological rather than military grounds, but point out that 300 of the simplest UAR missiles would create havoc in Israel.

8. Israeli Nuclear Program. The Israeli nuclear reactor at Dimona went critical in late December 1963. There is no evidence that Israel is producing nuclear weapons,

Prime Minister Eshkol has refused to permit the US to assure Nasser that the Dimona reactor will only be used for peaceful purposes. For his part, Nasser has stated that on receipt of hard evidence of Israeli production of nuclear weapons, Egypt will destroy Dimona. So far, Israel also refuses to consider International Atomic Energy Agency (IAEA) inspection of its nuclear facilities, but did sign the test ban agreement.

9. US Security Commitments to Israel. Israel has pressed hard for assurances of US support beyond those contained in President Kennedy's public statement of 8 May 1963 that "In the event of aggression, or preparation for aggression, whether direct or indirect, we would support appropriate measures in the United Nations and adopt other courses of action on our own to prevent or to put a stop to such aggression, which, of course, has been the policy

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which the United States has followed for some time," and of even more definitive private reassurances. These have, however, been refused. Israel also is seeking bilateral military discussions of US contingency military plans in case of hostilities. The JCS have said such discussions or combined contingency planning are neither necessary nor desirable and that the US can respond with adequate forces within hours (see JCSM 611-63, 7 Aug 63 - TS). Discussions approaching combined contingency planning have been avoided. Nonetheless, the Israelis continue pressing for such military consultations.

10. Eshkol visit to US. At the President's invitation, Prime Minister Eshkol will visit Washington on 1-2 June 1964. The Israelis are pressing hard for a decision on the tank problem prior to this visit.

The Israelis have repeatedly sought to dissociate consideration of SSMS from the question of tanks. They insist that the decision on procurement of SSMS beyond the 25 test vehicles will not be made for a year or two and will be made on the basis of their requirements as they see them. They will be hard to move from these positions and will only give them up at the highest level, in the face of major pressure, and in return for important concessions, probably going beyond the sale of modern US tanks. However, provision of 300-500 modern medium US tanks, especially if accompanied by an understanding that further modern naval and air equipment would be made available, might be a sufficient politico-military gesture to warrant Israeli capitulation to US demands on missiles and nuclear weapons.

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#### ALTERNATIVES

Basically, the US has available three and perhaps five alternatives for approaching this tank problem, each with a considerable number of variants. These are:

I. TO OFFER CREDIT SALE OF UP TO 500 MODERN US MEDIUM TANKS OVER THE NEXT FEW YEARS AS A DIRECT ONE-TIME ACTION.

II. TO ASSIST ISRAEL IN PROCURING EITHER ALL OR A LARGE PORTION OF THEIR REQUIREMENTS FOR MEDIUM TANKS FROM OR THROUGH EUROPEAN SOURCES--PRIMARILY TO MINIMIZE THE POLITICAL ONUS ATTENDANT ON THE US FINANCING OR PROVISION OF SUCH EQUIPMENT.

III. TO DECLINE TO PROVIDE TANKS AND GIVE NO ASSISTANCE TO ISRAEL IN OBTAINING SUCH ARMOR FROM WESTERN SOURCES.

IV. TO OFFER BOTH ISRAEL AND THE ARAB STATES, ON A CREDIT SALES BASIS, REPLACEMENTS FOR OBSOLETE EQUIPMENT AND SUFFICIENT OTHER MILITARY EQUIPMENT TO MAINTAIN THEIR RESPECTIVE MILITARY STRENGTHS IN AN ACCEPTABLE STATE OF EQUILIBRIUM.

V. TO DEAL WITH THE TANK REQUEST ESSENTIALLY AS MERELY ONE ASPECT OF THE LARGER PROBLEMS OF PEACE, SECURITY, AND STABILITY IN THE MIDDLE EAST AND OF PREVENTING A PROLIFERATION OF SSMS AND NUCLEAR AND OTHER SOPHISTICATED WEAPONS TO THE MIDDLE EAST.

A further analysis of these alternatives with some of their variants follows (see attachments for further specifics). Finally is a short summary of the divergent viewpoints on this issue.

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I. CREDIT SALE OF UP TO 500 MODERN US MEDIUM TANKS OVER THE NEXT FEW YEARS AS A DIRECT ONE-TIME ACTION. (Tabs 5 and 6 for information on price, availability, and production of M-60s and M-48s, and retrofitting of M-48A1 to M-48A3)

A. Sell 500 M-60A1 tanks as soon as available from new production on liberal credit terms.

This would doubtless be most attractive to Israel, since it would show Israel and the Arab world where the US stands. It would also permit the US to increase M-60 production, thus lowering the unit price which is between \$169,000 and \$220,000 each as well as resulting in the maximum balance of payments advantage to the US.

M-60s could start flowing to Israel from US production lines within a short time after agreement at almost any reasonable level. (See Tab 5.)

However, such a sale would have the maximum international political implications and provision of M-60s to Israel could stimulate other countries to press for M-60s, perhaps in spite of our advice. Also, this action would go beyond what the JCS consider militarily justified for Israel in the light of the existing balance of Arab-Israeli military strength: It would provide Israel with our most modern tank and would add to the net Israeli strength by 200 tanks (Tabs 3 and 4).

B. Sell 300 (or any other mix) of US medium tanks--200 M-48A1s retrofitted as M-48A3s and 100 M-60A1s to a total of 300.

The JCS have recognized that from a military point of view Israel has a need to replace 300 of its obsolete tanks (Tabs 3 and 4). This action would also reflect the views of the Secretary of Defense. Israel would pay less (from \$40 to \$50 million) but the US would receive less and the resulting increase in US tank production would be a maximum of only 300 tanks. However, the political repercussions should be reduced somewhat. Further, the first deliveries would be delayed for at least 18 months after a signing of private contract to convert M-48A1s to M-48A3s and the release of the first M-48A1s by the Army. Thus, any announcement of the sale could be arranged for the least unfavorable time and deliveries could be well spaced (See Tabs 5 and 6).

C. Sell 300 or less of the basic M-48 tank now excess to US Army needs to be retrofitted by the Israelis (or in US) with US kits and such technical assistance as required (Tab 7).

This should reduce adverse area reactions to US sale somewhat, but the reactions might still be serious. It would be considerably cheaper for Israel: The basic M-48 would cost about \$6,000 each, necessary kits would

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cost \$60-75,000, and labor, if done in the US, about \$30,000 each, for a total in the neighborhood of \$100,000 each, depending on Israeli specifications. By the same token, US gains in balance of payments would be lessened.

This alternative would offer a market for surplus basic M-48s plus some returns from the sale of conversion kits but would be less than satisfactory to the Israeli Defense Force. The estimated lead time for retrofitting an M-48 as an M-48A3 would be about 21 months merely for the production of conversion kits to which would be added time required in Israel for the actual conversion. (Conversion of an M-48A1 to an M-48A3 requires about 18 months.)

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II. ASSIST ISRAEL IN PROCURING EITHER ALL OR A LARGE PORTION OF THEIR REQUIREMENTS FOR MEDIUM TANKS FROM OR THROUGH EUROPEAN SOURCES.

A. Seek an arrangement with West Germany wherein West Germany would agree to supply Israel with 300 medium tanks, including provision of necessary credit, to minimum Israeli specifications (diesel engines, 105mm guns, performance comparable to M-48A3) based on appropriate combination of the following:

1. Tanks would be provided by FRG through sale of one of following to Israel:

a. 300 M-48A1s from German inventory over next three years (FRG has about 634 M-48A1; 1077 M-48A2). These would be replaced by US sale of M-48A1/A2 or M-60 to FRG and/or by German-built Standard Panzer ("Leopard") tanks, as required by the FRG, or

b. Up to 300 Leopards, supplemented if necessary by FRG M-48A1/A2s, or even M-60s from the US. The German Standard Panzer, or Leopard, is a medium tank being developed in Germany for the West German Army. It will be equipped with a diesel engine and 105mm gun. Cost estimates vary from \$300-400 thousand each with deliveries not expected before 1966.

Question would be extent Israel would wait for and accept Leopards and the extent FRG could be persuaded to speed up production of the Leopard and delay replacing their M-47/M-48s with Leopards in order to supply Israel, or

c. US M-48s, M-48A1s, and/or M-60s shipped to Germany for reshipment to Israel as an FRG sale (perhaps after retrofitting in US if the FRG was unwilling to rob its own tank inventory and disrupt its plans for producing Leopards to replace its M-47s and M-48A2s).

2. Retrofitting of M-48s or M-48A1/A2s (or even M-47s) as M-48A3s could be done by:

a. Retrofitting in the US. This would be quicker by as much as six months but would tend to minimize the political advantages of an arrangement for provision of tanks through the FRG. The additional transportation time and costs required to ship to the US for retrofit would tend to negate savings due to US experience and plant capacity.

b. Retrofitting in the FRG. While technically feasible, it will be most difficult to sell this idea to Germany. The FRG would not wish to divert scarce skills and plant capacity to the retrofitting job on top of their current tank program (plus accepting the political stigma) despite the financial incentives of such an arrangement.

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c. Retrofitting in Israel. This should be technically feasible with US-provided kits and some technical help. It would also reduce use of Israeli foreign exchange by the cost of labor, at least. It might prove expensive in time, however, due to added six months or more required to complete retrofit, in the diversion of Israel skills to do the job, and in the provision of necessary plant capacity for the retrofit. Whether these would be offset in the eyes of the Israelis by the foreign exchange savings and the intangible longer-range commercial and political gains seems doubtful. The Israelis might consider this as a last resort and acceptable only if M-60s or M-48A3s are not available in finished form.

3. US financial or other support.

Direct US financing of any of the above would tend to destroy the reason for adopting them, but any European deal will require US pressure and perhaps indirect US support in the form of US-furnished guns, kits, tank replacements, etc.; or perhaps favorable arrangements with the FRG and/or Israel in some other sphere.

4. Plausible "cover."

Arrangements with FRG to provide US tanks to Israel would seem to require additional plausible "cover" such as being a part of a US-FRG general tank arrangement or an FRG-Israeli agreement of wider scope, or both, to minimize identification with the US.

5. Advantages

Except for the possible provision of Leopards without compensating purchases from the US, these arrangements would net the US some sales of tanks to Germany. In varying degrees they would divert the main thrust of the Arab reaction away from the US. The closer Israeli-FRG ties implicit in such an arrangement might provide an added attractive politico-military incentive to Israel and even prove decisive. (See Tab 8 for further information.)

B. Seek some comparable arrangement with Belgium or Italy or other Western countries wherein it would serve as supplier of US tanks to Israel under suitable "cover" and in which it would provide the financing and possibly do the retrofitting.

Both Belgium and Italy have the requisite technical skills and plant capacity for the conversion, and both could finance the transaction.

The problems would be whether any of them would assume the political responsibility and find it sufficiently rewarding financially, and whether Israel would accept the proposal. Either arrangement would have less appeal to Israel since there would be virtually no underlying political gains to be realized; but their tank problem would be solved.

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Either might be willing to retrofit M-47s in their inventories if compensated by more modern US M-48s or M-60s but the Israelis would be likely to reject the M-47 even with a retrofit.

C. Seek an understanding with the British whereby Israel would obtain all or most of its tank requirements from the UK.

1. Centurions. Israel already has 135 British Centurion Mark V and VIII tanks in its inventory. These originally were equipped with 20-pounder (84mm) guns, but some 90 have been fitted with the British 105mm guns with which the later Mark IX and X are equipped. The UK has agreed to deliver another 48 Centurions to Israel over the next two years but these are said to be all that will be readily available prior to receipt in the British inventory of the new British Chieftain, starting in 1966 (Tab 9). Nonetheless, with encouragement the UK might be willing to make a total of 300 medium tanks available to Israel over the next 3-4 years.

Theoretically the British might supply Centurion Mark IXs or Xs from their inventory (perhaps refitted with diesel engines), new Centurions built by restarting production lines (which would require six or more months), or by refitting older Centurions with US or UK 105mm guns (and perhaps with diesel engines, if feasible). Since older Centurions will become excess after 1966, the price for the basic tank should be favorable but refitting would still be required. This refitting should be possible in the UK or in Israel with US or UK kits and/or financing, but probably would require 4-6 months to replace the guns alone.

2. Chieftain. Israel would probably welcome the new British Chieftain due to come off the production line in late 1965. This tank is equipped with a 120mm gun and a multifuel engine but probably could be equipped with a 105mm gun if desired. However, the price is high (over \$250,000 and up to \$400,000 each) and considerable persuasion might be required for Israel to be allotted any significant number before British Army requirements are met from limited UK production.

3. Vickers. A third British medium tank known as the Vickers tank or "poor man's Chieftain" might meet Israeli needs. This tank mounts a 105mm gun and has the Chieftain's diesel engine along with a number of other Chieftain components. It is being produced to compete with the US M-60, the French AMX-30, and the FRG Leopard as a cheaper, lighter and faster Chieftain for users like the Indian Army. A Vickers Armstrong brochure estimates the cost at \$250,000, well above the US M-60 figures. It is supposed to become available beginning in 1965-1966.

4. Problems. With a little delay Israel should be able to meet its tank needs from British resources, perhaps by a mix of Centurions and Chieftains or Vickers. However, the price may be double the cost of US tanks under consideration. The UK would probably be interested in a straight commercial sale but would hesitate at assuming the added political/military liabilities implicit in

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the delivery of any large number of tanks to Israel in a short span of time. Given this situation, the UK would not be disposed to offer especially favorable financial terms or major concessions on timing of deliveries.

Thus, any US "good offices" in Israel's behalf might find the British skeptical and slow to react in the absence of other US concessions such as stronger support of UK positions and attitudes in the Middle East.

Still, any such result would free the US of the political liabilities of providing Israel tanks and might be worth at least some financial aid to Israel as an indirect subsidy for the purchase of non-US tanks.

D. Seek a commercial or political arrangement wherein the French supply Israel with up to 300 AMX-30 medium tanks, or, if acceptable to Israel, AMX-13 light tanks (or some of the 864 US M-47s in the French inventory).

1. AMX-13 - M-47. The Israelis are unlikely, except as a last resort, to accept M-47s for retrofitting, or AMX-13s, although they have 150 of the latter in their inventory and they are available with a 105mm gun.

2. AMX-30. This new French medium tank (sometimes designated AMX-63 when equipped with diesel engine) will probably be available in 1966 at a price in excess of \$225,000 each, and the French would be likely to be receptive to a sale to Israel. However, they would be most unlikely to warm to pulling US political chestnuts from the fire in the Arab world. If for no other reason, DeGaulle is carefully cultivating improved Arab relations and appears less willing to identify France with Israeli causes.

In the final analysis, French provision of Israeli tank needs would be the least damaging to US interests in the Arab world. France would doubtless insist on a straight commercial deal to France's advantage, on fairly stringent French terms, and at a relatively high price to Israel. Any US good offices or participation might have to be limited to indirect financial support to Israel. Nor would such an answer appeal strongly to the present regime in Israel for political if not for financial reasons. Israel is already heavily dependent on France as the major hope for missiles, nuclear materiel and know-how, and for high-performance aircraft. There would be little politico-military gain to Israel in the increased dependence on France for military equipment which would result if France also supplied tanks.

3. The French Government firm of SOFAM has a license with a US firm, Wheland Products, which will permit the manufacture of the AMX light tanks (with 105mm gun) in the US. The arrangement (1) requires that at least 20% of the value of all orders received by Wheland be filled by manufacture in or supply of parts and components from France, and (2) was aimed primarily at obtaining substantial tank orders from India. India has a stated requirement for 700 light and 800 medium tanks. With the 105 gun and with a diesel

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engine (still under development) this tank might conceivably satisfy Israeli requirements. If a deal could be worked out it might be possible to minimize political objections of direct US involvement and yet give us the ability to provide financial terms not otherwise available to Israel through direct purchase from France. However, we do not support an Indian requirement for anything like 700-800 tanks. It should be noted that this is a 14-ton light tank whereas the Israelis have asked for 50-ton medium tanks. There is no assurance that they would accept this AMX-13 even with a 105mm gun and diesel engine. It is not known whether Wheland will produce the new AMX-30 medium tank.

The Wheland Company estimates the cost of the AMX-13 105mm tank between \$70 and \$100 thousand per tank.

E. Seek a "consortium" arrangement (as suggested by Ambassador Bruce in London to State 4875 dated 4 April 1964) wherein three to five or more Western arms suppliers would join in providing tanks and other arms to Israel--and presumably to the Arab states.

Such an arrangement could, in effect, revitalize and extend the scope of the near-dormant NEACC to the field of actual sales. A profit-sharing or other arrangement to make it equally advantageous to all the participants would probably be necessary and even then France might be reluctant or refuse to join. Limited time is a further precluding factor in this scheme. It might also be difficult to decide on which tank or tanks would be supplied with all competing for sales, and of course the arrangement would not appeal to either the Arab states or Israel since it would prevent bargaining.

In this avoidance of bargaining would be found one of the chief merits of such a proposal along with the fact that it would spread the political onus for providing Israel with tanks.

Also, it is one of the few "outs" available, if the US is to honor the Israeli request. It avoids what the preponderance of opinion sees as serious adverse results from a direct US sale. Further, this proposal would seem to have important future potentialities preventing the introduction of SSMs and nuclear and other sophisticated weapons into the area.

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III. DECLINE TO PROVIDE TANKS AND GIVE NO OVERT ASSISTANCE TO ISRAEL IN OBTAINING SUCH ARMOR FROM WESTERN SOURCES.

A. Advantages. To the Arabs, this is the only defensible action and it would appear in consonance with the weight of political opinion as expressed by the USIB and messages from the US Country Teams in the Middle East (see below).

It has the further justification in that, despite Israeli pleas, US observers are not convinced that Israel is as yet seriously vulnerable to ground attack. In fact, an anomaly in the 12-13 November 1963 talks was that Israeli spokesmen insisted, with considerable effect, that Israel is vulnerable to surprise aircraft and/or missile attack but is not vulnerable to Arab attack in the foreseeable future on the ground. It is generally understood that the UAR might be able to launch a destructive surprise air attack but it could neither exploit such an attack on the ground nor win by it alone. Yet, Israel is pressing for tanks as first priority, on the ground that they face real and increasing obsolescence of their present tank inventory.

B. Disadvantages. Failure to meet their urgent pleas in some way could have serious repercussions in Israel and would appear as a US capitulation to Arab pressure and propaganda. Even more important, it would drive Israel to seek arms from any Western source where available and to a "go it alone" attitude which could result in a serious crisis, perhaps involving SSMS and nuclear weapons. There is a considerable "Gaullist" faction in the Israeli Government, including Defense Minister Peres. The hand of the "depend on Europe" or "go it alone" elements in Israel would surely be strengthened.

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IV. OFFER TO PROVIDE BOTH ISRAEL AND THE ARAB STATES, ON A CREDIT SALES BASIS, REPLACEMENTS FOR OBSOLETE EQUIPMENT AND SUFFICIENT OTHER MILITARY EQUIPMENT TO KEEP THEIR MILITARY STRENGTHS IN A ROUGH STATE OF EQUILIBRIUM.

A. Advantages:

1. Apparent impartiality while also supplying Israel's requirements.
2. Taking advantage of sales opportunities.
3. Giving the US a greater ability to maintain a satisfactory equilibrium as between the military strengths of the Arab states and Israel,
4. Increasing the opportunity for the US to displace the Soviet Bloc as supplier for Iraq, Syria, Yemen, and perhaps the UAR.
5. In combination with a consortium arrangement, might avoid the disadvantages of intra-Western competition in the sale of arms to the area and of individual country sales to rival countries.

B. Disadvantages

1. It is unlikely that the UAR and others which now receive arms from the Soviet Bloc on favorable terms would be major takers.
2. Western prices would be unlikely to be competitive with those of the Bloc.
3. The Arabs would find it politically difficult to rely solely or largely on the West for arms.
4. The US would be subject to the accusation of being ready, for a price, to sell arms to both sides in a fight.

In any case, this would require a basic change in US arms policy toward the area.

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V. DEAL WITH THE TANK REQUEST ESSENTIALLY AS BUT ONE ASPECT OF THE LARGER PROBLEMS OF PEACE, SECURITY AND STABILITY IN THE MIDDLE EAST AND OF PREVENTING A PROLIFERATION OF SSMS AND NUCLEAR AND OTHER SOPHISTICATED WEAPONS IN THE MIDDLE EAST.

A. The problem of Advanced Weapons. Far more important to the US than the tank sale to Israel is peace, stability, and the protection of US interests in the Middle East. A most serious threat to peace and stability in the Middle East is the danger that Israel or the UAR will somehow obtain or fabricate effective SSMS or nuclear or other sophisticated weapons, or that the one of the rivals will become convinced its enemy is about to achieve a capability in the area of advanced weapons. Neither can afford, politically if not militarily, to permit such a development to go unchallenged. Thus, either side, using information available to it, could become convinced of the necessity to take drastic redressing action on short notice and disregard great power advice. Such action could be in the form of a pre-emptive attack by either side, an offer of rights by the UAR to the Bloc if sophisticated weapons were emplaced on their soil, an all-out effort to procure even more effective weapons at all costs, or a crash production effort.

B. Relating Tanks to Advanced Weapons. Given the overriding importance to the US of checking the spread of sophisticated weapons to the Middle East, consideration must be given to conditioning any provision of US tanks, upon a firm Israeli commitment to forego purchase of further SSMS from France or through their own production efforts.

So far, Israel has refused to commit itself on the subject of SSMS except to state flatly it would abandon them if Nasser did too, and to promise consideration of a suggestion that the US be consulted before Israel acquires more than the 25 test vehicles already coming from France. Similarly, Israel has repeatedly refused its consent for the US to reassure Nasser that Israel will not produce nuclear weapons at Dimona.

In taking these positions as well as in pressing for tanks to augment their armor strength, Israel is insisting on freedom of action to pursue a policy of deterrence through preponderant strength. Israel is also refusing to take the lead in reducing tensions through such reassurances. Presumably this is because Israel finds itself beset by hostile states sworn to its obliteration, but it may also reflect a desire to be free to expand its borders if the opportunity arises through some hostile act. Israel thus would have their US cake and eat it too, while the Arabs fall out with us entirely.

On the other hand, there is the view that provision of 300-500 modern tanks to Israel will provide Israel with a convincing deterrent ground force for years to come and thereby contribute to Mid-East peace and provide time for the settlement of the numerous seemingly unsolvable issues. Even if one holds to this view, it is important to withhold a favorable decision on tanks

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until every effort has been made to achieve an Israeli accommodation to the US policy of preventing more sophisticated weapons from reaching the area. Military pressure on the Israelis is probably not as important as their need to make the best of a US election year.

C. Eshkol Visit May Provide Opportunity. Prime Minister Eshkol's visit to the US may provide a favorable occasion to inaugurate new positive efforts to put a ceiling on the extension of advanced weapons to the Middle East. These efforts might include the following:

a. A clear explanation by the President that the US considers prohibitions on advanced weapons, specifically including SSMs and nuclear weapons, for the Middle East, of overriding importance.

b. A discussions with Eshkol of ways and means for achieving the kind of arms limitation for the Middle East which will provide the necessary assurances to Israel as well as the Arab states.

c. Pressing the UK, West Germany, France, and other potential Western suppliers of arms to the Middle East to support possible talks with the Soviet Union, looking to a ceiling on the kinds of weapons to be provided the Middle East and the quantities to be permitted.

d. A new and vigorous push toward the revival and strengthening of the NEACC as a control organ for Western suppliers, perhaps combined with a "consortium," to supply those arms considered appropriate as well as to provide a solid Western front to Moscow.

e. Discussions with selected Arab and Moslem leaders, to explain this effort and the reasons for it and to enlist their cooperation along with that of Israel.

f. Urgent efforts to achieve some progress in stabilizing the military situation in the Middle East by some or all of the following additional devices:

1. Measures against "surprise attack," perhaps monitored by the UNEF or UNTSO or similar international organizations.

2. Agreement to International Atomic Energy Agency (IAEA) inspection of all nuclear developments in the Middle East.

3. Arranging a "freeze" or control on all offensive missile development.

4. Reaching tacit agreement (not necessarily formal or even overt) to a "freeze" on arms levels and arms shipments within or to the area.

g. Prime Minister Eshkol might be told that to provide tanks at this time would, in our view, destroy any chance of a successful initiative toward Mid-East arms limitation and reduction; however, in return for Israeli cooperation in such initiatives, the US would make a commitment to furnish needed

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tanks at a definite future date if such efforts were frustrated and Israel's security against ground attack were further undermined.

D. Suggested Positon. In any case, the best alternative may be to consider the Israeli tank request only as it fits into the larger picture of US efforts to achieve an arms stabilization and ceiling in the area, and finally to reject the Israeli request if they refuse to cooperate in the arms control effort.

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The following is a summary of key views on the issue of tanks for Israel:

I. Advantages in US Provision of Tanks

Provision of 300-500 M-48A3/M-60 US tanks would have a number of advantages to the US.

a. It would help redress the imbalance in quality of armor between Israel and the Arab states created by Soviet Bloc shipments of armor to the area.

b. It should enhance US ability to influence military policy in Israel.

c. It would serve notice to the Bloc, the Arabs, and Western Europe that the US will not follow a policy of self-limitation in arms shipments to the area while others create trouble by providing arms to the area as they see fit.

d. It would improve the US balance of payments by \$0-plus millions.

e. It would demonstrate to the Arabs and the Bloc that the US will neither capitulate to Arab/Bloc pressure and criticism when action seems warranted nor abandon its interests and its friends in the area.

f. It would demonstrate to the Arabs that the US would not permit Israel to become vulnerable to being overrun.

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II. Disadvantages in US Provision of Tanks

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b. US Country Teams in the Middle East-North Africa were asked to comment on the questions posed in NSAM 290. The preponderant opinion is that

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provision of any significant number of US tanks by sale or grant to Israel will have serious adverse effects on US interests in the area. They stress that it will tend to confirm the Arab suspicion that US policy is changing toward more open support for Israel. All feel that US leverage and influence in the Arab world will be greatly lessened and that the Soviet Bloc will be given new opportunities which they will exploit rapidly. Further, they expect that the US position in Libya and US oil rights will be weakened.

Even the Country Team in Tel Aviv, while favoring the provision of 300 tanks, was not optimistic about the ability of the US to prevent Israel from obtaining SSMs and even nuclear weapons, if they deem these necessary to their own security.

All of the Embassies recognize the serious difficulties inherent in the problem and a majority of them seek alternatives either to provision or denial of tanks to Israel. In addition to the "consortium" proposal submitted from London, various Middle East Embassies stress that the only satisfactory answer not only to the tank problem but also to the even more serious problem of missiles and nuclear weapons lies in some form of arms limitation for the Middle East. They urge that an attempt be made to reach agreement with suppliers in Western Europe and, even more important, with the Soviet Union, and that any such agreement emphasize the necessity of excluding SSMs and nuclear weapons from the Middle East in lieu of or before any decision on tanks for Israel.

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**TAB 1**

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E.O. 12356, Sec. 3.4

NLJ 93-67

By 11-17-92, NARA, Date

THE WHITE HOUSE

WASHINGTON

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March 19, 1964

NATIONAL SECURITY ACTION MEMORANDUM NO. 290

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE ✓  
THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Meeting Israeli Arms Requests

Before deciding on whether or how to meet Israel's current request for tanks, the President desires a thorough review of all aspects of this problem, leading to a coordinated interdepartmental recommendation not later than 1 May 1964.

Among the aspects he wishes reviewed are: (a) likely Arab reactions and their consequences; (b) various means of offsetting such reactions; (c) likely Israeli reaction if we refuse to meet their request or postpone the issue; (d) the likelihood that Israel could satisfy its needs elsewhere; and (e) the likely course and consequences of Israeli missile development, and the desirability of an effort to turn Israel aside from this course, including ways and means of doing so.

The review should also assess various alternative ways of dealing with this matter, such as limiting the size of any sale, postponing such a sale to a more propitious time, or encouraging and perhaps helping Israel to meet its needs from other suppliers. Finally, it should include an analysis of what cooperative measures we might reasonably ask of Israel in return for our responsiveness in meeting its arms needs.

I suggest that we prepare a paper in time for discussion of this matter in the Standing Group on 28 April, prior to final approval by the Secretaries of State and Defense and submission to the President.

*McGeorge Bundy*  
McGeorge Bundy

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1964 March 1964

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**TAB 2**

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 93-332

By gaw, NARA, Date 9-15-93

INVENTORY OF MIDDLE EAST ARMOR

		<u>Light Tank</u>	<u>Medium Tank</u>	<u>Heavy Tank</u>	<u>Special Anti-Tank</u>	<u>Anti-Tank Artillery</u>
ISRAEL	AMX-13 (Fr.)	150				
	M-4 (US)		325*			
	Centurion Mk V & VIII (UK)		135**			
	M-4 (Flail) (US)		23			
	M-4 (Dozer) (US)		3			
	Churchill Bridgelaying (UK)		2			
	75mm on M-4 Chassis w/AMX turret (US)		111			
	TD M-10 (US)				93	
	90mm AT (US)					85
	84mm AT (Czech)					53
	6 pdr AT (UK)					150
	7 pdr (UK)					85
	SS-10 AT Guided Missile (Fr.)				850	
	SS-11 AT Guided Missile (Fr.)				36	
	SS-12 AT Missile (Fr.)				?	
<p>* - Some M-4s retrofitted  Agreement with France in December 1963 to purchase 49 M-4s  **- Possibly 90 retrofitted with 105mm gun</p>						
UAR	PT 76 (Amphib) (USSR)	20				
	M-4 (US)		30			
	Centurion Mk I & II (UK)		29			
	T-34 (85mm) (Czech)		500			
	JS-3 (Stalin) (USSR)			60		
	T-54 (USSR)		100			
	6 pdr AT (UK)					77
	57mm AT (USSR)					300

34

AT Arty

UAR (Ct)	17 pdr AT (UK)		56
	SU-100 (USSR)	200	
	82mm rcl AT Gun B-10 (USSR)	200	
	83mm AT Rkt Launcher M-51		
	(Belgium)	1200	
	82mm AT Gun T-21 (Czech)	500	
	107mm rcl AT Gun B-11 (USSR)	some	

LEBANON	M-41 (US)	18	
	M-4A4 w/17 pdr (UK)		23*
	Charioteer w/20 pdr (UK)		20**
	AMX w/75 mm (Fr.)	22	
	83mm rkt launcher M-51 (Bel.)		60
	up 6mm recoil rifles (US)		37

Believed unserviceable  
On loan from UK

IRAQ			
T-34 (US)	46		
T-34 (85mm) (USSR)		80	
T-54 (USSR)		284	
Centurion (Mk. III) (UK)		9	
Centurion (Mk VII) (UK)		116	
Churchill Mk VII 75mm (UK)		29	
SU-100 (USSR)			120
57mm AT (USSR)			
17 pdr AT (UK)			
82mm rkt launcher (USSR)			212
82mm rcl gun B-10 (Belg.)			139
106mm rcl rifle (US)			108
120mm rcl rifle (UK)			71
132mm rkt launcher (USSR)			30
Wire guided AT missile (USSR)			12

23  
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		<u>Lt. Tk</u>	<u>Med. Tk</u>	<u>Heavy Tk</u>	<u>Spec AT</u>	<u>AT Arty</u>
JORDAN	Charioteer (UK)		49			
	Centurion (UK)		42			
	M-4 (US)		48			
	M-47 (US)		49			
	17 pdr AT (SF) (UK)					33
	17 pdr (UK)					80
	106mm rcl rifle (US)				130	
	3.5 in rkt launcher (US)				168	
SYRIA	Pzkw IV (Germ)	57				
	T-34 (Czech)		250			
	T-54 (USSR)		135			
	50mm AT (Ger)					36
	57mm AT (USSR)					100
	55mm AT (Ger)					24
	82mm rcl AT Gun B-10 (USSR)				200	
	82mm rcl AT Gun T-21 (Czech)				300	
	AT Launcher RPG-2 (USSR)				1000	
SAUDI ARABIA	M-41 (US)	36				
	M-47 (US)		18			
	57mm rcl rifle (US)				387	
	75mm rcl rifle (US)				168	
	3.5 in rkt launcher (US)				1229	
	106mm rcl rifle (US)				54	
TOTALS	Israel	150	599	0	979*	373
	Arab States	189	1821	60	5953	789

\* - does not include some 4800 recoilless weapons

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**TAB 3**



THE JOINT CHIEFS OF STAFF  
WASHINGTON, D. C. 20301

JCSM-207-64

12 MAR 1964

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Military Assistance for Israel (U)

1. Reference is made to a memorandum by the Deputy Secretary of Defense, dated 11 February 1964, on the above subject, which requested the views of the Joint Chiefs of Staff regarding certain questions posed in a letter by the Deputy Under Secretary of State, dated 2 February 1964. These questions, concerning the desirability of selling tanks to Israel, are:

- a. Whether a significant imbalance exists in the relative strengths of the Arab-Israeli military forces;
- b. The need for Israel to augment its tank strength;
- c. The need for modernization of Israel's tank force; and
- d. Possible substitution of antitank weapons that would meet Israel's needs.

2. A significant imbalance in the relative strengths of Arab and Israeli military forces does not exist at this time.

a. Though superior in total numbers and hardware, the Arabs trail Israel in quality and experience of leadership, in the level of general educational and technical background among the enlisted ranks, in mobilization capability, and in incentive to fight. The serious political differences and jealousies of the Arabs make effective combined military action against Israel highly unlikely. Israel will probably retain its over-all military superiority vis-a-vis the Arab States for the next several years.

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Authority FRUS, Vol. XVII, #28  
By Cbm, NARA, Date 8-23-02

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12 March 1964

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b. Apart from such estimates of over-all capabilities, Israel's concern about tanks is justified. Israel cannot be complacent, for example, in knowing that Egypt has moved from a position of tank disadvantage to advantage in a period of five years. Egypt has moved far ahead in tank quality and has increased its tank inventory from 322 to 739, while Israel's has increased from 626 to 798.

3. There is no need for Israel to augment its tank strength at this time. Current force levels and equipment levels are adequate for the defense of Israel in the light of announced US policies and Arab disunity and weaknesses. With the ability to mobilize to a strength of 250,000 in two days, Israeli forces can continue to counter Arab threats as long as such forces are well led, trained, and equipped.

4. There is a military need for Israel to modernize its tank force because the bulk of its tank inventory is obsolescent. The Arabs (Egypt, Syria, Jordan, Saudi Arabia, Lebanon, and Iraq) have already gained a favorable modernization differential as well as a numerical advantage, and they are gradually improving their training and maintenance. Thus, Israel needs to replace obsolete M-4 tanks in order to counter Arab T-34s, T-54s, and JS-3s.

5. With reference to the question of substituting antitank weapons for tanks, it must be noted that these weapons are complementary to each other. Even though a nation may have adopted a defense strategy, there is a requirement for an offensive tactical capability to repel, if necessary, eject enemy forces which have penetrated its territory. Thus, Israel has a need for an appropriate mix of tanks and antitank weapons in order to maintain a balanced military force.

6. The foregoing comments do not alter the views of the Joint Chiefs of Staff as furnished in JCSM-953-63, dated 7 December 1963, subject: "Near East Arms Policy (U)," and JCSM-40-64, dated 18 January 1964, subject: "Arms for Israel (U)."

For the Joint Chiefs of Staff:

Signed

EARLE G. WHEELER  
Acting Chairman  
Joint Chiefs of Staff

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**TAB 4**



THE JOINT CHIEFS OF STAFF  
WASHINGTON, D. C. 20301

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JCSM-40-54

By JF, NARA, Date 2/5/92

18 JAN 1964

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Arms for Israel (U)

*THU Evans*

1. Reference is made to a memorandum by the Assistant Secretary of Defense (ISA), 1-20042/64, dated 6 January 1964, subject as above, which requested the views of the Joint Chiefs of Staff on Israel's request for tanks and specifically asked:

- a. Are the numbers and types of tanks requested necessary and appropriate to Israeli needs?
- b. If the United States does approve the Israeli request in principle, is the equipment requested the most useful equipment to offer?
- c. Is it advisable to substitute anti-tank weapons (other than tanks) or other vehicles for a part of the total requirement in order to reduce costs?

2. In JCSM-953-63, dated 7 December 1963, the Joint Chiefs of Staff forwarded their views on proposed changes to the "Near East Arms Policy," including the assessment that "the substantial military equilibrium presently existing among Near Eastern states does not warrant immediate action to supply major quantities of arms to any of these countries. Rather, the highest priority effort should be directed toward achieving agreement among Middle East arms suppliers to restrict the flow of arms into the area. Pending the results of such efforts, however, the arms policy should provide the requisite flexibility without positively identifying the United States with either side in the Arab-Israeli conflict." Appendix A hereto provides an assessment of the Arab-Israeli arms balance.

4749 Israel

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3. It is understood that a final decision to reaffirm or modify the "Near East Arms Policy" has not yet been made. In considering the questions posed in the referenced memorandum, the Joint Chiefs of Staff have therefore assumed that:

a. US objectives in respect to the Near East include the maintenance of military equilibrium between Israel and its immediate Arab neighbors, and the avoidance of actions likely to intensify the Arab-Israeli arms competition.

b. Provision of tanks to Israel must be consistent with the US policy on supplying arms to Near Eastern countries.

c. US military equipment would be made available to Israel only through the medium of sales.

d. To minimize the diversion of Israeli foreign exchange resources from essential economic development programs, the most economical solution to Israel's tank modernization problem is desirable.

4. With these assumptions in mind, the Joint Chiefs of Staff believe that the following criteria should be applied in responding to Israel's request for tanks:

a. Conformity with approved Israeli Army Force Guidelines, which are predicated on Israel's orientation toward the West and her subjection to international peace-keeping supervision, which requires restraint on excessive arming.

b. Consistency with requirements for strengthening Free World security forces and the protection of US political and economic interests.

c. Necessity for internal security and legitimate self-defense requirements.

d. To the extent possible, avoidance of contribution to and acceleration of regional arms competition.

e. Assistance in offsetting the foreign exchange costs of maintaining the US military position abroad.

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5. Applying these criteria to the Israeli tank request, the Joint Chiefs of Staff note that the major Israeli Army combat units in being coincide with the approved Force Guidelines. Furthermore, a significant increase in Israeli Army units does not appear to be justified by the existing strength relationship between the Israeli and Arab Armies. However, replacement of obsolete armored equipment in the current Israeli inventory could be justified on the basis that the Arabs possess modern heavily armed and armored tanks. Because of the extremely sensitive political situation in the Near East, any US participation in a program to sell modern tanks to Israel would have to be managed discreetly. At a minimum this would entail phasing in small quantities over a time span of 2-3 years and insuring that there is no significant net increase in the number of weapons in Israeli hands. See Appendix C for discussion of additional factors bearing on the problem.

6. Israel currently utilizes French SS-10 anti-tank missiles. There is no comparable US weapon in production. Recoilless rifles, M-72s and the like, very probably would not meet the Israeli desires to enhance their tactical offensive capabilities, implicit in the tank request.

Armored personnel carriers would be useful to Israel as a replacement for its US armored half tracks, but would not be responsive to the Israeli request.

7. In view of the above and the factors discussed in Appendices B and C hereto, the Joint Chiefs of Staff conclude that the sale of tanks to Israel cannot be predicated primarily on military considerations and that:

a. Replacement of 300 of Israel's present M-4 tanks is militarily sound on the basis of modernization, and the types requested are appropriate to Israeli needs. However, a net increase in Israel's tank inventory is not presently justified.

b. The types of tanks requested are the most useful equipment that could be offered Israel, but M-48 tanks would also meet Israeli needs.

c. The United States can provide no substitute anti-tank weapons which would meet Israel's needs and also be substantially lower in cost than M-48 tanks.

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8. Should a decision be made to sell US tanks to Israel, it is recommended that:

a. Israel be offered 300 M-48 tanks for phased delivery during the next 2-3 years.

b. If Israel considers M-48s unacceptable, M-48A3s be offered only on the basis of converting present stocks of M-48A1 series tanks to M-48A3s (with the addition of 105MM gun, if Israel so desires). Such action would require that tanks so converted be replaced in the US Army inventory with M60A1s.

c. If it is decided to offer Israel M-60A1 tanks, this be done only on the basis of expanding presently authorized production rates to provide the quantity agreed upon.

For the Joint Chiefs of Staff:

SIGNED

J. W. DAVIS

Rear Admiral, USN

Deputy Director, Joint Staff

Attachment

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**TAB 5**

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# AVAILABILITY AND PRICE DATA

## M-48A3

### Availability

If M-48A1s used, requires replacement in Army inventory by M-60s. If M-48s used, could be drawn from excess stocks in CONUS. In either case would involve negotiation of private contract for modification to M-48A3. (Army has no in-house capability for modification.)

### Deliveries

18-month lead time for conversion of first M-48A1 to M-48A3; further deliveries per contract and premium Israel willing to pay for more rapid modification. An extra 9 months lead time probably required for engineering studies of conversion of M-48 to M-48A3 since never done (similar for M-47).

## M-60

Requires add-on to presently planned production of:

60 per month at present  
50 per month in May 1964  
35 per month in Sept. 64

Assuming continued 60 per month production rate:

10 per month after May 64  
25 per month after Sept. 64

However, with a 9-month lead time, total production could be stepped up to:

100 per month with 1 shift  
200 per month with 2 shifts

And thus provide for Israel:

40-70 per month with 1 shift  
140-170 per month with 2 shifts

### Price

	M-48 to M-48A3	M-48A1 to M-48A3
Each	\$100-110 thousand	\$125-140 thousand
300	(at \$100,000 each) \$30 million	(at \$130,000 each) \$39 million
500	(at \$100,000 each) \$50 million	(at \$130,000 each) \$65 million

	Each
60 per month	\$168,895
50 per month	175,395
40 per month	197,895
30 per month	219,895

Assuming continued production rate of 60 per mo. at \$168,895 ea

300	\$50,668,500
500	84,447,500

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By ms, NARA, Date 9-23-02  
4-3-06

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**TAB 6**



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HEADQUARTERS  
DEPARTMENT OF THE Army  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D.C.

JAN 13 1964

MEMORANDUM FOR: ASSISTANT SECRETARY OF DEFENSE  
INTERNATIONAL SECURITY AFFAIRS

SUBJECT: Possible Sale of Medium Tanks

In response to your memorandum I-17555/63 dated 20 December 1963, subject as above, the following information is provided:

a. U. S. Army tank inventory in CONUS and in Europe is contained in Inclosure 1.

b. Quantities of tanks delivered to the various countries under Grant Aid and/or Military Sales are contained in Inclosure 2. These are total delivery figures and have not been adjusted to reflect either attrition or degree of serviceability.

c. Estimated prices are contained in Inclosure 3. The price shown for the M48 medium tank is based solely upon scrap value. The price shown for the M60A1 tank is an estimate only and will vary depending on the quantity and rate of production of the contract in force at the time of delivery to a purchasing country.

d. There are no known phase-out dates for tanks in the hands of foreign governments. It is believed, however, that Germany will in the near future start phasing out M47 medium tanks. An adequate quantity of M48 tanks are presently available for the proposed sale. Availability of M48A1 tanks is contingent upon their replacement with M60 tanks.

e. The present rate of production is 60 tanks per month which is scheduled for phase-down to 50 per month in May 64 and 35 per month in September 64. Production from present facility could be increased to 100 per month on a one-shift basis, or to 200 per month on a two-shift basis with a nine month lead time. M60A1 tanks can be made available for sale by add-on to the planned production schedule for U. S. Army requirements.

f. The U. S. Army has no in-house capability to convert any M48 tanks to M48A3. The rate of production will be dependent upon the conditions of the contract to perform the modification. A complete modification, to include up-gunning to 105mm gun, is estimated to require 18 months for initial delivery after contract is negotiated.

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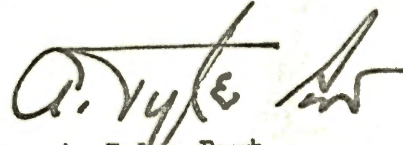
~~SECRET~~

SUBJECT: Possible Sale of Medium Tanks

Attention is invited to the fact that listed prices are estimates at this time. When firm requirements for sale are developed, a definitive position as to price and availability will be provided.

3 Incls

1. Tank Inventory (S)
2. Quantities of Tanks  
Delivered to Various  
Countries (C)
3. Estimated Prices (C)



A. Tyler Port  
Deputy Assistant Secretary of the Army (I&L)  
(Logistics)

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Authority DOD Dir 5200.10

By JP, NARA, Date 2/5/92

3m

US ARMY TANK INVENTORY

<u>MODEL</u>	<u>CONUS</u>	<u>EUROPE</u>
M60A1	79	606
M60	256	1047
M48A3	160	2
M48A2C	141	0
M48A2	225	541
M48A1	3932	633
M48	3389	0
M47	0	0
M41 (all types)	1851	23

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Inclosure 1  
OASA (I&L) CONTROL No. 1495

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IN-COUNTRY MAP TANK DELIVERIES  
(Grant Aid and Military Sales)

<u>COUNTRY</u>	<u>M41 &amp; M41A1</u>	<u>M47</u>	<u>M48</u>	<u>M48A1</u>	<u>M48A2</u>
Germany	602	1120	0	634	1077
Austria	42	153			
Italy	518	2294			
France	1137	864			
Belgium	242	852			
Greece	160	275	93	0	0
Netherlands	65	0			
Spain	69	389			
Portugal	19	123			
Denmark	120	0			
Norway	113	0			
Yugoslavia	0	319			
Jordan	0	49			
Lebanon	28	0			
Tunisia	17	0			
Ethiopia	40	0			
Turkey	9	980			
Iran	0	414			
Saudi Arabia	36	18			
Rep. of China	484	0			
Korea	0	465			
Japan	147	1			
Pakistan	123	230	253	0	0

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By [Signature], NARA, Date 2/5/92

Inclosure 2  
CASA (I&L) CONTROL No. 1495

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30

ESTIMATED PRICES TANKS

<u>MODEL</u>	<u>USED OVERHAULED PRICE</u>	<u>AS IS PRICE</u>
M41	\$ 54,953	\$34,436
M41A1	52,499	31,569
M41A2	73,625	52,695
M41A3	70,353	49,423
M47	30,980	7,386
M48	26,930	5,954
M48A1	65,612	42,891
M48A2	80,144	58,112
M60	N/A	N/A
M60A1	168,895 (new)*	N/A

\*Based upon current production rate of 60 tanks per month.  
Additional estimates:

<u>Production Rate</u>	<u>Estimated Cost</u>
50 per month	\$175,395
40 per month	197,895
30 per month	219,895

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Inclosure 3

OASA (I&L) CONTROL No. 1495

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Authority DOD Dir 5200.10  
By [Signature], NARA, Date 2/5/92

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**TAB 7**



HEADQUARTERS  
DEPARTMENT OF THE ARMY  
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS  
WASHINGTON 25, D.C. 20310

LOG/D3<sup>n</sup> 2882

5 MAR 1964

MEMORANDUM FOR: ASSISTANT SECRETARY OF DEFENSE  
INTERNATIONAL SECURITY AFFAIRS (ATTN: Mr. Evans, NESA)

SUBJECT: Retrofit of M48 Tanks

1. The inclosed information on costs and characteristics of M48 tanks converted to the M48A3 configuration with the 105mm gun is provided in response to your oral request of 24 February 1964.

2. The following additional comments are made for clarification.

a. The significance of the statement of repair parts availability lies in the fact that M48 peculiar parts will not be stocked in anticipation of MAP requirements (Grant Aid or Sales). They will, however, be available from procurement for requirements as they develop. Price increases can be anticipated as a result of small lot procurements.

b. The M85 50 caliber machine gun used on the M60A1 tank as the commander's machine gun is a new weapon capable of a high rate of fire. Retrofitted tanks cannot accommodate this new weapon, but use the M2 50 caliber machine gun.

c. The M48 tanks were equipped with three different models of transmissions, one of which will require replacement rather than rebuild. This will require selection of tanks to be retrofitted to screen out those with transmissions requiring replacement to avoid the additional \$8,300 cost.

d. The cupola on the M60A1 tank permits the tank commander to fire his machine gun without exposing himself to hostile fire. If this cupola is desired on the retrofitted M48 an additional \$3,000 cost per tank will be incurred.

3. It is reiterated that all costs are estimates only, based upon engineering studies and past conversion experience, and are subject to change in the event contract negotiations are conducted.

FOR THE DEPUTY CHIEF OF STAFF FOR LOGISTICS:

1 Incl

as

*V. Kovalevsky*  
V. KOVALEVSKY  
Colonel GS  
Chief  
Military Sales Division

JA B7

I-3703/64

1470.8

5 Mar 64

## CONVERSION OF M48 TANKS TO M48A3 W/105MM GUN

### Feasibility of Conversion

It is considered physically feasible to modify M48 tanks to the M48A3 configuration with a 105MM gun. This tank would have essentially the same mobility and fire power as the M60A1; however, it would have significantly less ballistic protection. It is not considered economically feasible since the modification and rebuild costs would approximate 2/3 of the cost of a new M60A1.

### Comparison between Modified 48, Modified A1, and M60A1

A detailed comparison is attached as Annex 1. The modified M48 and modified A1 would possess the same characteristics. Retrofit tanks are not capable of accepting the present infrared fire control or the M85 Machine Gun.

### Duration of Repair Parts Availability after Delivery

Parts common to the M48A3 and M60A1 will remain available as long as these vehicles are classified as standard A or B. Parts peculiar to the M48, which has been classified standard C, are being disposed of. Since an engineering package has not been made for the conversion of a basic M48 to an A3 configuration, it is not known if any M48 peculiar parts would remain on the vehicle after the conversion.

### Cost of Modification

Detailed modification costs are shown as Annex 2. A breakout of labor and overhead costs by major vehicle category is not available. Modification costs do not include the basic cost of the unserviceable M48, the M2 Machine Gun, or radios. Costs are based on conversion of 300 vehicles and includes a \$300,000 cost of engineering and \$170,000 for one pilot build and testing.

### Estimated Lead-Time from Date of Order to Availability of Conversion Kits

Engineering of the conversion of a basic M48 to the A3 configuration with a 105MM Gun is estimated to take nine months. This is necessary to develop adequate procurement packages and

*End 3 705/64*

to test any changes that would be different from converting an M48A1 to an A3 configuration. In addition, the present A1 to A3 procurement package has not been kept up to date since Army plans did not contemplate any conversion beyond the FY62 program. If kit procurement is advertised, a three month procurement lead-time will be required. Production lead-time of kits is estimated to be nine months. Total time required from the date of order would therefore be:

Engineering	9 months
Procurement Lead-Time	3 months
Production Lead-Time	<u>9 months</u>
Total	21 months

It is not considered feasible for the Government to procure kits as GFE, since any slippage in kit delivery would result in a tank line stoppage which could be charged to the Government.

Estimated Lead-Time from time of Order to Delivery of First Modified Tank Assuming Use of Commercial Contractor

Considerable time in obtaining completed tanks can be saved by placing a sole source negotiated contract with the present producer of M60A1 tanks who would procure necessary parts and kits rather than furnishing them as GFE. The only GFE would then be engines, gun, fire control, and OVE. The time required for delivery of the first vehicle would therefore be:

Engineering	9 months
Procurement Lead-Time	3 months
Production Lead-Time	<u>8 months</u>
Total	20 months

# ANNEX 1

## TANK CHARACTERISTICS

<u>PHYSICAL CHARACTERISTICS</u>	<u>Modified M48 or M48A1</u>	<u>M60A1</u>
Weight: (Combat Loaded)	52 Tons	52.5 Tons
Length: Hull Only (Over Fenders)	270.5 in.	273.5 in.
With Gun Forward	366.3 in.	370 in.
Width:	143 in.	142.8 in.
Height: (w/o Cupola)	103.1 in.	108.4 in.
Ground Clearance:	16.8 in.	18.2 in.
Ground Pressure	11.8 PSI	11.2 PSI
Engine Horsepower (w/o Fans)	750 BHP	Same
Fuel Capacity	385 Gal.	Same
<u>PERFORMANCE</u>		
Max. Speed: Forward	32 MPH	Same
Max. Speed: Reverse	8 MPH	Same
Sustained Speed: Up 3% Slope	20 MPH	Same
Cruising Range	310 Miles	Same
Vertical Obstacle	36"	Same
Trench Crossing	8'6"	Same
Gradeability	60%	Same
Max. Fording Depth (w/kit)	8 ft.	15 ft.
<u>ARMAMENT</u>		
<u>Primary</u>		
Cannon M68	105MM	Same
Elevation Limit	+20°	Same
Depression Limit	-9°	-10°
Max. Rate of Traverse	4 RPM	Same
Ammunition Stowage	41 Rounds	63 Rounds
<u>Secondary</u>		
M73 M.G. Coaxial	7.62MM	Same
Ammunition Stowage 7.62MM	5900 Rounds	6000 Rounds
Commanders Machine Gun	50 Cal-M2	50 Cal-M85
Rate of Fire	350-450 RPM	350-450 RPM Low
		1000-1100 RPM High
Ammunition Stowage 50 Cal.	500 Rounds	900 Rounds

# ANNEX 1

## TANK CHARACTERISTICS

### ARMOR

Modified M48  
or M48A1

M60A1

### Hull

Front  
Sides (Crew Comp)  
(Eng Comp)  
Rear  
Floor  
Hull Roof

4" @ 60°	4.5" @ 65°
2" @ 0° Equiv	2.9" @ 0° Equiv
1.25" @ 0° Equiv	2.9" @ 0° Equiv
1.25" @ 0°	1.65" @ 0°
1"	.75"
.75"	1.4"

### Turret

Front  
Sides  
Rear  
Top

7" @ 0°	10" @ 0° Equiv
2" @ 0°	5.5" @ 0° Equiv
3" @ 0°	2.25" @ 0° Equiv
1"	.93"

### Sighting Equipment

Gunner (Periscope)  
(Articulated Telescope)  
Commander (Periscope)  
(Range Finder)

M31 Daylight 8X	M32 Infrared 8X
M105C 8X	Same
M28C Daylight	M34 Daylight 7X
1.5X	M36 Daylight 8X
M17B1C 10X	M17C 10X

ANNEX 2

UNIT MODIFICATION COSTS  
(Based on 300 Vehicles)

MATERIAL COSTS

Hull and Suspension	\$15,900
Power Pack	19,300 (1)
Turret and Gun Controls	4,800 (2)
Fire Control Sights	8,200
105MM Gun, Ammo Racks, & 7.62 M.G.	8,800
Overhaul Parts	8,000

LABOR AND OVERHEAD COSTS

Vehicle Conversion	17,400
105MM Installation	3,000
Vehicle Overhaul	4,000

<u>ENGINEERING, QUALITY ASSURANCE INSPECTION</u>	5,200
<u>CAGES, FIXTURES, AND SPECIAL TOOLS</u>	

Total	\$94,600
-------	----------

- (1) Add \$8,300 if transmissions must be replaced rather than rebuilt.
- (2) Add \$3,000 if M1 cupola is desired.

## ARCHIVES PROCESSING NOTE

As of this date, there is no document #3r in this folder, National Security File, National Security Action Memorandums, "NSAM 290—Meeting Israeli Arms Requests," Box 3.

Alexis Castro  
December 5, 2011

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# PROVISION OF TANKS THROUGH WEST GERMANY

The FRG inventory includes the following:

M-47	1,110
M-48A1	634
M-48A2	1,077
"Leopard"	50 prototypes
M-41 (1t)	596

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E.O. 12356, Sec. 3.4  
NJ 93-332  
By ju, NARA, Date 9-15-93

The M-48A1s can be retrofitted in the US and presumably in Germany or Israel with 105mm guns and diesel engines using US kits and some technical assistance. M-48A2s have not been converted to M-48A3s nor have M-47s, but there is no doubt that the A2s can be so modified and it seems quite certain that the M-47s could also be retrofitted. However, the Israelis say that they do not want M-47s with the 105mm or 90mm gun.

The Germans are not expected to have any quantity of their "Leopard" standard panzer tanks built until 1966 or later, and they plan to use them to replace the M-47s, not M-48s. Also, they will cost \$300-390 thousand each as contrasted with \$170-220 thousand for an M-60. Further, all indications are that the FRG does not want M-60s, so no deal, at least at a military level, could make German M-48s (or Leopards) available for Israel until 1969 or later.

As to the possibility of the FRG retrofitting any of these, there is no doubt of their technical ability to do so, but there would be an added delay of up to 12 months to provide the FRG with kits and know-how to do the job. Also, there is serious doubt of their willingness to do so. More specifically:

- a. It does not seem reasonable that the FRG will release M-48A1/A2 tanks for approximately 5 years. The M-48s are their best tanks. Upon receipt of their new Leopard tank (est. CY 65), the FRG will start to replace their M-47s. It should be about CY 1969 or 1970 before the FRG logically would be in a position to release M-48s.
- b. The FRG has a shortage of tank maintenance facilities. They are unable to satisfy their own requirements and this new proposal would merely add to their problems.
- c. The FRG have their new tank effort mainly tied up in the development and production of the Leopard tank. Their desire to get that tank into production makes it doubtful that they would desire to divert effort from new production for a modification program which they have not accepted for their own tanks.
- d. M-48A3 modification kits can be supplied from the US and 105mm guns can be obtained from ~~SECRET~~ other sources. However, the

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shipment of these components separately to Germany, plus the expense of the US providing technical assistance as well as FRG purchase of special tools and test equipment needed in this program, would increase the cost of the tanks from 15% to 30%.

e. The FRG turned down our suggestion that they retrofit their own M-48A1s to M-48A3s.

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TAB 9

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3u

UK ATTITUDE TOWARD SUPPLY OF TANKS FOR ISRAEL

Discussions with UK officials indicate the following attitudes and facts vis-a-vis supplying Israel with its tank needs:

1. The UK would probably respond affirmatively to a request from Israel for purchase of available items.
2. The new British Chieftain will probably not be available for sale to Israel until 1967. It will be off the production lines for British use in 1966.
3. The UK is ready to supply Israel with 48 Centurion tanks authorized as part of an earlier agreement. Shimon Peres, Israeli Deputy Defense Minister, had been anxious to take delivery of all 48 Centurions immediately, plus any others that might be available. These are Mark V models but it is not known what caliber guns they have.
4. The UK agrees in principle with the need to phase the delivery of the 48 Centurions over a two-year period.
5. A Centurion tank with a 105mm gun installed would be equal to the UAR's T-54 and superior to the T-34.

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DECLASSIFIED  
E.O. 12958, Sec. 3.5  
State Dept. Guidelines  
By y, NARA, Date 12-13-99

THE WHITE HOUSE  
WASHINGTON~~SECRET~~

March 19, 1964

NATIONAL SECURITY ACTION MEMORANDUM NO. 290MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE  
THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Meeting Israeli Arms Requests

Before deciding on whether or how to meet Israel's current request for tanks, the President desires a thorough review of all aspects of this problem, leading to a coordinated interdepartmental recommendation not later than 1 May 1964.

Among the aspects he wishes reviewed are: (a) likely Arab reactions and their consequences; (b) various means of offsetting such reactions; (c) likely Israeli reaction if we refuse to meet their request or postpone the issue; (d) the likelihood that Israel could satisfy its needs elsewhere; and (e) the likely course and consequences of Israeli missile development, and the desirability of an effort to turn Israel aside from this course, including ways and means of doing so.

The review should also assess various alternative ways of dealing with this matter, such as limiting the size of any sale, postponing such a sale to a more propitious time, or encouraging and perhaps helping Israel to meet its needs from other suppliers. Finally, it should include an analysis of what cooperative measures we might reasonably ask of Israel in return for our responsiveness in meeting its arms needs.

I suggest that we prepare a paper in time for discussion of this matter in the Standing Group on 28 April, prior to final approval by the Secretaries of State and Defense and submission to the President.

**DECLASSIFIED**  
**E.O. 12356, Sec. 3.4**  
**NLJ 93-67**  
**By lip, NARA, Date 11-19-92**

*McGeorge Bundy*  
McGeorge Bundy

~~SECRET~~

cc:

Mr. Bundy  
Mr. Komer  
Mr. Johnson  
NSC Files  
Mr. Feldman

THE WHITE HOUSE

WASHINGTON

March 13, 1964

MEMORANDUM FOR

THE PRESIDENT

Subject: Tanks for Israel

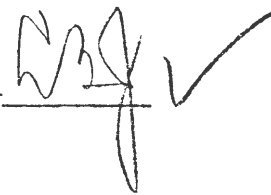
Mike Feldman and I have talked further about tanks for Israel and we agree that the best way to put it up to you at this stage is by sending you two memoranda -- Mike's is at Tab A and mine is at B.

Since Mike agrees with my Tab B, you can expedite this by giving a signal of approval -- and keep Mike's longer memo for leisure reading. The consequence of such approval would be that we would not decide on tanks before June.

M. F. B.

McG. B.

Tab B Approved



Speak to me

\_\_\_\_\_

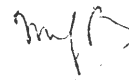
RWR:

like you

draft a comprehensive

NSAM to carry out

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THE WHITE HOUSE

WASHINGTON

March 14, 1964

5a

MEMORANDUM FOR THE PRESIDENT

Subject: Tanks for Israel

I agree with the Bundy memorandum. However, I would urge that we make the decision as soon as possible as to whether or not we are going to supply tanks to Israel, leaving for a later determination the terms under which they will be acquired.

If it is decided that we should supply the tanks, I should like to be able to convey this decision, in confidence, to the leaders of the Jewish community. They have shown in the past that they can keep a secret.

Attached is an elaboration of my views on this problem.

Myer Feldman

3/15/64

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## TANKS FOR ISRAEL

In an earlier memorandum I set forth the political problems we might face if the decision was deferred too long. There are foreign policy aspects to the delay which are even more important.

It seems to me that the logic in favor of providing tanks for the Israeli armed forces is inexorable. In view of the commitments expressed many times by many Presidents to come to the assistance of Israel if she is attacked, our basic policy must be directed toward the prevention of any aggression. Our policy must be such that American intervention will not be necessary.

Basic to the prevention of war is the maintenance of a balance of forces between Israel and her neighbors. There is no doubt of the growing preponderance of Arab tank strength. Nor is there any question about the Israeli need for modern tanks if Israel is to be able to meet the military threat posed by Russian tanks in Arab hands. Israel feels she must have at least half as many tanks as Egypt. I believe that everyone who has considered this problem believes that the balance of forces needed to prevent conflict requires that a means be found to provide the Israeli Government with between 300 and 500 modern tanks.

There are four problems:

1. It is said that any announcement indicating American military support for the Israeli army would disrupt our relationships with the Arab nations. I must confess that I am somewhat skeptical of this argument. I have heard it in connection with every American action designed to give comfort to Israel. We should remember that most of the nations depend upon us for large-scale aid. I notice that, even so, they more often support the Soviet Union than the United States in the United Nations. I read their constant denunciations of American imperialism; and I am more inclined to believe that firmness will attract respect than that concessions will win their favor.

Anyhow, if carried too far, this argument will result in actions justifying and encouraging forces in Israel, which have had very little success thus far, that are much more militant.

2. It is said that a decision should be deferred as long as possible. We have already waited five months. These are long-lead time contracts. Unless the Israeli Government receives some indication that American tanks may be provided, it will be compelled to make its plans on the basis of other assumptions. Already, I understand, they have agreed to purchase 90 British tanks.

Those who favor letting the Israeli Government purchase their tanks elsewhere overlook the shock to American-Israeli relationships which would result from our action, the balance of payments effects and, most important, the inability of the Israeli Government to purchase any substantial number of tanks if they are sold on the usual terms for military purchases. Besides, ours are the best tanks. To prevent war, these tanks are needed before the disparity between Egyptian and Israeli equipment becomes too great.

3. There is some feeling that we should not agree to the tank sale unless the Israeli Government gives up its intention to purchase ground-to-ground missiles. I find myself sympathetic with this position. However, it is difficult to tell a sovereign power what weapons it needs for its defense. The existence of Egyptian missiles and the fact that the Israeli Government has already contracted for 25 experimental missiles from France makes it impossible to condition the sale of tanks upon a renunciation of missiles.

But there are two alternatives. First, Israel could give up its right to missiles of any kind, including Hawks, if Egypt would enter into a similar agreement. Israel would agree to this, but there is little chance that Egypt will.

Second, we might be able to persuade Israel to refrain from any further purchases of missiles without prior consultation with us. In order to do this, however, it would be necessary for me to explore the question frankly and candidly with Prime Minister Eshkol, and I would have to know what we might be prepared to do in consideration for such an understanding.

4. Finally, and most important of all, there is the problem of terms of sale. Assuming it is decided that we supply Israel with the tanks, a 500 tank order would cost in the neighborhood of \$75 million. This is a staggering sum for a country with a total budget of only \$1 billion. The Israeli Government has asked for grant aid. We have explored various other kinds of assistance in the past; we have often increased the amount of development loans in order to free funds for the purchase of military equipment. But with the steadily decreasing foreign aid appropriations this is becoming increasingly difficult. Thus far I have seen no proposal looking toward the solution of this problem.

MF - 3/14/64

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THE WHITE HOUSE

WASHINGTON

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March 13, 1964

MEMORANDUM TO THE PRESIDENT

SUBJECT: Tanks for Israel

I still think the best way to go ahead with this issue is to push any decision ahead of us. I think we should use Mike Feldman's *April* visit to Israel as a reconnaissance in force, providing him with a detailed set of probing questions and comments, but carefully withholding any U. S. Government decision on the ground that such decision should await the meeting between President Johnson and Prime Minister Eshkol.

In this same spirit I would now send out a White House directive to State, Defense, and CIA to review all aspects of this problem -- tanks, missiles, Arab reactions, actual levels of Israeli procurement elsewhere, etc. etc., with the object of presenting a coordinated interdepartmental recommendation, with dissents, not later than May 1. I would plan to review this recommendation here, with Feldman, Komer, and myself participating, and then bring it to you for decision safely ahead of the Eshkol meeting.

*McG. B.*

McG. B.

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DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 1/30/95, State Dept. Guidelines  
By *ry*, NARA, Date *12-13-94*

THE WHITE HOUSE  
WASHINGTON

March 13, 1964

MEMORANDUM TO: Mr. Feldman

I wonder if we wouldn't save the President time if we combined our papers on the tank issue. Here is what I would send, along with your most recent memo, if it is agreeable to you.

McG. B.

*Fine -  
Attached is  
my memorandum  
Mike*

59

THE WHITE HOUSE

WASHINGTON

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March 8, 1964

MEMORANDUM FOR THE PRESIDENT

Walter Jenkins has passed to me the attached memo from Mike Feldman about tanks for Israel and told me that you would like to have a recommendation. It happens that I have been talking in recent days with both State and Defense on this matter so that I am able to give you a prompt answer.

It has been our position, as you know, that we would not make a firm decision on tanks for Israel until later in the year. Mike Feldman feels strongly the other way, in part for reasons stated in his memorandum and in part because he quite naturally would like to be able to carry this decision with him on his visit to Israel later this month. Our current problem is simply that the Arabs are in an excited frame of mind and are likely to get more excited later this spring and summer as Israel begins to use the Jordan waters. Moreover, the Israelis have been very reluctant to deal frankly with us on their apparent desire to buy surface-to-surface missiles from the French, a move which we think full of danger for them and for us. The Israelis have a nuclear reactor which could make plutonium, and if they buy modern missiles from the French we may have a wholly new level of escalation in the Middle East arms race. Nasser's missiles, by contrast, are both conventional and clumsy and are more for show than for use.

Komer and I feel very strongly that it would be wrong to make a commitment on the tanks now, and that you should reserve decision until Prime Minister Eshkol comes. Harriman, who ought to know his New York vote, agrees with us. The State Department, below Rusk, feels strongly the same way, but Rusk himself is more of the view that the matter is already decided in principle and that you can make your own political choice as to when to tell the Israelis. McNamara is also quite pragmatic about it, as a tank merchant, and I do not think that he has concentrated on the politics of missiles or the politics of Arab reaction. I am not sure that either McNamara or Rusk has seen the very strongly worded cables from all our Ambassadors in the Arab countries warning of the violent reaction to any tank deal.

On balance, I recommend that you continue to push this decision ahead of you, and that we indicate firmly to our Israeli friends the grave impropriety of turning any Republicans loose on this point while the missile matter is unsettled. My own guess is that if the Israeli missile issue were to get into

DECLASSIFIED

Authority ML5 91-108

By rg/lap NARA, Date 12-13-99

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(page 1 of 2 pages)

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March 8, 1964

the public domain, there would be a very serious backlash of criticism against the Israelis. I think we should deal with this by quiet diplomacy if possible, and much the best time for a full-scale review of it is your meeting with Eshkol in June.

If you agree that we ought to wait, I suggest that you sign the enclosed NSAM, but before we support it, I would wish to talk with Mike Feldman and try to <sup>help</sup> ~~help~~ him <sup>to see</sup> ~~understand~~ why it is important to wait. Let me add, finally, that if we hastily give in on something as difficult as the tank deal in March, I hate to think what we will be asked for between now and November. The Israelis use all sources of pressure in an election year, and the heat is really quite low so far.

At Tab A is Mike Feldman's memorandum.

At Tab B is a summary of U. S. Arab problems.

At Tab C is a detailed statement of the Arab-Israeli missile problem.

At Tab D is the memorandum that you may wish to sign.

McG. B.

Signed \_\_\_\_\_

Not signed \_\_\_\_\_

Speak to me  \_\_\_\_\_

Call a meeting of those most concerned \_\_\_\_\_

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(page 2 of 2 pages)

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**THE WHITE HOUSE**  
WASHINGTON

March 6, 1964

TO: McGeorge Bundy

FROM: Walter

The President would like for you to take this up with State and Defense and give him a recommendation.

THE WHITE HOUSE  
WASHINGTON

March 4, 1964

MEMORANDUM FOR THE PRESIDENT

Subject: Tanks for Israel

I met yesterday with Congressmen Celler, Gilbert, Farbstain, Toll and Multer. They expressed great dissatisfaction with stories they had been hearing about the reluctance of the United States to supply tanks to Israel.

I tried to mollify them and I cautioned them against saying anything publicly. I pointed out if the Republicans used this as a point of attack, it would be dangerous to all Democrats. They promised to cooperate for the time being.

If we are going to supply tanks to Israel I feel it would be foolish to wait too long before announcement is made. If Keating, Javits, Scott or any of the other Republicans make a public statement and we then agree to supply tanks we would appear to be reacting to their demand -- it gives the Republicans too much credit.

If on the other hand, we do not react to the Republican demand we give them an excellent issue.

I am not suggesting a public statement on this matter. But word could be passed discreetly and the secret can be kept. The secret of the HAWKS sale was kept for two months after it was told to leaders of the Jewish Community.

Myer Feldman

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

25 February 1964

SPECIAL MEMORANDUM NO. 6-64

SUBJECT: Storm Warnings Up For US-Arab Relations

SUMMARY

A. In 1964, as in previous US election years, the Arabs will be hyper-sensitive to any suggestion that Israel is getting special favors from Washington. Hence, US-Arab relations will inevitably be somewhat abrasive. However, as long as the US refrains from concrete support for Israel on issues that threaten Arab security, Arab reactions are not likely to be so violent as to do serious or lasting damage.

B. A serious issue may be involved in the Israeli request for up to 500 US tanks. To provide them would reverse a long-standing US policy, and we would face a sharp decline in relations. The Arab states would probably seize opportunities to demonstrate their unhappiness with the US. These might include moves in the UN on such questions as the admission of Red China and could well put US-Arab relations back to the level obtaining in 1957-1958.

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GROUP 1

Excluded from automatic  
downgrading and  
declassification

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DECLASSIFIED

Authority CIA 8-18-77; State 10-27-78  
By My/np NARA, Date 12-13-95

FEB 28 1964

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1. For the past year or so, the US has enjoyed relatively good relations with the eastern Arab states. Though both the UAR and Saudi Arabia have been at times critical of US intervention in the Yemen problem, both have recognized that US efforts to resolve the impasse were in the ultimate interest of both Cairo and Riyadh. The US has avoided getting caught in the recurring cross-fire between Nasser and the Ba'thist regimes in Baghdad and Damascus. Irritations between oil producing governments and US companies have not assumed major proportions. US aid programs in the UAR and Jordan have gone forward without major frictions. Most important, there have been no significant flare-ups in the Arab-Israeli dispute, the root cause of bad feeling between the Arabs and the US.

2. This atmosphere is changing. The Arabs have long criticized Israel's plans to divert water from the Jordan valley and have threatened to prevent any such diversion, by force if need be. But the pipes and pumping stations are now installed, withdrawal of water is imminent, and Arab frustration is again to the fore, with Israel as the direct object, but with the US also affected.

3. The "Arab Summit" meeting in Cairo recognized that the Arab powers lacked the strength to block Israel's Jordan water project. It concentrated on devising plans to cope with Israel

- 2 -

~~S-E-C-R-E-T~~

in the longer run, and on establishing a common Arab position. The top leaders of all the Arab States sat down together in considerable harmony, steps were taken toward the resolving of bitter disputes between the UAR and Saudi Arabia and between Morocco and Algeria, and relations between the UAR and Jordan and Iraq greatly improved. The tone of the resolutions and communiques was relatively moderate, in contrast to those of a number of earlier Arab League meetings. Altogether, the Arabs had reason to feel that they had conducted a mature and statesmanlike conference.

4. Hence their feelings were considerably hurt by the lack of positive reaction in Western circles. A routine speech by the US Deputy Undersecretary of State soon after the close of the Cairo meeting failed to mention it, and in an address to the Friends of the Weizmann Institute a few days later, President Johnson also ignored it, and went on to suggest US-Israeli cooperation to use nuclear energy to de-salt water. The mention of nuclear energy, water, and Israel in the same speech further stimulated Arab criticism of the US.

5. There is one other reason why the Arabs are especially sensitive to US attitudes just now. They are always conscious of the weight of the Jewish vote in many US constituencies and are prone to regard US political leaders as pro-Israel until proven otherwise. After an initial period of concern, Arab leaders had

~~S-E-C-R-E-T~~

come to consider the late President Kennedy as a man who understood their problems and who was at least reasonably impartial on Arab-Israeli questions. The accession of President Johnson has revived Arab fears that a Democratic administration in Washington is bound to favor Israel, especially in an election year.

6. This mood of frustration and suspicion will certainly make for touchy US-Arab relations over the next several months, and we can look for bitter and often unreasonable criticisms of US actions and attitudes. Some of these can be avoided or mitigated, without giving ground on matters of substance, by presenting our statements or actions in a manner that takes account of Arab sensibilities. In the absence of concrete manifestations of US support for Israel on issues that threaten Arab security, Arab reactions are not likely to be so violent or profound as to do any serious or lasting damage.

7. However, Israel has embarked on an intensive campaign to persuade the US to provide it, on a grant basis, with substantial numbers of tanks. The Israelis argue that the only vehicles capable of matching the UAR's T-54 are the US M-48 and M-60, and that they will need to get up to five hundred such tanks in the next few years. These would be to replace their own older equipment and to match growing UAR armored strength.

- 4 -

~~S-E-C-R-E-T~~

8. Agreement to provide tanks to Israel would represent a fundamental break with the 15-year old US policy of not being a major supplier of arms, especially offensive ones, to either Israel or the Arab states. A decision to provide tanks to Israel would produce sharp and violent reactions in virtually all the Arab countries, which would regard it as materially increasing Israeli striking power. In all probability, the Arab leaders would see such a step, not as a mere political gesture in the context of a US election, but as evidence of a firm decision on the part of Washington to choose Israel over the Arabs. The intensity of Arab reaction would vary with the size and time limit of the arrangement. At the very least, US relations with most of the Arab world would deteriorate sharply, and the various Arab capitals would generally seize opportunities to show their unhappiness with the US.

9. There are a variety of troublesome issues already existing between the US and the several Arab states, which could be aggravated in such circumstances. US oil interests could expect, not nationalization or confiscation, but a sharp increase in pressure from the host countries for larger shares in oil revenue. In the UN, such questions as the admission of Red China and the extension of the relief program for the Arab refugees are ones on which the US could find Arab support wanting, perhaps even from some of the monarchies.

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All in all, US-Arab relations could well be put back to the level obtaining in 1957-58.

10. A period of sharply deteriorating US-Arab relations would give the Soviets opportunities which they would almost certainly use to improve their position in the Middle East. They would probably not make any dramatic gains but would probably get the "non-aligned" Arabs to incline more to the East. The USSR would probably be helped in this respect by the Israelis themselves, since the dominant policy makers in Tel Aviv would welcome the opportunity to use the Cold War as a device to assure themselves of closer-US-Israeli ties, particularly in the military field.

FOR THE BOARD OF NATIONAL ESTIMATES:

*Sherman Kent*

*for*

SHERMAN KENT  
Chairman

~~S-E-C-R-E-T~~

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THE WHITE HOUSE  
WASHINGTON

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NATIONAL SECURITY ACTION MEMORANDUM NO. \_\_\_\_\_

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE

SUBJECT: Israeli Military Needs

1. Though I am most sympathetic to Israel's growing need for better armor, I see no need to make any firm decision on whether or how the US might help meet this need until my meeting with Prime Minister Eshkol on 1 June. I am also concerned over the possibilities of escalation of the Arab-Israeli arms race, and over likely Arab reactions if we go ahead on tanks.
2. Therefore, we should use the intervening time to explore these problems more fully. I hope we can discuss with the Israelis our views as to the risks of escalation if they prematurely enter a missile race with the UAR. While recognizing the limitations on our ability to sway Israel from such a course, we may want to forestall if possible a risky move which seems quite premature on the basis of present evidence.
3. We should also explore ways and means of meeting Israeli needs which will minimize the risk of compromise in our relations with the Arabs. While direct sale seems the most likely prospect, we should also look at such alternatives as (a) steering Israel to its traditional suppliers, the UK and France; (b) limiting US supply to refitted secondhand M-48A3s, if this would significantly reduce the Arab reaction; and (c) postponing the issue to early 1965, or at the least making Israeli secrecy on this matter until then a condition precedent. I would like the State and Defense Departments to make a joint recommendation to me, including analysis of feasible alternatives, no later than 15 May 1964.

DECLASSIFIED

E.O. 12958, Sec. 3.5

NSC Memo, 1/30/95, State Dept. Guidelines

By 24, NARA, Date 12-13-95

~~SECRET~~