THE WHITE HOUSE

WASHINGTON

SECRET

Monday, June 5, 1967 5:45 p.m.

MR. PRESIDENT:

Our first thought is that the key to ending the war is how well the Israelis do -- or don't do -- on the ground. Up to a point this is correct; but it is not wholly correct because what the Israelis are after is not some abstract military victory, but a settlement which, if possible, insures that this will not happen again in another 10 years. Therefore, our behind-the-scenes work with the Russians and others should consist not merely in negotiating a cease-fire; because a cease-fire will not answer the fundamental questions in the minds of the Israelis until they have acquired so much real estate and destroyed so many Egyptian planes and tanks that they are absolutely sure of their bargaining position.

Therefore, we should begin in New York or elsewhere, talking with the Russians and, if possible, with the Egyptians and others about the terms of a settlement:

- -- Eilat open to oil;
- -- observers on both sides of the line;
- -- a Soviet commitment to work with us to damp down the arms race;
- -- a turn in the road on refugees;
- -- a Middle East development bank that would bring the Iranians and Turks into the diplomacy of the area; etc.

So long as the war is roughly moving in Israeli's favor, I believe we can shorten it by getting at the substance of a settlement at the earliest possible time.

W. alk.

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