MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: Henry Owen


The January 7 meeting of the Interagency Planning Group surfaced an idea which we agreed, at that time, would be worth bringing to your attention, after you took office. Here it is:

1. The Problem

Intelligence indicates that Israel is rapidly developing a capability to produce and deploy nuclear weapons, and to deliver them by surface-to-surface missile or by plane. Recognizing the adverse repercussions of disclosure, the Israelis are likely to work on their nuclear programs clandestinely till they are ready to decide whether to deploy the weapons. News about Israeli progress could continue to seep out, as it has already begun to do, until it is generally taken for granted that Israel has this capability, without the Government of Israel confirming or denying it. The story could also break suddenly, either through a leak
or official Israeli confirmation, possibly for the deterrent effect it might have on the Arabs.

A known Israel nuclear capability would have far-reaching unfavorable effects:

(a) Other nuclear capable countries would be more likely to opt in favor of nuclear weapons for themselves and, even if they did not decide to produce weapons immediately, would be less likely to sign the NPT.

(b) Arab frustrations would increase and, since the U.S. receives a generous share of blame for Israel's actions, its influence and presence in the Arab countries would suffer another major setback.

(c) Increased tensions and introduction of the nuclear element would enlarge the chances of war between Israel and the Arab states and of nuclear confrontation involving the U.S. and USSR.

2. Proposal

(a) Approach to the Soviets. The Soviets have so far refused to discuss Middle East arms shipments until the Israelis withdraw from occupied territories. We could reopen the issue by suggesting that if the Soviets would agree to tacit mutual restraint in conventional arms shipments to the Arab countries, the U.S. would be in a stronger position to seek to dissuade the Israelis from continuing their nuclear programs and to persuade them to sign the NPT.
(b) Approach to Israel. If the Soviets reacted positively to the suggestion, the U.S. would then express its deep concern to the Israelis about their reported nuclear program; urge them to give convincing evidence they were no longer working on surface-to-surface missiles and nuclear weapons by signing the NPT; indicate that we believed the Soviets were prepared to join in moderating the conventional threat which their weapons were designed to counter; and point out that an Israeli decision to proceed toward a nuclear capability in this circumstance would change the whole character of the U.S.-Israeli relationship. Coincident with this private approach to Israel, the U.S. should find ways to make its concerns publicly known. Only if Israel perceives a U.S. Government willingness to take the issue to the political arena will it consider the threat of U.S. displeasure credible.

3. Prospects

(a) USSR. There is a bare chance that the Soviets might fall in with this approach. They must view the Israeli nuclear program with some concern, if only because it would confront the USSR with some unappetizing choices vis-a-vis the Arabs. Under the approach described in paragraph 2 (a), the USSR should not have to acknowledge its partnership with the US; mutual restraint in arms shipments could be very tacit, indeed—as well as dependent on the U.S. proving successful in its efforts at nuclear persuasion vis-a-vis Israel.
(b) **Israel.** The chances of the Israelis being dissuaded, in the absence of a settlement, are slight. They would probably deny any nuclear interest, question Soviet good faith, and quietly proceed with their clandestine weapons work. At best, they might somewhat slow down their nuclear program. Even this, however, would be useful. If we failed to have any impact at all on their intentions, the mere fact of our effort would have helped to show other countries that the U.S. was genuinely concerned with trying to stop the Israeli nuclear weapons program and this would be a good thing in itself.

4. **Recommendations**

That you authorize us to staff out this approach with interested offices in the Department, Defense and CIA, with a view to presenting a firm recommendation, pro or con, to you at an early date.

Concurrences:

NEA - Mr. Davies
EUR/SOV - Mr. Dubos
TO - Mr. Sisco
ACDA - Mr. Rochlin

Approve ___________________________

Disapprove [Signature] FEB 1979