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#14



THE UNDER SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

23 November 1981

POLICY

MEMORANDUM FOR SECRETARY OF DEFENSE

DEPUTY SECRETARY OF DEFENSE NOV 23 1981

SUBJECT: Your Bargaining Strategy for Sharon (U) ~~DIS-SEM~~ DECISION
MEMORANDUM

(S) You must not regard the visit of Israeli Defense Minister Sharon as a one-day nuisance, best to be done with -- or to do without if the costs seem too high. The visit itself, to be sure, is not so important.

(S) But your role in US-Israeli relations is pivotal.

(S) Your role is so important for two reasons: (1) our relationship with Israel is, at the core, a military relationship; and (2) it is your counterpart (not Al Haig's) in Israel's government today who is the big bull in the pasture where we must maintain peace. (Sharon, for example, is in a strong position to block the Sinai withdrawal.)

(S) Hence, you face a heavy responsibility, and -- let us hope -- a major opportunity. You have the lead role in shaping the conditions for success or failure of the President's Mid-East policy.

US Objectives

(S) I know you are fully aware of the two immediate objectives that you have to secure in this matter:

- (1) To prevent Sharon and Begin from misusing an agreement on Strategic Cooperation as a wedge to drive between us and the Saudis, or to implicate us in Israeli attacks against Arab countries.
- (2) To prevent Israeli exploitation of an alleged "reneging" by the Reagan Administration on its promises for Strategic Cooperation, an allegation that would be designed to win sympathy in Congress for some harmful Israeli move, such as scuttling the Sinai withdrawal, or launching a military action.

(S) You should also be mindful of two additional objectives:

- (3) To create leverage for the President to nudge Israel into a more cooperative stance, conducive for reinvigorating the peace process.

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- (4) To put the Defense Department in a position so that in the event of major Soviet aggression in the Mid-East, US forces could rapidly cooperate with and receive assistance from Israel -- the strongest military power in the region by far. This very prospect, of course, helps deter the Soviets.

First Requirement: Stay in Control of the Process

(5) You are in the best position to secure the above objectives for the President, since the Administration's leverage with Israel lies mainly in your area. Here, the day-to-day relations count a great deal: the continuing R&D assistance, the scheduling of arms deliveries, the constant comings and goings of Israeli visitors to our defense industries and research centers. Today, this flow of assistance is driven largely by bureaucratic momentum. A policy on Strategic Cooperation could be used to weave the strands together, make the flow visible at your level, and more subject to control.

(6) Control for policy purposes (i.e., in support of the President's policy) requires centralized management, few hands involved, secrecy where possible, and a minimum of bureaucratic infighting. Contrast the degree of control we retain in the tightly managed "French Connection" with the mess in the Siberian pipeline issue.

(7) Strategic Cooperation with Israel started a few years ago as a closely held, DoD-controlled enterprise. But now, it may get out of hand. For it has not escaped others in the Administration that the stakes today are high. Yet, just because the broth is so exciting does not mean that having many cooks will help. Members of Congress are getting into the act: the Jordan "logistics" package may be held hostage -- a frightening prospect. I get calls from White House people (not Dick Allen) that the President will have to be reminded of the promises about Strategic Cooperation that were made to Senators during the AWACS battle. And those whose job it is to worry about President Reagan's political fortunes and about the success of our Party in the next election fear another confrontation between the Reagan Administration and Israel.

(8) My bottom line: it's important that you shape the process in a way that will marshal support in town, instead of risking that a coalition will want to see you overruled on this issue.

Second Requirement: Get over the MOU Hurdle

(9) We should see the Memorandum of Understanding as merely a step in a larger process. For example, a very modest MOU with bad Israeli behavior afterwards is likely to do more damage to our relations with the Saudis than a lengthy, embroidered MOU followed by Israeli restraint.

(10) So far, State would not agree to your draft. I would like to try to negotiate State acceptance by offering a few changes.

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(S) In Tab A, I am submitting for your review a slight revision of the draft you chose. I added a Preamble that relates the MOU to Camp David, with the idea of making Strategic Cooperation conditional on Israeli compliance with Camp David. But the side-effect of this Preamble is to make the MOU a bit richer, to help satisfy State -- and Sharon. In addition, I added a phrase to the effect that either Party could call special meetings of the Coordinating Group (Article III.1.c), with the idea that this might give us a forum, in an emergency, to link Israeli restraint with continued Strategic Cooperation. The only other substantive addition is the planning of joint air/naval exercises for the Eastern Mediterranean (Article III.2.a). This provision, I believe, could be an inducement for Sharon, especially if we agree to a timetable, and yet it is consistent with our initial concept for this field of cooperation. The other changes are editorial.

(S) If you approve, I would propose I seek State approval to convey this draft MOU to the Israeli's (presenting it as our bottom line, offered in the spirit to move in a timely fashion).

Third Requirement: Shaping the Follow-Up

(S) Your meeting with Sharon could largely address follow-up (assuming the hurdle of the MOU text can be overcome). I would envisage a three-pronged thrust:

- (1) The Carrot: A timetable for implementation of concrete measures.
- (2) The Stick: Making our implementation of the agreed measures conditional on Israeli behavior. We would try to encompass in this linkage not only new "Cooperation", but to the extent possible the existing flow of assistance.
- (3) Special measures to induce secrecy, so as to limit the political damage among Arab countries. The MOU itself, I propose, we make public in a paraphrased version.

(S) When General Tamir comes, prior to Sharon's meeting, we could settle on an agenda that would cover these areas.

(S) The very evening after your meeting with Sharon, I would propose General Secord (or possibly Bing West and Secord) fly to Saudi Arabia, to explain to Bandar and others our view of the agreement with Sharon. In particular, we would seek to convince the Saudis that we are pursuing important quid pro quos from the Israelis.

(S) In future Coordinating Group and Joint Working Group meetings, we would then seek to structure our cooperation with, and assistance to, Israel so as to fashion an increasingly powerful instrument for linkage.

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Fred C. Ikle

Office of the Secretary of Defense 6456 4552
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Reason: _____
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Attachment
a/s

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