THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

President Nixon

Yitzhak Rabin, Prime Minister of Israel

Major General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

DATE AND TIME:

Monday, June 17, 1974

PLACE:

The Knesset

Jerusalem

SUBJECT:

Private Meeting on Israeli Long-Term Arms

Needs

<u>Rabin</u>: The Soviets have furnished three generations of weapons and and are preparing a fourth for the Arabs.

The problems we face are, first, the terrorists. We are thinking of putting a network of sensors along the Lebanese border to stop infiltration.

By 1984 the Arabs will have 1300 SCUDS (there are now 400 in Egypt), 2600 aircraft, and 250 SAM batteries. We want to maintain the ratio of one to three, that is, an Israeli force of one-third of the Arab armaments. To do this we want to buy over the next ten years: 600 planes, 2000 artillery pieces, and the Pershing and Lance missiles. We will need shelters for our tanks and planes and to fortify our frontiers, and so on. A posture of defense is more costly than a posture of mobility.

The Soviets are providing an early warning for the Arabs. We have lost our 12-24 hour early warning. Therefore we must trade space for time. So our frontiers are also mobile and therefore we must fortify border after border as the negotiations move step by step.

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DECLASSIFIED E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, State Devi ent 3/9/04

Our ten-year plan will have two five-year parts. We want joint technological ventures in Defense -- that is, with the anti-tank missile, anti-personnel weapons, and helicopters.

In sum, Mr. President, we will negotiate but we must not at the same time risk our survival.

The total force against us now is as follows: 4500 tanks; 2500 artiller pieces; and 200 SAMs. This is a big force even by World War II standards. The Arabs have twice as many as Hitler had. In addition there are 2000 organized terrorists. Their headquarters are in Beirut and Damascus, some in fortified positions and underground.

Their air defenses have made our ground support more difficult.

Israel's defense expenditures were half of our GNP as a result of the October War. In 1974 Israel must spend \$2 billion compared with \$100 million in 1972. The ratio of our taxes to national income is the highest in the world -- 62%. An annual deficit of \$3 billion is forecast. Two billion of this is due to defense. From '70-74, Israel spend \$4.3 billion for defense -- \$2.3 billion in US credits.

For the next ten years -- 1974-83 -- we will need \$1.5 billion in US assistance per year. Over the next five years we need \$20 billion; \$7.5 billion will be purchased in the U.S. We need \$3 billion in U.S. aid over the next 2-3 years. For all other purposes, \$1/2 billion per year. \$8 billion is for covering defense expenditures over the next We would like the \$1.5 billion in grant. We propose an economic cooperation agreement.

The President: I understand your situation. Unfortunately, you know I can't commit past my term. The Congress won't appropriate more than on a yearly basis. In addition, to go public with a massive -- \$2 billion a year -- program for Israel gives us a massive political problem. You don't need the symbolism. You must think in long-range terms, but we should present it as that. The enormity of it would be counterproductive.

Some people say we should have a treaty with you; I think you do better without one.

What you need is to get it done -- not the symbolism. Work closely with us, but stay away from the rhetoric and focus on the hardware.

For my term, you have the technological cooperation agreements.

We must talk further about the long-term commitment. I don't want you to make plans on a U.S. commitment we can't deliver.

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NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, Stat Review 3/9/04

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