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INFORMATION

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MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Present State of Thinking on Mid-East

Foreign Minister Eban will be here Friday. It seems a good time to bring you up to date on how thoughts have evolved on the game plan for trying to break the Egyptian-Israeli impasse.

In the State Department, as I understand it, there has been some backing away from the notion of a direct request to the Israelis to change their position on borders right now. The suggestion now is to begin a detailed discussion with the Israelis on the specific elements of a settlement. The purpose of this dialogue--while we would not ask the Israelis to accept the US 1969 positions ~~at~~ the outset--would be to persuade them (a) that it is unrealistic for them to expect the Arabs to accept significant territorial changes and (b) that they really have very little choice but to reconcile themselves to that fact now. In this approach, we would offer substantial US support and guarantees for what we judge to be a reasonable settlement. Our assumption would be that the combination of firm US resistance to territorial changes and the inducement of a substantial security relationship with the US would set loose in Israel a political debate sufficient to change Israel's position.

An alternative approach would begin with the assumption that a major US-Israeli confrontation would result if the Israelis felt that the US now intended to squeeze Israel to accept the US positions of 1969. Those who favor an alternative argue that the way to avoid this confrontation is to preserve our present posture--that we will press Israel to negotiate but will not press Israel to take a specific position.

In this alternative approach, the US would tell Israel that its convictions about what peace terms are realistic have not changed since 1969 but the US is prepared to let Israel try out on the UAR its own proposed peace

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terms provided Israel will advance reasonable enough negotiating positions to enable Sadat to continue the cease-fire. We would, in effect, be putting our 1969 positions in suspense for a time on condition that the Israelis negotiate realistically and imaginatively. The strategy would be to create conditions that might cause the Israelis to change their own minds gradually rather than to try to force them to change their minds by head-on confrontation.

This alternative strategy would aim at trying to construct a long drawn-out negotiating process that might have some chance of containing the situation and of allowing both Arab and Israeli attitudes to evolve in relation to each other over a longer period. The essence of the alternative would be to try to buy time by concentrating efforts initially on a scheme for partial withdrawal from the Suez cease-fire line and then to try to engage Israelis and Egyptians in negotiation on the issue of trading territory for security arrangements. As a background for this process, the US would make clear that it is prepared to support a settlement with American troops, security commitments and military assistance. The purpose of discussion with Israel now would not be explicitly to change Israel's basic position but to talk to Israel about what might be an Israeli negotiating position capable of keeping the negotiations alive.

There may be an inclination in State to say that these two courses are really the same--that the first will be carried out with enough subtlety to avoid US-Israeli confrontation and that the second would have to lead to our arguing that Israel would have to give up the idea of holding sovereignty over Sharm al-Shaikh in perpetuity. It is important to keep in mind the real distinction between these two approaches:

--The purpose behind the first, whatever the tactics, is to persuade Israel, through a US-Israeli dialogue, to change its basic position. The Israelis are highly suspicious, and this US purpose will be apparent to them. This is likely to produce confrontation.

--The purpose behind the second is to stop just short of telling Israel what position to adopt but to press Israel hard to keep the negotiation alive. The objective would be to keep the pressure on Israel but to keep ourselves in the position of directly pressing Israel only to negotiate reasonably, not to give up territory.

On the public front, the first course would leave us vulnerable to charges that we are trying to impose a settlement. The second would leave us in a position to deny that we are pressuring Israel to accept terms that would endanger its security and to hold that we are only pressing Israel to do what Israel itself has always said it wanted to do-- negotiate.

The argument for the first course--pressing Israel to change its position now--hinges mainly on concern that Sadat will not be able to hold the ceasefire without Israeli movement on the basic issue of withdrawal. It is also based on the judgment that the Egyptians will not be able to accept anything less than total Israeli withdrawal and that we would be distorting Israeli expectations--and hurting our own position in Cairo-- if we gave Israel the impression it might succeed in permanently changing the borders.

The principal argument for the second course--trying to draw out the negotiating process--is that a confrontation with Israel now, however, subtle our intent and approach, would create a deadlock that could only lead to the breakdown of talks and the eventual renewal of hostilities. A confrontation of these proportions now would just about end any hope of a peace agreement in this Administration. The alternative approach would have the advantage of not substituting US for Israeli judgment-- of creating a situation in which Israelis could find out for themselves what is realistic. This would seem to have a greater chance of changing Israeli thinking, if anything can, because a confrontation would create a major psychological block to the Israelis' thinking the problem through on its merits.

It would be desirable for you to talk this through with Secretary Rogers before Foreign Minister Eban comes to town Friday. The issue is not what our tactics with Eban will be but which of the two strategies described above we intend to follow. Unless we are clear on this point, we are likely to give the Israelis uncertain signals.

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An Alternative Scenario for Seeking to Break the Egyptian-Israeli Impasse

As thinking is refined on the next step for breaking the Israeli-Egyptian negotiating impasse, there seem to remain two different points of view on how to approach Israel:

1. One approach suggests that we begin a detailed dialogue with the Israelis on the specific elements of a settlement. The purpose of this dialogue -- while we would not ask the Israelis to accept the US 1969 positions at the outset -- would be to persuade them (a) that it is unrealistic for them to expect the Arabs to make peace on very different terms and (b) that they really have very little choice but to reconcile themselves to that fact and accept now the position in Jarring's memo. In this approach, we would offer substantial US support and guarantees for what we judge to be a reasonable settlement. Our assumption would be that the combination of firm US resistance to territorial changes and the inducement of a substantial security relationship with the US would set loose in Israel a political debate and realignment sufficient to result in a change in Israel's position.
2. An alternative approach would begin with the assumption that a major US-Israeli confrontation would result if the Israelis felt that the US now intended to squeeze Israel to accept the US positions of 1969. Those who favor an alternative argue that the way to avoid this confrontation is to preserve our present posture -- that we will press Israel to negotiate but will not press Israel to take a specific position.

In an alternative approach the US would tell Israel that its convictions about what peace terms are realistic have not changed since 1969 but the US is prepared to let Israel try out on the UAR its own proposed peace terms provided Israel will advance reasonable enough negotiating positions to enable Sadat to continue the cease-fire. We would, in effect, be putting our 1969 positions in suspense for a time on condition that the Israelis negotiate realistically and imaginatively. The strategy would be to create conditions that might cause the Israelis to change their own minds gradually rather than to try to force them to change their minds by head-on confrontation.

This second strategy would aim at trying to construct a long drawn-out negotiating process that might have some chance of containing the situation and of allowing both Arab and Israeli attitudes to evolve in relation to each

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other over a longer period. The essence of an alternative would be to try to buy time by concentrating efforts initially on a scheme for partial withdrawal from the Suez cease-fire line and then to engage Israelis and Egyptians in real negotiations. As a background for this process, the US would make clear that it is prepared to support a settlement with American troops, security commitments and military assistance. The purpose of discussion with Israel now would not be explicitly to change Israel's basic position but to talk to Israel about what might be an Israeli negotiating position capable of keeping the negotiations alive.

There will be an inclination to say that these two courses are really the same -- that the first will be carried out with enough subtlety to avoid US-Israeli confrontation and that the second would have to lead to our arguing that Israel would have to give up the idea of holding sovereignty over Sharm al - Shaikh in perpetuity (although a long security presence might be a reasonable approach to try). It is important to keep in mind the real distinction between these two approaches:

--The purpose behind the first, whatever the tactics, is to persuade Israel, through a US-Israeli dialogue, to change its basic position. The Israelis are highly suspicious, and this US purpose will be apparent to them. This is likely to produce confrontation.

--The purpose behind the second is to stop just short of telling Israel what position to adopt but to press Israel hard to keep the negotiation alive. The objective would be to keep the pressure on Israel but to keep ourselves in the position of directly pressing Israel only to negotiate reasonably.

On the public front, the first course leaves us vulnerable to charges that we are trying to impose a settlement. The second leaves us in a position to deny that we are pressuring Israel to accept terms that would endanger its security and to hold that we are only pressing Israel to do what Israel itself has always said it wanted to do -- negotiate.

The argument for the first course -- pressing Israel to change its position now -- hinges mainly on concern that Sadat will not be able to hold the cease-fire without Israeli movement on the basic issue of withdrawal. It is also based on the judgment that the Egyptians will not be able to accept anything less than total Israeli withdrawal and that we would be distorting Israeli expectations -- and hurting our own position in Cairo -- if we gave Israel the impression it might succeed in permanently changing the borders.

The principal argument for the second course -- trying to draw out the

negotiating process -- is that a confrontation with Israel now, however subtle our intent and approach, would create a deadlock that could only lead to the breakdown of talks and the eventual renewal of hostilities. A confrontation of these proportions now would just about end hopes of achieving a peace agreement in this Administration. Besides, this approach would have the advantage of not substituting US for Israeli judgment -- of creating a situation in which Israelis could find out for themselves what is realistic. This would seem to have a greater chance of changing Israeli thinking, if anything can, because a confrontation would create a major psychological block to the Israelis' thinking the problem through on its merits.

To make the alternative more concrete, possible talking points for approaches to the Israelis, the Soviets and the Egyptians are attached.

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Talking Points for Alternative Scenario

Approach to Israelis

Strategy. A central purpose of this approach is to reduce Israeli suspicion that the US is setting Israel up for major pressure to accept the US 1969 positions. The strategy is to show US willingness to let Israel try its hand at negotiation provided it is willing to inject enough movement into the negotiating process -- via a reasonable proposal on partial withdrawal from the Suez Canal and a reasonable proposal on withdrawal -- to keep the ceasefire alive.

The following are talking points for an approach to the Israelis:

1. After almost four years, the US and Israel have succeeded in establishing a negotiating framework which we both have agreed is essential in moving toward a settlement. The cease-fire has also been re-established. In the process of establishing a negotiating framework and re-establishing the cease-fire, the US has persistently resisted pressures from other powers to move toward an imposed settlement. This continues and will continue to be the US position.
2. Our purpose in approaching the Israelis now is to devise a common strategy for prolonging the ceasefire and making the most of negotiating framework which has been established with such difficulty. While we share Israeli reservations about Egyptian intent, the fact is that we have succeeded in eliciting from the principal Arab leader a public commitment to make a peace agreement with Israel. We feel that US interests require that this opportunity not be allowed to pass. We even presume to say that Israeli interests are parallel to ours in this respect.
3. We agree with Israel that now is the time to negotiate. What we want to discuss with Israel is how to lock the Egyptians into a negotiation that is realistic enough to give them reason for prolonging the cease-fire.
4. We fully understand the Israeli fear that if Israel advanced a specific negotiating position on a subject other than borders or if Israel advanced a position on borders with which the US did not agree, the US would publicly confront Israel and press it to change that position to conform to the US position papers of 1969.

5. The US, for its part, frankly continues to believe that pre-war borders with minor changes are all the Arabs can accept. We know that some Israelis disagree with us on that point. Despite our continuing conviction, therefore, the US will not now press this position on Israel. The US is willing to see Israel test the Arab position itself. That means the US, while not changing its judgment about what is possible, is willing to stand aside and let Israel test its views.

6. In particular, the US is prepared to join with Israel in an effort to keep the present negotiations alive by (a) concentrating on a limited proposal for partial withdrawal from the Suez Canal and re-opening of the Canal and (b) advancing a position on further withdrawal that has a realistic chance of providing the basis for negotiation with the UAR. The purpose of this move would be to enable the Israelis in contact with the Egyptians to work out over a period a practical common arrangement which would give the Israelis not only a chance to test Egyptian intentions but also a chance to decrease the likelihood of renewed hostilities.

7. The US is prepared to take this position, however, only if the Israeli government will advance a proposal on the Canal that has a reasonable chance of Egyptian acceptance and put forward positions in the Jarring talks that will have a reasonable chance of keeping the negotiating process alive for the next few months. This would require not only a scheme for partial withdrawal from the Suez cease-fire line but also a position on borders which could provide a basis for discussing next steps toward an overall settlement.

8. In order to facilitate Israeli thinking, the US wishes to make clear exactly what role it is prepared to play in helping to guarantee an eventual Egyptian-Israeli agreement. The US recognizes that Israel wishes to be self-sufficient. On the other hand -- with the world being what it is and with the Soviets in the Mid-East -- the US feels that Israel cannot help but recognize that the US posture is of considerable significance to the survival of Israel. The US, therefore wants Israel to know that, in the context of a settlement, the US is prepared to:

--enter into long-term arrangements for continuing military supply (especially aircraft) within the framework of any arms limitation agreements between Israel and the UAR and for financial assistance of \$500 million each year in FY1972 and FY1973;

--arrange for formal bilateral defense consultations;

--commit US troops for participation in a force to verify and enforce adherence to agreed terms of partial or general withdrawal and demilitarization;

--participate financially in refugee resettlement.

9. The US, therefore, now proposes a discussion of the details of such a strategy. The foci of this discussion would be threefold:

--the terms of a partial withdrawal scheme;

--the terms of an Israeli position on borders;

--Israeli and US ideas on what US approach to the USSR on reducing the Soviet combat presence in Egypt would be consistent with Israeli thinking.

[Note: We would have to argue in these discussions that the Israeli position on borders, to be realistic, would have to find a way to avoid an actual transfer of sovereignty over Sharm al-Shaikh. Any proposal short of that would be a reasonable negotiating position -- long-term lease, Israeli troops with an international force, and so on.]

10. This suggestion to Israel is made in the full knowledge that it will be very difficult for Egyptian leadership to accept. Therefore, to repeat, the one condition for US cooperation with Israel in this endeavor is that Israel agree to put forward sufficiently imaginative proposals to enable Egyptian leadership to continue the cease-fire.

#### Approach to the Soviets

This would depend to some extent on Israeli views, but the US might start with the following points in mind to be made to the Soviets:

1. In view of the importance of maintaining movement toward a settlement, the US is conveying simultaneously to the UAR and USSR an Israeli proposal in response to President Sadat's suggestion for Israeli pullback from the Suez Canal as an important first step toward a peace agreement.

2. If the UAR is prepared to discuss this proposal, the US is prepared to discuss with the USSR appropriate means of guaranteeing scrupulous

adherence on both sides to the agreed terms of a pullback. The US proposes that an international team including US and Soviet nationals be established in a UN headquarters to verify observance. The US would propose bilateral discussions to be followed by discussion by the Four Powers in New York.

3. In introducing its own nationals into this situation, the US feels it necessary to discuss with the USSR an agreement that both the US and USSR refrain from stationing any combat forces in Israel or in any neighboring Arab country except as part of agreed peacekeeping forces. These discussions would, of course, remain in the bilateral channel.

[Note. The objective behind the proposal on peacekeeping forces is to try to trade withdrawal of all Soviet combat forces from the UAR for a legitimized but limited Soviet presence in the context of a peacekeeping force.]

4. The US is also prepared, as soon as the UAR and Israel have come to grips with the broader question of withdrawal from the Sinai, to discuss further peacekeeping arrangements.

#### Approach to Cairo

The difficult job in Cairo will be to persuade Sadat that what the Israelis offer represents a serious proposal and a justification for prolonging the cease-fire. In other words, the job is to persuade the UAR to negotiate against Israel's proposals on borders with counterproposals which would offer security arrangements in place of territory. The US might make the following approach at the time of an Israeli proposal:

1. The US appreciates President Sadat's need for movement. The US will do all it can to expedite the negotiation of his proposal for partial withdrawal from the Suez Canal.
2. The US also fully recognizes that this is just one step toward an overall settlement. A total peace agreement is the continued objective of the US.
3. Egyptians and Americans have long differed on the best way to bring Israel to terms that both Israel and the UAR can accept. The US must act in the view that the best way is to create a framework in which Israelis come to grips with the issues themselves. That is why we have worked so hard to create a negotiating framework.

4. Therefore, the US urges that the UAR make the most of the Canal negotiations -- "first step" toward settlement -- and then proceed vis-a-vis Israel's proposals on borders in the Jarring talks in following manner: The UAR should state whatever position it must on the borders but counter with a precise proposal on security arrangements as a substitute for territory.

[Note: The UAR has already spoken of an international force at Sharm al-Shaikh and a DMZ. Now, perhaps, the UAR could be urged to propose a "transitional" arrangement for Sharm al-Shaikh which would allow stationing of riparian (Israeli, Egyptian, Jordanian, Saudi) forces with the international force there. This is just one thought. The idea would be to persuade the UAR to counter with something that might lead to an Israeli counter leading to a long-term transitional or combined presence.]