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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET~~/SENSITIVE (XGDS) (3)

October 7, 1975

National Security Study Memorandum 231

TO: The Secretary of Defense
The Deputy Secretary of State
The Director of Central Intelligence

SUBJECT: Israeli Military Requests

The President has directed a study of the requests of the Government of Israel for military and intelligence equipment and technology from the United States. The purpose of the study is to review and assess these requests within the broad context of United States strategic, diplomatic and economic interests.

The Study should first determine the impact upon Israeli military capabilities of the response to the MATMON-B Urgent List, made pursuant to NSDM 270, dated September 24, 1974. Starting with this revised assessment of Israeli capabilities as a base, the study should consider, but not be limited to, the following military and economic factors:

- A. A comparison of the military capabilities of Israel and the Arab States likely to participate in a future Middle East conflict, as well as the estimated threat to Israel in both worst case and probable case scenarios.
- B. The impact on Israel's military capabilities and the strategic balance in the area of the release of all equipment and technology approved prior to March 26, 1975, which had been held by the Department of Defense or Munitions Control during the reassessment process.
- C. The additional impact upon Israel's military capabilities and the strategic balance in the area of the provision to or co-production by Israel of all equipment and technology contained in Israel's current overall request list (MATMON-B

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1975 (MN-2-92) and subsequent requests), assuming that equipment is made available from production only. The study should identify those items or procedures with regard to which release, co-production or joint research and development would compromise sensitive US technology, or have major political, military, or economic impact within the US. In addition, the study should examine existing guidelines for military co-production and joint research and development with Israel and make recommendations for their revision, if warranted.

D. An assessment of the likelihood, in light of recent Israeli arms requests, that Israel will increase the scope of the overall MATMON-B program.

E. The impact upon outstanding US foreign military sales commitments and anticipated commitments of the provision of items requested in the overall Israeli equipment list from production.

F. The impact of sales to Israel of items requested in the overall Israeli equipment list upon future Israeli assistance needs, including the estimated additional annual support costs to Israel of such sales.

In addition to the above military and economic factors, the Study should consider the political effects of providing the requested military equipment, in particular:

A. The potential such equipment poses for accelerating the arms race in the Middle East, particularly the stimulation of greater Arab pressure for arms from the US or the USSR to match improvements in the Israeli military posture.

B. The effect upon the peace settlement process, including the potential of the provision of such equipment for reducing the incentives by Israel and/or the Arab States to negotiate a settlement.

Based on the assessment of the foregoing military, economic and political factors, the Study should suggest a long-term program of



security assistance to Israel providing for an adequate but not destabilizing Israeli force level, if different from the MATMON-B force. Within this force framework, the Study should also suggest at least two alternative responses to the current (1975-1976) Israeli equipment and technology request, including different spacing of delivery schedules. The Study should clearly delineate the advantages and disadvantages of each alternative course of action.

Finally, the Study should review current interagency procedures for processing all arms requests by Israel and other Middle East countries through commercial or FMS channels, as well as current USG-GOI interface procedures on arms procurement and recommend any appropriate improvement in such procedures.

The study should be prepared by an ad hoc group composed of representatives of the addressees and the NSC Staff, and chaired by the representative of the Secretary of Defense. The Study should be completed by November 1, 1975 for consideration by the Senior Review Group, prior to its submission to the President.

This Study should be conducted on a close-hold, need-to-know basis.



Henry A. Kissinger

cc: Chairman, Joint Chiefs of Staff
Director, Office of Management and Budget

