THE FUTURE OF U.S.-ISRAEL STRATEGIC COOPERATION

Shai Feldman

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Cover photos: Test flight of Arrow anti-tactical ballistic missile system and (inset) General Colin Powell, chairman of the Joint Chiefs of Staff, with IDF Chief of Staff General Dan Shomron and other senior IDF officers during a visit to Israel in July 1990.

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Shai Feldman
April 1996

PREFACE

From its founding in 1948, Israel enjoyed wide support among the American people but often little more than grudging acceptance, bordering on hostility, among the elites that determined U.S. foreign and defense policy. The latter viewed American support for Israel as a drag on U.S. efforts to achieve its most vital strategic objective in the Middle East—i.e., security of access to the vast oil reserves of the Persian Gulf. Indeed, despite a growing convergence of strategic goals between these two secular democracies, it was not until the Jordan crisis of 1970 that Israel and the United States cooperated openly in pursuit of their common strategic interests.

Over the subsequent two decades—and especially in the 1980s—U.S.-Israel "strategic cooperation" began to take root and collaboration between the two countries' armed forces and defense establishments evolved into an important component of the overall web of bilateral political, economic, and cultural ties. Indeed, highlights of this period included the signing of two Memoranda of Understanding that gave the new dimension of the relationship official form. Yet even during this period, differences in the two countries' threat priorities—for America the Soviet threat was preeminent, for Israel the danger of an Arab military coalition loomed largest—prevented a full blossoming of military-to-military relations.

Seven years after the fall of the Berlin Wall, the world is a changed place. The Soviet Union is gone and with it the specter of superpower confrontation that cast a shadow over calculations of all potential Middle Eastern (and other regional) conflicts. But sadly, in the post-Cold War world, warfare and bloodshed are not relics of the past. From Beirut to Bahrain, from Cairo to Kabul, the Middle East remains plagued by terrorism, civil strife, and extremism. Even more ominous are the expansionist ambitions of radical Iraq and militant Islam—whose leaders remain committed to the acquisition of weapons of mass destruction and the means to deliver them.

In this new era, the main fault line in the Middle East divides moderates from radicals, not Arabs from Israelis. As Israel, the Arab states, and the Palestinians increasingly recognize their mutual interests in cooperation and normalization, the old zero-sum rules that stymied the development of U.S.-Israel relations no longer apply. Today, Israel and America share the same threats and the same prescriptions for defense against them. From that shared recognition and sense of common purpose can emerge a strengthened strategic relationship for the twenty-first century.

In this special Washington Institute study, Israeli strategic analyst Shai Feldman examines the origins of U.S.-Israel strategic cooperation and explores ways to build upon America's victory in the Cold War and progress in the Arab-Israeli peace process in order to develop a deeper, more integrated defense relationship in the years ahead. At a time when the two countries have committed themselves to tightening the web of strategic ties, this monograph provides thoughtful and creative suggestions for achieving that goal. We are pleased to publish Dr. Feldman's work as part of our ongoing effort to inject timely new ideas into the policymaking process.

Michael Stein
President

Barbi Weinberg
Chairman

EXECUTIVE SUMMARY

In the 1970s, the establishment of U.S.-Israel strategic ties was driven less by America's perceived strategic imperatives than by political motivations: the values shared by the United States and Israel, the cultural proximity between the two societies, the unique role and influence of the American Jewish community, and the deep affinity felt by Israelis toward Americans. Indeed, the limits placed on U.S.-Israel strategic cooperation were equally political, rooted in Washington's reluctance to provoke negative Arab reactions. Yet the new Middle East environment—especially the rapidly expanding Arab-Israeli peace process—reduces the likelihood of negative Arab reactions to U.S.-Israel strategic cooperation. Hence, a golden opportunity now exists to expand the two countries' defense ties.

Meanwhile, Israel's role and standing in the region has been clearly transformed: from a struggling young democracy deserving direct and indirect U.S. economic and military assistance to a robust regional power capable of serving U.S. interests in the Middle East. In the latter sense, Israel's potential importance in America's eyes may increasingly resemble that of Turkey. Beyond the specific forms of assistance that Israel might be able to provide, this comparison points to the more general significance of Washington's association with a potent regional power. Joint exercises highlight this association, and the growing public exposure given to such exercises increase their deterrent effect. In addition, the prepositioning of U.S. arms and ammunition in Israel—in some proximity to the sources of potential regional violence yet sufficiently distant from these sources and otherwise protected by a strong ally—enhances U.S. deterrence in the Middle East.

Despite the anticipated expansion of Arab-Israeli peace, important parts of the Middle East will continue to comprise a rather hostile and violent neighborhood for both the United States and Israel. Hence, there is room for further improvement in strategic cooperation between the two countries as Israeli and U.S. forces stationed in the Middle East increasingly face the same set of potential threats: political and religious extremism, terrorism, and the proliferation of ballistic missiles and unconventional weapons.

U.S.-Israel defense ties stand a particularly good chance of blooming if the two countries attempt to inject greater content and substance into existing frameworks of strategic cooperation. In this context, the two countries might consider the following:

- Increased Israeli contribution to American contingency planning for possible U.S. military involvement to insure Gulf stability, as well as

increased coordination of their general activities in the Gulf region and specific interactions with GCC states;

- Various forms of "triangular cooperation"—with third parties such as Turkey—designed to meet the three countries' objectives in the Middle East at large;
- Increased prepositioning of U.S. arms and ammunition in Israel designated for use by specific units of the U.S. armed forces in case of threats posed by Iraq and Iran;
- Further cooperation in addressing the threats entailed in the proliferation of weapons of mass destruction in the Middle East—including the deployment and effective functioning of an Anti-Tactical Ballistic Missile (ATBM) system;
- Greater U.S.-Israel defense-industrial cooperation, including more frequent "teaming up" of Israeli and American defense firms in order to better compete in the international arms market.

Enhanced U.S.-Israel strategic cooperation does not require new frameworks. Yet the conclusion of a U.S.-Israel defense pact would clearly have a number of important advantages:

- Clarifying and formalizing America's commitment to Israel;
- Making U.S.-Israel "special relations" less reversible;
- Enhancing Israeli deterrence and thus providing an added hedge against a deterioration of the peace process.

Nevertheless, negotiating such a defense pact would also involve a number of drawbacks:

- It would erode the Israeli ethos of self-reliance and the positive impact that this has had on Israel's ability to mobilize its internal resources and on America's willingness to support Israel;
- It would be difficult to define against whom the treaty would be directed and under what circumstances it would be activated, particularly under conditions of an evolving Arab-Israeli peace process;
- It would embroil the U.S. and Israeli governments in a lengthy and potentially politically costly effort to gain ratification of such a treaty by the two countries' legislatures;
- It might raise the issue of nuclear proliferation in very stark terms—possibly involving the U.S. government in a number of interrelated debates such as the applicability of its extended deterrence in the Middle East and the continued rationale of regarding Israel as a "special case" in U.S. nuclear non-proliferation policy.

A comparison of these advantages and drawbacks would seem to indicate that it would be wise for the U.S. and Israel to refrain from adopting a new "constitution" for their partnership and instead pursue enhanced strategic cooperation within existing frameworks.

". . . the United States is committed to the security of Israel. We have long been committed to the security of Israel and it is not a new event with my administration. It has been a bipartisan American commitment for a long time. And we are always looking for ways to improve the nature of our security relationship and the strength of Israel's security."

President William J. Clinton
News conference in Tel Aviv
March 14, 1996

"I want to make it clear that the Clinton administration stands firmly behind Israel's quest for peace. Whatever doubts and uncertainties accompany this quest, Israel should never question or doubt the United States' unshakable commitment to its security and well-being. We have stood by Israel in the face of war. We have stood by Israel in the pursuit of peace. And we will continue to stand by Israel until her people achieve the peace and security they have so long been denied."

Secretary of State Warren Christopher
Remarks upon arrival at Ben Gurion Airport
December 6, 1994

"For someone who was born in Warsaw, Poland, whose memory as a child is seeing the [Jewish] ghetto but from the outside, someone who as a child left [Poland] in 1944, it is perhaps the most moving day to come here."

General John Shalikashvili,
Chairman, Joint Chiefs of Staff
Yad Vashem Holocaust Memorial
December 6, 1994

"There is also broad agreement [between Republicans and Democrats] on U.S. policy in the Middle East. Members in both parties support our relationship with Israel, understand the strategic importance of the Persian Gulf, and are committed to the Arab-Israeli peace process."

Representative Lee Hamilton
Roll Call *newspaper*
December 5, 1994

INTRODUCTION

In early 1996, there appeared to be considerable interest in both Jerusalem and Washington regarding the prospects of enhanced U.S.-Israel strategic cooperation. The possibility that such cooperation might be institutionalized in the form of a formal alliance was raised, especially in Israeli government circles. Particular attention was given to the possibility that such an alliance might play a role in alleviating Israel's security concerns and in diminishing the risks associated with the concessions it was being asked to make in the framework of negotiating a peace treaty with Syria.

The purpose of this study, initiated in 1994, is somewhat broader: to examine the extent to which the expanding Middle East peace process might affect the evolution of U.S.-Israel security ties and to evaluate alternative frameworks for increasing strategic cooperation between the two countries.

In the past, the informal U.S.-Israel alliance evolved in the context of the Arab-Israeli conflict. Israel sought external allies to offset the quantitative superiority of its adversaries. Following the failure of attempts to obtain such an alliance with the United States in the early 1950s, Israel turned to France. When the resultant Franco-Israeli alliance collapsed in the mid-1960s, Israel renewed its efforts to obtain assistance from the United States. President Lyndon Johnson responded positively, Richard Nixon expanded these ties, the Carter administration took the first steps to allow cooperation between the two countries in defense production, and Ronald Reagan formalized the alliance in the framework of a December 1981 U.S.-Israel Memorandum of Understanding and less public agreements concluded in November 1983.

America's willingness to enter into security cooperation with Israel, and the limits placed on such cooperation, were both related to the Arab-Israeli conflict. Primarily, this cooperation was motivated by a *political* desire to assist Israel—a small nation that emerged from the ashes of the Holocaust; that shared America's commitment to Judeo-Christian values, pluralist democracy, and human freedom; and that was threatened by more numerous adversaries that did not share these values and that were often backed by the Soviet Union. In Washington's eyes, Israel also enjoyed the support of a devoted and powerful domestic constituency—the American Jewish community. By the early 1980s, budgetary constraints on the already high levels of direct financial assistance to Israel led its friends in Washington to pursue strategic cooperation as a non-monetary aid channel through which Israel could be further strengthened.

But the Arab-Israeli conflict also set limits on the scope of U.S.-Israel security cooperation. America's parallel interest in establishing close ties with important Arab states, and its concern that the hostility of these countries toward Israel would lead them to react negatively to any evidence of close U.S.-Israel cooperation, led it to refrain from further expanding such interactions. Likewise, Israel's desire to maintain its "freedom of action" and equally important commitment to the ethos of self-reliance—an important pillar of its grand strategy—also limited the intensity of the U.S.-Israel alliance.

In recent years, however, the political environment of U.S.-Israel security cooperation has been largely transformed. The Arab-Israeli hostility that determined the climate of the Middle East for over sixty years has been replaced by an expanding peace process that already encompasses Israel, Egypt, Jordan, the Palestinians, and to a lesser degree, some of the Persian Gulf and North African states—with some promise that Syria and Lebanon will soon follow suit.

Though these developments have not eliminated all challenges to Israel's security, the overall magnitude of the threats it faces has clearly diminished—certainly in comparison with the 1950s and 1960s, when the Jewish state was confronted by all of its immediate neighbors. Israel is increasingly perceived as more secure than ever, and hence less in need of either direct or indirect U.S. assistance. As a result, America's original motivation for engaging Israel in security cooperation may have lost some of its validity.

At the same time, however, Iraq and Iran—by virtue of their political and religious extremism, active support for terrorism, and efforts to develop or acquire ballistic missiles and weapons of mass destruction—have gradually emerged as new challenges to Israeli security. Consequently, neither Israel's defense requirements nor America's motivation for providing assistance has been entirely eliminated. Moreover, as more Arab states reconcile themselves to coexistence with Israel, they are less likely to react negatively to the possible expansion of U.S.-Israel ties. Thus, whereas the climate of peace in the region can be expected to reduce the motivation for enhancing security cooperation with Israel, the potential political costs to the United States involved in doing so may diminish as well.

Though the Middle East remains as important as ever to the United States, the sources of threats to its security interests in the region have shifted considerably. The end of the Cold War and the dissolution of the Soviet Union have reduced U.S. concerns with arresting the latter's influence. In contrast, the rise of religious extremism in Iran, Sudan, and Algeria and of political extremism in Iraq and Libya, along with the potential proliferation of weapons of mass destruction in the region (aided in part by the disintegration of the Soviet Union), present new strategic challenges to the United States in the Middle East.

Yet there is some concern that in the coming years, America's ability to address these new challenges could be affected by its own diminishing military capabilities. If current projections materialize, these reduced capabilities may limit Washington's ability to apply a mix of force and diplomacy to these new challenges and require it to formulate a new security policy for the region based on more limited means. In this context, emerging constraints on America's capabilities may encourage it to seek greater bilateral and multilateral cooperation with local allies. Thus, the evolution of the international and regional environments may have conflicting consequences for the scope and depth of U.S.-Israel security cooperation. The net effect of these developments merits close examination.

The working premise of this study is that the current phase of the Arab-Israeli peace process will be completed by the end of this decade, resulting in peace agreements between Israel and Syria and Lebanon. During the same period, implementation of the Oslo agreements allowing the Palestinians early empowerment and autonomy will proceed, and final status negotiations will commence. The conclusion of peace agreements with Syria and Lebanon will lead to growing diplomatic and trade relations between Israel and a number of North African countries and most of the smaller Gulf Cooperation Council (GCC) states. It is also assumed that Iraq, Iran, and Libya will not change their political and strategic orientation. Thus, these countries are expected to remain beyond the new Arab-Israeli "arc of hope."

This study should be regarded as an essay on the future of U.S.-Israel security cooperation, not a product of research-intensive work, for at least two reasons. First, in the realm of social interaction, no method has yet been found for researching the future. In this case, the issues involved were examined by first drawing on a number of basic studies on the evolution of U.S.-Israel strategic cooperation in order to ascertain the parameters, determinants, and dynamics of this cooperation, and then considering potential changes in these determinants and deducing from them the possible parameters of future U.S.-Israel security ties. Lessons from the history of U.S.-Israel strategic cooperation and propositions about the nature of future ties were further developed in discussions with current and former American officials who played a role in affecting U.S.-Israel policy in Washington. These discussions were all conducted on an "off-the-record" and "not-for-attribution" basis.

Second, the subject matter of this study is merely a subset of the wider network of U.S.-Israel ties. It focuses on U.S.-Israel relations in the security realm and particularly on aspects of these relations that are characterized by some degree of reciprocity. Thus, it is limited to frameworks and activities involving some possible Israeli contribution to securing American interests in the Middle East, and in this sense differs clearly from issues related to the future of direct U.S. economic and military assistance to Israel.

I THE EVOLUTION OF STRATEGIC COOPERATION

America's willingness to enter into strategic cooperation with Israel was embedded in the general considerations that prompted it to develop close ties with the Jewish state. In the immediate aftermath of World War II, the United States supported the creation of an independent state of Israel in reaction to the horrors of the Holocaust. To some degree, this support was also induced by a sense of remorse regarding the strict immigration policy employed by the United States in the 1930s that prevented many European Jews from finding refuge in America, as well as by the feeling that the United States and its allies had not done everything possible during the later part of the war to limit the slaughter in Europe. This created a strong conviction among key Americans (particularly, though not exclusively, among those who visited the Nazi concentration camps when the war ended) that such a catastrophe should not be permitted to occur again. Contributing to Israel's strength was regarded as the best means of fulfilling this objective.

In addition, Israel is seen as sharing the basic values to which the United States is committed—individual freedom and equal opportunity, a political system based on the principles of pluralist democracy, an economic system based on free enterprise, and a basic commitment to human rights. Not surprisingly, occasional American perceptions that Israel has deviated from its commitment to one or more of these core values have sometimes caused strains in U.S.-Israel relations. Thus, Israel's control of 1.5 million Palestinians following the 1967 War—and the most salient consequence of this occupation, the Palestinian *intifada* and Israeli measures to limit its scope and effects—caused considerable erosion in U.S. sympathy toward Israel in the late 1980s.

Throughout most of its history, however, many Americans viewed Israel as a small, peace-seeking nation whose very survival was threatened by its more numerous adversaries. In this context, Israel appeared as the underdog and support for it was perceived as both just and justified. Moreover, Israel's military successes, most notably in the 1967 War, provided it the image of an underdog that triumphed, arousing strong sympathies in the United States. Similarly, its willingness to take daring "self-help" measures, particularly in its battle against terrorism—such as the 1976 operation to rescue its hijacked citizens in Entebbe, Uganda—became a frequent source of American admiration. This commitment to remain solely responsible for its own defense, and thus to avoid asking that the lives of American soldiers be endangered on its behalf, made the United States more confident and relaxed about its support for Israel.

A third key factor propelling U.S. support for Israel is the role of the Jewish community in American politics. Though American Jews certainly supported the creation of a Jewish state after World War II, protecting Israel became the preeminent priority in the aftermath of the 1967 War. The high level of political participation by American Jews—reflected in their high voter turnout and, more important, in their higher-than-average financial contributions to candidates for elected office—has helped create a domestic political environment conducive to supporting Israel.

The clearest manifestation of this phenomenon is the unique role of the influential American-Israel Public Affairs Committee (AIPAC) and other national Jewish organizations and political action committees (PACs). The primary impact of these organizations has been to strengthen the U.S.-Israel relationship and build support for Israel, particularly among members of the U.S. Congress. Indeed, over the years Capitol Hill has become a focus of U.S. support for the Jewish state, sometimes pursuing initiatives—like securing the move of the U.S. embassy from Tel Aviv to Jerusalem—more energetically than Israel's own government. Consequently, in addition to its role in U.S. foreign policy designs, Israel has become an integral part of America's domestic political agenda. Indeed, no other country enjoys higher salience in U.S. internal affairs than Israel.

Another source of support involves the cultural dimension of U.S.-Israel ties. In contrast to their view of other nations, many Americans regard Israelis as "just like us." This view is reinforced by the number of Americans who immigrated to Israel, including some who rose to positions of national leadership, such as Prime Minister Golda Meir, a former schoolteacher from Milwaukee, and Defense Minister Moshe Arens, who did his graduate studies at the Massachusetts Institute of Technology. These perceptions are further strengthened by the extent to which Jewish culture has permeated America's cultural life—largely through the mass media—as well as by the fascination many Israelis have with all things American. Thus, in contrast to America's other allies (most notably the French) Israelis stand out as people who admire America, its culture, and lifestyle. Americans, in turn, respond positively to these warm signs of affinity.

Finally, the United States has gradually come to view Israel as a "strategic asset" and more recently as a "strategic partner." It should be emphasized, however, that the strategic dimension of America's motivation for supporting Israel never comprised the core of these relations. Rather, this dimension received growing emphasis in the 1980s as Israel's American supporters sought to base U.S.-Israel relations on grounds that would be more appealing to Republican administrations. Yet, the significance of U.S.-Israel strategic cooperation and the extent to which Israel is perceived as a strategic asset to the United States never approached that of the other elements in the U.S.-Israel relationship.

Contrary to arguments based on "realistic" calculations of national self-interest, "softer" value-based considerations and the nature of American domestic politics combined to play a much more important role in propelling U.S.-Israel relations than the strategic rationale.

Thus, during the struggle for Israel's independence and the first twenty years of its existence, the United States supported Israel—albeit to a far lesser degree than in later years—despite the judgment of most U.S. government officials at the time that America's strategic interests in the Middle East resided almost exclusively in the Arab world. Indeed, the original motivation for adding a strategic dimension to U.S.-Israel relations was political: namely, a desire (prompted by more important factors supporting close U.S.-Israel ties) to find non-financial frameworks for assisting Israel. Though this eventually resulted in a web of "real" strategic interactions, it is important to remember that these interactions did not result originally from "burning" strategic requirements.

Many observers in Washington continue to question whether Israel can contribute significantly to securing U.S. strategic interests in the Middle East. Some of them are sympathetic to Israel and do not object to the establishment of cooperative frameworks with it. But they continue to stress that U.S.-Israel strategic cooperation has been "over-hyped" for political reasons and that the United States could attend to its interests in the Middle East just as effectively without these frameworks.

ISRAEL'S QUEST FOR EXTERNAL ALLIES

Israel's grand strategy was designed largely by its founding father and first prime minister, David Ben Gurion. This strategy—which has been shaped since the Zionist movement launched its quest for independent statehood in the mid-1930s—was based on two basic premises. First, that the immediate regional environment, comprised largely of Sunni Arabs, was hostile to the Zionist enterprise and would continue to seek its destruction. This hostility was assumed to be deep and constant and thus unyielding, indifferent to compromise, and insensitive to possible conciliatory Israeli policy. Ben Gurion also believed that such hostility could be lessened only through cumulative deterrence—a long record of Israeli successes in withstanding Arab threats—that would convince Israel's neighbors that it cannot be defeated militarily and therefore must be accommodated politically. In his view, such achievements would eventually result in an "alliance with the Arabs."

The second premise guiding Ben Gurion's grand strategy was that the Arab states enjoyed a vast preponderance over Israel in all major categories of national power: size of population and thus of deployable military forces; territory and the strategic depth it provides; natural resources and the financial rewards they offer; and the number of states

and the combined international clout they enjoy. Thus, he characterized Israel's relationship with its Arab neighbors as "the few against the many."

Given this vast quantitative gap, Ben Gurion was determined that Israel develop and maintain a *qualitative* edge in all aspects of its national conduct and particularly in the various attributes of military power. Thus, he emphasized the importance of superior military strategy and tactics, advanced weapons systems, state-of-the-art scientific and technological education, and high morale and motivation.

The fact that Israel was surrounded by a large number of quantitatively superior Arab states that enjoyed considerable influence in the international arena also led Ben Gurion to adopt two seemingly contradictory but in fact complementary imperatives: self-reliance and the pursuit of external allies. The assistance and support of external allies was intended to offset the preponderance of resources enjoyed by Israel's numerous adversaries as well as their greater access to arms suppliers. In turn, self-reliance was intended to make Israel immune to external pressures in times of crisis and to provide it with a measure of "freedom of action"—the flexibility to respond independently to both anticipated and unforeseen threats. Maximizing such self-reliance required the creation of strategic stockpiles and the capacity to produce arms and ammunition indigenously, so that Israel would be able to withstand the possible imposition of embargoes by arms suppliers as well as Arab threats to its air and maritime supply routes in wartime.

Concurrent with seeking self-reliance, Ben Gurion assigned the highest priority to the pursuit of an alliance with a "major power." In the early 1950s and particularly after the massive Soviet-sponsored arms deal between Czechoslovakia and Egypt in 1955, he undertook considerable efforts to win such an alliance with the Western powers. In this context, he offered both Britain and the United States the use of Israeli territory for maintaining military bases in the Middle East. In addition, in an effort to offset the impact of the Czech-Egyptian arms deal, Foreign Minister Moshe Sharett appealed to the United States, France, and Britain for offsetting military hardware for Israel.

Though sympathetic to Israel's concerns, Washington feared that direct, large-scale assistance would elicit a strong negative Arab reaction. Hence, the United States resisted Israel's repeated requests for arms during 1954-55. When it finally yielded in April-May 1956, Washington preferred to have France meet some of Israel's defense requirements. To make this possible, it agreed to relinquish NATO priority over major weapon systems produced in France—primarily aircraft—and to permit their diversion to Israel. After considerable Israeli effort and somewhat to Washington's dismay, this relationship later developed into a full-scale Franco-Israeli alliance.[1] Indeed, Ben Gurion apparently accepted the

[1] In contrast to U.S.-Israel strategic cooperation, the 1956-66 Franco-Israeli alliance was purely strategic; Israel viewed Egypt as its strongest adversary and France regarded pan-

dubious French plan for the 1956 Sinai-Suez assault on Egypt—despite his personal misgivings—primarily because he was convinced that it offered a golden opportunity to forge an alliance with a major power.[2]

By the mid-1960s, Israel's strategic alliance with France had gradually deteriorated until it was finally dissolved by President Charles DeGaulle on the eve of the June 1967 War. By contrast, American Presidents John F. Kennedy and Lyndon B. Johnson demonstrated increased sensitivity to Israel's defense requirements, as well as to the U.S. domestic dynamics involved in supporting the Jewish state, by ordering the first U.S. transfers of major weapon systems to Israel—the Hawk air defense missile system and the A-4 Skyhawk combat aircraft.

The 1967 War provided Israel with the first opportunity to demonstrate its potential utility to the United States, at least in the intelligence realm.[3] In the course of the war, Israel captured massive quantities of various Soviet-made weapons, samples of which were shipped to the United States for closer examination and analysis after the war. To a lesser extent, Israel performed a similar function during the 1970-72 War of Attrition—sharing with the United States data and analysis on Soviet-made artillery, anti-tank and anti-aircraft guns and missiles.

Yet considerable constraints on the supply of U.S. arms to Israel continued throughout the Johnson administration as well as during the first two years of Richard Nixon's administration. The turning point in the relationship that allowed the establishment of closer security ties with Israel occurred in September 1970 following Syria's military incursion into Jordan. Washington was impressed by Israel's positive response to appeals from both President Nixon and National Security Advisor Henry Kissinger to take measures to relieve Syrian military pressure on the Hashemite kingdom—the Israel Defense Forces (IDF) went on alert and moved troops closer to the Jordanian border. The episode represented the first significant indication that in time of need, Israel could be a strategic ally of the United States. It also involved the first—albeit temporary—U.S. offer of a security guarantee to Israel: Washington promised to deter any possible Soviet reaction to Israel's intervention.

The conceptual framework for U.S.-Israel strategic cooperation—and the notion that Israel could assist the United States in its military-strategic objectives in the Middle East—was developed during the Carter administration by Andrew Marshall, Dennis Ross, and James Roche, then

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Arab anti-colonialism as fueling efforts by Algeria's National Liberation Front (FLN) to achieve independence.

[2] As Ben Gurion feared, Israeli-French cooperation in 1956 resulted in a major crisis in U.S.-Israel relations. President Eisenhower reacted to the surprise attack launched by Israel, France, and Britain by exerting massive pressure on Israel, compelling it to withdraw from the Sinai Peninsula and the Gaza Strip.

[3] Some degree of intelligence cooperation between the two countries began soon after Israel's establishment. On the U.S. side, this was largely initiated and orchestrated by James Jesus Angleton, a senior official at the Office of Strategic Services (OSS) and later at the Central Intelligence Agency (CIA).

mid-level officials in the Office of Net Assessments of the Department of Defense (DOD). Earlier, at the direction of U.S. Secretary of Defense Donald Rumsfeld and Israeli Defense Minister Shimon Peres, Marshall's team and the IDF's Planning Branch had opened a quiet dialogue regarding the issue.[4] But the pro-Arab predisposition of many other members of the Carter administration, and their expectation that the Arab states would react negatively to U.S.-Israel strategic cooperation, slowed the implementation of a more comprehensive relationship.

Nevertheless, in 1979 Secretary of Defense Harold Brown and Israeli Minister of Defense Ezer Weizman signed the first U.S.-Israel Memorandum of Agreement (MOA) on defense cooperation. The agreement stipulated cooperative research and development and allowed Israeli military exports to the United States. In addition, the Carter administration designated Israel as a non-NATO country, like Australia and New Zealand, that would be eligible for U.S. technology transfers.

The advent of the Reagan administration in early 1981 dramatically altered Washington's view of Israel's possible role in U.S. designs for the security of the Middle East.[5] Secretary of State Alexander Haig considered the possibility of creating a "strategic consensus"—a network of defense ties with a number of the region's states based on their common antipathy to communism. Given the Arab states' unwillingness to establish any direct links with Israel, the network was to comprise a set of separate, bilateral ties between the United States and America's allies in the region. The state of Arab-Israeli relations at the time, however, made even indirect forms of regional consensus-building involving Israel unfeasible. Consequently, it was impossible to translate the concept of "strategic consensus" into any overt forms of cooperation or to define precisely what role Israel might play in securing America's interests in the region.[6]

Nonetheless, President Reagan's admiration of Israel and Secretary Haig's convictions regarding its actual and potential contribution to securing America's interests in the Middle East created a desire to enhance Israel's capabilities. Secretary Haig was supported in these efforts by Paul Wolfowitz, director of the State Department's Policy

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[4] Karen L. Puschel, *U.S.-Israel Strategic Cooperation in the Post-Cold War Era: An American Perspective* (Tel Aviv: Jaffee Center for Strategic Studies, 1992), 28.

[5] Earlier, the Republican party's platform for the 1980 presidential elections referred to the "deterrent role" of Israel's armed forces in the Middle East as well as in East-West military equations, and candidate Reagan openly declared Israel to be an important ally of the United States as well as a major strategic asset.

[6] Nevertheless, the evolution of U.S.-Israel strategic cooperation during the following ten years largely corresponded to the concept of "strategic consensus." This was manifested clearly in the 1990-91 Gulf crisis: the implicit consensus between Israel, Egypt, Saudi Arabia, and Syria that Saddam Hussein represented a major threat to the region's security and stability allowed the United States to simultaneously build an anti-Iraq Arab coalition and persuade Israel to refrain from any action that might threaten the cohesion of this coalition. Indeed, the fact that the coalition served Israel's strategic interests by reducing Iraq's military capability led Israel to refrain from responding to Iraq's Scud missile attacks during the war.

Planning Staff, which now included James Roche and Dennis Ross. Not surprisingly, this made Secretary Haig and President Reagan receptive to Israeli Prime Minister Menachem Begin's repeated suggestions to establish frameworks and mechanisms for strategic cooperation between the two countries. According to Karen Puschel,

> Prime Minister Begin had long been warning of the dangers of an unchecked Soviet threat in the region and Israel's value in combating it. Now he lost no time in expressing his hopes as to where U.S. policy was heading. In an interview with a major American television network in November 1980, he made it clear that he believed that the United States should rely on Israel in crafting a new security policy *vis-à-vis* the region. In an earlier interview, he stated that the United States was welcome to use Israeli military facilities and urged that U.S. forces be deployed in the area to ensure a fast and effective U.S. response to events in the Persian Gulf. Begin also expressed his hope for the formalization of closer defense relations with Washington, possibly in the form of a defense treaty. Although he often stated that Israel would not request such a treaty from the United States, Begin left no doubt that, should the United States broach the subject with Israel, he favored a formal alliance that included a defense pact.[7]

Consequently, President Reagan and Secretary Haig persuaded Secretary of Defense Caspar Weinberger—despite his personal reluctance and the strong objections of the DOD—to negotiate with Defense Minister Ariel Sharon the formulation of a Memorandum of Understanding (MOU) on U.S.-Israel strategic cooperation.[8] Though the MOU reflected Reagan's willingness to risk a negative Arab response, the DOD sought to minimize such reactions and preserve America's ties with moderate Arab states by giving the signing ceremony as little public exposure as possible.[9]

The December 1981 MOU caused similar uneasiness in Israel. Sharon cut short his visit to Washington and returned home soon after the ceremony, displeased that the text of the MOU lacked meaningful content.[10] Indeed, it had been deliberately formulated to diminish the expected negative Arab reaction. It specifically stated that cooperation "is not directed at any state or group of states within the region." Nor did it envision any role for Israel in U.S. defense planning in the Middle East.

Not surprisingly, Israel's Labor-led opposition charged that the MOU dragged Israel into commitments far beyond its own defense needs while exempting the United States from helping Israel to withstand Arab challenges to its security. By contrast, Foreign Minister Yitzhak Shamir was alarmed by its confrontational tone toward Moscow, reflected in the many references to the Soviet threat. In light of Israel's hopes to secure

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[7] Puschel, 35.

[8] Secretary Weinberger's objections were apparently tied not only to his fears of negative Arab reactions but also to his deep conviction that Israel's capabilities were irrelevant to advancing U.S. interests in the Middle East.

[9] The MOU was signed at the National Geographic Society building in Washington, D.C. Members of the press were allowed to attend but were not permitted to photograph the ceremony.

[10] Sharon was ambivalent about the utility of a formal U.S.-Israel alliance but was led to believe that the MOU might become a first step toward Israeli membership in NATO.

the eventual emigration of the large Soviet Jewish community, Shamir regarded the text—which had not been cleared with the Foreign Ministry—as unnecessarily provocative.

The 1981 MOU was clearly a product of the Cold War and reflected the Reagan administration's rationale for entering into an alliance with Israel: a desire to cooperate in containing what it perceived as growing Soviet influence in the Middle East. Though Prime Minister Begin had contributed to the elaboration of the common Soviet threat, he was not insensitive to the manner in which Moscow would regard a Soviet-focused "constitution" for U.S.-Israel strategic cooperation. Israel was in fact more concerned with *regional* challenges to its security—primarily that "rejectionist" Arab states would react to the Israel-Egypt peace treaty by forming an "eastern front" against Israel. Begin accepted Washington's priorities in order to derive the fruits of cooperation with the United States, but the 1981 MOU was considerably less than the formal alliance he had sought. "On the contrary, it became another example of the willingness of American political leaders to 'help' Israel through a large symbolic gesture, rather than a genuine expression of ways in which both sides could equally help each other."[11]

Three weeks after signing the MOU, the Reagan administration suspended its implementation in response to Israel's decision to apply its domestic legal jurisdiction to the occupied Golan Heights.[12] Other sources of tension in U.S.-Israel relations—in particular the Reagan administration's simultaneous effort to ensure close ties with moderate Arab states by pursuing large-scale arms transfers—also took their toll. This was reflected most clearly in the sale of airborne warning and control (AWACs) aircraft to Saudi Arabia. Secretary Haig, the main proponent of strategic cooperation with Israel, felt particularly betrayed when Prime Minister Begin responded to a question by expressing concern over the AWACs sale during a visit to Capitol Hill. The suspension of the MOU remained in place throughout 1982 and most of 1983 following Israel's invasion of Lebanon.

THE DEVELOPMENT OF STRATEGIC COOPERATION, 1983-1994

In November 1983, U.S.-Israel strategic ties were revived without a signing ceremony or a formal MOU. Israel's new prime minister, Yitzhak Shamir, did not favor high-profile agreements. He recognized that the absence of such formalities allowed the two parties the flexibility to cooperate even if their motivations for pursuing such cooperation were quite different. Thus, while the United States emphasized the Soviet

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[11] Puschel, 43.

[12] Secretary Weinberger, who resented having been forced to negotiate the 1981 MOU, was clearly delighted when the Israeli government provided the pretext for suspending the agreement.

threat to the region's security, Israel could avoid any reference to the USSR.

Instead, the two countries established a Joint Political and Military Group (JPMG) as a framework for biannual meetings of Israeli and American defense officials. The director-general of the Ministry of Defense led the Israeli team and the assistant secretary of state for politico-military affairs served as the head of the American delegation. While refraining from operational planning, these meetings provided a mechanism for the two governments to discuss their assessments and share their concerns regarding security-related developments in the Middle East. During the January 1984 JPMG meeting, the parties reached their first accord—an agreement on military medical cooperation.

Three months later, Defense Minister Arens and Secretary of Defense Weinberger signed an MOU on defense cooperation at three levels: joint planning, combined exercises, and the prepositioning of arms and ammunition for use by the U.S. military in a time of crisis. Joint planning, however, was limited to the Mediterranean part of the Middle East; under pressure from the Joint Chiefs of Staff (JCS), the armed services, and the U.S. Central Command (CENTCOM), Persian Gulf-related contingencies were removed from consideration.

Throughout 1984, closer ties were established between the IDF and the U.S. military. In January, General John Vessey became the first chairman of the JCS to conduct an official visit to Israel—making subsequent visits by U.S. senior officers routine. Cooperation included U.S. leasing of Israeli-made Kfir aircraft and joint exercises in anti-submarine warfare by the Israeli and U.S. navies. Teams from the three branches of the U.S. armed services conducted training in the Negev Desert, and plans were devised for prepositioning $100 million of U.S. materiel in Israel.

In 1987, the U.S. Congress expanded the political and legal framework of U.S.-Israel strategic cooperation by formally designating Israel as a "Major Non-NATO Ally."[13] This was particularly important in providing Israel with formal standing in specific technology transfer issues. As a result, the 1979 Brown-Weizman MOU was expanded into a detailed "Memorandum of Understanding Between the Government of Israel and the Government of the United States of America Concerning the Principles Governing Mutual Cooperation In Research and Development, Scientist and Engineer Exchange, Procurement and Logistic Support of Defense Equipment." This new MOU, signed by Defense Minister Yitzhak Rabin and Secretary of Defense Frank Carlucci in late 1987, eased cooperation in defense research and development as well as Israeli exports of military goods to the United States. In April 1988, U.S.-Israel defense ties were further elaborated in an MOA on strategic cooperation.

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[13] See Dore Gold, *Israel as an American Non-NATO Ally: Parameters of Defense-Industrial Cooperation* (Tel Aviv: Jaffee Center for Strategic Studies, 1992).

By the mid-1980s, three main frameworks for continual consultations between the two governments had been established:

- The Joint Political Military Planning Group (JPMG) met to discuss the general direction of the program and to consider new ideas for cooperative ventures. In this context, a military-to-military group met periodically to ensure effective implementation of ongoing projects. It also served as a forum for mutual familiarization among senior officers of the two countries' military services.
- A Joint Security Assistance Planning Group (JSAP) was created to discuss the size and composition of Israel's requirements for assistance prior to the submission of the appropriate requests by the administration to the U.S. Congress.
- A Joint Economic Development Group (JEDG) was created in 1985 to discuss Israel's economy and U.S. assistance to its reform efforts.

During the second half of the 1980s, practical applications of U.S.-Israel strategic cooperation further expanded: the frequency and length of visits by Sixth Fleet vessels to the port of Haifa increased dramatically; joint exercises were conducted, some involving units of the Israeli and U.S. navies and others in the realm of emergency medical care; and select units of the U.S. armed forces exercised in desert conditions using facilities and practice ranges in the Negev.

As a result of the aforementioned agreements, technology transfer restrictions were also gradually modified, resulting in a lot of small-scale and some large-scale instances of defense cooperation. Most salient among these were U.S. assistance to Israel's development of the Lavi combat aircraft; the development and U.S. acquisition of remotely-piloted vehicles (RPVs); and Israel's participation in the U.S. Strategic Defense Initiative (SDI) and the development of the Arrow Anti-Tactical Ballistic Missile (ATBM) system within the framework of SDI's successor, the Ballistic Missile Defense Organization (BMDO).[14] With increasing frequency, Israeli defense industries teamed up with major U.S. arms producers to compete jointly for U.S. defense contracts as well as in the international market.

In September 1989, three further developments in U.S.-Israel defense ties took place: an agreement allowing the lending of U.S. military equipment to Israel in emergency circumstances; a related agreement that the materiel to be prepositioned in Israel could be used by the IDF as well as by the U.S. armed services; and a decision to increase the deterrent effect of strategic cooperation by making some of the activities public. In this last context, Defense Minister Rabin revealed that by 1989 the United

[14] The respective roles of the executive and legislative branches of the U.S. government in launching these cooperative ventures were different in each of these cases. For example, U.S. assistance to the Lavi project was forced on the administration by some of Israel's friends in Congress over the very strong objections of the DOD.

States and Israel had conducted some twenty-seven joint military exercises.[15]

An entirely new phase of U.S.-Israel strategic cooperation occurred in late 1990 and early 1991 during the Gulf crisis and subsequent war. This included three dramatic developments. First, the two countries established a communication system (code-named "Hammer Rick") to allow direct contact and coordination between the U.S. secretary of defense and Israel's minister of defense. Also established was an associated direct communication link between the IDF and the JCS, including the stationing of a U.S. major-general within the IDF General Staff compound to serve as a liaison officer. The second development was the transfer of real-time warning to Israel of Iraqi Scud missile launchings detected by U.S. satellites.

Finally and most important, Operation Desert Storm witnessed the airlifting to Israel of U.S. Patriot surface-to-air missiles (SAM) units. This was the first time in the history of U.S.-Israel relations that members of America's armed services were sent to help defend the Jewish state—other than the stationing of French air force squadrons during the 1956 Suez War—and only the second time in Israel's history that foreign forces played a role in the nation's defense.

THE DETERMINANTS OF U.S.-ISRAEL SECURITY COOPERATION

Initially, America's willingness to enter into security cooperation with Israel, and the limits placed on that cooperation, were both tied to the Arab-Israeli conflict. The perception of Israel as a small democracy threatened by more numerous adversaries prompted the United States to pursue assistance to Israel. At the same time, however, the Arab-Israeli conflict also set limits on the scope of U.S.-Israel security ties. Washington had a parallel interest in maintaining close relations with important Arab states but the U.S. concern that Arab hostility toward Israel would cause them to react negatively to close U.S.-Israel cooperation led the United States to refrain from further expanding these ties.

Thus, developments in the Arab-Israeli conflict at times affected aspects of U.S.-Israel security cooperation. When, for example, the Israeli government under Yitzhak Shamir accelerated the construction of housing in new and existing Israeli settlements in the West Bank in 1989, the Bush administration emptied the JPMG and JSAP meetings of any meaningful content. Indeed, these meetings only regained some significance in late 1990, after the settlement disagreement was overtaken by the Gulf crisis.

Israel's pursuit of more formal strategic ties with the United States was also motivated primarily by political considerations. The *realpolitik*

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[15] Puschel, 106.

approach of Prime Minister Begin and Defense Minister Sharon led them to doubt whether the values Israel shares with the United States—including the commitment to freedom, free enterprise, and democratic government—would be sufficient to maintain close relations between the two countries in the future. This skepticism may have been reinforced by their recognition that their preferred policy with respect to the West Bank and Gaza—*de facto* annexation through the construction of Israeli settlements—might be seen as eroding the "common values" rationale for America's support of Israel. Thus, they may have sought to emphasize the strategic dimension in the two countries' ties as a hedge against the expected erosion of the "softer," value-based foundation of these relations.

Washington's sensitivity to the anticipated negative Arab response to visible signs of U.S.-Israel strategic cooperation was based on the assessment, by key Pentagon officials and senior military officers stationed at CENTCOM and at U.S. embassies and military installations in Arab countries, that America's primary strategic interests in the region are located in the Arab world, not in Israel. These officials expressed reservations regarding the value of U.S.-Israel security cooperation and repeatedly warned against its potential costs.

Concerns of this type were manifested clearly in the Reagan administration's decision to place responsibility for U.S.-Israel security cooperation within the U.S. military's European Command (EUCOM), rather than within CENTCOM, which covers the rest of the Middle East and is responsible for securing U.S. interests in the Gulf. Moreover, throughout the Reagan and Bush administrations, senior CENTCOM officers repeatedly intervened to insure that Israel was excluded from any role in planning to secure U.S. interests in the Gulf region. Such sentiments were reflected as late as mid-1994 in a response by General Joseph P. Hoar when asked why he had never visited Israel in his previous capacity as commander of CENTCOM:

> There is understandable concern on the part of moderate Arab states about this relationship between the United States and Israel. Understandable in the sense that there are many countries that would like to have a similar kind of relationship between their country and the United States as exists between Israel and the United States . . . [Whatever] advantage would accrue to me by traveling to Israel could conceivably damage my relationship with moderate Arab leaders by their view that somehow I was sharing information [or] ideas about what was going on on the other side of the boundary. And it was purely [a problem] of perception, because I wouldn't do that. But I don't think it would always be perceived as the right thing.[16]

Israel initially shared Washington's desire to avoid damaging its standing in the Arab world, and at times seemed even more sensitive to

[16] Remarks by Gen. Hoar at the Washington Institute for Near East Policy, July 6, 1994. It should be noted that the DOD and JCS maintain a clear separation between the responsibilities of the various commanders-in-chief (CINCs). Hence, CINCs rarely travel to a country located in another CINCs' area of responsibility.

the possible damage that public exposure of U.S.-Israel strategic cooperation might create than the United States itself. Thus, the various manifestations of cooperation—particularly exercises by units of the United States Army and Marines on Israeli territory—were shrouded in secrecy, and military censorship was applied to suppress media reports of evolving cooperation.

Gradually, however, American sensitivity to possible negative Arab reactions to U.S.-Israel strategic cooperation has diminished, largely as a consequence of a learning process; as these ties evolved, Washington discovered that Arab reactions were far less negative than originally anticipated. This explains why the United States became less reluctant to make public various facets of its strategic cooperation with Israel, such as when American sources made known in October 1988 that Secretary of Defense Frank Carlucci had observed a joint U.S.-Israel military exercise in Israel's Negev Desert.[17]

Contrary to the suggestions of some analysts, however, senior Israeli officials did not manifest much enthusiasm for Israel's "transfer" to CENTCOM's area of responsibility. Such reluctance may have been spurred partly by the desire to avoid being entangled in Persian Gulf contingencies that might not affect Israel's security interests directly. Also, this caution may have reflected Israel's ambivalence regarding its two competing preferences: to become integrated into the Middle East region and to be considered part of advanced, industrial Europe. At the time, Israelis may have reasoned that the deterrent effect of being regarded as part of Europe outweighed the direct advantages associated with involvement in CENTCOM planning. Finally, it should be recalled that until the end of the Cold War, Europe remained the primary focus of U.S. national interests abroad. As such, Israel's involvement in EUCOM also provided it with an additional important link to NATO.

A related constraint on the development of U.S.-Israel defense ties involved Washington's desire to avoid being associated with Israeli "self-help" measures in the security realm. Though sympathetic to (but not always happy with) Israel's propensity to take preventive and preemptive measures, the United States did not wish to re-enforce Arab tendencies to regard it as Israel's "co-conspirator." Thus, Washington's decision to punish Israel following such self-help measures was prompted less by the desire to dissuade Israel from taking such action than by the wish to avoid being associated with it.

These U.S. concerns were mirror-imaged in Israel. Some Israeli leaders feared that formalizing strategic ties with the United States would require Israel to obtain prior approval from Washington for any preemptive or preventive action. They also feared that in such circumstances the United States would be compelled to veto such self-

[17] Puschel, 89.

help measures because a formal alliance would deprive Washington of "plausible deniability" of prior knowledge of the action taken.

Another factor affecting the character of U.S.-Israel strategic cooperation is Israel's perceived nuclear potential. Clearly, the United States regards Israel as a "special case" in its general efforts to stem the spread of nuclear weapons, largely due to the same factors affecting close U.S.-Israel ties. In the past, Washington's willingness to tolerate Israel's nuclear potential was also affected by the notion that the existence of a nuclear option relieved the United States of any responsibility to act as Israel's ultimate guarantor and that as a stable and pluralist democracy, Israel could be trusted to handle its nuclear potential responsibly.[18] Nonetheless, on more than one occasion Washington has publicly expressed the view that Israel should sign the 1968 Nuclear Nonproliferation Treaty (NPT). More recently, however, its position has evolved further. In the context of Egyptian efforts to pressure Israel to sign the NPT in 1995, American officials stated that although the United States believes that adherence to the NPT should be universal, it would not ask Israel to take measures that might contradict its perceived security requirements. In fact, Secretary of State Warren Christopher seemed to associate himself with Israel's view that the issue should be considered only after comprehensive peace in the Middle East is achieved.

From the outset, however, America's tolerance of Israeli efforts in this realm was based on a tacit agreement that Israel would do nothing to encourage the further spread of nuclear weapons. This was reportedly made explicit in the framework of an understanding reached in 1970 between Prime Minister Golda Meir and President Richard Nixon and renewed by each subsequent U.S. administration, most recently in March 1993 during Prime Minister Rabin's first meeting with President Clinton. The longstanding agreement includes a clear Israeli commitment to refrain from adopting an overt nuclear posture, conducting test explosions, or transferring nuclear technology to a third party.

The impact of Israel's nuclear potential on U.S.-Israel strategic ties is complex. On one hand, security cooperation can be seen as strengthening the non-nuclear elements of Israeli deterrence. By making Israel's conventional deterrence more robust, cooperation raises Israel's nuclear threshold and can thus be regarded as contributing to regional stability—a central U.S. interest in the Middle East. To some American observers, however, close security ties with Israel—and the concomitant implication

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[18] For further elaborations of the U.S. approach to Israel's nuclear potential, see Chapter V in Shai Feldman, *Israeli Nuclear Deterrence: A Strategy for the 1980s* (New York: Columbia University Press, 1982); see also Shai Feldman, "Superpower Nonproliferation Policies: The Case of the Middle East," in *The Soviet-American Competition in the Middle East*, eds. Steven L. Spiegel, Mark A. Heller, and Jacob Goldberg (Lexington, MA: Lexington Books, 1988), 95-110; and Shai Feldman, *Nuclear Weapons and Arms Control in the Middle East* (Cambridge, MA: MIT Press, forthcoming).

that Washington is willing to tolerate Israel's nuclear potential—are seen as eroding the credibility of the U.S. nuclear nonproliferation policy.

The United States has also tried to avoid being associated with Israel's often forceful measures to stem the further proliferation of nuclear weapons in the Middle East. Thus, when Israel bombed Iraq's Osiraq nuclear reactor in June 1981, Washington temporarily suspended the delivery of F-16 combat aircraft to Israel. Though there were clear indications that key members of the Reagan administration—notably Secretary of State Haig—were quite pleased with Israel's preventive strike, this did not diminish their political need to distance Washington from Israel's action. Thus, the scope and depth of U.S.-Israel security ties were affected by Israel's nuclear potential as well as by its efforts to prevent other countries in the region from obtaining nuclear arms.

Indeed, Israelis may have been as concerned as the United States about the possible consequences of closer U.S.-Israel strategic ties for the future of Israel's nuclear potential. They feared that any discussion of establishing a formal alliance between the two countries would invite new pressures on Israel to sign the NPT because the United States could not be expected to enter into such an alliance with a state that remains outside the global nuclear nonproliferation regime. They possibly also feared that in the aftermath of creating this alliance, it would be argued that since Israel now enjoys America's strategic umbrella, it no longer requires an independent deterrent. Implicitly, Israel may have preferred to limit its strategic ties with the United States if this was the price to be paid for maintaining its nuclear option.

Yet another factor affecting the scope and level of U.S.-Israel strategic cooperation involved the two countries' desire to maintain their defense-industrial bases. For both countries, the shrinking global arms market and diminishing defense budget at home implied fiercer competition. This encouraged U.S. weapons companies to contract with Israeli arms developers and manufacturers that possess "off-the-shelf" products and technologies. Similarly, the imperative of Israeli defense industries to increase exports made the U.S. armed services critically important clients. This in turn propelled Israeli industries to team-up with U.S. arms manufacturers in order to better penetrate the American market.

At the same time, concern about the future of their military-industrial bases also placed limits on the two countries' defense cooperation. On the U.S. side, a number of considerations prompted objections to the transfer of military technology to Israel. Some mid-level officials feared that Israel's qualitative advantage—and thus its deterrence—might become so great that its government would have fewer incentives to negotiate peace with its Arab neighbors. A closely related concern was that U.S. transfers of advanced technologies would lead to a more potent Israeli defense industry that would be less susceptible to U.S. policy preferences.

In addition, some Americans worried that technology transfers would enhance Israel's weapons production, making it more competitive with

U.S. arms manufacturers. Given the relative size of the two countries' defense industries, that is highly unlikely—Israeli arms sales hardly threaten U.S. markets for major weapons platforms and are more of a nuisance than real competition. Nonetheless, a perception emerged that Israeli manufacturers might compete with U.S. firms in foreign markets.

More significant was the perception in some cases that technology transfers—accompanied by U.S. taxpayer-funded aid—were effectively sending American jobs to Israel. U.S. support for Israel's Lavi jet fighter project prompted such reactions because it was perceived as competing with existing U.S. aircraft that were already available to Israel. There were also fears that domestic pressure in the United States would later permit Israel to export the Lavi, thereby creating competition for U.S. manufacturers in the limited international market for a major weapon.

Increasingly, U.S. government officials focusing on proliferation and arms control issues feared that in order to survive economically, Israeli arms manufacturers would be forced to export their products, risking the violation of their government's commitment not to transfer U.S. military technology to third parties without Washington's approval. In the eyes of these officials, this problem could not be solved through intrusive means of verification, because the origin of military technology—as well as evidence of its possible retransfer—is not always clear.

Similar fears played a role in limiting Israeli enthusiasm for expanding U.S.-Israel defense cooperation. Senior Israeli officials were concerned that closer defense ties would lead to the leakage of Israeli technology to U.S. arms manufacturers, who would then be able to ease Israeli firms out of potential markets. A related concern was that Israeli technology would be integrated by U.S. manufacturers into weapons exported to Arab countries, thus eroding Israel's qualitative edge.

Although U.S.-Israel strategic cooperation was originally motivated by Washington's political considerations, the scope and level of cooperation became increasingly affected by the manner in which U.S. and Israeli government officials, military officers, and defense industry leaders perceived their countries' security and defense-industrial requirements. Senior U.S. military officers' conclusion that RPVs could provide vital battlefield intelligence data and that Israel had the most advanced "off-the-shelf" RPV technology, for example, prompted cooperation between U.S. and Israeli defense industries in developing and marketing in this area. Similarly, Israel's recognition that it lacked the ability to counter ballistic missile attacks led to the stationing of U.S. Army Patriot air defense missile units in Israel during the 1991 Gulf War. Though there were initially very few supporters of closer strategic cooperation with Israel within the Pentagon and the U.S. armed services, twelve years of expanding ties—involving hundreds if not thousands of

civilian and uniformed men and women—gradually created at least a small constituency of U.S. officials that favors the relationship.[19]

A complex set of U.S. and Israeli considerations has affected the scope and level of strategic ties and defense cooperation that have evolved between the two countries over the years. These include concerns about possible Arab reactions, Israel's wish to maintain its freedom of action, America's desire to avoid being associated with Israeli self-help measures, both countries' concerns regarding the relationship between Israel's nuclear potential and their strategic ties, and their considerations of the impact of closer ties on their respective defense industries. At the same time, the cumulative effects of the relationship make U.S.-Israel ties increasingly strong and more resistant to transient negative developments.

[19] For example, a number of senior U.S. air force officers were interested in frameworks that would allow the United States to learn how the Israeli air force was using U.S.-made combat aircraft.

II THE NEW MIDDLE EAST ENVIRONMENT

The environment for U.S.-Israel strategic cooperation has undergone monumental changes in the past few years. Enormous progress in Arab-Israeli peacemaking has dramatically improved relations between Israel and a large number of Arab states and reduced the likelihood that the Arab states will object to U.S.-Israel security ties—thus diminishing the potential U.S. "costs" involved in such cooperation. Moreover, Israel's strength and international standing also have undergone a complete revolution. Israel is now more powerful economically and militarily than at any time since its establishment. This, in turn, is likely to shift the American interest in strategic cooperation from politically-motivated assistance to an ally in need, to a desire to benefit from Israel's growing stature in the Middle East.

At the same time, the rise of political and religious extremism and the threat of the proliferation of weapons of mass destruction (WMDs) in the Middle East have resulted in a major change in U.S. and Israeli sources of concern in the region. Before the end of the Cold War, the United States was preoccupied with containing Soviet influence in the Middle East; Israel—though at times also concerned about Soviet conduct—was primarily focused on deterring its immediate neighbors. Now, both parties' attention has shifted to the Persian Gulf, where WMDs are proliferating and extremism is exported. As a result of the complete transformation of the environment, U.S. and Israeli perceptions of threats in the region have for the first time converged.

In the past few years, domestic changes in Israel and the United States have also affected the environment for strategic cooperation. For their own reasons, President Clinton, the late-Prime Minister Yitzhak Rabin, and Prime Minister Peres established unusually cooperative relations that have made it even easier to improve the two countries' defense ties.

ISRAEL'S NEW STRATEGIC STANDING

Israel's overall strategic standing has undergone a dramatic improvement in recent years. On the conventional level, there has been a further increase in the qualitative gap favoring Israel. Thus, while the IDF continues to improve, the armies of its Arab neighbors continue to fall behind. Syria's military buildup has slowed considerably, reflecting the disintegration of its Soviet patron and a shortage of cash.[1] Despite

[1] Despite some post-Gulf War infusions of resources manifested primarily in the purchase of tanks, self-propelled artillery, and ballistic missiles, Syria's armed forces

impressive signs of resuscitation, Lebanon remains weak and its army is in no position to pose any threat to Israel's basic security. Jordan's armed forces have remained nearly stagnant for the past two decades. Only Egypt has made significant steps to modernize and improve the quality of its military.

The Iraqi army took a serious beating in the 1991 Gulf War, as reflected in the dramatic reduction of its ground forces and near-elimination of its air force. The backbone of Iraq's military, however—the Republican Guard divisions—suffered fewer losses during the war than originally estimated and remain largely intact. And though large-scale arms transfers from the United States, Britain, and France are boosting the capabilities of Saudi Arabia and the smaller Gulf states, they do not represent sources of significant concern for Israeli security.

Neither Israel's decision to avoid responding to Saddam Hussein's Scud missile attacks during the Gulf War nor its difficulties in eliminating terrorism and violence in the West Bank and Gaza have reduced Arab respect for the IDF's ability to apply force effectively in a full-scale military confrontation. In fact, Israel's decision to refrain from retaliating against Iraq's missile attacks was interpreted by a number of Arab analysts as a sign of strength: a deliberate choice that served Israel's strategic interests by avoiding any interference in the efforts of the U.S.-led coalition to diminish Iraq's future capacity to project conventional and unconventional threats. In the eyes of some Arabs, this decision was also intended to enhance America's close ties with Israel, a view reinforced by the significant additional military assistance Israel received from the United States in the war's aftermath.

Arab analysts also continue to pay particular attention to Israel's "long arm" capability—that is, its capacity to operate militarily far from its own shores—as demonstrated by the destruction in 1981 of Iraq's Osiraq nuclear reactor on the outskirts of Baghdad and the October 1985 bombing of Palestine Liberation Organization (PLO) headquarters in Tunis. In this context, many references were made during the Gulf War to the capacity of the Israeli air force to destroy Iraq's mobile Scud missile launchers in western Iraq.

The Arab world also views Israel as possessing a highly advanced defense-industrial base. Most prominently, this is reflected in what some Arab analysts refer to as "the fourth dimension of warfare"—namely, space. References are made not only to Israel's ability to produce and launch into orbit an intelligence-gathering "spy" satellite and to develop the state-of-the-art Arrow ATBM system, but also to the fact that this system is being developed and financed in the framework of the U.S. Ballistic Missile Defense Organization, implying that Israel is technically qualified to take part in America's most advanced weapons development program.

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improved during 1985-1995 at a far slower pace than during 1975-1985.

Finally, the Arab states view Israel as the only nuclear power in the region and as possessing advanced capabilities in the realm of ballistic missiles, and chemical and biological weapons. In the past ten years, these perceptions crystallized as a consequence of endless leaks of Western intelligence reports, the "revelations" made in 1986 by Mordechai Va'anunu (a former technician in Israel's Dimona nuclear reactor) to London's *Sunday Times*, and many references to Israel's supposed nuclear capacities made during the 1990-91 Gulf crisis. Thus, the unconventional dimension of Israel's overall deterrence has become ever more imposing.

Moreover, Israel's strategic standing has been affected dramatically by the diminished size of any potential Arab war coalition. In 1967, the armed forces of Egypt, Syria, and Jordan were massed along Israel's borders, and included some Iraqi forces and lesser contributions from a number of other Arab states. In 1973, Egypt and Syria attacked Israel with more modest support from Jordan and Iraq. Today, by contrast, Egypt and Jordan are in full compliance with the security dimensions of their peace treaties with Israel, Iraq's military power is significantly diminished, and key Gulf and North African states are entering into low-level peace and cooperative relationships with Israel. Thus, of the Arab war coalition Israel faced decades earlier, only Syria remains as at least a potential candidate for renewed hostilities. Yet even Syria's ability to threaten Israel has been reduced considerably; having lost its Soviet strategic umbrella, Damascus is far less capable of launching military ventures.

In the early 1980s, no other country in the world except South Africa suffered the international isolation and "pariah" status experienced by Israel. Jerusalem's relations with Western Europe were tense; it had no relations with the Soviet Union or any of the countries of Eastern Europe except Romania; its previously close relations with most countries in Africa had either been suspended or completely terminated; it had no relations with India, China, or the large Muslim states of East Asia; and its relations with Japan were limited and embryonic.

By contrast, Israel's current standing in the international community is stronger than ever. Its relations with the European Union are improved; its ties with Russia, most former Soviet states, and the nations of Eastern Europe have been reestablished; its relations with almost all the states of sub-Saharan Africa have been restored; it has made initial breakthroughs in Malaysia and Indonesia; its interactions with Japan are expanding; and its newly established relations with India and China are flourishing. This total revolution in Israel's international standing was the result of the end of the Cold War and the breakup of the Soviet Union, the Gulf War, Israel's ability to secure Western interests during Operations Desert Shield and Desert Storm, and the dramatic progress in the bilateral and multilateral dimensions of the Arab-Israeli peace process. Thus, since the signing of the Israel-PLO Declaration of Principles (DOP) in

Washington in September 1993, over thirty-five additional countries have established diplomatic relations with Israel.

In addition to eliminating Syria's strategic umbrella and leaving its leadership little choice but to pursue diplomacy, the end of the Cold War and the breakup of the Soviet Union also affected Israel's strategic standing by opening Russia to Jewish emigration, adding some 20 percent to Israel's Jewish population within some four years. In Arab eyes, this comprised an important contribution to making Israel even more robust and in a narrow sense, transformed Russia from Israel's adversary into a strategic partner. For a number of Arab states, Soviet assistance had previously been a prerequisite to their ability to confront Israel. Hence, this transformation had a profound effect on their estimate of Israel's longevity and resilience.

A significant cause as well as an important consequence of Israel's improved international standing has been the marked growth of its economy. With a population of over 5 million people, Israel's gross domestic product (GDP) is now larger than the combined GDPs of Egypt, Jordan, Syria, and Lebanon, which have a total population of some 81 million.[2] In recent years, Israel has also made significant progress in international trade, expanding its exports from $5.1 billion in 1983 to $14.8 billion in 1993.[3] Thus, at the macro level, Israel's economy is now remarkably strong.

INTERNATIONAL, REGIONAL, AND DOMESTIC DEVELOPMENTS

By the mid-1990s, profound international, regional, and domestic changes were affecting the various arenas of U.S.-Israel strategic cooperation. In the aftermath of the end of the Cold War and the breakup of the Soviet Union, the United States no longer faces a global security threat that manifests itself in different regions. Instead, its concerns involve potentially negative developments that originate within each of these regions—the Persian Gulf, West Asia, and East Asia. Thus, although Washington's political motivations for cooperating with Israel remain valid, the significant transformation of the global environment has eliminated America's original rationale for strategic cooperation with Israel: to contain Soviet influence in the Middle East.

The dramatic developments in the international arena have been matched—and to some extent induced—by equally monumental changes in the Middle East. In recent years, the region has become an arena of

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[2] For figures on GDPs, see *Middle East Business Weekly* 38, no. 51 (December 1994). For population figures, see Central Intelligence Agency, *The World Factbook* (Washington, D.C., 1993).

[3] For 1983 data, see International Monetary Fund, *International Financial Statistics Yearbook*, vol. 46 (Washington, D.C.: International Monetary Fund, 1993): 429; for 1993 data see International Monetary Fund, *International Financial Statistics* 48, no. 1 (Washington, D.C.: International Monetary Fund, 1995): 68.

struggle between an emerging "new Middle East"—characterized by the expanding bilateral Arab-Israeli peace process and the region-wide multilateral talks—and the forces committed to terrorism and other forms of violent revolutionary change, religious fanaticism, and the proliferation of weapons of mass destruction. The former camp includes Israel, Jordan, Egypt, Morocco, Tunisia, and the smaller Gulf states; the latter is characterized by the evolving behavior of Iraq, Iran, Libya, and Sudan. To be sure, however, the struggle over the future character of the Middle East is taking place not only between the region's states but also within a number of these states—notably Lebanon, Algeria, Egypt, Jordan, and Israel, as well as among the Palestinians.

The clearest manifestations of the "new Middle East" are to be found in the Arab-Israeli realm, where military confrontation is gradually being replaced by negotiation, accommodation, and conflict resolution. Twelve years after the establishment of peace between Egypt and Israel, the process was boosted by the convening of the Madrid peace conference in late 1991. Its purpose was to chart the terms of peace between Israel and four Arab parties: Syria, Lebanon, Jordan, and the Palestinians. It also marked the first time that Syria chose to attend direct, face-to-face negotiations with Israel.

By early 1992, this bilateral track was supplemented by the convening of multilateral peace negotiations in Moscow. In contrast to the bilateral focus on the terms of peace, the Moscow process is aimed at examining the ways in which Arab-Israeli peacemaking could be utilized to address region-wide problems such as economic development, refugee resettlement, the environment, scarcity of water and other resources, and regional security and arms control. Although the first year of bilateral Arab-Israeli negotiations did not produce tangible agreements, the multilateral working groups became venues for useful discussions and helped to establish a basis for expanding the bilateral process, particularly between Israel and a number of Persian Gulf and North African states.

In September 1993, a dramatic breakthrough occurred in the covert Israel-PLO talks held in Oslo, resulting in the Washington DOP. Thus, a framework for negotiating the resolution of the Israeli-Palestinian dispute—the heart of the Arab-Israeli conflict—was established. This was followed by extensive negotiations and agreements reached in Cairo in 1994-95, stipulating the implementation of the Israeli-Palestinian DOP.

Arab-Israeli peace was further expanded in October 1994 with the signing of the Israel-Jordan peace agreement, the first reached between Israel and an Arab state since the 1979 Israel-Egypt treaty. In contrast to the Israel-Egypt treaty, the scope and modes of state-to-state and people-to-people cooperation outlined in the Israel-Jordan accord were far more extensive. In turn, other states in the Middle East—notably Morocco, Tunis, Qatar, Oman, and Bahrain—perceived the DOP and the Israel-

Jordan agreement as a "green light" to establish their own low-level ties with Israel.

The multilateral track of the peace process also made some progress, both within and beyond the formal boundaries of the Moscow process. This was reflected most clearly in the November 1994 Middle East economic conference held in Casablanca. Israeli and Arab government officials and business leaders interacted, exploring opportunities for economic development projects. The conference led to extensive discussions regarding the possible establishment of a Middle East development bank, Israeli participation in other regional economic fora, and the possible construction of industrial parks along Israeli-Arab borders. Further progress in these realms was made at the second Middle East economic conference held in Amman in October 1995.

A number of important developments seem to have spurred the post-Gulf War Arab-Israeli peace process. The end of the Cold War and the disintegration of the Soviet Union nearly eliminated superpower competition in the Middle East. Moscow would no longer underwrite radical rejectionist regimes in the region, including the Syrian quest for strategic parity with Israel, forcing Damascus to seek an alternative "insurance policy" in the framework of the peace process.

At the same time, the 1990-91 Gulf crisis affected the perceptions and standing of the Arab states and Palestinians in ways that encouraged the peace process. The invasion of one Arab country by another, and the resulting division between Iraq—and its supporters, Jordan and Yemen—and the Arab members of the U.S.-led war coalition (Egypt, Syria, Saudi Arabia, and the smaller GCC states) crystallized how deeply divided the Arab world had become. Second, some Arabs observed that, given the United States' willingness to expend such resources to restore Kuwait's sovereignty and maintain Gulf security, it would act at least as forcefully if Israel's existence were ever threatened. This was clearly underscored by the stationing of the U.S. Patriot SAM units in Israel during the war.

Finally, the Arab states were impressed by the performance of the U.S. military in the war and, as they tend to place the IDF in the same category of advanced-technology militaries, this served as a warning of the likely consequences of a possible future Arab-Israeli war. Thus, the outcome of the Gulf War served to increase the Arabs states' perceptions that Israel's security, economy, and international standing are robust and that there is no viable alternative to accommodation with the Jewish state.

In addition to the strategic effects of the Gulf War, the Arab-Israeli peace process derived particular benefit from a catastrophic mistake made by the PLO chairman Yasser Arafat during the crisis—his decision to side with Saddam Hussein. This prompted a sharply negative reaction among the Arab Gulf states, particularly Saudi Arabia and Kuwait, which had previously provided the PLO with generous financial backing and felt that the Palestinians had betrayed their trust. They reacted by terminating financial support for the PLO, which weakened the

organization to an unprecedented degree and forced it into an accommodation with Israel.

By contrast, Israel emerged from the Gulf crisis stronger than ever. Not only were the conventional and unconventional capabilities of Iraq, arguably Israel's strongest remaining adversary, "reduced to size" by the U.S.-led coalition but Washington also felt indebted to Israel for its willingness to refrain from retaliating against Iraqi Scud missile attacks. For this, Israel was rewarded after the war with increased U.S. assistance, particularly the right to "draw down" on $700 million worth of excess U.S. weapons stored in Europe.

The Palestinians' weakness relative to Israel's growing strength led the PLO to accept in Oslo what it had always previously rejected: an open-ended negotiation and implementation process. This allowed the parties to reach an interim arrangement without an *a priori* Israeli commitment that the process would result in an independent state for the Palestinians. In turn, by allowing the establishment of Palestinian self-government in Gaza and Jericho, the Oslo agreement was sufficient "cover" to allow Jordan's King Hussein to preempt an Israel-Syria accord by concluding a treaty with Israel first. By early 1996, the Palestinians' post-Gulf War weakness resulted in a chain of developments that led to the establishment of formal but embryonic relations between Israel and Morocco, Tunisia, and some of the small Gulf states.

The expansion of the peace process to include agreements with Syria and Lebanon will complete the circle of accords signed between Israel and its immediate neighbors. Coupled with the end of the Cold War and the breakup of the Soviet Union, this implies that the United States and Israel will have both lost their original motivations for strategic cooperation: containing Soviet influence and deterring neighboring Arab states, respectively. Instead, Israel and the United States increasingly perceive the same set of threats to regional security and their national interests in the Middle East:

- The political extremism of Saddam Hussein's Iraq, its pursuit of regional hegemony, and complete disregard for the sovereignty of fellow Arab states;
- Iranian-inspired religious fanaticism designed to topple secular Arab governments and advance Tehran's influence through insurgency and revolution—manifestations of which can be found be found throughout the region, including the government of Sudan, the Islamic Salvation Front in Algeria, the Hezbollah in Lebanon, Hamas and Islamic Jihad in the West Bank and Gaza, and the various fundamentalist groups and movements in Egypt; and
- The proliferation of weapons of mass destruction, with particular emphasis on the possibility that the region's aforementioned "rogue states" might obtain nuclear weapons and the means for their delivery.

Related to these concerns is the growing fear that political and religious extremism may increasingly be expressed through terrorism,

such as the suicide bombings in Israel, the murder of foreign workers and tourists in Algeria and Egypt, and the explosion at the World Trade Center in New York. In addition, there is considerable worry that for the first time the threat of terrorism could have strategic consequences by limiting the Israeli government's flexibility in peace negotiations, Egypt's ability to pursue a warmer peace with Israel, or America's willingness to implement its counterproliferation policy *vis-à-vis* Iran.

Thus, the United States and Israel are now focused on the new features of the Middle East environment: the tide of extremism and violence centered in the Gulf and exported to other subregions, terrorism exercised within the Middle East and exported beyond the region's boundaries, and the acquisition of WMDs by extreme and violent regimes. The Israeli and American intelligence communities share increasingly similar assessments that Iran could acquire a nuclear capability within a decade, that Iraq may be able to reactivate its nuclear program after UN Security Council sanctions are lifted, and that both countries may be able to acquire a nuclear capability even sooner if efforts to smuggle fissile material from the Russian Commonwealth of Independent States succeed.

Because their perceptions of the principal threats in the region have converged, the United States and Israel—for the first time in the history of their relations—now also seem to share the same regional security agenda: to deter Iraq, contain religious extremism and terrorism supported by Iran, and stem the proliferation of weapons of mass destruction—primarily nuclear weapons—in the Middle East. This should further ease U.S.-Israel cooperation in the future.

This cooperation will also be facilitated by two other characteristics of the new political environment. First, key Arab countries share Israeli and U.S. threat perceptions and security concerns. Though they may differ as to how these challenges should best be addressed, Saudi Arabia and the Gulf states—and to a somewhat lesser degree, Egypt and Syria—also regard Iraq, Iran, and the proliferation of weapons of mass destruction as major sources of concern. Consequently, the basis for multilateral security cooperation in the Middle East is gradually evolving.

Another development is the evolution of European perceptions and priorities in the region. In 1994-95, then-NATO Secretary General Willy Claes argued that Islamic fundamentalism poses a serious threat to European security. At his initiative, NATO opened a dialogue with key countries in the Middle East and North Africa regarding the dimensions of the threat and the best manner of coping with it. As another sign of its new regional and international standing, Israel was publicly named as among the countries with whom NATO would consult. Thus, key European states seem to be joining the increased congruence between the United States and Israel regarding the principle sources of concern in the Middle East. For the United States, this makes strategic cooperation with

Israel somewhat easier by diminishing the likelihood of a potentially negative European reaction.

In addition, the environment of U.S.-Israel strategic cooperation is affected by important changes that have taken place in the two countries' domestic scenes. The essence of these changes were the elections of Bill Clinton and Yitzhak Rabin as U.S. president and Israeli prime minister respectively. By late 1992, the two leaders' contemporaneous elections allowed Washington and Jerusalem to open a new page in their relations, free of the tension that had accompanied relations between President Bush, Secretary Baker, and Prime Minister Shamir.

More important, the Labor party's peace policy, stressing the need to end Israel's control of some two million Palestinians in the West Bank and Gaza, represented more closely the values—dedication to freedom, democracy, and human rights—that the United States had ascribed to Israel and which comprised the foundation of America's affinity for the Jewish state. On a personal level, Rabin and Clinton seemed to establish an immediate friendship, which eased all future interactions between them. In the aftermath of Rabin's assassination in November 1995, a similarly warm relationship emerged between Clinton and Israel's new prime minister, Shimon Peres.

During his first meeting with Rabin in March 1993, President Clinton acknowledged that Israel would need to be compensated for the risks it would be taking for peace. Since direct assistance to Israel could hardly be increased beyond its already high levels, Clinton's commitment inevitably pointed to the realm of strategic cooperation and technology transfers. Subsequently, the United States approved the sale of supercomputers and F-15I extended-range combat aircraft to Israel.

Paradoxically, the results of the November 1994 congressional elections in the United States may have only reinforced the positive impact that the earlier elections of Clinton and Rabin had on strategic cooperation. Indeed, the strong predisposition of the new Republican majority in both houses of Congress to reduce foreign aid—coupled with the commitment of many senators and representatives to Israel and their tendency to regard it as contributing to America's defense—may induce them to encourage greater strategic cooperation with Israel. Thus, though current trends in the House and the Senate may present new and growing challenges to direct U.S. assistance to Israel, the opposite may be reflected in the approach of the U.S. Congress to the two countries' defense ties.

SUMMARY

The dramatic changes that have taken place in recent years in the international, regional, and domestic environments entail a number of consequences for the future of U.S.-Israel strategic cooperation. First, the

original rationales for such cooperation have been superseded. As a result of the breakup of the Soviet Union and the expanding Arab-Israeli peace process, the United States is no longer concerned about containing Soviet influence in the Middle East, and Israel is far less worried about offsetting the quantitative advantage of its immediate neighbors. Instead, both parties share a concern about new sources of danger in the region: the Iraqi threat to Gulf security and Israel; Iran and the expanding influence of the radical and violent elements of the Islamic movement; and the proliferation of weapons of mass destruction in the Middle East.

Israel's triumph over the challenges it faced during the first three decades of its existence would seem to imply that it no longer requires the generous level of direct assistance the United States has provided since the early 1970s. Yet the 1990s present Israel with a new set of challenges: political as well as Islamic extremism and terrorism, and the proliferation of missiles and weapons of mass destruction in the Middle East. These trends also threaten U.S. forces and interests in the region and provide a new basis for U.S.-Israel strategic cooperation.

At the same time, the United States is less likely to encounter negative Arab reactions to its expanding defense ties with Israel because the expanding Arab-Israeli peace process—and particularly the direct ties established between Israel and key Arab countries in the Gulf and North Africa—have made the regional environment much more tolerant of U.S.-Israel strategic cooperation.

In addition, strategic cooperation with Israel may now be viewed by the United States as much more meaningful, as it implies being associated with a far more robust partner—if only in the regional context. Thus, the combination of the peace process and Israel's improved international and regional standing on one hand, and the increased convergence of U.S. and Israeli perceptions of threats in the region on the other have completely transformed the environment for U.S.-Israel strategic cooperation, providing such cooperation with a new rationale and reinforced justification.

III FUTURE U.S. AND ISRAELI SECURITY POLICIES

As in the past, future U.S. security policy in the Middle East will be tailored by Washington's general approach to foreign and defense policy as well as by its specific objectives in the region. Though the end of the Cold War has prompted calls from some quarters in the United States to reallocate resources to America's pressing domestic needs, this does not seem to have diminished the public's expectations that the United States will continue to play a leading role in managing the international system. Americans want their leaders to avoid foreign entanglements that could reduce their capacity to address the country's domestic agenda, but they also do not want the United States to appear helpless on the international scene.

In the absence of a global threat to its security interests, Washington has become more selective in its willingness to assume commitments abroad.[1] At the same time, however, Americans have become more sensitive to the increasing interdependence of the international economic system and to the resulting need to remain engaged internationally in order to secure U.S. economic competitiveness. Given America's clear political and economic interests in the Middle East, it is highly unlikely that Washington would disengage from the region's affairs.

Currently, the United States' primary objectives in the Middle East are limited to:

- safeguarding the passage of oil from the Persian Gulf to the markets of the advanced industrial states at an acceptable price; and
- ensuring the security of the state of Israel and its capacity to develop and prosper.

Threats to the energy supply are considered dangerous to a U.S. economy that currently imports some 20 percent of its oil from the Middle East,[2] as well as to the stability of the other advanced industrial economies with whom the United States conducts most of its international trade. Israel's security, on the other hand, not only comprises an important objective of U.S. foreign and defense policy but also a central item in its domestic agenda.

America's secondary objectives in the Middle East—affecting its capacity to achieve its primary objectives—include the following:

Bolstering and expanding the Arab-Israeli peace process. This is important not only for insuring Israel's security and prosperity but also because the

[1] Although Americans generally fear "foreign entanglements," the substantial opposition to U.S. participation in UN peacekeeping operations may reflect less a reluctance to approve the use of U.S. forces abroad and more a concern over losing control over those forces to the UN.

[2] "Still Looking to the Persian Gulf," *New York Times*, March 26, 1995.

expanding peace process reinforces regional stability and thus, indirectly, helps secure U.S. interests in the Gulf.

Maintaining close ties with the region's "moderate" states. This entails safeguarding friendly regimes and helping them defend their territory. Closely related to this is the need to secure America's access to Middle Eastern markets. Insuring U.S. exports to the region helps offset the negative effect of importing large quantities of Middle East oil on America's trade balance.

Containing Saddam's Iraq and the Islamic Republic of Iran. These are of paramount significance given the proven capacity of both regimes to hinder the flow of oil from the Gulf and threaten the survival, stability, and security of countries with whom the United States has maintained close ties, notably Saudi Arabia and the smaller Gulf states.

Curtailing the influence of radical, extremist, and violent Islamists. Related to this is America's interest in securing its citizens and their property, tourists and soldiers, embassies and airlines. These related interests are becoming more important but also more challenging. The spread of extremism threatens key Arab countries that maintain close ties with the United States—ranging from Egypt to Bahrain. Yet, America's capacity to affect developments in this realm seems relatively limited.

Preventing the spread of weapons of mass destruction in the Middle East. The centrality of U.S. counterproliferation policy is increasing not only because proliferation undermines the region's stability—potentially prompting preemptive and preventive military action—but also because it threatens the ability of American forces to secure other U.S. interests in the region. Given U.S. sensitivity to casualties, its freedom to operate militarily in the Middle East will be severely curtailed if key states in the region possess the capacity to use chemical, biological, or nuclear weapons against American forces.

In attempting to achieve its objectives in the Middle East, the United States employs a combination of diplomacy, economic aid, military assistance, coercion, and intervention. American diplomacy is reflected most clearly in its role in the Arab-Israeli peace process—as an "honest broker" during the Bush administration and as a "facilitator" during the Clinton administration. The importance attached to diplomacy is reflected in the fact that during the past three decades most U.S. presidents and all U.S. secretaries of state have played a direct role in Middle East diplomacy and invested considerable time and energy in attempting to advance Arab-Israeli negotiations.

As an extension of its diplomatic efforts over the past four decades, Washington has used direct economic and military assistance—most notably a total of some $85 billion to Israel and Egypt since the 1978 Camp David accords—to advance its interests in the Middle East. Arms transfers are designed to support allies' capacity to deter and defend themselves against external threats, help maintain the regional balance of power, and secure America's ties with its allies. Arms sales to the GCC

states also help redress the negative balance of trade resulting from America's oil imports from the Gulf. On the other side of the coin, the United States also uses economic sanctions and arms embargoes as a means of trying to moderate the behavior of states that threaten its interests in the Middle East and beyond. Notably, Washington has imposed arms embargoes and economic sanctions on Iraq, Iran, Libya, and Sudan, countries that the State Department identifies as supporters of international terrorism.

If these other options fail to achieve the proper effect, the United States turns to military force—either unilaterally or as part of a multinational coalition—as a last resort. The April 1986 U.S. bombing of targets in Libya was a classic case of unilateral military action.[3] A more recent example was the October 1994 buildup of U.S. forces in the Persian Gulf in response to Iraqi troop movements toward the Kuwaiti border. In addition, the United States maintains a continuing naval presence in the Gulf and has prepositioned weapons and ammunition in a number of GCC states, notably Kuwait and Oman. The most striking example of multilateral military action was the creation of the U.S.-led coalition that confronted Iraq after its invasion of Kuwait in August 1990 and defeated Saddam's forces in early 1991. Earlier, the United States led an international force aimed at insuring an end to the Israeli siege of Beirut and the safe passage of PLO forces from Lebanon following Israel's invasion of the country in June 1982.

THE FUTURE OF AMERICAN SECURITY POLICY

Based on official statements and the behavior of U.S. administrations in recent years, a number of observations may be appropriate regarding future U.S. policy in the Middle East. First, any diminution in the level of Washington's international engagement in favor of its domestic agenda would be unlikely to significantly affect the extent of U.S. involvement in the Middle East. Given the salience of U.S. interests in the region, America is likely to remain engaged in the region and this policy is likely to continue to enjoy wide public support. Thus, in contrast to questions raised regarding far more modest commitments of U.S. forces to other regions of the world (e.g., Haiti, Somalia, Bosnia), President Clinton's decision in October 1994 to deploy some 28,000 troops to the Persian Gulf in response to Iraq's concentration of forces along its border with Kuwait enjoyed considerable public backing.[4]

Second, though America's political concerns and diplomatic activity remain largely engaged in the Arab-Israeli dimension of the Middle East, U.S. security concerns are increasingly focused on the challenges within and from the Persian Gulf. As demonstrated in the past few years, Gulf

[3] "Target Qaddafi," *New York Times Magazine*, February 22, 1987, 17.
[4] "U.S. Continues Buildup, Sees Signs of Iraqi Retreat," *New York Times*, October 12, 1994.

contingencies are much more likely to require the deployment of U.S. forces in the Middle East than are events in the western part of the region.

Third, Iraq is more likely to elicit a sharp reaction under Washington's "dual containment" policy, largely because its aggression in 1990-91 was more blunt and presented a more immediate risk to Gulf stability than anything Iran has done. For this reason, the United States seems to have ruled out any dialogue with Saddam's regime, but has thus far refrained from adopting a similar approach with regard to Iran.

Gradually, however, Iran is emerging as the more worrisome long-term threat to U.S. interests in the Middle East. Despite the dangers entailed in personalizing international politics, it does seem that most of the current problems manufactured by Iraq result from the unique personality, capabilities, ambitions, and determination of Saddam Hussein. None of Saddam's potential replacements within the Ba'ath leadership are likely to be "blessed" with such a unique combination of talents and characteristics. In this sense, the Iraqi threat is to a large extent tied to the tenure of its leader. In addition, the challenge presented by Iraq to the region's stability consists largely of its capacity to project its conventional and, to a far lesser extent, its unconventional capabilities. Given America's robust conventional forces, containing such a threat is not very difficult—as demonstrated twice since 1990.

By contrast, confronting Iran is more difficult and challenging precisely because the threat it poses is more elusive. With a few specific exceptions, Iran's conventional capabilities remain pathetically weak. Indeed, given the size, quality, and vicinity of U.S. naval forces in the Persian Gulf, and Washington's capacity to deploy air assets in the region very quickly, the suggestion that Iran could use its buildup on the island of Abu Musa to block the Straits of Hormuz and prevent maritime transportation through the Gulf seems implausible.

Conversely, Iran's capacity to intimidate its neighbors by developing weapons of mass destruction is serious precisely because it is ambiguous. Despite many indications of Iran's interest in possessing nuclear weapons, considerable evidence of Iranian efforts to construct a significant nuclear infrastructure, and some evidence of clandestine Iranian purchases of sensitive nuclear materials and technologies, there is to date no knowledge of a single Iranian facility dedicated to the production of weapons-grade nuclear material.

Countering Iranian support for violence, terrorism, and revolution in the region and beyond entails even greater problems. On one hand, the relative importance of this problem has increased dramatically in recent years, since the threat it poses to the stability of pro-western governments in the Middle East—and, indirectly, to Arab-Israeli peacemaking—has transformed the phenomena from a sub-tactical to a grand-strategic problem. Indeed, Iranian-supported Islamist militants currently pose the single greatest threat to the stability of the region from Algeria to Bahrain.

Yet Iran's role in such activities is not easy to ascertain. For example, although the extent of its financial contributions to extremist Islamic movements in Egypt, the West Bank, and Gaza is difficult to determine, there are indications that it is not of greater magnitude than those made by "private" foundations in Saudi Arabia, some of the smaller Gulf states, and Muslim communities in some of the advanced industrial countries, notably the United States.

Iranian involvement is also difficult to counter precisely because it is relatively cheap—both in terms of absolute cost and in the risk of retaliation. The estimated $20-60 million that Iran provides annually to Hamas is central to the organization's operations, but small enough to make its interception—particularly if transferred clandestinely in smaller amounts—nearly impossible. Moreover, the odds of changing Iran's calculations regarding the political costs of such assistance seem equally low. The fact that such aid has continued long after the death of Ayatollah Khomeini illustrates that this policy transcends an individual leader and is embedded in the ethos and ideological commitment of the regime. Hence, it will take considerable resources, time, and effort to compel Tehran to abandon its present course.

Fourth, the United States appears to be uncertain as to the best strategy to pursue in regard to Islamist movements in the region. It remains ambivalent about the mix of containment and engagement to be applied in different settings in which these challenges occur. Specifically, it is not clear how its efforts to engage the larger and more politically oriented Islamist movements may affect the credibility of its commitment to counter more violent and extremist Islamist groups. Even more uncertain is whether the United States can engage in such a dialogue without undermining the very regimes it seeks to support. These regimes—notably the Mubarak government in Egypt—are subject to constant attack by Islamists partly because of their close association with the West.

Finally, it is also unclear what risks and costs Washington would be willing to incur in order to achieve its counterproliferation objectives—and whether there is requisite public support for a "preventive" dimension to this policy. For example, it is currently impossible to ascertain whether the United States would take military action to destroy an Iranian uranium enrichment plant (assuming that its existence and precise location could be verified) or whether the U.S. Congress and the American public would support such action, given Iran's capacity to use international terrorism to retaliate against "soft" targets in the U.S. or abroad. Some DOD officials deny that such a preventive option even exists.

Though it is possible to ascertain the principles guiding U.S. security policy in the Middle East, the application of these principles in specific situations is more nuanced and therefore difficult to predict. Nevertheless, it is clear that the focus of U.S. security interests has shifted

to the Persian Gulf. This implies that assisting the U.S. militarily in the future would inevitably involve cooperation in Gulf contingencies.

THE FUTURE OF ISRAELI SECURITY POLICY

In recent years, Israel has adapted its initial security policy in light of the dramatic developments that have taken place in the regional and international environment. The complexity of these changes will require even more difficult choices in the future regarding Israel's grand strategy, force structure, and military doctrine. If, for example, the Arab-Israeli peace process continues to make progress and Syria and Lebanon settle their dispute with Israel, Jerusalem would enjoy peace treaties with all its immediate neighbors. Thus, a central premise of Ben Gurion's grand strategy—namely, that Israel's Arab neighbors are deeply hostile to its existence—would need to be amended.

Similarly, in contrast to the situation that prevailed in the late 1950s when Ben Gurion implemented his "periphery theory" and forged alliances with the countries located behind Israel's hostile Sunni Arab neighbors, Israel now faces a hostile Iraq and an even more hostile Iran. Although Israel has now been relieved of the existential threat posed for many years by its immediate neighbors, the current environment presents two closely related but very difficult challenges: to deter countries such as Iraq and Iran that are located well beyond the range of most components of the IDF's conventional force structure from attacking Israel, and to develop robust active and passive defenses against such long-range challenges without overly alarming immediate neighbors who have just entered into peace treaties with the Jewish state.

Reconciling these two imperatives will not be easy. The emerging peace with its immediate neighbors will not only allow but require Israel to adopt a less threatening force structure and defense doctrine. Within this new environment, increasingly prohibitive political constraints will likely force the IDF to reduce its reliance on preventive and preemptive offense. In addition, once conventional forces and military doctrines become a focus of discussions in the Middle East arms control and regional security (ACRS) talks, the Arab states can be expected to stress that Israel should divorce itself from its preemptive doctrine and abandon its strategy of "offensive defense" in favor of "defensive defense."

In general, Israel's new strategic environment is likely to cause considerable reluctance to initiate military action other than in the context of anti-terrorism. If at all, major military action is likely to be taken only if Israel can verify with near certainty that it is about to be attacked. This, in turn, will require enormous investments in intelligence collection and analysis. Reduced reliance on preemption would also require greater investments in defensive systems and technologies designed to absorb a

first strike with minimal damage and allow Israel to quickly launch an effective second strike.

Yet being able to do this without projecting an offensive posture would require a capacity to destroy attacking forces from nearly static positions. Again, this implies investments in new weapons technologies and the ability to obtain near-perfect target acquisition intelligence. Thus, though Israel's more peaceful immediate environment is likely to permit force reductions in some categories, the need to maintain a hedge against a possible reversal of these positive trends even while reshaping its defense so that it appears less threatening to its neighbors would require increased investments in other facets of the IDF's force structure.

Coupled with the dramatic changes in relations with its immediate neighbors, Israel's defense policy, military doctrine, and force composition would have to be adjusted to the new challenges presented by its remaining and more distant adversaries. The focus of such adjustments would involve the adoption of new and even more ambitious measures to confront the growing danger of ballistic missile attack. Indeed, such adjustments are already reflected in the IDF's decision to purchase a small number of more expensive, extended-range F-15I aircraft rather than a larger number of F-16s which lack the capacity to operate at great distances without repeated refueling.

In the future, the proliferation of intermediate-range ballistic missiles in the Persian Gulf region and the known or suspected capacity of Iraq and Iran to arm such missiles with unconventional warheads may require Israel to develop a countervailing capability in these realms, if only to maintain effective deterrence. Simultaneously, the spread of such missiles would compel Israel to accelerate its efforts to equip itself with a system of active defense against ballistic missiles, even if this system were only partly effective. Thus, the challenges to Israeli security presented by its more distant adversaries would require greater investments in over-the-horizon defense and deterrence.

Yet Israel's immediate partners for peace are bound to regard such increased investments in defense and deterrence as threatening. In this context, there is much to learn from their reaction to Israel's development of the Arrow ATBM system. A number of Arab analysts argue that this system is highly offensive because it allows the Israeli air force uninhibited operation throughout the Middle East while ensuring its immunity to Arab ballistic missile retaliation. Whether such Arab concerns would be mitigated by placing Israel's capabilities—together with those of its neighbors—within a new regional security framework remains an open question.

Finally, Israel's security policy might also be affected by its new international standing. Its emergence from previous isolation and rapid integration into the international community, combined with the widespread appreciation of its military capabilities, will inevitably prompt requests that Israel take part in international peacekeeping

operations. Indeed, Jerusalem has already responded in a positive but limited fashion to two such requests—that it send a military medical emergency team to treat refugees in Rwanda and that it contribute to the international police force sent to Haiti in the wake of the U.S. military intervention.

Clearly, however, more substantial Israeli contributions to international peacekeeping operations would require some reorientation of its armed forces, following in the footsteps of countries like Sweden, Norway, and the Netherlands. Whether Israel should adopt this new role is bound to become a subject of considerable internal debate, as demonstrated in late 1994 by the discourse on its symbolic participation in the force policing Haiti.

IV THE FUTURE OF STRATEGIC COOPERATION

Both despite and partly because of the dramatic changes that have taken place in the regional and international environments, there is ample rationale for continued if not stronger cooperation between the United States and Israel. First, the political imperatives that have propelled the United States to enter into such "limited partnership" with Israel remain valid. Indeed, progress in the Arab-Israeli peace process—highlighted by Israel's decision to relinquish control over the lives of some two million Palestinians to the newly established Palestinian Authority—only solidified and reinforced the values that comprised the basis for America's association with Israel in the first place.

Second, as long as Israel remains threatened—now by a new set of adversaries—the United States is likely to continue to assist Israel, even if indirectly. The fact that Israeli and American interests in the Middle East are endangered increasingly by the same set of threats may make some forms of strategic cooperation between the two countries easier than before. In this context, the fact that Israel now faces more distant threats may justify the transfer of high-end technologies that might otherwise be denied.

Moreover, continuity of U.S. policy in the region can be expected not only as a consequence of America's longstanding commitment to Israel but, more significantly, because U.S. economic interests in the Middle East are unlikely to lose their importance. To date, there are no signs that the United States or other advanced industrial economies will decrease their dependence on Middle East oil. Given current projections regarding the economic growth and the resulting energy requirements of China and India, there is little reason to believe that the relative importance of Middle East oil will diminish in the foreseeable future.

In addition, the United States is unlikely to relax its concerns regarding Gulf security any time soon. The outstanding problems between Iran and Iraq are likely to continue to threaten the region's stability, although the extent of the danger will depend on the regimes and personalities in Tehran and Baghdad. In addition, there are new signs of instability in the GCC states most closely allied with the United States—Saudi Arabia and Bahrain. Thus, the United States will need to maintain its capacity and options for force projection in the Gulf region.

Given the continued reductions in America's own force structure, Washington may now have added incentive to examine Israel's potential contribution to contingency planning for possible U.S. involvement to insure Gulf stability. It would also want to make sure that Israel does not act against these threats unilaterally in ways that might contradict

America's own efforts. These two imperatives would require ongoing strategic and even tactical coordination and cooperation.

More specifically, as Iran and Iraq increase their military capabilities in the Gulf, the United States may become even more interested in prepositioning weapons and ammunition in Israel. Under such circumstances, the Pentagon would need to find locations and modes of prepositioning that would be less sensitive to the risks of passage through the Straits of Hormuz. In this context, prepositioning supplies in Israel, coupled with arrangements for unloading cargo in the Israeli ports of Haifa and Ashdod and trucking that cargo through Jordan and Saudi Arabia (an endeavor that would never have been considered in the pre-peace regional environment), may prove an important complement to current U.S. prepositioning on Diego Garcia and a number of GCC states.

Moreover, the proliferation of WMDs in the Gulf would provide an added rationale for prepositioning U.S. arms and ammunition in Israel because their storage in the smaller GCC states would make them vulnerable to a WMD first strike. Thus, the United States may increasingly seek to store its materiel in locations that are close enough to the expected sources of danger but not too close.

In addition, Israel's new relationships with Arab states in North Africa and the Persian Gulf will make some facets of U.S.-Israel strategic cooperation a veritable necessity. For the first time in Middle East history, Israel and the United States are interacting directly and independently with the same set of states. This creates an imperative to share assessments and coordinate activities in order to minimize the extent to which the two governments—and private enterprises within the two countries—find themselves operating at cross purposes. Since relations among the GCC states are not always smooth—as the current border disputes among a number of these states illustrate—the danger that Israel and the United States could find themselves contradicting one another cannot be dismissed. Thus, prior coordination between the two governments will become even more important.

Beyond Israel's potential direct contribution to America's ability to face the military challenges in the Middle East, the United States would derive general benefits from being associated with a strong regional partner. Within this context, threats to American security interests in the region may be averted by the perception among potential challengers that Israel possesses the capability and determination to make such challenges prohibitively expensive. In this context, America's approach would not be based on an analysis of specific contingencies in which Israel might be helpful, but rather on the general proposition that given the evolving conditions in the region, it would be good to have a powerful ally in the Middle East.

For its part, Israel will continue to have a strong interest in improving strategic cooperation with the United States—not only as a hedge against a reversal of the current positive trends in the Middle East, but more

importantly because the costs of countering some of the new threats in the region, such as the proliferation of ballistic missiles, are likely to prove well beyond Israel's means. This has already been demonstrated in the development of the Arrow missile and will be further illustrated by efforts to transform it into an effective ATBM system. That will require a capability to obtain real-time warning of ballistic missile launchings from any point in the Middle East—one which Israel simply cannot afford.

Anticipated reductions in direct U.S. assistance to Israel—prompted by changing domestic priorities in the United States and the growing perception that Israel no longer requires the current high levels of economic assistance—will increasingly require Jerusalem and Washington to pursue indirect avenues of U.S. support. For example, close cooperation and coordination with the United States—including immediate warning of missile launchings and U.S. spy satellite data regarding the precise location of adversary missile launchers—will be a prerequisite for the effective functioning of any Israeli missile defense system.

Similarly, Israel is increasingly interested in enhanced industrial-defense cooperation with the United States. In the coming years, the international market for sophisticated weapons will continue to shrink. At the same time, Israel's defense budget is also likely to decline, particularly in the context of peace with Syria and Lebanon, in part as a result of enormous domestic pressures to derive a significant "peace dividend" by shifting resources from defense to social and economic programs. This would most immediately affect the Israeli government's own defense appropriations, as opposed to the $1.8 billion in annual security assistance it receives from the United States. As a result, domestic demand for defense products can be expected to further decline, creating an existential threat to Israel's defense industries.

Yet the new regional and international environment may make the survival of Israeli defense industries even more important. The conclusion of peace agreements with Israel will likely lift any remaining restrictions on arms sales by the advanced industrial states to Israel's Arab neighbors. In fact, such restrictions are likely to be lifted before these new agreements have stood the test of time. As a result, Israel's ability to maintain its technological edge will be severely challenged. Under such circumstances, the key to maintaining this edge will be Israel's defense industries' continued capacity to innovate. For this to occur, however, the survival of these industries must first be assured, making Israeli arms exports to the United States even more significant than they have been in the past. The key to the American market and the future of Israel's technological edge will be the ability of Israeli industries to "team up" with U.S. arms manufacturers. Thus, from Israel's perspective, defense cooperation with the United States will become ever more important.

Internal pressures for a "peace dividend" may also force the IDF into further reducing its ammunition stockpiles. Under such circumstances, increased U.S. prepositioning of materiel in Israel could provide a further hedge against the reversal of current positive trends in the region. Thus, the importance of yet another dimension of U.S.-Israel strategic cooperation will actually increase in a post-peace environment.

THE LIMITS OF FUTURE COOPERATION

Even in the "new" Middle East, a number of constraints will limit the potential for expanding U.S.-Israel strategic cooperation. Though Arab objections to U.S.-Israel security ties are likely to diminish, they are not likely to disappear entirely. Arab states are likely to continue to harbor considerable concerns regarding Israel's military capabilities and to express concern regarding any new forms of strategic cooperation between the United States and Israel.

In particular, Arab governments may continue to oppose Israeli involvement in U.S. defense plans for the region, arguing that such involvement would advance what they perceive as Israel's "hegemonic tendencies" and further antagonize their nationalist and religious opposition movements, thus endangering the stability of existing peace agreements. Under such circumstances, the United States is likely to continue to adhere to its cautious and conservative course, refraining from action that might antagonize Israel's Arab neighbors.

As in the past, the DOD may also have reasons for continued concern about Israel's involvement in CENTCOM planning. One such fear would be that Israel might use this forum to raise objections to specific U.S. plans for the region's defense, particularly if such plans appeared to threaten Israeli interests. A likely context for such objections would be U.S. intentions to sell state-of-the-art weapons to its Gulf allies in order to enhance their defense and deterrence capabilities.[1] Given Israel's imperative to maintain its qualitative edge at least until a comprehensive peace is achieved and stabilized, such objections may be raised even in the immediate post-peace environment. For this and other reasons, the Pentagon may not withdraw its reservations against including Israel in CENTCOM's area of responsibility even in the aftermath of a more comprehensive Arab-Israeli peace.

There is also some question whether the declining U.S. military force structure will indeed create a new incentive to cooperate with Israel on defense matters. It is far from clear that the reductions in the U.S. defense budget will translate into more limited capabilities for Gulf contingencies. Indeed, the wide gap between America's capacity to apply state-of-the-art

[1] Two such examples in the early 1990s involved Israeli expressions of concern regarding the sale of advanced medium-range air-to-air missiles (AMRAAMs) to Gulf states and the transfer by Eyeglass-Lockheed of satellite technology to Saudi Arabia.

military technology and the low-end capabilities of Middle East states will continue to allow the United States to defend its interests in the Gulf unilaterally, although possibly at a somewhat higher level of costs and casualties than were sustained during the 1991 Gulf War. Clearly, this does not endow U.S. forces with the ability to achieve *any* objective in the Middle East, such as the replacement of a country's leadership; ambitions such as these could not be easily attained even at the peak of U.S. force projection capabilities in the region, and it is doubtful whether Israel would ever be able to make a significant contribution to attaining them.

In addition, there are likely to be limits on American willingness to preposition weapons and ammunition in Israel. Present arrangements permit the storage only of materiel that could also be used in an emergency by Israeli forces. In the view of Pentagon planners, this implies that the United States cannot be absolutely certain that arms and ammunition stored in Israel would be available in a crisis situation. Moreover, this "dual use" arrangement means that instead of storing weapons and ordinance for pre-designated U.S. units, weapons would have to be distributed from general stocks under crisis conditions and then integrated into different combat units, creating a logistical nightmare. Hence, any expansion of such stockpiles—assuming it is done at the expense of prepositioning weapons and ammunition for specified units elsewhere—is likely to be opposed by the armed services.

Moreover, prepositioning in Israel would collide with the U.S. Navy's preference to maintain such stocks on board "roll-on/roll-off" vessels docked in Diego Garcia or some of the GCC states. Although this form of prepositioning is much more expensive, in the navy's view it allows maximum flexibility to deploy U.S. forces in different regions—such as the Persian Gulf and East Asia—in order to meet the requirements of the DOD's 1993 "Bottom-Up Review" that U.S. armed forces be prepared to operate in two major regional contingencies simultaneously.

The DOD is also likely to argue that the utility of prepositioning is tied less to the distance between the stockpiles and the threat and more to the organizational complexity of reaching the stockpiles and transferring the weapons and ammunition to the relevant theaters of operations. In this context, it would appear to be easier to move "floating stockpiles" docked in Diego Garcia than to fly to Israel in order to administer the transshipment of prepositioned materiel to the Persian Gulf by reloading it on boats for transfer through the Suez Canal and the Red Sea or by trucking it through Jordan and Saudi Arabia. The efficiency of the "floating stockpile" system was demonstrated clearly during the October 1994 crisis in the Gulf; transshipment of materiel from Israel by truck could prove much more complicated because land transport through the desert would involve considerable fuel consumption, complex arrangements for refueling, and very high repair rates for the trucks.

In light of these expected objections, efforts to persuade the DOD and JCS to expand prepositioning in Israel risk damaging the growing

cooperation between the Israeli and U.S. navies, particularly given the prevailing suspicion among the U.S. armed services that the influence of Israel's friends on Capitol Hill provides it with undue advantage in any debate on defense matters. At the same time, there are serious questions in some Washington defense circles regarding the extent to which Israel would be able to contribute to securing America's interests in the Middle East in the aftermath of Arab-Israeli peace. With the elimination of the Soviet threat, Israel's capacity to help protect U.S. vessels in the Mediterranean has become much less relevant. Conversely, in comparison to America's power-projection capability, the IDF's capacity to project forces over great distances—though impressive against specific targets—is too modest to affect the outcome of a major confrontation in the Gulf.

It is also doubtful that strategic cooperation with Israel will necessarily improve America's capability to address the second source of security concerns in the Middle East: the threat Islamic extremists pose to the stability of moderate Arab regimes with close ties to the United States. The scenarios most frequently mentioned in this context are the deterioration of the internal situation in Saudi Arabia and the fall of the Mubarak regime in Egypt. For its own interests, Israel would probably be wise to avoid any involvement in domestic Arab affairs. As its experience in Lebanon in the early 1980s demonstrated, proximity to Arab countries does not necessarily result in a better understanding of their internal politics.

Moreover, there is considerable doubt whether either the United States or Israel can affect Arab domestic politics in order to prevent undesirable developments. Partly, this involves what can be described as the "too early/too late" syndrome: external attempts to help friendly governments influence developments may simply contribute to destroying their credibility by further exposing them to opposition claims that they are merely puppets of "Western interests." Conversely, intervention following the downfall of these regimes is usually doomed to failure and involves prohibitive costs. In addition, it is usually nearly impossible to gain the domestic consensus required to launch such efforts until the internal situation in the state involved becomes hopeless. Thus, there are likely to be major obstacles and serious limits to the ability of Israel and the United States to cooperate in affecting domestic developments in the Middle East.

Another limitation to the further expansion of U.S.-Israel strategic cooperation is likely to result from the growing competition between the two countries' defense industries. The shrinking global arms market and both countries' diminishing defense budgets are likely to make competition between their weapons manufacturers even more fierce. In this context, U.S. defense firms are likely to become ever more sensitive to the efforts of Israeli manufacturers to compete with them in the shrinking domestic and international markets. Hence they are likely to be alert to

any sign that Israeli firms have transferred weapons containing U.S. components or technologies to third parties without prior approval.

This sensitivity to Israeli competition will only increase once the expanding peace process makes the purchase of arms from Israel more legitimate. Under such circumstances, it would not be unreasonable to expect that European and East Asian countries may seriously consider purchasing Israeli weapons and subsystems such as the Arrow ATBM. This would present American manufacturers with new competitors—a development that they are not likely to welcome. Indeed, Israel has so far refrained from even raising the possibility that the Arrow system could be exported to other countries, partly because it feared that this might unite America's aerospace manufacturers against the project.

Efforts by Israeli firms to sell weapons to the U.S. armed services may also produce added tensions with American arms manufacturers. Indeed, given the mood reflected in the 1994 U.S. Congressional elections, the sentiments and priorities expressed in the Buy American Act—intended to protect U.S. industries by giving them a 6-12 percent price advantage over foreign competitors—will only increase. Israeli manufacturers are currently exempted from this legislation but it is uncertain whether this will remain the case. The ability of Israeli defense firms to overcome this problem in the future will depend to an increasing extent on their ability to team-up with U.S. arms manufacturers and distributors; as competition increases, however, it would be unreasonable to expect American manufacturers to support initiatives that might further strengthen Israel's defense industries.

Another possible source of tension that could potentially limit future U.S.-Israel strategic cooperation is the prospect for arms control in the Middle East. In recent years, there has been an increasing similarity of focus between Israel and the United States in the realm of nonproliferation. Previously, Israel's focus had been exclusively regional, emphasizing the particular characteristics of its security environment; and Washington's focus was almost exclusively global, centering on international conventions such as the 1968 NPT.

Since the early 1990s, the United States has shown increasing sensitivity to regional circumstances. This was reflected in President Bush's May 1991 Middle East arms control initiative. Indeed, even the Bush administration's July 1992 proposal for a global ban on the production of fissile material underscored the need to focus on specific regions, notably the Middle East. At the same time, Israel has increasingly adopted a more open approach toward global arms control initiatives, as reflected in its decision to become an original signatory to the Chemical Weapons Convention (CWC), to adhere to the stipulations of the Missile Technology Control Regime (MTCR), to take an active part in the Geneva negotiations of a Comprehensive Test Ban Treaty (CTBT), and to join the consensus supporting the UN General Assembly resolution calling for negotiations on a treaty banning fissile material production. Thus, the

two governments' basic approach to arms control have increasingly converged, leaving far less room for tension.

Nevertheless, the evolving Middle East security environment may induce new tensions between Israel and the United States in the realm of arms control. Specifically, the conflicting positions adopted by Egypt and Israel in the realm of nuclear disarmament present a challenge to U.S. policy, because Washington will continue to have a strong interest in maintaining close ties with both countries. Though the United States generally shares Egypt's desire to gain Israeli adherence to the global nuclear nonproliferation regime, it remains sensitive to Israel's security concerns. And with the United States and Israel sharing a similar assessment of the dangers posed by the capabilities and intentions of Iran and Iraq, there seems to be considerable sympathy in Washington for Jerusalem's refusal to permit any erosion of its "strategic deterrence" until Middle East peace is expanded to include these two sources of proliferation concern.

Moreover, at the tactical level, Washington seems to accept the proposition that as long as Israel remains engaged in sensitive negotiations with Syria and the Palestinians, its ability to demonstrate flexibility on the nuclear issue is limited. Whether the United States would continue to demonstrate such tolerance after peace agreements with Syria and Lebanon are implemented remains an open question.

Notwithstanding Egypt's unhappiness with the extent to which the United States has reconciled itself to the existence of Israel's nuclear option, its expressions of discontent would likely be far sharper were the United States to continue demonstrating such tolerance while expanding dramatically the scope and level of strategic cooperation with Israel. Such a development would further expose Washington to the accusation that its approach to nuclear proliferation in the Middle East is highly discriminatory.

FRAMEWORKS FOR FUTURE COOPERATION

If the aforementioned political and logistical constraints do not preclude further expansion of U.S.-Israel strategic cooperation, there are a number of ways in which this could occur. Options include a formal U.S.-Israel defense pact; a "super MOA" on strategic cooperation; Israel's incorporation into NATO; the creation of a regional cooperative security framework in which both the United States and Israel would participate; or the expansion of current cooperation within existing frameworks. These options are not mutually exclusive; cooperation could be increased within existing frameworks while both countries join a regional cooperative security system. Clearly, the relative merits of these options deserve closer examination.

A U.S.-Israel defense pact. For Israel, the benefits of such a treaty (similar to that sought by Israel in the early 1950s) are self-evident: a formal American commitment to the country's security and survival would enhance Israeli deterrence. Such a pact would also make U.S.-Israel "special relations" less reversible because the political damage involved in reneging on a treaty would be higher than the costs entailed in suspending or reversing lower-profile MOUs.

Yet there is some question as to whether present conditions in the Middle East and the United States make the pursuit of a U.S.-Israel treaty a wise course of action. As most Arab observers already regard the United States as fully committed to Israel's security and survival, a formal defense pact would not add significantly to Israeli deterrence. Conversely, such a pact would clearly undermine Israel's ethos of self-reliance by formally linking it to the commitment of an external power.

In addition, the U.S. government and Congress would need to conduct extensive deliberations regarding the possible implications of a defense treaty with Israel. Given the prevailing mood in the United States, these discussions are likely to expose great reluctance to assume additional formal commitments abroad.[2] In fact, such a debate could have a corrosive effect on U.S.-Israel relations as Washington seeks to ensure that the defense pact would not permit Israel to embroil the United States in developments that might undermine its best interests.

Thus, in addition to elaborating the depth of America's commitment to Israel, the treaty—and the hearings that would be held on Capitol Hill to examine its merits—would also expose the limits of U.S. obligations. Paradoxically, such a debate could result in diminishing the scope and depth of current U.S.-Israel interactions. More dangerous, these hearings could become a battleground for interest groups and concerned citizens supporting and opposing closer ties with Israel, and the substance and tone of these discussions might not advance the cause of the U.S.-Israel "special relationship."

It thus seems that some measure of ambiguity in U.S.-Israel strategic cooperation has served both countries' interests. Increased exposure has gradually eroded this ambiguity and U.S.-Israel defense ties have become part of the public domain. Yet it is far from clear that the advantages of pushing this process to its "logical conclusion"—a U.S.-Israel defense treaty—would outweigh the potential costs this would entail.

Moreover, given the evolution of the Middle East peace process and America's interest in maintaining if not improving its relations with the moderate Arab states, it would not be easy to formulate a meaningful U.S.-Israel defense treaty. In particular, it would be difficult to define such a treaty without seeming to divide the Muslim states between those that have entered Arab-Israeli peace and those that remain in

[2] This is likely to be the case despite the fact that by the mid-1990s, U.S. personnel were deployed in or injected simultaneously into a record number of locations and conflicts around the world, including the Sinai, Somalia, Bosnia, and Macedonia.

opposition—notably Iraq, Iran, Libya, and Sudan. Yet the Arab states at the forefront of the peace process consider this a temporary division and wish to avoid anything that might contribute to its permanence. These states cannot be expected to applaud a U.S.-Israel defense pact that would explicitly or implicitly regard some of the region's states as permanently hostile.

At the same time, Arab states with close ties to the United States may wish to minimize the possible negative impact of a U.S.-Israel defense treaty by demanding reciprocity. Thus, Egypt and, perhaps, Saudi Arabia are likely to argue that such a treaty would further tilt the growing qualitative imbalance in Israel's favor and that this must be redressed through U.S.-Egyptian and U.S.-Saudi defense pacts. This demand would force the U.S. government and Congress to deliberate an entire set of defense treaties. This would certainly collide with the prevailing mood in Washington and expose Israel to suggestions that it had embroiled the United States in an unpleasant dilemma.

Another potential problem involves the possible stationing of U.S. peacekeeping forces within demilitarized zones between Israel and one or more Arab states. To some extent, a defense pact—which would place the United States clearly on Israel's side—would seem to preclude U.S. participation in a peacekeeping force, requiring it to adopt a more neutral position. Thus, for example, if a dispute arose between Israel and a neighboring state regarding compliance with force limitations or arms dispositions, U.S. peacekeepers would be institutionally inclined to adopt an "even-handed" approach and would be torn between conflicting demands.

Israel could resolve this contradiction by opting for a defense pact that reserved the role of peacekeeping and monitoring along its borders for forces from other nations. Yet from Israel's standpoint, this would involve a significant risk. Israelis have long been convinced that U.S. personnel could be counted on to fulfill their monitoring duties more fairly and impartially than soldiers or civilians from other nations, particularly when operating under a UN mandate.

The contradiction between these two potential U.S. roles may not be as serious as some believe, however. Since 1981, U.S. servicemen have comprised the core of the Multilateral Force and Observers stationed in the Sinai Peninsula to monitor the compliance of Israel and Egypt with the demilitarization clauses of their 1979 peace treaty. This has not constrained the evolution of close strategic ties and defense cooperation between the United States and Israel. Indeed, it was precisely during this period that these ties witnessed their most dramatic expansion. While Syria has so far shown no indication of desiring to align itself with the United States as did Egypt two decades ago, there is little reason to believe that the consequences of a U.S. role in the Golan Heights would be different than those of the U.S. role in the Sinai, even if the United States and Israel were meanwhile to sign a defense pact.

A much more worrisome possibility is that negotiation of a U.S.-Israel defense treaty would raise the nuclear issue in very stark terms. To begin with, there would be considerable debate whether such a treaty would imply the extension of America's nuclear "umbrella" to Israel. This would introduce a number of serious complications. In general, it is not clear that a debate on the credibility of extended deterrence in the Middle East would serve U.S. interests in the region. The debate would quickly expose the fact that the United States could not extend a nuclear umbrella to any state unless the latter faces a nuclear threat; any promise to use nuclear weapons against non-nuclear states would violate U.S. assurances provided in the framework of NPT-related UN General Assembly resolutions.

At the same time, a U.S.-Israel defense pact would raise various claims both within and beyond the Middle East that Israel no longer needs to maintain its own independent deterrent. Indeed, it is doubtful that the United States could provide Israel with a defense pact while tolerating Israel's ambiguous nuclear status. An important objective of America's decision in the aftermath of World War II to extend security guarantees in the framework of formal alliances was to dissuade the countries involved—notably Germany and Japan—from developing independent nuclear deterrents. If it could be argued that, in addition to exempting Israel from U.S. efforts to stem the spread of nuclear weapons, Jerusalem was to be further rewarded with a formal defense treaty, the credibility of U.S. nonproliferation policy would be completely shattered.

Though Israel was wise to seek a defense treaty with a major power in the early 1950s, it is not clear that its original rationale for such a pact remains valid today. Four decades ago, Israel was a weak, embryonic entity comprised of immigrants who could hardly communicate with one another, facing neighbors that sought its destruction. Today, Israel is a strong state, with a healthy and growing economy, that garners considerable respect and envy throughout the Middle East. Under these circumstances, it is doubtful that the marginal utility of a U.S.-Israel defense pact would justify undertaking the complications involved.

A "super MOA" on strategic cooperation. This document could combine all existing MOUs and MOAs signed by the two governments into a single, detailed constitution stipulating every dimension of the special U.S.-Israel cooperative relationship, particularly in the realm of strategic cooperation. The super MOA could be given added permanence through the two countries' legislative processes—thus requiring a political decision involving considerable costs in order to abrogate or renege on any part of the document.

A super MOA would represent a middle ground between existing frameworks for U.S.-Israel strategic cooperation and the conclusion of a defense pact between the two countries. Not only would it comprise another step in the institutionalization the U.S.-Israel partnership by providing a wider framework for new forms of security cooperation, it

would also add a unique dimension to the special relationship between the two countries: the United States has never concluded such an agreement with any other country.

Though potentially supported by non-binding resolutions of the Knesset and U.S. Congress, the legal status of the super MOA would be similar to that of existing MOUs and MOAs—it would be considered an executive agreement that does not require legislative ratification. As such, it would be spared the extensive review process and associated risks entailed in concluding a formal U.S.-Israel defense pact.

Finally, by elevating U.S.-Israel strategic cooperation to a new level, the super MOA would further enhance Israeli deterrence. In so doing, it could provide an added hedge against a reversal of the Arab-Israeli peace process.

Though somewhat appealing at first sight, the utility and possible drawbacks of a super MOA deserve careful examination. Particularly if granted a stamp-of-approval by the two countries' legislatures, this comprehensive document might resemble a defense treaty with many of the disadvantages noted earlier. Indeed, in Israel as well as in the United States, the attempt to gain wide political support for the document might open a new debate on the nature and risks associated with the two countries' special relationship. It is not clear that such a debate would necessarily strengthen U.S.-Israel defense ties.

In addition, the adoption of a super MOA might erase the benefits involved in the present separation between the various MOUs guiding the different facets of U.S.-Israel cooperation. This separation provides a measure of autonomy to each of the cooperative arenas; a super MOA could subject any decision affecting a particular aspect of this cooperation to lengthy and cumbersome interagency clearance process encompassing every office that has some role in the super MOA. Thus, the wisdom of concluding and adopting such a document is far from self-evident.

Israel's integration into NATO. This option would clearly contribute to Israeli deterrence, not only by extending NATO defense commitments to Israel but also by further confirming Arab perceptions that Israel is part of the advanced industrial world. In addition, it would equate Washington's approach to Israel with that toward other NATO countries—particularly in the realm of technology transfers and access to the U.S. market. Thus, it would provide Israel with an additional reference point when approaching Washington with specific requests, particularly in the realm of defense-industrial cooperation. Finally, it would help strengthen strategic cooperation with Turkey, another NATO member that currently enjoys growing importance in the Middle East.

However, Israel's membership in NATO would likely create some serious complications. Indeed, even raising this suggestion may involve considerable costs. First, there is no reason to believe that the European countries have much enthusiasm for extending NATO to the Middle East.

At a minimum, this would require a major expansion of NATO's current "out of area" responsibilities. Clearly, this would embroil Israel in a debate that is likely to be at least as heated as the present discourse on NATO expansion to eastern Europe.

Whether NATO continues to have a *raison d'être* in the post-Cold War/post-Soviet era is itself an open question. In general, the record of survival for alliances that "lose their enemy" and are no longer bound by a clear perception of a common threat is not very impressive. Notwithstanding considerable rhetoric regarding its continued importance (and although its present peacekeeping mission in Bosnia has given it temporary life), NATO's longevity is far from assured. As NATO's purpose becomes less clear, the deterrent value of membership in the alliance will decline. Hence, it is doubtful that it can serve as a useful framework for improved U.S.-Israel strategic cooperation. Moreover, the Arab states already view Israel as part of the advanced industrial world, and thus not only is NATO membership unlikely to add anything to these perceptions, it could reinforce the tendency among some Arab constituencies to regard Israel as a "foreign element" and to associate it with the former European "colonial" powers.

In addition, NATO membership could constrain Israel's freedom of action to a far greater degree than a defense pact with the United States. In this case, Israel's room for maneuver would be limited not by one country—the United States—with whom Israel has traditionally enjoyed close relations and an informal alliance, but by sixteen nations, some of whom have traditionally enjoyed intimate relations with a large number of Middle East states, including Iraq and Iran, that presently remain outside the region's new "arc of hope."

Finally, it is also uncertain that Israel would derive much benefit from NATO membership in the realm of technology transfers. Indeed, Israel already enjoys closer defense cooperation with the United States than some NATO members such as Spain, Italy, Greece, and Turkey. In the future, the United States is likely to continue to make its decisions on such matters on a case-by-case, country-by-country basis.

Creation of a regional cooperative security system with which the United States would be associated as an outside power. The purpose of such a system, modeled on the Conference on Security and Cooperation in Europe (CSCE), would be to enhance regional stability. Prime Minister Peres and Jordan's Crown Prince Hassan have already called for the creation of such a framework in the Middle East—a Conference on Security and Cooperation in the Middle East (CSCME)—and there is also a proposal for a variation on this idea, a Middle East Cooperative Security Framework (MECSF),[3] based on an initiative proposed in the late 1980s by

[3] See Shai Feldman and Abdullah Toukan, *Bridging the Gap: A Future Security Architecture for the Middle East* (a forthcoming study conducted for the Carnegie Commission on Preventing Deadly Conflict). Dr. Toukan is science advisor to King Hussein and head of Jordan's delegation to the multilateral talks on arms control and regional security.

Spain and Italy to establish a Conference on Security and Cooperation in the Mediterranean (CSCM).

The MECSF could be created on the basis of the progress already made in the framework of the multilateral talks on arms control and regional security in which Israel, some thirteen Arab states, and the Palestinians have been taking part since 1992. Although as of early 1996, ACRS discussions had not resulted in the adoption of a conceptual framework for security in the Middle East, participants did reach a consensus in late 1994 on all items (except the nuclear issue) in a proposed "Statement on Arms Control and Regional Security." In addition, extensive discussions at ACRS have resulted in understandings regarding the implementation of wide-ranging confidence and security-building measures (CSBMs), notably the construction of a regional security center in Amman with related facilities in Tunis and Qatar, and the establishment of a regional communication network (temporarily located in the Hague but to be moved later to Cairo). The parties also negotiated an MOA on maritime cooperation in search and rescue operations and in avoiding incidents at sea, and discussed the adoption of mechanisms and procedures for pre-notification of significant military movements and major exercises as well as the exchange of military information. Equally important, the many plenary and intersessional ACRS meetings increased familiarity and informal information exchange among the participating senior officers of the Israeli and Arab armed forces.

From Israel's standpoint, a MECSF—managed by the region's states (in contrast to the Russian- and U.S.-led ACRS talks)—could be desirable because it would be another signal of the further evolution of the Middle East peace process and Israel's integration in the region. Moreover, a MECSF could help alleviate some Arab concerns regarding Israel's military capabilities. Israeli improvements and expansions in some of its military capabilities in response to the evolving ballistic missile threat and WMDs programs of Iran and Iraq are likely to be perceived as a threat by Israel's immediate neighbors with whom it has peace agreements. By providing a regional framework and permanent forum for consulting and discussing the nature and magnitude of these threats and the means to address them, Israel might be able to alleviate the expected anxiety of its neighbors—as well as it own concerns regarding steps that Arab states might take in order to withstand these same threats. In the past, Israeli reactions to such steps—notably the Saudi purchase of advanced F-15 fighters and AWACs surveillance aircraft—were also a source of friction in U.S.-Israel relations. Thus, a MECSF-like framework could place the Israeli Arrow ATBM system and Saudi AWACs in a new regional context.

Though the substance of a MECSF might not differ significantly from the evolving ACRS framework (as manifested by the extent to which the draft DOP negotiated at ACRS is modeled on the 1975 Helsinki Final

Act), the visibility of a MECSF could be much higher. The near-secrecy surrounding ACRS deliberations contributed to their success by making them less sensitive politically. Their low salience, however, also limited their impact on regional perceptions. By contrast, a highly visible MECSF could illustrate to the various publics in the region the meaning of peace and the resulting ability to view security and other concerns within a new framework.

Were the United States to become an associate member of the proposed MECSF, U.S.-Israel strategic cooperation could also be placed in a regional context. Indeed, the new Middle East political and security environment may both justify and permit changing the focus of such cooperation from the bilateral to the regional level. In turn, such a change might diminish some of the current sensitivities of the region's states to close U.S.-Israel security ties. This is because a MECSF would provide the region's states a forum for discussing with Israel and the United States the various manifestations of their cooperation, thus insuring that they coincide with the two countries' approach to regional security.

Improve existing frameworks for strategic cooperation. This is the best option for expanding U.S.-Israel security ties. In this context a number of suggestions should be considered. Most important, Israel and the United States can significantly boost cooperation against the spread of WMDs in the Middle East and in limiting the detrimental effects of such proliferation. Primarily, this might call for Israel's full integration within a U.S. space-based regional or global system providing instant warning of ballistic missile launchings. In such a framework, data indicating a missile launch would be transferred to Israel's ATBM system immediately and unfiltered. In turn, by enhancing Israel's active defense capability, such cooperation would contribute to reducing Israeli reliance on prevention and preemption, thus boosting regional stability.

In addition, both countries could derive direct benefits from new areas of cooperation. One example may be increased air and naval cooperation in anti-submarine warfare (ASW). From the U.S. standpoint, this would imply using Israel's navy to deal effectively with diesel submarines—such as Kilo-class—operating off Israel's coastal waters.

More significant improvements would require Israel to change the principle guiding its conduct of strategic cooperation with the United States: namely, that it will not cooperate with the United States in realms in which it cannot derive direct benefits. Instead, Israel could propose modes of cooperation that would yield direct gains only to the United States. Israel would still derive important indirect benefit from such cooperation, because the activities involved would help create an even thicker web of cooperative relationships that could not be easily reversed.

The best example of such a change would be allowing the United States to preposition large quantities of arms and ammunition in Israel for the exclusive use of predesignated U.S. military units. The IDF would *not* have access to such stockpiles, thus assuring the U.S. armed services that

the full quantity of materiel stored there will always be at their exclusive and unrestricted disposal. Israel could nonetheless derive some indirect benefits from such an arrangement, primarily in the economic realm. Storage facilities would need to be constructed and the materiel stored there would need to be maintained, possibly providing further employment for Israel's public and private sectors.

A similar mode of asymmetric cooperation would involve making arrangements for the use of Israeli air bases by all types of aircraft currently employed by the U.S. air force. This might require altering some Israeli airfields and runways in order to accommodate U.S. B-52 heavy bombers and other aircraft.

A third mode mentioned earlier would involve preparing and exercising the use of Israel's ports by U.S. military cargo ships for rapid off-loading to allow transshipment of U.S. weapons and ammunition by land to alternative points in the Middle East. Exercising this option might be considered independently from the merits of prepositioning U.S. weapons and ammunition in Israel.

The United States and Israel could also enhance their consultations regarding defense planning for at least three sets of contingencies: a reversal of Arab-Israeli peace, resulting in renewed Arab threats to Israeli security; attempts by Iraq or Iran to intimidate the GCC states and establish hegemony in the Gulf; and a deterioration of the internal conditions in states whose stability is central to Israeli security and U.S. interests in the Middle East.

Finally, the United States and Israel might consider various forms of "triangular cooperation" with a third country. For example, cooperation between the United States, Israel, and Turkey may be enhanced in view of the three countries' congruence of interests in fighting terrorism and limiting the spread of religious extremism. Similarly, the United States and Israel might cooperate with some of the former Soviet republics in Central Asia to prevent the rise of Islamic extremism. In the future, it may also be possible to design forms of low-profile cooperation between the United States, Israel, and one or more of the GCC states to diminish the risks of Iraqi or Iranian ventures in the Gulf.

Israeli reservations regarding enhanced strategic cooperation typically focus on the extent to which they would undermine the ethos of self-reliance and condition Israelis to regard themselves as increasingly dependent on the United States. However, given the recent evolution in Israel's strategic standing, its rapidly growing economy, and its robust military capabilities, there seems to be little justification for continuing to harbor such concerns. Moreover, under conditions of expanding Middle East peace, it would be clear that the increased U.S. presence involved in such expanded cooperation is not meant to boost Israeli defenses against its immediate neighbors.

There may be a more serious Israeli objection to allowing the United States to utilize equipment prepositioned in Israel—namely, that it may

embroil or at least implicate Israel in a U.S. decision to use force in the Middle East, irrespective of the extent to which doing so would coincide with Israeli interests. This is the converse of Washington's longstanding concerns that the United States might become too closely associated with any Israeli action. And indeed, given Israel's evolving new role and relationships in the region, it is far from clear that such an arrangement would always serve Israel's best interests. But the importance of maintaining and enhancing U.S.-Israel strategic cooperation justifies assuming the risks entailed.

V CONCLUSIONS

In March 1995, the largest U.S.-Israel joint training exercise—involving operations in air, sea, and land—was conducted in the Negev Desert. Some 7,500 members of all branches of the U.S. armed services (including an aircraft carrier task force) took part in the two-week training. The exercise was presented as an expression of the depth of America's military backing for Israel. As such, it manifested the considerable progress made in U.S.-Israel strategic cooperation since its inauguration nearly fifteen years ago.

The timing and scope of the exercise were instructive. U.S.-Israel strategic cooperation was initiated in December 1981 in an MOU that focused largely on the Soviet threat in the Middle East. Yet a number of years after the Soviet Union collapsed, the United States launched the largest exercise it has ever held on Israeli territory. This underscores the important point that the advent of U.S.-Israel security cooperation was prompted not by the strategic requirements of fighting communism but by America's political desire to assist Israel. Indeed, the limits placed on such cooperation were equally political, rooted in Washington's reluctance to provoke negative Arab reactions.

Though this original strategic rationale for U.S.-Israel cooperation was tenuous and subject to criticism, the revolutionary changes in the international and regional environment represent a golden opportunity to expand the two countries' defense ties on a solid foundation. By early 1996, Israel's peace with Egypt had been supplemented by the Israel-Jordan peace treaty, the Declaration of Principles with the Palestinians, and Israel's subsequent disengagement from Gaza and the population centers of the West Bank.

These developments have, in turn, resulted in greater interaction between Israel and a number of North African and Persian Gulf states. Moreover, following the assassination of Prime Minister Rabin in November 1995, more promising talks were held between Israel and Syria outside Washington, D.C., which did not produce a breakthrough but did produce some constructive progress. Meanwhile, Israel, the Palestinians, and some thirteen Arab states are also engaged in multilateral discussions aimed at addressing the region's most pressing problems: economic development, refugees, water, the environment, and the prospects for regional security and arms control. This new environment has made negative Arab reactions to the U.S.-Israel exercise and other forms of enhanced strategic cooperation less likely.

At the same time, U.S. forces stationed in the Middle East (and those that would be projected into the region in a crisis) face increasingly

similar potential threats as their Israeli counterparts—including political and religious extremism, terrorism, and the proliferation of ballistic missiles and unconventional weapons. Thus, despite the anticipated expansion of the Arab-Israeli peace process, important parts of the Middle East will continue to be hostile and violent neighborhoods for both the United States and Israel.

Israel's role and standing in the region has been clearly transformed: from a struggling young democracy deserving direct and indirect U.S. economic and military assistance to a regional power capable of serving U.S. interests in the Middle East. In the latter sense, Israel's potential importance in America's eyes may increasingly resemble that of Turkey: notwithstanding the specific forms of assistance that Israel may be able to provide, both Jerusalem and Ankara offer Washington the general benefit of association with a potent regional power. Joint exercises simply highlight this association, and growing public exposure only increases their deterrent effect. In addition, prepositioning arms and ammunition in some proximity to the sources of potential regional violence (yet sufficiently distant from these sources and otherwise protected by a strong ally like Israel) serves U.S. deterrence in the Middle East.

U.S.-Israel defense ties stand a particularly good chance of blooming if the two countries attempt to insert greater content and substance into existing frameworks of strategic cooperation. In this context, Israel's willingness to engage in modes of interaction from which it does not benefit directly could prove a particularly wise long-term investment.

Conversely, formalizing these relations—in a defense treaty, for example—should be avoided because the potential costs may outweigh the likely benefits. Indeed, it is quite possible that *formal* U.S.-Israel defense ties have reached their optimal point and any effort to expand them much beyond their present parameters could create new sources of tension without markedly improving their quality. In this sense, the common proverb, "if it isn't broken, don't fix it" may clearly apply.

Indeed, Israel and the United States should advance cautiously and modestly even in inserting greater substance into existing frameworks of U.S.-Israel strategic cooperation. The Middle East has experienced enormous changes in recent years, but popular perceptions within the region have altered at a far slower pace. Thus, Arab public opinion continues to reflect deep suspicions and anxieties regarding Israel's intentions and future role in the Middle East. In managing strategic cooperation with the United States, Israel needs to balance its security requirements against its desire to avoid increasing Arab concerns about its regional profile.

Though the possibilities for further improvements within existing frameworks of U.S.-Israel strategic cooperation appear considerable, this optimistic conclusion is based on the basic premise that the Arab-Israeli peace process will evolve further to include agreements with Syria and Lebanon, that final status negotiations between Israel and the Palestinians

will have progressed, and that the threats posed by the regimes in Iraq and Iran will not subside. Thus, the final issue to consider is the extent to which the primary conclusions of this study are sensitive to changes in these premises.

A failure to resolve the Israeli-Syrian conflict would have far-reaching implications. Clearly, it would block any chance of reaching an Israel-Lebanon accord. Consequently, southern Lebanon would remain volatile, increasing the likelihood that the continuing violence there might escalate into another Israeli-Syrian confrontation. This would not necessarily result in a cancellation of the Israel-Jordan treaty, just as Israel's 1982 invasion of Lebanon did not cause Cairo to abrogate the Egypt-Israel peace agreement. But Jordan is much smaller and weaker than Egypt and remains sensitive to developments to its north. Moreover, whereas Egypt was geographically distant from the Lebanese quagmire in the early 1980s, Jordan shares a border with Syria. Hence, Israeli-Jordanian relations are likely to prove much more exposed to a failure to resolve the Israeli-Syrian dispute. Clearly, such a failure would make it less likely that the Israel-Jordan treaty would remain a "warm" peace.

In the absence of an Israeli-Syrian agreement, it is also difficult to envision substantially deeper normalization in relations between Israel and the moderate states of North Africa and the Persian Gulf. Should Syria lose hope of reaching an agreement with Israel, Damascus can be expected to exert every possible pressure on these states to avoid expanding their ties with Jerusalem. Under such conditions, it would also be unrealistic to expect further tangible progress in the multilateral Middle East talks.

In the resulting atmosphere of Arab-Israeli discord, Washington may well exhibit renewed concern that overt and intense U.S.-Israel strategic ties could induce negative Arab reactions and complicate the task of gaining the Arab states' cooperation in withstanding threats to U.S. interests in the Middle East. Under such conditions, U.S.-Israel defense cooperation is unlikely to be further expanded.

It is not clear, however, that a deadlock in the Arab-Israeli peace process would result in diminished U.S.-Israel strategic cooperation or that the gains made in this realm in recent years would be reversed. Much would depend on how Washington attributed the blame for such a stalemate. Clearly, a reversal in U.S.-Israel defense ties is unlikely if America is convinced that the deadlock in Israeli-Syrian negotiations is primarily the result of Syria's unwillingness to establish normal relations with the Jewish state and that the absence of progress in Israeli-Palestinian negotiations resulted from the Palestinian Authority's inability to prevent terrorism against Israelis.

Conversely, should Washington view the collapse of the Israeli-Syrian peace process as induced by Israel's unwillingness to make requisite territorial concessions, or see the deterioration of conditions in the West Bank and Gaza as resulting primarily from Israel's unwillingness to make

significant concessions in Israeli-Palestinian final status talks, it would be far more difficult to sustain close U.S.-Israel strategic ties over time.

To be sure, even under the latter conditions strategic cooperation between the United States and Israel is unlikely to be reversed overnight. As the Shamir-Bush tensions over Israel's settlement policy in the late 1980s indicate, the thrust of U.S.-Israel defense ties has become somewhat immune to negative political developments. Yet, how much pressure strategic cooperation between the two countries can sustain—and for how long—remains an open question. Clearly, damage will be limited if Americans perceive any difficulties as temporary. In the U.S.-European context, many such tensions have been sustained within NATO without eroding the overall strength of the alliance.

Conversely, however, U.S.-Israel strategic cooperation will not remain immune to prolonged political tensions between the two countries. If the peace process collapsed because a significant escalation in Palestinian terrorism led Israel to take extreme measures—such as the re-occupation of the Gaza Strip and the population centers of the West Bank—tensions between the United States and Israel could exceed the boundaries of policy disagreements and begin to affect Americans' perceptions of Israel and the values it represents. Over time, the basis of America's affinity for Israel could come into question and potentially undermine Washington's willingness to engage Israel in strategic cooperation.

If, on the other hand, the ultimate objectives of U.S. dual containment policy in the Middle East were achieved—if the existing Iranian regime were replaced either by a pro-Western secular government or by an inward-looking and moderate religious leadership, and Saddam Hussein were replaced by leaders who could reconcile their country's relations with the West—the strategic map of the Middle East would be transformed once again. These new governments could conceivably join the Arab-Israeli peace process and abandon their current efforts to obtain weapons of mass destruction.

Predicting the precise effects of these positive changes on the future of U.S.-Israel defense ties is not easy. On one hand, the post-Cold War rationale for strategic cooperation between the two countries—the threat posed by Iraq and Iran to Israel and to U.S. forces and interests in the Middle East—will have been eliminated. On the other hand, the expansion of Arab-Israeli peace—perhaps including Iraq and Iran as participants—would further diminish the likelihood that U.S.-Israel defense ties would elicit negative Arab reactions, thus making these ties even less costly. Still, even such positive developments would not make strategic cooperation immune to criticism—Arabs may well ask why Israel needs to be made even more robust in the absence of basic threats to its security. But given the diminished costs entailed, U.S.-Israel strategic cooperation may also survive Arab-Israeli peace.

APPENDICES

Appendix I

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF ISRAEL ON STRATEGIC COOPERATION

November 30, 1981

PREAMBLE

This memorandum of understanding reaffirms the common bonds of friendship between the United States and Israel and builds on the mutual security relationship that exists between the two nations. The parties recognize the need to enhance strategic cooperation to deter all threats from the Soviet Union to the region. Noting the longstanding and fruitful cooperation for mutual security that has developed between the two countries, the parties have decided to establish a framework for continued consultation and cooperation to enhance their national security by deterring such threats to the whole region.

The parties have reached the following agreements in order to achieve the above aims.

ARTICLE I

United States-Israel strategic cooperation, as set forth in this memorandum, is designed against the threat to peace and security of the region caused by the Soviet Union or Soviet-controlled forces from outside the region introduced into the region. It has the following broad purposes:

A. To enable the parties to act cooperatively and in a timely manner to deal with the above-mentioned threat.

B. To provide each other with military assistance for operations of their forces in the area that may be required to cope with this threat.

C. The strategic cooperation between the parties is not directed at any state or group of states within the region. It is intended solely for defensive purposes against the above-mentioned threat.

ARTICLE II

1. The fields in which strategic cooperation will be carried out to prevent the above-mentioned threat from endangering the security of the region include:

A. Military cooperation between the parties, as may be agreed by the parties.

B. Joint military exercises, including naval and air exercises in the Eastern Mediterranean sea, as agreed upon by the parties.

C. Cooperation for the establishment and maintenance of joint readiness activities, as agreed upon by the parties.

D. Other areas within the basic scope and purpose of this agreement, as may be jointly agreed.

2. Details of activities within these fields of cooperation shall be worked out by the parties in accordance with the provisions of Article III below. The cooperation will include, as appropriate, planning, preparations, and exercises.

ARTICLE III

1. The Secretary of Defense and the Minister of Defense shall establish a coordinating council to further the purposes of this memorandum.

A. To coordinate and provide guidance to joint working groups.

B. To monitor the implementation of cooperation in the fields agreed upon by the parties within the scope of this agreement.

C. To hold periodic meetings, in Israel and the United States, for the purposes of discussing and resolving outstanding issues and to further the objectives set forth in this memorandum. Special meetings can be held at the request of either party. The Secretary of Defense and Minister of Defense will chair these meetings whenever possible.

2. Joint working groups will address the following issues:

A. Military cooperation between the parties, including joint U.S.-Israel exercises in the Eastern Mediterranean sea.

B. Cooperation for the establishment of joint readiness activities including access to maintenance facilities and other infrastructure, consistent with the basic purposes of this agreement.

C. Cooperation in research and development, building on past cooperation in this area.

D. Cooperation in defense trade.

E. Other fields within the basic scope and purpose of this agreement, such as questions of prepositioning, as agreed by the coordinating council.

3. The future agenda for the work of the joint working groups, their composition and procedures for reporting to the coordinating council shall be agreed upon by the parties.

ARTICLE IV

This memorandum shall enter into force upon exchange of notification that required procedures have been completed by each party. If either party considers it necessary to terminate this memorandum of understanding, it may do so by notifying the other party six months in advance of the effective date of termination.

ARTICLE V

Nothing in this memorandum shall be considered as derogating from previous agreements and understandings between the parties.

ARTICLE VI

The parties share the understanding that nothing in this memorandum is intended or shall in any way prejudge the rights and obligations which devolve or may devolve upon either government under the charter of the United Nations or under international law. The parties reaffirm their faith in the purposes and principles of the charter of the United Nations and their aspiration to live in peace with all countries in the region.

Appendix II

MEMORANDUM OF AGREEMENT BETWEEN THE UNITED STATES AND THE STATE OF ISRAEL REGARDING JOINT POLITICAL, SECURITY, AND ECONOMIC COOPERATION

April 21, 1988

PREAMBLE

The parties to this Memorandum of Agreement reaffirm the close relationship between the United States of America and Israel, based upon common goals, interests, and values; welcome the achievements made in strategic, economic, industrial, and technological cooperation; recognize the mutual benefits of the United States-Israel Free Trade Agreement; take note of United States economic and security assistance to Israel; and note that Israel is currently designated, for the purposes of Section 1105 of the 1987 National Defense Authorization Act, as a major non-NATO ally of the United States. The parties wish to enhance their relationship through the establishment of a comprehensive framework for continued consultation and cooperation and have reached the following agreements in order to achieve this aim.

ARTICLE I

The United States and Israel recognize the value of their unique dialogue and agree to continue frequent consultations and periodic meetings between the President and the Prime Minister, between the Secretary of State and the Minister of Foreign Affairs, between the Secretary of Defense and the Minister of Defense, and between other Cabinet-level officials. In these meetings, international and bilateral issues of immediate and significant concern to both countries will be discussed as appropriate.

ARTICLE II

A. The Director General of the Ministry of Foreign Affairs and the Under Secretary of State for Political Affairs will meet regularly for a Joint Political Consultation (JPC) to discuss a wide range of international issues of mutual interest with a view toward increasing their mutual understanding and appreciation of these issues.

B. The United States Agency for International Development and Israel's Ministry of Foreign Affairs, Division of International Cooperation (Mashav) meet periodically to coordinate and facilitate, as appropriate, programs of cooperative assistance to developing countries.

ARTICLE III

The United States and Israel reaffirm the importance of the following U.S.-Israel Joint Groups:

A. The Joint Political Military Group (JPMG) is the forum in which the two states discuss and implement, pursuant to existing arrangements, joint cooperative efforts such as combined planning, joint exercises, and logistics. The JPMG also discusses current political-military issues of mutual strategic concern.

1. The JPMG is a binational, interagency group co-chaired by the Director General of the Israeli Ministry of Defense and the U.S. Assistant Secretary of State for Politico-Military Affairs.

2. The JPMG normally meets biannually, alternating between Israel and the United States.

B. The Joint Security Assistance Planning Group (JSAP) is the forum in which the two states review Israel's requests for security assistance in light of current threat assessments and U.S. budgetary capabilities and agree upon proposed levels of security assistance. The JSAP also discusses issues related to security assistance, such as industrial and technological cooperation, as well as issues related to Israel's inclusion among those countries currently designated as major non-NATO allies of the United States for the purpose of cooperative research and development under Section 1105 of the 1987 National Defense Authorization Act.

1. The JSAP is a binational, interagency group co-chaired by the Director General of the Ministry of Defense and the Under Secretary of State for Security Assistance, Science, and Technology.

2. The JSAP currently meets annually, in Washington, D.C.

C. The Joint Economic Development Group (JEDG) is the forum which discusses developments in Israel's economy. With a view to stimulating economic growth and self-reliance, the JEDG exchanges views on Israeli economic policy planning, stabilization efforts, and structural reform. The JEDG also evaluates Israel's requests for U.S. economic assistance.

1. The JEDG is a binational, interagency group co-chaired by the Director General of the Ministry of Finance and the Under Secretary of State for Economic Affairs. The group includes private U.S. and Israeli economists invited by their respective countries.

2. The JEDG currently meets biannually, alternating between the United States and Israel.

ARTICLE IV

This Memorandum of Agreement does not derogate from any existing agreements or undertakings between the two states nor in any way prejudices the rights and obligations of either state under the Charter of the United Nations or under international law. In accordance with the above, the parties reaffirm their aspirations to live in peace with all countries. This agreement shall come into effect upon signature, shall be valid for an initial period of five years, and shall thereafter be renewed for additional periods of five years unless either party notifies the other prior to the expiration of a five year period that it wishes to terminate the agreement.

Appendix III

U.S.-ISRAEL JOINT STATEMENT ON STRATEGIC COOPERATION

April 30, 1996

President Clinton and Prime Minister Peres have concluded two days of intensive discussions on a broad range of issues relating to the U.S.-Israel relationship. Those discussions reflect the deep, longstanding and unique bonds of friendship which have characterized the U.S.-Israel relationship and the legacy of shared values, common interests, and mutual respect for democracy that have made this close and special relationship endure.

The president and prime minister reviewed the extent of the U.S.-Israel relationship in all its dimensions. They agreed that this cooperation in security, economic, and diplomatic areas is grounded in institutions that are functioning extremely effectively to the benefit of both countries. At the same time, they agreed that, in view of continuing threats to regional peace and stability, and in particular the dangers posed by proliferation of weapons of mass destruction and advanced military technologies, U.S.-Israel strategic cooperation will grow in importance. To this end, the president and the prime minister agreed that a steering committee headed by the U.S. secretary of state and the Israeli minister of foreign affairs would be established to explore means of enhancing and, where appropriate, formalizing, that cooperation. Two working groups will report to the steering committee. The first, dealing with security and defense matters, will consider all options including the possibility of more formal security accords, for how best to meet common threats in the years to come. It will also identify ways to maximize the effectiveness of U.S. aid to Israel. The second will deal with other policy matters relating to U.S.-Israel strategic cooperation.

The two leaders affirmed that the strategic partnership between the two countries will continue to be based on two key principles: first, the United States' unshakable commitment to Israel's security and its determination to minimize the risks and costs Israel confronts as it pursues peace; and second, the U.S.-Israel mutual commitment to a comprehensive peace and their determination to move toward that goal. With respect to Israel's security, the president specifically reaffirmed the United States commitment to maintain Israel's qualitative edge and to preserve and to strengthen Israel's capability to deter and defend itself, by itself, against any adversary or likely combination of adversaries.

The president and prime minister took great pride in signing the U.S.-Israel Counter-Terrorism Cooperation Accord. This agreement sets out practical measures enabling their two countries to make the best possible use of expertise, resources, and capabilities in the war against terror. A Joint Counter-Terrorism Group has been established to monitor and oversee the implementation of the agreement. Israel and the United States also agreed to seek to coordinate their efforts with the international effort against terror launched at Sharm al-Sheikh on March 13, 1996.

The president and the prime minister also took note of the joint statement on theater missile defense cooperation signed by the prime minister and Secretary of Defense Perry on April 28. The United States and Israel recognize the defense of Israel will be made more effective by undertaking necessary steps to ensure that Israel's theater missile defenses are supported by related United States capabilities. The two leaders expressed satisfaction with the positive results to date of the ongoing bilateral dialogue on issues relating to the transfer of equipment and technology to third countries.

With respect to their determination to achieve a comprehensive peace, the two leaders agreed on the importance of implementation of agreements reached and the need to expand the orbit of Arab-Israeli peacemaking with a view toward achieving normal, peaceful relations between Israel and all its Arab neighbors. They welcomed the decision by the Palestinian National Council to cancel all the provisions of the Palestinian National Covenant which deny Israel's right to exist or are otherwise inconsistent with the September 1993 exchange of letters between Prime Minister Rabin and Chairman Arafat. This action is an important demonstration by the Palestinians of their commitment to honor the terms of the 1993 Oslo Accords.

The president and prime minister also expressed satisfaction with the improved understanding reached last week on southern Lebanon as a result of Secretary of State Christopher's negotiating efforts and after discussions with the governments of Israel and Lebanon and in consultation with Syria. They noted the importance of prompt activation of the monitoring committee and consultative group established by the understanding.

Finally, the president and the prime minister agreed on the need to end the Arab boycott and to eliminate discrimination against Israel in all international organizations, including the United Nations.

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