



## **Israel and the United States: Can the Special Relationship Survive the New Strategic Environment?+**

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*After surveying the history of the U.S.-Israel strategic relationship, the author discusses in great detail current cooperation regarding threats from weapons of mass destruction, especially in reference to Iran and Iraq. The article includes an examination of Israeli nuclear policy and the U.S. view, as well as Israeli perceptions on the reliability of American counterproliferation efforts.*

### **THE EVOLUTION OF THE SPECIAL RELATIONSHIP (1)**

The complex "special relationship" between Washington and Jerusalem has not always been characterized by today's close links. Although the political affinity can be traced to May 1948, when President Harry Truman granted immediate recognition to the Jewish state, the military relationship developed slowly, and essentially did not exist for the first two decades of Israel's existence.

In 1949, the United States was the central force behind the Tripartite Agreement that formally placed an embargo on weapons deliveries to the countries involved in the Arab-Israeli conflict. (In practice, this agreement did not prevent many Arab states from obtaining weapons through their alliance relationships with suppliers, but Israel was excluded.)

Little foreign aid was provided, and Israeli military officials who sought to purchase weapons and ammunition in the United States were rebuffed, and one official recalled that he could not obtain "even a single bullet." Following the Czech arms deal to Egypt in 1955, Israel began to purchase weapons from France, and later,

during the early 1960s, was also able to obtain outdated American-made armored platforms via West Germany. (There was one notable exception in 1962, when the U.S. agreed to sell Israel Hawk anti-aircraft batteries, primarily in order to protect the Dimona reactor against attack.)

During the Johnson Administration beginning in 1965-1966, this situation began to change, and the United States agreed to sell Israel Skyhawk combat aircraft and some other systems. The military relationship became more intense following the Israeli military success of 1967, when some U.S. officials and analysts began to view the Jewish state as a major regional power, with assets and capabilities that could help U.S. interests in the Mediterranean and Middle East.<sup>2</sup> During its military encounters with the Arab states, Israel faced and defeated Soviet-made weapons identical to those in use against U.S. forces in Vietnam. Soviet advisors were heavily involved in planning the Egyptian and Syrian deployments and tactics, and in a few cases, Soviet pilots flew combat missions and directed anti-aircraft defenses against the Israel Defense Forces (IDF). The lessons and information gained by the IDF regarding Soviet weapons and

tactics were of major importance to the U.S. military both in Southeast Asia and in the broader context of the Cold War.

The Jordan crisis of September 1970 contributed significantly to the perception of Israel as a strategic asset in the region. After the PLO-Jordan confrontation in Amman, with Syria backing the PLO, the United States requested Israel to move its military forces and prepare to intervene on behalf of the Jordanian government. Israel responded as requested, also in its own strategic interests, deterring direct Syrian involvement, and helping the Hashemite regime avoid a Syrian invasion and re-establish control.

As a result of these events, U.S. military assistance and arms sales increased significantly,<sup>3</sup> and the IDF was increasingly equipped with and dependent on American weapons and technology. In 1967, France had imposed an embargo on sales to Israel, so America became Israel's sole source of platforms and major weapons systems. In the 1973 Yom Kippur war, high losses in the initial days of combat left Israeli stockpiles depleted, and a large-scale American airlift of spare parts, additional combat aircraft, and ammunition, was central to the Israel's ability to launch a successful counter-attack. After the war, the United States also provided the weapons necessary to rebuild and expand the IDF's inventory.

Following the collapse of the Shah of Iran and the Soviet invasion of Afghanistan in the late 1970s, the strategic links increased further. During the Reagan administration, the Cold War intensified, and the United States searched for reliable, stable allies in the region. As a result, Israel was elevated to the status of a "strategic asset," rather than simply a very junior partner. Israel was centrally involved in the Iran arms sales affair, and became a channel for funneling American arms to Central America. Israel also joined the Reagan

administration's Strategic Defense Initiative program.

American political involvement in the Middle East increased as well, particularly during the 1978 Camp David talks and with the 1979 Egyptian-Israeli peace treaty. In this process, Israel agreed to withdraw from the Sinai Peninsula and to transfer its large air bases from the Sinai to the Negev, funded by the United States. The American government also began to increase the level of loans and gifts as part of the Israeli aid package, and lower the extent of direct purchases. By the late 1970s, Israel had become the largest recipient of U.S. aid, with an annual allocation of \$1.8 billion. (In 1985, following an intense Israeli economic crisis, the United States also began to provide \$1.3 billion in economic aid annually, which is roughly equivalent to the level of Israeli loan repayments for previous weapons purchases and military assistance.)

As the U.S. government began to press Israel for security concessions and to accept risks in the peace process, the Americans also made repeated pledges to maintain Israel's vital security interests. This became more complicated in the 1970s as Egypt disengaged from the Soviet Union, and the U.S. government agreed to provide the Egyptian military with weapons, technology, and training. Israel had always relied on its technological superiority to offset the massive Arab advantage in population, land area, and numbers troops and weapons.

In response to Israeli concerns that American arms sales to Egypt and Saudi Arabia, including transfer of the most advanced weapons systems (equivalent and sometimes superior to Israeli weapons), Secretary of State Henry Kissinger declared that the United States would maintain Israel's "qualitative edge."<sup>4</sup> This issue and questions regarding its interpretation in terms of American policy became

particularly acute during the Reagan administration, when sales of AWACS systems and F-15s to Saudi Arabia were seen by Israel as inconsistent with this pledge. Additional short-lived tensions were created following the Israeli annexation of the Golan Heights in 1981, the Israeli attack on the Iraqi nuclear reactor, and during the siege of Beirut in the Lebanon War. These events led to partial embargoes and delays in shipments of American weapons to Israel.

However, during this period, the intensity and diversity of the U.S.-Israeli military relationship also expanded, and the level of institutionalization began to grow. A series of memoranda of understanding were signed increasing Israeli access to American military technology, and also leading to direct links between the major firms involved in weapons' development and production. Israeli firms were able to provide technology and subsystems as part of the offset arrangements linked to Israeli arms purchases from the United States.

In some cases, these Israeli subsystems or improvements led to significant improvements in the capabilities of the systems, benefiting both American and Israeli users in the military (as well as the other recipients of American weapons, including Egypt and Saudi Arabia). The United States also agreed to fund indigenous development of weapons by Israel, including the Merkava tank and the Lavi combat aircraft. Before the project was canceled in 1987, the Americans provided \$2 billion towards the Lavi program.

The United States also initiated a program of pre-positioning combat equipment and spare parts for use in the case of a crisis or conflict in which American troops would have to be introduced quickly into a regional combat situation. These pre-positioned stockpiles also served as an emergency reservoir for Israel for a contingency such as the 1973 Yom Kippur war, in which a major Arab attack depleted

Israeli reserves rapidly. This activity also required a degree of institutionalization and coordination at the operational level.

The level of institutionalization has increased steadily, as indicated by the biannual meetings of the JPMG (Joint Political and Military Group), at which high level officials from both states meet to discuss a wide range of issues of mutual concern. The JPMG provides a forum for ongoing coordination and consultation and considers regional issues, including responses to WMD proliferation, terrorism, economic factors, technological cooperation, regional stability, extra-regional factors (NATO expansion, Russian and Chinese policy, etc.), and arms control initiatives (NPT extension, CWC, and CTBT).

Towards the end of the 1980s, the level of U.S. political involvement in Arab-Israeli peace efforts increased, and this led to some tension in the overall relationship between Jerusalem and Washington. However, by this time, the depth of military links and high level of institutionalization insulated these areas from the tension.

The Iraqi invasion of Kuwait in August 1990 and the U.S.-led attack beginning on January 16, 1991, raised the intensity of the strategic relationship even further. Although political relations were relatively tense in the wake of differences over the proposed international peace conference, Israel (after intensive debate) accepted American requests not to launch preemptive or retaliatory operations in the wake of the chemical warfare threats from Saddam Hussein and following Iraqi missile attacks. The Israelis also expected the United States to destroy the Iraqi missile and weapons of mass destruction (WMD) capability, and recognized that Israel's strategic interests would be best served by maintaining this restraint. U.S. policy makers realized that the uncharacteristic Israeli restraint was a major (albeit passive) contribution to the coherence of the alliance.

After the war, the nature of U.S.-Israeli strategic cooperation increased significantly. The joint development and testing of the Arrow system, which had begun a few years earlier, was accelerated, and additional related programs, including the Airborne Laser project (ABL) and the UAV-based kinetic energy Boost Phase Intercept (BPI) concept were initiated. Intelligence coordination increased, particularly with respect to Iraqi and Iranian WMD and missile capabilities and efforts.

At the same time, these events marked a major change in the security environment for Israel and in the Middle East, and for the U.S.-Israel alliance relationship. The war highlighted the changing military threat (long-range ballistic missiles and WMD warheads) and the new political environment, including the end of the Cold War and the disintegration of the Soviet Union. The institutions and relationships that had been developed in the previous two decades were subjected to new challenges and requirements, and the responses were and are still unclear.

From the mid-1960s through the early 1990s, the military alliance relationship between Washington and Jerusalem evolved significantly. At the end of this period, the alliance was characterized by three dimensions:

--Shared threat perceptions and common security interests.

--Institutionalization in the relationship, and the resulting ability to ride-out short term policy disagreements in some areas;

--Symmetry and burden sharing: Israeli reciprocity and support for American objectives in the region.

In the following analysis, these dimensions provide a framework for analyzing the impact of the changes in the military and political environment,

particularly following the end of the Cold War, and their impact on the alliance.

## **THE CHANGING SECURITY ENVIRONMENT**

From the mid-1960s, the U.S.-Israel security relationship was based, in large part, on shared threat perceptions and security concerns. Beyond the Soviet threat, both countries were targets for terrorist attacks, and were concerned, although to different degrees, about the growing power of radical Arab regimes. At the same time, American and Israeli interests coincided with respect to support for conservative status-quo states such as Jordan and, later, Egypt.

The end of the Cold War and other basic changes in the world and the Middle East in the past decade has altered the security environments and threat perceptions in Washington and Jerusalem. The combination of the uncertain peace process, questions regarding the future role of Russia, the proliferation of ballistic missiles and weapons of mass destruction in the region (highlighted but not restricted to the unresolved Iraqi and developing Iranian threats), and continuing terror, have created new challenges for Israeli decision makers and for the United States-Israeli relationship. In some cases, the threat perceptions are very similar, while in other cases, significant differences exist, and even in the cases where Israeli and American threat perceptions are similar, the degree of urgency and the preferred policy options or responses may vary. This has created a degree of continuity and commonality in the security relationship, but also a number of issues that could lead to different paths. As will be demonstrated in the following analysis, there is broad agreement on fundamental threat perceptions, but Jerusalem and Washington are likely to disagree on the emphases as well as the

preferred responses. The future of the strategic relationship will depend on the degree to which these differences can be reconciled.

## 1) THE UNFINISHED IRAQI QUESTION

During the Iraq-Iran war of the 1980, the United States "tilted" toward Iraq (in part due to lingering anger over the American hostages held following the ouster of the Shah, and in part as a result of close American links with Iraqi allies such as Egypt, Jordan, and Saudi Arabia). Israel, in turn, generally retained a neutrality, although its arms exports to Iran, linked to the "arms for hostages" exchange, and largely approved by the U.S. government, can be seen as a "tilt" toward Iran, as the weaker and non-Arab power. (Before the Islamic revolution, Israel and Iran had a close military relationship, in part reflecting the fact that both were also U.S. allies and concerned about Soviet threats to their security and interests.)

After this war ended, the United States continued to provide technology and credits to Iraq, which maintained its large army and accelerated its efforts to acquire weapons of mass destruction. Until August 1990, the Iraqi threat was a major concern in Israel, but this assessment was not shared by the United States (In 1981, the Israelis failed to convince the U.S. government to act in order to halt the Iraqi nuclear program, and when Israeli unilaterally destroyed the Osiraq reactor, the U.S. government reprimanded Israel and imposed a brief embargo on the delivery of advanced combat aircraft.)

Following the invasion of Kuwait, U.S. views abruptly changed, and assessments of the threat from Iraq closely coincided with the Israeli assessments and concerns. Prior to and during Desert Storm, the United States and Israel worked

relatively closely (despite political differences over the peace process and personality differences at the top levels). Intelligence information was shared, and Israel agreed to act with restraint in response to missile attacks, in order to allow the United States to maintain the coherence of the coalition.

The Israeli willingness to forgo both preemptive and retaliatory attacks after being hit repeatedly by missile warheads, and with the threat of chemical warheads, was unprecedented, (and was strongly opposed by Defense Minister Moshe Arens and other key officials) and was an important acknowledgment of the importance that Israel placed on maintaining a cooperative defense relationship with the United States. Although, for political reasons, Israel was formally excluded from the coalition in which the Saudis played a central role, it was an important silent partner in the alliance, and the restraint was, in itself, and important contribution.

Israeli willingness to accept American forces to operate Patriot missile batteries was also unprecedented, even though these defensive missiles provided only moral and symbolic support during the war. For its part, the United States pledged to destroy the Iraqi ability to attack Israel with missiles and WMD. For the first time, vital Israeli security requirements were left in external hands. This was a very major concession by Israel and represented a major commitment from the United States.

In some ways, this pledge and the expectations it created, created tensions after the conflict. The United States abruptly ended the war, before destroying the Iraqi Republican Guard or a single Scud launcher (mobile or fixed), and without consulting Israel. Since then, seven years have passed without the removal of Saddam Hussein, and he has succeeded in concealing his WMD program from the UNSCOM

inspectors established under the cease-fire agreement in 1991.

For most of this period, the governing assumption was that Israel, the United States, and its allies in the region continued to have similar threat perceptions with respect to Iraq, and that the United States would continue to play the dominant role in insuring that the sanctions and inspection regime would remain as long as the threats continued. This assumption has been undermined since 1996, as U.S. action in response to Iraqi violations, in parallel with efforts by Russia, France, and China to lift the sanctions regime. The absence of strong American leadership, and the vacillation, particularly in late 1997 and early 1998, signaled that the American government's willingness to act firmly and consistently with respect to Iraqi threats was weakening.<sup>5</sup> Most recently, the investigation of Scott Ritter, a leading member of the UNSCOM team, on the grounds that he was cooperating with Israel, added to the concern on this regard. Although the threat perceptions should be and were expected to be shared, there is increasing concern in Israel that they are not.

Thus, while Israel and the United States share the view that the Saddam Hussein's continued presence on the scene and Iraq's ability to conceal and maintain its WMD capabilities pose significant dangers, the priorities assigned to these problems and the assessment of possible remedies have increasingly diverged. This divergence has become a source of tension in the strategic relationship.

## 2) IRAN BETWEEN THE TWO SATANS

American and Israeli concerns and perceptions regarding the threats posed by Iran have been relatively similar since the Islamic revolution in 1978. Both were subject to Iranian-sponsored terrorist attacks

in Lebanon and elsewhere. The U.S. policy of "dual-containment," beginning in 1993, and directed at isolating both Iraq and Iran simultaneously, drew approval from Israel, under both the Rabin and Netanyahu governments.

Beyond terror, the main strategic threat from Iran centered on the development of long-range ballistic missiles and WMD warheads. Iran has pursued a vigorous program to acquire missile technology and components from Russia, China, and North Korea. The Shihab 3 missile, which was tested in July 1998, will have a range of 1300 kilometers, placing Israel, Turkey, Saudi Arabia, and U.S. bases within range. Later versions in development, such as the Shihab 4, will be capable of striking Western Europe, and in the longer term, Iran apparently seeks to be able to launch a strategic strike against the United States. (The North Korean test of a multiple stage missile in September 1998 provided an additional cause for concern for both Washington and Jerusalem. Iran has been closely involved in the North Korean missile program, providing funding and receiving weapons and technology.) The evidence indicates that Israeli concerns have been generally ahead of the U.S. administration's evaluations, and in the past year, the divergence has increased.

In early 1997, Israeli intelligence analysts and high-level officials, including the Prime Minister began presenting their American counterparts with evidence of an accelerated Iranian missile program, based on extensive technical assistance from Russia. In addition, the Russian Atomic Energy Ministry was also active in Iran, agreeing to supply reactors and other equipment that could become the basis for a nuclear weapons program. The Clinton Administration was slow and reluctant to respond, apparently in large part in the attempt to avoid a clash with the weak Yeltsin government, as will be discussed in

detail below. (Similarly, China was also active in supplying missile and WMD technology to Iran, but the U.S. government sought to avoid a direct clash with Beijing, and did not place the technology exports to Iran at the top of its priorities in dealing with China).<sup>6</sup> As a result, the American and Israeli priorities with respect to this central issue differed, with Israel placing greater emphasis on the importance of slowing the Iranian WMD program.

The potential for intensified differences between Israel and Iran grew with the election of Khatami as President of Iran and the perception of a growing clash between "moderates" (or liberals) and "hard liners" (or conservatives). The U.S. government placed a major emphasis on fostering dialogue with the moderates, in the expectation that in the longer term, this group could lead to a fundamental change in Iranian policies.<sup>7</sup> In the United States, the "dual containment" policy that had characterized policy towards Iran started to unravel. Although statements by Secretary of State Albright continued to note three conditions for improved relations between Iran and the United States -- end of support for terror, end of opposition to the Middle East peace process, and end to the WMD and missile programs -- there is concern in Israel that these conditions may prove largely rhetorical in practice. If an opportunity for improved relations with Khatami presents, these conditions may well be ignored or postponed in order to make short-term bilateral progress. A U.S.-Iranian rapprochement without a change in Iranian policies that threaten Israel would leave Israel isolated in dealing with Iranian threats.

Furthermore, in Israel, there is generally less optimism regarding the degree of actual moderation and liberalism among the members of the Khatami-led faction. This group is seen as more liberal with respect to economic and Iranian domestic

issues, but not a source of change with respect to foreign and security policy. Thus, there is a basis for concluding that in the next few years, there will be greater divergence between the United States and Israeli approaches to Iran and the threats presented by this state.

### **3) RUSSIA RETURNS TO THE MIDDLE EAST**

During the Cold War, the threat posed by the Soviet Union was a common threat that formed the foundation of the U.S.-Israel strategic relationship. As Israel came to be viewed as an asset in this period, the relationship was strengthened. In the immediate period following the collapse of the Soviet Union (actually, beginning in the late 1980s under Gorbachev), American and Israeli policies and objectives continued to be complementary, seeking to bring the Russians into the Middle East as a neutral party (in contrast with the long-standing Soviet support for the radical Arab states and PLO), and attempting to support individuals and leaders that would not contribute to extreme nationalist and anti-Semitic policies.

However, in the mid-1990s, as the crisis in Russia deepened, some differences between the Israeli and American priorities and perceptions began to emerge.

The differences in priorities and tactics between Jerusalem and Tel Aviv widened with the appointment of Yegveny Primakov as Foreign Minister of Russia in 1997. In the Soviet Union, Primakov had been a high-level official of the KGB, and was also closely associated with the pro-Arab and strongly anti-Israeli policies of the Soviet regime. Primakov had a close relationship with Syrian leader Hafiz al-Assad and Iraq's Saddam Hussein, and during the 1990/1991 Iraq crisis and war, Primakov made a number of trips to

Baghdad in the effort to extract the Iraqi dictator from his predicament.

As evidence of increased Russian technical assistance (in terms of dual-use hardware and expertise) to the Iranian WMD and missile programs emerged in early 1997, Israel urged strong America to act quickly and strongly, including raising the threat of sanctions with President Yeltsin and key officials in Russia. The Clinton Administration, however, placed priority on maintaining the stability of the Russian government, led by Yeltsin, who was ill and under threat from internal challengers. Top administration officials, such as Strobe Talbot, reportedly rejected strong pressure on the Russian government and sanctions, since it was feared that these would weaken Yeltsin and help to strengthen the Russian opponents of cooperation with the United States and the West. The United States placed priority on maintaining the cooperation of the Russians in decommissioning nuclear weapons and safeguarding remaining weapons and fissile material stockpiles. For American policy-makers, the immediate problem of "loose nukes" and the broader fears that Yeltsin would be replaced by a reactionary and nationalist government led to decisions against confronting Russia over the issue of assistance to Iran.

As the evidence of Iranian progress and Russian assistance increased, particularly with respect to the development of the Shihab 3 missile capable of striking Israel, the concern in Jerusalem increased. The Clinton administration agreed to raise the issue with the Russian government, and Vice President Albert Gore discussed it in biannual meetings with the Russian Prime Minister (Chernomyrdin and later, Kiriyenko). These discussions led to the creation of a dedicated channel, headed by Frank Wisner, on the American side. Wisner and Robert Galluci, who replaced him in 1998, was in frequent contact with Israeli

officials, and continued the meetings with the Russians, but without any visible decline in Russia assistance to Iran. At the same time, in Washington, the Republican-led Congress held hearings on this issue, and mandatory sanctions legislation was introduced (supported by AIPAC, whose policies were generally consistent with those of the Israeli government). After a number of delays, many of which were supported by the Israeli government in order to avoid a clash with the administration and also in the hope of a change in Russian policies, the directed sanctions legislation was approved, over the objections of the administration. In mid-1998, President Clinton vetoed the legislation, but it was clear that Congress was prepared to override the veto. At that stage, the Russian government finally acted by announcing a formal legal investigation of a number of firms involved in the transfer of the technology and assistance to Iran, and in response, the United States announced that the firms involved would be barred from sales or purchases in America, thereby implementing the sanctions called for in the legislation, and Congress suspended action on the override of the veto. However, following the appointment of Primakov as Prime Minister and the replacement of some key officials who had viewed Iranian WMD and missile development as a threat to Russian interests, the American pressure subsided again.

#### **4) THE STRATEGIC RELATIONSHIP AND THE PEACE PROCESS**

Over the past 30 years, the U.S. government has steadily increased the level of its diplomatic activity in the Middle East, and its efforts to promote agreements between Israel and the Arab states. In the past, when the policies were in agreement, and Israel accepted significant security and political risks in the context of these negotiations, the United States has provided

compensation and "insurance," in the form of enhanced strategic cooperation and military aid. In 1979-1979 in connection with the negotiations with Egypt (Camp David and the Peace Treaty) and the Israeli withdrawal from the Sinai, the United States increased the extent of military aid and paid the cost of relocating the air force bases. (As noted, when the United States began to provide weapons to Egypt as well, in the context of the peace process, this was offset with assurances that Israel's qualitative edge would be maintained.)

In 1993, following the Oslo agreement, the strategic relationship between the United States and Israel was strengthened at numerous levels. (This process began following the election of Rabin in May 1992, and of Clinton in November 1992. The change of personalities and policies helped remove the atmosphere of confrontation that characterized relations between Bush and Shamir.) In early 1996, when there were signs of a possible breakthrough in negotiations between Israel and Syria, Prime Minister Peres proposed the establishment of a more formal U.S.-Israel defense pact, or treaty, as part of the security package to compensate for security risks involved in Israeli withdrawal from the Golan Heights.<sup>8</sup> More recently following the Wye River summit in October 1998, President Clinton indicated support for additional aid for Israel to offset the costs of implementing the withdrawal including in the agreement, including the additional security measures that would be required.<sup>9</sup>

At the same time, on a number of occasions over the past decades, Israel and the United States have disagreed on issues related to potential agreements between Israel and the Arab states (and, more recently, with the Palestinians). For example, such differences characterized the period of the Rogers Plan (1969-1972), during Kissinger's efforts to negotiate a second round of interim separation

agreements in 1975, the Carter Administration (including the period following Sadat's visit to Jerusalem in 1977, when negotiations between Israel and Egypt seemed to break down), and in 1990/1, (before the Iraqi invasion of Kuwait and after the end of the Gulf War) when Bush and Baker sought to gain the agreement of the Shamir government to participate in an international peace conference.

In most cases, these differences had a limited impact on the strategic relationship, and the separation of these two key aspects of the Israeli-American relationship has grown stronger over the past decade. In 1975, Kissinger's frustration with the Rabin government's rejection of additional withdrawal proposals led to an American "re-assessment" of the strategic relationship.<sup>10</sup> However, this was short-lived (in part due to the election campaign taking place in the United States) and its effects were very limited. The strategic relationship continued to increase, and, as noted above, the level of U.S. assistance and the degree of interaction intensified.

Given this historic pattern, and reflecting the degree of institutionalization in the strategic relationship (see detailed discussion below), it is possible to conclude that limited disagreements over the Middle East peace process are not likely to impact the strategic relationship. Indeed, for the two years following the wave of Palestinian terrorism in 1996 and the resulting election of Netanyahu, and prior to the Wye agreement of October 1998, strong disagreements over the peace process have not resulted in any visible decline in the level of strategic cooperation.

However, both Israeli and American analysts have pointed out that these disagreements, and increasingly negative portrayals and critical analysis of Israeli policy in the American press, could, over a number of years, chip away at the political supports for the strategic relationship. (This

view is based on the assumption that the political support and the strategic alliance are mutually dependent, which, as noted above, is subject to debate.) In addition, American pressure for Israeli concessions could, in theory, take the form of limits on arms supplies and other forms of strategic cooperation. It would be erroneous to assume that the strategic relationship will always be immune to political differences.

The apparent erosion of support among the leadership of the American Jewish community for the policies of the Netanyahu government, and the affiliation of many key Jewish leaders in the Democratic Party with the Peace Now movement have contributed to these concerns. Although there are few signs that the efforts of the Clinton Administration to "convince" Israel to make concessions to the Palestinians in the context of the Oslo process have led to pressures in other areas, this possibility continues to exist, and could intensify in the event of crisis and violence in the region.

In addition to formal sanctions, in terms of cooperation in the various strategic programs (Arrow and BPI), exchange of intelligence information, and military assistance and supply of weapons, informal signals of disquiet from the President and Secretaries of State and Defense regarding Israeli policies could have an indirect impact on cooperation at lower levels. Thus, although not formally connected, the peace process and the level of strategic cooperation are indirectly linked, and future disagreements, particularly with respect to permanent status negotiations with the Palestinians, could impact negatively on the strategic relationship.

## **5) ARMS CONTROL AND THE CHANGING STRATEGIC ENVIRONMENT**

From 1960, when the U.S. government first identified the construction at Dimona as a nuclear reactor, Israeli's policy of deliberate ambiguity and its refusal to sign the Nuclear Non-Proliferation Treaty has been a period source of tension in the strategic relationship. From the beginning, Israel sought to maintain its nuclear policy and deterrent of last-resort, while also attempting to minimize the damage in relations with the United States. Between 1961 and 1963, the Kennedy administration placed a great deal of pressure on Ben Gurion in the effort to press for acceptance of international inspection of Dimona and Israeli abdication of the nuclear weapons option. This pressure apparently did not alter Israeli policy, but it was a contributing factor to Ben Gurion's resignation in 1963.

In 1969, the Israel and American governments reached an agreement under which Israel pledged not to test or declare itself a nuclear power, and the United States, in turn, agreed to accept the Israeli status and also to insure the flow of conventional weapons and technology necessary for its defense. Since this was a secret and unwritten agreement (between Nixon and Golda Meir), the issue was raised during subsequent administrations by the United States non-proliferation community as Israeli exceptionality became particularly salient. (For example, in 1979, following reports of a "mysterious flash in the South Atlantic" which was attributed by some to a joint Israeli-South African test, in 1986 following Mordechai Vannunu's revelations, and during the 1995 NPT Extension Conference, when Egypt led a campaign to isolate Israel on this issue.)

In most cases, the combination of past U.S. pledges and the realization that in order to gain Israeli concessions in the peace process, American pressure regarding Israel's nuclear deterrent would be counterproductive led to decisions to avoid a clash with Israel on this issue. This was the

case regarding the 1995 NPT Extension conference, although the sudden change in the U.S. position during the final days of the conference, accepting co-sponsorship of a Middle East resolution which was interpreted by Egypt as a partial endorsement of its positions, was a notable exception with important consequences for the NPT Review Conference in 2000.<sup>11</sup>

At the same time, an increasing number of U.S. policy makers and analysts began to view the Israeli nuclear deterrent as a stabilizing factor in the region, particularly in the face of accelerated proliferation in rogue states, such as Iraq, Libya, and Iran. During the 1991 Gulf War, U.S. Secretary of Defense Cheney publicly warned Iraq of the terrible consequences of Israeli retaliation should Iraq use chemical weapons against the Jewish state.

However, the Indian and Pakistani nuclear tests in 1998 greatly weakened the global non-proliferation and served to isolate Israel further on this issue. Instead of three "threshold states," there is now only one. Following these events and the subsequent American pressure, India and Pakistan have pledged to accept the Comprehensive Test Ban Treaty (CTBT). If they do sign and ratify the treaty, and in some way, North Korea is also incorporated into the regime, the American pressure on Israel to ratify will be very high. Although Israel played a major role in the negotiations, and signed the treaty in 1997, ratification involves accepting the on-site inspection terms and the risk of frivolous requests for inspection of secret installations, including possibly the Dimona site, which would place Israel in an awkward position. Thus, this American pressure on Israel to ratify the CTBT, could under some circumstances, be a problem for Israel, although serious difficulties in this area are unlikely.

a) The FMCT

More importantly, in August 1998, the impasse on negotiations regarding a fissile material cut-off agreement (FMCT) in the Conference on Disarmament was broken following the tests and the American threats of sanctions on India and Pakistan. Here too, Israeli hesitations were not of major importance as long as India and Pakistan were opposed to formal negotiations. However, when this situation suddenly changed, Israel was the only state in the CD that had not agreed to the creation of a committee to begin negotiations.

The U.S. government has been the major supporter of the FMCT concept for many years, while the Israeli government has viewed this proposal with suspicion. Many of the supporters in the United States have argued that the FMCT would provide a "back door" for the non-NPT nuclear threshold states -- India, Pakistan and Israel.<sup>12</sup>

While its security would benefit from a global freeze in fissile material production, leaving Israel with its regional nuclear monopoly intact, there was little prospect of a verified freeze among many countries in the Middle East, as illustrated by the experience with Iraq. As a result, Prime Minister Rabin decided that as long as the issue was blocked in the CD, and the Indian and Pakistani objections remained, there was no pressing need for Israel to take a public position. Rejection would lead to conflict with the United States, while acceptance would mean embarking down a "slippery slope" with respect to the status of the Dimona reactor. This would eventually undermine the policy of ambiguity that has served Israel very well for over three decades.

When the issue suddenly arose again in July 1998, Israel was a new member of the CD, and this was the first time that it was required to take a position on the opening of negotiations. The issues were complex, and the Netanyahu government,

which was besieged with a pressing political and economic agenda, had not focused on this issue. President Clinton pressed Netanyahu to agree to the creation of a negotiating committee, but it is difficult for any Israeli Prime Minister to make rapid decisions that might affect the core of Israeli deterrence policy. It took the government a few days to consider the options, but considering the complexity and implications of the decision, it responded very quickly by agreeing not to block consensus at the CD. This response should be seen, in large part, as a response to the American request.

However, Israel also made it clear that this did not presage acceptance of an FMCT Treaty that would effect the policy of nuclear ambiguity.<sup>13</sup> A statement issued by the Prime Minister's office summarized the issues, noting that "In consultation with the defense establishment, we made it clear to the United States that Israel has its own considerations which are unique to its situation in the region. In light of this, we will need clarifications from the United States. We also made it clear that we have fundamental problems with the treaty, which we will also discuss with the United States."<sup>14</sup> Thus, the FMCT could, in the future, become a source of policy differences between Washington and Jerusalem.

#### b) The Future of Israeli Nuclear Policy

The changes in the Middle East threat environment, noted above, and the proliferation of WMD and long-range ballistic missiles in the region, are likely to lead to a re-evaluation of Israel's strategic posture. In 1997, the Defense Ministry initiated an unprecedented "bottom up" examination of options and implications, including the allocation of resources. Although it is too early to assess the results of this review, it is clear that in the absence of a monopoly, Israel will need a more visible and robust deterrence capability,

capable of a credible response to different levels of attack. As long as Israeli vulnerability to a first strike was very limited, survivable second strike capabilities, including the appropriate command and control systems (C3-I,) were not a high priority. However, this situation is changing with the proliferation of ballistic missiles and WMD systems. If another state in the region makes progress towards a nuclear weapon capability, Israel is likely to abandon the ambiguous nuclear posture and adopt an overt second-strike deterrent.

Such a change in Israeli nuclear posture will raise a number of difficulties in the context of the American-Israeli strategic relationship, as developed in the 1960s and affirmed in the 1969 unwritten agreement. As a result, in a simplistic extrapolation of past behavior, U.S. government officials are likely to be divided into three groups. The "non-proliferation community," can be expected to strongly oppose any Israeli move to an overt nuclear posture, and seek to invoke sanctions as contained in legislation and as applied to other countries. In contrast, the "deterrence" community as well as traditional supporters of Israel will oppose any sanctions, and some will welcome the change in the Israeli policy as a step towards increasing the credibility of the response to the threats from Iraq and Iran. And the third group, consisting of the "Middle East peace-process community" can be expected to oppose pressure on Israel in this area as long as the peace process is continuing. Although an analysis of the detailed interaction between these groups and Israel is beyond the scope of this paper, it is clear that more than any other single issue, the potential changes in the Israeli nuclear policy could pose the greatest challenge to American-Israeli relations.

**ISRAELI PERCEPTIONS OF THE  
CHANGING AMERICAN  
COMMITMENT**

Given the intensity of the relationship with the United States and degree of dependence, Israeli policymakers and analysts have carefully monitored and studied the implications of perceived changes in the American role, especially in the Middle East. Signs of increasing isolation at the political level, as well as changes in military posture and preparedness, military budgets, deployments, R&D programs, etc. are scrutinized in the search for clues regarding the future direction of the United States.

Since the end of the Cold War, Israelis have become concerned regarding the role and capabilities of the United States. The history of isolationism is well known among the Israeli "foreign policy elite," and the emphasis on domestic policies during the 1992 presidential election, and particularly on the part of Clinton, raised some concerns regarding American disengagement. In addition, the Republican-controlled Congress exhibited increasingly isolationist tendencies, as evidenced by the policies of Senator Jesse Helms, who headed the Senate Foreign Relations Committee.

Nevertheless, in practice, the Clinton administration turned out to be relatively pro-active in the Middle East, taking a major role following the agreement between Palestinian and Israeli negotiators (the Oslo agreement). Although isolationist elements in Congress had an increasingly important effect globally, it is difficult to discern a direct impact on American policy with respect to Israel.

Militarily, it can be argued that in the post-Cold War era, the United States has been increasingly reluctant to intervene in regional conflicts (although this could also be attributed to the "Vietnam syndrome," which was also present in the last decade of the

Cold War). In some respects, the U.S.-led attack on Iraq in January 1991 can be described as "the exception that proves the rule." Following the August 1990 invasion of Kuwait, it took the United States many months to commit itself to military action, and prior to the U.S. attack, the credibility of the threats to use force was too low to influence Saddam Hussein. The debates in the U.S. Congress and the media showed a major reluctance to use force, even when vital U.S. interests were at stake. (Indeed, some politicians and analysts argued that the Iraqi conquest of Kuwait and threats to Saudi Arabia did not endanger America's vital interests.) The Bush Administration appeared able or willing to act only after securing the approval of the United Nations, and the participation of a wide coalition, including Syria and Saudi Arabia, and installing a force of 500,000 fully-equipped combat troops. Israelis noted that if Iraq had invaded Israel, rather than Kuwait, and the United States had taken six months to respond, there would have been nothing and no one left to liberate.

The military aspects of the American campaign were also not seen as promising for the future, in terms of potential similar scenarios. The fear of casualties, even at a low level, dictated tactics, particularly with respect to the effort to find and destroy mobile Scud missile launchers that were used to attack Israel. A number of Israeli officials criticized the United States for not using low-level air attacks and ground based forces (both of which involved increased vulnerability) against the launchers. In addition, the sudden U.S. decision to end the ground war, before destroying the Iraqi Republican Guard and perhaps Saddam Hussein's regime, and the rapid withdrawal of the American forces from the region, all reflected a reluctance on the part of the United States to press the issue to a firm resolution.

Although the Clinton Administration did create and maintain the foundations for the sanctions and UNSCOM inspection regime that have been maintained with respect to Iraq for over 7 years, and did order cruise missile strikes and mobilizations that might have deterred another Iraqi invasion of Kuwait,<sup>15</sup> the U.S. policy has been gradually eroding, as noted above. This is clearly viewed as an indication of a general erosion of the U.S. willingness to engage Iraq and other rogue states. Similarly hesitation to use force in the case of Kosovo, the quick exit from Somalia, and other example underline this perception.

These political factors are consistent with changes in the military capability of the United States, as reflected in reductions in the defense budgets, deployments, acquisitions, and R&D programs. The massive reductions in the American order of battle mean that the United States will not be able to mount an operation similar to Desert Storm again. (On the other hand, such a massive operation and the assembly of a 500,000 man military force in the region was unnecessary, and was based, in part, on greatly exaggerated assessments of the Iraqi military capability.)

In addition, Israeli planners assume that if any potential adversary in the region, such as Iraq, Iran, or Libya, gain a nuclear weapons capability, the likelihood of American military intervention on the scale of Desert Storm, or even smaller cruise missile attacks, will be reduced even further. Thus, as the rate of proliferation in the region accelerates, the prospects of American military intervention in the Middle East will decline.

In a broader sense, critiques of American international disengagement are shared by many Israeli analysts and policy makers. Israel's threat perceptions and strategic concepts very much depend on the degree to which the United States acts as a

global power, and accepts with new responsibilities that came with this role. All other states--including Russia, Britain, and France--can and do behave as ordinary states, emphasizing their own narrow interests and leaving the resulting problems to the Americans.

However, from the Israeli perspective, the United States has acted inconsistently, prevaricating and delaying, as noted above. As Eliot Cohen has noted, other countries in the world depend on America's willingness to act "as a global empire, rather than as one of two rival superpowers, or a normal state." However, the radical reduction in U.S. military capabilities and frequent cycle of threats and concessions have severely reduced American credibility in acting to enforce the Iraqi cease-fire requirements and in other areas. As Cohen notes, these changes have "steadily but noticeably eroded morale and equipment readiness."<sup>16</sup>

When the United States acts like an ordinary state in the Middle East, looking for allies before responding to the growing threats from Iraq and Iran, this is inconsistent. Cohen diagnoses the problem precisely, observing "When, as in Bosnia, it is prepared to act, its allies usually go along; when, as in the recent confrontation with Saddam Hussein, the United States wavers, friendly states retreat into passivity." When, on some occasions, the United States has demonstrated an ability to act powerfully (although only after a long period of deliberation and preparation), it has not shown the staying power necessary to deal with the persistent threats posed by countries such as Iraq, with a well entrenched WMD infrastructure. To cite Cohen, "U.S. planners would prefer to prepare for quick, unconstrained, knock-down fights with easily identified opponents." However, in the Middle East, the long haul is what finally counts.<sup>17</sup>

At the same time, Israelis also recognize that the United States continues to be the only superpower, with capabilities far beyond any potential adversary. In terms of strategic assistance and alliances, as well as technological infrastructure and R&D programs in areas such as ballistic missile defense, even a reduced American role will be of major importance to Israel and to the stability of the region.

### **THE INSTITUTIONALIZATION OF THE STRATEGIC RELATIONSHIP**

Over the past thirty years, the strategic relationship has gradually evolved from an ad hoc framework to a high institutionalized structure. This process was marked by a series of bilateral MOUs beginning in the late 1970s, followed by the creation of specific and permanent institutions, including the joint political-military working group (JPMG), which meets twice a year.

The combination of military assistance provided by the United States, and an increasing number of joint projects have increased the level of formal institutionalization and direct consultation. After Israel gained the formal status of a "non-NATO ally," these relationships intensified. Israel played a major role in the U.S. SDI program, and had a larger volume of related contracts than any other non-U.S. participant. The Lavi combat aircraft research and development program (which was more of an Israeli effort which included American components and was financed largely by the United States until was canceled in 1987) created additional direct links along a wide spectrum of levels. More recently, the Arrow Ballistic Missile Defense System and additional R&D projects related to BPI and laser-based defenses against short-range tactical missiles (Nautilus) have increased the range of the formal strategic interaction. These are

relatively large (in terms of budget and manpower) R&D programs, and the progress of the programs to advanced development and testing.

These institutions, structures and the formal network of relations and interactions have demonstrated a resilience to political friction in the relationship between Israel and the United States. For example, in 1990, conflict grew over the political process, settlements, and the peace negotiations, and the leaking of State Department documents (which are later shown to be inaccurate) charging that Israel had violated American limitations on the transfer of military technology. However, the available evidence indicates that the overall strategic relationship, characterized by weapons and technology deliveries, meetings of various joint groups, such as the JPMG, and other cooperative activities, was not affected. Similarly, more recent tension with the United States over the Israeli policies with respect to the negotiations with the Palestinians, settlements, etc. have also apparently not had an impact on the strategic relationship. As a result, the strategic relationship appears to be independent of the status of the political relations, is sufficiently robust in order to ride-out short term policy disagreements.

### **SYMMETRY AND BURDEN SHARING**

The health of any alliance relationship depends on the nature of the balance between the contributions of the parties. Given the power of the United States, in terms of military capability, economic assets, and other factors, the contributions of smaller states in an alliance relationship are often difficult to discern. Burden sharing has long been an issue in many such relationships, including NATO and also in the context of ad-hoc structures such as the alliance formed following the 1990 Iraqi invasion of Kuwait.<sup>18</sup> Free riders

who do not assume "their share" of the common burden are subject to sanctions, and resentment can lead to their exclusion from the alliance.

From a distance, the American-Israeli relationship might appear to be highly asymmetric, with less of an alliance than a dependency relationship. The United States provides Israel with over \$3 billion in aid annually (although the Netanyahu has pledged to reduce the economic portion of this aid), and Israel is also highly dependent on the United States for conventional weapons platforms, ammunition, and other "consumables."

To the degree that the relationship is, in fact, highly asymmetric, and that Israel is dependent on unilateral American interests, and on the support for Israel in the U.S. domestic political framework, the prospects for the future would appear to be uncertain, at best.

However, the degree of Israeli reciprocity and the contributions in the context of this alliance relationship have been increasing steadily. Intelligence sharing has been a major, if often hidden aspect of the relationship for many years, particularly during the Cold War. In the 1970s, Pentagon studies pointed to technologies in which Israel had greater experience or edge over United States and in which cooperation was in the American strategic interest. Haifa became a port for American ships in region, and Israeli firms formed partnerships with American firms like Martin Marietta to produce a variety of weapons systems, such as the Popeye missile and the Pioneer mini-RPV. More recently, the IDF has embraced many of the aspects of the "revolution in military affairs" (RMA) that are being implemented in the United States, creating another degree of commonality. These changes in Israel's conventional force doctrine and strategy include the introduction of counter-offensive operations using a wide range of precision

guided munitions, the transition from an army based on universal conscription to a smaller high-tech based military, and organizational changes to maximize the efficiency of these changes.<sup>19</sup>

Following the end of the Cold War, the most significant threat to both Israeli and American security is, as noted, that posed by the proliferation of WMD and ballistic missile delivery systems, particularly in the Middle East. In response, both Israel and the United States have increased the emphasis on theater missile defense (given Israel's small size, the entire country can be considered to be a single "target" for the purposes of BMD). The Israeli "Homa" (Wall) ballistic missile defense (BMD) project, which includes the "Arrow" missile system, the "Green Pines" fire-control radar system, a command and control system and other sub-systems. Research and development of the Arrow is a joint U.S.-Israeli project, with Israel providing most of the technology and manpower, and the United States providing most of the R&D costs (expected to exceed \$2 billion).

The operational Arrow 2 is designed to provide terminal defense against incoming missiles, by destroying them at an altitude of between 10 km and 40 km. The successful development test in of the Arrow in September 1998 demonstrated the potential for this system, in and contrasted sharply with the difficulties and much higher costs associated with the American BMD programs (THAAD and the Navy's Theater Wide systems). In May 1998, Defense Minister Yitzhak Mordechai approved a multi-year project to build and deploy the Homa BMD system. The U.S. government has agreed to provide some of the funding for three Arrow batteries (at an estimated cost of \$80 million per battery), with the first operational capability expected towards the end of 1999.

The Arrow system will, at best, provide a terminal defense layer which can

be readily overwhelmed by increasing the number of incoming warheads, and in the longer term, a BPI system will be necessary. U.S.-Israeli cooperation and division of labor extends to this technology as well. The United States is planning to develop and test an Airborne Laser (ABL) system carried in a modified Boeing 747 aircraft, and Israeli R&D funds have been directed towards the development of a lower cost system, based on small kinetic energy "kill vehicles" (Missile Optimized Anti-Ballistic weapons or MOAB) fired from hovering drones or UAVs.

In addition, the threat perceptions shared by the United States and Israel in the post- Cold War era have also highlighted the importance of continued cooperation in intelligence and assessment of these threats. According to reports from Scott Ritter, an inspector for UNSCOM until his resignation in protest in 1998, Israel provided UNSCOM with critical intelligence information on Saddam Hussein's program of concealment and deceit. Israel has also been an important source of information on the Iranian WMD and missile programs, and on the role of Russia in this process. Regional Alliances: Back To The Future?

During the 1950s, United States the architects of security policy sought to develop a series of regional alliances, beginning with NATO, and including South East Asia (SEATO) and the Middle East (CENTO). With the exception of NATO, these formal regional structures were not successful, and during this period, the United States relied more on bilateral alliances with key states in the region (Iran, Israel, Jordan, etc.)

In some cases and circumstances, the regional allies of the United States formed cooperative bilateral relationships themselves. In the 1970s, before the Islamic revolution, Iran and Israel developed a number of areas of interaction based on shared interests (including efforts to acquire

strategic weapons technology that could not be purchased from the United States). Israel and Jordan also often worked together, and, as noted above, at times, such as during the 1970 Black September crisis, the United States played an important role as coordinator between regional partners.

More recently, shifts in Middle East alignments have created new regional groupings among U.S. allies and partners. The most visible is the extensive cooperative relationship between Israel and Turkey, which includes exercises on each other's territory, high-level exchanges of information and mutual visits, Israeli sales of military technology and upgrades of Turkey's weapons platforms, etc.

There are some suggestions that this bilateral relationship could become the nucleus for a more extensive regional security system involving a number of American allies and the United States itself. A hint towards such a structure can be found in the military search and rescue exercise which took place in 1998, in which Turkey, Israel, and the United States participated, and in which Jordan sent observers. In addition, it has been suggested that shared security concerns with respect to Iran, ballistic missile and WMD threats, Syria, and Iraq might lead to a wider structure, which, in the longer term, could also include other U.S.-oriented states, such as Egypt.

However, this type of a regional structure may be as unrealistic now as it was in the 1950s. While Israel and Turkey share some basic concerns, both are concerned about being pulled into conflicts that do not effect their vital interests (Cyprus, or the Kurdish issues for Israel; the Palestinians and the wider Arab-Israeli conflict for Turkey). Given Egypt's emphasis on its self-defined role as the leader of the Arab world, participation in an alliance involving two of the major non-Arab powers in the region is highly unlikely. Thus, although the United States can encourage the bilateral or

trilateral relationship involving Israel, Turkey, and Jordan, it would be a mistake to view this as substitute for the bilateral security relationships with each state.

### **THE UNCERTAINTIES IN THE SYSTEM: UNCONVENTIONAL WEAPONS**

In 1991, Iraq possessed a large arsenal of chemical and apparently also biological warheads, as well as ballistic missiles to attack targets in Israel. Despite over seven years of UN inspections and sanctions, Iraq has been able to hold onto some capabilities, and as soon as sanctions are eased, will be able to increase its stockpiles. As a result, Iraq remains a formidable threat to Israel and to the region.

In addition, Syria, Egypt, Libya, and Iran all possess significant chemical weapons capabilities (Egypt has had chemical weapons since the early 1960s, and used them in its campaigns in Yemen, but not against Israel). There is also increasing evidence that many of these states are developing biological weapons.

In the past, the domination of the Israeli Air Force has protected population centers from Arab air attacks, but the proliferation of ballistic missiles has increased the vulnerability of Israeli cities and other civil targets. Syria has Russia SS-21 and North Korean Scud-C missiles, Egypt is obtaining missiles and technology from North Korea, and in July 1998, Iran tested the Shihab 3, with a range of 1300 kilometers (based on North Korean and Russian technology).

These missiles are of strategic importance when combined with WMD warheads, and with nuclear weapons in particular. According to most estimates, the Iraqi nuclear weapons development program had progressed to within a year of producing a weapon before the 1991 war, and the IAEA's reports indicate that much of the

Iraqi capability in this area may still be intact.

There is also considerable evidence that Iran is pursuing nuclear weapons, using technology and facilities acquired from Russia, and Syria has signed an agreement to acquire a large research reactor from Russia in order to develop a nuclear infrastructure. These programs are in the first stages, and the development of a nuclear threat to Israel is still likely to be at least five and perhaps 10 years away, (assuming that the inspections and other limitations on Iraq continue), but the developments will be monitored carefully.

The nuclear tests conducted by India and Pakistan in 1998 may have accelerated the rate of nuclear development in the Middle East. Although the talk of an "Islamic bomb" and fears of technology transfer from Pakistan to Iran or Iraq may be exaggerated, the weakened international nuclear non-proliferation regime could increase the incentives for Iran, Iraq, and other Middle Eastern states to develop such weapons. Thus, in the Middle East, the emergence of a multipolar nuclear environment in the next decade seems to be very likely.

In response, Israel has begun to develop new approaches, including the accelerated development of ballistic missile defense (the Arrow and MOAB BPI systems) and the acquisition and deployment of new long-range deterrence systems to provide second-strike capabilities. In this context, Israel's undeclared and ambiguous nuclear option, which has provided a weapon-of-last-resort to deter threats to national survival since the 1960s, has become more salient.

Israeli decisionmakers and analysts view the nuclear deterrent policy has very successful. The perceived nuclear retaliatory capability is credited with preventing Egypt from going beyond a limited attack in the 1973 war, as acknowledged by Egyptian

military sources. In addition, the evidence indicates that the fear of massive Israeli retaliation deterred Saddam Hussein from using chemical or biological weapons against Israel before or during the 1991 Gulf War. It is now clear that the Iraqis possessed Scud warheads with chemical and biological agents, and while Saddam sought to bring Israel into the war, he was not willing to accept the consequences of massive retaliation. Shimon Peres and other Israeli leaders attribute the growing Arab willingness to accept the existence and legitimacy of Israel, and to negotiate peace agreements, to the recognition that the Arabs cannot achieve a decisive military victory that would put an end to the Jewish state.

As other states in the region seek to gain nuclear, chemical, or biological weapons, Israel has increased the emphasis on and credibility of the threats of massive retaliation and deterrence. In January 1995, during a Knesset debate on the Iranian nuclear threat, Deputy Defense Minister Gur warned Islamic nations that they will all suffer the consequences of the Israeli response if there is any use of non-conventional weapons against Israel. Similar statements have been made by a number of decision makers.

Following the war and the Madrid conference, the United States initiated the multilateral talks on arms control and regional security (ACRS), in the effort to involve the major states in the region with Israel in efforts to limit instability and prevent the outbreak of war. The ACRS process made significant progress, but the absence of Syria, and the Egyptian refusal to continue the talks after Israel rejected its demands on the nuclear issue led to halt in the process.

## CONCLUSIONS

In the Middle East, the "new reality" is anchored in the continuing conflicts that

plague the region, compounded by the proliferation of long-range ballistic missiles and WMD among the rogue states in the region. As a result, Israel and the United States share threat perceptions and strategic interests, and the level of "strategic disconnect" in this region and relationship may be less than in other parts of the world.

Based on the fundamental pillars of the American-Israeli strategic alliance, as examined in this analysis, the prospects for continuation of this alliance in the next decade would appear to be relatively positive. The long history of cooperation, the political support system that underpins the alliance, and the shared threat perceptions point towards continued and in some ways, perhaps strengthened strategic cooperation. Although there are always differences and ups and down in the relationship between Washington and Jerusalem, these are largely tactical, and did not reflect fundamental differences in objectives.

However, Israeli decisionmakers will continue to be concerned by signs of increasing isolationism and reluctance to exercise international leadership in U.S. policy. These concerns go beyond the immediate regional developments and threats, such as Iran, Iraq, and the proliferation of missiles and WMD. As noted in above, the inability of the United States to develop a consistent and effective policy with respect to Russia has had and will continue to have direct and profound impacts on Israeli security national interests. Similarly, a decline in U.S. deterrence capabilities around the world has important implications for Israel.

While the possibility of a formal U.S.-Israel defense treaty has been discussed periodically over the past decades, the formalization of the relationship through such a treaty is unlikely to be useful for either state. As has been seen in other cases, a formal agreement does not provide

insulation against changes in U.S. policy, or in the event of American disengagement. As the more powerful partner in the relationship, the United States will continue to be act unilaterally in ways which affect Israeli interests, with or without a formal agreement. A formal treaty will not obviate the need for annual appropriations of military assistance or for negotiations concerning arms sales. In addition, Israel's ambiguous nuclear status could create complications in the negotiation of such a formal agreement, and would be used to highlight Israel's exceptionality in this area.

Finally, any assessment and effort to chart the future of the Israeli-American strategic relationship must also acknowledge that over the past fifty years, the repeated warnings of increased American isolationism, or the decline of the United States as a major power, have turned out to be fundamentally wrong. In late 1990, many decisionmakers and analysts, including a number of Israelis, discounted the probability of an American-led military attack on Iraq following the invasion of Kuwait. These assessments were based on factors such as the lingering "Vietnam syndrome," the public discussions of casualties that could be expected in a war, the exaggerated evaluations of Iraqi military strength and of the political expressions of isolationism in the American press and in the Congress. They were proven wrong then, and, similarly, the expectations that the election of Clinton in 1992 would lead to a sharp American withdrawal from world affairs were also inaccurate. As indicated in this analysis, similar predictions of the long-term decline of American power and involvement around the world, and in the Middle East, in particular, are likely to continue to be inaccurate. However, the costs of the periodic, if short-term, "drop-outs" and hesitations have increasingly high costs for both the United States and for its allies, such as Israel.

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#### NOTES

1. This section is based on a number of sources, including Steven L. Spiegel, *The Other Arab-Israeli Conflict: Making America's Middle East Policy from Truman to Reagan*, (Chicago: University of Chicago Press, 1985), Yaacov Bar-Siman-Tov, *Israel, The Superpowers, and the War in the Middle East*, (New York: Praeger, 1987); and Robert Lieber, *U.S.-ISRAELI RELATIONS SINCE 1948*, in *Middle East Review of International Affairs (MERIA)*, Volume 2, No. 3 (September 1998).
2. According to Ben Zvi, the recognition of Israel as a "strategic asset" originated much earlier, with some hints even during the Eisenhower Administration. Ben Zvi also argues that the 1962 sale of the Hawk SAMs to Israel was a reflection of this change in American policy. Abraham Ben Zvi, *Decade of Transition: Eisenhower, Kennedy, and the Origins of the American-Israeli Alliance* (New York: Columbia University Press, 1998), cited by Lieber, 1998. See also Steven Spiegel and Gerald Steinberg, "Israel and the Security of the West," *The Middle East in Global Strategy*, Aural Braun, ed., Westview, 1987. pp.27-46.
3. Lieber notes that as late as 1967, the annual aid provided to Israel amounted to just \$13 million. However, in the aftermath of the Six Day War aid began to increase

sharply, with the United States providing \$76 million in 1968 and \$600 million in 1971.

4. Dore Gold, "U.S. Policy Toward Israel's Qualitative Edge" Jaffee Center for Strategic Studies, Report No. 36, (Tel Aviv: The Jaffee Center for Strategic Studies, Tel Aviv University, 1992).

5. For a critique of the U.S. policy, see Daniel Byman, Kenneth Pollack, and Matthew Waxman, "Coercing Saddam Hussein: Lessons from the Past," *Survival*, 40:3, Autumn 1998.

6. See Gerald M. Steinberg, "Chinese Policies on Arms Control and Proliferation in The Middle East," *China Report*, special issue on China And The Middle East, R. Kumaraswamy (ed.), 1998, no. 3-4 (forthcoming).

7. See Shahram Chubin and Jerrold D. Green, "Engaging Iran: A U.S. Strategy," *Survival*, 40:3, Autumn 1998.

8. In both Israel and in the United States, this proposal did not generate much enthusiasm. Many Israeli officials saw little benefit in a formal treaty, and expressed concern regarding the degree of American commitment, even with such a formal relationship, as well as with expected Congressional resistance to ratification.

9. David Makovsky, "Israel to Get More U.S. Aid," *Haaretz*, 25 October 1998.

10. See Spiegel, 1985 (pp. 283-314); and Henry Kissinger, *Years of Upheaval*, (Boston: Little Brown, 1982).

11. Gerald M. Steinberg, "The 1995 NPT Extension and Review Conference and the Arab-Israeli Peace Process," *NonProliferation Review*, Vol. 4, No. 1, Fall 1996.

12. See McGeorge Bundy, William J. Crowe Jr., Sidney D. Drell, *Reducing Nuclear Danger: The Road Away from the Brink* (New York: Council on Foreign Relations Press, 1993).

13. In the CD, the Israeli representative declared "Israel shares the significance of

the moment. On instructions, I am directed to observe that Israel did not, and does not, object to the consensus decision just taken to establish an ad hoc committee on the FMCT, but we, of course, reserve our position on the substance of the issues involved." Statement of Israeli Ambassador Yosef Lamdan before the CD, 11 August 1998 Conference on Disarmament, Final Record of the 802nd Plenary Meeting, CD/PV.802, Geneva.

14. PM Netanyahu's Remarks Regarding Media Reports Concerning Israel's Nuclear Policy, August 11, 1998, (Communicated by the Prime Minister's Media Adviser).

15. Daniel Byman, Kenneth Pollack, and Matthew Waxman, "Coercing Saddam Hussein: Lessons from the Past," *Survival*, 40:3, Autumn 1998

16. Eliot Cohen, "CALLING MR. X," *The New Republic*, January 19, 1998.

17. *Ibid.*

18. See *Friends in Need: Burden Sharing in the Gulf War*, edited by Andrew Bennett, Joseph Leggold and Danny Unger, (New York, St. Martin's Press, 1997).

19. Eliot A. Cohen, Michael J. Eisenstadt, and Andrew J. Bacevich, *Knives, Tanks and Missiles: Israel's Security Revolution*, (Washington Institute for Near East Policy, Washington, 1998), and Ze'ev Bonen and Eliot Cohen, *Advanced Technology and Future Warfare*, *Security and Policy Studies* No. 28 (BESA Center for Strategic Studies, Bar Ilan University, Ramat Gan) 1996.