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An Arms Deal as a Bargaining Chip: Israel and the AWACS Deal

It was a fierce battle between the executive and the legislature, which it appeared that U.S. President Ronald Reagan would lose. The battle raged for months, during which both the majority of the House of Representatives and Senate voted against the President’s bill. However, as the final and decisive vote in the Senate plenum came closer, the President mastered all of his political skills and power of conviction and managed to persuade eight senators to change their minds. After the votes were counted, it turned out that fifty-two senators voted in favor of the President’s bill for the supply of the surveillance and command center planes known as the Airborne Warning and Control System—AWACS—to Saudi Arabia and forty-eight senators voted against it.¹ Discussing the President’s success, scholars have raised several issues that came out of the affair. One issue was the battle between Reagan and the Jewish lobby over the right to act on what he deemed as a national security matter. Another issue was the right of the legislative branch to take an active role in the making of U.S. foreign policy, a domain the President considered as his purview. Scholars have given special attention to the President’s political skills, and the way he managed to convince senators to swing and support the bill.²

There was, though, one aspect that scholars have barely paid attention to, and that was Israel’s role and place in the campaign against the AWACS. There is a wide consensus that Israeli leaders and diplomats were not only behind the

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campaign against the AWACS deal, but actually took an active role in lobbying against the deal, with Prime Minister Menachem Begin being the most prominent Israeli engaged in such lobbying. Journalist Jonathan Goldberg has even referred to the Israeli fight against the AWACS as a situation in which “Israel was . . . willing to bite the hand that fed it.” 3 Historian Arnon Gutfeld, who has suggested that Israel’s objection was moderate and passive, is the exception. Yet, Gutfeld used just a few Israeli archival documents and no U.S. documents at all in his treatment of the topic. 4 However, there is more to the story, which has remained largely obscure due to the fact that most of the scholars who have addressed this issue have not used Israeli primary sources. Primary sources drawn from the Israeli State Archives, the Reagan Presidential Library, and the Max Fisher Collection provide a different meaning to the Israeli opposition to the AWACS deal. It turns out that the opposition was not intended to abrogate the deal, which the Israelis assumed was an impossible task. Instead, they treated the AWACS as a bargaining chip, through which they expected to receive a high return on the weapons delivered to Saudi Arabia. More than stopping the AWACS, the Israelis were interested in what they could gain in return.

While the struggle against the AWACS deal had flared since March 1981, the debate over arms shipments to Saudi Arabia had started earlier. Following the Camp David Accords, U.S. President Jimmy Carter’s administration decided to sell advanced arms systems to Israel, Egypt, and to Saudi Arabia. The Saudis would get F-15 jets, but less advanced models of the planes. 5 Toward the end of the Carter administration, the Saudis asked for systems that would enhance the capabilities of the F-15 as well as AWACS planes. Carter was in favor of supplying the F-15 enhancements, but he was unable to make that happen, as he lost the election to Reagan, who would have to make the


Now-President Reagan decided to carry through with the deal, including the sale of the AWACS planes, for several reasons. The economic merits of the deal were evident, as was demonstrated by the involvement of Boeing, the manufacturer of the AWACS, in the campaign for it. But there was more to it. Cold War considerations also prompted the President to advance the AWACS deal to Saudi Arabia. The Middle East, and especially the Gulf region, was undergoing changes that shook the region, and the Soviet Union came to the area, posing a threat to the free supply of oil that was so important to the U.S. economy. Since the end of the war in Vietnam, the United States had pursued its national interests through regional powers. Until 1979, Iran was the linchpin of U.S. strategic power in the Persian Gulf area. The fall of Shah Mohammed Reza Pehlavi and the rise of the Islamic Republic of Iran forced the United States to turn to another regional power that could replace Iran as the preserver of U.S. regional interests in that region. The U.S. strategic predicament in that part of the world was further exacerbated by the Soviet invasion of Afghanistan in December 1979, which placed the Soviet Union at the doorstep of the Persian Gulf. Adding to the instability in the region was the outbreak of the Iran-Iraq War in September 1980. All of these factors led President Reagan to entrust the stability and security of the Persian Gulf to Saudi Arabia. The decision to approve the package prepared by the Carter administration was aimed at demonstrating the strategic alliance between the two countries, and to provide Saudi Arabia with tools and military capabilities to mitigate against the instability that might arise out of the destabilizing forces that swamped the region.

The news about the package appeared gradually, and the reaction to the details that were revealed over time changed, as well. First, a week before Reagan’s inauguration, the Israeli ambassador to the United States, Ephraim Evron, got word that the President-elect had decided to approve the Saudi request for F-15 enhancements. The question was how far to go with Israel’s objection to the sales, if at all. Evron did not believe that Israel could prevent the sale of the enhancement equipment to Saudi Arabia. The right way to go would be to convey Israel’s objections to the administration, explaining the security and political threats that the supply of the armor for the F-15 would pose to Israel, while acknowledging broader U.S. strategic objectives. Meanwhile, Evron thought, the Israeli government should request that the administration hold a joint review to assess the means by which Israel would be able to meet the threats posed by the sale of the F-15 enhancements. By taking


this path, argued Evron, Israel would make it clear that it was against the deal, but it would avoid a direct clash with the administration that would undoubtedly end in Israel’s defeat. Evron also suggested that taking this path would create an opening for strategic discussion with the United States and an opportunity to present Israel’s broader security problems to the new administration. 8

Prime Minister Menachem Begin agreed with Evron’s recommendation, and the Foreign Office instructed the ambassador to conduct talks with the administration along the lines he suggested. 9 Evron did so in a meeting with U.S. Secretary of State Alexander Haig on February 2, 1981. He presented Israel’s attitude toward the shipment of arms to Saudi Arabia, but also its understanding of U.S. global considerations. Thus, he preferred to talk with the secretary not about Saudi Arabia, but about U.S. regional interests, and the way Israel would fit into them. 10 Evron placed Israel’s security needs within the broader context of U.S. security needs. Rather than requesting arms that would enable Israel to meet security challenges, Israel requested arms that would fit into the Middle East strategic interests of the United States. 11 Talking with Samuel Lewis, the U.S. ambassador to Israel, the Israelis argued that the sale of the F-15 enhancements to Saudi Arabia would diminish their country’s qualitative and quantitative military superiority but suggested that a strong Israel would also serve U.S. interests. 12

However, the Israeli government at the time was more concerned about the economic offshoot of the arms deal with Saudi Arabia than the military implications. The government trusted the U.S. government to supply Israel with the arms it needed to retain its qualitative edge. The problem was that such a deal would heavily burden the already strained Israeli economy. “Economically, Israel would not be able to take part in such an arm race,” declared Foreign Minister Yitzhak Shamir on the Knesset podium. 13 This was the dilemma: buying U.S. arms would strain Israel’s economy in an almost impossible manner, while not buying them would leave Israel’s security at risk. Thus, the Israeli response to the sale of the F-15 enhancements to Saudi Arabia was not meant to stop the deal, but to convince the administration to supply Israel with arms that would counter the U.S.-Saudi arms deal, in terms that would reduce the burden on the Israeli economy. 14 In return, Evron promised Haig that he would

9. Hanan Bar-On to E. Evron, January 21, 1981, no. 731, MFA 6835/12, ISA.
10. Ephraim Evron to Yitzhak Shamir, February 4, 1981, no. 5251, MFA 6835/12, ISA.
12. U.S. Embassy, Tel Aviv to Secretary of State, April 17, 1981, no. 5548, box 38, Executive Secretariat, Country File, Israel, RRPL.
14. Hanan Bar-On to E. Evron, March 11, 1981, no. 4662, MFA 6835/12, ISA.
ask U.S. Jewish leaders to keep a low profile in their objection to the sale of the additional weapons.\textsuperscript{15} This was easier said than done. On February 23, representatives of the Conference of Presidents of Major American Jewish Organizations met with Secretary Haig and protested the supply of the arms to the Saudis. Haig explained to the delegation that the Reagan administration had gotten the deal ready from the Carter administration, and it could not breach an obligation made by the departing administration.\textsuperscript{16} It is not clear whether Haig really regretted that this was the case. The Jewish protest continued with the meeting of thirty-two members of the Conference of Presidents with President Reagan on March 9. The President meant to discuss with the delegation issues pertinent to his domestic policy, but the delegates also raised the sale of the F-15 enhancements to Saudi Arabia. Max Fisher, a Jewish philanthropist, an advisor to Republican presidents, and Reagan’s confidant, read a memorandum prepared by the Conference, condemning the supply of weapons to Saudi Arabia, and urging Reagan “to reconsider this very questionable decision.”\textsuperscript{17}

The existing records do not tell us whether the Conference of Presidents acted with the knowledge of, but in defiance of the Israeli government, or without coordinating the protest with the government. What we do know is that the Jewish leaders were divided over the protest. Max Fisher joined the meeting since he was a member of the Jewish leadership, but he objected to the protest. He argued that the Jewish community should not be asked to choose between President Reagan and Prime Minister Begin. In any case, argued Fisher, the enhancement deal served U.S. national interests in the Middle East, and it did not pose a threat to Israel. The other members of the Conference, meanwhile, regarded Fisher as a “court Jew.”\textsuperscript{18}

Everything had changed, and very little had changed, when news broke of the Reagan administration’s intention to sell not only the F-15 enhancements, but also the AWACS planes to the Saudis. While ready to acquiesce to the enhancement deal, the Israeli government viewed the sale of the AWACS as a genuine security threat. Moshe Arens, Chairman of the Knesset Foreign Affairs and Security Committee, threatened that Israel “will have to shoot down” the AWACS “at the first sign of threatening tensions.” Deputy Minister of Defense Mordechai Zipori said that with the AWACS Israel would be “totally exposed” to hostile forces, and the Israel Defense Forces (IDF) would deal with the threat “using all means and all channels.”\textsuperscript{19}

\begin{itemize}
\item[15] Memorandum for the President from Alexander Haig, February 23, 1981, box 37, Executive Secretariat, Country File, Israel, RRPL.
\item[17] H. M. Squadron to President Reagan, March 10, 1981, folder 6, box 122, MFP.
\item[19] U.S. Embassy, Tel Aviv to Secretary of State, March 16, 1981, no. 5777, box 37, Executive Secretariat, Country File, Israel, RRPL.
\end{itemize}
However, this rhetoric did not reflect the true position of the Israeli government toward the deal. In their response, the Israelis walked on thin ice. On one hand, they had to object to a deal that gave Israel’s enemy far-reaching military capabilities. On the other hand, it was quite clear that the President was determined to see the deal through. U.S. strategic interests were at stake, and he would not yield to Israeli pressure. Consequently, the Israeli government endorsed Evron’s strategy without ever stating it explicitly. Pursuing a two-pronged strategy, Israel denounced the deal in public and called for its cancellation, while behind the scenes, assuming the deal would be approved, it discussed compensation. This second course was the main theme of a meeting held by Prime Minister Menachem Begin on March 14, attended by the Foreign Minister, Minister of Treasury, the IDF Chief of Staff, and other government officials, to discuss the new developments. The discussion focused more on the meaning of the U.S. government supplying more arms to Israel than it did on the military implications of the AWACS. The participants took it for granted that Israel would get the weapons it needed from the United States to retain Israel’s qualitative edge, but they repeated the recent argument that Israel would not be able to afford to purchase additional weapons.\(^20\)

That is, at this early stage, Israel’s main concern was mostly financial. The Prime Minister and his lieutenants did not consider ways to oppose the deal, but rather how to address the economic burden bound to accrue because of the supply of additional arms that the Reagan administration would undoubtedly offer. Putting a price tag on the AWACS deal, the Foreign Office instructed Evron to approach the administration and to seek an agreement on a multiyear economic-security plan that would include changes in the scope and economic terms of the U.S. standing loan to Israel. This agreement should include rescheduling of the existing debt and conversion of a significant portion of the debt into a grant; ensuring that the remaining loans would bear low interest rates, long maturities, and longer grace periods; permitting Israel to use part of the security aid for purchases in Israel; making it easier for Israel to increase the level of exports to the United States; and promoting joint ventures between U.S. companies and Israelis. Furthermore, Evron should seek U.S. assistance in improving Israel’s warning system. This could be accomplished either by helping Israel’s satellite program or granting Israel access to data collected by U.S. satellites. The Foreign Office stressed that the list was not intended as a request for compensation, but to allow Israel to address the security challenges created by the U.S. plan to sell the arms to Saudi Arabia.\(^21\)

Israel presented these requests to the administration in late March. Further to the items mentioned above, the Israeli list also included additional F-15s and

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early warning systems. Israel also expected that the administration would take “serious steps” toward the implementation of the 1979 Memorandum of Agreement (MoA), which was signed between the two countries as a supplement to the 1979 Israeli-Egyptian peace agreement. The MoA granted Israel unrestricted access to Pentagon contracts. Israel also requested to receive grant assistance or concessional loans to develop a future fighter aircraft in collaboration with U.S. manufacturers for worldwide sales, as well as to manufacture the Lavi fighter and the Merkava tank, both of which were manufactured in Israel, and included significant U.S. components. The administration should also allow Israel to sell surpluses such as Skyhawks and M-48 tanks to third countries. These measures would not only enhance Israel’s security and improve its economy, they would also further integrate the Israeli industry into the U.S. military market and would increase the ties between the Israeli and U.S. defense establishments.

The President did not think otherwise. Reagan insisted from the beginning of the debate over the U.S.-Saudi arms deal that the United States would not allow the military balance between Israel and the Arabs to change, and he made sure that the Israeli government would get the message. That meant that the United States would provide Israel with the weapons it needed to maintain its military superiority, and the National Security Council (NSC) discussed the issue in the same vein. The NSC’s principals assumed that both Israel and Saudi Arabia had valid reasons for concern—Israel from the approval of the deal and Saudi Arabia from its cancelation. The principals still thought that Israel was militarily superior to the Arab armies. When Vice President George H. W. Bush asked what would happen “if Saudi Arabia attacked Israel” with the U.S. weapons, Deputy Secretary of Defense Frank Carlucci’s response was unequivocal. “We’ve seen what happens in the past. The Saudi Air Force wouldn’t last 45 minutes in a war with Israel.” This, however, did not lead to the dismissal of the Israeli concerns. Israel had “genuine security concerns about the AWACS,” concluded Haig. Hence, National Security Advisor Richard Allen and Secretary Haig were convinced that while the administration should expect Israel’s friends to launch a vigorous campaign against the deal, it would be possible to convince the Israelis to acquiesce to the deal for the appropriate remit, which they deemed justified. The principals were unable to conclude

how much would be sufficient but were ready to grant “now” an additional $600 million for the years 1983 and 1984.\textsuperscript{26} Moreover, National Security Advisor Allen recommended to the President that he authorize granting Israel “additional aid” that would be decided following Haig’s visit to the Middle East in mid-April. Until then, Allen recommended that the President approve an additional $600 million for Israel in 1983 and 1984. Secretary of Defense Caspar Weinberger assumed that acquiescing to an Israeli request for aid was an adequate response to the supply of the F-15 enhancements and the AWACS to the Saudis, although he complained that “the price keeps going up and up.”\textsuperscript{27} The President approved the purchase of up to $250 million in Israeli-produced defense items, but a decision on additional aid would be deferred, as recommended by the NSC.\textsuperscript{28}

Secretary Haig heard once again Israel’s position during his visit there in early April. Initially, the Israeli response to the U.S. arms shipments to Saudi Arabia was complete rejection. Foreign Minister Shamir presented the sale of the F-15 enhancements and more so the AWACS as a major threat to Israel’s security. He questioned the ability of the United States to influence Saudi Arabia’s policy and expressed concern that the U.S. arms would be used against Israel. However, a lengthy explanation of why the United States should abort the deal was followed by Shamir’s presentation of what, in these circumstances, was of vital importance to Israel. “Yesterday in some Israeli newspapers there was a headline ‘Arms for Saudi Arabia; nice words for Israel,’” said Shamir.\textsuperscript{29} The message was clear: the United States should trade words for weapons. The price tag was also presented in the media. A headline in one of the Israeli newspapers stated that Israel requested F-15 jets from the United States for free if the United States supplied the AWACS to Saudi Arabia.\textsuperscript{30} Haig heard this mixture of problem and panacea in his meetings with Begin and the Israeli military men. The Prime Minister and his team told Haig that they were “upset over an AWACS sale,” while the military men discussed with him “their future defense posture, stressing the need to keep their qualitative edge.” The setup was clear. Israel presented the AWACS deal as a grave threat but attached a price tag. Now it was a matter of negotiating the right compensation, a word no one used. Haig told the Israelis that the United States would purchase military commodities in Israel up to a total of $200 million and assist Israel with increasing its exports to the United States—as decided at the NSC meeting mentioned

\textsuperscript{26} NSC Meeting, April 1, 1981, box 9/282, Executive Secretariat, Meeting File, RRPL. Emphasis in original.

\textsuperscript{27} Richard V. Allen to President Reagan, April 2, 1981, box 9/282, Executive Secretariat, Meeting File, RRPL.

\textsuperscript{28} Secretary of State to U.S. Embassy, Tel Aviv, April 7, 1981, no. 3184, box 37, Executive Secretariat, Country File, Israel, RRPL; Secretary of State to White House, April 7, 1981, no. 2057, box 37, Executive Secretariat, Country File, Israel, RRPL.

\textsuperscript{29} Yitzhak Shamir/Alexander Haig Meeting, April 6, 1981, MFA 6872/7, ISA.

\textsuperscript{30} Mordechai Barkai, “Israel Demands from the United States a F-15 Squadron for Free,” \textit{Davar}, April 5, 1981.
above. The Israelis were pleased with that, but requested more. They insisted that they needed “much more, sooner, on a grant basis,” and “pressed” for “a whole spectrum of early warning equipment and intelligence cooperation” with the United States. It was clear to Haig that the Israelis used the AWACS deal “as an excuse to renew pressure across this whole range of issues,” which was good news, for him, as it meant that for the right price, Israel would remove its objections to the AWACS deal, or at least mitigate them. Haig concluded the meeting with satisfaction that “we succeeded in moderating the Israeli position on AWACS.”

Haig was right, of course. It was clear to the administration that Israel would receive the means to overcome the gap in the military balance that it incurred through the AWACS deal, and the President and his advisers were willing to pay that price. Israel showed that despite protestations, it was ready to receive a return for its acquiescence to the deal. The terms, then, were established, and all that remained was to negotiate the price. With that in mind, Secretary Haig told Evron in July that he was convinced that it would be possible to “find an arrangement that would satisfy the U.S. need to supply the AWACS to Saudi Arabia, while maintaining Israel’s security interests.” Evron responded that Israel would be willing and ready to hear how the administration intended to maintain Israel’s security interests and its qualitative edge. The message was clear: Israel’s opposition to the AWACS deal was not unconditional or irreversible. Under the right terms, Israel would be ready to mitigate its opposition.

Israel did not share that dual attitude with the U.S. Jews, and they acted under the assumption that Israel strongly resisted the deal. Acting under this premise, Gordon Zacks, a Jewish Republican and associate of George H. W. Bush, met, separately, with Vice President Bush, National Security Advisor Allen, and White House Chief of Staff James Baker. On his way to the meetings, he passed through the embassy, and the Israeli ambassador briefed him. Based on what he heard, Zacks told his interlocutors in the White House that Israel was ready to subdue its objection to the sale of the add-on equipment for the F-15, provided the United States would take measures that would retain Israel’s qualitative edge, and without adding more to Israel’s economic difficulties. However, the AWACS deal was a step too far, and Israel and the U.S. Jews would fight it vigorously. Ambassador Evron also briefed the leaders of the Anti-Defamation League (ADL). He did that after Haig’s visit to Israel in April, which Evron attended, too. He spoke highly of Haig and his warmth toward Israel, and the expectations he created that the new administration would be very supportive of Israel. Nonetheless, Evron noted, the Israeli government

31. Secretary of State to White House, April 7, 1981, no. 2057, RRPL; Secretary of State to Department of State, April 9, 1981, no. 2088, box 7, Executive Secretariat, Country File, Israel, RRPL.
32. Ephraim Evron to Office, Jerusalem, July 1, 1981, no. 1759, MFA 6873/2, ISA.
33. Ephraim Evron to Y. Shamir, March 21, 1981, no. 6585, MFA 6835/12, ISA.
opposed the F-15 enhancements and AWACS package. Consequently, the ADL leaders asked their constituencies to convey this message to the administration and members of Congress.34 In his meeting with the Conference of Presidents, Evron presented a slightly different version of the Israeli message. He said that during his visit to Israel, Haig heard that Israel utterly opposed the F-15 enhancements and AWACS package. His response was to make various suggestions addressing Israel’s security concerns. Contrary to his firm message of objection to the AWACS deal, Evron told the Conference that the Israeli government would not object to any measure the Conference would decide to take.35 Evron also briefed the leaders of the American Israel Public Affairs Committee (AIPAC) and the National Jewish Community Relations Advisory Council (NJCRAC). The leaders of the three organizations were united in their objection to the deal.36 This contrast between the way Israel dealt with the AWACS affair with the Reagan administration as against the way it presented its position to its friends in the United States seemed to be a tactical move. U.S. friends of Israel conveyed an ominous message as to the threat that the AWACS deal posed to Israel. This message boosted Israel’s power of argument during the negotiations with the administration over the compensation Israel would get in return for the AWACS deal. Jewish leaders intensified their messages after the President submitted to Congress, on April 21, the request to supply Saudi Arabia with the AWACS and the F-15 enhancements.37 The Conference of Presidents warned that a “bitter fight is inevitable” and called for an “intensive campaign” against the deal.38 AIPAC defined the campaign against the AWACS sale as “top priority.”39

The Israelis expected Congress to join the fight against the deal. The Foreign Office mapped the U.S. legislature in accordance with its members’ attitudes toward Israel, giving special attention to those who served on the pertinent committees. Thus, the Foreign Office’s North America Department prepared a detailed report on the composition of the Sub-Committee for Foreign Affairs in the Senate Appropriations Committee, which included references to its members’ sentiments toward Israel. The report mentioned, for example, that the sub-committee chairman, Robert Kasten (R-WI), was a conservative who supported massive cuts in U.S. foreign aid but supported the supply of aid to

34. Nathan Perlmutter to ADL National Commission, April 14, 1981, MFA 8466/16, ISA.
35. Avilea to North American Branch, Foreign Office, April 14, 1981, MFA 6872/7, ISA.
36. Avilea to Office, Jerusalem, April 2, 1981, no. 73/13, MFA 6872/7, ISA.
37. Laham, Selling AWACS to Saudi Arabia, xv.
Israel and Egypt. In the course of his election campaign, he spoke favorably about Israel and his support for the country, describing it as an asset to the United States. He opposed the establishment of a Palestinian state and the sale of advanced weapons to Arab countries. The other members of the subcommittee were treated in the same manner. The report also discussed the twenty-nine members of the Senate Appropriations Committee and the Senate Committee for Foreign Affairs, classifying them as “very friendly,” “friendly,” “nearly hostile,” “hostile,” “problematic—not hostile,” and “mild” in their attitude toward Israel.40 When they turned to Congress in search of allies in the fight against the AWACS deal, the Israelis knew what they could expect from any of its members.

The President’s advisors predicted that members of Congress would act to prevent the sale of the F-15 enhancements and the AWACS. There might be “a first ever congressional veto of an arms sale.”41 Soon enough, the predictions came true. One hundred Republican representatives expressed their objection to the President’s announcement.42 Fifty-four senators (twenty Republicans and thirty-four Democrats), signed a letter to President Reagan on June 24, stating that “It is our deep belief that this sale is not in the best interest of the United States, and therefore recommend that you refrain from sending this proposal to Congress.” The signatories also warned the President that he was at risk of a “humiliating defeat.”43 In addition, individual members of Congress sent letters to President Reagan and Secretary Haig opposing the sale of the AWACS.44 The struggle against the AWACS put one of the most ardent supporters of Israel, Senator Henry Jackson (D-WA), in dilemma. Jackson was running for re-election in 1982, and he had to decide whether he should stand by Israel at the possible cost to people from his own state, where Boeing, the manufacturer of the AWACS, was located. The company launched a campaign for the approval of the deal, arguing that about 1,500 employees were involved in the production of the plane. Boeing threatened that if the deal was not approved, it

41. Paul Bremer, III, to DoD, NSC, JSC and OMB, March 31, 1981, box 9/282, Executive Secretariat, Meeting File, RRPL.
44. Robert C. Byrd to Alexander M. Haig, Jr., April 13, 1981, MFA 6872/7, ISA; Clarence D. Long to President Ronald Reagan, July 1, 1981, MFA 6873/2, ISA; Statement by Senator Gary Hart, August 24, 1981, Prime Minister’s Office (hereafter A) 7384/9, ISA; Claiborne Pell Statement on Saudi AWACS Proposal, August 24, 1981, A 7384/8, ISA.
would stop producing the AWACS. This would lead to the loss of 400 jobs. Jackson’s answer was that despite the fact that in Washington state there were more Boeing employees than Jews, he would vote against the AWACS deal, since he believed it was the right thing to do, both for Israel and the United States.

The Israeli diplomats were well informed of the involvement of members of Congress in the fight against the AWACS deal. Sometimes that knowledge was first-hand, because the Israeli diplomats pushed members of Congress to oppose the deal, and sometimes because the members of Congress informed Israeli diplomats and sent them copies of the letters they sent to the President or the Secretary of State. Israel’s friends in Congress did more than that. They shared with Israeli diplomats the full text of reports from discussions in the various Congressional committees on issues that were of interest to Israel, such as the discussions over the AWACS deal. These reports, as well as the copies of members of Congress’s letters, ended up in the Israeli State Archive, and eventually, in this paper.

Sometimes it looked as if the members of Congress fighting against the sale of the AWACS did so more vigorously than the U.S. Jews who opposed the deal. Senator Joseph Biden (D-DE) “strongly chastised” the U.S. Jews and Israel for not responding “immediately” in opposition to the Saudi arms deal. Senator Rudy Boschwitz (R-MN), too, urged U.S. Jews to press their congressional representatives to reject the proposed sale of AWACS planes to Saudi Arabia. Members of Congress also suspected that Israel opposed the deal only half-heartedly, and that it intended to reach a compromise with the Reagan administration over this issue. This was true, of course, but the Israeli diplomat who heard that from Representative Clarence D. Long (D-MD), who led the opposition to the deal in the House of Representatives, denied the allegations.

Public figures beyond the Jewish community and Congress also conveyed a sense of urgency as to the impact of the AWACS deal on Israel’s security. Former Vice President Walter Mondale “blast[ed]” the AWACS deal. Former Secretary Of State Cyrus Vance said that the sale could disrupt the military balance in the Middle East, and was “a grave mistake.” John T. Dolan, the director of the National Conservative Political Action Committee that took an active part in President Reagan’s election campaign in 1980,

published an op-ed in which he called the sale of the AWACS “a sellout of Israel.”

Major General George Keegan, former Chief of U.S. Air Force Intelligence, told a House subcommittee that the AWACS planes and the military package that came with it put the Israelis “up against the wall.” The second argument against the deal was that it would endanger U.S. security—this was the gist of a call made by a group of Air Force pilots to Congress. Former Director of Central Intelligence Stansfield Turner called to say “no to AWACS,” presenting a somewhat different perspective. He argued that the Saudis did not possess the necessary qualifications to operate the AWACS, and it was far beyond what they needed and could use. The majority of the U.S. population, too, opposed the sale of the AWACS to the Saudis. In a poll conducted in May, fifty-four percent of those polled opposed the sale, while only nineteen percent approved of it. As the debate heated up, the opposition diminished, although it was still higher than those in favor. A poll conducted in late September indicated that forty percent were against the deal, twenty-five percent were in favor, and thirty-five percent were unsure. In another poll, conducted a week later, fifty-six percent of Americans polled opposed the sale of the AWACS.

The President and the administration did not sit idle. Fred Iklé, Undersecretary of Defense for Policy, warned on May 18 that attendees of the twenty-second annual AIPAC conference should “weigh” their opposition to the sale of the sophisticated weapons to Saudi Arabia. Iklé, though, never explained, or else what. At the same time, the administration continued to negotiate with Israel over the price for Israeli silent acquiescence to the AWACS deal. As mentioned, Haig ran some of it, and in July Iklé became involved, too. In a meeting with the Israeli ambassador, he suggested establishing teams that would study Israel’s concerns and the ways to address them. Evron gave Iklé a reason to believe that the United States had no reason to worry. He told Iklé that Israel had so far not undertaken any measures against the deal other than expressing its opposition to it, while highlighting its damaging effect on Israel. “Israel is ready to listen,” concluded Evron, reiterating the Israeli line that the

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goal was to get a return from the United States, to balance the impact of the AWACS deal on Israel. Iklé could not agree more.59

The strong reaction to the President’s announcement in April of his intention to sell the Saudis the AWACS planes subsided a bit from June to July, when other issues disrupted the United States-Israel relationship. In June, Israel bombed an Iraqi nuclear plant, and in July, Israeli F-16 planes bombed targets in Beirut as a reprisal for a terror attack perpetrated by Palestinians from Lebanon, resulting in severe casualties and extensive damage. The events caused tension between Israel and the United States, which peaked with the President’s decision to suspend the delivery of F-16 planes to Israel. The crisis ended only in the summer when the administration rescinded the suspension.60 A few days later the President made the official announcement to Congress that he decided to sell the F-15 enhancements and the AWACS planes to Saudi Arabia.61 The President expected that turning to Congress would lead to the resumption of the criticism of the deal. He was particularly worried that Prime Minister Begin, who was scheduled to visit the United States in early September, would use the visit to campaign against the deal. Hence, he instructed the U.S. Ambassador to Israel, Samuel Lewis, to try to convince Begin not to take part in the campaign against the deal during his visit. Lewis told the Prime Minister that President Reagan was determined to push the deal through Congress “with the full weight of his office and his formidable persuasiveness.” The President did not expect Begin to endorse the deal, but “if Begin lobbied in the congress or indulged in heavy rhetoric in his meetings with members of the Congress and the press,” or during his meetings with organizations like AIPAC, this would be seen as “directly confronting the President, a perception which would sour the visit, his future relations with the Reagan administration, and prospects for enhanced strategic cooperation in various concrete areas.”62

These were harsh words, the kind that Begin would have resisted almost instinctively. Begin, a man of words, would not tolerate anything that could be construed as an imposition upon his honor.63 Nonetheless, the Prime Minister complied with the President’s request. Of course, he would not endorse the AWACS deal, but he assumed that the deal would be approved, and Israel would get financial and military aid as compensation. While expressing to Lewis his unequivocal opposition to the deal, he also added that he would be “guided by what his experts say.” He did not intend to campaign against the

60. Tal, The Making of an Alliance, 247–248; Secretary Haig Statement on Aircraft to Israel, August 18, 1981, A 7384/8, ISA.
62. U.S. Embassy, Tel Aviv to Secretary of State, August 23, 1981, no. 13298, box 37–38, Executive Secretariat, Country File, Israel, RRPL.
deal during his visit, but he could not guarantee that if asked, he would not speak against the deal. He would hold a press conference in New York prior to his visit to Washington, but he would not talk about the AWACS deal. He would not discuss the AWACS deal in the media, either. He also explicitly asked that his meetings with the Senate Foreign Relations Committee and the House Foreign Affairs Committee be held in closed session. There, he would not raise the AWACS deal on his own, but if asked, “he did not see how he could refuse to give his opinion to the senators and congressmen.”

Prime Minister Begin had already asked Jacob Stein, the former chairman of the Conference of Presidents of Major American Jewish Organizations, a prominent Republican with close ties to the presidency, to ensure that his meetings with Congress’s Foreign Affairs committees would be held behind closed doors. Stein thought that it was a good idea and added that a meeting behind closed doors would not constitute interference with U.S. domestic affairs.

Prime Minister Begin understood from the President’s messages that Reagan was worried about what he assumed was the ability of the Prime Minister and the Israeli lobby to interfere with the AWACS deal. The President’s concerns allowed Israel to raise the price it sought for its silence. Another way to raise the price was by portraying the AWACS as a real threat to Israel’s security. The U.S. Air Force was instrumental in proving that the AWACS threat was real to Israel. A team from the Israeli Air Force was invited to a U.S. air base to evaluate the AWACS’s capabilities. The team received a three-hour briefing at the Pentagon, and took a nine-hour flight, during which they studied the operation and systems of the plane. The team’s conclusion was that the plane posed a real security threat to Israel. It could track Israeli aerial activity at its very early stages, direct counterattacks against Israeli offensive acts in the air, on the ground, and on the sea, and study the IDF’s routine and daily activities.

A delegation of the Senate Foreign Relations Committee heard similar observations from IDF officers and political figures during its visit to Israel in late August, and the U.S. Embassy reported back to Washington the team’s findings.

Israel did not use these threats to call for the abrogation of the AWACS deal, but rather to justify its request for compensation. Israeli teams were already discussing with their U.S. counterparts the military aid Israel would get in return for its acquiescence to the AWACS deal. In addition to those discussions, a report was prepared for the Prime Minister, in preparation for his travel to the United States, which included Israel’s military and economic demands

64. U.S. Embassy, Tel Aviv to Secretary of State, August 23, 1981, no. 13298, box 37–38, Executive Secretariat, Country File, Israel, RRPL.
65. Prime Minister Begin/Jacob Stein Meeting, August 21, 1981, A 7384/8, ISA.
66. Prime Minister Begin/AIPAC Meeting, September 2, 1981, no. 45, A 7384/9, ISA.
67. Israel Embassy, Washington D.C., to Prime Minister, August 28, 1981, no. 7490, A 7384/8, ISA.
68. U.S. Embassy, Tel Aviv, to Secretary of State, September 10, 1981, no. 13704, box 37–38, Executive Secretariat, Country File, Israel, RRPL.
from the United States. Prime Minister Begin and Israeli Minister of Defense Ariel Sharon presented all of these demands, and more, directly to President Reagan, and Secretaries Haig and Weinberger during the Prime Minister’s visit to the United States. Minister of Finance Yoram Eridor also spoke directly to the U.S. Ambassador and later to Haig. 69

Israeli officials emphasized that Israel should not agree to regard the requests as a *quid pro quo* for not objecting to the AWACS deal. They clearly stated that in case of war, the AWACS should be a priority target. Still, the report’s authors considered the AWACS deal as final, and so elaborated upon Israel’s security needs, which, without saying it in so many words, were caused by the AWACS deal. The list included a request for seventy-five F-16 and eleven F-15 jets, an agreement in principle to the sale of F-18 jets in the second half of the 1980s, four refuelling planes—as a grant, and $1.5 billion in security aid Israel would use to purchase the F-15 and F-16 planes. In addition, Israel requested a favorable interest rate of two to three percent for the loan, rather than the market rate of fourteen percent. Israel also asked that the grant ratio in the economic aid be increased. The list also included requests that would allow for greater levels of Israeli exports to the United States as well as deeper strategic cooperation between the two countries. Another request, which had already been discussed in March, was for Israeli access to a U.S. surveillance satellite through a relay station that would be constructed in Israel. 70

In a memorandum to the President, Haig wrote that his conclusion from Lewis’s meeting with Begin before Begin’s trip to the United States was that attempting to persuade Israel to support the AWACS deal would be “self-defeating.” However, with “effective tactics,” it would be possible to mitigate Israeli criticism. 71 The “effective tactics” would be repeating the promise that the United States would not compromise Israel’s military superiority. It was Counselor of the Department of State and future National Security Advisor Robert Carl “Bud” McFarlane who carried that message to the Israelis. He told Ambassador Evron that the administration was preparing a package with

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69. Working Luncheon with Secretary Haig and Prime Minister Begin, September 9, 1981, A 4349/13, ISA; U.S. Embassy, Tel Aviv, to Secretary of State, September 10, 1981, no. 14192, box 37–38, Executive Secretariat, Country File, Israel, RRPL; Breakfast Meeting between President Reagan and Prime Minister Begin, September 10, 1981, A 4349/13, ISA; Protocol of Minister of Finance Yoram Eridor/Secretary Haig Meeting, September 25, 1981, MFA 9356/11, ISA.

70. Summary of the Demands from the United States, [undated], A 4349/12, ISA; Ministry of Treasury: A Request for Security and Economic Aid, FY 1983, September 3, 1981, A 4349/12, ISA; Working Luncheon with Secretary Haig and Prime Minister Begin, September 9, 1981, ISA; U.S. Embassy, Tel Aviv, to Secretary of State, September 10, 1981, no. 14192, RRPL; Breakfast Meeting between President Reagan and Prime Minister Begin, September 10, 1981, ISA; Protocol of Minister of Finance Yoram Eridor/Secretary Haig Meeting, September 25, 1981, ISA.

71. Alexander M. Haig, Jr., to the President, August 24, 1981, box 37–38, Executive Secretariat, Country File, Israel, RRPL.
detailed proposals to address the Israeli concerns in advance of the Prime Minister’s visit. Geoffrey Kemp, special assistant to the President, also pledged that the administration would take measures to address the challenges posed to Israel’s security by the AWACS deal. Secretary of Defense Weinberger wrote to the Prime Minister on August 24 that he “look[ed] forward” to meeting him. He also was “anxious” to discuss “a number of issues regarding the close security relationship between our two countries” with Minister of Defense Sharon. There were “important strategic and technical aspects in our long-standing defense cooperation” that Weinberger wished to raise with Sharon. These included, no doubt, the ramifications for Israel of the AWACS deal.

The meeting between the President and the Prime Minister was held on September 9. At the outset of the meeting, the President thanked Begin for demonstrating restraint in his response to the AWACS deal. He said that he was determined to see the deal through, and that Israel had no reason to be worried. Anything the administration was doing would not change the “present military situation,” pledged the President. Begin’s response was to elaborate on the threat to Israel posed by the AWACS. Begin’s presentation was quite grim, and it was followed by Minister of Defense Sharon’s presentation, which outlined a not less ominous scenario were the AWACS deal to go through. Of course, the presentations did not lead the President to change his mind. He reiterated his commitment to Israel’s security and military superiority, and the discussion over this issue ended with both sides making their points. However, it seemed that the written record of the meeting did not adequately reflect the prevailing mood amongst the participants. In his diary, President Reagan mentioned that during their meeting, Begin expressed his opposition to the AWACS deal. The President pledged to the Prime Minister that he would ensure that Israel maintained its military superiority, and gradually, Begin “mellowed.” That is, President Reagan got the impression that while the Prime Minister retained his objection to the deal, he accepted it as a fait accompli, and was more concerned about the measures that the United States would take to compensate—though no one used this word—Israel for the deal. Indeed, this had been Israel’s position since the AWACS affair began. In public, the Israelis strongly opposed it, while behind closed doors, they negotiated compensation with the administration.

If Reagan was right in reading Begin’s approach at the meeting, he was mistaken about Begin’s actions. Five days after the meeting, Reagan recorded in his
diary his disappointment with Begin, who, the President wrote, “had gone to
the hill and lobbied against the sale after leading me to believe he would not.”
This was an odd comment. There is nothing in the Reagan-Begin meeting
records about Begin’s appearance in Congress. We do not have a record of
the report the President received after Lewis’s meeting with Begin, but consid-
ering Reagan’s disappointment, it seems that the President received the wrong
message. The Prime Minister had promised Lewis that he would not lobby
against the AWACS deal during his visit, but if asked, he would speak his mind.
Begin had also requested that his meetings in Congress be held behind closed
doors. The Prime Minister did not breach any of his commitments during his
meeting with the Senate’s Foreign Affairs Committee. As he told Lewis, he
only raised his objections to the AWACS deal in response to questions from
committee members. When a senator asked him whether Israel had softened its
attitude toward the AWACS, the Prime Minister denied that there was such a
change. He acknowledged that the issue was a matter of controversy between
the President and Congress, and he insisted that he had no intention to take
part in it. Yet, he made it clear to the President where he stood on this issue.
President Reagan’s complaint that Begin broke his promise not to lobby in
Congress against the AWACS deal was unjustified and could only reflect the
pressure the President was under, fighting for the approval of the AWACS deal.
It is quite obvious that the President, who was about to launch his own cam-
paign in Congress for the AWACS deal, was nervous about the possible damage
that the Prime Minister could cause to his efforts. This concern would soon
enough lead the President to go even further in making accusations against the
Israeli government. Prime Minister Begin made it abundantly clear before arriv-
ing in the United States and to the President that he had no intention of
launching a campaign against the AWACS deal in the Senate. However, he also
expressed that if asked, he would be willing to share his opinion on the matter.
Unfortunately, this was not satisfactory for the President, who would have pre-
ferred if Prime Minister Begin refrained from commenting on the AWACS
deal entirely, whether voluntarily or in response to inquiries. The second round
of the struggle against the AWACS deal had commenced with the deposition of
the President’s announcement in Congress on August 24. In response, a group
of thirty-eight prominent Jewish Republicans signed a letter to the President,
highlighting their contribution to his election, while “strongly” denouncing his
intention to sell the AWACS to Saudi Arabia. Jewish organizations sent letters

78. Memorandum of Conversation between Prime Minister Begin and President Ronald
Reagan, September 9, 1981, MFA 8466/6, ISA.
79. Record of Meeting Between Prime Minister Begin and his Entourage with the Senate’s
Foreign Affairs Committee, September 10, 1981, A 4349/13, ISA; Prime Minister Begin
Meeting with Eight Senators, September 10, 1981, A 4349/13, ISA.
of protest to the President, and organized popular protests against the deal, encouraging Jewish communities to send letters of protest to the President, Secretary of State, and members of Congress. Fifty-four senators and 242 representatives signed a Resolution of Disapproval, expressing their opposition to the deal. Other members of Congress also expressed, individually, their opposition to the deal, even before they were called to vote for or against it, bombarding the President with letters of protest. The protest was not only about Israel. Members of Congress were also concerned that advanced U.S. technology would end up in the hands of an unreliable, unstable regime. The example of Iran, a friend who became a foe almost overnight, was vivid in the minds of members of Congress. Members of Congress were also concerned that the AWACS and the sophisticated weapons would fall into Soviet hands. Thirty-three senators circulated a letter emphasizing the danger that sensitive U.S. technology would fall into hostile hands. The opponents of the deal in Congress held their ground even when it was not clear whether Israel would be as determined to oppose the deal as they were. The struggle over the AWACS deal was not only a demonstration of support for Israel in Congress; it was also a domestic issue, in which members of Congress disagreed with the President’s strategic view.

The President would not have it. Convinced that Israel was standing behind the opposition to the deal, as demonstrated by his accusation that Begin was lobbying in Congress against the deal, he vented his frustration about Israel in a press conference on October 1. President Reagan announced that he had notified Congress that the administration intended to sell AWACS planes and F-15 enhancement items to Saudi Arabia. He explained that this was a matter of U.S. national interest, and that the deal would “pose no threat to Israel, now or in the future.” And then the President added, “American security interests must remain our internal responsibility. It is not the business of other nations to make American foreign policy.” In this sentence, it appeared that the President held the belief that Israel played a role behind the scenes in organizing opposition to the AWACS deal amongst both the Jewish community and members of Congress. He ignored the fact that Israel kept a relatively low profile in the

84. Letter to Members of Senate, October 1, 1981, MFA 6873/8, ISA.
struggle against the deal, and that members of Congress raised questions about the deal that had nothing to do with Israel. Furthermore, many interpreted the sentence as an attack not only on Israel, but also on Israel’s friends in the United States. It was seen as an attack against the institutional and non-institutional campaigns against the AWACS by organizations such as AIPAC and the Conference of Presidents, as well as against the many U.S. citizens who sent letters to the President, the Secretary of State, and members of Congress, expressing their opposition to the AWACS deal because of the risks it posed to Israel.  

The reaction was almost immediate. Ambassador Evron called Haig and protested the President’s remarks, arguing that he offended Israel for no reason, as the Israeli government and the embassy’s conduct were impeccable. Evron also expressed concern that the President’s words would provoke an unwarranted reaction. Haig agreed with Evron and said that it would have been better if the President did not say what he said. In a private dinner hosted by U.S. Ambassador to the United Nations Jeane Kirkpatrick, Haig added that there was no reason to blame Israel, as it kept a low profile during the debate over the AWACS deal. 

It is hard to explain what brought the President to make that comment. He might have truly believed that Israel was to blame for what seemed to be broad opposition in Congress to the AWACS deal. And indeed, for a while, it looked as if the President would not be able to pass the AWACS sale proposal. In the lead up to the final vote, the President received bad news after bad news. The House’s overwhelming rejection of the AWACS deal on October 14 was one of the low points. On the following day, the Senate Foreign Relations Committee voted nine to eight against the sale of the AWACS. Then came the finale, which proved that the President was capable of altering the course of what seemed inevitable. As a last-minute measure, the President met with forty-five senators and urged them to support the legislation. He convinced some to change their minds, such as Senator Roger Jepsen (R-IA). Senator Jepsen opposed the deal from the moment it was introduced in Congress in April and was one of the leading speakers at the AIPAC annual meeting in May. He explained that he changed his mind as he had to support the Republican president. In total, the President persuaded nineteen senators to support his bill,

87. Israeli Embassy, Washington D.C., to Office Jerusalem, October 2, 1981, no. 30/11, MFA 9356/11, ISA.
88. Avi Pazner to Office, Jerusalem, October 2, 1981, MFA 9356/11, ISA.
which led to his victory in the Senate, albeit by a very narrow margin of three votes.91

The change though was not without compromises. In a letter Reagan sent to Senate Majority Leader Howard H. Baker, Jr. (R-TN) on the eve of the fateful vote in the Senate, the President assured Baker that the United States reached an agreement with Saudi Arabia, which stated that U.S. personnel would be deployed along with the planes for at least ten years following the arrival of the AWACS planes, which were due to arrive in 1985. The U.S. personnel would be involved in the operation of the planes, would secure the plane’s technology, and would prevent the transfer of data to third countries. U.S. inspection teams would constantly monitor the planes and their performance. The Saudis agreed to not operate the planes outside the boundaries of Saudi Arabia without explicit U.S. consent. As the United States saw it, the agreement would give it full control over the operation of the planes and would prevent their use against Israel. As Secretary Weinberger saw it, the AWACS was not supposed to provide intelligence capabilities to the Saudis, but rather to the United States. The planes would be deployed in Saudi Arabia and formally be owned by the Saudis, but the actual gathering and use of the intelligence would be in the hands of U.S. personnel.92 John Countryman, the Department Of State’s Director of Arab Peninsula Affairs explained to an Israeli diplomat that all of Saudi Arabia’s military installations—airports, sea ports, and equipment—were actually U.S. facilities that the U.S. military could utilize in times of need. The AWACS was just another item on this list.93

As an epilogue, President Reagan stated in a letter to Prime Minister Begin that while the Senate approved the President’s bill for the supply of the AWACS, the Israel-United States special relationship would thrive and grow.94 The letter could be read as a call to move forward, now that the source of friction had been removed. It could also be read as a tacit warning and reminder that when the President threw his weight behind a policy he wanted to see carried out, Israel could not stop him, even in the so-friendly-to-Israel Senate. A definitely positive note was another letter the President sent to Begin, aiming to assuage Israel’s fears from the transfer of high technology to the Arabs. “I’m determined to see that Israel’s qualitative technological edge is maintained,”

93. Marom to U.S. Division, April 1, 1981, no. 9609, MFA 6872/7, ISA.
94. President Reagan to Prime Minister Begin, October 28, 1981, MFA 8466/6, ISA.
pledged the President. And he was true to his word. The relationship between Israel and the United States flourished and thrived during Reagan’s eight years as president, encompassing a wide range of issues and subjects, strategic and military among them. It would be overly simplistic to present the debate over the AWACS deal as a test of the Israel-United States relationship. During 1981–1982, Israel and the United States clashed repeatedly, but all these clashes ended by returning to what was a permanent feature of the relationship between the two countries, the special relationship. What is unique about this case, though, is the discrepancy between the visual and the actual. Israeli officials made no secret of their opposition to the AWACS deal. They knew that their ability to influence U.S. decision making was limited, but the Israeli government hardly flexed its muscles in an attempt to do so. Certainly, Israel would prefer that the planes were not sold to Saudi Arabia, but the struggle against the AWACS was not so much aimed at stopping the sale as it was at producing dividends. What gave the struggle against the AWACS its volume was the strength of the resistance on the part of members of Congress and the Jewish community. While Israel’s security was certainly in their mind, they also had other motives—members of Congress wondered whether it was appropriate to supply sophisticated and advanced technology to countries which could potentially become adversaries, as was the case with Iran. The Jewish organizations who opposed the deal did so partly because that was a part of their raison d’être. Israel neither could nor would suggest to Congress or U.S. Jewish organizations that they should lower the flames, if only because with high flames, Israel could obtain a higher price in return for the deal. Thus, at the end of the day, and even with Reagan’s outbursts against the Israeli government, Israel came out of the controversy better off than it was at the beginning. The AWACS deal was emasculated in a way that made it less dangerous to Israel, and the United States increased the level of its economic and military assistance to Israel and deepened the strategic relationship between the two countries. The President did that and agreed to that mostly because he thought that it was the right thing to do, as well as a return for the AWACS deal.

95. President Reagan to Prime Minister Begin, February 16, 1982, MFA 9346/15, ISA.