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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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National Security Planning Group Meeting
February 12, 1987, 11:00 a.m. - 12:00 p.m., Situation Room

SUBJECT: Middle East (U)

PARTICIPANTS:

The President

The Vice President's Office:
Don Gregg

State:
John C. Whitehead
Richard Murphy

Treasury:
James Baker

OSD:
Caspar W. Weinberger
Richard Armitage

Justice:
Edwin P. Meese

OMB:
Joe Wright
Wayne Army

CIA:
Robert Gates

JCS:
Admiral William Crowe
Lt. General John Moellering

White House:
Donald T. Regan
Frank C. Carlucci
Colin Powell
Robert B. Oakley

Minutes

President Reagan opened the meeting by stressing the importance of the region and the role of the United States. We support the peace process and Israel, but also the moderate Arabs. We want

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to move ahead, gradually but surely, with the peace process. He emphasized the need to help Iraq in order to block Iranian and radical Shia expansionism. Some Arab Governments are concerned that the U.S. is weak and unable or unwilling to help our friends because of the Iran problem. This is not true. Nor should there be any hint or speculation that we were trying to bring about an Iranian victory. That would be very bad for the Arab moderates in the Gulf. We sought to bring victory to neither side but sought to explore ways to end the war peacefully. Now we need to help Iraq. We also need to get on with the peace process, but gradually.

Mr. Carlucci observed that the meeting is not for decisions but for a broad policy review, to set a framework so that individual actions will fit into it. There is a great deal going on in the region, visitors are coming here. We must put all the parts together. We must also work closely to keep in step and avoid being picked apart. The U.S. is not in such bad shape in the region but we must pay attention and work to improve our position.

Mr. Gates agreed that the U.S. is in better shape than it might appear. Radicals have suffered setbacks -- Libya, Syria, and even Iran. Moderates are closer together, due to fear, and doing reasonably well. There are some doubts about the U.S. over arms sales to Iran but the moderate Arabs are still with us. Mubarak needs our help. Israel has had problems, with the Pollard affair, covert acquisition of technology, and the Iran arms deal, but relations with us are still good. The Iranian offensive near Basra scared other Arabs and there is still almost a 50% chance that Iran could capture it but with lots of casualties. Summing up, Gates said there are five basic problems facing the U.S.:

1. Moderate Arabs may lose their will to resist because they fear we have lost our will to help them due to terrorism
2. Iran may overrun Iraq
3. Israel's long-term strategic superiority could at some future date be threatened
4. South Lebanon is a threat to Israel, due to presence of Palestinians and Hizballah and other radicals there
5. Must be alert to long-term Soviet initiatives in the region

Carlucci asked Secretary of Treasury Baker and Assistant Secretary Murphy to comment on their recent trips to the Middle East as additional agenda items and said he would yield his time so that others could have more.

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Secretary Baker said he had been pleased with his trip to Saudi Arabia and his talks with Crown Prince Abdullah and others. They had accepted and appreciated the President's reassurances and said they, as friends, would stand behind the U.S. Basically, although scared about Iran and disappointed in us, they are still with us. They also think oil prices can be maintained at present levels, and have been working to get support of non-OPEC countries such as the USSR and Norway.

Deputy Secretary of State Whitehead agreed that we still have a solid foundation in the region and retain the initiative. No one else can act, leaving it to us where the peace process is concerned. With Shamir, we want to feel him out. He worries about Sharon and Levy but is less adamant in opposition to a peace conference than before. We will see if there is a way to get him on board. Shamir wants the visit to be a success and will probably accommodate us if not pressed too hard. We support Quality of Life on the West Bank but have no money. This is the fault of Congress. We also need to help Mubarak and ease his problems with FMS, within our own limitations.

Secretary of Treasury Baker noted that the overwhelming majority of borrowers are domestic and will demand equal treatment with Egypt. One must proceed carefully and pay attention to Congressional views on this. Secretary of Defense Weinberger suggested getting something of value from Egypt, such as base rights at Ras Tanarah, as compensation for flexibility on FMS. He opposed Baker's suggestion of asking Congress for a special act of Congress to benefit both Israel and Egypt, since it would upset other governments such as Turkey. Whitehead wondered about getting Arab governments and banks to pay off some of Egypt's debt. Baker thought this could be reviewed again.

Whitehead said there was nothing new on the Iran-Iraq war. UN Security Council is talking but not much real hope. We should find a means to reassure Iraq, as they are urging us to do, inter alia by making a statement. We need to reassure the Gulf States and continue with Operation Staunch. Carlucci asked about whether Staunch is being applied domestically. Attorney General Meese said that Justice is doing so, as did Baker for Treasury.

Murphy said he had talked to Mubarak, Hussein and the Israelis about the peace process and the international conference. Peres is okay but Shamir is unfamiliar and unhappy with the idea. However, he does not want to oppose Washington and has not closed the door. Hussein badly needs the conference in order to provide cover for bilateral, direct negotiations with Israel.

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Secretary of Defense Weinberger said we are looking at some things for Iraq. The UN Security Council, counterbattery radar, infra-red protection for Saddam's plane, and more intelligence. We need to do still more. Iran can not be allowed to win, lest its army and revolutionary zeal move on to threaten other countries. DOD is studying how to get supplies up the Gulf, and MIDEASTFOR has agreed to escort a Kuwaiti ship carrying U.S. tanks to Bahrain. We also need to help Egypt and Jordan. It is essential to get FMS payments down, and we should get Jordan's HAWKS out of concrete. Carlucci commented about opposition to this in Congress. Weinberger said that we also need to help the Saudis and he will be having military talks with Prince Sultan in April. On the peace process, he urged reviving the President's 1982 peace plan.

Chairman of the JCS Crowe observed that military-to-military relations are pretty good but the fact remains that we need more access to ports and harbors and airfields in the Gulf and can not really operate without them. Must keep working at it.

The President noted that Congress had prevented us from selling aircraft to Jordan which is now sniffing around the Soviet MIG-29. If we could move ahead with a new aircraft, it would encourage Jordan and be a symbol to moderate Arabs. A Jordan-Soviet deal would be very bad. Meese and Baker recalled the very bitter previous fights with Congress and Begin and urged caution. Perhaps other, less-controversial weapons should be attempted first. Carlucci suggested talking to Shamir privately about arms for Jordan before going to Congress. Weinberger and Baker agreed on talking to Shamir and then moving the package of arms for Arab moderates. The President agreed and said that the Arab arms package should move shortly after the Shamir visit.

Carlucci summed up by stressing the need for the Administration to close ranks on handling Middle East issues, build upon U.S. residual strength, move ahead gradually but surely, advance the peace process, provide more support for Iraq, take other diplomatic and military steps, decide upon a new offer on Egyptian FMS, and try to find funds for Quality of Life on the West Bank.

President Reagan asked about the possibility of a multinational force for West Beirut. Weinberger and Crowe said it is much more difficult than it might look, bigger and lots of fighters, surrounding mountains, etc. They strongly advised against it.

Prepared by: 
Robert Oakley

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