Next Steps Toward Progress in Lebanon and the Middle East

The progress made in arranging a cease-fire and the beginning of intra-Lebanese talks on national reconciliation give cause for hope that our policy to see an independent, sovereign Lebanon, free of all foreign forces is an achievable goal. However, the problems of continuing Syrian intimidation, external intervention in the reconciliation process, and the uncompromising attitude and behavior of certain of the confessional leaders and their respective militias, are major sources of concern. Similarly, the perception of many Lebanese -- a perception which President Gemayel contributes to -- that the current government is not prepared to compromise to achieve an equitable redistribution of power remains a serious obstacle to progress. Israeli inflexibility on the issue of further withdrawals also complicates our task. (S)

For this reason, it is most important that we undertake steps which will enhance the appeal of the government of Lebanon with the key factions who have not yet supported the GOL. Specifically, this means that we must be realistic and accept that Syria and Israel, as major neighboring powers, have interests in Lebanon's future which cannot be ignored or dismissed. In the case of Syria, while accepting its legitimate interests, we must try to lessen its control through surrogates, over the reconciliation process and generate international pressure against its continued occupation of Lebanon. We must also force it to pay a price whenever it instigates or facilitates violence by the factions under its control. International pressure on Syria will be most effective if the moderate Arabs and our European Allies, especially our MNF partners, support our policy and are prepared to continue to use their influence to reinforce our efforts. The United States must continue to be seen as a fair arbiter of justice in the Middle East and a reliable partner capable of a consistent, balanced approach to the complex military and political problems of the region. In this regard, we must redouble our efforts to get more Israeli flexibility on further withdrawals from Lebanon while at the same time urging Israel to take a more aggressive posture against Syrian-supported Palestinian and pro-Iranian groups whose actions and presence threaten the internal reconciliation process. (S)

Recent events in Lebanon and the growing crisis in the Persian Gulf demonstrate the great importance we must attach to close political and military relations with the Europeans, especially Britain, France and Italy. These events have also reinforced the urgency of

* excluding the Iran-Iraq War
stronger strategic relationship with Israel and those moderate Arab states willing to work with us militarily. Cooperation with Israel could have vital importance to us in the event of a major crisis with the Soviet Union in the Eastern Mediterranean or the Persian Gulf. Cooperation with the Arab states is vital for dealing with the variety of lower level and possibly internal security challenges in the region. For this reason, we must not allow either party to hold hostage our security cooperation with the other. We will need to explain to our Arab partners that our cooperation with Israel is aimed at Soviet contingencies that would be catastrophic to the region as a whole. We need to explain to Israel that our cooperation with the Arabs is vital to American and ultimately, we believe, Israel's long term security in the Middle East. Yet, as recent history has shown, this task is not easy. It requires that Israel desist from active campaigns in the United States against our arms sales to the Arabs and that we convince Israel that we will not allow its qualitative edge be eroded. (S)

More strategically-oriented relationships with our friends should provide a context for inducing cooperation on the broader peace process which is the ultimate key to limiting Soviet penetration and bringing about regional peace. We must not lose sight of this fact or of the importance of reciprocity of any relations between partners. Strategic cooperation should not become a bargaining chip for specific ends. The value of strategic cooperation both for us and our friends derives from its desirability and from the fact that it is grounded on matters of clear, mutual self-interest. Specifically, this means that we should not hold hostage progress on our strategic planning with either Israel or the moderate Arabs to progress on Lebanon or the peace process. Yet in reality we know this linkage will be made especially on the question of military cooperation with Jordan. In this particular case, we have no alternative but to insist to Israel that it mute its objections to our military relations with Jordan in exchange for some of its own needs. This should be done privately. (S)

Above all else, we need to reassert American leadership in the wide range of challenges we face in the Middle East. The initial success and approval which greeted my September 1, 1982, peace initiative was because it was bold, innovative and challenged long held assumptions about obstacles to resolving the Palestinian problem. We must regain the initiative in the Middle East by acting once more in a bold way, especially in the aftermath of the Beirut tragedies. For if we appear to be hunkering down to a more passive policy as we approach an election year, we will not make progress but will slide into a morass of confusion and doubt which will give rise to strong domestic criticism. Specifically, we need to accept that the Palestinian problem remains a key to regional peace and that at this time the future of the PLO is uncertain. For this reason, we need to redouble our efforts for constructive dialogue with moderate Arabs to find ways to break through the Palestinian impasse. If one truth is evident since September 1,
1982, it is that the continued pace of Israeli settlement activity casts a dark shadow on any prospects for reconciliation between Israel and its neighbors and for this reason, and to be consistent with our policy, we must restate in stronger terms our opposition to Israeli policy in the West Bank and Gaza. This must be balanced by a sober assessment of the danger of Soviet and Syrian activity in Lebanon and elsewhere and the need for a stronger response to these actions by our moderate Arab friends. If our moderate friends observe that we ourselves cannot prevent those opposed to peace from acting with impunity, they will have no incentive to take risks for peace themselves with no reason to trust the credibility of our guarantees to them. (S)

Within Lebanon

-- The Rules of Engagement governing the use of U.S. ground, naval, and air support for the defense of the strategic high ground which controls the approaches to Beirut will be modified. The changes should allow support to the Lebanese Armed Forces (LAF), such as that currently authorized for Suq al-Gharb, when in the judgment of the U.S. ground commander, LAF positions controlling strategic arteries to Beirut are in danger of being overrun by hostile forces. (S)

-- The United States will continue to insist that the Gemayel government publicly declare and privately carry out its willingness to compromise and share power with representatives of other Lebanese factions. (S)

-- The United States Government, in close coordination with our friends, will endeavor to reduce or limit Syrian influence and control over the dissident Lebanese factions. Our efforts should be concentrated on Lebanese Druze leaders and the Shia leadership, especially Nabih Berri. (S)

-- Responding to an initiative suggested to me by the Italian Prime Minister, we should be prepared to participate in a coordinated, internationally-financed reconstruction program for Lebanon designed to build support for the Central Government and to alleviate the sufferings of all Lebanese communities. Italian leadership of such a reconstruction effort should be supported in our discussion with other potential contributors. (S)

-- Working with the Government of Israel, we will encourage the Government of Lebanon and the Shia leadership to restore Lebanese civil authority in the area south of the Awali River under Israeli control. With cooperation of Israel, we will facilitate the relocation of the Phalangist Lebanese forces from barracks and strongholds in Southern Lebanon. (S)

) Urge Israel to engage in more assertive and aggressive responses to the infiltration, movement, and activity of
non-Lebanese armed factions, especially Palestinians and Iranians. (S)

--- Urge Israel to consider more flexibility on the time of future Israeli withdrawals and a concomitant requirement for alternative and interim security arrangements to provide security for Israel's northern border. (S)

--- Continue our support for the eventual implementation of the May 17 Lebanon-Israel Agreement. (U)

--- Subject to reasonable confirmation of the locations of suitable targets used by elements responsible for the October 23 bombing, attack those targets decisively, if possible in coordination with the French. (TS)

Isolating Syria and Helping the Arab Moderates

The deepening Soviet-Syrian security relationship, the apparent hegemonial designs of Syria in Lebanon, and continuing Syrian intervention in Lebanon and its threats to other Arab countries provide the basis for the following decisions: (S)

--- In our diplomatic contacts with the Syrian Government, we will reiterate that, while we acknowledge Syria's security interests in Lebanon, the U.S. will not acquiesce in current Syrian efforts to dictate the complexion of the Lebanese Government or the orientation of Lebanon's relations with other states. (C)

--- Continue to enhance our security cooperation with Jordan, redoubling our efforts to obtain passage of the legislation necessary to support the JLP. (TS)

--- Expand our security cooperation and contingency planning with Saudi Arabia, Oman, Egypt, and Sudan. (S)

--- Encourage Saudi Arabia and other friendly Arab governments to progressively restore relations with Egypt and to resume their economic assistance, curtailed after the Camp David accords. (S)

--- Consistent with the September 1, 1982, initiative, encourage King Hussein to enter into negotiations with Israel on behalf of the Palestinian people and explore ways to exploit the current confusion in the PLO to reinforce Hussein's leadership. Exploit other Arab channels (Hassan) as appropriate. (TS)

Relations with Israel

Our future relations with Israel should stress our desire to strengthen our strategic relationship and our concern about Israeli policy toward the Palestinians on the West Bank and Gaza. (S)
On strategic cooperation we should:

- In accordance with NSDD-99, the United States will undertake to widen and enhance our strategic cooperation with Israel. (S)

- We will review and favorably consider outstanding Israeli requests related to the expenditure of FMS funds for items developed or produced in the United States. We will not at this time approve the use of FMS funds for expenditures in Israel. We will approve the renegotiation of the 1979 MOA on defense cooperation and procurements. (S)

- Insist that Israel desist its active campaign against our arms sales to Arab states. (S)

- We will intensify our collaboration in the particularly with respect to Soviet weaponry and military activities in Syria. (S)

- To enhance our deterrence of possible Soviet-Syrian activities in the Middle East and eastern Mediterranean, we will undertake joint military planning and exercises with the Israel Defense Force. (TS)

On the West Bank and Gaza, we should:

- Restate in stronger terms our opposition to Israeli settlement activity in the West Bank and Gaza. (S)

- Urge Israel to improve the quality of life for the Palestinians in the occupied territories. (S)

Ronald Reagan