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2005-0954-MR; 2005-1003-F; 2009-0857-F; S

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FOIA MARKER

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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: National Security Council
Series: H-Files
Subseries: NSC Meetings Files

OA/ID Number: 90001
Folder ID Number: 90001-009

Folder Title:
NSC0023 - June 23, 1989 - Persian Gulf [2]

Stack:	Row:	Section:	Shelf:	Position:
V	0	0	0	0

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Memo	From Sandra Charles to Brent Scowcroft, Re: NSC Meeting on the Persian Gulf [handwritten annotations] (4 pp.)	6/19/89	(b)(1)	S
01b. Talking Points	To be Made for Meeting on the Persian Gulf (2 pp.)	n.d.	(b)(1)	S
01c. Outline	From Brent Scowcroft, Re: Meeting with the National Security Council [FOIA restrictions redacted] (6 pp.)	6/20/89	(b)(1)	S
01d. Agenda	NSC Meeting re Persian Gulf (1 pp.)	6/21/89	(b)(1)	S
01e. Talking Points	To be Made for Meeting with NSC (2 pp.)	n.d.	(b)(1)	S
01f. Report	re Persian Gulf (27 pp.)	n.d.	(b)(1)	S
01g. Outline	From Brent Scowcroft, Re: Meeting with the National Security Council [handwritten annotations] [FOIA restrictions redacted] (8 pp.)	6/21/89	(b)(1)	S

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: National Security Council
Series: H-Files
Subseries: NSC Meetings Files
WHORM Cat.:
File Location: NSC0023 - June 23, 1989.- Persian Gulf [2]

Pinksheet Number: bc164
OA/ID Number: 90001-009
Date Closed: 3/24/2008
FOIA/Sys Case #: 2005-0954-MR
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01a. Memo	For Brent Scowcroft from Sandra Charles re NSC Meeting on the Persian Gulf (with marginalia) (4 pp.)	6/19/89	(b)(1)	S

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File Location: NSC0023 - June 23, 1989 - Persian Gulf [2]

Date Closed: 3/24/2008	OA/ID Number: 90001-009
FOIA/SYS Case #: 2005-0954-MR	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

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NSC/S PROFILE

RECORD ID: 8920548
RECEIVED: 19 JUN 89 15

TO: PRESIDENT

FROM: SCOWCROFT
HUGHES

DOC DATE: 20 JUN 90
SOURCE REF:

KEYWORDS: PERSIAN GULF
IRAN
NSC SYSTEM

USSR
AGENDA

PERSONS:

SUBJECT: MTG W/ NSC ON PERSIAN GULF / IRAN / IRAQ & GULF STATES 21 JUN

ACTION: NOTED BY PRES

DUE DATE: 11 JUN 90

STATUS: C

STAFF OFFICER: CHARLES

LOGREF: 8920460 8920737

FILES: IFM O

NSCP: NS0023

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO
CHARLES
HAASS

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: AC

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DOC 2 OF 5

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REMOVAL OF CLASSIFIED
ATTACHMENTS
b1c 3/13/08

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RECORD ID: 8920548

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 SCOWCROFT	Z 89061915 FWD TO PRES FOR INFORMATION
001 HAASS	Z 89062013 FOR REVISION
001 SCOWCROFT	Z 89062013 FWD TO PRES FOR INFORMATION
002 PRESIDENT	Z 89062013 FOR INFORMATION
002	X 89062117 NOTED BY PRES
003 SCOWCROFT	Z 89061909 FOR INFORMATION
003 HAASS	Z 89061909 FOR REVISION
003 SCOWCROFT	Z 89061913 FOR INFORMATION
003	X 89062214 NOTED BY SCOWCROFT
004 HUGHES	Z 89061913 FOR SIGNATURE
005	X 89062013 HUGHES SGD MEMO TO AGENCIES

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**National Security Council
The White House**

PROOFED BY: _____

LOG # 20548

URGENT NOT PROOFED: ✓

SYSTEM PRS (NSC) INT

BYPASSED WW DESK: _____

DOCLOG PC A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Dep Exec	<u>7</u>	<u>✓</u>	<u>A</u>
Philip Hughes	<u>8</u>	<u>PH</u>	
Bob Gates	<u>9</u>	<u>8</u>	
Brent Scowcroft	<u>10</u>		
Philip Hughes			
Situation Room			
West Wing Desk	<u>10</u>	<u>27-9-20</u>	<u>DN</u>
NSC Secretariat	<u>10</u>		

89 JUN 20 P 1: 23

<u>A</u> = Action	I = Information	D = Dispatch	R = Retain	N = No further Action
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cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS (Presidential)
NSC mtg on June 21 at 1:30pm

**National Security Council
The White House**

PROOFED BY: 27.

LOG # 20548

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT

BYPASSED WW DESK: _____

DOCLOG 27. A/O _____

SEQUENCE TO

HAS SEEN

DISPOSITION

Dep Exec 1

Philip Hughes 2

Bob Gates 3

Brent Scowcroft 4

Philip Hughes _____

Situation Room _____

West Wing Desk 5

NSC Secretariat _____

Charles/Hass 6

WJ

✓

A

A

A = Action I = Information D = Dispatch R = Retain N = No further Action

cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

Pres met papers of NSC met on June 21 at 2:00 p.m.

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CARD 1 OF 3

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POINTS TO BE MADE FOR MEETING ON
THE PERSIAN GULF

- THE PURPOSE OF THIS MEETING IS TO EXAMINE U.S. POLICY TOWARD THE PERSIAN GULF, SPECIFICALLY IRAN, IRAQ AND THE GULF STATES.
- U.S. INTERESTS IN THE PERSIAN GULF HAVE BEEN DECLARED VITAL BY EVERY ADMINISTRATION -- REPUBLICAN AND DEMOCRATIC -- SINCE WORLD WAR II. PRESIDENTS CARTER AND REAGAN WENT EVEN FURTHER AND STATED PUBLICLY THAT THESE INTERESTS WERE VITAL ENOUGH TO JUSTIFY A U.S. COMMITMENT TO DEFEND THEM.

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CARD 2 OF 3

- TEN YEARS AGO FOLLOWING THE FALL OF THE SHAH AND THE SOVIET OCCUPATION OF AFGHANISTAN, U.S. POLICY-MAKERS HAD TO CONSIDER HOW TO RESPOND POLITICALLY AND MILITARILY TO A POSSIBLE SOVIET MILITARY INVASION OF IRAN. TODAY, TEN YEARS LATER, THE MAJOR THREAT TO U.S. INTERESTS IN THE REGION COMES FROM IRANIAN RADICAL FUNDAMENTALISM AND SOVIET POLITICAL OPPORTUNISM.
- THE POLICY OF THE LAST EIGHT YEARS, CULMINATING IN THE U.S. NAVAL ESCORT OPERATION IN THE GULF AND THE U.S. DIPLOMATIC OFFENSIVE IN THE UNITED NATIONS TO GET IRAN TO ACCEPT UN RESOLUTION 598 CALLING FOR A CEASEFIRE TO END THE IRAN/IRAQ WAR, WAS ON BALANCE A SUCCESS.

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CARD 3 OF 3

- WITH THE SIGNIFICANT CHANGES IN THE STRATEGIC ENVIRONMENT OVER THE PAST TEN YEARS, AND IN THE AFTERMATH OF AYATOLLAH KHOMEINI'S DEATH, THIS IS A PARTICULARLY APPROPRIATE TIME TO QUESTION THE FUNDAMENTALS OF CURRENT U.S. POLICY FOR THE REGION.
- I WOULD LIKE BRENT TO INTRODUCE THE ISSUES AND OPTIONS FOR CONSIDERATION TODAY.

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(George Bush Library)

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Office: National Security Council

Series: H-Files

Subseries: NSC Meetings Files

WHORM Cat.:

File Location: NSC0023 - June 23, 1989 - Persian Gulf [2]

**Document Partially Declassified
(Copy of Document Follows)**

By MM on 4/21/2022

Date Closed: 3/24/2008	OA/ID Number: 90001-009
FOIA/SYS Case #: 2005-0954-MR	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #: 2005-0954-MR(57)
AR Disposition:	MR Disposition: Released in Part
AR Disposition Date:	MR Disposition Date: 7/17/2015

RESTRICTION CODES

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Deed of Gift Restrictions

- C(1) Closed by Executive Order 13526, governing access to national security information
- C(2) Closed by statute or by the agency which originated the information
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Presidential Records Act - [44 U.S.C. 2204(a)]

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20548

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON June 20, 1989

MEETING WITH THE NATIONAL SECURITY COUNCIL

DECLASSIFIED IN PART
PER E.O. 13526

2005-0954-MR

MM 7/17/2015

DATE: June 21, 1989
LOCATION: The Cabinet Room
TIME: 1:30 p.m. - 2:30 p.m.

FROM: BRENT SCOWCROFT

BJS



I. PURPOSE

To determine U.S. policy toward the Persian Gulf, Iran, Iraq and the Gulf States, pursuant to NSR 10 of February 22.

II. BACKGROUND

For over forty years, U.S. interests in the Persian Gulf -- access to the region's resources (oil), stability of friendly regional states, and deterring Soviet intervention and influence -- have been declared vital by U.S. administrations both Republican and Democratic. Our current policy for the region is based on the Carter and Reagan doctrines, which declared that the United States would be willing to commit military forces to protect our vital interests, and that we were committed to support the individual and collective self-defense of our friends in the area.

Much has happened since 1979 when the fall of the Shah, the Soviet invasion of Afghanistan, the emergence of a radical Islamic revolutionary government in Iran and the outbreak of the Iran/Iraq war posed the first real threats to those interests since World War II. Today a fragile ceasefire in the Iran/Iraq war has been in effect for eight months, and the Soviets have withdrawn their troops from Afghanistan. With the death of the Ayatollah, Iran will remain in some political disarray until the leadership question is temporarily resolved with the August 18 Presidential election. As a result of our successful naval escort operation (EARNEST WILL) in the Gulf, one factor in Iran's decision to accept the ceasefire, the United States repaired the damage to its reputation (from our arms sales to Iran) among the Gulf states. The level of U.S. security cooperation with the Gulf states during this period was unprecedented. The challenge is whether this closeness can be sustained under peace.

Another critical element that has changed over the past ten years is the increasing dependency of the United States and other free world nations on oil exports from the Gulf, a trend that our Energy Department believes is irreversible in

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Declassify on: OADR

cc: Vice President
Chief of Staff

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the short run. U.S. oil imports in the Gulf have increased from 5% in 1985 to 23% in 1988. Over the next 5-10 years, unless a viable alternative to petroleum is found, Gulf producers will be called on to cover increases in world consumption.

The first issue, therefore, is to determine what level of U.S. commitment is required to protect important U.S. interests in the region. The options are: (1) reaffirm the Carter and Reagan doctrines declaring those interests vital and worth defending; (2) reduce the level of our unilateral commitment and encourage a greater allied role; or (3) increase our involvement and enter into formal defense alliances with the Gulf States to protect those interests.

Reaffirming our considerable interests and our readiness to defend them could deter threats (Iran for one) and reassure friendly states. An alternative would be to try to expand formal security ties to the Gulf states. Even without such formal arrangements (except in the case of Oman, where we have a written access agreement -- up for renegotiation this year), however, the Gulf states provided unprecedented support to U.S. and allied forces during the most hostile phase of the Iran/Iraq war. Much of that infrastructure remains in place today, but an attempt to seek formal security arrangements now that the threat is diminished would be unwarranted and in any event almost certainly rejected. As a rule of thumb, the Gulf states prefer we keep our military presence "over the horizon" until they are directly threatened as was the case in the last two years of the Iran/Iraq war. Based on previous experience, depending on an allied effort to protect vital U.S. interests is not prudent.

This suggests the need to maintain a significant military presence in the region along with the capacity to introduce additional forces as required. The U.S. Indian Ocean presence will now consist of either a CVBG or battleship battle group presence in the Indian Ocean for six months each year. During the remaining six months, there may be another type of military presence in the region -- aside from our naval forces in the Gulf which we have agreed will remain at present levels for now -- such as a tactical aircraft deployment or military exercise ashore.

The second issue is to determine how to react to Soviet efforts to broaden their influence in the region. The options are familiar: a U.S./Soviet condominium, actively blocking Soviet gains, or managing U.S./Soviet competition.

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With growing free world (and minimal Soviet) dependency on Gulf oil, a key long term Soviet objective will remain to be in a position to deny the West access to Gulf resources. Even though the Soviet military presence in the area remains high, the Soviets are concentrating on a more politically active role, one that capitalizes on their ability to sell arms. For cultural, religious, political and socio-economic reasons, however, it is unlikely that the Soviets will supplant the United States or the West in the region.

Given the divergence of U.S. and Soviet interests in the region, a condominium -- a serious effort to find areas of convergence in the Gulf and become equal partners in our dealings -- would not make sense. The United States is far ahead of the Soviets in this region despite recent Iranian overtures to the Soviets, and given our vital interests, it would be imprudent to trade our strong inside advantage for a more neutral position vis-a-vis the Soviets.

A completely confrontational approach also would not work, and would adversely affect the overall U.S.-Soviet relationship. We have followed a middle course, recognizing that U.S./Soviet rivalry in Iran and to some extent the Gulf states is a fact of life. A policy of managing U.S./Soviet competition through a dialogue -- emphasizing the need for "rules of the road" in dealing with post-Khomeini Iran -- while simultaneously working to block Soviet inroads looks to be the most prudent course.

The third issue, is whether it is time to alter our policy toward Iran. The options are: (1) to consider unilateral measures to signal our interest, (2) continue containment of Iran's behavior through trade and arms sanctions, while holding out prospects for improved relations if Iran's behavior changes, or (3) to promote an alternative leadership, i.e., non-clerical and pro-western.

Our policy has been one of containment -- imposing sanctions but keeping established channels open for a dialogue with reputable Iranian officials and normal relations if Iran would end the war, return the hostages, end its support for terrorism and its subversion and aggression against its neighbors.

For at least the next 3-6 months, with the leadership question and July presidential election, Iran's current anti-western and anti-U.S. posture is likely to continue in order to appease the radical elements. Iran's policy on hostages and terrorism also is unlikely to change for the foreseeable future, and anti-U.S. incidents may increase as the new regime tries to reaffirm its radical credentials. Once the leadership is in place, with Rafsanjani as

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President, debates on several issues are expected, the key issue being whether to include the West in economic reconstruction, a decision which will have a major effect on Iran's future direction in foreign policy. The outcome is unclear.

Despite recent Iranian overtures toward the Soviets, Iranian foreign policy is likely to remain "no East, no West", although with a "tilt" toward Moscow. The Soviets are likely to provide arms and might even amend the 1921 Treaty that provides them a pretext to intervene in Iran's internal affairs.

The key policy question for us is whether to continue containment. The advantage is that it sets forth reasonable standards for Iranian behavior while guarding against likely continued Iranian provocation. Limited signals of interest -- compensation for Iranian victims of Iran Air, Presidential communication, some relaxation of sanctions -- could provide relative moderates some advantage (and the Soviets some competition) although history suggests such initiatives on our part often lead to scorn and weaken those we are seeking to assist. Any efforts to support an alternative leadership

The fourth issue is to determine U.S. policy toward Iraq, and whether the United States should (1) expand its relations, (2) maintain our current slow and deliberate course, or (3) punish Iraq for behavior we do not condone.

The general trend in Iraq's foreign policy has been toward moderation. It no longer supports U.S.-targeted terrorism. Moreover, its membership in the Arab Cooperation Council with Egypt, Jordan and North Yemen, as well as its close association with the Arab Gulf states, provides a means for moderating its behavior. On balance, however, the regime has changed little from its dictatorial, heavy-handed practices, and therefore its moderation should be viewed with a healthy dose of skepticism. Iraq's chemical, nuclear and biological weapons programs, human rights violations and regional ambitions only reinforce doubts. Iraq also has given safe haven to terrorists, like Abu Abbas, and is adding to tensions in Lebanon.

Since 1984, the year we normalized relations, we have maintained a policy of gradual improvement focussed on cooperation in the commercial and economic sectors, and some limited forms of military assistance, like intelligence sharing. Now that a ceasefire is in effect, Iraq will concentrate on a multi-billion dollar reconstruction effort, in which U.S. companies are eager to participate. Also, over time, the United States may well depend on Iraqi oil exports since it is now the world's second largest holder of proven and unproven reserves.

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There is an obvious conflict between our political and economic objectives with Iraq, given that much of Iraq's political behavior is offensive to us while its economic might makes it a potentially beneficial partner. A slow, steady improvement in relations makes the most sense so long as Iraq does not cross certain red lines: further use of CBW; nuclear activities inconsistent with the NPT; threatening behavior toward the Arab Gulf states; massive human rights abuses; or renewed support for terrorism. Conversely, the pace of relations could be accelerated by a positive shift in Iraqi behavior, e.g., playing a constructive role in the peace process; moves toward greater acceptance of political freedoms and human rights; negotiating settlements with Iran and the Kurds, etc.

The fifth issue under consideration is the level of the U.S. commitment to the security of the Gulf states in view of the changing strategic environment and our interests in the region. There are three basic options: (1) to enter into a formal alliance; (2) to reduce our cooperation and military presence; or (3) to maintain our current level of cooperation.

Since the British left the Gulf in the early 1970s, the Gulf states and Saudi Arabia in particular, have looked to the United States to provide their "security umbrella". In this regard, we have actively sought closer security cooperation with regional states, while remaining sensitive to domestic political considerations that have required us historically to keep any U.S. military presence "over the horizon" in peacetime.

With the outbreak of the Iran/Iraq war, the six Gulf states created the Gulf Cooperation Council (GCC) to enhance economic and political cooperation as well as collective security. When hostilities in the Gulf war escalated, we were able to expand significantly our limited bilateral security cooperation with the Gulf states, especially Saudi Arabia, in contingency planning, access to ports and airfields, combined exercises, prepositioning, and joint minesweeping -- cooperation that ultimately insured the success of our naval escort operations in 1987-88.

One persistent issue of contention that has impaired our security relationships with the Gulf States has been our inability to sell U.S. military equipment to improve indigenous self-defense capabilities and allow interoperability with U.S. forces. This is especially true for Saudi Arabia. In the early days of the Gulf war, we won congressional approval to sell AWACS, F-15s and Stinger missiles. Since 1985, however, every major arms sales request for Saudi Arabia and its smaller neighbors has encountered major obstacles with Congress, which argues that such arms pose a threat to Israel. The previous

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Administration was either forced to compromise and sell less than the original package requested or to recommend these countries seek this equipment from other western arms suppliers, as in the case of the British Tornado sale to the Saudis.

Unless the Administration at the highest level approaches the Hill with determination, Congress will continue to preempt arms sales notifications. Our inability to help these countries meet their legitimate defense needs will gradually erode other areas of our security cooperation as they become more dependent on other suppliers. The Europeans and Soviets have always been eager to fulfill these needs when we cannot. The major Gulf state requests pending this year are tanks for Saudi Arabia and Kuwait, and a future advanced fighter aircraft sale to Saudi Arabia. During his July visit, King Fahd is likely to raise the issue of whether Saudi Arabia will be able to look to the United States to sell arms such as these.

The Administration needs to decide whether, in order to maintain our influence and credibility as a reliable security partner and to deny the Soviets an opportunity to expand their influence, we should pursue a more aggressive arms sales strategy with the Congress. Such a course would involve a major commitment of political capital with no guarantee of success. The issue then is whether to commit ourselves to such a course and to develop a strategy like to meet congressional concerns, i.e., political and technical actions that would assuage Israeli fears.

III. PARTICIPANTS

See Participants List at Tab B.

IV. PRESS PLAN

White House Photographer only.

V. SEQUENCE

See Agenda at Tab A.

Prepared by: Sandra Charles

Attachments

Tab A	Agenda
Tab B	Participants List
Tab C	Points to be Made
Tab D	PCC Paper

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20548

NATIONAL SECURITY COUNCIL MEETING

Wednesday, June 21, 1989

Cabinet Room

1:30 p.m. - 2:30 p.m.

PERSIAN GULF

- I. Opening Statement..... President
- II. Introduction.....Brent Scowcroft
- III. Intelligence Update.....William H. Webster
 - Threat from the Soviet Union
 - Threat from Iran/Internal Situation in Iran
 - CW/BW/IRBM Proliferation
- IV. Discussion of Policy Options.....All
 - U.S. Interest in and Policy Toward the Persian Gulf
 - U.S. Policy Toward the Soviet Union
 - U.S. Policy Toward Iran
 - U.S. Policy Toward Iraq
 - U.S. Policy Toward Saudi Arabia and the GCC
- V. Summary.....Brent Scowcroft

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2005-0954-MA
7/31/2014 MM

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LIST OF PARTICIPANTS

The President
The Vice President
The Secretary of State
The Secretary of Defense
- The Secretary of Energy
The Director of the Office of Management and Budget
The Chief of Staff
The Assistant to the President for National Security Affairs
The Assistant to the President and Press Secretary
The Director of the Central Intelligence Agency
The Deputy Assistant to the President for National Security
Affairs
The Chairman of the Joint Chiefs of Staff
Sandra Charles (Notetaker)

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POINTS TO BE MADE FOR MEETING WITH
NATIONAL SECURITY COUNCIL

- The purpose of this meeting is to examine U.S. policy toward the Persian Gulf, specifically Iran, Iraq and the Gulf States.
- U.S. interests in the Persian Gulf have been declared vital by every Administration -- Republican and Democratic -- since World War II. Presidents Carter and Reagan went even further and stated publicly that these interests were vital enough to justify a U.S. commitment to defend them.
- Ten years ago following the fall of the Shah and the Soviet occupation of Afghanistan, U.S. policy-makers had to consider how to respond politically and militarily to a possible Soviet military invasion of Iran. Today, ten years later, the major threat to U.S. interests in the region comes from Iranian radical fundamentalism and Soviet political opportunism.
- The policy of the last eight years, culminating in the U.S. naval escort operation in the Gulf and the U.S. diplomatic offensive in the United Nations to get Iran to accept UN Resolution 598 calling for a ceasefire to end the Iran/Iraq war, was on balance a success.

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2005-0954-MR
SCS 2/28/13

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- With the significant changes in the strategic environment over the past ten years, and in the aftermath of Ayatollah Khomeini's death, this is a particularly appropriate time to question the fundamentals of current U.S. policy for the region.

- I would like Brent to introduce the issues and options for consideration today.

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01f. Report	re Persian Gulf (27 pp.)	n.d.	(b)(1)	S

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PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
 (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

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20548

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

June 20, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: RICHARD N. HAASS

FROM: SANDRA CHARLES

SUBJECT: NSC Meeting on the Persian Gulf, Wednesday,
June 21, 1:30 p.m. - 2:30 p.m., The Cabinet Room

Attached is the briefing memorandum to the President for his meeting on the Persian Gulf with the National Security Council on Wednesday, June 21, 1989.

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memorandum to the President
Tab A Agenda
Tab B List of Participants
Tab C Opening Statement (Presidential)
Tab D PCC Paper

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By b1c NARA, Date 3/13/08

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Declassify on: OADR

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

20548

June 19, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: RICHARD N. HAASS *RD*

FROM: *S* SANDRA CHARLES

SUBJECT: NSC Meeting on the Persian Gulf, Wednesday,
June 21, 1:30 p.m. - 2:30 p.m., The Cabinet Room

Attached is the briefing memorandum to the President for his meeting on the Persian Gulf with the National Security Council on Wednesday, June 21, 1989.

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That you sign the memorandum to the President at Tab I.

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Tab I Memorandum to the President
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*Richard/Sandra
Much too long.
Re-do. If you
can find ways
to shorten this
further feel
free to
do so.*

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By b1c NARA, Date 3/13/08

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Declassify on: OADR

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01g. Outline	From Brent Scowcroft, Re: Meeting with the National Security Council [handwritten annotations] [FOIA restrictions redacted] (8 pp.)	6/21/89	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC Meetings Files

WHORM Cat.:

File Location: NSC0023 - June 23, 1989, - Persian Gulf [2]

**Document Partially Declassified
(Copy of Document Follows)**

By MM on 4/21/2022

Date Closed: 3/24/2008

OA/ID Number: 90001-009

FOIA/SYS Case #: 2005-0954-MR

Appeal Case #:

Re-review Case #:

Appeal Disposition:

P-2/P-5 Review Case #:

Disposition Date:

AR Case #:

MR Case #: 2005-0954-MR(57)

AR Disposition:

MR Disposition: Released in Part

AR Disposition Date:

MR Disposition Date: 7/17/2015

RESTRICTION CODES

Freedom of Information Act (FOIA) - [5 U.S.C. 552(b)]

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Deed of Gift Restrictions

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- C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
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Presidential Records Act - [44 U.S.C. 2204(a)]

- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

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THE WHITE HOUSE
WASHINGTON

DECLASSIFIED IN PART
PER E.O. 13526

2005-0954-MR
MM 7/17/2015



MEETING WITH THE NATIONAL SECURITY COUNCIL

DATE: June 21, 1989
LOCATION: The Cabinet Room
TIME: 1:30 p.m. - 2:30 p.m.

FROM: BRENT SCOWCROFT

I. PURPOSE

To determine U.S. policy toward the Persian Gulf, Iran, Iraq and the Gulf States, pursuant to NSR 10 of February 22.

II. BACKGROUND

This policy review has come at a propitious time. The strategic environment in the Gulf has changed markedly from what it was ten years ago. This change has prompted us to question the fundamentals of current U.S. policy in the region:

(1) Are U.S. interests in the region -- economic, political and strategic -- still vital in view of the changed strategic environment, i.e., reduced Soviet invasion threat, Soviet withdrawal from Afghanistan, Iran's defeat in its war with Iraq; and the death of Ayatollah Khomeini?

(2) Is U.S. policy (including continued commitment of U.S. military forces) appropriate given our special political and security relationships with the Gulf states (including sales of sophisticated U.S. arms) and our desire to pursue closer ties with Iran and Iraq?

For over forty years, U.S. interests in the Persian Gulf -- access to the region's resources (oil), stability of friendly regional states, and deterring Soviet intervention and influence -- have been declared vital by U.S. administrations both Republican and Democratic. Our current policy for the region is based on the Carter and Reagan doctrines, which declared that the United States would be willing to commit military forces to protect our vital interests, and that we were committed to support the individual and collective self-defense of our friends in the area.

Much has happened since 1979 when the fall of the Shah, the Soviet invasion of Afghanistan, the emergence of a radical Islamic revolutionary government in Iran and the outbreak of the Iran/Iraq war posed the first real threats to those interests since World War II. ~~Ten years ago the focus of U.S. military planning for the area was to deter and, if~~

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Declassify on: OADR

cc: Vice President
Chief of Staff

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necessary, defeat a large-scale Soviet invasion of Iran. The concept of the rapid deployment force (which became the U.S. Central Command in 1983) evolved during this period, along with a concerted effort to expand security cooperation with the Gulf and littoral countries. The U.S. naval presence in the region was augmented considerably, and in 1979-1982 included two carrier battle groups in the Indian Ocean. The United States also successfully sold Stinger missiles, F-15, and AWACs aircraft to Saudi Arabia in response to the Gulf war, to help the Saudis provide for their own defense and allow inter-operability with U.S. forces.

Today a fragile ceasefire in the Iran/Iraq war has been in effect for eight months, and the Soviets have withdrawn their troops from Afghanistan. With the death of the Ayatollah, Iran will remain in some political disarray until the leadership question is temporarily resolved with the August 18 Presidential election. As a result of our successful naval escort operation (EARNEST WILL) in the Gulf, one factor in Iran's decision to accept the ceasefire, the United States repaired the damage to its reputation (from our arms sales to Iran) among the Gulf states. The level of U.S. security cooperation with the Gulf states during this period was unprecedented. The challenge is whether this closeness can be sustained under peace.

Another critical element that has changed over the past ten years is the increasing dependency of the United States and other free world nations on oil exports from the Gulf, a trend that our Energy Department believes is irreversible in the short run. ~~Gulf producers, particularly Saudi Arabia and Iraq -- numbers one and two in terms of proven and unproven reserves -- account for about seventy-five percent of world excess production capacity. Over the next 5-10 years, unless a viable alternative to petroleum is found, they will be called on to cover increases in world consumption.~~

The first issue, therefore, ~~given the change in the strategic environment~~, is to determine whether U.S. interests in the region remain vital and if so, what level of American commitment is required to reflect that importance. The options are: (1) reaffirm the Carter and Reagan doctrines declaring those interests vital and worth defending; (2) reduce the level of our unilateral commitment and encourage a greater allied role; or (3) increase our involvement and enter into formal defense alliances with the Gulf States to protect those interests.

considerable ~~U.S. interests are considerable and are likely to remain that way. Reaffirming our ^{and our} readiness to defend them could deter threats (Iran for one) and reassure friendly states. The argument against is that the Soviet threat has diminished and that in any case we lack the resources to sustain a viable commitment to this theater.~~

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US oil
imports
to the
Gulf
products
have
increased
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1985 to
23% in
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try to expand formal security ties to the Gulf states

← An alternative would be to do more. [That said, fear of internal subversion has kept the Gulf states (except Oman with which we have a written access agreement that is up for renegotiation this year), from forging formal security arrangements with the United States.] Even without such formal arrangements, they provided unprecedented support to U.S. and allied forces during the most hostile phase of the Iran/Iraq war. Much of that infrastructure remains in place today, but an attempt to seek formal security arrangements now that the threat is diminished would be unwarranted and in any event almost certainly rejected. As a rule of thumb, the Gulf states prefer we keep our military presence "over the horizon" until they are directly threatened as was the case in the last two years of the Iran/Iraq war.

(except in the case of Oman, where we have a written access agreement -- up for renegotiation this year)

(Bardon) Previous experience also has proven that our allies will be slow to respond militarily because of domestic political constraints and they lack our force projection capabilities; therefore, depending on an allied effort to protect vital U.S. interests is not prudent. Any lessening of U.S. resolve at this point would be alarming to the Gulf States, and may encourage Iranian and Soviet opportunism.

This suggests the need to maintain a significant military presence in the region along with the capacity to introduce additional forces as required. The U.S. Indian Ocean presence will now consist of either a CVBG or battleship battle group presence in the Indian Ocean for six months each year. During the remaining six months, there may be another type of military presence in the region -- aside from our naval forces in the Gulf which we have agreed will remain at present levels for now -- such as a tactical aircraft deployment or military exercise ashore.

familiar: The second issue is to determine how to react to Soviet efforts to broaden their influence in the region. The options are a U.S./Soviet condominium, actively blocking Soviet gains, or managing U.S./Soviet competition.

With growing free world (and minimal Soviet) dependency on Gulf oil, a key long term Soviet objective will remain to be in a position to deny the West access to Gulf resources. Even though the Soviet military presence in the area remains high, Soviet military intervention is an unlikely prospect in the post-Afghanistan period. Instead, the Soviets are concentrating on a more politically active role, one that capitalizes on their ability to sell arms. For cultural, religious, political and socio-economic reasons, however, it is unlikely that the Soviets will supplant the United States or the West in the region.

Given the divergence of U.S. and Soviet interests in the region, a condominium -- a serious effort to find areas of convergence in the Gulf and become equal partners in our dealings -- would not make sense. The United States is far ahead of the Soviets in this region despite recent Iranian overtures to the Soviets, and given our vital

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interests, it would be imprudent to trade our strong inside advantage for a more neutral position vis-a-vis the Soviets. Any accommodation with the Soviets would undoubtedly require a sharp reduction of our military presence which would be unacceptable with Soviet proximity to the region, and in that it would limit our options in certain contingencies.

A completely confrontational approach also would not work, and would adversely affect the overall U.S.-Soviet relationship. We have followed a middle course, recognizing that U.S./Soviet rivalry in Iran and to some extent the Gulf states is a fact of life. ~~We have engaged the Soviets in a dialogue on regional security issues, like the Iran/Iraq war and proliferation issues, with some success. We have cautioned the Gulf states in their dealings with the Soviets, but have understood their desire to want normal relations with both superpowers as they have matured politically. In addition, since the Soviets frequently are their own undoing, we have learned it is better not to overreact to their modest gains in the region.~~ A policy of managing U.S./Soviet competition through a dialogue -- emphasizing the need for "rules of the road" in dealing with post-Khomeini Iran -- while simultaneously working to block Soviet inroads looks to be the most prudent course.

~~The third issue, and the most frustrating,~~ is whether it is time to alter our policy toward Iran. The options are: (1) to consider unilateral measures to signal our interest, (2) continue containment of Iran's behavior through trade and arms sanctions, while holding out prospects for improved relations if Iran's behavior changes, or (3) to promote an alternative leadership, i.e., non-clerical and pro-western.

~~Because of the nature of the previous Iranian government, our policy had been one of containment -- imposing sanctions but keeping established channels open for a dialogue with reputable Iranian officials and normal relations if Iran moderated its behavior. The actions required on Iran's part to open the door to normal relations included: ending the war, returning the hostages, ending its support for terrorism and its subversion and aggression against its neighbors. Our ability to deal with Iran has been slim and the results erratic.~~ We have been rebuffed thus far on a dialogue, but have continued to work cooperatively at the pHague Tribunal. The most persuasive effect we have had on Iranian policy in the last ten years may well have been through use of military force against Iranian naval units during the 1987-88 Gulf shipping war, which helped convince Iran to accept UN resolution 598 and a ceasefire.

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months, [however] with the leadership question and August presidential election, Iran's current anti-western and anti-U.S. posture is likely to continue in order to appease the radical elements. Iran's policy on hostages and terrorism also is unlikely to change for the foreseeable future, and anti-U.S. incidents may increase as the new regime tries to reaffirm its radical credentials. Once the leadership is in place, with Rafsanjani as President, debates on several issues are expected, the key issue being whether to include the West in economic reconstruction, a decision which will have a major effect on Iran's future direction in foreign policy. The outcome is unclear.

Despite recent Iranian overtures toward the Soviets, Iranian foreign policy is likely to remain "no East, no West", although with a "tilt" toward Moscow. The Soviets are likely to provide arms and might even amend the 1921 Treaty that provides them a pretext to intervene in Iran's internal affairs.

X The key policy question for us is whether to continue containment. The advantage is that it sets forth reasonable standards for Iranian behavior while guarding against likely continued Iranian provocation. Limited signals of interest -- compensation for Iranian victims of Iran Air, Presidential communication, some relaxation of sanctions -- could provide relative "moderates" some advantage (and the Soviets some competition) although history suggests such initiatives on our part often lead to scorn and weaken those we are seeking to assist. ~~Any support for an alternative leadership is easier said than done; recent experience underscores the difficulty in promoting any serious alternatives to the current order.~~ 1.4(c); 1.4(d); 3.3(b)(1)

The fourth issue is to determine U.S. policy toward Iraq, and whether the United States should (1) expand its relations, (2) maintain our current slow and deliberate course, or (3) punish Iraq for behavior we do not condone.

The general trend in Iraq's foreign policy has been toward moderation. It no longer supports U.S.-targeted terrorism. Moreover, its membership in the Arab Cooperation Council with Egypt, Jordan and North Yemen, as well as its close association with the Arab Gulf states, provides a means for moderating its behavior. On balance, however, the regime has changed little from its dictatorial, heavy-handed practices, and therefore its moderation should be viewed with a healthy dose of skepticism. Iraq's chemical, nuclear and biological weapons programs, human rights violations and regional ambitions only reinforce doubts. Iraq also has given safe haven to terrorists, like Abu Abbas, and is adding to tensions in Lebanon.

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Since 1984, the year we normalized relations, we have maintained a policy of gradual improvement focussed on cooperation in the commercial and economic sectors, and some limited forms of military assistance, like intelligence sharing. ~~We have provided Iraq with modest commodity subsidies which have generated \$1 billion in annual agricultural exports to Iraq. Now that a ceasefire is in effect, Iraq will concentrate on a multi-billion dollar reconstruction effort, in which U.S. companies are eager to participate. United States Government support for medium and long term EXIM bank financing will be important to give U.S. firms an edge over European and other competitors. More importantly, over time, the United States may well depend on Iraqi oil exports since it is now the world's second largest holder of proven and unproven reserves.~~

There is an obvious conflict between our political and economic objectives with Iraq, given that much of Iraq's political behavior is offensive to us while its economic might makes it a potentially beneficial partner. ~~Expanding relations too rapidly would be imprudent, however; Iraqi behavior does not justify it. Punishing Iraq for behavior that we find reprehensible by cutting off economic programs or imposing sanctions would force Iraq back into a more extremist role, and would raise concerns with the Gulf states and Arab moderates who are nurturing the new Iraq. Experience has proven that we have only been able to moderate Iraqi behavior by using our limited assistance as leverage.~~

A slow, steady improvement in relations makes the most sense so long as Iraq does not cross certain red lines: further use of CBW; nuclear activities inconsistent with the NPT; threatening behavior toward the Arab Gulf states; massive human rights abuses; or renewed support for terrorism. Conversely, the pace of relations could be accelerated by a positive shift in Iraqi behavior, e.g., playing a constructive role in the peace process; moves toward greater acceptance of political freedoms and human rights; negotiating settlements with Iran and the Kurds, etc.

The fifth issue under consideration is the level of the U.S. commitment to the security of the Gulf states in view of the changing strategic environment and our interests in the region. There are three basic options: (1) to enter into a formal alliance; (2) to reduce our cooperation and military presence; or (3) to maintain our current level of cooperation.

Some reference to the GCC
~~Our relations with the Gulf States currently provide the foundation for U.S. policy in the Gulf. Our relationship is based on a mutual dependency -- the West needs their oil, they need western markets. Since the British left the Gulf in the early 1970s, these countries, and Saudi Arabia in particular, have looked to the United States to provide their "security umbrella". In this regard, we have actively~~

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sought closer security cooperation with regional states, while remaining sensitive to domestic political considerations that have required us historically to keep any U.S. military presence "over the horizon" in peacetime.

With the outbreak of the Iran/Iraq war, the six Gulf States created the Gulf Cooperation Council (GCC) to enhance economic and political cooperation as well as collective security.

~~Prior to the Iran/Iraq war, U.S. security cooperation with the Gulf states was limited, with the exception of Oman and Bahrain where we had formal access arrangements and a routine military presence.~~ When hostilities in the Gulf war escalated, we were able to significantly expand this *our limited bilateral security* cooperation with the Gulf states, especially Saudi Arabia, in contingency planning, access to ports and airfields, combined exercises, prepositioning, and joint minesweeping -- cooperation that ultimately insured the success of our naval escort operations in 1987-88.

One persistent issue of contention that has impaired our security relationships with the Gulf States has been our inability to sell U.S. military equipment to improve indigenous self-defense capabilities and allow interoperability with U.S. forces. This is especially true for Saudi Arabia. In the early days of the Gulf war, we won congressional approval to sell AWACS, F-15s and Stinger missiles. Since 1985, however, every major arms sales request for Saudi Arabia and its smaller neighbors has encountered major obstacles with Congress, which argues that such arms pose a threat to Israel. The previous Administration was either forced to compromise and sell less than the original package requested or to recommend these countries seek this equipment from other western arms suppliers, as in the case of the British Tornado sale to the Saudis.

Unless the Administration at the highest level approaches the Hill with determination, Congress will continue to preempt arms sales notifications. Our inability to help these countries meet their legitimate defense needs will gradually erode other areas of our security cooperation as they become more dependent on other suppliers. The Europeans and Soviets have always been eager to fulfill these needs when we cannot. The major Gulf state requests pending this year are tanks for Saudi Arabia and Kuwait, and a future advanced fighter aircraft sale to Saudi Arabia. During his July visit, King Fahd is likely to raise the issue of whether Saudi Arabia will be able to look to the United States to sell arms such as these.

The Administration needs to decide whether, in order to maintain our influence and credibility as a reliable security partner and to deny the Soviets an opportunity to expand their influence, the Administration should pursue a more aggressive arms sales strategy with the Congress. Such a course would involve a major commitment of political capital with no guarantee of success. The issue then is *we should*

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whether to commit ourselves to such a course and to develop a strategy like to meet congressional concerns, i.e., political and technical actions that would assuage Israeli fears.

III. PARTICIPANTS

See Participants List at Tab B.

IV. PRESS PLAN

White House Photographer only.

V. SEQUENCE

See Agenda at Tab A.

Attachments

Tab A	Agenda
Tab B	Participants List
Tab C	Points to be Made
Tab D	PCC Paper

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LIST OF PARTICIPANTS

The President
The Vice President
The Secretary of State
The Secretary of the Treasury
The Secretary of Defense
The Secretary of Energy
The Director of Office of Management and Budget
The Chief of Staff
The ~~Advisor~~ to the President for National Security Affairs
The Assistant to the President and Press Secretary
The Director of the Central Intelligence Agency
The Deputy ~~Advisor~~ to the President for National Security Affairs
The Chairman of the Joint Chiefs of Staff
Sandra Charles (Notetaker)

Assistant

Assistant