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Iran Group
Review

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UNDER SECRETARY OF STATE
FOR POLITICAL AFFAIRS
WASHINGTON

[Handwritten signature]

SECRET

April 1, 1982

MEMORANDUM

TO : S/P - Mr. Paul Wolfowitz
NEA - Ambassador Veliotis

FROM : Lawrence S. Eagleburger *[Signature]*

SUBJECT: Iran-Iraq

S/P's memo on "A More Active Policy Toward Iran" contains a number of interesting ideas. I have serious doubts about nearly all of them, largely because of their effects on our relations with the Arabs. But my current views are irrelevant because I have not really addressed these questions systematically. What we need now, with NEA taking the lead, is a paper which looks at our policy choices regarding the war and its aftermath in the broadest possible -- without becoming unmanageable -- context. I want to be sure the Secretary sees the tradeoffs and options on the main policy questions, even if there is consensus on what to do. I have asked David Gompert and Robin Raphel to work with you and to let S/S know what I think is needed.

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GDS 4/1/88

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RW 5/2/82

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DEPARTMENT OF STATE
Washington, D.C. 20520

54636

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March 23, 1982

MEMORANDUM

TO: P - Lawrence Eagleburger
FROM: S/P - James G. Roche, Acting *JGR*
SUBJECT: A More Active Policy Toward Iran

Despite the urgent attention Central America is receiving, the Persian Gulf situation could explode on short notice into one of the greatest threats to Western security and unity. Various [REDACTED] reports suggest that the threat has recently become more acute owing to increasing Soviet and proxy penetration of Iran and Iranian moves against the Gulf states. In the past 48 hours, there have been reports of a successful Iranian offensive which could lead to a rapid unraveling of the Iraqi position. And Nick Veliotes has recently cabled that he found in all GCC states he had visited "acute concern that Soviet influence in Iran would increase" and "a more realistic appreciation of security threats to the region."

E.O. 13526
As Amended
Sec. 3.3 (b) (1)

To date, we have been passively neutral in the Iran-Iraq War, and have sought to assist Gulf states essentially through arms transfers alone. Such passivity is itself a major strategic choice, but one that is unlikely to achieve any of our goals for the region, including Turkey and the Gulf States, and that sends a dangerous signal to the Soviets.

Our sense is that prior to the recent Iranian counter-assault the JCS and some elements in State were altering that policy to tilt toward Iraq in response to the Gulf states' anxiety over a resurgent Iran. There is a danger that this tilt will neither save Iraq from a defeat we would be blamed for nor make its policies less hostile in the long run either to our friends or our interests; a tilt to Iraq is also unlikely to offer the Gulf states either increased U.S. protection or effective security. At the same time it practically cuts off any possibility of increasing Western influence in Iran, which by its size and location, by both its resources and its vulnerabilities, deserves the strategic priority accorded it by Soviet policy.

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NLR 1008-113 #54636
BY RW 9/11/11

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The U.S. drift in this direction can be explained in part by the general sense that we have few opportunities for influence in Iran anyway and little in the way of reliable information to act on. Nevertheless, before drifting any further down this path, we should question the conventional wisdom and consider a more activist policy that recognizes the strategic priority of Iran. Because of the political difficulty of an overt tilt to either party, we must try to think of ways to gain leverage in both. To that end, an urgent but thorough review should go beyond looking at the Iran-Iraq War in isolation and consider the whole range of associated Persian Gulf security problems in a global perspective including the Soviet dimension. We should try to create and exploit opportunities for a more activist and strategically sound policy. Such a review should explore at least the following such opportunities:

1) The Iranian threat offers an opportunity to demonstrate U.S. ability and commitment to secure the Gulf states against either Iranian or future Iraqi hegemony, through e.g., a temporary deployment of F 15s to Oman or a demonstration of U.S. carrier airpower over the Persian Gulf. The Bahrainis are speaking more favorably than in many years about a U.S. presence. We could work with countries like Oman willing to cooperate with us and we should expect the Saudis at least to offer tacit support. Vigorous action in these respects could send the Soviets a useful signal, show the Gulf states that we are able and willing to be the security balancer in the Gulf, and thereby increase our freedom of maneuver toward both Iran and Iraq.

2) A more active and forthcoming public and diplomatic stance toward Iran could keep open the possibility of dealing with this or the next government, increase Western influence in Iran, enable Iranian forces to distance themselves from the Soviets, and maximize our ability to influence the termination of the war. Such a stance could include:

a) a more active form of neutrality favoring return to the status quo ante and emphasizing our concern for the independence and territorial integrity of Iran.

b) a more forthcoming policy toward third party arms transfers to both Iran and Iraq, offering alternatives to Soviet bloc supplies without enabling either side to overwhelm its neighbors.

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- c) expedited settlement of claims with Iran.
- d) exploration of possible U.S. and other Western economic cooperation with Iran, including their proposal for a natural gas pipeline through Turkey to Western Europe, and moves to discourage foreign trade nationalization (with an eye both to Western influence and the position of the merchant class).
- e) more active discussion on Iran with third parties to encourage more effective involvement there, including assistance on internal security and intelligence from e.g., [REDACTED] to obviate reliance on KGB or proxy help.
- 3) [REDACTED] contingency planning focused on Soviet moves (along the spectrum from present penetration to overt military invasion in a range of possible Iranian circumstances) would increase our ability to respond rapidly and prudently to future threats and opportunities in Iran. The Soviets obviously have a strategy to gain power and influence in Iran. What is it? Could we counter it? How?
- 4) Security measures in eastern Turkey could help to deter possible Soviet military moves and support possible Western moves in Iran.
- 5) Our willingness to counter threats to the Gulf from the north could be confirmed by acting to counter threats from the south. A reassessment of our Yemen policy could explore a more active stance in support of YARG against PDRY possibly in collaboration with the Saudis who expressed interest earlier. As an effort to reassure our friends and counter Soviet presence, this could complement and connect a more active policy toward Iran and a more active policy in the Horn.

Opportunities in this area have so far been allowed to slip away. S/P has made several attempts over the past year to start high level planning on a more active policy toward Iran, including a SIG, an NSC-convened special study group, and a State special group (the tasker for which I attach; we have other papers on the subject). None of them got off the

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ground and Bud MacFarlane who presided over them has departed. If you think that a serious review is warranted, we could work with others on it on an inter-bureau or interagency basis. We don't have the assets to take this over by ourselves, and the track record suggests that there is not a lot of enthusiasm elsewhere to devote a lot of effort to such a project. We are not sure how to proceed now other than letting you know we believe that time is not on our side on this issue.

Attachment:

as stated

Draft: S/P:NTarcov:lm
3-23-82 ext. 22576

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SECRET/SENSITIVE

Current Policy Implications of Iran-Iraq Conflict

U.S./National Interests

- Security of the Gulf region and survival of regimes friendly to western interests;
- Continued access to petroleum supplies in adequate quantities and at reasonable prices;
- Prevent Soviet expansion, counter Soviet influence and prevent the USSR from exploiting regional developments to undermine security.

Derived Objectives

- Do we still agree that an early end to the war is essential?
- If so, is it to our advantage that neither combatant emerge with the military capability to dominate the Gulf?
- What are the steps we could take to promote more actively a negotiated settlement?
 - At the UN Security Council?
 - With the Western allies?
 - With the Islamic Group?
 - With the USSR (Is an end sufficiently compelling as to make cooperation with the Soviets desirable?)
- Should we consider changes in our policy so long as the war continues?

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RW 5/27/11

- Are there advantages in a U.S. "tilt"?
 - toward Iran?
 - toward Iraq?
- Should we sell arms to one or both? Should we encourage third parties to do so?
- Is there any prospect of a successful blockade of arms resupply?
- What are the implications and opportunities for the Soviets
 - from a continuation of the conflict?
 - from a negotiated settlement:
 - by the Islamic states?
 - by the UN?
 - by the NAM?
 - from a victory by Iran?
 - from Iraq?
- What are Soviet vulnerabilities and how can they be exploited to deny the Soviets benefits and opportunities"
 - on the diplomatic front?
 - on the economic/military assistance front?
 - by seizing the initiative?
 - through clandestine means?

Implications and choices: Iranian military success

- Is resolution by Iranian "victory" in our interests?
- Can we affect this development?
- What dangers do we face if Iraq becomes desperate?

- Intensified strikes on oil facilities?
- Threats to navigation in the Gulf?
- Pressures on friendly Arab states for manpower of staging facilities?
- Chemical warfare?
- What influences can we bring to bear directly or indirectly on Iran to press for negotiations?
 - politically?
 - economically?
 - in terms of post-war arms relationships?
 - by heightening concerns re Soviet intentions?
- Implications for our regional posture and interests
 - Arab perceptions of Iranian military and subversion potential?
 - Islamic subversion potential? fundamentalism mythology?
 - Enhanced Syrian capabilities to play a spoiling role? Arab-Israeli peace process? Lebanon?
 - Our ability to satisfy requests of friendly Arab ~~regimes~~
 - Arab regimes for security assistance and assurances?
 - U.S. credibility?



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Review*

DEPARTMENT OF STATE

Washington, D.C. 20520

5/16/82

April 6, 1982

Larry,

Thanks for your note regarding S/P's memo on Iran. Your call for a broad review of policy is indeed a welcome one. I perhaps should have made clearer from the outset that we recognize the immense danger Iran poses to our Arab friends in the Gulf, and the need to contain it. We are by no means recommending a "tilt" towards Iran at this moment. Indeed many of the measures listed in our paper - e.g. economic cooperation - can only be implemented over time.

At the same time, we believe that in light of Iran's enormous strategic importance, it is essential to develop - much more intensively than we have to date - a long-term policy that would minimize Soviet influence in Iran. Likewise, we need to prepare steps now that will put us in a better position to influence events when Khomeini passes from the scene. Our own reading of Nick's cables from the region suggests that this is something that the Arab states would very much favor themselves.

Finally, I would only reemphasize the importance of using the current crisis to provide a reassuring demonstration of military support to the threatened Gulf states. As we noted in our memo, Bahrain is now speaking very positively of US presence, and the UAE has even asked us to arrange a ship visit for a naval combatant with modern anti-air missile equipment. This is a remarkable turn of events. At a minimum, our reply should be forthcoming and go beyond the standard bureaucratic response. At best, we should look for ways of exhibiting initiative ourselves. A failure in this regard will result in more than a missed opportunity for the US. Without concrete manifestations of US protection, our Arab friends will be placed in an even more exposed and compromised position vis-a-vis Iran. In this position, they will no doubt be tempted to explore ways of placating the threat that will in turn be very damaging to our own long range interests.

We are happy and eager to work with you and Nick on this in any way we can.

Paul Wolfowitz

P - Ambassador Eagleburger

MDR-113#54638

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DEPARTMENT OF STATE

Washington, D.C. 20520

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BY RW NARA DATE 9/16/11

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