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DEPARTMENT OF STATE

Washington, D.C. 20520

September 23, 1981

MEMORANDUM FOR MR. RICHARD V. ALLEN THE WHITE HOUSE

SUBJECT: Iran SIG Meeting of July 21, 1981

The attached paper received from the Joint Chiefs of Staff provides argument in support of a dissenting position proposed after the July 21 SIG meeting on Iran policy. The State Department will not renew here all the arguments made in the SIG. However, OVP, State, NSC, OSD, and CIA, concluded that U.S. efforts to discourage third country transfers of non-U.S. origin arms would have only a marginal effect on the conduct and outcome of the war, but could increase opportunities for the Soviets to take advantage of Iran's security concerns and to persuade Iran to accept Soviet military assistance.

No participating agency at the SIG argued in favor of arms transfers, as implied in paragraph 5 of the JCS document, nor did any agency argue in favor of "deliberate U.S. action to encourage an increase in arms supply to Iran," as implied in paragraph 6 of the JCS document. These paragraphs are JCS formulations that do not reflect the argument of the SIG majority against the position JCS endorses. JCS endorses.

The Department of State submits the JCS memorandum in full to the NSC for its consideration, but recommends that the NSC proceed with the NSDD as endorsed by the July 21 SIG majority.

> L. Paul Bremer, III Executive Secretary

Attachment: As stated.

cc: OVP - Mrs. N. Dyke DOD - Mr. J. Rixse

CIA - Mr. T. Cormack JCS - LTG Paul Gormann

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MEMORANDUM FOR MR. L. PAUL BREMER, III, SPECIAL ASSISTANT TO THE SECRETARY AND EXECUTIVE SECRETARY, DEPARTMENT OF STATE, WASHINGTON, D.C. 20520

Subject: US Arms Transfer Policy Toward Iran (U)

- 1. (S) This memorandum sets forth the rationale for the JCS opposition to all arms transfers to Iran.
- 2. (S) The Joint Chiefs of Staff oppose arms transfers to Iran for two primary reasons:
 - a. (S) Current US policy opposes all arms transfers to Iran. Any shift in that policy would be perceived by the moderate Arab states as an action directly counter to their interests. That perception would complicate efforts to enhance the US presence in the region.
 - b. (S) Improvement in the Iranian arms supply would intensify the war with Iraq. Improvements for the Iranian Air Force in particular would raise the possibility that the war could be carried into other regional states.
- 3. (S) The moderate Arab states of Saudi Arabia, Egypt, Jordan, Kuwait, Oman, and the United Arab Emirates are committed to a policy opposing arms transfers to Iran. If the United States drops its opposition to the transfer of arms not of US origin to Iran by third countries, the moderate Arabs would interpret that action as directly counter to their interests. The impact would be especially serious if Israel increased its arms deliveries to Iran in the wake of a US policy change.
- 4. (S) The Arab perspective tends to automatically link Israeli actions and US policy. The Iraqi Government recently informed the Chief of the US Interest Section in Baghdad that Iraq considers the United States ultimately responsible for arms already transferred to Iran by Israel since, in Iraq's view, those transfers were possible only because US arms supplies to Israel are more than actually needed for Israel's defense. If Israeli deliveries of arms to Iran increase after a change in US policy, the Iraqi argument may find

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a sympathetic audience among moderate Arab states. This would add to the momentum of growing discontent with US-to-Israel arms policy, which surfaced within some moderate Arab states after the Israeli air attacks in Iraq and Lebanon. This, in turn, would jeopardize US efforts to secure facility access and host-nation support in Arab states vital to US Southwest Asia strategy.

- 5. (S) Implicit in the argument for arms transfers to Iran is the idea that Iran needs arms to resist further Iraqi incursions. The Joint Chiefs of Staff believe, however, that the military capability of Iran is sufficient to meet the current Iraqi threat. Although Iraq initiated the war, still occupies Iranian territory, and maintains a numerical advantage in tanks, armored personnel carriers, and artillery, it has shown a reluctance over the past 9 months to pursue further offensive action. Most activity at the front is currently initiated by Iran. Iraqi field commanders are under strict orders to maintain position and counterattack only to this end. The morale of the Iraqi forces is low, and, while Saddam Hussein remains in firm control of the government, political dissidence within Iraq continues. Iraq has long called for negotiations to end the war and on several occasions has announced its willingness to accept a ceasefire.
- 6. (S) Given this politico-military climate, deliberate US action to encourage an increase in arms supply to Iran is unwarranted at this time. Rather than adding to the prospects for peace, increased supplies of arms may encourage Iran to intensify its military actions and continue to reject the negotiated-settlement option. As long as hostilities between Iran and Iraq continue, there is the potential that the fighting could involve other regional states vital to US interests. Iran has threatened military retaliation against any country aiding Iraq and some Iranian air attacks have already been made along the Iraq-Kuwait border.
- 7. (S) Based on the above rationale, the Joint Chiefs of Staff recommend that the United States continue to oppose all arms transfers to Iran at this time.

FOR THE CHAIRMAN, JCS:

PAUL F. GORMAN

Lieutenant General, USA Assistant to the Chairman, JCS

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DEPARTMENT OF STATE

Washington, D.C. 20520

August 4, 1981

MEMORANDUM FOR LTG PAUL F. GORMAN, JCS THE PENTAGON

Summary of Conclusions, Iran SIG Meeting of July 21 SUBJECT:

This is in reply to your memorandum of July 29 expressing JCS dissent from the position described as fully agreed in the summary of conclusions of the Iran SIG meeting of July 21.

Minutes of the July 21 SIG meeting record your support for the dissenting DOD-CIA footnote early in the discussion, but no vocal support for it after CIA and OSD abandoned the footnote and no vocal dissent from the position adopted by OSD, CIA, OVP, NSC, and State which constituted the majority at the close of the meeting. In the absence of an expressed dissent, it was the Chair's opinion that the SIG was in agreement to delete the footnote originally sponsored by CIA and DOD. Telephone calls July 30 to five of those present at the SIG confirmed the notetaker's account which indicates no expression of JCS dissent at the conclusion of the SIG and no hid by the JCS representative to conclusion of the SIG and no bid by the JCS representative to introduce alternate language.

To give full respect to the policy views expressed in your memorandum, we are circulating it with this communication to the SIG. We recommend that arguments supporting your dissent be expressed in writing to the NSC, to which the matter was formally referred July 27, and that the NSC seek a resolution based on that argumentation, the SIGM, and the proposed NSDD.

For the information of SIG members, the footnote proposed by JCS in the memorandum attached is identical in substance to the footnotes earlier proposed by DOD and CIA.

Copies to: OVP-Ms. Bearg Dyke

DOD-Mr. J. Rixse CIA-Mr. T. Cormack NSC-Mr. A. Lenz

L. Paul Bremer, III Executive Secretary

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THE JOINT CHIEFS OF STAFF WASHINGTON, D.C. 20301

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MEMORANDUM FOR MR. L. PAUL BREMER, III, SPECIAL ASSISTANT TO THE SECRETARY AND EXECUTIVE SECRETARY, DEPARTMENT OF STATE, WASHINGTON, D.C. 20520

- 1. The Summary of Conclusions reached at the Senior Interdepartmental Group meeting on Iran, July 21, 1981, stated that the interagency differences concerning arms transfer policy were resolved in the course of discussion and that the SIG concluded in full agreement.
- 2. The purpose of this memo is to record formally that the JCS do not concur in the reported conclusion on arms transfer policy. The JCS continue to oppose all arms transfers to Iran for the reasons discussed at the meeting: that arms transfers could intensify and prolong the fighting; and that U.S. acquiscence in third country transfers could complicate efforts with moderate Arab states to implement the military portion of our strategy for Southwest Asia.
- 3. On behalf of the Joint Chiefs of Staff, I request that an appropriate footnote--similar to the one which appeared in the draft NSDD, "The JCS believe that any arms supplies would encourage Iran to resist efforts to bring an end to the war and that all arms transfers to Iran should, therefore, be actively discouraged."--be forwarded to the NSC for inclusion in any decision memoranda intended to resolve this issue before issuing the NSDD.

PAUL F. GORMAN

Lieutenant General, USA

Assistant to the Chairman, JCS

Copy to:
Mr. Allen Lenz
Staff Secretary
National Security Council

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BY KML NARA DATE 10/5/10

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