## TOP SECRET WHITE HOUSE SITUATION ROOM CHRON FILE

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PAGE Ø1 OF Ø3 THE WHITE HOUSE 9663 DTG: 2015597 DEC 83 PSN: 013584

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DECEMBER 20. 1983

EYES ONLY FOR AMBASSADOR PRICE

FROM:

BUD MCFARLANE

- 1. MANY THANKS FOR YOUR MESSAGE LAST WEEK. WE ARE PROVIDING YOU WITH INFORMATION ON THE PRESIDENT'S EXCHANGES WITH PRIME MINISTER THATCHER ON GRENADA AND LEBANON IN SEPTEL.
- 2. ON THE U.S.-ISRAELI SECURITY AGREEMENT YOU SHOULD KNOW THAT THIS WAS THE OUTCOME OF AN EIGHTEEN MONTH REVIEW OF U.S. STRATEGY IN THE NEAR EAST AND SOUTHWEST ASIA. THIS WAS FORMERLY SIGNED BY THE PRESIDENT AS NATIONAL SECURITY DECISION DIRECTIVE NO. 99 ON THE 12TH OF JULY 1983. IN THE DOCUMENT THERE IS CONSIDERABLE DISCUSSION ABOUT STRATEGIC CONCEPTS FOR NEAR-TERM PLANNING, AND IN THIS CONTEXT THE NEED TO COOPERATE WITH OTHER COUNTRIES. THE DOCUMENT BEGINS BY REVIEWING MORE EFFECTIVE THINGS WE CAN DO WITH OUR NATO ALLIES AND JAPAN (WITH SPECIAL REFERENCE TO TURKEY). IT

## TOP SECRET WHITE HOUSE SITUATION ROOM

PAGE 02 OF 03 THE WHITE HOUSE 9663 DTG: 201559Z DEC 83 PSN: 013584

\*\* THE ARAB POWERS, WITH PAKISTAN, AND WITH INDIA. ALSO, THERE IS DISCUSSION ABOUT THE NEED FOR GREATER MILITARY COOPERATION WITH ISRAEL. BASED ON THIS DIRECTIVE, THE PRESIDENT REQUESTED THAT SECSTATE AND SECDEF PREPARE A COMPREHENSIVE AGENDA OF THE PREFERRED WAYS TO IMPLEMENT THE MILITARY AND DIPLOMATIC STRATEGIES OUTLINED ABOVE. THESE WERE SUBMITTED TO THE NSC OVER THE SUMMER. IN THE PARTICULAR REFERENCE TO ISRAEL, THE PRESIDENT ACKNOWLEDGES THAT OUR ABILITY TO DEFEND VITAL INTERESTS IN NEAR EAST AND SOUTH ASIA WOULD BE ENHANCED BY THE RESOLUTION OF THE ARAB-ISRAELI CONFLICT. NEVERTHELESS, IN RECOGNITION OF ISRAEL'S STRATEGIC LOCATION, ITS DEVELOPED BASE INFRASTRUCTURE AND THE OUALITY AND INTER-OPERABILITY OF THE ISRAELI MILITARY FORCES, IT WAS DECIDED TO RESUME COOPERATIVE PARAMILITARY PLANNING WITH ISRAEL, EXPANDING ON THE WORK BEGUN EARLIER.

IN SHORT, THE DECISION TO GO AHEAD WITH MORE COOPERATION WITH ISRAEL WAS TAKEN IN JULY, NOT AT THE LAST MINUTE IN NOVEMBER, AND WAS BASED ON A THOROUGH, SYSTEMATIC REVIEW OF OUR STRATEGY THROUGHOUT THE REGION INCLUDING OUR PROPOSALS FOR GREATER COOPERATION WITH OTHER STATES IN THE REGION INCLUDING THE ARABS.

NSDD 111, WHICH YOU REFERRED TO, WAS A MORE SPECIFIC DECISION DIRECTIVE SIGNED ON OCTOBER 28, 1983 ON HOW WE WOULD HANDLE THE SHAMIR VISIT. IT INCLUDED SPECIFIC ITEMS WE WOULD BE PREPARED TO DO TO PROVIDE ISRAEL, INCLUDING GREATER FMS CREDITS, THE JOINT MILITARY POLITICAL GROUP WHICH WILL MEET NEXT MONTH, AND TECHNICAL ASSISTANCE. IT ALSO LAID OUT POSITIONS WE WOULD TAKE WITH THE ISRAELIS ON THE CONTROVERSIAL ISSUES. FOR INSTANCE, THE PRESIDENT IN DISCUSSING OUR RELATIONS WITH THE ARABS STRESSED THAT ISRAEL TAKE A LESS STRIDENT POSITION IN OPPOSING OUR ARMS SALES TO THE MODERATE ARABS. THE PRESIDENT ALSO SAID THAT THE UNITED STATES WOULD CONTINUE TO PURSUE WITH VIGOR THE SEPTEMBER 1 PEACE INITIATIVE AND THAT WE STILL CONSIDER SETTLEMENT ACTIVITY A MAJOR OBSTACLE TO PEACE. IN OTHER WORDS, THERE WAS NO LAST

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PAGE 03 OF 03 THE WHITE HOUSE 9663 . DTG: 201559Z DEC 83 PSN: 013584

REASONS. THIS WAS PART OF A SYSTEMATIC REVIEW OF POLICY.

THE TIMING OF THE ANNOUNCEMENT WAS HOWEVER GEARED TO THE SHAMIR VISIT. THE VISIT OF AN ISRAELI PRIME MINISTER HAD BEEN POSTPONED TWICE FOR UNPRECEDENTED REASONS: FIRST, BEGIN'S WIFE'S DEATH IN NOVEMBER OF 1982; SECOND, BEGIN'S HEALTH IN JULY OF 1983. IT WAS NATURAL THEREFORE THAT THERE WOULD BE A LOT TO TALK ABOUT WITH SHAMIR. FOR YOUR OWN BACKGROUND YOU SHOULD KNOW THAT WE HAVE BEEN DISTURBED BY THE WAY THIS VISIT WAS COVERED BY THE MEDIA BOTH HERE AND OVERSEAS. IN PART, IT IS OUR FAULT FOR NOT DOING GOOD. ENOUGH WORK ON DEEP BACKGROUND, BUT I HOPE YOU CAN USE THESE GUIDELINES TO STRESS TO YOUR COUNTERPARTS THAT WE DO NOT HAVE A FICKLE POLICY IN THE MIDDLE EAST AND THAT ITS MILITARY COMPONENT IS BASED ON THE ASSUMPTION THAT THERE ARE COOPERATIVE THINGS WE CAN DO WITH ISRAEL JUST AS WE ARE ALREADY DOING WITH EGYPT, JORDAY, OMAN, SAUDI ARABIA, AND OTHER ARAB STATES.

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