

HEWSHU

THE WHITE HOUSE WASHINGTON

October 2, 1989

NATIONAL SECURITY DIRECTIVE 26

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE

THE SECRETARY OF THE TREASURY

THE SECRETARY OF DEFENSE

THE ATTORNEY GENERAL

THE SECRETARY OF ENERGY

THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

THE DIRECTOR OF CENTRAL INTELLIGENCE

THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

THE DIRECTOR, UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

THE DIRECTOR, UNITED STATES INFORMATION AGENCY

SUBJECT:

U.S. Policy Toward the Persian Gulf (U)

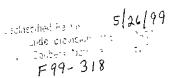
Access to Persian Gulf oil and the security of key friendly states in the area are vital to U.S. national security. The United States remains committed to defend its vital interests in the region, if necessary and appropriate through the use of U.S. military force, against the Soviet Union or any other regional power with interests inimical to our own. The United States also remains committed to support the individual and collective self-defense of friendly countries in the area to enable them to play a more active role in their own defense and thereby reduce the necessity for unilateral U.S. military intervention. The United States also will encourage the effective support and participation of our western allies and Japan to promote our mutual interests in the Persian Gulf region. (U)

Force Levels

I endorse the Secretary of Defense's decision to reduce the U.S. naval presence in the Indian Ocean to the deployment of either a Carrier Battle Group (CVBG) or a Battleship Battle Group (BBBG) for six months annually. Whenever the U.S. naval presence is "gapped", the Department of Defense will designate a CVBG or BBBG to respond to contingencies in the region on short notice. The Department of Defense also should attempt to schedule other military deployments or activities in the region during such







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periods. Any future <u>major</u> force reductions or adjustments in the Indian Ocean or Persian Gulf will be undertaken only after appropriate interagency consultations. The Director of Central Intelligence should increase collection on early warning indicators in the Gulf area, particularly when there is a "gap" in the U.S. Indian Ocean presence. (S)

It is important for the United States to continue to nurture the mutually beneficial and enduring cooperative security relationships with the GCC states that grew out of the Iran/Iraq war. The Department of Defense should seek to maintain and, if possible, increase its peacetime and contingency access to friendly regional states, and to broaden the scope of security cooperation through military exercises, prepositioning arrangements and contingency planning. (8)

Arms Sales

The United States will sell U.S. military equipment to help friendly regional states meet their legitimate defense requirements, so long as such sales do not present a security threat to Israel.

The Secretaries of State and Defense should develop a strategy for a long-term program of arms sales to Saudi Arabia and the other GCC states that serves our national interest but does not increase Israel's security burden. This strategy should focus on those sales likely to be requested that might be controversial, such as main battle tanks and advanced fighter aircraft, and outline actions for the Administration to undertake in order to obtain congressional and domestic support for such sales.

Iraq

Normal relations between the United States and Iraq would serve our longer-term interests and promote stability in both the Gulf and the Middle East. The United States Government should propose economic and political incentives for Iraq to moderate its behavior and to increase our influence with Iraq. At the same time, the Iraqi leadership must understand that any illegal use of chemical and/or biological weapons will lead to economic and political sanctions, for which we would seek the broadest possible support from our allies and friends. Any breach by Iraq of IAEA safeguards in its nuclear program will result in a similar response. Human rights considerations should continue to be an important element in our policy toward Iraq. In addition, Iraq should be urged to cease its meddling in external affairs, such as in Lebanon, and be encouraged to play a constructive role in negotiating a settlement with Iran and cooperating in the Middle East peace process. (S)

We should pursue, and seek to facilitate, opportunities for U.S. firms to participate in the reconstruction of the Iraqi economy, particularly in the energy area, where they do not conflict with

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our non-proliferation and other significant objectives. Also, as a means of developing access to and influence with the Iraqi defense establishment, the United States should consider sales of non-lethal forms of military assistance, e.g., training courses and medical exchanges, on a case by case basis. (8)

Iran

The United States should continue to be prepared for a normal relationship with Iran on the basis of strict reciprocity. A process of normalization must begin with Iranian action to cease its support for international terrorism and help obtain the release of all American hostages, which will not be a matter for bargaining or blackmail. Other criteria Iran must meet before full normalization of U.S.-Iranian relations include halting its subversive activities and improving relations with its neighbors, making a good faith effort toward a peace treaty with Iraq, and improving its human rights practices. (C)

It is critical that the United States continue to speak with one voice regarding Iran. The Department of State should be the conduit for all contacts with Iran, keeping other National Security Council members informed. Except for authorized U.S. Government officials meeting with any potential source who may have information that could help obtain release of our hostages in Lebanon, our dealings should be with Iranian government officials, not with factions or intermediaries.

The Soviet Union

The United States should continue to engage the Soviets in a dialogue on regional issues, doing what we can to discourage arms sales and potential meddling in Iran and elsewhere in the region.

