

THE WHITE HOUSE

WASHINGTON

February 22, 1989

## NATIONAL SECURITY REVIEW 10

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE SECRETARY OF ENERGY
DIRECTOR OF CENTRAL INTELLIGENCE
ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS

CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT:

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U.S. Policy Toward The Persian Gulf  $(\cancel{\mathcal{L}})$ 

The end of the Iran-Iraq war and our continuing interests in the region make it necessary that we undertake a comprehensive review of U.S. policy toward the Persian Gulf. This review should focus on U.S. policy toward Iran and Iraq but also include more general political, economic and military concerns. (2)

The review should be completed not later than March 24, 1989. It should include clear policy options/recommendations. Any differences in views between agencies should be noted. At a minimum, the review should address the following questions and issues:

## PART I: ASSESSMENT

- What are U.S. political, economic, and strategic interests in the region? How are these affected by the end of the Iran-Iraq war and the end of Soviet occupation of Afghanistan? ( $\mathscr{C}$ )
- -- What is the actual and projected degree of U.S. and allied dependence--both in peacetime and during a major conflict--upon the region's oil and gas reserves? How is the construction of pipelines affecting the strategic map of the region? (%)
- -- What degree of proliferation of advanced conventional as well as chemical, biological and nuclear weapons is predicted? What would be the consequences of such proliferation for U.S. and friendly interests and for U.S. capacity to project military force in the region? (8)

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-- Do we believe that Iraq and Iran will be able to negotiate a full peace agreement? What relationship do we anticipate developing between the two? What are the prospects for renewed fighting in the region? What would be the consequences for the United States? (8)

-- What are Soviet interests in the Persian Gulf? What is the next phase of Soviet policy likely to be toward the Gulf? (8)

-- What are the prospects for stability in Iran, (b)(1)

(8)

-- What behavior do we anticipate from Iraq in the aftermath of its war with Iran? How has the war and its apparent end affected Iraq's internal situation and its behavior in the region? (%)

## PART II: OPTIONS FOR POLICY

-- What posture should the United States assume vis-a-vis Iraq in the aftermath of the Iran-Iraq war? What tools are available to us to shape Iraqi behavior, either regarding the Gulf or the Arab-Israel situation? (8)

(b) (1)

- -- What role should arms sales and security assistance assume in U.S. policy towards the region? What are the demands likely to be? (C)
- -- What are the requirements for U.S. military forces in the region? What portion of these forces should be physically present in the area? What level of military cooperation can be anticipated from, or should be sought from, local states as well as from U.S. friends and allies outside the Gulf? How can we build upon recent political-military cooperation with friendly states? (%)
- -- What can and should the United States do to affect Soviet thinking and behavior toward the Gulf? What can we do to persuade the USSR to play a constructive role in the region?
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- -- What posture should the United States assume toward negotiations being conducted pursuant to UN Security Council Resolution 598? Under what circumstances should the United States participate in reconstruction efforts in either Iraq or Iran? (%)
- -- What should the United States do to reduce or redistribute its energy dependence vis-a-vis the Gulf states? (C)

