



6) **Seek Soviet war reparations.** The Afghans will suffer the pain of the brutal Soviet aggression and occupation for generations. The U.S. should organize an international effort to form an independent commission to assess war damages and press for Soviet reparations. Moscow also must be pressed to return to Afghanistan thousands of children sent to the Soviet Union for indoctrination during the war and to help remove the millions of land mines it sowed throughout the country.

7) **Rule out the forced return of Soviet prisoners of war.** The Secretary of State should make certain that all Soviet prisoners of war held by the Afghans who do not wish to go home to the Soviet Union will be welcomed in the U.S. as refugees. It would be tragic to repeat the mistake made after World War II in which thousands of Soviet prisoners of war were forcibly repatriated, only to be treated as traitors and executed or imprisoned in labor camps. Soviet prisoners of war should be given a choice of returning to the Soviet Union or of following the precedent established after the Korean war, when thousands of Chinese and North Korean prisoners chose to remain outside the communist bloc.



## The Middle East and Persian Gulf

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Task Force Chairman

The Middle East figures prominently in the superpower rivalry because of its geostrategic and economic importance. It is the center of gravity of world oil production and is crucial to the long-term economic health of the free world. The U.S. imported approximately 1.7 million barrels of oil daily from the Middle East in mid-1988 and is projected to import much more in the 1990s. Politically, the Middle East is the arena where Israel, an embattled democracy closely allied to the U.S., struggles for survival and where the Iran-Iraq conflict and rising fundamentalist Islamic forces exert a destabilizing influence over the region.

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### THE REAGAN ADMINISTRATION RECORD

When the Reagan Administration entered office, the Middle East/Persian Gulf region was reeling from the Iranian revolution, the Soviet invasion of Afghanistan, and the start of the Iran-Iraq war. Simmering too were persistent Arab-Israeli tensions, Lebanon's deepening anarchy, and Libya's growing meddling in its neighbors' affairs. Most threatening, perhaps, the Soviet Union was on the move, attempting to encircle the Persian Gulf by overrunning Afghanistan and raising its presence in Ethiopia, South Yemen, and Syria.

The Reagan Administration has helped block the Soviet drive to the Gulf through Afghanistan by strongly supporting Pakistan and the Afghan *mujahideen* resistance. The April 14, 1986, U.S. air strike against Libya reduced Libyan terrorism and isolated Libyan dictator Muammar Qadhafi. The U.S. has led the reassertion of Western

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primacy in the Persian Gulf by marshaling Western navies to blunt and deter Iranian aggression in Gulf waters. This action, coupled with "Operation Staunch," an American effort to deny Iran access to foreign arms supplies, appears to have contributed significantly to the Iranian decision to end the Iran-Iraq war.

The Reagan Administration, meanwhile, has executed a consistent policy regarding the Arab-Israeli conflict and convinced Arab states that they cannot drive a wedge between the U.S. and Israel. U.S.-Israel strategic cooperation has been solidified by agreements on intelligence exchanges, military cooperation, and defense procurement. Washington has prodded Israel, and to a lesser extent Egypt, toward free market economic reforms which have fostered economic growth in deregulated sectors of their economies.

The Administration's most painful failure has been the 1984 withdrawal of U.S. Marines from Lebanon and its inability to help the Lebanese restore a national consensus that would deprive terrorists of their Lebanese bases of operations. Although the long-term objective of the Administration's secret Iran initiative—restoration of working relations with post-Khomeini Iran—was necessary and correct, the execution of the initiative was flawed.

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## THE NEXT FOUR YEARS

The U.S. has four main goals in the region: 1) to block Soviet penetration; 2) to assure the security of Israel; 3) to maintain Western access to Middle Eastern oil; and 4) to maintain good working relations with moderate Arab states while reinforcing such pro-Western trends as democracy. American interests are best served by stability. Therefore, the U.S. must work for negotiated solutions to the Arab-Israeli conflict and the Iran-Iraq war, two of the chief sources of Middle Eastern instability.

### Reinforcing the Strategic Alliance with Israel

Israel is a valuable U.S. ally because of its pivotal location, opposition to communism, commitment to Western values, superb military forces, experience in capturing and countering Soviet-made weapons, excellent intelligence network, and creative defense research organizations. The new President must free himself from the zero-sum mentality that, until the Reagan Administration, had led the U.S. to

hold Israel at arm's length in a vain effort to gain close strategic cooperation with reluctant Arab states. It is close U.S.-Israeli ties that often have been the incentive for Arab leaders to improve their own relations with the U.S.

The new President should direct the Secretary of Defense to integrate Israel discreetly into the global anti-Soviet defense system in the strategic area between the North Atlantic Treaty Organization's southern flank and the Persian Gulf. This area includes the eastern Mediterranean Sea and its littoral. Joint U.S.-Israeli contingency plans should be drawn up and updated to give American military forces access to Israeli ports, airbases, and medical facilities in a crisis. Heavy weapons, medical supplies, fuel, and ammunition should be prepositioned in Israel for U.S. use in Middle Eastern or NATO southern flank contingencies.

U.S.-Israeli military intelligence liaison and technical cooperation should be organized to promote maximum information exchange in the joint assessment and countering of the Soviet military threat. Israeli innovations in military technology such as Remotely Piloted Vehicles, armor-piercing munitions, radar homing missiles, and fighter aircraft avionics should be adopted when practicable. The Defense Department should encourage exchanges with Israel in defense research, particularly Israeli contributions to the Strategic Defense Initiative. (See Strategic Defense section of Chapter 28.)

### Encouraging Direct Bilateral Peace Talks

The historical record shows that only direct talks between Israel and its neighbors produce results. The new Secretary of State thus should not seek an "international conference." This merely would give Arab hardline states a veto over the peace process and enable the Soviet Union to increase its influence by playing to the Arabs while isolating Israel and the U.S. The new Administration should accept a conference only if it is to be a purely ceremonial international event to facilitate bilateral talks.

### Minimizing the Soviet Peace Process Role

The new President should block any Soviet role in the peace process until Moscow is willing to prove its constructive commitment by restoring relations with Israel, significantly reducing the flow of weapons to those Arab states at war with Israel, and terminating its support of Middle Eastern terrorist groups.

### Containing the Iranian Revolution

The U.S. should work to contain the destabilizing spillover effects of the Iranian revolution. These effects include Iranian-sponsored terrorism, fundamentalist Muslim agitation, and the intimidation of pro-Western states throughout the Middle East. The long-term U.S. goal should be to restore a working relationship with an Iranian government that does not seek to export its brand of revolutionary politics. True rapprochement appears impossible as long as Ayatollah Ruhollah Khomeini dominates Iran.

While leaving the door open to better U.S.-Iran relations, the Secretary of State must realize that Iran's hostility to the U.S. is a function of its ideology and will not be assuaged by American acts of goodwill. Such actions would be interpreted by Tehran as signs of weakness or subterfuge. The regime respects force and weighs carefully the benefits of its anti-American behavior. The new Administration therefore should: maintain efforts to isolate Iran, deprive it of foreign arms supplies, and press allies to ban trade with Iran; be prepared to respond with military force against high-value Iranian military and economic targets (like oil fields) in the event of Iranian-supported attacks on U.S. targets; offer U.S. economic and technical assistance in rebuilding Iran's shattered economy, particularly its oil industry, if Iran negotiates a peace treaty with Iraq and ends its support of terrorists; and offer to recognize the Iranian revolution and limit U.S. support of opposition groups if Iran ends efforts to destabilize pro-Western Middle Eastern governments.

### Preventing a Decisive Victory by Either Side in the Iran-Iraq War

An outright victory by either Iran or Iraq would threaten U.S. and Western interests in the Persian Gulf. The continuation of the war, however, is inherently destabilizing and gives Moscow opportunities to expand its influence. Now that Iran has accepted U.N.-brokered peace efforts, the U.S. should seek a negotiated settlement based on the prewar status quo and maintain restraints on arms sales to both Iran and Iraq. The U.S. must maintain a powerful naval presence in the Persian Gulf until Iran makes a firm commitment to restore freedom of navigation and ends its attacks on neutral shipping. The President and Secretary of State should condemn strongly Iraq's use of chemical warfare.

### Helping Egypt Reform Its Economy

The new Secretary of State must assure the survival of a stable pro-Western Egypt by helping Egypt salvage its long-term economic future. A swollen bureaucracy mismanages Egypt's dominant public sector while extensive subsidies of food and other essential goods warp economic behavior and exacerbate the huge government deficit. The U.S. must help Cairo maintain acceptable living standards for its poor while instituting the free market economic reforms that will assure Egypt's economic growth. The State Department should use U.S. aid to encourage Egypt to diminish the state's economic role, bolster the private sector, privatize state-run enterprises, gradually eliminate price controls, and move toward a free market economy.

To assist Egypt in making this difficult transition, the U.S. should maintain the current level of \$2.1 billion in aid to Egypt while encouraging Western Europe and Japan to increase their aid to Egypt. The Secretary of State should work together with Egypt to encourage other Arab states to follow Egypt's lead in signing the 1979 Egypt-Israel peace treaty. The Secretary of Defense discreetly should seek greater strategic cooperation with Egypt, particularly in blocking Libyan meddling in Chad and the Sudan. To avoid handing fundamentalist Muslims an opportunity to arouse Egyptian anxieties, the Secretary of State should reduce the size and visibility of the official U.S. presence in Egypt.

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### INITIATIVES FOR 1989

- 1) **Refrain from meddling in the West Bank/Gaza disturbances.** Israeli authorities should be allowed to deal with the Palestinian uprising, as they best understand the disturbances and appreciate the risks involved. For the U.S. to advocate Israeli concessions to rioters would reward the violence, perpetuate it, and make the peace process that much more difficult. The new Administration should refrain from giving Israel public advice on how to handle the disturbances.
- 2) **Serve as an honest broker in the Arab-Israeli peace process.** The Arabs must negotiate with Jerusalem, not Washington. Overeagerness by the U.S. leads Arab states to believe that Washington will wring concessions from Israel for the Arabs and thus discourage them from making concessions themselves. The Secretary of State should not

stake out positions of his own but should push the process ahead when there are signs that both sides are willing to negotiate. Then the Secretary of State should offer his good offices as a mediator. The President should not become involved until it is apparent that there is a reasonable chance for success.

**3) Press Iran to stop exporting revolution and terrorism.** The Secretary of State should continue to mobilize Western states to isolate Iran. The Secretary of State should warn Iran that, if it continues to support terrorism and threaten the stability of other states, the U.S. will tilt further toward Iraq, providing it economic credits, technical assistance, and possibly even arms.

**4) Prepare military options for contingencies concerning Iran.** The Secretary of Defense should develop a wide array of possible swift military responses against Iran in the event of Iranian terrorism or Iranian attacks on U.S. ships in the Persian Gulf. Washington should not worry about pushing Iran into the arms of the Soviets because Iran has strong historical, geopolitical, and ideological reasons to fear a Soviet embrace. Iran's hostility to the U.S. is internally generated and will not be assuaged in the short run by sympathetic signals sent by the U.S. Iran responds to firm pressure, not good intentions. Resolute action in the short run may obviate the need in the long run to take far more costly and more risky actions to rein in Iran. The new President thus should order the Defense Department to maintain a strong naval force in the Persian Gulf to deter Iran and be prepared to respond militarily to Iranian provocations.

**5) Isolate and maintain pressure on Syria.** The Syrian government has feigned interest in participating in the Arab-Israeli peace process and hinted at reducing support for terrorism as a means of breaking out of its isolation and regaining access to Western trade, aid, and investment. The Secretary of State should recognize that these actions are prompted by Syria's internal weaknesses, not by a genuine desire for peace. Therefore, the U.S. must maintain diplomatic pressure on Syria, not relax it. Washington should revert to the tough stance taken in 1986 following revelations of Syrian involvement in a plot to bomb an Israeli airliner. At that time the U.S. Ambassador in Damascus was withdrawn, U.S. oil companies were banned from operating in Syria, restrictions on U.S. exports to Syria were tightened, Export-Import Bank credits to Syria were ended, and an aviation agreement was canceled. The Secretary of State should request Saudi Arabia to

reduce its foreign aid to Syria until that nation becomes more helpful in furthering peace between the Arabs and Israel and between Iraq and Iran. If Syria does this and expels Iranian revolutionary guards from Lebanon, then Syria could be rewarded with access to U.S. markets and credits.

**6) Codify U.S.-Israel strategic cooperation.** Washington should formalize and solidify the 1983 U.S.-Israeli Memorandum of Understanding on strategic cooperation to give the U.S. bureaucracy a vested interest in expanding strategic cooperation with Israel. The President should establish a U.S.-Israel Defense Council, a high-level group co-chaired by the Secretary of Defense and the Israeli Defense Minister, to provide a framework for coordinating the work of the various ad hoc working groups that plan and execute U.S.-Israeli strategic cooperation.

**7) Prudently sell arms to Arab states.** Pro-Western Persian Gulf Arab states have a legitimate need for arms to counter Iran's larger armed forces. The U.S. thus should sell these states appropriate arms. The \$30 billion purchase of British arms by the Saudis, announced in mid-1988, demonstrates that Gulf states can turn elsewhere if the U.S. refuses to sell them weapons. At the same time, the new President must take care that U.S. arms sales to the Arabs do not threaten Israel. A way of dealing with this would be to create a coordinating committee composed of the U.S. and its allies who sell weapons to the Persian Gulf states. This committee would be charged with preventing destabilization of the region through unbridled interallied rivalry in arms sales. Such an arrangement existed in the early 1950s following the Tripartite Declaration in which the U.S., Great Britain, and France pledged to restrain arms sales to the Middle East.

**8) Keep pressure on Qadhafi.** Libya's mercurial Colonel Qadhafi remains a threat to the stability of states friendly to the U.S. such as Chad, Egypt, Sudan, and Tunisia. The State Department should monitor Qadhafi's activities closely, keep existing economic sanctions on Libya, and press U.S. allies to do likewise. Most important, the U.S. should provide increased military and economic aid to the Chadian government to enable Chad to resist Libyan aggression.

**9) Encourage Iraqi moderation.** The Gulf war has driven Iraqi policy in a direction that serves U.S. interests—support for U.S. friends, Jordan and Egypt, and opposition to Soviet allies, Syria and Libya.

The Secretary of State should encourage Iraq to support the efforts of moderate Arab states to reach a negotiated settlement of the Arab-Israeli conflict and to halt its support of terrorism. U.S. relations with Iraq should be conducted independently of hopes for improved relations with Iran, just as U.S.-Israeli relations are conducted independently of U.S.-Arab relations.

