

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

National Security Planning Group (NSPG) Meeting
May 17, 1984, 1:30-2:30 p.m., White House Situation Room

SUBJECT: Escalation in the Gulf War ~~(TS)~~

PARTICIPANTS:

The President

The Vice President's Office:
COL Bill Eckert

JCS:
General P.X. Kelley

State:
Secretary George Shultz
RADM Jonathan Howe

The White House:
Mr. Edwin Meese, III
Mr. James A. Baker, III
Mr. Robert C. McFarlane
RADM John M. Poindexter

OSD:
Deputy Secretary William Taft IV
Mr. Fred Ikle

NSC:
Mr. Donald R. Fortier
CAPT Philip A. Dur

DOE:
Mr. Donald Perleman

CIA:
Mr. Robert Gates

Minutes

McFarlane: Purpose of the meeting is to discuss how we should deal with worsening Gulf situation and recent attacks on shipping by both Iran and Iraq.

Prince Bandar called on Secretary Shultz this morning with a message from King Fahd asking for U.S. support.

We need to discuss what our public posture should be:

- Should we distinguish between attacks on belligerent and non-belligerent shipping?
- Can we improve deterrence through actions?
- If we decide to act, should we have TACAIR to accompany the additional AWACS and tankers the Saudis may be seeking?
- How should we deal with Allies and can we avoid international efforts which could veto unilateral actions?

Asked Secretary Shultz to summarize diplomatic efforts.

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Shultz: We have made many statements expressing concern about escalation through the State press spokesman and White House. We have stressed need to get acceptance of UNSC resolution 540; we have said attacks on shipping should stop; and we have stressed our determination to protect freedom of navigation in the Gulf. In short, we have made an abundance of public statements.

We have presented a demarche to the Government of Iraq through our interests section in Baghdad. We have made similar demarches to Iran through our friends and Allies who still have relations with Iran. The Vice President will give a message to President Zia (Pakistan) for relay to Tehran.

Our closest Allies are fully informed of our efforts and our sentiments.

I am not optimistic about the results of these demarches. The British, for example, want to take the situation to the UN. The GCC statement (foreign ministers) just issued also seeks to engage the UN. We don't think the UN efforts will be very successful, but they are bound to be presented. Our UNDEL will try to forestall efforts which inhibit our ability to act. Ken Dam will try to caution the UK in his conversations with Geoffrey Howe.

We think the EC-10 effort is useful.

Prince Bandar called on me this morning and made the following points:

- If Iran continues to escalate, the Saudis have decided they will respond forcibly.
- King Fahd wants us to make a statement (condemning Iranian attacks).
- Fahd is concerned about escalating shipping insurance rates. Oil Minister Yamani is going to London and speak to Lloyds.
- Fahd feels we should issue a strong statement to deter further Iranian aggression. He wants an explicit statement from the President or at least the Secretary of State.
- The Saudis are very concerned about Ariel Sharon's recent allegations. They worry the Israelis will try to use their leverage to keep us from assisting the Arabs.

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Shultz (continued):

- The Saudis want us to accelerate arms deliveries in the pipeline and they may ask for more AWACS and tankers.

I told Bandar we were concerned friends and that applied in peacetime and crises. The Israelis have told us there is no basis for Sharon's allegations, and I told Bandar the King should not worry that U.S.-Israeli relations would constrain our freedom of action.

The U.S. is counseling restraint and is engaged in active diplomacy to calm the situation. While we welcomed other efforts to quiet things down, I noted that going to the UN has downsides.

I questioned the need for more public statements since we have made so many. I told him I thought that actions spoke louder than words where deterrence was concerned.

I said if we're going to be effective in deterring aggression, we would have to move on access to Saudi facilities and combined planning. I told him we needed a decision on this.

Since I met with Bandar, the GCC foreign ministers have met in emergency session and released a public statement which contains three major points:

- The GCC condemns Iranian attacks.
- They consider that an attack on one member is an attack on all.
- They intend to take these acts of aggression to both the Arab League and the Security Council.

President: If I understand correctly, we have information that Iraq has attacked 34 ships and that Iran has attacked three.

Now as I see it, it's none of our business if one of these countries at war interrupts the oil sales of the other. But Iran is attacking non-belligerents and, therefore, there is a distinction between what Iraq is doing and what Iran is doing. Am I right?

Shultz: Well, from the Iranian viewpoint, the Iraqis are getting their money from Saudi Arabia and Kuwait, so in that sense those countries are not innocent.

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President: But the 34 ships the Iraqis attacked were in the trade with Iran, right?

Gates: Most of those 34 ships were not tankers. There was a wide variety of ships including some combatants. In the last month (April to May), the Iraqis have begun attacking tankers. There have been six attacks on tankers--roughly one every four days.

President: I think Iraq is trying to shut off Iran's oil exports because they are a source of hard currency which is being used to finance the war.

But the Iranians also consider their attacks as going against the source of funds.

Our message to both is to insulate their sources of funds by stopping these attacks on shipping.

The GCC seems bent on laying the blame entirely on Iran.

McFarlane: I would like to call on Defense now to speak about our deterrence posture and measures we could take to enhance deterrence. Will Taft.

Taft: I will defer to General Kelley, who will brief on our military posture and the possible escalation scenarios.

General Kelley: (Briefed from map)

- Outlined U.S. force dispositions.
- Outlined locations of attacks on shipping.
- GCC air and air defense capabilities.
- Positions of Middle East Force ships (noted that flagship of the force was enroute to Pakistan).
- KITTY HAWK Battle Group can provide air cover over the middle reaches of the Gulf but can only sustain this posture for 48 hours and then only with USAF tanker support.
- KITTY HAWK aircraft can also conduct limited strikes against Iranian targets (specifically Busher, Bandar, Abbas) but this cannot be sustained.

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General Kelley (continued):

- Four AWACS in Saudi Arabia currently support one orbit for 12 hours/day. If we want sustained 24 hour coverage, we need 5 aircraft. If you want 2 orbits, as envisaged in our PORT GRAND OPLAN, we need a total of 10 AWACS.
- There is not great risk to AWACS from Iranian aircraft because AWACS can evade.
- The only way we can provide air cover over Gulf is to deploy U.S. TACAIR to Saudi Arabia.
- The Saudis may try to solve this problem themselves but we doubt they can maintain continuous CAP coverage.
- There is a U.S. alternative and that is to bring in enough F-15s to protect the AWACS orbits [probably meant 2 orbits] and help defend shipping.
- Protection of U.S. shipping is a big problem. Between now and July 1, ten U.S. flag tankers on charter to the Military Sealift Command will be transiting to the Gulf to take on fuel either in Bahrein or Kuwait. We need to decide what we should do about those tankers. The first one is scheduled to make a lift in Kuwait on May 23.
- The bottom line, Mr. President, is without access to Saudi bases, we cannot bring our combat capabilities to bear on the problem of protecting shipping in the Gulf.

Shultz: We need diplomatic efforts before we can get involved. We want to be there at the request of another country, if not the entire GCC. Ideally, we would also have the support of the British and the French.

Taft: That is right. We need to exhaust diplomatic effort to solve the crisis before we get involved militarily.

Shultz: This is the same old story--military power and diplomacy are not separate categories. We need both. Military effectiveness depends on successful diplomatic efforts (access, etc.). Successful diplomacy must have a military dimension. In this case, we need several things to be successful.

- We need a united front in the Administration.
- We need a carefully orchestrated and finely tuned political-military effort. They are interdependent and indispensable to our credibility.

McFarlane: George, if our interest is in maintaining our credibility, what should our public posture be? What should we say to the Saudis, the UK, and our other Allies and how can we calm the oil markets?

Shultz: Let me answer the last question first. I think the recent statements of the Secretary of Energy about how oil continues to flow, how the stockpiles are etc., have already had a calming effect. I think we should continue on this line using similar statements from State, the White House, and Energy.

On the second point, I'm not convinced we should make any more public statements except to stress our interest in the security of the area. The press spokesmen seem the best way of continuing to make this point. If anyone here feels strongly to the contrary and feels there is mileage in another statement, I don't have any problem.

If you send a message to Fahd, I think it should be a strong and reassuring statement not a general or equivocal one.

We should make the Saudis come to us though. So far we've made all the commitments and have heard nothing from them. We need to stress these are shared responsibilities, and if they want our help, they are going to have to ask for it.

We have laid down markers on the subjects with the Gulf states and one of these days one of these countries is going to ask for our help. When they do we are going to have to respond.

We will need a unified government.

We will need a tightly coordinated political-military plan.

We have to anticipate that the party could get very rough. We are far away, it will be tough to get there with what we need. There is going to be terrorism and we have to ready for some street fighting.

Meese: Mr. President, I know you have another meeting to get to, but let me see if I can summarize this meeting with what I think are four key principles.

- We must protect U.S. flag vessels and we need to have the capability to retaliate against attacks on our shipping at the source of the aggression.
- We need to intensify and maximize the diplomatic effort to resolve this crisis.

Meese (continued):

- We should provide logistical support for nations in the region trying to protect their shipping and territory.
- If we are asked to assist, we should only intervene directly as part of a truly international effort. We should not intervene unilaterally.

Shultz: That then is a formula for failure, because by the time we rally the support you have said is necessary, the game will be lost.

Meese: Is there really an alternative? How do you protect tankers?

General Kelley: You should know that we have a tanker scheduled to take a load of fuel into Kuwait next week. We could use the Middle East Force to escort that tanker, but then you expose the southern Gulf.

Shultz: (To Meese) What if Kuwait says, "You've been here asking for access to help in defending shipping, OK help. We're asking for it."

Meese: We ought to be pressing the UK and France to help.

Shultz: Are you saying we should back away? I'm sure it's going to be rough, if we go in. Maybe we should back out of the commitments we've made. Having pulled out of Lebanon, maybe we should ease away from this before it gets rough. Recognize that the effect will be catastrophic.

Baker: I thought our only commitment was to keep the Strait of Hormuz open to shipping and surely to defend our ships.

President: How much do we import from the Gulf? What is the normal U.S. flag traffic in the Gulf?

General Kelley: We have normally 2-3 U.S. flag tankers (MSC controlled) in the Gulf. I think there is a total of 7. These are the ships that give us concern, the MSC ships. We do have other places we can go to get our JP-5.

McFarlane: Maybe we could ask our deputies to carry on.

President: Let me say one more thing:

We've said we're not going to see the Gulf closed.

The British and French have said the same thing.

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President (continued):

What George has said...If we are going to have any influence in this part of the world, if we are going to help settle the problems of the Middle East, we can't stand aside. We can't have another blow to the confidence we've tried to build.

These are very serious considerations.

We've been involved in trying to settle the Middle East problems, trying to bring the Arabs and the Israelis together, that is what drew us into Lebanon in the first place.

We cannot be found wanting now, but it has to be at the request of these countries.

Meese: Somehow we have to involve other countries who are more dependent than we.

Taft: We've been very concerned about the reactions of those other countries in the face of Iranian attacks. The Iraqis are creating this situation (by escalating against tankers bound for Iran).

Shultz: I think, Mr. President, that it is important to review what we have said and what we have done to date.

- Publicly, we've said we'd keep the Strait open and the Gulf safe for shipping.
- We've given a more detailed commitment to each of the GCC countries, wherein we said we would protect non-belligerent shipping and help protect the oil facilities.
- The condition was they would have to ask for our help.
- While we have stressed the need for multilateral participation, our emphasis has been the need for quick action. For that, we've said we need access.
- We have given the GCC reason to understand that if they ask for our help, they will get it. That is the record of our discussions.

President: They are reluctant to ask us for help (or give us access) because they fear Iran. Have the GCC been asked to intercede with Iraq to stop these attacks?

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Shultz: We have. We have told them that the Straits and the Gulf are international waters and that they must be kept open--that has been our objective.

President: I must say, the Iraqis appear braver in attacking unarmed ships, than they have been in attacking Iranian military targets.

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