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## WITHDRAWAL SHEET

## **Ronald Reagan Library**

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Withdrawer

CAS

1/19/2012

File Folder

IRAN POLICY - SENSITIVE (5 OF 5)

FOIA

M11-392

Box Number 2

**BYRNE** 

					12	
ID Doc Type	Doc	ument Descriptio		No of Pages		Restrictions
127955 CABLE	21182	27Z NOV 86		2	11/21/1986	B1
	R	5/13/2003	NLSF96-118/3 #64	!		
127956 REPORT		ITERNATIONAL R IDENT'S SPEECH	EACTION TO	4	ND	B1
	R	5/13/2003	NLSF96-118/3 #65			
127957 REPORT	RE FO		NS TO PRESIDENT'S	5	ND	B1
	PAR	5/13/2003	F96-118/3 #66; R . M393/1 #127957	11/21,	/2017	

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOiA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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## WITHDRAWAL SHEET **Ronald Reagan Library**

Collection: TEICHER, HOWARD R.: Files

Archivist: dlb

File Folder: Iran Policy - Sensitive (5)

Date: 2/1/01 Battle/96-118/3

Box 91682

JUX 71002		Dattic/90-110	JI J
DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Cable	Cable #211827Z Nov 86, 2 p.	11/21/86	B1
2. Report	R 5 3 3 196-1875 # 64 International Reaction to President's Speech, 4 p.	n.d.	B1
3. Report	Foreign Reactions to President's Speech, 5 p.	n.d.	B1

#### **RESTRICTION CODES**

- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- B-8 Release would disclose information concerning the regulation of financial institutions
- ((b)(8) of the FOIA].

  B-9 Release would disclose geological or geophysical information concerning wells ((b)(9) of the FOIA].

Freedom of Information Act - [5 U.S.C. 552(b)]

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B-3 Release would violate a Federal statue [(b)(3) of the FOIA].

B-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].

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NSHRT

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NSJGG VOA NSPWH IRAN NSSRS SOVIET

ROUTINE

DTG: 211827Z NOV 86

SIT: EOB XMP1 VAX TO RUEHC/SECSTATE WASHDC 4758

FM AMEMBASSY ANTIGUA

3737

CONFIDE

SUBJ: IRAN: ANTIGUA SUPPORTS PRESIDENT REAGAN

\*\*\* START OF TEXT \*\*\*

BT

CONFIDENTIAL

LIMITED OFFICIAL USE ANTIGUA 1816

E.O. 12356: DECL: UPON RECEIPT

TAGS: PGOV, XF, AC

SUBJ: IRAN: ANTIGUA SUPPORTS PRESIDENT REAGAN

1. PRIME MINISTER BIRD CALLED ME AT HOME DURING NOON HOUR ON NOVEMBER 20 AND REQUESTED THAT I RELAY THE FOLLOWING MESSAGE TO PRESIDENT REAGAN:

"TELL THE PRESIDENT I SUPPORT HIM 100 PERCENT ON IRAN. THOSE OTHERS, IGNORANT, WHO MOUTH AT HIM DO NOT UNDERSTAND WHAT IS GOING ON. IT IS SIMPLY A MATTER OF THE SOVIETS WANTING TO GET PAGE 02 RUCBSGG3737 GONET DENTILAL

THEIR WARM-WATER PORT AND GET CONTROL OF THE PERSIAN GULF. IT

NLS 196-11813 764
NLS 196-11813 764
NARA, DATE 5/13/65

CONFIDENTIAL

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DOES NOT MATTER WHAT IS GOING ON IN IRAN, OR IN THAT AREA. THINK OF THE BIGGER PICTURE. THE PRESIDENT HAS SHOWN COURAGE. HE HAS SHOWN HOW SMART HE IS. IF WE CAN, WE MUST, KEEP IRAN WITH THE WEST. IT DOES NOT MATTER HOW WE DO IT. THE PRESIDENT HAS DONE A GREAT THING..."

- 2. THE ABOVE IS A DIRECT QUOTE, SLIGHTLY EDITED. THE PRIME MIN-ISTER IS WILLING TO GIVE THE SAME MESSAGE TO CANA OR VOA OR WHOMEVER, IF THEY WISH TO CALL HIM.
- 3. COMMENT: IF THIS MESSAGE HAPPENS TO GET ALL THE WAY THROUGH TO THE WHITE HOUSE, I WOULD REMIND (AS A MATTER OF IDENTITY) THAT 77 YEAR-OLD V.C. BIRD WAS THE ONLY CARIBBEAN LEADER TALLER THAN PRESIDENT REAGAN (WHO MET HIM IN GRENADA LAST YEAR). BIRD IS BY FAR THE SENIOR STATESMAN IN THE CARIBBEAN (AND PERHAPS IN THE WORLD). HE HAS BEEN THE CLEARLY ELECTED POLITICAL LEADER OF ANTIGUA FOR 46 YEARS WITH THE EXCEPTION OF ONE FIVE-YEAR HIATUS. HE SPEAKS WITH AUTHORITY. END COMMENT.

DUBOSE BT#3737

SECTION: 01 OF 01

\*\* END OF TEXT \*\*

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MOU 19 NATIONAL SECURITY COUNCIL EXECUTIVE SECRETARY DEPOSIT EXECUTIVE SECRETARY REFERRAL

CLOSE HOLD

SYSTEM	I LOG	NUMBER:	8306	
-			(4)	

Prep	are Memo McDaniel to Spare Memo				
ONCURR	ENCES/COMMENTS*		DUE:		
PHONE t	o action officer at ext				
	Brooks		Lavin	X	Ross
	Burghardt		Linhard		Sable
	Burns		Lenczowski		Sachs
	Cannistraro		Levine		Saunders
	Childress		Mahley		Sestanovich
	Cobb		Major		Small
	Danzansky		Mandel		Sommer
	deGraffenreid		Matlock		Soos
	Dobriansky		May		Stark
	Donley		Mingle		Steiner
	Douglass		Morton		St Martin
	Farrar		Murdock		Tahir-Kheli
	Grimes	X	North	X	Teicher
X	Hanley		Perry	9	Thompson
	Kelly		Platt		Tillman
	Kissell		Pugliaresi		
	Kraemer		Raymond		
	Laux		Reger		-

# CLOSE HOLD

11/18/86

Document No. \_\_\_\_8306

2:00 p.m. TODAY

## WHITE HOUSE STAFFING MEMORANDUM

	ACTION	FYI		ACTION	F
VICE PRESIDENT			MILLER - ADMIN.		
REGAN		A	POINDEXTER		0
MILLER - OMB			RYAN		
BALL	V.		SPEAKES		
BARBOUR			SPRINKEL		
BUCHANAN	A		SVAHN		
CHEW	□P	Was	THOMAS	V	
DANIELS			TUTTLE		
HENKEL			WALLISON		
KING					
KINGON					
MASENG					[

REMARKS:

Please provide any comments on the attached directly to my office 2:00 p.m. this afternoon. Thank you.

RESPONSE:

CLOSE HOLD

#### OPENING STATEMENT PRESS CONFERENCE

Good evening. Before taking questions, I have some brief remarks.

Eighteen months ago -- as I said last Thursday -- this

Administration began a secret initiative to the Middle East -- to
the Islamic Republic of Iran. Our purposes were fourfold: To
replace a relationship of total hostility, with something better.

To bring a negotiated end to the Iran-Iraq war that would protect
Western interests in the Persian Gulf. To effect the release of
our hostages; and to bring an end to terrorism and the taking of
hostages.

We knew this undertaking involved great risks -- especially for the hostages and for the Iranian officials with whom we were in contact. That is why information was restricted to Cabinet officers and officials with an absolute need to know.

This undertaking was a matter of concern and differences within Administration councils. There was a full and free debate. Several officials opposed the transfer of even a modest shipment of defensive weapons and spare parts to Iran -- others felt no progress could be made without this transfer. I weighed their views. I considered the risks if we failed and the rewards if we succeeded.

As Mr. Lincoln said, of another presidential decision: If it turns out right, the criticism will not matter. If it turns out wrong, ten angels swearing I was right will make no difference.

So, if there were mistakes, they were mine. If there is responsibility for the decision, it too, is mine. For having listened to the debate and weighed the options I decided the potential for reducing the root causes of terrorism, bringing an end to the slaughter of thousands of human beings in the war between Iran and Iraq, bringing stability to the region, and finally, securing the release of hostages was worth the risks.

With respect to trading arms for hostages, our policy was and remains -- we will never pay ransom for the release of hostages. I can understand how our initiative may appear to violate that principle -- I can only assure you that was not the case. And if anyone doubts our resolve in acting against those who take hostages or support terrorism our action in response to the hijacking of the Achille Lauro and against Lybia speak with greater force than any words that I could use tonight.

Nonetheless, to remove any doubt I have directed my senior foreign policy advisors to notify our allies we will not provide additional arms, in any amount, to any country, including Iran, as long as they support, condone or in any way participate in terrorism or terrorists acts.

If there were differences on how we achieve our policy goals there was and is no difference on what those goals are. We must find a way to bring Iran back into the community of responsible nations, to end a war that has taken \_\_\_\_\_ lives and to eliminate the <u>causes</u> of terrorism. We must not continually be bound to simply finding new ways to secure the release of hostages.

If we are to be successful in this and other foreign policy initiatives, it will require the support of the American people and the Congress -- Democrats and Republicans. I cannot put it better than Jim Wright, soon to be Speaker of the House, who said "We need to restore the kind of atmosphere that existed when I first came to Congress, when Sam Rayburn was the Speaker and Mr. Eisenhower was the President, and we worked together." Well, Mr. Wright, we can work together. The Congress will have my full cooperation in pursuing this and other foreign policy initiatives. Toward that end I have directed that all information relating to our initiative be provided to the appropriate Members of Congress.

But we cannot be effective as a country -- be it in eliminating the causes of terrorism or in our goal to eliminate nuclear weapons -- unless we are united and speak with one, certain and sure voice. In the past we have been able to build a consensus on difficult domestic and foreign policy issues. I remain hopeful such a consensus can be brought together on the Middle East and the Persian Gulf.



#### NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20508

November 20, 1986

#### ACTION

MEMORANDUM FOR RODNEY B. McDANIEL

FROM:

OLIVER L. NORTH

ROBERT L. EARLE

CRAIG P. COY

SUBJECT:

Washington Post Questions

Attached at Tab I s a memo from you to David Chew forwarding the responses to the Washington Post questions (Tab A) requested by Tom Gibson (se Tab II).

Howard Teicher, Bob Linhard, Dennis Ross, and Peter Rodman concur.

#### RECOMMENDATION

That you initial and forward the memo along with the Q&As at Tab I.

Approve	 Disapprove	

#### Attachments

Tab I - McDaniel Memo to Chew

Tab A - Questions & Answers

Tab II - Gibson Memo to McDaniel dated November 19, 1986

7-86-417/87

#### NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

MEMORANDUM FOR DAVID L. CHEW

FROM:

RODNEY B. McDANIEL

SUBJECT:

Washington Post Questions

Attached at Tab A are NSC answers to the <u>Washington Post</u> questions that were forwarded by Tom Gibson.

cc: Tom Gibson Pat Buchanan

Attachment

Tab A - Questions & Answers

Q: DO YOU REALLY BELIEVE THAT THERE ARE MODERATE ELEMENTS
WITHIN THE IRANIAN GOVERNMENT? AND IF THERE ARE, CAN THERE
BE ANY DOUBT THAT OUR ASSOCIATION WITH THEM WILL DIMINISH
THEIR INFLUENCE IF NOT ELIMINATE THEIR PRESENCE IN THE
POLITICAL STRUCTURE OF IRAN?

HOW DO YOU EVER AGAIN GO TO OUR ALLIES AND ASK THEM TO BE TOUGH ON TERRORISTS OR HOLD UP SHIPMENT OF ARMS TO OTHERS AFTER THE DISCLOSURE OF THIS KIND OF INVOLVEMENT IN IRAN?

A: From the earliest months following the Islamic Revolution in Iran, the U.S. Government has attempted to reestablish official contact with that country. Even before I took office, the Carter Administration determined that it was necessary to expand security, economic, and political relationships. These attempts included secret meetings between high-level government officials.

Numerous individuals and private parties have attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of the hostages held in Lebanon. These efforts have included attempts by members of Congress on both sides of the aisle. After many disappointments, about 18 months ago we were approached by a third party. He indicated that a group of influential Iranian officials had determined the need to reorient Iran's policy toward the West and the United States. After extensive work to verify the bona fides of the officials I decided to proceed. We viewed these officials as being pragmatic, guided by their own understanding of Iran's need and the importance of ending Iran's international isolation.

The question of credibility with our allies is easy. They know the United States has not tilted toward Iran and away from neutrality in the Iran-Iraq war. They know that the small amount of arms I authorized is insignificant to the outcome of the war and insignificant compared to the volume of arms supplied via Communist bloc countries or even Western Europe. Finally, they know that I have acted in the best interests of world peace, regional stability, and the safety of innocent hostages. Finally, our terrorism policy is clear and unequivocal — we have not made concessions to terrorists and will not. What we will do is act in our own interests to maintain influence in a vital part of the world.

Q: WHAT PROVISION HAVE YOU MADE IN YOUR DEALINGS WITH IRAN TO ENSURE THAT NO MORE HOSTAGES WILL BE TAKEN?

- A: Throughout our contact we have reiterated our steadfast opposition to Iran's support for terrorism and subversion. We repeatedly emphasized the importance of removing the obstacle to improving the dialogue between our two countries, namely the freeing of the hostages held in Lebanon. Iran expressed its opposition to terror and clearly understands the consequences of resorting to terrorism. We clearly stated our policy of neutrality in the Iran-Iraq war and our belief that the war should end honorably with both sides maintaining their territorial integrity.
- Q: AMONG ALL OF THE ISSUES AND PROBLEMS YOUR ADMINISTRATION

  FACES IN DEFINING THE NATIONAL INTEREST, IN WHAT ORDER OF

  PRIORITY WOULD YOU RANK THE FREEDOM OF THE HOSTAGES IN

  LEBANON?
- A: From the outset, my objectives in our dealings with Iran were exactly as I have indicated. They were first to replace a relationship of total hostility with one of mutual understanding and respect. Next, we have consistently sought a negotiated end to the Iran-Iraq war which is one of the most important reasons for our arms embargo. Iraq, for some time, has expressed its readiness to pursue a mediated settlement of the war. We have also firmly told the Iranians

their continued support for terrorism and subversion in the region is unacceptable and must stop. Finally, at every meeting, we said that the continued holding of hostages by groups influenced by Iran constituted an obstacle to any future improved relations.

- Q: IN TERMS OF INSTITUTIONAL ACCOUNTABILITY, IT WOULD APPEAR
  THE NSC (NATIONAL SECURITY COUNCIL) HAS PREEMPTED THE
  TRADITIONAL ROLE OF THE DEFENSE DEPARTMENT AND CIA IN
  CENTRAL AMERICA AND THE STATE DEPARTMENT IN IRAN. WHAT
  CONSTITUTIONAL OR LEGAL AUTHORITY HAS THE NSC TO AID AND
  ABET THE PROSECUTION OF WAR WITHOUT A DECLARATION THEREOF BY
  CONGRESS IN CENTRAL AMERICA, AND TO AUTHORIZE THE SHIPMENT
  OF ARMS IN VIOLATION OF EMBARGO STATUTES TO BELLIGERENTS IN
  THE MIDDLE EAST?
- A: As with any sensitive intelligence or diplomatic initiative, participation by departments and agencies, as well as individuals, must be based on their need to know. All of my national security advisors were consulted and they in turn advised those officials within their departments who had a need to know. Involvement of the NSC staff was limited to a few individuals. This initiative was handled just like any other classified covert intelligence operation. The NSC staff, working with the CIA, was simply fulfilling its

function of advising me on national security issues, as well as carrying out my instructions. Under the law, I told CIA Director Casey to refrain from informing Congress because of the extreme sensitivity and the high risk to individual lives. We also intended and planned to fully inform the relevant committees of Congress when the time was appropriate. To remove any doubt as to our intentions and our actions, I have directed that all information relating to our initiative be provided to the appropriate members of Congress. Of course, some of the information will have to remain classified and not be made public in order to protect individual lives.

It is absolutely false that we were "aiding and abetting the prosecution of war without a declaration thereof by Congress."

We have not declared war on Nicaragua -- nor do we intend to. What we have been doing is supporting the Nicaraguan democratic resistance forces in their efforts to restore democracy to Nicaragua. That support has always been within the terms of the relevant laws at the time.

Q: SINCE YOU PERMIT (VICE) ADMIRAL (JOHN M.) POINDEXTER TO

APPEAR ON "MEET THE PRESS" AND "THE TODAY SHOW" TO ANSWER

QUESTIONS, WILL YOU PERMIT HIM TO GO AND ANSWER QUESTIONS

FROM MEMBERS OF CONGRESS IN A HEARING?

A: I have pledged that we will offer the fullest possible report to the appropriate members and committees of the Congress. Since this was largely an intelligence operation, I have asked CIA Director Casey to report fully to the intelligence committees, which are the most appropriate forums for discussing the aspects of this policy that remain highly sensitive.

My Assistant for National Security Affairs is a member of my Presidential staff and it would be unprecedented and inappropriate for him to be summoned to appear at a formal Congressional hearing. However, Admiral Poindexter has regularly engaged in informal consultations and briefings with members of Congress on a variety of issues since he took over his present position. I have asked him to make himself available for consultations on this issue as well, and he will do so.

Q: WHAT EFFECT DID THE UNITED STATES' PROVIDING SOME MILITARY
EQUIPMENT HAVE ON THE BEHAVIOR OF THE IRANIAN GOVERNMENT?
HAS IRAN CHANGED ITS ATTITUDE TOWARD THE WAR WITH IRAQ,
TOWARD TERRORISM, OR TOWARD ITS NEIGHBORS, INCLUDING THE
SOVIET UNION?

A: Although it is too soon to give a complete assessment, we have indeed seen a number of positive effects. It is a fact that there has been a marked reduction in Iranian-sponsored terrorism over the last 18 months. Several Iranians responsible for instigating international terrorist acts have been arrested and are now jailed in Iran. Iran has also been helpful in both the TWA hijacking in Beirut in June 1985, as well as the Pan Am Flight 73 hijacking in Karachi last September. The comments of Iran's ambassador to the United Nations acknowledge the improvement in U.S.-Iranian relations.

Another positive result of our initiative is the release of three of the Americans held hostage in Lebanon. It is true that three more Americans were taken recently, but our information has been ambiguous whether this was Iranian-sponsored.

- Q: YOU SAID THIS TRADE WAS TO HELP START A DIALOGUE WITH

  MODERATE POLITICAL FACTIONS IN IRAN. HOW DOES GIVING

  WEAPONS TO THE (AYATOLLAH RUHOLLAH) KHOMEINI ESTABLISHMENT

  HELP THIS?
- A: That is a question that I asked myself. I can only say that I grappled with this decision for a long time. The Iranians themselves asked to purchase this equipment. After careful

consideration, our assessment was that the dialogue would only move forward if our Iranian interlocutors became convinced that our negotiators genuinely represented me. The Iranians believed that the authorization to purchase some military material was the only gesture that would demonstrate my involvement and commitment to this initiative. We were very explicit in our sale of this equipment to make sure that, first, it could not be used for offensive purposes and, second, that it could in no way affect the outcome of the war with Iraq.

In doing this, we were well aware of the risk and we understood this was a limited deviation from our arms embargo policy. Nevertheless, we proceeded because we saw a potential opening that could, if probed and cultivated successfully, have had long-term stabilizing effects on the regime and could have contributed to ending the war -- the very objective of the arms embargo.

- Q: IF THE KHOMEINI AND (LIBYAN LEADER MOAMMAR) QADHAFI ROLES
  WERE REVERSED SO THAT QADHAFI WAS IN CHARGE OF THE MORE
  STRATEGICALLY IMPORTANT COUNTRY OF IRAN, WOULD WE BOMB
  KHOMEINI AND ARM QADHAFI?
- A: Questions like this are pure speculation and avoid the heart of the issue. There is no debate over the strategic

importance of Iran. In this regard, it is notable that only a few major countries do not have relations with Iran -Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran. The Iranians came to us threatened with growing Soviet military power and political influence along its borders and inside its territory. They also face increasing desperation brought on by the costs of the Iran-Iraq war and a deteriorating economic situation. It is neither in our interest nor the interest of any of our regional freinds for Iran to unravel and descend into chaos. The more pragmatic Iranian leadership, the more Iran is likely to remain intact, to sustain its position as a strategic buffer to the Soviet Union, to end its practice of exporting revolution and threatening its neighbors.

When making my decisions in the Oval Office, I must deal with the world as it is and make judgments on what best serves the interest of our country, our people, and world peace. I cannot speculate nor can I compare two totally different sets of theoretical circumstances. In the case of our military actions against Libya on April 15, we had extraordinarily clear and unambiguous evidence of Libyan government involvement in a recent act of international terrorism against Americans in West Berlin. For the past 18 months, we have not had any such similar evidence of Iranian government involvement in terrorism against Americans.

- Q: OUT HERE, WE DON'T EXPECT THE PRESIDENT TO DO ONE THING AND SAY QUITE ANOTHER. HOW DO YOU EXPECT TO LIE AND HAVE US TRUST YOU AGAIN?
- A: Because I haven't lied, I do expect that the vast majority of Americans will continue to believe and trust in what we say. We have only now begun to present the information concerning this sensitive initiative toward Iran. Although many Americans may still not agree with some of the actions taken, we expect that they will at least understand the strategic dimension of those actions as we have explained it. The choice may not have been easy, particularly given the risks; but there are times when a President must be prepared to run risks in the service of goals of great importance.
- Q: WAS ANYTHING DONE (BY IRAN) AGAINST ITS OWN SELF-INTEREST IN
  RETURN FOR WHAT WE DID? ARE THERE ARRANGEMENTS WITH OTHER
  COUNTRIES TO GIVE SUBSTANTIALLY MORE ARMS (TO IRAN) THAN THE
  AMERICAN PEOPLE HAVE BEEN TOLD ABOUT?
- A: The officials in Iran who sought to reorient Iran's policy toward the West and the United States clearly had Iran's -- not America's -- interests in mind. They saw both the external threat to Iran from the Soviet Union and the

internal threat brought on by the exasperation with the war and a deteriorating economy. They are aware of the dangers of not dealing with Iran's growing internal problems and divisions. They recognized the need to reduce Iran's international isolation and improve relations with the West in order to respond to those threats. At no time did they act against Iran's self-interest nor would we expect them to do so. The fact of the matter is that there is a gradual congruence of interests between our two countries.

As I have said, our arms embargo remains intact and we have not and will not acquiesce in the sale of arms to Iran. The shipments I authorized were limited to defensive arms and the total of all these shipments could fit in a single cargo airplane.

- Q: WHY NOT TREAT IRAN AS WE TREAT NICARAGUA, AS AN ENEMY?
- A: We continue to have diplomatic relations with Nicaragua. We do so because it is my belief that we can help bring about a democratic solution to the unrest in that country by remaining there. It is important to remember that only a few major countries do not have relations with Iran. Even Iraq maintains relations with Iran.

- Q: MR PRESIDENT, WHY DON'T YOU MAKE A FULLER ACCOUNTING OF WHAT
  YOU EXPECTED TO GET IN THIS TRANSACTION (WITH IRAN)? WHAT
  OTHER SHIPMENTS HAVE BEEN AUTHORIZED BY US? THERE ARE
  PEOPLE IN THE PENTAGON WHO CONTEND THAT SOME OF THE STUFF
  WAS VERY SOPHISTICATED, "BLACK BOX" EQUIPMENT. ARE WE GOING
  TO SHIP MORE OR DO WE INTEND TO ENCOURAGE OR ACQUIESCE IN
  THE SHIPMENT OF ARMS TO IRAN BY OTHER COUNTRIES?
- A: We cannot and will not publicly go into the specific details of this arrangement. As I have said, all information pertaining to this operation will be provided to the appropriate members of Congress. I will reiterate that the sum total of all the equipment I authorized could fit in one cargo airplane and that there will be no further transfers of military equipment.
- Q: IN LIGHT OF THE FIASCO OF IRAN, THE SWAP OF A SOVIET SPY FOR AN AMERICAN JOURNALIST, THE FAILURE OF REYKJAVIK TO MOVE TOWARDS EFFECTIVE ARMS CONTROL, THE SKIRTING OF U.S. LAWS BY SENDING AN AMERICAN ARMS-SUPPLY PLANE TO NICARAGUA, AND THE CLUMSY DISINFORMATION CAMPAIGN AGAINST LIBYA, WHAT CHANGES DO YOU PLAN TO RESTORE COMPETENCE AND CREDIBILITY TO THE CONDUCT OF U.S. FOREIGN POLICY?

I do not plan any changes because of false perceptions A: created by misinformation. First, the Soviets cannot honestly conclude that they came out even in the aftermath of their espionage activities at the UN. Second, we and the Soviets agree that important progress was made at Reykjavik and that our arms control negotiations should resume where Reykjavik left off. Third, the downed aircraft that was attempting to bring supplies to the democratic resistance in Nicaragua was not a U.S. Government aircraft or involved in any U.S. Government operation. Finally, our policy toward. Libya since April has been a policy of mobilizing a variety of pressures in order to deter Qadhafi's continuing use of terrorism; there was no policy of misleading or feeding false information to the American press. The one article in the Wall Street Journal that is charged with having been used for purposes of a disinformation campaign turns out to be about 90% accurate in its reporting of facts. remaining 10% did not come from any U.S. Government officials or sources.

Our six-year record in foreign policy is a successful record. We have restored the strategic position of the United States in the world and have before us some opportunities for important new achievements. I plan no changes in the strong team of advisors who have served the Nation tirelessly and well.

- Q: IS THERE AN ACCEPTABLE MIDDLE POINT BETWEEN YOUR POSITION ON SDI (STRATEGIC DEFENSE INITIATIVE) TESTING AND THAT OF SOVIET LEADER MIKHAIL GORBACHEV? ARE THERE RESTRICTIONS ON THE NUMBER, TYPE, OR CONDUCT OF SDI TESTS THAT WOULD ALLOW RESEARCH TO CONTINUE AT AN ACCEPTABLE PACE AND ALSO ASSURE THE SOVIETS THAT THE U.S. PLANS NO BREAKOUT FROM THE ABM (ANTI-BALLISTIC MISSILE)?
- A: We already have a signed agreement with the Soviets governing, among other things, strategic defense testing -- the ABM

  Treaty. In the context of our proposal to eliminate all

  U.S. and Soviet offensive ballistic missiles, we are prepared not to deploy advanced strategic defenses for a 10-year period and to confine ourselves to a program of research, development, and testing, which are permitted by the ABM

  Treaty. What we are not prepared to do is to accept Soviet attempts to kill the U.S. SDI program by directly or indirectly amending the ABM Treaty by restrictively redefining its terms.

SDI offers us the hope of a safer more stable world.

Moreover, the Soviets, who have the world's only operational

ABM system, also have a long-standing, active, and extensive

program of strategic defense research, development, and

testing. When the Soviets are prepared to drop their

propaganda attacks on SDI, this may give us the basis for an agreement on a transition to deterrence increasingly based on defenses.

- Q: YOU HAVE CALLED FOR A WORLDWIDE DEMOCRATIC REVOLUTION. WHY
  HAVEN'T YOU PUSHED FOR SUCH A REVOLUTION WHERE YOU HAVE YOUR
  STRONGEST INFLUENCE, IN SUCH AREAS AS SOUTH KOREA AND SOUTH
  AFRICA?
- The democratic revolution around the world is not something A: I have "called for;" it is an historical fact, vindicating the fundamental principles that all Americans have always held dear. In Central America, South America, Haiti, the Philippines, and elsewhere, we see inspiring examples of democratic advance. The United States has limited influence to shape events in other countries; but we use the influence we have, and we use it to further our goals of democracy, freedom, and human rights. In the Republic of Korea, we see an allied government, facing a grave security threat from the North, committed to an unprecedented peaceful transition to a civilian democratic government by 1988. In South Africa, the United States has exerted great efforts to promote black economic advances and a political negotiation which leads to a rapid and peaceful end to the repugnant apartheid system and its replacement by a system of constitutional democracy, racial justice, and human rights.

#### THE WHITE HOUSE

WASHINGTON

November 19, 1986

MEMORANDUM FOR ROD McDANIEL

FROM:

TOM GIBSON

SUBJECT:

Washington Post Questions

The President has indicated his interest in replying to the 26 questions solicited by the <u>Washington Post</u> in their Federal Report of today's paper. The bulk of them concern Iran.

I would like to coordinate the production of a draft response, either in the form of letter or Op Ed. Brief one to two paragraph answers should be all that is necessary for each question, but respond with the length you deem necessary. I have noted the questions for your attention. Can we try to have drafts back to me by COB Thursday. We'll do an edit and then Chew will staff.

Thanks very much.

cc: Pat Buchanan

David Chew

# SOME QUESTIONS FOR THE PRESIDENT



BY RICH LIPSKI-THE WASHINGTON POST

oday at 8 p.m., President Reagan will give his first news conference in three months—his seventh this year. The Federal Page asked dozens of Americans in public life to suggest questions that they would like to see the president answer; these are some of the questions we received.

Q: Do you really believe that there are moderate elements within the Iranian government? And if there are, can there be any doubt that our association with them will diminish their influence if not eliminate their presence in the political structure of Iran?

How do you ever again go to our allies and ask them to be tough on terrorists or hold up shipment of arms to others after the disclosure of this kind of involvement in Iran?

-Walter F. Mondale, former vice president and Democratic presidential nominee in 1984

Q: What provision have you made in your dealings with Iran to ensure that no more hostages will be taken?

—John Steinbruner, director of the foreign policy studies program at the Brookings Institution

Q: Among all of the issues and problems your administration faces in defining the national interest, in what order of priority would you rank the freedom of the hostages in Lebanon?

-Norman Ornstein, political scientist

Q: In terms of institutional accountability, it would appear the NSC [National Security Council] has preempted the traditional role of the Defense Department and CIA in Central America and the State Department in Iran. What constitutional or legal authority has the NSC to aid and abet the prosecution of war without a declaration thereof by Congress in Central America, and to authorize the shipment of arms in violation of embargo statutes to belligerents in the Middle East?

-Rep. Jim Leach (R-Iowa), Foreign Affairs Committee member

Q: Since you permit [Vice] Adm. [John M.] Poindexter to appear on "Meet the Press" and "The Today Show" to answer questions, will you permit him to go and answer questions from members of Congress in a hearing?

-Kirk O'Donnell, former counsel to House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) and president of the Center for National Policy

Q: What effect did the United States' providing some military equipment have on the behavior of the Iranian government? Has Iran changed its attitude toward the war with Iraq, toward terrorism or toward its neighbors, including the Soviet Union?

—John C. West, former Democratic governor of South Carolina and ambassador to Saudi Arabia

Q: You said this trade was to help start a dialogue with moderate political factions in Iran. How does giving weapons to the [Ayatollah Ruhollah] Khomeini establishment help this?

-Michael (Mickey) Kantor, Los Angeles lawyer (partner of former Democratic National Committee chairman Charles Manatt and former senator John Tunney) and Democratic activist

Q: If the Khomeini and [Libyan leader Moammar] Gadhafi roles were reversed so that Gadhafi was in charge of the more strategically important country of Iran, would we bomb Khomeini and arm Gadhafi?

-Senate Appropriations Committee Chairman Mark O. Hatfield (R-Ore.)

Q: Out here, we don't expect the president to do one thing and say quite another. How do you expect to lie and have us trust you again?

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Q: Was anything done [by Iran] against its own self-interest in return for what we did? Are there arrangements with other countries to give substantially more arms [to Iran] than the American people have been told about?

-Sen. Patrick J. Leahy (D-Vt.), vice chairman of the Senate Select Committee on Intelligence

Q: Why not treat Iran as we treat Nicaragua, as an enemy?

-Dinesh D'Souza, managing editor of Policy Review, the Heritage Foundation journal

Q: Mr. President, why don't you make a fuller accounting of what you expected to get in this transaction [with Iran]? What other shipments have been authorized by us? There are people in the Pentagon who contend that some of the stuff was very sophisticated, "black box" equipment. Are we going to ship more or do we intend to encourage or acquiesce in the shipment of arms to Iran by other countries?

-Jody Powell, press secretary to President Jimmy Carter

Q: Looking back over the past six years, what are the foreign policy achievements of your administration to date?

-Stansfield Turner, Central Intelligence Agency director, 1977-81

Q: IIave you looked at the election results in the Upper Midwest—North Dakota, South Dakota, Minnesota—and concluded that you need to change your administration's policy toward rural America?

-Rep. Vin Weber (R-Minn.), a leader of the Conservative Opportunity Society and narrow reelection winner in an economically depressed farm district

Q: How in God's name can you go to sleep at night as a conservative with a \$200 billion [annual federal budget] deficit looking at you every year—as the biggest deficit spender in American history?

-George McGovern, former senator (D-S.D.) and Democratic nominee for president in 1972

Q: Mr. President, you came into office on a conservative platform and offered a number of measures to cut down governmental activity.

Do you think you have changed the thinking of the American people and have opened up a lasting trend toward reducing the presence of government in our daily lives?

-George Reedy, press secretary to President Lyndon B. Johnson, now journalism professor at Marquette University

Q: What are your plans for reducing the trade and budget deficits? And when are you going to stop kidding the American public and start talking about raising taxes?

—Sen. Thad Cochran (R-Miss.), Appropriations Committee member

Q: Given your reluctance to increase taxes and your reluctance and Congress' reluctance to breathe the words "Social Security," how in the world do you think you will ever cut the deficit much below \$200 billion a year? And is that [large dericit] the legacy you want to leave?

-Carol Cox, president of the Committee for a Responsible Budget

Q: You insist that budget deficits are the fault of Congress, yet in the last six years Congress has appropriated less than you have requested and you have vetoed only two appropriations bills. How do you explain these inconsistencies?

-Rep. Marvin Leath (D-Tex.), member of the Budget Committee and challenger to Rep. Les Aspin (D-Wis.) for chairmanship of the Armed Services Committee

Q: Mr. President, under the Reagan administration, the federal-city partnership has deteriorated from its historically supportive role to an adversarial relationship. When you were last in Chicago, you ducked a question about federal funding for Chicago, by citing the release of federal transit funds, which had been committed long ago and had nothing to do with the real issue facing the cities. On another occasion, you suggested that urban Americans should "vote with their feet."

My question is: What do you advise urban Americans, caught between the rock and the hard place, between the consequence of your added trillion-dollar deficit and the new tax policies on one hand, and the loss of social programs formerly funded by the federal government on the other? That is, are you still suggesting that we just mosey along somewhere else, or do you have a policy for the cities?

-Harold Washington, Democratic mayor of Chicago

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Q: In light of the fiasco of Iran, the swap of a Soviet spy for an American journalist, the failure of Reykjavik to move towards effective arms control, the skirting of U.S. laws by sending an American arms-supply plane to Nicaragua and the clumsy disinformation campaign against Libya, what changes do you plan to restore competence and credibility to the conduct of U.S. foreign policy?

—John Brademas, president of New York University and former congressman (D-Ind.)

Q: The GOP lost the Senate. Republican candidates lost 13 of 16 races you campaigned in, the chairman of the Joint Chiefs of Staff apparently disagrees with the position you took in Iceland, and only 14 percent of the American public believes that your statement about not trading arms for hostages is essentially true. Haven't you lost a little zip off of your fast ball?

-Harrison Hickman, Democratic pollster

Q: Is there an acceptable middle point between your position on SDI [Strategic Defense Initiative] testing and that of Soviet leader Mikhail Gorbachev? Are there restrictions on the number, type or conduct of SDI tests that would allow research to continue at an acceptable pace and also assure the Soviets that the U.S. plans no breakout from the ABM [Antiballistic Missile] Treaty?

-William E. Colby, CIA director, 1973-76

Q: You have called for a policy of strength, saying this was the only way to get the Russians to behave. Can you point to one example where your military build-up and your rhetoric have succeeded in making the Russians behave better?

-Rep. Barney Frank (D-Mass.)

Q: You have called for a worldwide democratic revolution. Why haven't you pushed for such a revolution where you have your strongest influence, in such areas as South Korea and South Africa?

-Andrew Young, Democratic mayor of Atlanta and former U.S. ambassador to the United Nations

Q: Do you intend to support Vice President Bush or someone else for the GOP nomination in 1988?

-Richard Nathan, professor at Princeton, former assistant budget director and deputy undersecretary of health, education and weifare in the Nixon administration NSC podman

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THE WASHINGTON POST

WEDNESDAY, NOVEMBER 19, 1986



### International Reaction to President's Speech

#### The Iranian Reaction

Although Iranian UN Permrep Rajai-Khorassani was upbeat about the President's speech, terming it "an optimistic statement and in some respects a constructive statement," President Khamanei in a Friday sermon denied the President's report of diplomatic talks with Iran, calling this "mere lies." Khamanei, in the only official reaction now available from Iran, admitted that there had been US contacts with Iranian intelligence officials. He claimed that in his address last night President Reagan had "agreed there was no proof that Iran had anything to do with or supported terrorism." Khamanei charged that American leaders were the real terrorists, and affirmed that although the US may want better relations, Iran would not establish ties as long as the US supported Israel and followed "hegemonistic" policies.

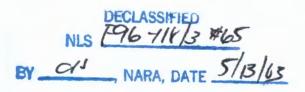
#### Other Middle East Reactions

Israel: Prime Minister Shamir said today that he understands America's position on Iran, according to Radio Jerusalem. He indicated that "any democratic country trying to obtain the release of its citizens...faced enormous difficulties." Shamir added that Israel is "in no way involved" in US arms resupply to Iran.

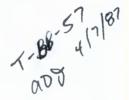
Early editorials in the Israeli press commenting on the President's speech, however, were somewhat negative. For example, the moderate Israeli daily Ha'aretz disapproved of "the number one power in the world...entering dubious secret deals...in order to fulfill the demands of several dozen murderers and hostage-takers."

Jordan: Jordan's first reaction to the President's address came via Radio Amman. The radio broadcast consisted of a very straightforward summary in a positive vein of the points made in the speech, without comment.

Iraq: Iraq's "Voice of the Masses" radio also gave a largely straightforward report on the President's speech, but, unlike the Jordanian broadcast, the Iraqi summary appeared to be negative in tone. The report contained statements such as the President "admitted" this and "admitted" that, etc.







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#### West European Media Reaction

France: French television and print media emphasize the damage to the President's credibility over the Iranian moves but believe it likely that his remarks will find understanding in much of the American public, despite media and politicians' criticisms. A dominant theme was that the President is on the defensive. Le Monde claimed "the great lessons of morality and firmness to the world--notably to France--now seem quite hypocritical."

Conservative Figaro and left-of-center Liberation both noted the disparity between the French and US assessments of the core of Middle Eastern threats; while the US punishes Syria for terrorism, France seeks a link with Syria in order to monitor and forestall Islamic fundamentalism emanating from Iran. This divergence allegedly foretells further estrangement between Paris and Washington.

FRG: German papers both on the left and right also stress the President's loss of credibility, some linking it more broadly to a series of perceived losses over preferred US South African, Nicaraguan, and arms control moves. Conservative Berliner Morgenpost claimed the efforts toward Iran reflect a presidential effort to emulate Machiavelli which ended in a shambles, despite the "understandable desire for a say in determining the successor to the ailing Ayatollah Khomeini." Early reaction from the Luebecker Nachrichten claims the President supplied the arms to win freedom for the hostages, only to "change his story later."

UK: London's liberal <u>Guardian</u> reported the President's address as a necessary effort to recoup lost public confidence following disclosures of the Iran actions and reports of internal dissension among top White House advisers. Referring to the President's being "caught red-handed" in a "U-turn" on terrorism policy on the eve of Mrs. Thatcher's visit, the <u>Guardian</u> predicted stiff new US moves against Syria to mollify the Prime Minister.

"badly burned" by the Iran disclosures and laid the nationwide address to the President's need to blunt attacks from the newly-elected, Democrat-controlled Congress. It noted, nonetheless, that the evidence points to a "serious attempt by the administration to reestablish a working relationship with Iran before Khomeini dies" which would probably continue.

Switzerland: Early reactions in Swiss media repeat the claim of the President being "caught red-handed" and engaging in "double-speak" while trying to give "moral lessons to those who don't share his convictions" (independent Le Matin of Lausanne). That paper labelled the evening address "more a feat of acropatics than a convincing demonstration."

#### Soviet and East European Reaction

USSR: Initial Soviet reporting was predictably critical, replaying earlier warnings about expansionist American policy toward the region. A Washington-dateline TASS report called the President's statement that US policy was aimed at protecting Iran from the USSR "fantastic." Tass said US efforts to court "pro-US circles" in Iran were interference in Iran's internal affairs. TASS rejected the President's "original argument" that in supplying arms to Iran, the US was striving to end the Iran-Iraq war, asserting that US arms shipments were designed to prolong the war in order to weaken both countries and undermine the Arabs vis-a-vis Israel.

Bulgaria: Characterizing the speech as a "partial confession" about "secret" links between Washington and Tehran, Bulgarian radio stressed divisions between the US and its West European allies.

Czechoslovakia: Rude Pravo emphasized US interference in Iran's internal affairs.

Yugoslavia: Tanjug gave a rather straightforward account of the speech and said the central US concern was the strategic importance of Iran.

#### East Asian Reaction

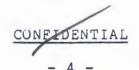
China: Official Chinese media reported the President's speech by quoting the President extensively but have not offered direct editorial comment. The Chinese report noted, however, US press reports that Secretaries Shultz and Weinberger "complained that they did not know the full program" and cited Congressional leaders who have complained about the contacts with Iran.

Japan: A Japanese television report over the government-sponsored network summarized the President's speech and stated that it "showed a 180-degree reversal of US government policy on Iran." The report also noted that the "sudden policy change" by the US "was met with disbelief." The report also cited a senior roreign ministry official as denying that Japan "played the role of an intermediary," and claimed that the Japanese government took unspecified "voluntary action" in the hostage situation.

#### Latin American Reaction

Only Cuban and Nicaraguan reactions have come in over the wire as of 10:30 AM EST. Nicaraguan radio quoted Majority Leader Byrd as saying that the credibility of the US had dropped

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to a dangerous level, but otherwise was relatively straightforward in its coverage of the speech. Cuban coverage was terse, observing only that President Reagan was trying to minimize the scandal resulting from supplying weapons to Iran in exchange for hostages.

Drafted: INR Analysts 11/14/86 SECRET

#### FOREIGN REACTIONS TO REPORTS OF U.S.

#### ARMS TRANSFERS TO IRAN

Iraq - There has been no formal GOI reaction. Washington, Ambassador Hamdoon has been actively trying to get an authoritative version of the facts. After his unsatisfactory meeting with A/S Murphy on November 5, Hamdoon has been backgrounding the press along the following lines: (a) Iraq believes that U.S. contacts and dialogue with Iran could be helpful, as long as the war is a focus; (b) any delivery of arms to Iran will bolster Iranian morale and lengthen the war, which is contrary to Iraqi interests. Further, if the U.S. traded arms for hostages, it erred fundamentally in dealing with Iran; Iran is likely to respond by seizing more hostages. In meetings in Baghdad November 8 and 10, Iraqi military intelligence and senior foreign ministry officials echoed Hamdoon's line. Both also underscored Iraq's appreciation for past U.S. efforts to inhibit arms transfers to It would appear, for the moment at least, Iraq has chosen to react very cautiously.

Egypt - The Egyptian Foreign Minister reacted positively to our initial assurances that our contacts with Iran did not mean a major change in our policy toward the war, i.e. neutrality. He applauded our attempts to exploit what others had been seeing, namely indications in Iran of "possible openings" that indicated the "ground may be shifting". He said all our friends in the region would be able to "exploit the opening". This approving tone changed considerably two days later following revelations of arms transfers and substantial Israeli involvement in our contacts with Iran. Abdel Meguid, stressing press criticism, asked that President Mubarak be given more facts about the contacts.

Saudi Arabia - Prince Saud was more specific in his approach to Ambassador Cutler November 8. He said the report of trading arms for hostages was causing anxiety for the SAG. For more than three years the SAG had worked with the U.S. and others to develop a policy with respect to arms shipments to Iran. If we are changing our policy the SAG needed to be informed as quickly and fully as possible; such a change could have serious (unspecified) implications for Saudi Arabia and other states. Saudi Ambassador Prince Bandar told Ambassador Murphy the same day that he was deeply troubled by the reports of U.S. arms sales to Iran, that the situation significantly damages U.S. credibility.

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The next day, November 9, speaking on instruction from Saud, a senior Foreign Ministry official conveyed the following points:

- -- That USG had solemnly assured the SAG for the last several years that it was not permitting transfer of U.S. arms to Iran, and it now appears that these assurances may have been false. This raises the most serious questions about U.S. credibility;
- -- That while he is fully sensitive to the need to protect the lives of the remaining hostages, it is essential that USG provide the truth to Governments such as the SAG, which have close and cooperative relations with the U.S., have important interests involved in the Gulf conflict, and are clearly able to protect confidential information;
- -- That the USG appears not to have believed its own very good arguments about why one must not negotiate with terrorists; Could the USG not see, he asked, that dealing with Iran in the manner reported by the press gave Iran an incentive to see that some hostages were held at all times?
- -- That if the press reports are more or less accurate, it is difficult to see how the USG can expect its friends and allies to attach credibility to us urgings that they refrain from supplying arms to Iran.

Jordan - King Hussein reacted most stridently. Speaking on the King's behalf, the Chief of the Royal Diwan Marwan Kasem said the King had been heartened by the recent CENTCOM briefing on the effectiveness of U.S. efforts to slow the flow of arms to Iran. The GOJ had begun its own demarches to governments identified as supplying Iran in that briefing. It was clear the U.S. is being duplicatious, Karem said. He went on that the U.S. has clearly capitulated to terrorists. Inconsistent policies like these leaves small countries like Jordan particularly exposed. He cited King Hussein's speech to the Parliament on November 1 in which he had strongly condemned terrorism; this was read in the area as a statement against Syria in support of western sanctions against Syria. U.S. actions have undercut the King, Kosem said, just as he launches his West Bank plan.

Kuwait - Foreign Minister Shaikh Sabah told Ambassador Quainton November 11 that the GOK and the Amir had been "hurt" by revelations of alleged U.S. supplies of military spare parts to Iran. Sabah noted that he had been in touch with Saudi Foreign Minister Prince Saud and UAE Minister of State for Foreign Affairs Rashid Abdullah the previous day to discuss with them how to deal with the USG on this matter. emphasized that he wanted to obtain directly from the USG details about our arms supplies to Iran. Shaikh Sabah stressed that the GOK would be pleased if the U.S. was talking with Iran about ways to end the Gulf War, but he reiterated that providing arms supplies to Iran was another matter altogether. He warned that our willingness to make such a deal would jeopardize Americans in Lebanon and other countries. He also mentioned, with a touch of irony, that the GCC summit had approved a resolution paying tribute to U.S. efforts in operation Staunch to cut third country arms supplies to Iran and hoping we would do more in the future. Sabah was speaking formally for the GOK and with the full authority of the Amir. He spoke without anger but with a sense of deep hurt that the U.S. had broken the trust of its friends in the Gulf.

Oman - Minister of State bin Alawi reacted favorably to the establishment of contacts with Iran. He reminded Ambassador Montgomery that he had offered, beginning in late 1985, to act as a conduit to establishing a link to Tehran. He said that when we turned him down he assumed that we had established other channels of communication. At the same time, Alawi advised that as a result of the revelation of our contacts, Oman is holding off on its planned demarche to the Chinese regarding operation Staunch. He asked for further information about our contacts with Iran.

Bahrain - The Foreign Minister delivered a substantively sharp reaction to Ambassador Zakhem November 11. Sheikh Muhammed approved of a U.S. dialogue with Iran. He found considerable problem, however, with the possibility that the U.S. had paid "blackmail" to the "principal state in the area responsible for terrorism". This news was particularly unfortunate, Sheikh Muhammed added because the GCC Summit had taken important decision to discuss collective defense of the Gulf with the U.S. States like Bahrain had to find a way to live with Iran, he concluded; if the U.S., a super power, had given in to Iran, what could a small state like Bahrain do?

Yemen - On November 8 President Salih described the press reports to Ambassador Rugh as very disturbing, particularly the mention of arms transfer which could affect U.S./YAR relations. Salih said it was a matter of vital interest to Yemen that Iran's military capabilities not be enhanced from any quarter (Yemen actually has troops fighting in Iraq). Salih said recent advances in U.S./YAR relations could be set back because of the great importance he attaches to helping Iraq. Salih said helping Iran is contrary to U.S. interests; Khomeini regards the U.S. as a bigger enemy than the Arabs.

United Arab Emirates - Deputy Prime Minister Shiekh Hamdan told Ambassador Mack November 12 that U.S. contacts with Iran would be a "good thing" if they helped end the war or presented its spread to Gulf states.

USSR - Soviet Ambassador Dubinin called on Assistant Secretary Murphy November 10 on instructions to seek information about the press reports. He said the USSR wanted to know what the events represented. He reminded Murphy of the USSR's considerable interests in the area.

Pravda, emphasizing the arms supply aspect, commented November 9 that the U.S. actions demonstrate U.S. attempts to exacerbate tensions in the Middle East and the Persian Gulf. Pravada said the contacts could not have taken place without the assistance of an influential group of Iranians, suggesting the existence of circles in Iran with interests in reestablishing relations in the U.S. The clear intention of the report is to discredit Iranians favoring contacts with the U.S.

France - Prime Minister Chirac told Secretary Shultz in Paris on November 7, that France is interested in normalizing relations with Iran but is not prepared to give up anything in return. He criticized reported arm sales to Iran by the United States noting that Iran is the number one country in the region supporting terrorists. He said categorically that the French are not selling arms to Iran for that reason alone. Chirac also noted that feeding anti-western forces in the area may destabilize moderate regimes.

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Netherlands - A Dutch Embassy officer in Washington sought out Department officer November 5 trying to get an accurate account of recent developments. Under instructions, he informed Department that the Dutch Foreign Minister had specifically indicated acute personal embarassment and sense of betrayal on the terrorism issue if reports of U.S. terrorism related negotiation were true. He specifically linked question of U.S. activities with success of their upcoming November 10 meeting regarding sanctions toward Syria.

Korea - On November 10 MOFA DIRGEN CHang told Embassy Soel that media reports of U.S. arms deals with Iran have come as a "bombshell" in Seoul and as an acute embarrassment to Foreign Minister Choi. This especially because in recent weeks MOFA, in response to concerted Embassy representations over the Iran-bound munitions aboard the M/V "cargo trader," had been engaged in a bureaucratic struggle with MND over the issue --which, after much effort, it had just won. He asked for any additional "clarifications" we might have. He was also concerned whether we have been treating the ROK in this matter with the same candor as we are our European allies.

NEA/ARP:JCraig Wang 1921A November 12

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