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OFFICE OF THE  
SECRETARY OF DEFENSE



DEPARTMENT OF STATE

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Washington, D.C. 20520

September 1, 1982

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Interagency Group No. 31

- TO :
- OVP - Mr. Donald P. Gregg
  - NSC - Mr. Michael O. Wheeler
  - AID - Mr. Gerald Pagano
  - CIA - Mr. Thomas B. Cormack
  - Defense - COL John Stanford
  - JCS - MAJ Dennis Stanley
  - OMB - Mr. William Schneider
  - Treasury - Mr. David Pickford

SUBJECT: Notification of Interagency Steering Group Meeting

Pursuant to Judge Clark's memorandum of August 27 calling for the establishment of an Interagency Steering Group on Lebanon, the Department of State will convene the first meeting of the Group in Room 7219 at 4:00 p.m. Friday, September 3. Deputy Secretary Walter Stoessel will chair the meeting.

Invited to attend are the Deputy Secretaries of Treasury and Defense, the Deputy Directors of OMB and CIA, Deputy Assistant for National Security Affairs McFarlane, Assistant to the Chairman of JCS G...rman, Administrator of AID McPherson, and Assistant to the President Gregg. Attendance will be principal plus one from each addressee.

A background paper and an agenda for the meeting are attached. Agencies named on the agenda are requested to give a 3-5 minute presentation of the subject associated with their names.

Addressees are requested to telephone the names of their attendees to Sharon Ohta at 632-5804 by COB Thursday, September 2.

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*Katherine E. ...*  
L. Paul Bremer, III  
Executive Secretary

- Attachments:
1. Agenda
  2. Background Paper

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INTERAGENCY STEERING GROUP ON LEBANON (ISGL)  
AGENDA FOR SEPTEMBER 3, 1982 MEETING

Opening Remarks (Deputy Secretary Stoessel)

- Request from the NSC
- Organization of the ISGL
- Report to the President

The Framework of U.S. Policy and Objectives (Deputy Secretary Stoessel and Assistant Secretary Veliotis)

Internal Situation in Lebanon (CIA)

AID Relief and Rehabilitation Assessment of Reconstruction needs (AID Administrator McPherson)

\$50 million in reprogrammed FY 82 funds for relief and rehabilitation (OMB)

Analysis of Lebanon's economy and sources and channels of aid for reconstruction (Assistant Secretary Designate McCormack)

Coordination of World Bank Assistance to Lebanon (Treasury Department)

Security Assistance to Lebanon (Department of Defense)

Work Program for Report to the President (Deputy Secretary Stoessel)

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## NEXT STEPS IN LEBANON

### U.S. POLICY GOALS

- Departure of all foreign military forces--Palestinian, Israeli and Syrian--coupled with arrangements to assure the security of Israel's northern border.
- Establishment of strong central institutions, including a revitalized army and police, to extend the authority of the Lebanese government throughout the country.
- Restoration of security to help Lebanon's free market economy mobilize local capital and attract foreign investment.
- Rebuilding of life-supporting infrastructure damaged in the war.
- Provision of urgent, humanitarian relief to Lebanese and Palestinian victims of the war.

Work toward all goals must proceed together to the extent possible. Economic reconstruction, for example, cannot wait until conditions of total political stability prevail. Our goals are mutually reinforcing; progress on one will encourage progress on others. The task immediately before us is how to maintain the momentum established by the PLO evacuation from Beirut and the election of a new president. We stress the effort to internationalize responsibility for Lebanon. The USG will continue to play a major role, but other parties must assume a greater share of the burdens of peacemaking, political reconciliation and economic reconstruction.

### The Problems of Withdrawal

Israel will not withdraw from Lebanon except as part of a plan involving Syrian withdrawal, the withdrawal or disarming of PLO fighters in the north and convincing arrangements for the security of Israel's northern border. We have begun consideration of the feasibility of a mutual disengagement and "synchronized" withdrawal. The presence of PLO military units in the Bekaa Valley and in north Lebanon is another urgent and thorny problem, although these groups may not be viable following a withdrawal of Syrian troops.

An Israeli redeployment away from the city of Beirut would have a major immediate psychological impact. It could be especially helpful to Bashir Gemayel in the formation of a

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government with Sunni Muslim support if he could point to such evidence of Israeli good faith and his influence and dedication to Lebanese goals. Israeli redeployment prior to the Arab League Summit would give Bashir strong cards to play in seeking summit endorsement of eventual ADF (Syrian) withdrawal from Lebanon.

### Peace Keeping

We believe some kind of international force will be necessary to bridge the gap between an IDF withdrawal and the restoration of full GOL authority in southern Lebanon. Israel probably prefers to rely on local militias under its control, but we anticipate this would be an unacceptable compromise of Lebanese sovereignty. Posts have been asked to comment on a proposal for an expanded UNIFIL prior to beginning discussions with the UN Secretariat. Any further peacekeeping deployment of U.S. troops in Lebanon is not an option. Ultimately, we envisage a total takeover of security responsibility in southern Lebanon by the GOL.

### Lebanese Armed Forces

Visible and timely U.S. support could be crucial to the ability and the determination of the LAF to function effectively.

--DOD is planning for a defense survey team to visit Lebanon to assess the LAF's needs for equipment and training.

--We have expedited shipments of several defense items purchased by the GOL.

--GOL has asked formally for 33 M48A5 tanks; this would require approval here to divert tanks from inventory, possibly by Presidential decision.

--We should consider discussing Lebanese defense needs with other appropriate foreign governments.

### The Political Agenda

The task of political reconciliation is largely one for the President-elect and the leaders of other groups, but we are using our influence to enhance the international prestige of the GOL and to encourage both Lebanese factions and other Arab governments to support the central government. The President-elect's initial moves have been promising.

### Economic Reconstruction

We are rapidly moving ahead on the task of reconstruction,

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with a particular focus on involving the World Bank as a key to our strategy of involving a wider group of potential donors.

UNRWA and the Israelis appear to be reaching interim solutions to the urgent needs of Palestinian refugees in the south. We need to evaluate how the GOL intends to approach the delicate issues of shelter and other services for Palestinians remaining in the South.

The vitality of the Lebanese private sector is a very important asset for the country's economic reconstruction. Jim McPherson has proposed that we form a consortium of U.S. business leaders, including Lebanese-Americans, to stimulate private sector involvement from abroad.

Peace Between Lebanon and Israel

Israel is working to gain support for a quick peace treaty with Lebanon. We are concerned the Israelis will press Bashir hard for treaty and make this a precondition for Israeli withdrawal. We assume that other Arabs at the League Summit will press Bashir to promise no quick move towards a treaty. This seems a likely minimum price for Arab recognition of his election as well as Arab political and financial support for his efforts to rebuild Lebanon.

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