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CHAPTER 7: DEFENDING ARABIA IN THE 1980s

It has been more than half a century since oil was first discovered in the Arabian Peninsula, marking the genesis of Gulf security concerns. It will soon be two decades since Britain announced its withdrawal from the Gulf, amid cries that the fledgling Gulf states could not long stand on their own and that the Soviet Union would rush in to fill the vacuum. It has been more than a decade since the oil price revolution of 1973-1974 first focused widespread international attention on the Gulf, raising fears of the vulnerability of Western oil supplies. Finally, it will shortly be a decade since the Iranian revolution and Soviet gains in various states along the Gulf's periphery have forced the United States to re-evaluate its security policy regarding the Gulf. What conclusions about the future of Gulf security can be drawn from the cumulative impacts of these benchmarks in recent Gulf history?

THE BRITISH LEGACY

The British imperial impulse, as it affected the Arabian Peninsula was essentially ephemeral. Direct British concern with the security of the Peninsula appeared only during the imperial twilight and therefore remained extremely limited. There was never any desire before the 1920s nor any need subsequently to exercise direct political control over the statelets of the Arab littoral. Indeed, as a British official with long service in the Gulf in the 1930s expressed it, "the day-to-day administration of the Arab side [was run] with a handful of officials (one Resident, and three Political Agents), without the payment of a single rupee of subsidy, or the upkeep (on our part) of a single soldier, policeman, or levy...."[1]

During the "pax Britannica," the Gulf was still relatively isolated from the outside world and politically fragmented. The states of the Arab littoral were still in the formative stage and local nationalism had not yet made an effective appearance among the general population, nor was there any great impact of pan-Arab nationalism until well into the 1950s and 1960s. There was no question of any need for Britain to seek military control over the littoral and miniscule armed forces,

[1] AIR/2/1615, T.C. Fowle, Political Resident in the Persian Gulf, to Sir Aubrey Metcalfe, Foreign Secretary to the Government of India, 17 Mar. 1939.

with British officers but Arab ranks, were necessary only in the limited function of establishing the authority of a central government over the political periphery, as in unruly tribes.

Air control, that effective, cheap, and "high-tech" tool which provided Britain with an attractive means of maintaining a low-cost, low-risk security bubble over the Gulf in the earlier decades of this century, offered limited utility after World War II. The particular effectiveness of air control in the Middle East was often explained as deriving from the barren terrain and the undisciplined (or politically unmotivated) response of the Arab tribesman. As the inhabitants of the region acquired more sophistication in dealing with air power (as well as other modern forms of warfare) and as their requirements for political organization moved from the tribe to the state, the capability of air power to carry the day declined dramatically.[2]

The fighting in central Oman in the 1950s provided an unmistakable demonstration of this turning point. Demonstrations of air power had little effect on the dissidents and it took a carefully thought-out and organized ground campaign to root out a few hundred rebels. Once again, Oman, or more precisely Dhufar, in the 1970s provided evidence of another plateau: a plethora of sophisticated hardware, anti-guerrilla techniques, and considerable international assistance was required to enable the 15,000-man Sultan's Armed Forces defeat a couple of thousand rebels in more than a decade of intense fighting.

If the Gulf had ever been a British "lake," even during the heyday of the early-to-middle twentieth century, it certainly could not be mistaken as an American "lake" in the 1970s or 1980s. Much had changed in the Gulf, as well as in the outside world during the intervening half-century. Obviously, it was no longer possible for the US to emulate the manner in which Britain had been able to exercise direct and efficient responsibility for the security of the Gulf, even if Washington had desired to do so.

In particular, British maintenance of security concerns was handled in a number of ways which are not practical today. First, Britain exercised extensive political (as well as military) supervision over six of the eight littoral states of the Gulf and considerable influence over the remaining two (up until the emergence of a US relationship with Saudi Arabia and Iran). These are all independent states today and naturally they are sensitive to any suggestion of postcolonial vestiges. Control or domination by an outside power is, for all intents and purposes, impossible. But even the exercise of influence requires means of preponderant leverage, and it is not clear that the US (or the Soviet Union, for that matter) has the ability to exercise that leverage. In fact, influence, as the US/Saudi relationship demonstrates, is bidirectional.

Second, Britain exercised a near-monopoly over the oil industry. HMG, either directly or indirectly through private British oil firms, controlled the ownership of oil deposits, exploration, production, and distribution. Until relatively recently, the only intrusion on this oil domain came from American major oil corporations whose fundamental interests were basically compatible with

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[2]There is considerable difference, not always appreciated, between air policing as practiced by the British and air power as a component of national defense. The argument that "It behooves us in the [US] Air Force to consider seriously the capabilities and doctrine relative to small wars, which the Royal Air Force developed when air power was still very young, to see if we can do it as effectively as the British did so many years ago," blurs that distinction. The quotation is from David J. Dean, "Air Power in Small Wars: The British Air Control Experience," *Air University Review*, Vol. 34, No. 5 (July-Aug. 1983), p. 31.

those of Britain. Obviously, this situation no longer exists. The old operating companies have been nationalized, new arrangements for exploitation explicitly specify that ownership of oil resources lies with the producing country, and decisions over levels of production and pricing have been shifted from the international oil companies to the producing states.

Third, Britain was able to maintain a presence in the Gulf, with the kind and size of establishment determined solely by British discretion. In the political realm, this was through the institution of the Political Residency in the Persian Gulf. The Resident, responsible to the Government of India (until Indian independence; to the Foreign Office thereafter), was in charge of a network of Political Agents in the various British-protected states of the Gulf, who in turn served not only as the representatives of HMG but essentially as governors-general. Even the location of the Residency, based at the port of Bushire on the Iranian coast until 1947 (and then on Bahrain until 1971) is illustrative of the historic nature of predominant British influence over even the independent states of the Gulf.[3]

The British presence was military as well, through air facilities, naval installations, and British-controlled and officered ground forces – the extent and location once again was determined solely by British policy considerations. Contemplation of such a political presence, let alone its military aspects, is clearly out of the question today, for reasons of indigenous nationalist opposition, the emergence of truly independent states in the region, US domestic opposition to such a role, financial considerations and even technological developments.

Fourth, the British were able to regulate the entry into the Gulf of individuals, government representatives, and of course military forces. The Gulf's isolation that permitted such an exclusionary policy is gone forever. Since then, the littoral states have become integrated into global, Third World, and Middle Eastern political and economic systems. The Gulf is no longer "closed" ideologically and subordinate to a Western sphere of influence. The Iraqi revolution of 1958 marked the first intrusion of radical nationalist forces and provided the Soviet Union with a window on the region. The Iranian revolution of 1979 further emphasized that the Gulf, like the rest of the Middle East and the world at large, must contend with sharply divergent ideologies, political systems, and foreign policies.

The above points suggest some significant implications for Western policy formulation. It is obvious that many more constraints on the exercise of foreign policy exist today than did even a few decades ago. In some ways, this makes the task of guaranteeing Gulf security far more difficult for the US than it was for the British. But at the same time, the US should not be attempting to administer a region or a situation, even indirectly through the application of influence or pressure on friendly regimes. While British concern eventually extended into nearly all spheres of activity – internal politics, public administration, education, social welfare, economic development – American concern essentially is tangential and should be clearly understood as being as limited to

[3]Another illustration, lying between the legally subordinate status of the amirates and the independent status of Iran, Iraq, and Saudi Arabia, is the Omani sultanate. Legally independent for centuries, the rulers of Muscat were subject to British approval and even determination of their foreign and other policies throughout much of the twentieth century.

narrowly defined assistance to cooperative actors in the region in a mutually agreed-upon manner.

THE AMERICAN INTENT

It is no exaggeration to say that the strategic importance of the Gulf derives from its abundant reservoirs of oil. At the same time, however, it is a dangerous exaggeration to contend that the global reduction of consumption and concomitant increase in non-Gulf and non-OPEC production of recent years eliminates the Gulf's strategic importance. The onset of world recession and enhanced conservation measures resulted in a drop in world oil production of 11% between 1980 and 1985.

Since various non-OPEC producers significantly increased their production during this period, the impact on OPEC and Gulf producers was far more severe, as Table 7.1 illustrates. For example, Saudi production fell to one-third of its 1980 level in an attempt to keep order within OPEC and Iraqi production dropped by half because of Iran's destruction of its Gulf terminals. US imports of OPEC oil had been reduced from more than 80% of total net imports in 1960 to 42% in 1970 but then rose to 60% in 1975 (see Table 7.2). By 1983 and 1984, it had finally dropped down to approximately 42%, even though US production had remained the same. The difficulty in reducing US dependence on OPEC oil imports (the percentage of OPEC imports had actually risen throughout the 1970s) seemingly had been overcome in the early 1980s. Imports of Saudi oil, for example, dropped from a high of 21% in 1981 to less than 6% in 1984.

While direct US dependence on OPEC and Gulf oil has dropped considerably in the last few years, American allies remain vitally dependent on these sources, as Table 7.3 shows. In 1984, 73% of Japan's oil imports came from OPEC sources, as did 66% of West Germany's, 50% of France's, and 65% of Italy's. Thus, any disruption in Gulf oil supplies will have severe consequences for the United States as well as Japan and Western Europe and nearly every other part of the world. The strategic importance of Gulf oil remains undiminished. Furthermore, this importance is likely to increase in the future. As Table 7.4 shows, nearly 57% of the total world crude oil reserves are to be found in the eight Gulf states, as is 25% of the world's natural gas reserves. While most projections see the world oil glut continuing until at least 1990, thereafter growing world consumption and declining supplies elsewhere undoubtedly will lead to a substantial increase in demand for OPEC and particularly Gulf oil.[4]

As a consequence, while much of the public discussion of the 1970s over the importance of the Gulf to the US and the West, and over US intentions to protect its access to Gulf oil, has died down, the vital, interdependent relationship between the Gulf, particularly the countries of the GCC, and the United States, will continue well into the future. This means that US concerns with the security of the GCC must continue to develop, evolve, and mature in order to be effective – but they

[4]A recent US Geological Survey report estimated that only about half all North American oil has been discovered. Even so, all the undiscovered oil outside the Middle East barely equals the amount in the Middle East's proven reserves. Or, put another way, the Middle East probably has as much undiscovered oil as North America has ever produced. *Washington Post*, 26 Sept. 1985.

must not be suffocating or counter-productive. There is much that US policymakers can learn from British experience in developing security arrangements for Arabia.

First, regardless of whether it emerged unconsciously or by oversight, British policy in the Gulf was not a haphazard – even if minor – derivation from a grand imperial design. Rather, it had evolved over considerable time and consequently was closely tailored to the local terrain and circumstances. Generally, the British officials directly responsible for administering the region had served there for much of their careers: they knew personally many of the region's people, and they possessed in-depth knowledge of the area's history, languages, societies, and religions. Granted, it may have been easier for officials on the spot to devise an appropriate policy for a region that received little routine attention in Delhi, let alone London. Nevertheless, the contrast between a British policy based on familiarity with the region and an American policy basically derived as an offshoot of East-West relations is striking.

Second, the British efforts after World War II to exercise and apply force when necessary provide the only directly applicable illustrations for current American planning. In some ways, USCENTCOM can be viewed as a recrudescence of the British strategic mobility argument of the 1960s. But how much more effective can present American preparations be than earlier British ones? Britain was hardpressed to deploy 6000 troops to Kuwait in 1961 and equip them with adequate weaponry and supplies, despite having a variety of bases, prepositioned equipment, naval vessels, and troops in the Gulf region. As one observer noted, "The emergency demonstrates unequivocally that even the most advanced strategic and logistic concepts cannot entirely dispense with theatre and forward bases."[5] Detailed plans had been prepared for that very contingency, yet numerous logistical, readiness and operational problems emerged that had not been foreseen.

While the oilfields of the Gulf littoral lie in open, flat terrain, there is no guarantee that any potential fighting will take place in that environment. Oman, the UAE, both Yemens, Saudi Arabia, Iraq, and Iran all contain areas of rough, mountainous terrain that is ideally suited for guerrilla warfare. The Radfan campaign of 1963-1964 provides another example of the kind of pitfalls that await any external military force. More than three months, 3000 soldiers and a highly coordinated combined arms campaign was required to secure a relatively small valley held by a few guerrillas possessing only small arms. The enemy stronghold was indeed captured, but the victory was meaningless as the defenders had melted away before the final assault.

In some ways, the British opponents in Radfan represented a transitional stage between more traditional tribal antipathy to central government and an emerging, well-organized, and dedicated nationalist movement benefitting from various kinds of external assistance. The subsequent four-year struggle for control of Aden not only illustrates the requirement for an appropriate counter-strategy of force but the need for the political "will" in the face of a determined enemy. To be sure, Britain's quitting of Aden was due as much to financial necessities and a psychological retrenchment from colonial obligations as to the effectiveness of the NLF. Nevertheless, the decision to leave Aden ahead of schedule and to turn the entire territory over to an organization that was anathema to most Britons owed much to the strains that the problem had generated within British politics and in

[5]Anthony Verrier, "Strategically Mobile Forces – U.S. Theory and British Practice," *JRUSI*, Vol. 106, No. 624 (Nov. 1961), p. 484.

relations with the Arab world. The introduction of USCENTCOM forces in any scenario apart from a solely Soviet attack inevitably carries the risk of a protracted campaign waged against a significant part of the populace (at a minimum) of one or more Gulf countries.

The urban guerrilla warfare in Aden itself during the latter stages of the fighting, and the bloody, protracted street fighting during the Iraqi seizure of Khorramshahr in 1980 and the subsequent Iranian recapture of that city serve as potent reminders of what would very likely face American forces in any Gulf scenario. The population of much of the Gulf is concentrated in cities and, whether US intervention is against the Soviet Union, in support of a friend against attack by neighboring countries, or for the purpose of securing oilfields, the seizure and holding of major urban concentrations undoubtedly will be a major priority. Given US experience elsewhere in hostile urban environments, most recently and vividly in Beirut, this potential aspect of military involvement in the Gulf deserves most careful scrutiny.

The Carter Doctrine was promulgated at a time of American insecurity about the Gulf, when the cornerstones of previously adopted US policy seemed to be crumbling and the deterioration of superpower relations appeared to have let loose a nakedly opportunistic grab for a key Western resource. The rhetoric of both the Carter and Reagan administrations, the preparations for a military capability in the Gulf, the public posturing by a few interventionists, the spot shortages of oil products in the US, all played their role in American saber-rattling. Half a decade later, the Gulf has slipped from the headlines (even new developments in the Iran-Iraq war are buried in obscure sidebars), public concern for Gulf oil supplies has diminished, and foreign-policy attention has shifted to other crisis areas. A variety of observers have even raised the question of whether the Gulf has "passed its prime."

At the same time that American perceptions toward the Gulf have been changing, perceptions of the proper role of USCENTCOM have also been evolving. Within USCENTCOM, there is a widespread belief that it has grown more sophisticated in regarding its mission and requirements in just a few years. At the beginning, the Command was only an RDF, an interventionist force. By the middle of the 1980s, its principal mission came to be seen more as deterrence, with a strategy based on helping friendly nations defend themselves. Altered views were reflected in a 1984 Senate committee report which noted that

> Senior U.S. military commanders in the region don't envision any likely contingency in which this full array of U.S. forces might be needed. Whereas 5 years ago the Rapid Deployment Force was created with a Soviet invasion of Iran or other Gulf oil fields in mind, no one now expects this to happen. If the Gulf war should escalate to the point of U.S. military involvement, most military observers believe that a deployment might include several squadrons of U.S. fighter aircraft, additional AWACS and tankers, additional destroyers/frigates for convoy duty, and possible a second carrier battle group. Senior U.S. military commanders in the region don't envision the need for U.S. ground troops except for security guard duty.[6]

Such responses as the dispatch of AWACS aircraft to Egypt in February 1983, to Sudan in July 1984, and the deployment of survey and countermeasures teams in the Red Sea during the mining threat of July 1984 (at the request of Egypt and Saudi Arabia) were cited in this regard. Rather than intervention, emphasis was placed on other functions, such as conducting joint maneuvers,

[6]U.S. Congress, Senate, Committee on Foreign Relations, *War in the Gulf*; a Staff Report, August 1984 (Washington: USGPO, 1984), p. 21.

administering security assistance training programs for the regions' armed forces, supervising arms transfers to the region, and promoting military liaison.[7]

The US has registered major accomplishments in a few short years. By 1984, it could be said that the US military presence in the area was considerable but remarkably unobtrusive. There were 11,500 sailors and soldiers in the Gulf and Arabian Sea area, and another 4000 civilians were working under Defense Department contract in Saudi Arabia. The duties of these Americans included manning TPS-43 radar sites, flying AWACS in support of the Saudi combat air patrol, and flying F-14 patrols in the Arabian Sea. Despite the size of the US presence, it was relatively unobtrusive, with all but about 1000 military personnel serving at sea. The US Navy presence in particular was considered to be "out of sight" since it was located outside the Gulf itself. In 1984, the United States deployed about 10 frigate/destroyer class ships in the area, 1 aircraft carrier with over 50 combat aircraft on board, 4 AWACS with 4 tanker aircraft flying out of Riyadh, and 4 support ships, as well as various support aircraft with the carrier.[8]

The arguments of some at the time of British withdrawal as well as during the crises of 1973-1974 and 1979-1980, that the US required bases and permanent troops stationed in the Gulf in order to protect US interests have been proven pointless. The inutility, or at least irrelevance, of bases in the Gulf was recognized long ago by the British. As Elizabeth Monroe noted in the 1960s,

> One purely British motive for maintaining the bases springs from a long-standing British conception of world-policemanship. In the Middle East, the British use several courtesy titles for this operation – 'protection of the oil,' 'fulfilment of long-standing obligations to rulers,' "ability to answer distress calls.' Yet, no matter how useful their presence to themselves and to others, it presents one major snag from the standpoint of their general Middle Eastern relations.[9]

In part, the renewed concern with overseas bases in the postcolonial era stems from a renaissance of interest in "geopolitics," or "an emphasis on a geographic basis of power in international relations involving spatial relations and positioning; strategic access, control, and communications; and the relationship between resources and power."[10] But, for many of these proponents of forward basing, it is difficult to separate objective arguments from subjective ones. Discussion and analysis of the actual functions and benefits of bases often is buried under the rhetoric and symbolism of moral and ideological struggle between the superpowers, the dictates of national pride, and conceptions of international politics as a zero-sum game.

Similar questions arise with the practical advantages of stationing troops in the Gulf. As former Department of Defense official James H. Noyes points out, the presence of 15,000 combat

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[7]For a recent appraisal of USCENTCOM accomplishments and its role in the region by its commander, see Robert C. Kingston, "US Central Command: Refocusing the Lens of Stability on a Region in Crisis," *Defense '84*, Nov.-Dec. 1984, pp. 29-34.

[8]"The War in the Gulf," p. 18.

[9]"British Bases in the Middle East: Assets or Liabilities?" *International Affairs* (London), Vol. 42, No. 1 (Jan. 1966), pp. 26-27.

[10]Robert E. Harkavy, *Great Power Competition for Overseas Bases: The Geopolitics of Access Diplomacy* (New York: Pergamon Press, 1982), p. 9.

marines at a US base in Bahrain, for instance, could have done nothing to alter the course of Iran's revolution, nor would they have deterred the Soviet invasion of Afghanistan or Iraq's attack on Iran. Such a US presence would have threatened the survival of Bahrain's moderate government. Furthermore, "far larger forces than the British ever maintained in the Gulf could not sustain the British presence in Aden, which finally evacuated under fire and whose legacy disrupts the area today as the only Marxist Arab state...."[11]

Certainly, there may exist a growing realization that USCENTCOM may never be called upon as a deploying force, partially the consequence of diminishing perceptions of an imminent or even likely Soviet attack on the Gulf and partly due to the lessening of potential threats from either Iran or Iraq as a result of their increasing war-weariness and post-war priorities of reconstruction. The most important effects of the creation of this instrument of American force projection into the Gulf may have little do with the Gulf at all but instead lie in the area of more general US defense preparation, such as improving such oft-neglected requirements as strategic lift capabilities.

But this lessening of Western and American concern with Gulf security may be double-edged. On the positive side, the dying down of the frenzy over "securing the Gulf" is healthy. It may, in part, signal a maturation of the way in which America perceives the Gulf and the constitution and needs of its governments and peoples. The fact that Iran did not become a Soviet satellite and that none of the Arab states of the Gulf have been convulsed in upheaval may have silenced the shrill cries of alarm or hostility. The outbreak of the Iran-Iraq war may have refocused outside attention on far more likely dangers than Soviet adventurism, while the interminable nature of that war has also demonstrated the inability of outsiders to do anything about it.

The decline of over-reactions to Western vulnerabilities and dependence on Gulf oil during the past decade provides a welcome breathing space in which to create the very necessary foundations of political cooperation and dialogue, perhaps even a constructive learning process for both Western and Gulf governments. It also means that the US government probably has less opportunity to display its propensity for shooting itself in the foot as far as the Middle East is concerned, for undertaking rash actions and strident rhetoric under the pressure of short-fuse crises, and for disregarding the lessons of past experiences.

On the negative side, the change in American perceptions of the Gulf over the 1980s may represent little more than a limited attention span and a feeling of "out of sight, out of mind." During the Reagan administration, the oil glut translated into deterioration of OPEC and the Arab oil producers' influence in Washington, while Israel's clout increased because of the formation of a coalition government in Israel with a Labor prime minister, the Israeli disengagement from Lebanon, and continued strong support for Israel on Capitol Hill. In the atmosphere of a direct danger to Gulf security, the F-15 and AWACS sales cleared Congress despite vehement opposition from Israel's supporters. By 1985, however, plans for additional arms sales to Saudi Arabia were shelved – not over questions over Saudi Arabia's security requirements but simply because the sale would not gain Congressional approval. But no matter what issue crowds the headlines, the Gulf remains a region of strategic importance to the West and the security ramifications regarding that region will not

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[11] *The Clouded Lens: Persian Gulf Security and U.S. Policy* (2nd ed.; Stanford, CA: Hoover Institution Press, 1982), pp. 130-131.

simply go away because they are not addressed. Repeated American policymakers' responses to Gulf crises by advocating a military solution simply are not healthy, for either American standing in the region or for American friends.

THE GCC AND THE FUTURE

There can no longer be a single dominant power in the Gulf. The devolution of the British presence marked an end to the tradition of external control. Furthermore, no Gulf actor, including Iran and Iraq, possesses overwhelming power. The two great powers of the Gulf, as defined by traditional criteria of geographic size, strategic location, population, industrial might, and size of economy, are presently stalemated on the battle field, neither able to win a clear advantage over the other. Thus, the subsystem of the Gulf is left in a precarious balance-of-power. The other six Gulf states – small, weak, and undeveloped as they may be – still can exercise power through their financial disbursements and can call upon allies in the Arab, Islamic, and Western worlds for moral and material assistance. The result is a multipolar system within the Gulf, with Iran, Iraq and Saudi Arabia as the principal poles.

Primary responsibility for defending Arabia necessarily belongs to the GCC, and the US role can be no more than "back-up." For the United States, "reassurance" of its friends in the GCC is just as important as deterrence of the Soviet Union.[12] It is not up to the US to take the initiative but to provide assistance when asked. The GCC states need and want the assurance that the US will be there when it is required, but they cannot and will not turn over their responsibilities to what often seems like an irresponsible outsider. Furthermore, since divergent perceptions between the US and the Gulf states of potential threats or challenges to Gulf security ultimately are inevitable, policy differences are inescapable. It is undeniable that important – and even vital – national interests of the United States reside in the Gulf. At the same time, however, American preoccupation with access to a single natural resource is only "temporary" in the broader scheme of things. To Saudi Arabia and its smaller allies, the security of the Gulf will always be of paramount importance, the risks higher, and a misstep catastrophic.

The reluctance of the GCC states to fall in with existing American plans for a buildup of US military capabilities in the region is neither capricious nor temporary. US planning has tended to concentrate on meeting the external threat of the Soviet Union. But to the Gulf states, a direct Soviet assault on the Gulf is one of the least likely threats to occur and cooperating fully with perceived American needs to meet this threat produces considerable negative side-effects and courts both internal and outside opposition. Furthermore, these states see Israel and Israeli policies as posing

[12]"The object of deterrence is to persuade an adversary that the costs to him of seeking a military solution to his political problems will far outweigh the benefits. The object of reassurance is to persuade one's own people, and those of one's allies, that the benefits of military action, or preparation for it, will outweigh the costs." Michael Howard, "Reassurance and Deterrence: Western Defense in the 1980s," *Foreign Affairs*, Vol. 61, No. 2 (Winter 1982/83), p. 317.

a far more immediate threat to regional security than Moscow, and in this regard the US is viewed as an uncritical supporter of Israel's actions rather than an ally.[13]

For regional threats, military action – and particularly US direct military intervention – is regarded as the very last resort. In many ways, the Peninsula is naturally shielded from invasion by reason of geography and historical circumstances. Nevertheless, some regional threats do exist, such as attack or subversion emanating from Iran, Iraq, or possibly the Yemens. While the GCC has sought to improve its military preparedness, the small size of its population, limited industrial base, and the lack of available manpower prevent any major military build-up. Logically then, these states must rely on diplomacy, negotiation, financial sweeteners, and other indirect means to resolve disputes, rather than direct confrontation. US rhetorical posturing and high-profile efforts to increase military cooperation and a possible US presence in the region work to inflame delicate situations, rather than defuse them.

The escalation of the Iran-Iraq conflict in early 1984 into a war on Gulf shipping provides a pertinent illustration. The US made a point of warning Iran on several occasions against interference with oil shipping and publicly sought to persuade Saudi Arabia and the UAE to allow them to station USAF fighters in GCC airfields. Predictably, these actions provoked angry words and additional threats from Tehran, without effecting the denouement of this twist in the war. By mid-summer, it appeared that Saudi cautiousness and minimal response to Iranian provocations had paid off: rather than escalating, attacks on tankers eased off, despite the downing of an Iranian F-4 Phantom by Saudi fighters.

Finally, there is little the US can do to prevent or counter most internal threats to GCC regimes. The closer political and military ties are between the US and any particular GCC state, the more chance there is of a negative impact on domestic politics. Even if this factor is of relatively marginal importance in the states of the Arab littoral (unlike the case with Iran), one must wonder whether it is worth taking the risk in order to improve somewhat the chances of withstanding a relatively unlikely Soviet assault? Not surprisingly, the GCC states think not. Their argument is for an American "over-the-horizon" approaCh. The enormous Saudi military expenditures of recent years, far more than necessary for the use of present or planned Saudi armed forces, provides a clear indication of Saudi thinking in this regard.

Given the delicate, finely tuned balance between their friendship with and dependence on the West and their need to cope with and adjust to far-reaching economic, social, and political changes in the region, what can the states of the GCC, individually and collectively, do to assure their future security? First of all, all these states will find it necessary to continue to evolve in political terms to meet constantly changing circumstances and demands. To the outside world, the considerable extent of change made in the last decade or two may not be apparent but it has been truly far-reaching and

[13] In this connection, it might also be noted that the Gulf states still harbor lingering suspicions that the US might be tempted to act rashly and attempt to secure direct control over the oilfields, with or without the pretext of a Gulf crisis. While the fuel for this suspicions was initially provided by the statements of public officials and hostile writers in the year or two following the 1973-1974 oil price revolution, advocacy of such an action occasionally still appears.

even radical. The next several decades, though, will require even greater accommodation on the part of the decision-making establishment.[14]

In addition, logic dictates that the conservative Arab littoral states band together and move toward closer cooperation in economic matters, including development, policy harmonization, and perhaps eventually integration. The creation of the Gulf Cooperation Council in 1981, while prompted in the immediate sense by the Iran-Iraq war and made possible by the easy exclusion of the two largest Gulf states, built on solid foundations established since 1971 and even before. The record of economic integration around the world, not to mention political integration, is not impressive. Nevertheless, these six states share many fundamental similarities and undoubtedly have as good or better a chance than any group of Third World countries. It is worth noting that one member of the GCC, the United Arab Emirates, is itself a living example of successful integration or at least confederation, having been formed from the union of seven small shaykhdoms with deep rivalries and even open hostilities for decades prior to independence.

Political cooperation and integration is, of course, most difficult to achieve. The hegemonic role of Saudi Arabia is both an asset and a liability in this regard. There can be no doubt that the Saudis were the driving force behind the creation of the GCC, and the council's headquarters/secretariat is located in Riyadh. On the other hand, the other dynasties of the Gulf have had reason over the past several centuries to regard the Al Sa'ud as foes bent on incorporating the shaykhdoms into their domain. Even today, the sometimes overbearing manner of the Saudis (sometimes referred to as the "Texans of the Middle East") can raise hackles along the Arab littoral. One recent example of the ambivalent attitude of Saudi Arabia's neighbors is provided by Kuwait's refusal to sign a bilateral security agreement with Riyadh in the aftermath of the 1981 abortive coup attempt in Bahrain.[15]

The six GCC states have also taken giant steps toward modernization and improvement of their military establishments. There are serious limitations of course on the defense capabilities of these states and, even with all their combined forces, they can be no match for a determined assault from either Iraq or Iran, let alone an external power. Nevertheless, the enhancement of internal security capabilities has proceeded apace and the lion's share of militarization effort has gone into air defense capabilities. In the last several years, efforts have been made to lay the groundwork for a GCC "rapid deployment force," to respond to crises within the bounds of the GCC, and for a coordinated air defense network, based on the American-supplied AWACS. Saudi Arabia in particular has in engaged in overstocking of equipment, supplies and physical assets of military facilities, with the assumption being that these will be available for US military use if and when Riyadh should request it. In this way, the Saudis feel they can minimize the disruptive effects of a

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[14]For a representative study of the challenge facing Saudi Arabia in this regard, see John A. Shaw and David E. Long, *Saudi Arabian Modernization: The Impact of Change on Stability* (New York: Praeger, for the Georgetown University Center for Strategic and International Studies, 1982, Washington Papers No. 89).

[15]For a review of the relationship between Saudi Arabia and its smaller neighbors, see Hermann Frederick Eilts, "Saudi Arabian Foreign Policy Toward the Gulf States and Southwest Asia," in Hafeez Malik, ed., *International Security in Southwest Asia* (New York: Praeger, 1984), pp. 77-106.

foreign military presence while permitting some advantages of a quick US reaction to a sudden threat.

While Saudi Arabia's efforts in this regard are the most extensive, Kuwait, the UAE, and Oman also have placed heavy emphasis on the expansion of air, land, and sea forces, the purchase of extensive, sophisticated arsenals, and the recruitment and training of military personnel. Naturally, the extent to which these states can provide for their own defense against a serious opponent is severely restricted. While threats deriving from matters of internal security and some, if not all, regional challenges to the GCC, can be countered by GCC military capabilities, it is clear that the survival of these states in an often hostile environment also depends on the utilization of other methods.

The GCC ultimately must rely on non-confrontational skills and instruments that are presently at their disposal. First, there is effective diplomacy, both directly and publicly as well as behind-the-scenes. It also means farsightedness in heading off potential confrontation and spillover from other conflicts. The GCC states have acquired a justly deserved reputation as mediators in recent years, as illustrated by the role of Shaykh Zayid, President of the UAE, as the go-between for the Shah of Iran and Iraq's Saddam Husayn in reaching agreement on the Shatt al-'Arab at Algiers in 1975; the effectiveness of Saudi mediation in ending the active phase of the Lebanese civil war in 1976; and the role of Kuwait and the UAE in prodding Oman and South Yemen to establish diplomatic relations for the first time ever in late 1983.

Admittedly, the effectiveness of Saudi Arabia and its neighbors as diplomats and mediators has been enhanced immeasurably by their financial resources. GCC apprehension over Iranian foreign policy in recent years was demonstrated in their provision of some $35 billion in aid to Iraq for its war effort. While resented by Iran, this largesse was far less provocative than direct military assistance, verbal antipathy, and invitations to foreign military forces. As a single instrument of foreign policy, money has its limitations, as recent Saudi efforts to influence Syrian policy have demonstrated. Used skillfully, however, it can serve to substitute for other, more traditional forms of foreign-policy influence.

As a last resort, there is the "oil weapon." But the reluctance of Saudi Arabia to disrupt increasingly profound ties with the United States over a single – if centrally important – issue points to the Saudi influence dilemma, in a mirror-image of US goals regarding Saudi Arabia. Utilization of this foreign-policy instrument carries the risk of irreparably damaging a complex framework of good relations upon which Riyadh is vitally dependent, without any guarantee of achieving the desired goal – an independent Palestinian state.[16] Just as it is necessary for American policymakers to be aware of and accommodate the environment and constraints that determine the decisions of Saudi policymakers, so must the Saudis be sensitive to American political and strategic requirements.

The reverse parallel is not exact, since Saudi leadership is undoubtedly far more knowledgeable about US politics, particularly in the foreign policy realm, than vice versa, but the

[16]For a discussion of the viability of this strategy, see William R. Brown, "The Oil Weapon," *Middle East Journal*, Vol. 36, No. 3 (1982), pp. 301-318; reprinted in J.E. Peterson, ed., *The Politics of Middle Eastern Oil* (Washington: Middle East Institute, 1983), pp. 126-143.

principle remains true. The United States and Saudi Arabia – and behind the Saudis, the other five GCC states – will remain mutually dependent far into the next century. Neither can afford to jeopardize the support and cooperation of the other during this period. Consequently, the necessarily close coordination of security interests in the Gulf between these states must build on foundations of mutual trust and sensitivity. The consequence of failure for the US and the West is severe economic disruption, but for the GCC community, it is complete disaster.

Table 7.1. World Crude Oil Production

(in mbd)	1980	1981	1982	1983	1984	1985
Middle East						
Algeria	1.0	0.8	0.7	0.7	0.7	0.7
Egypt	0.6	0.6	0.7	0.7	0.8	0.9
Iran	1.6	1.4	2.3	2.5	2.2	2.1
Iraq	2.5	1.0	1.0	0.9	1.2	1.3
Kuwait	1.4	0.9	0.6	0.8	0.9	0.9
Libya	1.8	1.1	1.2	1.1	1.1	1.0
Neutral Zone	0.5	0.4	0.3	0.4	0.4	0.5
Oman	.3	0.3	0.3	0.4	0.4	0.4
Qatar	0.5	0.4	0.3	0.3	0.4	0.3
Saudi Arabia	9.6	9.6	6.3	4.9	4.4	3.7
UAE	1.7	1.5	1.2	1.1	1.1	1.1
Other Non-Communist						
Canada	1.4	1.3	1.3	1.4	1.4	1.5
Indonesia	1.6	1.6	1.3	1.4	1.5	1.3
Mexico	1.9	2.3	2.7	2.7	2.7	2.7
Nigeria	2.6	1.4	1.3	1.2	1.4	1.6
United Kingdom	1.6	1.8	2.1	2.3	2.5	2.7
United States	8.6	8.6	8.7	8.7	8.7	8.9
Venezuela	2.1	2.1	1.9	1.8	1.8	1.7
Communist						
USSR	11.7	11.8	11.8	11.8	11.8	11.4
China	2.1	2.0	2.0	2.1	2.3	2.5
World	59.5	55.8	53.0	52.6	53.8	53.2
of which:						
Total Non-Communist	45.2	41.6	38.8	38.2	39.2	39.0
Total Communist	14.2	14.2	14.2	14.4	14.6	14.3

Notes: First quarter; Production is shared equally between Saudi Arabia and Kuwait.
Source: U.S. Central Intelligence Agency, Directorate of Intelligence, *International Energy Statistical Review* (30 July 1985), p. 1.

Table 7.2. US Dependence on OPEC

Year	Percent of:	
	Net Petroleum Imports	Petroleum Consumption
1960	81.3	13.4
1965	64.7	12.8
1970	42.5	9.1
1975	61.6	22.0
1977	72.3	33.6
1980	67.4	25.2
1981	61.4	20.6
1982	49.7	14.0
1983	42.7	12.1
1984	43.2	12.8

Source: US Department of Energy, Energy Information Administration, *Annual Energy Review 1984* (April 1985), p. 101.

Table 7.3. Estimated Imports of Crude Oil and Refined Products, 1984

(in 000 b/d)	US	Japan	W.Ger.	France	UK	Italy	Neth.	Other
Algeria	318	7	80	143	33	59	96	71
Bahrain	0	23	0	1	1	0	16	0
Egypt	10	13	27	51	2	136	7	7
Iran	10	272	48	68	56	190	154	210
Iraq	11	14	40	72	8	97	21	203
Kuwait	36	146	25	18	16	109	91	53
Libya	0	0	194	74	23	253	40	194
Qatar	5	236	10	42	2	18	16	0
Saudi Arabia	322	1356	93	198	56	204	37	212
UAE	117	630	22	87	3	52	3	15
OPEC	**2022**	**3254**	**795**	**936**	**279**	**1186**	**543**	**1115**
Total	**5381**	**4474**	**1208**	**1892**	**1102**	**1827**	**1530**	**3056**

Source: U.S. Central Intelligence Agency, Directorate of Intelligence, *International Energy Statistical Review* (30 July 1985), p. 4.

Table 7.4. Estimated Crude Oil and Natural Gas Proved Reserves, 1984

Country	Crude Oil *(billion barrels)*	Natural Gas *(trillion cubic feet)*
Middle East		
Algeria	9.0	109
Bahrain	0.2	7
Egypt	3.2	2
Iran	48.5	479
Iraq	44.5	29
Kuwait	92.7	37
Libya	21.1	21
Oman	3.5	7
Qatar	3.4	150
Saudi Arabia	171.7	127
Syria	1.5	1
Tunisia	1.5	2
UAE	32.5	32
Other		
Canada	7.1	92
China	19.1	31
Indonesia	8.7	40
Mexico	48.6	77
Nigeria	16.7	36
Norway	8.3	89
United Kingdom	13.6	28
United States	27.3	198
USSR	63.0	1450
Venezuela	25.8	55
World Total	**698.7**	**3402**

Note: Includes 1/2 of Neutral Zone production.
Source: *Oil and Gas Journal*, 31 December 1984.