

IMMEDIATE

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EYES ONLY TEHRAN [REDACTED]

TO: DR. HENRY A. KISSINGER, WASHINGTON

FROM: AMB. RICHARD HELMS, TEHRAN

SUBJECT: PERSIAN GULF

1. YOU WILL RECALL THAT YOU CONVEYED TO ME THE PRESIDENT'S WISH, UNDERLINED IN HIS DECEMBER LETTER TO ME, THAT I MAKE A RUNNING ASSESSMENT OF STABILITY IN THE PERSIAN GULF STATES DURING MY TENURE HERE. RECOGNIZING THAT MY ABILITY TO TRAVEL IN THE ARAB GULF NATIONS WILL BE LIMITED BY A VARIETY OF CONSTRAINTS, I ARRANGED BEFORE LEAVING WASHINGTON TO HAVE AN EXPERIENCED, ARABIC-SPEAKING OFFICER [REDACTED]

[REDACTED] WHOSE FULL-TIME ACTIVITY WILL BE DEVOTED TO TRAVEL PLUS DAY-TO-DAY ANALYSIS OF DEVELOPMENTS IN THE REGION. THE AGENCY GRACIOUSLY AGREED TO THIS ARRANGEMENT, WHICH SHOULD EXCITE NO COMMENT AND WHICH DOES NOT CUT ACROSS STATE OR DEPARTMENTAL LINES. PERIODIC REPORTS WILL BE CONFINED [REDACTED] AND WILL BE GIVEN NO OTHER DISTRIBUTION.

2. THIS OFFICER HAS JUST COMPLETED HIS FIRST TRIP THROUGH THE GULF AREA AT MY BEHEST. WE HAVE DISCUSSED HIS FINDINGS

RELEASING OFFICER

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AND HAVE REACHED AGREEMENT ON THE ASSESSMENT WHICH FOLLOWS.
WE HAVE ALSO MADE CERTAIN MINOR SUGGESTIONS FOR ACTION, ONES
THAT CAN READILY BE PASSED ALONG THROUGH THE NSC MACHINERY.
YOU WILL NOTE THAT THE DISCUSSION PROCEEDS GEOGRAPHICALLY
FROM NORTH (KUWAIT) TO SOUTH (OMAN) WITH SAUDI ARABIA, THE
LARGEST AND MOST IMPORTANT STATE, LEFT TO LAST.

3. KUWAIT

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The Arab States of the Persian Gulf

~~(Insert yellow sheets)~~

In discussing the relative stability of these states I have decided to proceed geographically from north (Kuwait) to south (Oman) with the largest and most important, Saudi Arabia, last.

3) Kuwait

Many observers feel that Kuwait presents, superficially, the least potential for stability. The Kuwaiti population of 750,000 is two thirds foreigners, half of whom are Palestinians. It also has a highly vocal leftist oriented internal opposition movement represented in Parliament and in the press. The covetous eyes of Iraq are cast upon it and Iraqi troop maneuvers always appear to be straddling its border. Radical Arab groups are given freedom of action countenanced in only one other Arab State; Lebanon.

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pa³ In fact, Kuwait is very much like Lebanon politically; and just as the radical Arab States tolerate bourgeois Lebanon for the freedom of action they do not have in other states, so they tolerate and need reactionary Kuwait. Kuwait, however, unlike Lebanon, is not just a passive viewer of events--it controls things and therein lies the key to Kuwait's stability--a stability of greater durability than any other Gulf State, including Saudi Arabia. Observers are often bothered by Kuwait's apparent supine nature and lack of moral fibre in permitting radical groups to operate from its territory. Kuwaitis love to promote this outward appearance of "supine-ness" and are little bothered by the morality of their political philosophy. The Kuwait ruling family and the 250,000 other Kuwaitis are only concerned that they keep Kuwait for the Kuwaitis. They believe they have the financial clout, the progressive image and internal security philosophy to keep Kuwait for the Kuwaitis. In this we agree with them, at least for the next five years. The Kuwaitis certainly are aware of the potential trouble their political philosophy may breed and they have a system of internal checks and balances which they watch closely. Should one element become unacceptable, it is purged, quietly. The real problem, in the long run, is that the revolution that the Kuwaitis permit to be exported from

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their shore may one day return to devour the big, fat, contented hen that hatched it. The Kuwaitis must be made more aware of this aspect of their political philosophy.

The ruler of Kuwait is in bad health and is not expected to live long. The succession has been worked out and, as usual, the two clans of the ruling family, the Salims and the Jabirs, will split the governmental pie. The crown prince Jabir al'Ahmad, is a strong personality who will continue Kuwait's laissez-faire political philosophy, but with a little firmer control.

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As for the opposition members of government, Kuwait will continue to give them the platform they desire. If they want to be Ba'thists, members of the Marxist Arab Nationalist Movement (ANM), or any other Arab or international organization, they can be so and preach their doctrine aloud. But none of these men would want to change Kuwait. What other Arab country is freer, which regime would they want to emulate? Would they want to change Kuwait for a regime like Syria, Iraq or Egypt? Could a Ba'thi speak so freely in Egypt or an ANM-er in Syria? In addition, there is so much money in Kuwait that the opposition members all get their share of contracts; nor is the ruling family an unacceptable burden on Kuwait's economy. Kuwait, quite literally, makes more money than it can spend.

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As for the foreign radical elements, Kuwait also has sops and slaps for them. The Palestinians are kept under control by several methods. First there are about 1,000 Palestinian "elders" who are responsible for the actions of their compatriots in their respective areas. Should any trouble occur, the elder and his family are quietly deported. Next, when a boy reaches the age of 18, he must leave Kuwait unless he has a job approved by the government--there will be no rowdies in the street. Lastly, the town is zoned in such a manner that the Palestinian communities are split up and the chances of mass action are limited. Any organization can operate openly in Kuwait as long as it does not work against the regime. Since Kuwait is one of the few remaining Arab countries where political organizations can operate freely, it is in the interest of these groups to keep Kuwait the way it is.

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As for the military, it poses no threat. It is composed of loyal badu (bedouin) who are over-armed and under-trained. Various members of the ruling family hold commissions in the military at most levels and serve as an eye on activities.

In summary, Kuwait for all of the negative factors apparent in its system, has played these factors to its net advantage through bribery, blackmail and bargaining.

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As long as the oil money continues, and the ruling family uses more carrot than stick, the political situation will remain stable.

4) Bahrain

In contrast to Kuwait, Bahrain gives the outward appearance of tranquility and stability. The Bahrainis have the oldest and best educational system in the Gulf. As the first oil producer in ~~the Gulf~~ ^{that area}, an artisan and middle class have evolved and the differences between the classes are not so great. But because the British stayed on longer in Bahrain than Kuwait and suppressed the sophisticated nationalist movement for almost twenty years of its existence, there is more bitterness, more urgency and a better clandestine political organization.

Although far better prepared for political activity than Kuwait, Bahrain did not have its first free election until December 1972 (vs. 1964 in Kuwait). In addition, there are other negative factors in Bahrain not present in Kuwait. Bahrain is not a wealthy oil state and cannot afford to buy off would-be agitators. The royal family is aloof from and a burden on the people. It maintains its ostentatiousness in spite of its small income. The merchant class does not depend on the granting of concessions by the royal family for its income, but rather on its own mercantile

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skills. The Sunni royal family does not trust the Shi'a Bahrainis or even the non-Saudi-derived Sunnis. The family is alien to the island and looks to recruited tribesmen from Saudia for its personal guards.

The split between the Iranian derived families (Shi'a and Sunni) and Arab families is great, and the Sunni-Shi'a split even greater. The Shi'as probably outnumber the Sunnis, but the Sunnis control the government of the island. It is among the Shi'a that the labor movement and communist activity is most strong. At the same time, many of the great merchant families are Shi'a and they look to Iran for protection. Iran has responded with an active, high powered diplomatic mission which seeks to promote the Iran-ness of Bahrain.

The Arab Bahrainis have formed the nationalist parties in Bahrain and have, at least on the extreme left of the political spectrum, on occasion formed fronts with the anti-regime Shi'as. The key anti-regime radical activist parties are, however, Arab and draw their philosophies from the ANM, the Ba'th and Arab Socialist parties. A sophisticated Special Branch, officered by British expatriates, has been able to keep these parties under control, but in so doing, they have forced the parties to improve themselves organizationally to a very high degree. Cell structure and communications systems are probably surpassed only by the

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Muslim Brotherhood in their sophistication. Should the expatriates be forced out, these groups would present a real threat as the only groups with a sufficient degree of organization to assume immediate action. As long as the expatriates survive, however, the unpopular regime will exist.

49 Another factor is the Iranian. It is very apparent that the Iranians have set themselves up as the protectors of the Shi'as on Bahrain. It probably would not take much of an excuse for the Iranians to land a force to protect the Shi'as against the "Arabs". The Bahrain Defense Force (BDF) is not large, efficient or loyal and once the Iranians landed, the Arabs could not do much about it.

5) Qatar

The coup which brought Shaykh Khalifah bin Hamad to the throne in February 1972 was greeted with a sigh of relief by the Qataris and, one year later, the people still are experiencing the same euphoria. Prior to the bloodless coup, the large ruling family (al-Thani) was a great burden on the people. In spite of the large oil income (200 million dollars/80,000 population) Qatari development was slow because of the demands of the al-Thanis. Shaykh Khalifah has now cut the al-Thani subsidy and encouraged the family members to engage in productive enterprises. With faster development and more money in circulation, the people are

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approaching the Kuwaiti view toward the ruling family.

The ex-ruler, Ahmad, and particularly his son Abd-al-Aziz, have not given up hope of a counter-coup, but to date they have had little success in gathering together a force.

Also, the Saudis are watching events in Qatar closely and much prefer a stable, Khalifah-led Qatar to a potential leftist regime that might evolve should Ahmad have to be ousted again.

Qatar's expatriate (mostly Jordanian) officered security force is quite capable of meeting any of the current threats. There are large Palestinian and Persian communities in Qatar. The Palestinians are permitted to have organizations and hold rallies, but are held in check by threat of expulsion. The Persians, mostly merchants, enjoy complete freedom and equality in keeping with Khalifah's good relations with Iran.

The Qataris themselves are fairly unsophisticated politically. The students they send abroad all have useful positions, now filled by expatriates, waiting for them when they return so there is a lack of discontent from that side. Also, the small, inbred local population is conservative and the usual political movements in the Gulf (ANM, PFLOAG, etc.) have not found Qatar a fertile place for their philosophies.

As long as Shaykh Khalifah rules and the wealth is distributed equitably, there will be no trouble in Qatar.

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6) The UAE

The UAE's future depends to a great degree on the personalities of its two leading Shaykhs and their ability to get along with each other. Shaykh Zayid of Abu Dhabi and Shaykh Rashid of Dubai are the key players, and two men could not be more different. Zayid, ruler of Abu Dhabi and President of the UAE, is a bedu with all the guile, charm and pride that is characteristic of beduin. Shaykh Rashid, ruler of Dubai and Vice President of the UAE, is a townsman, a merchant who lives by his wits, ^{by} his ability to make a deal and ^{by} his basic distrust of those who haven't had to earn their money by their ~~hands or their~~ ^{own devices}. Several factors, however, militate against a split. First, the people of the UAE genuinely want the union, particularly the citizens of the smaller, have-not shaykhdoms (Ajman, Ras al-Khaymah, Fujayrah and Umm al-Qaywayn). Secondly, although Dubai, Abu Dhabi, and shortly Sharjah could go it alone, the other states would have to look for outside aid and Iraq is all too willing to be the provider: Zayid and Rashid don't want revolution on their doorsteps. Lastly, the old dictum "united we stand, divided we fall" is very much in their minds. There are too many big neighbors (Iran, Iraq and Saudia) waiting in the wings to pick off a weak player, or so they feel.

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One of the great problems facing the UAE is that it is trying to be too progressive too soon. The UAE is fairly tolerant toward political activity and dissent but is not sophisticated enough to handle it. Thus, ideologies find fertile ground in the UAE, particularly among the educated, while there is no counter effort by the government. The recent wrap-up of PFLOAG cells in the UAE showed the extent to which such an organization had infiltrated the state. (The Popular Front for the Liberation of Oman and the Arab Gulf is a radical Marxist-Leninist organization formed by cadre with ANM ties and is attempting to overthrow conservative regimes by subversion, terrorism and guerrilla warfare.) The PFLOAG group in the UAE was well organized with high level penetrations of the Union Defense Force (UDF). The lucky break that brought about the wrap-up of the PFLOAG organization has probably set PFLOAG's plans for operations in the UAE back at least a year. Because each shaykhdom maintains its own special branch, and there is little cooperation between them, there is ^{small} ~~is~~ doubt that PFLOAG will reorganize rapidly in the fairly permissive political atmosphere of the UAE. Should the expatriates be forced out of the special branches or should the UAE break up, PFLOAG's program could move faster.

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Palestinian Fedayeen organizations, such as Fatah/BSO, are also given a fairly free hand in the UAE. At the current time, the UAE does not perceive these organizations as a threat and they do not realize the degree to which these organizations are cooperating with PFLOAG. Palestinians are required to fill many slots in the UAE government, but the government's failure to recognize the extra curricular activities of these men and women is a weakness that must be corrected rapidly.

The UAE Government is faced with numerous problems, which may be summarized as follows:

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The government must begin to utilize qualified youth, spread more of the wealth to the middle class, step up social reform and develop a national approach (one budget, one army, one passport), or the radical elements, such as PFLOAG, will continue to find fertile ground for their ideologies. The recent PFLOAG wrap-up probably awakened the rulers to the problems they face and the need for cooperation, but the divisions, jealousies and suspicions run deep. If a meaningful union can evolve quickly, and the chances for this happening were never better (fear is stronger than jealousy), the UAE can look ahead to a stable existence. Also, the UAE must come to grips with its neighbors--Iran, Saudi Arabia, and Oman.

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Outstanding problems, such as Buraimi, the Gulf islands, etc. must be solved and bilateral agreements signed. The UAE must be a nation in fact, not just in name. It must establish its national identity on something more than oil royalties or it will fall prey to internal subversion or external takeover resulting from reaction to that subversion. The U.S. Embassy in the UAE, and the Ambassador, when he visits from Kuwait, should be encouraged in their contacts with local officials, to point out these problems and the necessity for the rapid solution of them.

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7) Oman

When young Sultan Qabus took over Oman by ousting his father in July 1970, he promised the people that he would utilize the oil revenues (now about \$120 million per year) to bring about social reform and development in the country. The war in Dhufar Province, which absorbs 50-60% of the budget, has put a damper on Qabus' plans and the people are beginning to get impatient. Although the successful conclusion of the guerrilla war in Dhufar is important to the security of the country, the Omanis do not see this and Qabus has not tried to make this clear. To the Omanis, Dhufar has always been considered a fief of the Al Bu Sa'id dynasty, remote, a place for mercenaries. The Sultan has not tried to

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change this concept. The Sultan is not a politician or an instinctive leader, in spite of his great personal charm. He has not gotten out among the people, driving around and pressing flesh. He is, to most, a non-person--a picture in the paper, a voice on the radio. Yet his most important task is to bring the disparate parts of the country together in a sense of nationhood under his leadership. For fifty years Oman has been divided and thus it has been easy prey for subversive movements. Also, the Sultan is not brave, a characteristic much admired by the Arabs--he travels the road from his palace in Sib to his palace in Muscat at 60 MPH under heavy guard. Out of his car he is surrounded by troops. The Sultan ^{has greater need for} ~~needs~~ public relations expert now ~~more~~ ^{than} military experts. Getting the people behind him is important at this stage, yet he is singularly unimaginative and surrounds himself with sycophants. What little progress has been made in the country is not attributed to the Sultan but to the foreign experts who work in the field.

The wrap-up of DFLOAG cells in the Muscat-Matrah region in January-February 1973 is an indication of the subversive potential in the country. These cells, remnants of NAFLOAG cells, which were broken up in 1970-71 and which were well established in Musandum, Jabal al-Akhdar and Muscat, planned

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a campaign of urban terrorism to be undertaken in conjunction with an offensive by the rebels in Dhufar. It was a highly sophisticated operation and, had not the urban operation been thwarted, could have caused serious disruption in the country. As it was, the offensive by the rebels in Dhufar was quite successful. They were able to pin down an Omani brigade, which ultimately had to be relieved by Iranian helicopters. The rebels have since returned to their sanctuary, but had the urban terrorists been able to mount their campaign, the Omani government would have been in severe straits. Expatriate advisors to the Omani forces now estimate the rebel strength at 1200 (from a previous estimate of 600) and have a much greater appreciation of ~~their~~ ^{rebel} ability. The campaign in Dhufar is dragging on without any end in sight. The rebels still can retire to PDRY when things get tough and they still control the Qarra Mts. north of Salalah, where they can count on the support of local "militia" and from where they can rocket the town and mine the key roads. ~~The rebels, however,~~ ^{On the other hand,} have not been able to mount a sustained attack, nor do they have the wide popular support they require. The Sultan is trying to improve the lot of the Dhufaris and has succeeded in winning them over to a great extent. The cost of this, and the military cam-

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paign has, however, drawn on development funds from the rest of Oman.

The Sultan badly needs financial and military aid, fast. Also, he needs to improve his image. Other states in the region have a great stake in his success and must be convinced to be more forthcoming. The UAE, for one, has been particularly remiss in this. It is hoped that the Sultan's visit to the UAE, planned for late March, will bring some funds from Shaykh Zayid. Since it may be difficult for the Principal Officer in Muscat to see the Sultan and spell out some of these problems, U.S. businessmen such as Robert Anderson, Charles Black and Stribling Snodgrass, ^{who have developing interests in the country} should be encouraged to utilize their close personal relationships with the Sultan to make these points, possibly even recommending a public relations firm to do the job.

8) Saudi Arabia

In three years, King Faysal will be 70 years old, ^{his country} Saudi Arabia will have an accumulation of ten billion dollars at can't possibly spend internally, ^{and} it will have two separate armed forces and several thousand more students and officers who have been trained in the West. At the same time it will still be ruled by an absolute, conservative, traditionalist monarch, ^{and} it will be the least progressive Arab country socially. ^{IE} it will have no relations with the Socialist Bloc.

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Anachronistic as Saudia is and, basically, will remain, the prognosis for the future is one of stability. The reasons for this are many. First, the opposition which does exist, is fragmented by tribalism and regionalism. Secondly, the traditional springboard for coups in the Arab World, the Army, is content and balanced by the National Guard. The student returning to Saudia finds that his talents are rewarded, if not utilized. Lastly, the Royal Family is aware of the adhesive nature of its role and can usually be counted on to put aside personal animosities to work together in times of crisis.

D.W. King Faysal is in good health, although at his age any number of things can happen to cause his incapacity or death. As things now stand, however, his American physician states Faysal has ten good years left. There are claims that Faysal is becoming senile, but it may be that he is only becoming more cantankerous and inflexible. In any event, Faysal may well outlive Crown Prince Khalid, who is only a few years younger and has a history of heart trouble. As succession now stands, Khalid would succeed Faysal and strongman Prince Fahd would move up a notch to crown prince and also take over as Prime Minister, a role usually reserved for the monarch. One of the problems that could arise from the latter is that

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Khalid just might not accept the "reign but not rule" role and this could cause a family crisis. Also, Fahd and his six full brothers (known as the Sudayri Seven) may not be as close as people think. Their mother, who made sure they stood together, is now dead and Sultan, Fahd's next brother and Minister of Defense, is very ambitious and might make a move on Fahd if Fahd reverts to his old dissolute ways. If a crisis occurs in Saudia, it will doubtless occur within the ranks of the Royal Family, although for reasons set out below, this seems unlikely.

The military is well-treated. They get good arms, training abroad, good salaries and promotions, and are given other incentives, such as pieces of prime land, to bind them more closely to the regime. Also, bright, liberal members of the Royal Family have been encouraged to enter the military as junior officers and they are quite popular with the other officers. They are also respected for their professional skills - some of the best pilots are princes. In case there is any doubt about the military, the tribally constituted National Guard is on hand. This group, about equal in size to the army, is a highly mobile force originally formed to quell internal disorders. However, its ambitious commander, Prince Abdallah, has built this force

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into more of a counter-army, with the blessing of the Royal Family.

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As for the youth of the Kingdom, one would expect that their capacity for toleration of the anachronistic system of government would be pretty low. Certainly, Saudi students in the U.S. talk freely against the regime. The talk is usually brought on by contact with "progressive" Arabs they meet and the new life they are exposed to. When the student returns to Saudi ^{Arabia,} however, he finds waiting for him a job with a nice salary, a government house, free education and health care for his kids, radio, television and at least the trappings of progress. Around him, the other Arab States are in chaos. If he wants to let off steam he can go to Beirut. In addition, the role the Saudis have played in the oil negotiations has given the young man a sense of pride and accomplishment. ^{The ministers of Petroleum,} Ahmad Zaki Yamani, is his hero, and Yamani is part of the establishment. Saudis are now something to take into account, not be laughed at. Who pays a subsidy to whom--the Egyptians or the Saudis? This is important in understanding the Saudis' acceptance of their lot. Those educated in the west are not red hot radicals, they see that they can work within the system, and that the system works. Like the young Kuwaiti, what regime would a young Saudi emulate?

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Discussing the stability of Saudia, or any of the Gulf States, is a complex matter. The Western observer is too ready to write off family, tribe, local nationalism and pride. Where there is this sense of local nationalism and accomplishment--in Saudia, Kuwait and Qatar, stability can be predicted. Where there are internal divisions such as Bahrain (Shi'a-Sunni), the UAE (Dubai-Abu Dhabi) and Oman (Tribal vs. settled and Dhufari vs. Omani) instability can be expected.

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A note of caution must be added to the above assessments. First, the stability of these states, in the short run, is dependent on one or two key personalities. The sudden demise--natural or planned--of several of these leaders could cause turmoil in the region. Second, the most vulnerable states all have military and security forces officered by expatriates, usually British. Should these men be forced to resign, through nationalist pressure, or eliminated by assassination or threat of assassination, opposition forces will have a fairly free hand to operate. Lastly, in spite of our optimistic note on the youth of the area, i.e. they generally appear prepared to work within the system, we should realize that the desire for social reform and the evolution of new sets of values will cause pressure on the

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regimes. The degree to which the regimes are prepared to accommodate new ideas will determine the extent to which the youth will continue to operate within the system.

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Final factors are PDRY and Iran. PDRY is the only Arab State in which a radical Marxist-Leninist regime has attained and retained power. In addition, this regime is actively seeking to export its revolution, directly in Dhufar and the Yemen Arab Republic, and indirectly by cooperating with ANM-originated fronts such as PFLOAG. The ability of the States of the Peninsula to work together to meet this threat--to isolate it, or destroy it--will be a determining factor in the future stability of the area. Although PDRY is small, it has a well-trained and highly motivated political cadre, it has increased military capability, and represents a threat to any state in the area in a one-on-one situation.

Regional cooperation between Iran and the Arab States in the Gulf is a cornerstone of U.S. policy. The Arabs feel that the Iranians in general and the Shah in particular are so contemptuous of them and are so arrogant in their dealings with them that true cooperation probably is not possible. If the U.S. can guide the two parties away from possible areas of conflict, we will be doing as much as we can truly hope to do. Not only do the Arabs sense and resent Iranian

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contempt, they also fear Iranian colonialism in the Gulf. There is not one Arab state in the region that is not fully aware that the Iranians are capable of taking over any or all of them any time they choose. The Arabs, therefore, approach the question of cooperation, particularly military cooperation, with understandable reluctance. Each time Iran says to a country like Kuwait--"don't fear Iraq, we'll protect you"--or responds rapidly to a request for aid--such as from Oman--this only rubs the Arab noses in their own inadequacies and increases suspicion and resentment.

Logically, the Arabs and Iranians should work together, but emotions militate against this. One of the key roles the U.S. must play in the region is to assure that emotions are kept suppressed and are not permitted to break down the uneasy truce between the two parties.

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