

"imperialist" creation. A UK Foreign Office source has indicated that March 30 would be "without significance" as far as Britain's relations with the Gulf states are concerned; as before, the UK will treat the nine members as separate, British-protected states. The Shah of Iran, however, is angered over the Arab position toward Bahrain and the general attitude toward "Arabism" in the Gulf which the traditionalist Arab regimes have taken. He has indicated that he will react to the Federation with a "formal denunciation of the FAA and British trickery." The Shah's attitude reflects his conviction that the FAA was engineered by the UK to protect Bahrain and disputed mid-Gulf islands against Iranian claims. His stance will make Iranian cooperation with such conservative states as Saudi Arabia and Kuwait much more difficult and may even lead to a considerable cooling of Irano-British relations.

Considering that the traditionally quarrelsome and mutually suspicious member states must approve all FAA legislation unanimously, that the Federation will be opposed by Iran as well as the radical Arab regimes, and that the UK appears indifferent, the FAA is unlikely to be a successful venture in Gulf unity. Nevertheless, it represents a realization by the traditionalist leaders of the Arab littoral that the vacuum created by Britain's withdrawal will attract outside hostile elements that can only be resisted by unified action. Whether the Federation will be a useful stepping stone to more meaningful cooperation or merely another monument to the elusiveness of Arab unity remains to be seen.

142. Paper Prepared in the Department of State¹

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THE POLITICO-MILITARY PROBLEM FOR THE US
IN THE ARABIAN SEA LITTORAL

Summary

Over the next few years the US will face a potentially difficult situation in the Arabian Sea littoral (see map following page 3).² This situation is the product of several factors.

First, this is basically an unstable area. The Arab nations generally are underdeveloped; many of the regimes are highly conservative, lacking in modern administrative machinery; and there is wide disparity in the division of wealth. To these problems must be added century old suspicions between states and deep religious and ethnic cleavages. Radical nationalist movements are beginning to make themselves felt; some with outside instigation and support, but others with mainly nationalistic drives.

Second, the radical Arab states, particularly the UAR, and the Soviet Union pose a threat to exploit the latent instability in the area. Nasser will most likely concentrate on using such exploitation to reinforce his position of leadership in the Arab world. The Soviet Union will probably work toward expanding its trade, political presence and general influence in the area with the primary purpose of denying other outside powers the option of securing a preeminent position such as the British have enjoyed. The Soviets might, based on the reaction to their efforts, seek to project a military presence into the area.

Third, the British, whose military presence has acted as a factor for stability and a check on outside exploitation, have announced their intention to complete the withdrawal of their military forces by the end of 1971.

¹ Source: Department of State, IRG/NEA 68-24 Files: Lot 70 D 503, U.S. Policy and Future Military Presence in the Arabian Littoral, 7/10/68. Secret. Drafted by Robert H. Neuman (L/NEA). Attached to an April 22 memorandum from Deputy Assistant Secretary of State for Politico-Military Affairs Philip J. Farley to Battle noting that the study was prepared by G/PM with assistance from an Interdepartmental Working Group in response to Battle's memorandum of January 10. In G/PM's opinion, the study in its present form represented the closest point that could be reached in obtaining an "agreed" paper. Farley recommended that Battle place the study before the NEA/IRG so that it might decide whether it was appropriate to forward it to the SIG for consideration.

² Not reproduced.

US hb
The principal US interest is in maintaining US access to and influence in the area. In short, the US seeks to deny to potentially hostile outside powers, particularly the Soviet Union, a position of dominance in the area. Such a position could be used to put pressure on Western Europe, for which Near East oil is vital, and would complicate our own trade with, peaceful entry into, transit through, or ability to influence the various states concerned. Because of the strategic location of the Arabian Sea littoral as a vital crossroad connecting Europe, Africa, and Asia, denial of US access to this area by a potentially hostile power would constitute a blow to US interests considerably beyond those involved in the immediate area. In addition to this principal interest, the US has the traditional interests in this area of protecting both US citizens and the substantial US oil investment and trade with area states. The US also has a formal bilateral security agreement with Iran, has agreed to cooperate with the signatories of the Baghdad Pact (CENTO), and has given certain assurances to Saudi Arabia.

There are a number of steps in the political, economic, and sociological fields which the US can take to assist in maintaining access to and influence in the area. These are being considered in other studies and may prove to be the most effective steps open to us.³ The purpose of this study is to analyze certain politico-military approaches which may also be useful in meeting the security aspect of the problem.

In the politico-military field, a spectrum of alternative approaches have been considered, ranging from withdrawal from the area, through maintenance of our current policy, to seeking to assume the full British military role. Of the alternative approaches considered, those which appear to have practical value are limited. In summary, they are:

a. To encourage the British to continue to play as full a role as possible in the Arabian Sea littoral, particularly in the political, economic and military spheres.

b. If and when politically feasible, to consider supporting in a low-key fashion efforts on the part of the local states to form mutual security arrangements which show any promise of reducing the incidence of locally induced instability. We should not encourage any particular arrangement nor should we delude ourselves as to the real security value which such arrangements would represent.

c. To manifest a reassuring military presence in the area, offshore and largely "over the horizon," to strengthen the confidence of the

local moderate states to evolve and progress free of concern that hostile outside powers might exploit local tensions through the use of military force. We should be clear that such a presence is not intended directly to affect the course of political events within or between local states, nor, for that matter, would it prevent efforts by outside powers to enhance their influence through peaceful means. What it can do is provide a signal to hostile outside powers that attempts at exploitation through military means carry risks which may well exceed the benefits likely to accrue. To be reassuring, the presence would have to be somewhat larger and more flexible than that represented by the current MIDEASTFOR. It should either contain or have rapid access to some limited air and ground capability in addition to the naval capability of MIDEASTFOR.

d. As a corollary to manifesting a reassuring military presence in the area, to undertake on an urgent basis a reappraisal of the proposal to use Diego Garcia, or another of the islands previously considered, for an offshore fueling and staging base for possible operations around the Arabian Sea littoral, along the East African coast and in the Indian Ocean in general. With the British no longer willing to maintain a military presence in the region, this reappraisal should be primarily a USG concern.

e. While continuing current "show the flag" visits by MIDEASTFOR, as possible, arrange for additional "show the flag" visits by US military forces which may be transiting the area.

[Here follow the body of the paper and two annexes.]

³ A number of these were considered in the paper, "Effect of British Withdrawal from Persian Gulf and the Recommended US Action," which was considered by the NEA/IRG on February 1, 1968. The NEA/IRG approved the broad policy recommendations contained in the paper. [Footnote in the source text. For a record of the February 1 meeting, see Document 131.]