

**U.S. INTERESTS IN AND POLICY TOWARD
THE PERSIAN GULF**

HEARINGS
BEFORE THE
SUBCOMMITTEE ON THE NEAR EAST
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
NINETY-SECOND CONGRESS
SECOND SESSION

FEBRUARY 2; JUNE 7; AUGUST 8 AND 15, 1972



82-530

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1972

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PREFACE

The Arabian Peninsula and the Persian Gulf form a unique area of the world.

Essentially, this uniqueness is due to the increasing dependence of many industrialized societies on petroleum products to run their economies and the existence of over two-thirds of the world's proven oil reserves in this area.

Politically and socially, this uniqueness is due, in part, to the nature of the Arab and Iranian societies that exist among these petroleum states. Some societies, with populations under a half million, today have annual oil revenues close to a billion dollars and, almost inevitably, will have higher revenues tomorrow. Other states, with larger populations, now have annual oil revenues well over \$1 billion. At the other extreme are the few Arabian Peninsula states without oil whose annual per capita incomes as low as \$50.

The enormous wealth of the area as a whole must be juxtaposed with the slow rates of social and political development in most all Persian Gulf societies. Until recently, very little of the region's wealth has filtered down to the average citizens and, as in the case throughout much of the Middle East, few attempts have been made to broaden political participation to include formerly disenfranchised people. In many instances, the state remains only one family or even a branch of a family.

The United States confronts this region now at a time when there are indications that by 1980 the United States will have to import almost one-half of its domestic fuel needs and half of those imports will have to come from the Persian Gulf.

The purpose of these hearings of the Subcommittee on the Near East and South Asia was to examine the national interest of the United States in the Persian Gulf and to assess current U.S. policy. We were concerned, first, with our military, economic, and diplomatic policies toward the entire region, and, second, with the energy picture in general and the relationship between international oil companies and the members of the Organization of Petroleum Exporting Countries (OPEC) in particular.

The two strongest impressions given the subcommittee during these brief hearings were:

First, the Persian Gulf area is going to be increasingly, and perhaps really, important economically and politically to the United States. The United States must be extremely careful in formulating appropriate policies toward individual states and toward the region as a whole because of the dynamics of the internal situation in most of these states which confront rapid social change and evolving relationships with the oil companies.

Second, the problems this area raises need to be addressed in the United States with much more vigor and intensity. For example, a fundamental consideration in addressing the current domestic energy crisis in the United States must be an assessment of the foreign policy implications of the courses the United States pursues in dealing with the crisis. Other significant questions which need to be addressed are:

What, precisely, are U.S. interests in the Persian Gulf?

How can the United States best assure its future accessibility to Persian Gulf Oil?

How will the relationship between international oil companies and oil exporting countries change in the next decade? What are the implications of these changes for the United States?

To what degree should our policies be coordinated with our allies?

What policies of the United States will help promote both orderly development and political stability in this area?

What specific policies should the United States pursue toward the new, small states of the Persian Gulf?

How should these policies compare with our policies toward older states like Iran and Saudi Arabia?

Does our support of the bigger states of the gulf encourage those states to dominate the area?

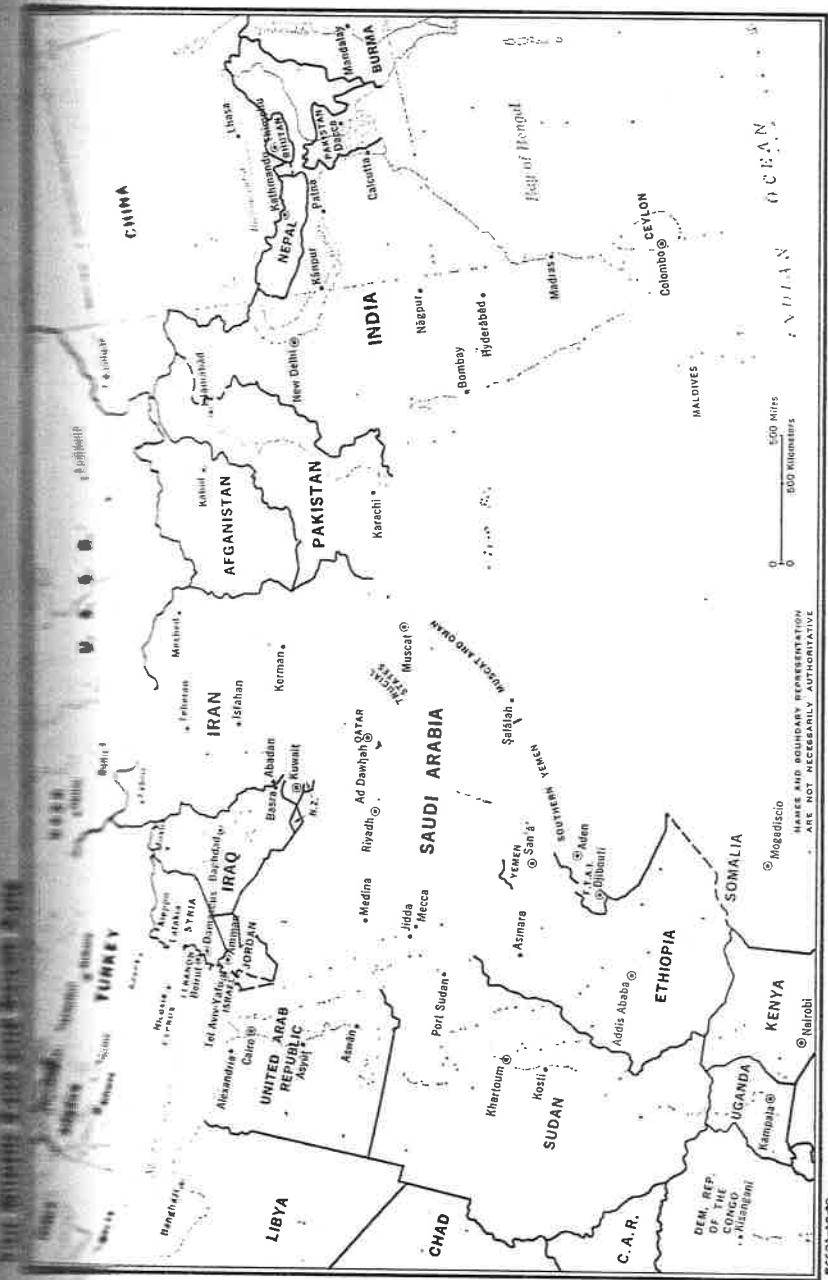
Is such domination in our interest?

Should the United States continue to maintain its small force stationed on the island of Bahrain?

Can the United States pursue policies which protect our interests but which also help keep this potentially unstable area outside the arena of great power competition?

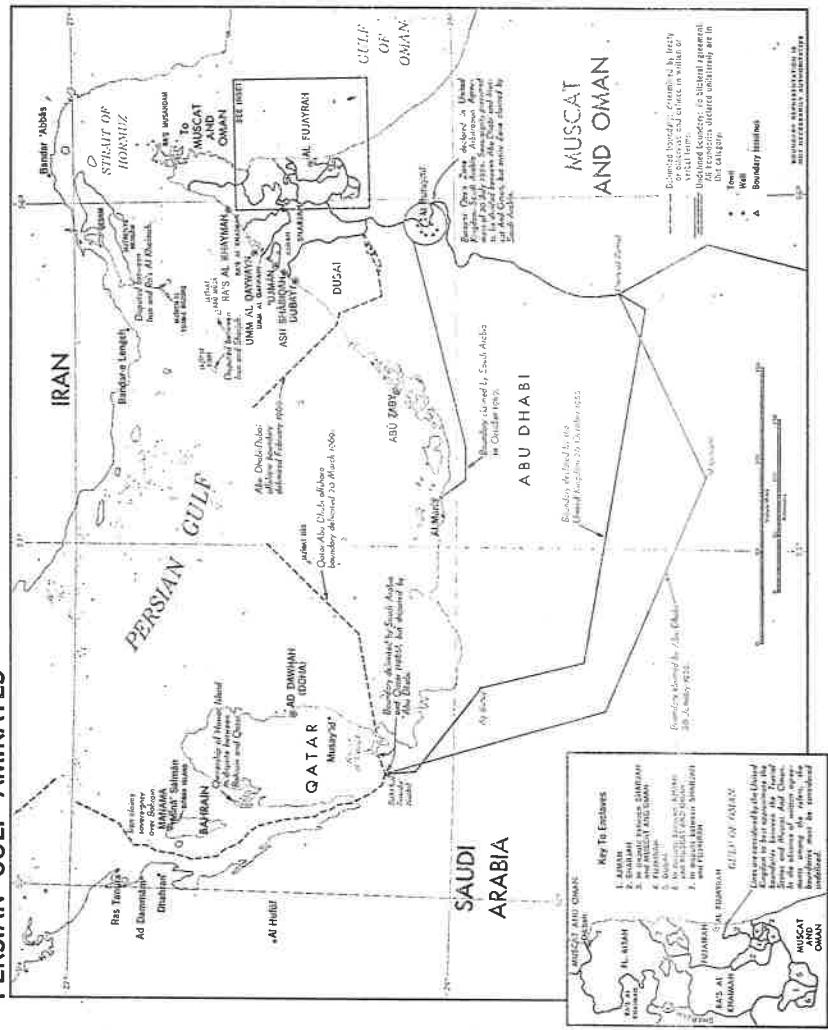
While these hearings may answer only a few questions concerning what specific policies the United States should adopt toward the Persian Gulf, they focus on many relevant questions. For Members of Congress and all Americans interested in international relations and American foreign policy, they offer an essential background on an area of increasing importance to the United States.

LEE H. HAMILTON, Chairman.
Subcommittee on the Near East

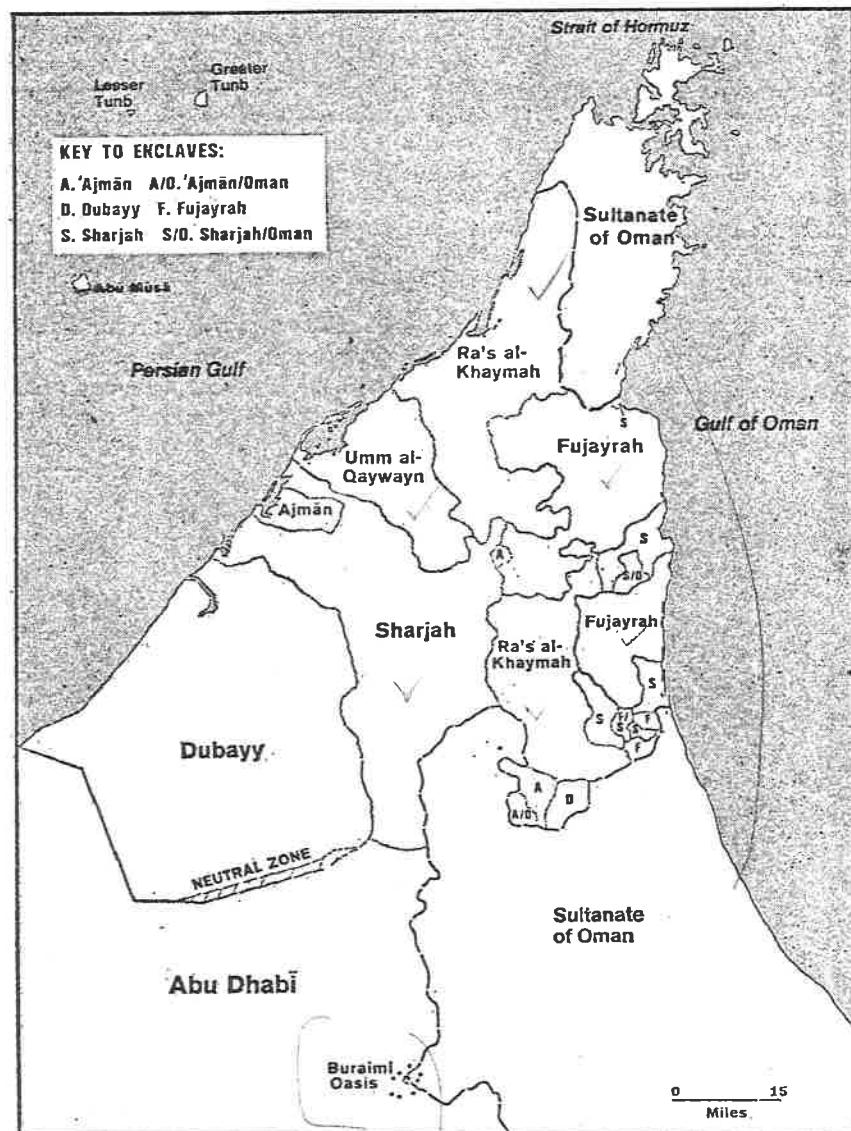




PERSIAN GULF AMIRATES



UNITED ARAB EMIRATES



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U.S. INTERESTS IN AND POLICY TOWARD THE PERSIAN GULF

WEDNESDAY, FEBRUARY 2, 1972

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON THE NEAR EAST,
Washington, D.C.

The Subcommittee on the Near East met at 10:10 a.m., in room 2255, Rayburn House Office Building, Hon Lee H. Hamilton (chairman of the subcommittee) presiding.

Mr. HAMILTON. The meeting of the Subcommittee on the Near East will come to order.

Today, the subcommittee wishes to consider many subjects related to the U.S. present and future military policy and activities in the Indian Ocean in general and two of its most important arms in particular—the Red Sea and the Persian Gulf. Soviet activities, and to a lesser degree, Chinese activities are of equal interest to the subcommittee, as are the efforts of other powers and littoral states themselves to prepare for their own defense.

We are happy to have with us today Mr. James H. Noyes, Deputy Assistant Secretary of Defense for Near Eastern, African, and South African Affairs, Office of the Assistant Secretary of Defense for International Security Affairs.

Mr. Noyes is accompanied by Capt. Carl C. Hilscher, U.S. Navy; Dr. James Timberlake; and Capt. James E. Kneale, U.S. Navy, from the Office of the Assistant Secretary of Defense for International Security Affairs; and from the Department of State, Office of Saudi Arabia, Kuwait, Yemen, Aden, and Gulf States, Mr. Joseph Twinam, and Mr. Jonathan Stoddart, Bureau of Politico-Military Affairs. Mr. Noyes, you may begin and proceed as you wish.

STATEMENT OF JAMES H. NOYES, DEPUTY ASSISTANT SECRETARY OF DEFENSE (ISA) FOR NEAR EASTERN, AFRICAN, AND SOUTH ASIAN AFFAIRS

(A biographic sketch of Mr. Noyes appears on p. 137.)

Mr. NOYES. Mr. Chairman, the statement, because of the wide span of subjects, is rather lengthy. I will do as you like, either read sections of it or skip some as I go along. Perhaps I will do the latter.

Mr. HAMILTON. All right. Suppose you read the high points of the statement for us and proceed in that manner.

Mr. NOYES. Mr. Chairman and members of the committee, I welcome this opportunity to testify before you on the subject of the military

situation in the Persian Gulf, Red Sea, and the Indian Ocean. As you know, the United States has important strategic, economic, and political interests in these areas, and we, in the Department of Defense, are endeavoring to help safeguard and promote these interests.

SOVIET EXPANSION

Before turning to the specific questions you have posed, I would like to repeat a generalization I made to the committee on July 20, 1971. The expansion of Soviet influence in the Indian Ocean area, which embraces the Persian Gulf and Red Sea, and the consequent alteration in the distribution of power between the United States and the U.S.S.R. that this increased Soviet influence has brought about, has been largely due to political factors. Soviet policy choices and Soviet exploitation of political forces in the area have increased Soviet influence. The Soviet naval presence and military assistance programs have supported Soviet policy and helped expand its influence; they have not themselves been the initiator of this influence.

Over the years, Soviet support of the Arabs against Israel and U.S. support for Israel have been instrumental in producing a marked expansion of Soviet political influence in certain Arab States of the Middle East and have diminished U.S. influence in parts of the Arab world. Also, the Soviets have assumed a less hostile attitude toward the states on her strategic southern flank—Turkey, Iran, and India. These states have responded, in kind, by developing friendlier relations with their Northern neighbor. Middle East nationalism, because of its long struggle against Western colonialism, often takes on a strong anti-Western hue which works to the benefit of the U.S.S.R. The desire for modernization and reform, which often assumes an anti-capitalistic and pro-Marxist bias, combines with old anticolonialist sentiments to enhance Soviet influence.

In my view, the principal response to the challenge posed by these political factors should emphasize the political. In normal peacetime diplomacy, military instruments can contribute to a political solution; they cannot, in themselves, be the solution. Of course, our diplomacy must be bulwarked by military strength if it is to be credible.

In dealing with your written questions, I would like to take up No. 6 first because I believe this would help set the stage for much of what follows in my prepared statement and that might arise later during the hearing.

UNITED STATES, SOVIET AND COMMUNIST CHINESE MILITARY ACTIVITIES IN THE INDIAN OCEAN AREA

You will note that I have used the words "military activities" rather than "military presence," and that I have included the United States with the Soviet Union and Communist China. I believe this approach will bring out more clearly the full range and magnitude of the political-military activities of the three powers in the area, and will provide a ready basis of comparison for their respective efforts.

There are seven military instruments that a state can use to support its foreign policy. The point about these instruments, of course, is that, in addition to their purely military functions they are considered to enhance a state's political influence and, to that extent, its power.

The first of these instruments to which we refer are permanently stationed forces and of course in this respect the United States has its Middle East Force (MIDEASTFOR) Command at Bahrain. The Soviet naval buildup in the Indian Ocean began in 1968 and continued into 1969; after that it leveled off. A typical presence in 1971 prior to the outbreak of hostilities in the Indian subcontinent was four or five combatants and four auxiliary support ships.

The Peoples Republic of China does not maintain any known naval forces in the Indian Ocean area.

MILITARY FACILITIES

The next instrument is facilities or bases. Here we refer to the U.S. communications facilities in Ethiopia and northwest Australia and the small communications facility that is now being built on Diego Garcia. [Security deletion.]

We point out that the Soviets have not acquired formal base rights in the Indian Ocean area at this time and that their Indian Ocean naval force is supported out of their Pacific fleet principally and rather than utilizing any permanent installations, anchors off of the island of Socotra. This, of course, creates considerable problems for them in terms of repair, maintenance, and long supply lines.

We review another instrument, arms supply, and point out that from 1955 through 1970, the United States delivered about \$3.6 billion in arms to 19 states of the area. This excludes Israel and Thailand for the sake of a comparative view just as we have excluded Egypt from the Soviet figure which comes to [security deletion] for a comparable period.

The principal Peoples Republic of China effort in the area has been to Pakistan which has received [security deletion] in arms from 1964 to 1970, and Tanzania which has received [security deletion].

In training we find the United States trained about 1,585 personnel from 12 states of the area (excluding Israel and Thailand) in 1970 versus [security deletion] by the Soviet Union. China trained [security deletion] Tanzanians and [security deletion] Pakistanis in 1970.

In terms of advisers and technicians in the area, the United States had an average of 510 in eight states (excluding Thailand) during 1970 versus [security deletion] Soviet advisers and technicians in nine states.

China had [security deletion] military advisers and technicians in Tanzania and [security deletion] in Pakistan in 1970.

MILITARY VISITS AND EXERCISES

Concerning military exercises or operations in the Indian Ocean area prior to the India-Pakistan war the United States conducted joint exercises with Iran and Turkey and three naval exercises in the Indian Ocean. We are not aware of any similar exercises or operations by the Soviets during the comparable year and none for the Chinese. Now this does not mean that the Soviets were inactive or that they were not conducting training and various missions but they were not, as far as we know, engaging in actual exercises with littoral states.

In terms of ship visits the U.S. Navy made 157 calls to 20 states in 1971, excluding Bahrain and Thailand. The Soviet naval combatants

and auxiliaries during that period made 33 port calls to seven states. Again we find that we have no naval visits observed by the Chinese.

Our conclusion is that, except for the number of advisers and naval ships continually stationed in the Indian Ocean area, the U.S. military diplomatic effort exceeds that of the Soviet. We bring this out particularly because of much of what has been in the press to the effect that there has been an enormous Soviet buildup or an enormous bulge in the activities of the Soviets in the Indian Ocean area. We wish to put this in perspective; we are not underplaying the importance of the Soviet interest and presence in the area.

MIDDLE EAST FORCE (MIDEASTFOR)

A matter of principal interest, I believe, to the committee is our Middle East Force in the Persian Gulf. We go into this in considerable detail in the statement pointing out that this command was created in 1949, and has therefore been in the gulf for over 20 years; that it is viewed in the area, and its mission is, that of a friendly presence. It has never engaged in military activities as such in the area. Its mission is to provide a presence in an area which does not have the kind of widespread variety of contact that we have with many other countries in terms of cultural, press relations, exchanges of visits, and this kind of thing.

Of course the greatest distinction, I think, in assessing the importance of this force and the reasons for our continuing its presence, I think, is to differentiate its role from the role of the British, specifically the role of the British forces which have historically used Bahrain. Those were operational military forces there to support the treaties and defense commitments which the British had in a political sense with the various states of the gulf. Our force has never had that kind of commitment and the continuation of our force in the area does not carry with it any kind of commitment, political or military, to the area.

Without going through all these details, which I will be happy to do if you wish, I think another important point is that the flagship, a converted seaplane tender which is 26 years old, the flagship itself is home ported at Bahrain, it is not configured in a combatant role. The flagship spends approximately 50 percent of its time in Bahrain proper; it spends the rest of its time paying port calls throughout the area. The two destroyers which rotate in and out deploy from Norfolk on a 6-month deployment, they spend of that about 4½ months actually on station in the Indian Ocean area when you deduct transit time. Therefore, each deployment would spend about 2½ weeks at Bahrain proper. In other words, in a typical year you would have a destroyer presence there at Bahrain approximately for about 6 weeks. You would have the flagship, as I said, for about 6 months but it is not as though you have a continual presence of warships.

To be precise here I might just read the section on page 9, Mr. Chairman.

ARRANGEMENTS WITH BAHRAIN

The stationing agreement which we have just concluded contains no military or political commitment, either explicit or implied, to the Government of Bahrain or any other state of the area, it merely pro-

vides for the continued use by Mideastfor of the logistic support facilities formerly made available by the British. From our point of view, the only change is one of landlord. The letters of intent on leasing enumerate the facilities acquired by MIDEASTFOR [security deletion]. The text of both arrangements have been given to the appropriate committees of the Congress.

We and the Government of Bahrain agreed not to publish or give publicity to the stationing agreement until its publication in the Treaties and Other International Acts Series (TIAS) in about 3 months' time, [security deletion].

On January 6, 1972, however, the New York Times published an article disclosing the existence of the stationing agreement. This article, picked up by the Middle Eastern press, resulted in a flurry of criticism of the Government of Bahrain for permitting an outside power to maintain a military "base" in the gulf. The United States was portrayed as acquiring a "base" and taking over the British role in the gulf. This premature disclosure of the stationing agreement embarrassed our relations with the Government of Bahrain. [Security deletion.]

The distinction between base and facility of course is subject to many interpretations but our facility there in no way carries with it a significant military capability. First of all there is not the intention for us to use it as a point from which to deploy military forces. Second, there simply is not the capability in terms of space and warehousing and the physical arrangements that are there to deploy forces from it of any significance. So from the standpoint of anyone in the gulf or anyone else seriously interested in the problem they can very quickly find out what is there and what it is there for. Those who desire to create propaganda of course will go ahead and say what they please.

It might be well to just read this portion here on the size so we get more clearly what I am talking about. This is on page 12.

NAVAL ELEMENTS

The U.S. Navy elements homeported at Bahrain include COMID-EASTFOR and his staff [security deletion] a C-131 flag aircraft; the flagship U.S.S. *Valcour* (AGF-1) [security deletion] the NCSO which is the Naval Control Shipping Office which really means the support people stationed ashore to provide support for the ship [security deletion] and INSMATPET [security deletion].

The present flagship *Valcour* is 26 years old and will be retired from active service in the last half of calendar year 1972. As a replacement, we have selected the U.S.S. *LaSalle*. This is a former amphibious transport dock (LPD) which is being configured as an auxiliary flagship (AGF-3). The *LaSalle* is 500 feet long, 84 feet in beam, draws 21 feet, and is capable of 20 knots. It will be manned on a reduced basis with 387 personnel. (*Valcour* is 300 feet long, 41 feet in beam, and draws 13 feet.)

LaSalle was chosen because the fiscal year 1972 naval force reductions made it available, and because it met the requirement of the commander, Middle East Force (COMIDEASTFOR) communications habitability, cruising range, and shallow draft. *LaSalle* will

carry no troops, it will operate six personnel boats of varying size and one utility helicopter. The four twin 3-inch 50-caliber general purpose guns will be retained. *LaSalle* will arrive in Bahrain in August 1972.
[Security deletion.]

As a result of the assumption of shore functions previously provided by the British the number of [security deletion] personnel will rise [security deletion]. The additional [security deletion] personnel are needed for purposes of communications, public works and administration and supply support. The size of this increase would have been one-third less had the British not decided at the 11th hour to relinquish all of their facilities to the Government of Bahrain.

The annual operating cost for COMIDEASTFOR, including the two destroyers, is about \$8.8 million. Facilities improvements, new equipment, and other one-time costs associated with the new flagship and the additional shore functions will be about \$570,000. Increased operating costs will be about \$4 million.

ROLE OF FORCE

Future role: There are no plans to increase the number of ships assigned to COMIDEASTFOR or to change his mission.

I think without reading it I might just review briefly the military aspect of the British departure. This has again in the press been referred to as—the implication has been given of—a total British withdrawal from the gulf. This is true in the sense that their operational forces have been removed. As I remember, at Bahrain there were 3,000 or 4,000 somewhere in that area, and at various other points in the gulf other actual combat-ready troops on station. These have gone. However, the United Kingdom continues an important role in the gulf, obviously political and commercial but also military. Militarily they will continue to maintain an air facility on Masira—an island off Oman's Arabian seacoast—[security deletion]. But more important than that their military visitors will continue to be in the area; the British will continue to make naval and air visits to the area; they will continue to conduct military exercises. They have military personnel assigned to the Sultan of Oman's armed forces, the new union defense force of the United Arab Emirates, the Bahrain defense force, the Qatar security force and the Abu Dhabi defense force. They also have security personnel in some of these states.

COMPARISON WITH PREVIOUS BRITISH ROLE

So while small in number and without direct operational functions as British military per se, their importance is considerable.

Our belief is that with the withdrawal of the British from the Persian Gulf we do not see a vacuum in the usual sense of the word. Iran, of course, has considerable military force and Saudi Arabia less so but both on a growing basis of competence and sophistication of equipment.

I might also read page 16 of my statement.

The United States has assumed none of the former British military role or functions and has no intention of seeking or appearing to

replace the British presence in the gulf. We do not plan to make any security commitments or to develop any special military relationships with any of the newly independent states of the gulf.

MILITARY FORCES IN AREA

We reviewed the military forces on the Arab side of the gulf. They are not in most cases highly trained forces but as I mentioned the former Trucial Oman Scouts is a significant force with skill—British officers, approximately [security deletion] men. Kuwait maintains [security deletion] military. The United Arab Emirates, about [security deletion] Oman has [security deletion] British officered; Qatar, about [security deletion] including police; Bahrain, about [security deletion] including police.

Saudi Arabia, as I said, has a growing force which is split between national guard, [security deletion] army, [security deletion]; with a [security deletion] man air force and a small navy.

Iraq has relatively large forces but suffers from [security deletion] problems [security deletion].

We go considerably into the question of Iran's determination and competence to be leading power in the gulf. We point to the fact of the Shah's expanding political, military, and economic influence in the area. [Security deletion.] He is increasing his ties with the various ruling families in the area. The Saudis are attempting to do the same. [Security deletion.] In other words, King Feisal is still looked upon as both a spiritual and temporal figure of great importance so that they have a kind of influence in depth that is not potentially available to the Iranians.

I go into the considerable military supply relationship we have with both Iran and Saudi Arabia. We discussed the military cooperation among the Persian Gulf States which is not yet significant but there have been instances of cooperation. I might add it was only last week when the ruler of Sharjah was assassinated and a family force—it was not actually a rebellion generated from among the populace—surrounded his palace, that the recently formed Army of the United Arab Emirates was able to take care of the situation promptly.

I am pointing this out to reflect our feeling that the gulf is not looked upon as a house of cards that is going to collapse at a moment's notice. There are a number of forces for stability working. There are, of course, many disputes over territories; there are many potential problems that have to be settled; there has to be a tradition of cooperation developed between the rulers. This will take time.

We reviewed the state of rebellions in Dhufar and Eritrea and the Liberation Front in Ethiopia. Neither of these rebellions appeared to have the capability to foreseeably overthrow either of those states.

I might just read the last portion here beginning on page 23, Mr. Chairman.

VIEW OF THE INDIAN OCEAN AND AN APPROPRIATE U.S. NAVAL PRESENCE

We believe that the Soviet naval threat to U.S. interests in the Indian Ocean area is moderate. Whether this threat, defined either in

political or strictly military terms, is likely to become very much greater over the near future is difficult to predict. We believe, however, that the current U.S. military effort, as set forth in the first topic above, together with other U.S. diplomatic efforts—economic, cultural, and political—is sufficient at present to safeguard those interests. Our policy toward the Indian Ocean area is to encourage the economic development and political progress of Indian Ocean littoral states and to promote good relations with them, while inhibiting the development of Communist influence, and to inhibit as much as possible military competition with the U.S.S.R. in the Indian Ocean area, while maintaining the ability to exert U.S. military influence there in case of need.

Well before the recent Indo-Pakistani war, U.S. policy was to maintain COMIDEASTFOR on Bahrain, to conduct naval port visits in the area, to maintain communications facilities in Ethiopia and northwest Australia and to build a new communications facility in Diego Garcia, to conduct maritime surveillance of Soviet naval activities in the Indian Ocean, and to conduct periodic naval exercises or operations in the Indian Ocean. We had already planned to improve the quality of MIDEASTFOR by assigning a more modern and capable flagship and by rotating newer types of destroyers into the force when possible, to modestly increase port visits in areas not normally visited by MIDEASTFOR, to seek [security deletion].

The Indo-Pakistani war saw a buildup of U.S. and Soviet naval strength in the Indian Ocean. At the peak of the Soviet buildup on January 3, 1972, the U.S.S.R. had 15 combatants and 11 auxiliaries in the Indian Ocean. Contrary to some press reports, the deployment of the U.S. naval task force to the Indian Ocean in December 1971 did not represent a change in our Indian Ocean naval policy. This deployment was a unique response to a specific contingency. U.S. naval operations and exercises had been conducted there before the crisis (three had occurred in 1971) and we plan to continue to conduct such operations and exercises there in the future.

Thank you for your patience, Mr. Chairman.

(The Chairman's letter to the Department of Defense requesting testimony follows:)

COMMITTEE ON FOREIGN AFFAIRS,
January 18, 1972.

Hon. MELVIN R. LAIRD,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: The Subcommittee on the Near East will be resuming hearings on the general situation in the Middle East in early February. We would like very much to have a representative of the Department of Defense testify on February 2 at 10:00 a.m. in room 2200, Rayburn House Office Building, in Executive Session. I hope that date is satisfactory; if it is not, we can try to rearrange our schedule.

While the range of questions from members of the Subcommittee will cover many different areas, we would like the prepared statement and the thrust of the appearance to focus on the military situation in the Persian Gulf, the Indian Ocean, and the Red Sea. Specifically, we are interested in examining: (1) the Middle East Force, its history, function, size, future role and what Persian Gulf littoral states think of this presence; (2) the military aspect of the departure of the British from the Gulf and the degree to which the United States is assuming the use of any former British facilities or functions; (3) the strength and composition of the military forces on the Arab side of the Gulf, including the former Trucial Omani scouts; (4) the role we perceive for Saudi Arabia and

Iran in the future of the Gulf and the levels and types of our military sales to both states at present and in the future; (5) the degree of cooperation between these two or any littoral states on military matters; (6) Soviet and Chinese military presence in the Gulf area, the Indian Ocean, the Red Sea and in Arabia; (7) a status report on the rebellions in Dhufar and Eritrea with a prognosis on their chances of success; (8) and in general, the thinking of the Department on the Indian Ocean and our appropriate current and future naval presence (its size, stationing and function), including an analysis and any recent developments in the wake of Indo-Pakistani War.

Two natural areas of questioning outside the Persian Gulf and Indian Ocean are a discussion of the recent talks with Israeli officials regarding Phantom sales and an analysis of the secret memo of understanding with Israel concerning the Israeli manufacture of sophisticated weaponry.

We appreciate your help and look forward to a fruitful session.

Sincerely yours,

LEE H. HAMILTON, M.C.,
Chairman, Subcommittee on the Near East.

(The prepared statement of Mr. Noyes follows:)

STATEMENT OF JAMES H. NOYES, DEPUTY ASSISTANT SECRETARY OF DEFENSE (ISA)
FOR NEAR EASTERN, AFRICAN, AND SOUTH ASIAN AFFAIRS

Mr. Chairman and members of the committee, I welcome this opportunity to testify before you on the subject of the military situation in the Persian Gulf, Red Sea, and the Indian Ocean. As you know, the United States has important strategic, economic, and political interests in these areas, and we in the Department of Defense are endeavoring to help safeguard and promote these interests.

Before turning to the specific questions you have posed, I would like to repeat a generalization I made to the committee on July 20, 1971. The expansion of Soviet influence in the Indian Ocean area, which embraces the Persian Gulf and Red Sea, and the consequent alteration in the distribution of power between the United States and U.S.S.R. that this increased Soviet influence has brought about, has been largely due to political factors. Soviet policy choices and Soviet exploitation of political forces in the area have increased Soviet influence. The Soviet naval presence and military assistance programs have supported Soviet policy and helped expand its influence; they have not themselves been the initiator of this influence.

Over the years, Soviet support of the Arabs against Israel and U.S. support for Israel have been instrumental in producing a marked expansion of Soviet political influence in certain Arab States of the Middle East and have diminished U.S. influence in parts of the Arab world. Also, the Soviets have assumed a less hostile attitude toward the states on her strategic southern flank—Turkey, Iran, and India. These states have responded in kind by developing friendlier relations with their northern neighbor. Middle East nationalism, because of its long struggle against Western colonialism, often takes on a strong anti-Western hue which works to the benefit of the U.S.S.R. The desire for modernization and reform, which often assumes an anticapitalist and pro-Marxist bias, combines with old anticolonialist sentiments to enhance Soviet influence.

In my view, the principal response to the challenge posed by these political factors should emphasize the political. In normal peacetime diplomacy, military instruments can contribute to a political solution; they cannot in themselves be the solution. Of course, our diplomacy must be bulwarked by military strength if it is to be credible.

In dealing with your written questions, I would like to take up No. 6 first, because I believe this would help set the stage for much of what follows in my prepared statement and that might arise later during the hearing.

UNITED STATES, SOVIET, AND COMMUNIST CHINESE MILITARY ACTIVITIES IN THE
INDIAN OCEAN AREA

You will note that I have used the words "military activities" rather than "military presence," and that I have included the United States with the Soviet Union and Communist China. I believe this approach will bring out more clearly the full range and magnitude of the political-military activities of the three powers in the area, and will provide a ready basis of comparison for their respective efforts.

There are seven military instruments that a state can use to support its foreign policy. The point about these instruments, of course, is that, in addition to their purely military functions, they are considered to enhance a state's political influence and, to that extent, its power.

Permanently stationed forces

The only force the United States maintains in the Indian Ocean area is the three-ship force assigned to our commander, Middle East Force (COMIDEASTFOR), whose flagship is homeported at Bahrain.

The Soviets have maintained an almost continuous naval presence in the Indian Ocean since 1968. After an initial buildup in 1968 and 1969, Soviet naval strength and naval operating days in the Indian Ocean leveled off in 1970. The typical strength of the Soviet Indian Ocean naval force in 1971 prior to the outbreak of the Indo-Pakistani war, was four to five combatants and four auxiliaries. This combatant strength typically included a missile cruiser or frigate, a destroyer, an occasional attack submarine, a minesweeper, and an amphibious landing ship. Auxiliaries typically included two oilers, a repair ship, and a hydrographic survey ship. [Security deletion.]

The Peoples Republic of China (PRC) maintains no known naval forces in the Indian Ocean area.

Facilities or bases

Our Middle East Force has access to modest shore support facilities on Bahrain. Major U.S. communication facilities are located in Ethiopia and northwest Australia and an austere communication facility is being built on Diego Garcia. [Security deletion.]

As far as is known, the Soviets have not acquired formal base rights in the Indian Ocean area. Their Indian Ocean naval force, which is comprised largely of ships from the Pacific Fleet, normally anchors in international waters near Socotra. This force relies primarily on its own auxiliaries for logistic support and only secondarily on facilities ashore. This lack of Indian Ocean shore bases for repair and maintenance and the long supply lines from the Far East place practical limits on the size and length of Soviet naval deployments to the Indian Ocean. These limitations could be alleviated by gaining access to shore support facilities in the Indian Ocean, or by the reopening of the Suez Canal, or both. Suitable shore support facilities for Soviet naval forces theoretically could be established in Trincomalee in Ceylon, Visakhapatnam in India, Umm Qasar in Iraq, Port Louis in Mauritius, Singapore, Berbera in Somalia, Hodeida in Yemen, and Aden in South Yemen. [Security deletion.]

The PRC has no known facilities or base rights in the Indian Ocean area.

Arms supply

From 1955 to 1970, the United States delivered about \$3.6 billion in arms to 19 states of the area (excluding Israel and Thailand) about equally divided between grant aid and FMS. Leading recipients were Iran, Pakistan, Australia, Saudi Arabia, India and Ethiopia.

From 1955 to 1970, the U.S.S.R. delivered about [security deletion] billion in military aid, mainly arms, to 10 states of the area (excluding Egypt)*.

From 1964 to 1970, the PRC delivered [security deletion] million in military aid to Tanzania, and from 1965 to 1970 [security deletion] million to Pakistan.

Training

In 1970 the United States trained 1,585 military personnel from 12 states of the area (excluding Israel and Thailand)* in the United States. Leading recipients of U.S. training were Iran, Indonesia, Ethiopia, Jordan, and Australia.

In 1970 the U.S.S.R. trained [security deletion] military personnel from eight states of the area (excluding Egypt)* in the Soviet Union. Leading recipients of the Soviet training were Somalia, Afghanistan, India, Iraq, and Iran.

The PRC trained [security deletion] Tanzanians and [security deletion] Pakistanis in China in 1970.

Advisers and technicians

The United States had an average of 510 military advisers and assistance personnel in eight states of the area (excluding Thailand)* during 1970. These personnel were found in Ethiopia [security deletion] Jordan [security deletion], Saudi Arabia [security deletion], Iran, [security deletion], Pakistan [security

[security deletion], India [security deletion], Burma [security deletion] and Indonesia [security deletion].

The U.S.S.R. had [security deletion] military advisers and technicians in nine states of the area (excluding Egypt) during 1970. These personnel were found in Sudan [security deletion], Afghanistan [security deletion], Iraq [security deletion], Somalia [security deletion], India [security deletion], South Yemen [security deletion], Iran [security deletion] and Pakistan [security deletion].

The PRC had [security deletion] military advisers and technicians in Tanzania and [security deletion] in Pakistan in 1970.

Exercises

The United States conducted five exercises or operations in the Indian Ocean area in 1971 prior to the Indo-Pakistan war. Six ships, including the ASW carrier *Ticonderoga* conducted an ASW exercise in the eastern Indian Ocean near Australia from April 17-25. The United States, Turkey, and Iran conducted a joint CENTO air defense exercise in Iran from June 20-30. The United States and Iran conducted special forces exercise in Iran from July 1-15. The nuclear-powered frigate *Truxtun* made a nonstop excursion from Singapore to Australia via the Seychelles from July 11-22. The nuclear-powered attack carrier *Enterprise* and the nuclear-powered frigate *Bainbridge*, with escort, conducted exercises in the eastern Indian Ocean in the vicinity of Indonesia from September 20-24. In addition, U.S. Air Force planes carried out humanitarian resupply and evacuation missions for Pakistani refugees in India during June and July.

We are unaware of any similar Soviet exercise or operations in the Indian Ocean in 1971.

The PRC conducted no military exercises or operations in the Indian Ocean area in 1971.

Visits

United States Navy ships made 157 calls to 20 states (excluding Bahrain and Thailand) and three dependencies in the Indian Ocean area in 1971.

Soviet combatants and auxiliaries made 33 port calls to seven states of the Indian Ocean area in 1971. These calls were made to Somalia (15), South Yemen (eight), Iraq (three), Sudan (two), Ethiopia (two), India (one), Ceylon (one), and the Maldives (one). In addition, Soviet space support ships made six visits to three countries: four to Mauritius, one to Ceylon, and one to Somalia.

The PRC made no naval visits to the Indian Ocean in 1971.

Thus, it can be seen that, except for the number of advisers and naval ships continually stationed in the Indian Ocean area, the U.S. military diplomatic effort exceeds that of the Soviets.

U.S. MIDDLE EAST FORCE

Our MIDEASTFOR command was created in 1949 and, through an informal arrangement with the British, was given access to the logistic support facilities of HMS *Jufair*, the Royal Navy's base on Bahrain. In the beginning, all ships of MIDEASTFOR served on a rotational basis, but in 1966 the decision was made to homeport the flagship at Bahrain. This permitted COMIDEASTFOR and his staff and the personnel of the flagship to bring their families to Bahrain during their tour of duty. The two destroyers assigned to the force continued to serve on a rotational basis.

In 1947, the U.S. Navy assigned an Inspector of Naval Materiel Petroleum Products (INSMATPET) to Bahrain to insure that the Navy-purchased petroleum products there met U.S. specifications. In 1951, the Navy established a Naval Control of Shipping Office (NCSO) on HMS *Jufair* to serve as the naval shore support activity for MIDEASTFOR and to carry out responsibilities for the emergency control of U.S.-flag shipping.

Following the British decision of January 1968 to withdraw operational British military forces from east of Suez by the end of 1971 and the March 1968 Soviet deployment of naval forces to the Indian Ocean for the first time on a sustained basis, the U.S. undertook a review of its policy toward the Persian Gulf. After careful consideration, the executive branch [security deletion] decided to maintain the U.S. naval presence in the Persian Gulf. It was believed that the continuation of our modest naval presence at Bahrain would contribute to the stability of the Persian Gulf as the small states of the area emerged into full independence, and that to withdraw MIDEASTFOR, especially when the British were leaving and the Soviet naval effort was increasing, would give the impression, already

*[Security deletion.]

gaining ground in some Arab circles, that Western interest in the Persian Gulf was waning. The decision to continue the MIDEASTFOR presence in the Gulf was discussed with principal states of the area.

[Security deletion.]

The termination of the British protective treaty relationship with Bahrain and the emergence of the latter as a fully independent state on August 14, 1971, meant that the United Kingdom's defense facilities on Bahrain reverted entirely to the Government of Bahrain (GOB) and that the United States would have to enter into a government-to-government agreement with the Government of Bahrain for the continued use of the facilities needed by MIDEASTFOR and for the necessary status of forces provisions. A stationing agreement was concluded by an exchange of letters on December 23, 1971. Letters of intent were also exchanged on a lease to be negotiated subsequently [security deletion].

DOD officials briefed the Appropriations and Armed Services Committees of both Houses of Congress on the status of the negotiations and the nature of the agreements on November 20, 1971. The Department of State similarly informed the two congressional committees concerned with foreign affairs.

The stationing agreement contains no military or political commitment, either explicit or implied, to the Government of Bahrain or any other state of the area. It merely provides for the continued use by MIDEASTFOR of the logistic support facilities formerly made available by the British. From our point of view, the only change is one of landlord. The letters of intent on leasing enumerate the facilities acquired by MIDEASTFOR [security deletion]. The text of both arrangements have been given to the appropriate committees of the Congress.

We and the Government of Bahrain agreed not to publish or give publicity to the stationing agreement until its publication in the Treaties and Other International Acts Series (TIAS) in about 3 months' time, [security deletion]. On January 6, 1972, however, the New York Times published an article disclosing the existence of the stationing agreement. This article, picked up by the Middle Eastern press, resulted in a flurry of criticism of the Government of Bahrain for permitting an outside power to maintain a military "base" in the gulf. The United States was portrayed as acquiring a base and taking over the British role in the gulf. This premature disclosure of the stationing agreement embarrassed our relations with the Government of Bahrain. [Security deletion.]

Function

The primary area of responsibility of COMIDEASTFOR is the Persian Gulf, Arabian Sea, Red Sea, and the Indian Ocean [security deletion]. He may also operate, with the concurrence of the commander in chief, Pacific Fleet, in the Indian Ocean [security deletion].

The mission of COMIDEASTFOR is to demonstrate, by visiting friendly countries in this far-away area, the continuing interest of the United States in these countries and the desire of the United States to maintain good relations with them. In fulfillment of this mission, COMIDEASTFOR ships made 108 port calls in 17 countries in 1971. By being homeported in the gulf, COMIDEASTFOR emphasizes our interest in that strategically important area, an area that, because of the likely need of the United States to import increasing amounts of oil from the gulf, could become of more direct importance to the United States in the future. In addition to the above, COMIDEASTFOR is charged with performing limited search and rescue missions and, if necessary, assisting in the emergency evacuation of U.S. citizens in the area.

The suggestion is sometimes made that the role of MIDEASTFOR could be performed by ships operating outside the Persian Gulf—perhaps from Diego Garcia or from the Atlantic or Pacific Fleets. Ships operating from those areas, however, would be far removed from the primary operating area of MIDEASTFOR and could not make the same number of port calls, as frequently and economically, as MIDEASTFOR. Ships operating from Diego Garcia, moreover, could not be homeported there, and this would add to Navy's morale and retention problems. To operate ships from Diego Garcia, furthermore, would require upgrading the austere communications facilities there to a logistic support facility. [Security deletion.]

Finally, the removal of MIDEASTFOR from Bahrain and the gulf could be misinterpreted as evidence that U.S. interest in the gulf is waning.

COMIDEASTFOR's facilities on Bahrain tend to be referred to as a "base." We prefer to avoid this word; the Government of Bahrain categorically rejects it. The facilities leased by COMIDEASTFOR do not constitute a "base" in the sense that the term is commonly used. Before independence, Bahrain was in a

special protective relationship with the United Kingdom, and HMS *Jufair* was under British control. MIDEASTFOR is present on Bahrain at the sufferance of the Government of Bahrain, and the Government of Bahrain can terminate the U.S. presence at any time [security deletion]. The United States has no political or security commitments of any kind of the former British protectorates in the gulf, so that MIDEASTFOR, unlike the former British forces on Bahrain, has no protective mission to perform there. Only part of the MIDEASTFOR command—COMIDEASTFOR, his staff, the flagship, and the NCSO—is homeported at Bahrain. The two destroyers assigned to the command from the Atlantic Fleet call at Bahrain for only about 2 weeks of their total [security deletion] deployment.

Size

U.S. Navy elements homeported at Bahrain include COMIDEASTFOR and his staff [security deletion]; a C-131 flag aircraft; the flagship U.S.S. *Valcour* (AGE-1) [security deletion]; the NCSO [security deletion] and INSMATPET [security deletion].

The present flagship *Valcour* is 26 years old and will be retired from active service in the last half of calendar year 1972. As a replacement, we have selected the U.S.S. *LaSalle*. This is a former amphibious transport dock (LPD) which is being configured as an auxiliary flagship (AGF-3). The *LaSalle* is 500 feet long, 84 feet in beam, draws 21 feet, and is capable of 20 knots. It will be manned on a reduced basis with 387 personnel. (*Valcour* is 300 feet long, 41 feet in beam, and draws 18 feet). *LaSalle* was chosen because the fiscal year 1972 naval force reductions made it available, and because it met the requirement of COMIDEASTFOR—communications, habitability, cruising range, and shallow draft. *LaSalle* will carry no troops, it will operate six personnel boats of varying sizes and one utility helicopter. The four twin 3-inch 50-caliber general purpose guns will be retained. *LaSalle* will arrive in Bahrain in August 1972. [Security deletion.]

As a result of the assumption of shore functions previously provided by the British, the number of [security deletion] personnel will rise [security deletion]. The additional [security deletion] personnel are needed for purposes of communications, public works, and administration and supply support. The size of this increase would have been one-third less had the British not decided at the 11th hour to relinquish all of their facilities to the Government of Bahrain.

The annual operating cost for COMIDEASTFOR, including the two destroyers, is about \$8.8 million. Facilities improvements, new equipment, and other one-time costs associated with the new flagship and the additional shore functions will be about \$570,000. Increased operating costs will be about \$4 million.

Future role

There are no plans to increase the number of ships assigned to COMIDEASTFOR or to change his mission.

Attitude of Persian Gulf States

Friendly governments in the area, including the new states of the lower gulf, have accepted the continuing MIDEASTFOR presence as an indication of U.S. friendship, good will, and interest. [Security deletion.]

MILITARY ASPECT OF THE BRITISH DEPARTURE

When one speaks of the "departure" of the United Kingdom from the Persian Gulf, one must keep in mind exactly what this means. In terms of the gulf, Britain's decision of January 18, 1968, to accelerate its pullback from east of Suez meant that the United Kingdom would terminate its special treaties with Bahrain, Qatar, and the seven Trucial states, under which it was responsible for these states' defense and foreign relations, and that it would withdraw its operational military forces, which were charged with carrying out these British obligations, including a defense understanding with Kuwait, from the Persian Gulf by the end of 1971. In all other respects, however, the United Kingdom continues to play an important role in the gulf.

On the military side, the United Kingdom will continue to maintain its air facility on Masira (an island off Oman's Arabian sea coast) [security deletion]. The United Kingdom will continue to provide arms to the Gulf States, to offer gulf military personnel training spaces in the United Kingdom, to advise some of the defense forces of the area, to make naval and air visits to the area, and

to conduct military exercises in the area. At present, the British, through contract or secondment, have military personnel assigned to the Sultan of Oman's Armed Forces, the Union Defense Force (formerly the Trucial Oman Scouts) of the United Arab Emirates, the Bahrain Defense Force, the Qatar Security Forces, and the Abu Dhabi Defense Force. The British will continue to provide personnel to these forces in the future.

The withdrawal of British military forces from the Persian Gulf has, in our opinion, left no vacuum in the usual sense of the word. The major states of the area, particularly Iran, would certainly deny the existence of a vacuum. They have made it clear that they, in cooperation with other states of the Persian Gulf, intend to be responsible for maintaining peace, security, and stability in the gulf now that the British Forces have departed.

The facilities leased by COMIDEASTFOR represent only a small portion, about 2 percent, of the total former British military property on Bahrain. This includes about 10 acres of the former Royal Navy Station, HMS Jufair. Facilities within the former HMS Jufair include buildings for administration, communications, and storage, receiving antennae, and personnel support facilities, such as barracks and recreational facilities. Facilities leased outside of the former HMS Jufair are a berth at the commercial pier, hangar space, and a transmitter building and antennae farm at the commercial airfield. The facilities are considered the minimum necessary to provide for the continued homeporting of COMIDEASTFOR on Bahrain.

The United States has assumed none of the former British military role or functions and has no intention of seeking or appearing to replace the British presence in the gulf. We do not plan to make any security commitments to or develop any special military relationships with any of the newly independent states of the gulf.

MILITARY FORCES ON ARAB SIDE OF THE GULF

With the exception of Saudi Arabia and Iraq, the Arab nations of the gulf maintain forces capable of little more than internal security functions. Ground forces of the Sheikdoms are lightly armed; Kuwait, Oman, Qatar, and Abu Dhabi have combat aircraft [security deletion]. Naval forces are limited to a few patrol craft and motorized dhows. Kuwait and the United Arab Emirates (UAE) each have [security deletion] men under arms, with the British-led [security deletion] former Trucial Omani Scouts (TOS) forming the nucleus of the newly formed UAE's security force. Approximate personnel strengths of sheikly forces are as follows:

Kuwait—[security deletion].

UAE—[security deletion].

Oman—[security deletion].

Qatar—[security deletion].

Bahrain—[security deletion].

Saudi Arabia's Armed Forces now [security deletion] and are capable primarily of defensive reactions to outside threats. The harsh and vast terrain of Saudi Arabia is as important an asset in defending the homeland as the capabilities of the armed forces themselves.

The Saudi Armed Forces will be undergoing a major expansion in the next few years. The army is purchasing [security deletion] French AMX-30 tanks, the Navy is undertaking [security deletion] expansion plan with U.S. support, the Air Force will be accepting delivery of [security deletion] F-5B/E aircraft, and the National Guard will implement a major reequipment program.

Iraq has relatively large forces [security deletion] and modern equipment [security deletion], but [security deletion]. The Iraqi Armed Forces have only a limited offensive capability [security deletion].

THE ROLE OF SAUDI ARABIA AND IRAN IN THE FUTURE OF THE GULF

Iran is the most determined and best equipped state in the gulf to assert leadership, and the Shah sees the British withdrawal as an opportunity to do so. The Shah views Iranian military power as a stabilizing factor which can guarantee the area against possible turmoil. [Security deletion.]

The Shah is expanding Iran's political and economic influence in the gulf area. He is encouraging the expansion of Iranian commercial and financial enterprise in the Trucial Sheikdoms. [Security deletion.] At the same time, the Shah is fostering friendly ties with the various ruling families. Saudi Arabia's ruler, King

Feisal, early realized that, with the departure of the British, it would be necessary to cooperate closely with Iran to assure stability throughout the gulf. There has been progress toward increased Saudi-Iranian cooperation [security deletion].

In terms of direct involvement in gulf affairs, King Feisal has only recently recognized the necessity of exerting a more active and constructive influence in the Sheikdoms. [Security deletion.] Saudi Arabia, as the most powerful state on the peninsula and as a fellow Arab state, has a political entree to the gulf Sheikdoms that Iran, for all its superior strength and sophistication, cannot match. Most important, the conservative states of the lower gulf regard the survival of the Saudi regime as crucial to their security. Both Iran and Saudi Arabia expect to play major roles in maintaining the stability of the gulf in the future.

U. S. MILITARY SUPPLY TO IRAN AND SAUDI ARABIA

The United States, to assist both Iran and Saudi Arabia to expand and modernize their military forces, provides large quantities of modern military equipment and assistance through sales and small grant aid programs. In fiscal year 1972, Iran is placing orders for U.S. arms in an amount of about [security deletion] million in prospect for fiscal year 1973. These and previous orders have been concentrated on military aircraft: [security deletion]. The addition of destroyers, howitzers, retrofitted tanks, and helicopters have also contributed greatly to Iran's military strength. [Security deletion.]

The Shah is persistent in his efforts to obtain the latest and best military equipment and has already shown his disposition to obtain equipment from third countries if the United States is not forthcoming or does not have a competitive product. In most cases, the Iranian Armed Forces have shown a remarkable ability to absorb and integrate modern weapons systems.

The United States is also contributing toward the modernization of Saudi Arabia's security forces. In the past we have assisted the Saudis in numerous multiyear military improvement programs, such as air defense [security deletion] and mobility and weapons modernization through the sale of equipment and services totaling about \$[security deletion] million. The Saudi Government has recently embarked on a further military modernization program designed to enhance its land forces, its internal security forces, and its naval posture in the gulf area. Much of the equipment will come from the United States.

Planned U.S. sales to Saudi Arabia in fiscal year 1972-73 could exceed \$[security deletion] million. Equipment sales are expected to include modern weapons for the Saudi National Guard, F-5 aircraft for the Saudi Air Force, and ships and facilities for the expanding Saudi Navy. These programs will improve the country's ability to resist aggression and to help maintain stability in the Persian Gulf.

MILITARY COOPERATION AMONG THE PERSIAN GULF STATES

Government officials from several Persian Gulf States have privately indicated an awareness of the need for military cooperation, although there is no evidence of formal military alliances in effect between any of the riparian states. To the extent that radical activities or nonriparian military forces significantly threatened mutual interests, the involved states could be expected to consider military cooperation in the form of public statements, arms, advisers, or even commitment of forces.

Saudi Arabia and Iran, for example, have cooperated on several military activities in the past. [Security deletion.] In the lower gulf, Bahrain, Qatar, and the UAE have indicated a desire to cooperate with each other, but distance and logistical problems make significant military cooperation highly unlikely.

THE REBELLIONS IN DHUFAR AND ERITREA

As a result of a post-monsoon offensive by Omani Armed Forces and revitalized civic action programs, the Sultan of Oman seems to be gaining momentum against the insurgency in the Dhofar region of Oman. There have been fewer dissident attacks during the last [security deletion] months, and support for the dissidents has been decreasing among the mountaineers who had been supporting rebel activity. Additionally, defections from rebel ranks continue to erode the strength of this [security deletion] force.

The dissident movement began in 1967 as a nationalist reaction to suppression and neglect of Dhofar by the previous regime of Sultan Taimur. By 1970, however, the insurgency had taken on radical, ideological tones and was receiving

[security deletion] support through neighboring South Yemen. Sultan Qabus, who ousted his father, Sultan Taimur, in a palace coup in July 1970, began to upgrade his armed forces and initiated a civic action program, involving housing, educational, and medical projects, to gain the acceptance and loyalty of the dissident Mahra and Qara mountain tribesmen. The Sultan's armed forces (SAF) have seized the initiative from rebel forces and are pursuing a vigorous campaign to cut insurgent supply lines and isolate rebel forces. The successes of the Sultan's military efforts can be attributed largely to the participation of [security deletion] British officers in the training, equipping, and leadership of the SAF, Occupation of previously held rebel territory and the Sultan's program to improve social and economic conditions in the Dhofar region provide the government time to obtain the support of previously alienated tribesmen. The Sultan himself is sanguine that the security situation is improving and he believes that the civic action program will be effective in the long run.

The Eritrean Rebellion

The Eritrean Liberation Front (ELF) is an insurgent organization [security deletion]. It was founded in 1961 as successor to earlier autonomy-minded groups and in reaction to the absorption of Eritrea by Ethiopia. The separatist-minded ELF has employed more sophisticated weapons and tactics over the past 18 months, reaching the height of its activity at the end of 1970. Significant insurgent activity, however, has decreased since August 1971 [security deletion] and somewhat more effective government counterinsurgency activity are responsible for the slowdown. The rebels have avoided direct military confrontations and have concentrated on terrorism. Their tactics have included assassinations, mining of roads and bridges, ambushes of road and rail transport, kidnaping, and robbery. The intensity of ELF activity has been cyclical in nature depending in part on the level of outside support which it receives [security deletion]. In the foreseeable future, government control of Eritrea is not in jeopardy [security deletion].

VIEWS OF THE INDIAN OCEAN AND AN APPROPRIATE U.S. NAVAL PRESENCE

We believe that the Soviet naval threat to U.S. interests in the Indian Ocean area is moderate. Whether this threat, defined either in political or strictly military terms, is likely to become very much greater over the near future is difficult to predict. We believe, however, that the current U.S. military effort, as set forth in the first topic above, together with other U.S. diplomatic efforts—economic, cultural, and political—is sufficient at present to safeguard those interests. Our policy toward the Indian Ocean area is to encourage the economic development and political progress of Indian Ocean littoral states and to promote good relations with them, while inhibiting the development of Communist influence, and to inhibit as much as possible military competition with the U.S.S.R. in the Indian Ocean area, while maintaining the ability to exert U.S. military influence there in case of need.

Well before the recent Indo-Pakistani war, U.S. policy was to maintain COMIDEASTFOR on Bahrain, to conduct naval port visits in the area, to maintain communications facilities in Ethiopia and northwest Australia and to build a new communication facility on Diego Garcia, to conduct maritime surveillance of Soviet naval activities in the Indian Ocean, and to conduct periodic naval exercises or operations in the Indian Ocean. We had already planned to improve the quality of MIDEASTFOR by assigning a more modern and capable flagship and by rotating newer types of destroyers into the force when possible, to modestly increase port visits in areas not normally visited by MIDEASTFOR, [security deletion].

The Indo-Pakistani war saw a buildup of U.S. and Soviet naval strength in the Indian Ocean. At the peak of the Soviet buildup on January 3, 1972, the U.S.S.R. had 15 combatants and 11 auxiliaries, in the Indian Ocean. Contrary to some press reports, the deployment of the U.S. naval task force to the Indian Ocean in December 1971 did not represent a change in our Indian Ocean naval policy. This deployment was a unique response to a specific contingency. U.S. naval operations and exercises had been conducted there before the crisis—three had occurred in 1971—and we plan to continue to conduct such operations and exercises there in the future.

Mr. HAMILTON. Mr. Noyes, your statement is very fine, the detail of it is very much appreciated by us and we think it is most helpful to the subcommittee and the Congress.

U.S. PRESENCE IN INDIAN OCEAN

Under Secretary of State U. Alexis Johnson is quoted in the feature article of the Washington Post this morning as saying we have no intention of maintaining a regular force in the Indian Ocean. Now you are testifying this morning that we seem to have every intention of staying there, that we are increasing our commitment rather substantially. I have a difficult time reconciling the two statements.

Mr. NOYES. I believe, Mr. Chairman, that Secretary Johnson referred to the Indian Ocean per se; in other words, we have a force in the gulf which is only technically a part of the Indian Ocean. I think that was the distinction in his mind. We are not planning a force at Diego Garcia beyond that. We are planning to keep what we have in the gulf and qualitatively upgrade it, to continue the kinds of exercises that we have been conducting in the past coming in and out from the Pacific fleet.

Mr. HAMILTON. I note the distinction but I still think the Secretary's statement is exceedingly misleading when he says that we have no intention of maintaining the regular force when in fact we obviously do in the Persian Gulf and we are increasing that force. Yet he testifies and it is spread over the paper this morning that we have no intention of maintaining the regular force. I can understand some geographical difference, I suppose, in the gulf and in the Indian Ocean but I didn't recall—I don't have the article before me—that the Secretary was confining himself or making that kind of a geographical distinction. There is nothing in the statement that would suggest that he was.

Mr. NOYES. Mr. Chairman, I was present at the hearing yesterday which extended for 2½ hours and was frankly rather amazed at the treatment in that article because the purpose of the hearing was to explore principally the legality or the question of whether the agreement with Bahrain and the Azores were treaties or executive agreements. So a great deal of focus throughout the hearing centered on the kinds of things we have just been reviewing here—what is MIDEASTFOR, what are they doing in Bahrain, what have we been doing? So there could be no implication that the Secretary was being misleading. That was the press, to my view, rather strange way of extracting—

Mr. HAMILTON. Politicians understand the strange ways of the press, Mr. Noyes. Nonetheless, it does seem to me that, regardless of meaning, for the Under Secretary to make that kind of a statement, if he did make it, adds some problems to the general question of credibility on an area that is in a very sensitive state at this point. I don't know that the record will reveal that he said it, but if he said it I would have some questions about it in view of what you have testified to with regard to the gulf.

LIMITING NAVAL ARMAMENTS

Can you tell us anything about the status of the mutual limits on naval armament discussions with the Soviets?

Mr. NOYES. I am aware of the discussions. If I may ask perhaps Mr. Stoddart from the Department of State to comment.

STATEMENT OF JONATHAN D. STODDART, BUREAU OF POLITICO-MILITARY AFFAIRS, DEPARTMENT OF STATE

(A biographic sketch of Mr. Stoddart appears on p. 137.)

Mr. STODDART. Mr. Chairman, there is very little to add to what was reported in the press.

Mr. HAMILTON. What level were those contacts being made at?

Mr. STODDART. The first was last March [security deletion]. This was followed up—

Mr. HAMILTON. The initiative came from the Soviet Union?

Mr. STODDART. Yes, sir.

Brezhnev in his preelection speech, as it was characterized, on June 11 alluded to the desirability of some form of naval limitation and he suggested that this could follow a form of naval parity somewhat comparable to the negotiations that were in progress in the SALT talks. There has been no followup within the Soviet Union to that Brezhnev speech. [Security deletion.]

Mr. HAMILTON. So there are no discussions going on at the moment on mutual force reductions in the Indian Ocean?

Mr. STODDART. No, sir.

COMMITMENT TO BAHRAIN

Mr. HAMILTON. Mr. Noyes, in your comments on page 9 of your statement you read to us, "the stationing agreement contains no military or political commitment, either explicit or implied, to the Government of Bahrain or any other state of the area." I take it you mean by that that we have no obligation to defend or come to the assistance of any of the governments in the event of outbreak of hostile activities of some kind.

Mr. NOYES. Yes, Mr. Chairman, and that—

Mr. HAMILTON. We obviously have a commitment under the lease to stay there for a period of time.

Mr. NOYES. I would say we would have a commitment to maintain the lease but not to continue. We have no commitment to keep ships or men there for any purpose should we desire to remove them.

Mr. HAMILTON. Now the lease arrangement calls for an [security deletion] annual rental and that is to be renegotiated each year. We are taking over, as I understand it, a very small proportion of the British base.

Mr. NOYES. That is correct.

Mr. HAMILTON. Are we paying about what the British paid, only much less because we got less space?

Mr. NOYES. I am personally not aware, I simply don't know what the British were paying. Of course they had—well, I think our area is 2 percent of the total of what they had and they did have this commitment. So perhaps their principal compensation to the Bahraians was their presence rather than the kind of commercial relationship we have.

Is that correct, Dr. Timberlake?

STATEMENT OF JAMES H. TIMBERLAKE, OFFICE OF SECRETARY OF DEFENSE

(A biographic sketch of Mr. Timberlake appears on p. 138.)

Mr. TIMBERLAKE. I have the figures which we can provide. Bahrain used officially the figure of [security deletion] that the British presence meant to them. A portion of that would have been the Royal Navy contribution.

Mr. HAMILTON. Well, obviously I would like comparable figures just to get some idea of the nature of the agreement and the expense to us as compared with the British.

Mr. TIMBERLAKE. Considerably less.

Mr. HAMILTON. Ours is considerably less?

Mr. TIMBERLAKE. Yes, sir.

Mr. HAMILTON. Now is that [security deletion] in cash payment each year?

Mr. NOYES. That is my understanding.

NAVAL ACTIVITIES OUTSIDE GULF

Mr. HAMILTON. What are the responsibilities of MIDEASTFOR outside the gulf?

Mr. NOYES. They are, Mr. Chairman, to provide a presence to evidence U.S. interest, goodwill to the various states of the area where they make port visits. They, of course, have an evacuation potential or evacuation function for American citizens and those ships have from time to time performed very valuable services of another kind. There was an instance where after a typhoon in Mauritius they went down and provided generator services, emergency supplies and so on that were very critical for those people. Ships that went aground in the Red Sea on a number of occasions have been given emergency aid. They have other functions, but I would say that their principal function is to display a U.S. presence in the area.

Mr. HAMILTON. The naval buildup of the United States and Soviet strength in the Indian Ocean that occurred as a result of the India-Pakistan War, has that now been removed from the area in both instances, both countries?

Mr. NOYES. Our buildup has. The Soviets have gradually come down somewhat but they remain at a still higher level than they were before.

Mr. HAMILTON. We have completely removed our task force there?

Mr. NOYES. We have, Mr. Chairman. I can give you the exact figures. As of January 31, the Soviets have [security deletion]. That is approximately double their normal precrisis force.

Mr. HAMILTON. Our facility at Diego Garcia you refer to as a communication facility. Can you give us some idea of how many men we would have there?

Mr. NOYES. There are or will be shortly in terms of the planned complement 275 personnel in total. That will include 25 British. This facility will not be fully operational as I understand it until about March 1974. These will all be communications and support personnel.

Mr. HAMILTON. No dependents?

Mr. NOYES. No dependents.

Mr. HAMILTON. Are there dependents at Bahrain?

Mr. NOYES. There are dependents at Bahrain. There will be about 142 families there once the changeover with the *LaSalle* takes place in July of this year.

SOVIET PRESENCE

Mr. HAMILTON. Do we know if the Soviets have made requests for facilities anywhere in the area?

Mr. NOYES. There were reports. For instance, we know that they have civilian personnel helping the Iraqis construct a port at Umm Qasar. Whether or not the Soviets will achieve basing rights out of this facility we simply don't know. We believe they have asked Ceylon for permanent facilities but have been denied them and likewise in India.

Mr. HAMILTON. The Government of India has denied the request to the Soviets for facilities?

Mr. NOYES. This is our understanding as of now. [Security deletion.] Our assumption is that the Indians have not made any commitments for permanent stationing or permanent rights for Soviet ships. Soviet ships of course have called at Visakhapatnam in India as well as at other Indian ports, they bunker there and get supplies there and so on, but so far as we knew they obtain clearance every time, and don't have any sort of permanent access or rights.

VIEWS OF U.S. PERSIAN GULF PRESENCE

Mr. HAMILTON. What kind of objections have the countries of the Persian Gulf had to our presence in the gulf? You mention in your statement, I don't recall the page now, but you gave the impression at least that the Gulf States have not objected to our presence but there are a number of press reports which indicate that they are not all together happy with this military facility. Would you comment on this point?

Mr. NOYES. There has been objection in the press in Iran. [Security deletion.] The Shah has made statements directed toward the importance of keeping the gulf free of outside forces [security deletion]. I think the principal point is Iran's desire not to have new forces entered and I think the distinction is the fact that MIDEASTFOR has been there for 20 years.

Mr. HAMILTON. Has he had any objection to the upgrading of that force?

Mr. NOYES. I know of no objection.

Of course, again there have been press reports that this is an assault ship. But this replacement ship *LaSalle* will not have marines aboard as I said. It will not have assault boats and that sort of thing. So it is a modernization, you might say, rather than a change in capability. It is not put there to give us a different kind of military capability.

In some Middle East papers as a result of the New York Times article there have been the usual charges of imperialist interference and that we are taking over the same role that the British had in the gulf or are attempting to. Particularly the smaller states in the gulf look to the continuation of the force as a manifestation of U.S. interest,

and this was one of the principal factors on which the decision to leave the force there was based. To remove it would have signaled a lack of interest, a lessening of interest which would have been a negative factor in the stability of the area during this very critical time.

Mr. HAMILTON. Is it a correct statement to say that all of the countries of the gulf support the presence of that force except Iraq?

Mr. NOYES. [Security deletion.]

Mr. HAMILTON. Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chairman.

Mr. NOYES, what is the rightful command of the MIDEASTFOR?

Mr. NOYES. He is a rear admiral, Congressman Buchanan.

MAINTAINING OUR PRESENCE

Mr. BUCHANAN. Commands a very small Navy.

Now I share a little concern, as indicated by the chairman, as to the apparent conflict of testimony between the Under Secretary of State and testimony in your statement today and I want to nail this down. [Security deletion.]

Mr. BUCHANAN. Is the policy of maintaining this presence official U.S. Government policy so far as the State Department and the Department of Defense is concerned? Is that our posture, to maintain this presence?

Mr. STODDART. Categorically, yes, and that is what Under Secretary Johnson was really testifying for yesterday in support of.

Mr. BUCHANAN. His testimony yesterday, in fact, was in support of such a policy and did not deny this was the policy; is that correct?

Mr. STODDART. That is absolutely correct.

Mr. BUCHANAN. So there is no question that is the policy? I wanted to make sure that this was an error of interpretation on the part of the press rather than a conflict of testimony because if our presence is to indicate our continued interest then it would seem to me that statements that we have no intention of a permanent presence would very much confuse the troops.

Mr. NOYES. Mr. Chairman, it was out of context that this was stated. As I remember the testimony he was talking in a concentrated way about Bahrain and then the testimony shifted to the broad aspect of the Indian Ocean and as to whether we were going to maintain forces in the Indian Ocean and specifically in competition with the Soviet Union apart from Bahrain. That is where the confusion lies.

UNDER SECRETARY JOHNSON'S STATEMENT

Mr. STODDART. I think if you could see Under Secretary Johnson's prepared statement, I think any questions that you have would completely evaporate because he makes it very, very clear that we support the continued presence of COMIDEASTFOR in the Persian Gulf, and that is what he really went down there to testify on, in addition to the Azores.

Mr. BUCHANAN. I wanted our record in this hearing to be clear. I don't know whether it is necessary to obtain portions of his statement or not as long as your testimony is firm. You were both present and there is no question but that he testified on behalf of our continued presence and that this is our policy; is that correct?

Mr. STODDART. Yes.

Mr. NOYES. Yes.

Mr. HAMILTON. Would the gentleman yield.

Why not submit the portions of the Secretary's testimony that he deems relevant and we will include them in the record at this point.

Mr. BUCHANAN. Yes; I think that clarification would be quite helpful.

(The information follows:)

EXCERPTS OF STATEMENT OF U. ALEXIS JOHNSON, UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE REGARDING AGREEMENTS WITH PORTUGAL AND BAHRAIN, FEBRUARY 1, 1972

Mr. Chairman, I welcome the opportunity to appear before this committee to discuss our agreements with Portugal concerning facilities in the Azores and with Bahrain regarding our use of some naval facilities in that country.

* * * * *

Let me turn now to the agreement of December 23, 1971, between the United States and Bahrain. This agreement provides for the continued use by the U.S. Navy's Middle East Force of support facilities in Bahrain which it has long used. This includes access to a commercial pier on those occasions when the Middle East Force commander's flagship or one of the two destroyers normally assigned to him is in port in Bahrain. It includes warehousing, cold storage, communications, and recreation facilities comparable to those which the Middle East Force has used over the years. The agreement also regulates the status of naval personnel when ashore in Bahrain in matters such as legal jurisdiction, tax status, and import duties. It provides the framework under which our Navy will make essentially commercial arrangements for required shore services for the Middle East Force.

We believe that an executive agreement was the appropriate form in which to conclude this arrangement with Bahrain. The agreement involves no new policy on the part of the United States. It reflects no change in our Navy's scope or mission in the Persian Gulf. It continues the right of access to these facilities enjoyed by the Middle East Force for two decades under informal arrangements with the United Kingdom on behalf of and with the approval of the Bahraini Government. Bahrain, as you know, was an independent state which entered into a special treaty relationship with Great Britain under which it delegated to the United Kingdom responsibility for the conduct of Bahrain's foreign relations and defense. Bahrain and the United Kingdom have now terminated that special relationship. Thus, whereas up to that time we were, in effect, a sublessee of the British tenants, it now became necessary for the United States to enter into an agreement directly with the landlord, Bahrain.

The agreement with Bahrain contains no defense or political commitment whatsoever on the part of the United States. The President, as Commander in Chief, has constitutional authority to make arrangements for facilities for our military personnel. The Government of Bahrain has stated unequivocally that the facilities which it has agreed to make available to our Navy, do not in any way constitute an American "base" in Bahrain. We agree. The United States is free at any time to terminate its use of the facilities and privileges granted under the agreement. For all of these reasons, an executive agreement seemed appropriate. Moreover, the conclusion of this arrangement as a treaty would have the strong implication of a commitment that is not in fact contained in and which is in no manner intended by either party to the agreement.

I should add that the rental payment for the use of the facilities in Bahrain pursuant to the lease agreement will be subject to congressional authorization and appropriation.

Finally, let me say a word about the rationale for this agreement. The arrangement with Bahrain will permit the Middle East Force to continue its peaceful mission of over two decades—visiting friendly ports on the Persian Gulf, the Indian Ocean, and the Red Sea littoral as a demonstration of American interest and goodwill. To have withdrawn the small naval contingent as Britain's special relationships in the area ended could have been misinterpreted as abandonment of American interest in this important part of the world.

I hope that with this brief presentation I have been able to explain the Department's policy concerning these two agreements. I will be happy now to answer any questions which members of the committee may have.

* * * * *

SUPPLEMENTAL STATEMENT CONCERNING BACKGROUND OF U.S. PRESENCE IN BAHRAIN

The executive agreement concluded with Bahrain December 23, 1971, reflects no change in the U.S. Naval presence in the Persian Gulf and involves no defense or security commitment of any sort to the Government of Bahrain. It does not involve in any reasonable meaning of the word the establishment of an American military "base" in Bahrain. The agreement provides for the continued use by the U.S. Navy's Middle East Force of support facilities which it has long used. It also regulates the status of Middle East Force personnel when ashore in Bahrain in matters such as legal jurisdiction, tax status, and import duties. It provides the framework under which our Navy will make essentially commercial arrangements for the shore services required to permit Middle East Force to continue its peaceful mission of over two decades—visiting friendly ports on the Persian Gulf—Indian Ocean—Red Sea littoral as a demonstration of American interest and goodwill.

That a direct government-to-government agreement with Bahrain was necessary in this stage in our longstanding but always modest naval presence in the Persian Gulf reflects no change in our Navy's scope or mission in the gulf; it reflects rather a historic change in the area itself—the termination of more than a century of a protective treaty relationship between the United Kingdom and the states of the lower gulf and the emergence of Bahrain, Qatar, and the United Arab Emirates as fully independent members of the world community.

The end of the British treaty relationship does not mean a complete British "withdrawal" from these increasingly important Gulf States where major British strategic and commercial interests parallel our own. Continuing evidence of British support for and interest in the new states will include British naval visits to the area. The end of a permanently stationed British military presence does not create a "vacuum" which other outside states should fill; the states of the gulf, including Iran and Saudi Arabia, welcome the opportunity to provide for their own security and our own support for the modernization of their military forces has helped them attain the capacity for fulfilling this role.

For our part, the United States is entering for the first time into direct formal contact with the new states. We are extending diplomatic representation to the lower gulf. We intend wherever possible to encourage a helpful American civilian presence, both Government and private. Previously the only direct official American presence was the small Middle East Force which had been carrying out its mission of good will visits to a variety of ports since 1949. Its role and scope will be unchanged. To have withdrawn our small naval contingent as the British protective relationship ended would have been misinterpreted as an abandonment of American interest in this important area.

In Bahrain the departure of permanent British forces resulted in the relinquishment of the British naval facilities at Jufair to the Government of Bahrain. I stress that the United States is not taking over the former British facilities; the Government of Bahrain is taking them over. Middle East Force had enjoyed access to these facilities for over two decades under informal arrangements with the United Kingdom. With these facilities now in the hands of the Government of Bahrain, we needed to arrange with Bahrain use of a fraction of the former British facilities in order to continue to enjoy the same logistic support which has been available to Middle East Force over the years. This includes access to a commercial pier on those occasions when the Middle East Force commander's flagship or one of the two destroyers normally assigned to him is in port in Bahrain. It also includes warehousing, cold storage, communications, and recreation facilities comparable to those which the Middle East Force has used over the years.

In addition, Bahrain's independence meant retrocession by the United Kingdom of jurisdiction over not only British subjects, but other foreigners in Bahrain. Thus, for the first time we needed a formal arrangement with Bahrain to define the status of Middle East Force personnel present there.

This agreement has been made available to the committee. It will soon shortly be registered with the United Nations and in our "Treaties and Other International Agreements Series." The Government of Bahrain entered this agreement with the firm understanding that it is a logistic support arrangement which in no way constitutes a political or military security commitment by the United States to Bahrain or vice versa. The Government of Bahrain certainly does not consider that this agreement has aspects of a treaty. We agree. The Government of Bahrain has stated unequivocally that the facilities which it has agreed to make available to our Navy do not in any way constitute an American "base" in Bahrain. We agree.

SOVIET NAVAL FORCE

Mr. BUCHANAN. Now on page 4 of your statement, Mr. Noyes, you indicate in speaking of the Soviet Indian Ocean naval force:

This force relies primarily on its own auxiliaries for logistic support and only secondarily on facilities ashore. This lack of Indian Ocean shore bases for repair and maintenance and the long supply lines from the Far East place practical limits on the size and length of Soviet naval deployments to the Indian Ocean. These limitations could be alleviated by gaining access to shore support facilities in the Indian Ocean, or by the reopening of the Suez Canal, or both.

Now in response to a question by the chairman you indicated that you had no hard evidence of the Soviets having arranged for shore support facilities at this point successfully. You responded to a particular question about India and I wondered if this information is before or after the Indo-Pakistani war that you indicated that the Soviets had failed to get shore facilities they sought from India.

Mr. NOYES. We still have no evidence, sir, that they have obtained any of these facilities in India.

Mr. BUCHANAN. Were they turned down before or after the recent conflict?

Mr. NOYES. We believe they were turned down before. We just don't know whether they have been pressing the Indians since or whether they are trying to make this a condition of their support during the crisis or what.

OPENING OF SUEZ CANAL

Mr. BUCHANAN. Now as to the Suez Canal there are other possibilities. Do I gather from your concluding remark that should they desire to build a greater force and maintain a greater naval presence in the Indian Ocean that the reopening of the Suez Canal could facilitate that policy?

Mr. NOYES. Congressman Buchanan, that would be helpful to them. I would say, however, if they want to augment or increase their force it simply becomes a matter of cost and availability of ships. Without the canal opened they certainly can do so from their Pacific Fleet. Also, I would not want to imply that my statement is a reason for keeping the canal closed because I think the United States would also obtain an advantage in being able to move ships back and forth. Furthermore, if opening the canal resulted in a reduction of tensions, the very serious and dangerous tension in the Middle East, this would be of a great advantage to the United States. The opening of the canal of course would have many economic advantages for Europe and the developing states throughout the Indian Ocean.

Mr. BUCHANAN. Understanding the political and economic aspects which you have mentioned and the fact that these must have very high priority in any decision as to reopening the canal, purely military,

if I could get a strictly military answer, who would benefit the most in all probability from a reopening of the Suez Canal?

Mr. NOYES. I would say in a strictly naval military sense the greater advantage in peacetime would go to the Soviets. However, I assume that in any kind of major hostilities of any sort the canal will be closed immediately so it becomes a cost factor in a sense more than a military factor. It would make it easier for the Soviets to deploy forces back and forth. It would also make it easier for us.

If any of my colleagues from the Navy have other comments to make, which I suspect they may, please do if that is agreeable.

Mr. BUCHANAN. I would love to hear from the Navy.

STATEMENT OF CAPT. CARL C. HILSCHER, U.S. NAVY, OFFICE OF SECRETARY OF DEFENSE (ISA)

(A biographic sketch of Captain Hilscher appears on p. 136).

Captain HILSCHER. I think that would be a very difficult analysis to make and I would not want to make such an analysis, Mr. Congressman.

Mr. BUCHANAN. Mr. Chairman, I have one or two other questions but I will yield at this point.

Mr. HAMILTON. Mr. Bingham.

DISTINGUISHING BETWEEN ADVISERS AND TECHNICIANS

Mr. BINGHAM. Thank you, Mr. Chairman.

I am sorry I came in late but at this point I do have three questions that have to do mainly with the interpretation of your statement.

On pages 5 and 6, where you give numbers of military advisers and assistance personnel, for example, there at the bottom of page 5, is that military advisers and military assistance personnel?

Mr. NOYES. Yes. I think the differentiation there, Congressman Bingham, is between military advisers per se and people who may be actual technicians—military technical assistants.

Mr. BINGHAM. Military technical assistants.

What is the difference between a military adviser and a military technical assistant?

Mr. NOYES. You might say in Egypt, although it is not germane here, a man who is sent out to physically help maintain a surface-to-air missile, the electronic components, or what have you is purely a technician; he would have very rudimentary teaching capability and he would not necessarily know anything about broader military operations. He is differentiated from a man who would be in a headquarters or a smaller unit command with a capability to train and broadly advise.

Mr. BINGHAM. Now, would the same apply on page 6 to the word "technicians" on line 1? Is that military technicians?

Mr. NOYES. That is correct.

Mr. BINGHAM. And on line 5?

Mr. NOYES. That is correct, Congressman.

Mr. BINGHAM. On that point, I find it startling that the PRC has that many personnel in Tanzania of a military category. I know they have a lot in connection with the railroad and so forth, but this is

your best information on numbers of military people in Tanzania? Are you sure that does not include railroad technicians?

Mr. NOYES. That does not so far as we know. Let me check it to be absolutely sure that we are not including nonmilitary technicians.

Captain HILSCHER. That does not include the railroad personnel. It averages about this just from the military standpoint. President Nyerere himself, I believe, has made the statement that "we have about 15,000 Chinese there to help with the railroad." This figure we show represents only the military advisers and technicians who are at all levels of the Tanzanian Peoples Defense Force.

Mr. BINGHAM. I find all these figures on pages 5, 6, and 7 very interesting. Would it be possible for us to get, to the extent it is possible, a sanitized version of this, unclassified version?

Mr. TIMBERLAKE. Not unclassified. All the figures from the Chinese and Russians are from intelligence publications and they are approximate and we could not downgrade them. On the U.S. side, perhaps we could. Figures are awfully hard to come by, it is sort of a numbers game. I would not want to go before a court on any of those specific figures. They are designed to give you a sort of order of magnitude.

INDO-PAKISTANI WAR

Mr. BINGHAM. Now, also on page 6, I notice you don't make any reference to the more recent naval activity in the Indian Ocean in connection with the Indian-Pakistan war. Do you later in the statement?

Mr. NOYES. We cover that on the last page, Congressman Bingham.

Mr. BINGHAM. Thank you.

That is all I have, Mr. Chairman.

IRAN'S ROLE IN GULF

Mr. HAMILTON. Mr. Noyes, is the United States encouraging Iran to play a major role in policing the gulf?

Mr. NOYES. Mr. Chairman, I think the United States has taken the view, as I said before, that there is not a vacuum that has to be filled by an outside power—that the states of the area must by themselves provide for their own security.

Mr. HAMILTON. The Shah has indicated clearly that he wants to become the major power in the gulf and he probably has, from what you indicate here, the military muscle to back it up. Is that a role we support for him?

Mr. NOYES. We have not endorsed to my knowledge and do not engage in that sort of joint planning. There is no implicit understanding with the Shah that we expect him to exercise a dominating role in the gulf. We are helping him to modernize his military forces in the sense of skills and training specifically for their role in the gulf.

Mr. HAMILTON. Do we view it as a healthy or unhealthy development?

Mr. NOYES. That is a difficult question. I believe [security deletion] he can exercise a very welcome and healthy role. This, of course, must be balanced against Saudi Arabia's very real interests.

THE GULF ISLANDS

Mr. HAMILTON. He aroused some objections, did he not, when he took over one or two of those small islands in the gulf? Has that situation calmed down now? I believe Iran is in control of some of those islands and nobody has thrown the Iranians off. Is there a smoldering resentment there or has the situation pretty well taken care of itself? That question may not be properly directed to you, I am not sure. Perhaps it goes to the State Department.

STATEMENT OF JOSEPH W. TWINAM, OFFICE OF SAUDI ARABIA, KUWAIT, YEMEN, ADEN, GULF STATES, BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

(A biographic sketch of Mr. Twinam appears on p. 138.)

Mr. TWINAM. There are three islands. The Shah has not taken over the largest one, he has garrisoned part of it by agreement with the Arab ruler on the other side who also claims the island and maintains police jurisdiction outside the garrison area. He has indeed occupied the other two smaller islands and there has been some resentment on the Arab side. With respect to the earlier question, in our dialog with Iran we have made it consistently clear that central to our policy view of the gulf is that there must be cooperation between Iran and the Arabs in providing for the security of the area.

Mr. HAMILTON. There is quite a bit of difference between what my understanding is of what the Shah wants and a policy of military cooperation. I am under the impression that he pretty much wants to call the shots which is a long way from a policy of military cooperation.

COOPERATION IN THE GULF

Mr. TWINAM. Iran, of course, is the most populous state in the area, and the most influential.

Mr. HAMILTON. I am just pointing out that the approach of military cooperation obviously would be beneficial to us and it would be in our interest if the Iranians sought such cooperation. I guess the question we are really raising is whether military cooperation is really going to be a feasible approach to the military security problems of this area when you have got countries that don't exactly have a long history of cooperation behind them?

Mr. TWINAM. This is a very good observation, sir; and I think that we have been encouraged by the trend toward Arab-Iranian cooperation in the gulf since 1968 when the accelerated British announcement of withdrawal was made. Up to that time there was very little need for cooperation between the Arabs and Iranians.

Mr. HAMILTON. Do we have any Soviet reaction at all to this lease agreement we signed in Bahrain?

Mr. NOYES. I have seen none, Mr. Chairman.

Mr. HAMILTON. They have made no objection to that?

Mr. TIMBERLAKE. I have seen none.

Mr. HAMILTON. I was curious when Mr. Bingham referred to these figures on the top of page 6. One that stood out to me was the per-

sonnel in the Sudan [security deletion] from the Soviet Union. I was under the impression that they took a licking there.

Mr. TIMBERLAKE. These are [security deletion] figures and we don't have a complete set. I tried to get some comparisons between the Soviet and the United States and it was difficult with the calendar year and the fiscal year. The last complete list we had was in [security deletion].

Mr. HAMILTON. That figure is down, would you think, in the case of the Soviet Union?

Mr. TIMBERLAKE. Yes, sir.

Mr. NOYES. It is down. Unconfirmed reports indicate that it is probably around [security deletion].

SOVIET AND CHINESE PERSONNEL

Mr. HAMILTON. Before I turn to Mr. Buchanan let me get one matter cleared up from your last appearance before the subcommittee, Mr. Noyes. At that time we asked for a statement from you on the accuracy of Senator Jackson's statement that there were 100 Russian officers of general or admiral rank in Egypt and you said that you would supply information for the record but that information was not included in the statement that you submitted subsequent to the hearing. We would like any additional comment you might have on this matter. We would not expect you to reply now but if you could furnish that we would appreciate it.

Mr. NOYES. I regret we slipped on that. We will provide it.

(A classified memorandum was submitted to the subcommittee.)

Mr. HAMILTON. The other point is that in July you also mention that there were [security deletion] Chinese advisers in South Yemen [security deletion]. In this statement you make no mention of Chinese in South Yemen at all. Are they out completely?

Mr. NOYES. Mr. Chairman—

Mr. HAMILTON. You might want to check the record and respond to that question.

Mr. NOYES. I am not sure.

Mr. HAMILTON. Would you check it and supply that for us?

Mr. NOYES. Yes.

(A classified memorandum was submitted to the subcommittee.)

Mr. HAMILTON. Mr. Buchanan.

FORCE BUILDUP IN INDO-PAKISTANI WAR

Mr. BUCHANAN. Mr. Noyes, could you give me the reason for our naval force buildup during the Indo-Pakistani conflict?

Mr. NOYES. Congressman Buchanan, the buildup so to speak was in relation to the evacuation possibilities that were seen not only in East Pakistan but possibly in India, possibly in West Pakistan for sizable numbers of American officials and nonofficial personnel.

Mr. BUCHANAN. The presence of these people had no military intent or significance other than for the evacuation of American military personnel, is that correct? This was the sole purpose?

Mr. NOYES. What others may have concluded from their presence I can't comment on. The purpose was for the evacuation potential.

Mr. BUCHANAN. I have no further questions.

Mr. HAMILTON. Mr. Bingham.

Mr. BINGHAM. Mr. Chairman.

On that point my impression is that the moves that were made by U.S. naval vessels into the Bay of Bengal into that area were kept secret and that it was this aspect of the operation that I think disturbed the Indian Government very greatly. My understanding is that they had information on this and it was they who released the information. If that is correct, I don't know why it should have been correct if the purpose of these vessels going into the area was merely in connection with possible evacuation purposes of American personnel. Would you comment on that?

Mr. NOYES. Congressman Bingham, I think the movement of our ships is almost always a matter of secrecy regardless of their mission or function. As I remember, and I may be wrong on this, the first report of those movements came out of Singapore. But there certainly was a reaction in India which assumptions that made them feel threatened or what have you by the ship movements. This I think was inevitable.

Mr. BINGHAM. Did we keep the Indian Government fully informed of those ship movements to prevent any nervousness on their part?

Mr. NOYES. Perhaps that is something the State Department can comment on. I am not aware of diplomatic communications at that time.

Mr. TWINAM. I am sorry, I can't answer that.

Mr. BINGHAM. You don't cover that area, or you do but you don't know?

Mr. TWINAM. I do not cover the press and I don't know.

Mr. BINGHAM. I realize it is not right on the point of this hearing, Mr. Chairman, but maybe we could get a statement from the State Department on that point.

Mr. HAMILTON. Could you furnish a statement in response to Congressman Bingham's question?

Mr. TWINAM. Yes.

Mr. HAMILTON. Thank you.

(The following statement was subsequently supplied:)

At the House Foreign Affairs Subcommittee hearings on February 2, Representative Bingham asked whether we had advised the Indian Government of the presence of the *Enterprise* task force and if so through what channel. We did not inform the Indians in advance that the *Enterprise* was being dispatched to the area. We suggest this sentence be inserted in the record in response to Representative Bingham's question.

THE NAVY'S POSITION IN INDIAN OCEAN

Mr. BINGHAM. What is the military significance of the Navy's position?

Mr. NOYES. In a sense, Congressman Bingham, it has practically no military significance. It is a very small force which is of course rotated as far as the destroyers are concerned. I mentioned earlier there would be destroyers there approximately for only 6 weeks out of the year in Bahrain. They would be making calls other times in the Indian Ocean area but in the usual military sense this is not like a NATO force that is committed to a military mission. As we pointed out, it simply fulfills its traditional roll of calls which are of a courtesy nature plus these other functions.

Mr. BINGHAM. Would you say then that its primary purpose is political?

Mr. NOYES. Diplomatic, political, yes.

Mr. BINGHAM. Could you indicate on the map, or one of your staff, where longitude 62 east falls and latitude 22 south?

Mr. TIMBERLAKE. Yes, sir. The realignment of unified commands gave the United States and European commands responsibility for the landmass over to the border of Iran. This would include the Persian Gulf. If you then run a line southward you get the longitude.

Mr. BINGHAM. You are not responding to my question. Where is 62 east?

Mr. TIMBERLAKE. At the junction of the southern border of Iran and Pakistan, right here.

Mr. BINGHAM. It does not go over to the Indian west coast?

Mr. TIMBERLAKE. No, southward.

Mr. BINGHAM. Twenty-two degrees south, where does that fall?

Mr. TIMBERLAKE. About here, just south of Mauritius. That is the COMIDEASTFOR area of primary responsibility.

Mr. BINGHAM. Where does Diego Garcia fall?

Mr. TIMBERLAKE. Right here.

Mr. BINGHAM. So that is outside.

Mr. TIMBERLAKE. Yes. That would be under CINCPAC's jurisdiction, commander in chief, Pacific.

Mr. BINGHAM. I am interested by your use of the term on page 7, "the U.S. military diplomatic effort exceeds that of the Soviets." I assume that you intend that as one description; it is not military and diplomatic, military hyphen diplomatic.

Mr. NOYES. That is right.

Mr. BINGHAM. Thank you, Mr. Chairman.

Mr. HAMILTON. Did MIDEASTFOR participate in any way in the naval task force in the Indian-Pakistan war situation?

Mr. NOYES. No, it did not, Mr. Chairman.

Mr. TIMBERLAKE. No, it did not. It remained in its normal operational area.

ARAB-ISRAELI MILITARY RELATIONSHIP

Mr. HAMILTON. Let me ask a few questions pertaining to the Arab-Israeli conflict, if I may.

Has there been any noticeable change in the military balance between Egypt and Israel or the Arabs and Israel in the months since you last testified before the subcommittee?

Mr. NOYES. Mr. Chairman, there have been, of course, continuing Soviet supplies to Egypt. The most notable I believe has been, and I know it has been referred to in the press the augmentation of the TU-16 bombers which are Soviet manned to our knowledge and based in southern Egypt. [Security deletion.] There has been [security deletion].

Mr. HAMILTON. That has occurred in just recent months?

Mr. NOYES. Yes.

On the other side I might say that there is a modernization requirement for the Israeli Air Force. [Security deletion.]

As the President stated on a CBS program, there has been a decision in principle to continue the U.S. supply of aircraft to meet Israeli requirements. This discussion has been going on now maybe a year or two.

Mr. HAMILTON. Are there any delivery dates set at this point?

Mr. NOYES. There are no delivery dates actually set at this point. Arrangements are being discussed, details are being worked out. I should add, too, that when arrangements are completed there is a leadtime factor of course in some cases of considerable duration.

Mr. HAMILTON. What is the leadtime on the Phantom?

Mr. NOYES. This is an extremely complex question to answer because of the production leadtime because in some cases planes [security deletion].

Mr. HAMILTON. What are the perimeters of the time?

Mr. NOYES. It would be anywhere from a matter of a few months on to several years or more.

Mr. HAMILTON. Is there an agreement on the number of Phantoms to be delivered?

Mr. NOYES. [Security deletion.]

Mr. HAMILTON. Can you say anything to us at all? [Security deletion.]

Mr. NOYES. I am really not at liberty to do so, sir.

ISRAELI MANUFACTURE OF WEAPONS

Mr. HAMILTON. Can you give us any information on the nature of the agreement for Israel to manufacture weapons in Israel?

Mr. NOYES. Yes, I certainly can. Here again I am afraid that the press treatment has rather distorted something which is basically a memorandum of understanding between the United States and Israel. We have specific production arrangements with many other countries—NATO countries, Iran, et cetera. This memorandum is really an umbrella agreement; it has been under discussion for 2 years, we have been taking up various questions on an ad hoc basis. The principal purpose of our production assistance is to permit the Israelis to locally produce, where economically feasible, spare parts that go into weapons systems manufactured in the United States. This is really a balance-of-payments problem for them which we are trying to help alleviate. This [security deletion] really formalizes procedures which are already in effect and which are standard practice for all such requests.

Second, the memorandum provides certain safeguards against the misuse of U.S.-supplied information. In other words, we are gaining by this memorandum the ability to control information that may be passed out or may be provided Israel so that they cannot in turn pass it on to someone else without our permission, also, they may not sell a particular weapon which has a U.S. component. If it is a locally manufactured component, they cannot sell this say to some country in Africa without our permission. So we have provided ourselves with safeguards and we retain the right to review each item; it is not a blanket agreement that they can produce XYZ.

Mr. HAMILTON. One interpretation that has been given to the memorandum is that Israel may now become a producer of arms and sell them all over Africa and other countries. That is false?

Mr. NOYES. This is quite false. In other words, that we are turning over the rights for them to manufacture a U.S. tank or aircraft or even a machinegun or something of that sort, that is not the case.

Mr. HAMILTON. All right.

Mr. BUCHANAN. Do you have anything further?

Mr. BUCHANAN. Nothing further. Thank you.

Mr. HAMILTON. Mr. Bingham,

SOCOTRA ISLAND

Mr. BINGHAM. Just one matter, Mr. Chairman.

I remember some time ago we had some discussion about the Socotra Island. There seemed to be a mystery and we could not get any reference. I notice your reference is the point at which, say, the Soviet ships normally anchor in international waters. Is there any more information on that situation?

Mr. NOYES. Yes. Congressman Bingham, there is no port there as such, of course, and were the Soviets to obtain base rights from South Yemen it would be expensive to put in a port where the shallow conditions exist. The island has two 6,000-foot sand and coral airstrips which are really for use on an emergency basis.

Mr. BINGHAM. Is it inhabited?

Mr. NOYES. It is inhabited. This island was used occasionally by the RAF until 1965 to come in and out on emergency flights. Soviet ships, as we have said, anchor in the area.

[Security deletion.]

Mr. NOYES. It is this kind of activity which has caused all these rumors and speculation that there is some sort of Soviet base, but to our knowledge other than the availability of these small runways it seems unlikely that the Soviets would try to embed themselves there when they have rather magnificent facilities in Aden should the Yemenis choose to grant them any kind of permanent rights or make a base agreement with them. It would seem unlikely they would bother with trying to develop Socotra.

Mr. BINGHAM. These bases referred to in Aden would be the formerly held ones?

Mr. NOYES. Yes.

Mr. BINGHAM. Which they have not got the right to use as of now?

Mr. NOYES. We understand they do not. They come in and out with permission.

Mr. BINGHAM. Do we know whether they have requested the use of these facilities?

Mr. NOYES. I have never seen such a report. I suppose we must assume that they would like to do it, but I just can't give you any verification. I have not seen any specific confirmed report.

Mr. BINGHAM. Do we know whether they were refused the use of naval facilities in Somalia?

Mr. NOYES. Again we have no knowledge. They make fairly frequent calls in Somalia.

Mr. BINGHAM. Just to finish that thought, I believe I understand that they have made requests for facilities in India which have been denied up to now as far as we know.

Mr. NOYES. That is as far as we know.

Mr. TIMBERLAKE. We have no information that they have asked the Somalia Government for facilities rights.

Mr. BINGHAM. Do you have any information?

Mr. TIMBERLAKE. No further information on that.

Mr. HAMILTON. Mr. Noyes, we appreciate your testimony and the contributions of your colleagues and we thank you for your appearance.

Mr. NOYES. Thank you.

Mr. HAMILTON. The subcommittee stands adjourned.
(Whereupon, at 11:45 a.m., the subcommittee adjourned.)

U.S. INTERESTS IN AND POLICY TOWARD THE PERSIAN GULF

WEDNESDAY, JUNE 7, 1972

HOUSE OF REPRESENTATIVES,
FOREIGN AFFAIRS COMMITTEE,
SUBCOMMITTEE ON THE NEAR EAST,
Washington, D.C.

The Subcommittee on the Near East met at 10 a.m. in room 2200, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman of the subcommittee) presiding.

Mr. HAMILTON. The meeting of the subcommittee will come to order.

Today the Subcommittee on the Near East continues its examination of U.S. interests in Middle East oil and of our relations with the oil-rich countries of the Persian Gulf and North Africa. This hearing will be followed by further inquiries into the economic and political importance of the Persian Gulf area for the future.

Today's hearing comes at a very opportune time. The nationalization of the Iraq Petroleum Company last week by the Iraqi Government ends over a decade of public conflict between that company and the host government and highlights the changing relationship between oil exporting countries and international oil companies ratified by the recent Tehran and Tripoli agreements. This hearing also comes at a time when there is evidence that the Soviet Union might be taking more interest in Middle East oil and seeking its own concessionary agreements in the area.

One of our objectives today is to discuss the pace and nature of this changing relationship between governments and companies and its implications for the United States, a country which may, according to recent Government estimates, have to import more than 40 percent of its domestic fuel needs from the Middle East by 1980.

We are fortunate to have with us today two executives with long experience in dealing with Arab governments. Mr. Robert Brougham is the former chairman of the board and executive officer of the Arabian American Oil Co. which operates in Saudi Arabia and Mr. Herbert Hansen is vice president for government agreements of the Gulf Oil Corp. which has substantial interests in Kuwait.

Mr. Hansen, you have a prepared statement and you may proceed as you wish. And then your statement will be followed by Mr. Brougham's statement.

LEE F. DINSMORE

Retired U.S. Foreign Service Officer, until mid-March 1972, Consul General at Dhahran, Saudi Arabia where for 3½ years he had been the U.S. Government's representative to the Persian Gulf Arab Shaykhdoms and to the Sultanate of Oman. Before that, between assignments in Washington related to Near Eastern countries and affairs, for varying periods of time, Chargé d'Affaires at the U.S. Embassy to the Republic of Yemen, political officer at the U.S. Embassy to Iraq, Consul at Kirkuk, Iraq, earlier public affairs officer at Kirkuk. During a year and a half in the U.S. Army he spent 6 months in the Office of the U.S. Military Attaché in Beirut. Service with the YMCA's International Committee in Egypt, beginning in 1943 introduced him to the Near East. Left the Cairo YMCA in 1952, which included assignments with the American Friends Service Committee from the end of 1948 in Gaza, with Arab refugees. University of Wisconsin, B.A. 1938. Born in Wisconsin 1916. Married.

HERBERT EDWIN HANSEN

Born: Cleveland, Ohio, October 29, 1920. A.B. in political science from Oberlin College, Oberlin, Ohio (1942). M.B.A. Harvard Business School (1946). J.D. Harvard Law School (1949). U.S. Naval Reserve Officer, Pacific Fleet (1943-1946). Practicing lawyer, Kansas City, Mo. (1949-1952).

Gulf Oil Corp. (1952-present): U.S. production and exploration (4 years); Tehran, Iran—administrative assistant to GMD or Iranian Oil Consortium (6 years); London, England—Concessions coordinator for Government Agreements in Eastern Hemisphere (7 years); Pittsburgh, Pa.—Deputy coordinator, concessions and Government agreements worldwide, including current OPEC negotiations (3 years); and currently vice president, Government Agreements.

CAPT. CARL C. HILSCHER

Name.—Carl C. Hilscher.

Grade and effective date.—Captain, USN.

Date of birth.—August 20, 1926.

Current assignment and date reported for duty in ISA.—Assistant to the Director, Africa Region, July 28, 1969.

Previous assignments in ISA.—None.

Other Government experience.—U.S. Navy—Aviator, primarily antisubmarine warfare experience.

Major non-Government experience.—None.

Education.—BS, MS in International Affairs.

Military service.—21 years.

Awards, decorations, honors.—Air Medal with two Gold Stars.

JACK C. MIKLOS

Mr. Miklos was born in Moscow, Idaho in 1926. He attended private schools in Spokane, Wash. and San Francisco, Calif. He attended Gonzaga University and did graduate work in economics and political science at Stanford University. He served with the U.S. Army in the Pacific during World War II and was awarded the Bronze Star and Purple Heart. Mr. Miklos served briefly with the Military Government in the Army of Occupation in Japan at the end of World War II. He joined the U.S. Foreign Service in September 1946 and served on the staff of the U.S. Political Adviser to the Supreme Commander in Japan from 1946-49. Subsequent assignments were to Tangier, Morocco; Istanbul, Turkey; Tehran, Iran; Bombay, India, and the Department of State. Most recently Mr. Miklos was Deputy Chief of Mission and Counselor of the American Embassy, Colombo, Ceylon. He is presently Country Director for Iran in the Department of State. He is a member of the American Foreign Service Association. He is also a semi-professional artist and has had public showings in Morocco, Iran and San Francisco.

JAMES H. NOYES

James H. Noyes was sworn in on September 15, 1970 as Deputy Assistant Secretary of Defense in the office of the Assistant Secretary of Defense for International Security Affairs.

As Deputy Assistant Secretary for Near Eastern, African, and South Asian Affairs, Mr. Noyes will have primary responsibility for all policy matters of Defense interest pertaining to the countries of the Near East and South Asian Region, including Greece and Turkey, and for Africa.

Mr. Noyes was born March 29, 1927, at San Francisco, Calif. He received his B.A. degree from Yale University in 1950. Subsequently, he studied for 1 year as a special student at Allahabad University, India, and, in 1953, received his master's degree in political science at the University of California, Berkeley. He served both in the Middle East and in the United States with American Friends of the Middle East Inc., during the period 1955 through 1959. After leaving the American Friends of the Middle East, Inc., Mr. Noyes served as a lending officer in Bank of America's International Banking Administration, San Francisco, until joining the Asia Foundation in September 1962.

Immediately before this Defense appointment, Mr. Noyes served as Director, Northeast Asia Division for the Asia Foundation, San Francisco. From 1965 through 1968, he was assigned as the Foundation's representative in Ceylon.

Mr. Noyes is married, and has three children.

JOSEPH J. SISCO

Joseph John Sisco of Maryland was sworn in as Assistant Secretary of State for Near Eastern and South Asian Affairs on February 11, 1969.

He was named by President Nixon early in this administration as U.S. negotiator on an Arab-Israeli settlement.

Since September 1965, Mr. Sisco had been Assistant Secretary of State for International Organization Affairs. In this capacity, he dealt with many of the problems of the Near East and South Asia as they were considered at the U.N.

Born in Chicago, Ill., on October 31, 1919, Mr. Sisco was graduated from Knox College in 1941 (magna cum laude, Phi Beta Kappa), and thereafter served as an infantry officer with the U.S. Army. At the end of World War II, he resumed his studies, receiving the M.A. and Ph. D. degrees at the University of Chicago, specializing in the Soviet affairs area.

Mr. Sisco joined the Department of State in 1951, and the Foreign Service in 1956. He has served as a political adviser on successive U.S. Delegations to the United Nations General Assembly since 1951. In 1967, he served as U.S. Representative to the Fifth Special Session of the General Assembly dealing with the Middle East crisis. He has also on occasion served as U.S. Representative in the U.N. Security Council.

In 1960, he received the Department's Superior Service Award. In 1966, he was named by the National Civil Service League as one of the 10 outstanding career officers in Government service. He was one of six Federal career officers named as winners of the Rockefeller Public Service awards for 1971. Mr. Sisco's award was in the field of intergovernmental operations. In 1968, Mr. Sisco was promoted to Career Minister in the Foreign Service.

Mr. Sisco is married to the former Jean Churchill Head, and they have two daughters: Carol and Jane.

JONATHAN D. STODDART

Born: Eldorado, Md., February 2, 1922.

Family: Wife, Carol H.; children: Geoffrey, age 27; Elizabeth, 22; Newton, 16; Joni, 15; and Peter 10.

Present assignment: Director, Office of International Security Operations, Bureau of Politico-Military Affairs, Department of State.

Education: Cornell University, Ithaca, N.Y.—B.A., 1946; Fletcher School of Law and Diplomacy, Medford, Mass., M.A., 1947; Residence, Ph. D., 1948.

Military service: U.S. Army, April 1943-April 1946, captain; U.S. Army, February 1951-July 1952, captain; U.S. Army Reserve, July 1952-present, colonel.

Experience: Instructor, Political Science, George Washington University, September 1948–February 1951. Department of Army, Civilian Consultant, Middle East/African Branch, July 1952–April 1957. Department of Army, Army Fellow, 1957–1958. Department of Army, Civilian Consultant, Middle East/African Branch, May 1958–February 1959. Department of Defense, OASD/ISA-Assistant Western Europe, February 1959–August 1961. National War College, August 1961–June 1962. Department of Defense, OASD/ISA-Deputy Director, Near East and South Asia Region, June 1962–July 1966. American Embassy, London. Chief, Politico-Military Affairs, August 1966–July 1969. Department of Defense, OASD/ISA-Deputy Director, Near East and South Asia Region, July 1969–October 1969.

DR. JAMES H. TIMBERLAKE

Name.—James H. Timberlake.

Grade.—GS-15.

Date of birth.—February 17, 1923.

Current assignment.—OASD (ISA), Directorate for Near Eastern, African and South Asian Affairs, Country Director for Kuwait, lower Persian Gulf States, Oman, and Indian Ocean.

Previous assignments in ISA.—Directorate for European and NATO Affairs, Assistant for Central Europe (Benelux, Switzerland, and Yugoslavia).

Date reported for duty in ISA.—September 1967.

Other government experience.—

July 1960–Sept 1964, Intelligence Operations Specialist, Staff, Commander in Chief, U.S. Naval Forces Europe, London, England.

Sept 1964–Sept 1967, Intelligence Operations Specialist, Office of the Defense Attaché, American Embassy, London, England.

Major non-Government experience.—

Sept 1955–Sept 1958, Instructor, Department of History, Ohio State University, Columbus, Ohio.

Sept 1958–June 1960, Instructor, University of Maryland, European Division.

Education.—Hampden-Sydney College, Va., BA, 1943; Harvard University, MA, 1947, PhD, 1957; Attended Washington and Lee University; London School of Economics; and Sprachen und Dolmetscher Institute, Munich, Germany.

Previous military service.—

July 1943–Sept 1946, U.S. Navy, U.S. Naval Reserve Midshipman's School, Northwestern University; commissioned Ensign, March 1944; LSTs Pacific Ocean Area; Executive Officer, Navy V-12 Unit, Swarthmore College, Penna. Jan 1951–Oct 1953, U.S. Navy, Naval Intelligence School, Washington, D.C.; Office of the Chief of Naval Operations (OP-921E).

Rank: Commander, USNR.

Awards, decorations, honors.—Phi Beta Kappa.

Publications.—

Prohibition and the Progressive Movement, 1900–1920, Harvard University Press, 1963.

Articles in various Intelligence publications.

JOSEPH WRIGHT TWINAM

Born: Chattanooga, Tenn., July 11, 1934.

Family: Wife, Janet Ashby; children, two.

Present assignment: NEA placement officer, personnel, Department of State. Education: University of Virginia—B.A. in political science—1956.

Military service: U.S. Navy—1956–59 (lieutenant (junior grade)).

Experience: Entered Department of State Foreign Service—1959, initially serving in the Department and later at the American Consulate General, Amsterdam. Since 1964 assignments have been in Middle East affairs as follows: Economic and commercial officer—Kuwait; Arabic language and area student—Beirut; political officer—Beirut; political officer—Jidda; country officer—Kuwait and the Persian Gulf States, Department of State; and Acting Director—Arabian Peninsula Affairs, Department of State.

APPENDIX B

BACKGROUND STUDY OF THE PERSIAN GULF AREA PREPARED BY THE DEPARTMENT OF STATE

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I. U.S. INTERESTS

Historically, the Persian Gulf has been important primarily as a regional waterway, but the communications requirements of the British presence in India gave the gulf by the beginning of the 19th century strategic significance to the great powers. Until well in the 20th century, the gulf was important mainly as part of the British lifeline to India; the essentially maritime nature of the great power interest in the area is reflected in the development of the British treaty relationships with gulf shaykdoms.

B. Oil

1. Strategic considerations

After World War I, however, and increasingly after World War II the Persian Gulf region developed a new and spectacular significance to the world community, and particularly to the great powers, because of the vast petroleum resources discovered in the area over the last quarter century. Petroleum production of the gulf littoral states has increased enormously, while the dependence of the industrialized world on Persian Gulf oil has grown. By the advent of the 1970's, Western Europe depended on Persian Gulf oil for over 50 percent of its import requirements while Japan relied on gulf production for over 80 percent of its consumption. Estimates of petroleum reserves in the ground are by their nature subject to controversy and frequent change, but there is general agreement that at least two-thirds of the world's proven petroleum reserves are found in the states bordering the Persian Gulf—notably in Saudi Arabia (at least 157 billion barrels) but also in Kuwait (78), Iran (55), Iraq (36) and the smaller Gulf States (32). The existence of these vast reserves at a time when petroleum reserves in the Western Hemisphere have become inadequate to meet U.S. demand underscores their importance. Heretofore, our strategic interest in the area has

been essentially an indirect one—an imperative to assure continued flow of oil vital to the economies of our NATO allies and friendly countries east of Suez.

While reliable supplies of gulf petroleum have been important to the operating efficiency of U.S. Naval units in the Pacific, the Persian Gulf has traditionally been but a marginal source of crude oil imports to the United States. However, our own dependence on Persian Gulf oil has increased noticeably over the past few years. In 1971, oil from the gulf met 10 percent of our total import needs and it is higher than that today. While projections of future U.S. petroleum supply and demand relationships vary, by conservative estimates our country will depend by 1980 on imports for at least 50 percent of its petroleum consumption and at least half of these imports will come from the gulf area in the absence of unanticipated discoveries of vast petroleum reserves outside the area or of major shifts in our energy supply and demand pattern.

2. Commercial importance

While the United States has not been directly dependent on Persian Gulf oil, the oil wealth of the region has been important to American commercial interests and to our balance of payments. The book value of American investment in petroleum production in the area exceeds \$2 billion. American-owned companies control virtually all the oil production in Saudi Arabia (currently running at 5.7 million barrels per day). Through participation in the Iranian consortium and other concessions, the American share in Iranian oil production, second largest in the area, approximates 40 percent. Half of the 3.4 million barrels per day crude oil production in Kuwait is controlled by American interests.

American companies have an important minority share in concessions in Iraq, Abu Dhabi, and Qatar, and American companies are the leading operators in the smaller petroleum producing states of Dubai and Bahrain. As a result of the activities of American oil companies in Persian Gulf concessions, in recent years profits of well over \$1.5 billion annually have either been remitted to the United States or invested in petroleum facilities elsewhere. In either case these earnings have benefited our balance of payments in a time of need.

C. Other economic interests

While Western oil companies have profited from production in the Persian Gulf, the producer states have been the major beneficiaries, and under recent pricing and tax agreements their share of oil earnings has grown markedly. The oil revenues paid to the gulf producers have grown from approximately \$2.9 billion in 1967, to an estimated \$7 billion plus last year. By conservative estimates, the producing states, by 1976, will be receiving at least \$9 billion in oil income. This relatively new oil wealth has permitted spectacular economic development in all of these states and significant progress toward providing social welfare benefits to the populace. This growth has provided a large market for the sale of goods and services from the United States and other industrialized countries. U.S. exports to the states of the gulf have been in the neighborhood of \$482 million annually over the last few years; the trade balance has been heavily in our favor, although it will decline as our imports of gulf oil grow. As other countries have become tougher competitors in selling products in the area, the focus of our forward commercial effort has shifted to providing engineering and other technical services for development projects in both the civil and military fields. These activities, best established in Iran and Saudi Arabia, have also produced substantial benefit to individual American companies and to our overall balance of payments.

For a number of years the region's surplus of income over local needs has permitted accumulation of large official foreign exchange reserves and private foreign investment. Although Western Europe, especially London, has been the main repository for Kuwaiti funds, year in and year out the United States has held several hundred million dollars in Kuwaiti investment. Saudi investment in the United States has been of approximately equal magnitude. With rapidly increasing oil revenues, the surplus foreign exchange position of the gulf producing states is growing substantially. Some estimates suggest that their foreign holdings—government and private—will reach \$15 billion by 1976. Not only Kuwait and Saudi Arabia but also the smaller oil states of the gulf are becoming important sources for financing economic activity in our own country and other industrial nations. In addition to our direct interest in attracting investment from these countries, their capacity to contribute to international monetary stability and to finance economic development in the Middle East and beyond parallels broad U.S. interests.

D. Political and strategic interests

The importance of the resources of the Gulf States to the United States dictates an American interest in peace in the area and in orderly political progress there under governments hospitable to American business and cultural interests. Our concern for the political situation in the area states, and for their cooperation with each other, extends beyond quantifiable economic interests. Over many years we have developed meaningful bonds of friendship with Iran, Saudi Arabia, and other states in the area. These states recognize a community of interests with the United States and Western European countries; they desire to build on this relationship. They do not, however, welcome outside intervention in their affairs. Our relationship is, therefore, a free and cooperative one in which the United States stands ready to provide appropriate advice and technology when it is needed and wanted. Our support for the concept of regional cooperation, a goal which the states of the gulf generally share, is welcomed by these states. Their success in achieving cooperation and maintaining the tranquility which has prevailed in recent years in the area will serve broader U.S. interests in world peace and the relaxation of international tensions. In terms of the global U.S. strategic positions, we clearly have a strong interest in maintaining cooperative relations with the states of the gulf. This will require steadfastness in working for the peaceful resolution of local conflicts and in demonstrating our national determination to protect our interests in this strategic area.

II. U. S. POLICY TOWARD THE PERSIAN GULF LITTORAL STATES

The political transition in the Persian Gulf which began with the independence of Kuwait in 1961, and accelerated with the 1968 British announcement of withdrawal from other shaykhdoms required a reassessment of U.S. posture toward the area. After the 1968 announcement, a careful review was undertaken over many months to determine U.S. policy after the British treaty relationships had ended. This new era of full independence for all of the Gulf States has now arrived.

The U.S. Government's policy toward the Gulf States reflects our long-standing friendship with the people of the area and our significant strategic and economic interests there. It is designed to assist the local states in their efforts to assure their security and political tranquility in the region. We recognize that the states of the region have the capability and the will to take the lead in providing for security. We feel that this effort should be a cooperative one: our policy stresses the importance of developing strong cooperative relationships between Iran and the Arab States of the gulf. We do not seek to intervene in the internal affairs of any of the states nor do we wish to assume, or to appear to assume, the former British protective role, which served the cause of peace in the area in its day but is no longer appropriate or desired. At the same time our policy recognizes the interdependence of the gulf nations with outside states and the important role the United States and other nonlittoral countries, whether in the general region or beyond, can play in assisting the Gulf States to strengthen the fabric of their governmental and economic structures and assure their own security. In particular we welcome the continued interest of the United Kingdom in the welfare of the Gulf States.

In the military sphere, the United States has long played an important advisory and military supply role in developing the armed forces of Iran and Saudi Arabia. We are prepared to continue this role so long as it is useful and desired. In the Arabian peninsula the foreign advisory and training presence has not been exclusively American. In Saudi Arabia, for instance, the United Kingdom, France, and Pakistan have contributed. In Kuwait and the smaller shaykhdoms of the lower gulf the provision of military advice, training and equipment has traditionally been a British function. In the era of independence these states continue to welcome British help, but in some cases are seeking additional sources of technical advice and equipment. The United States stands ready to complement the British role, and the efforts of other states, in helping these small states where appropriate. While our primary emphasis will be on economic assistance and we have no desire to contribute to an arms race in the area, we are ready to make available such modest amounts of military equipment and training as may be appropriate to the real internal security and defense needs of these small states.

In sharing American technology with the smaller Gulf States we would prefer wherever possible to see our help, which normally will be made available on a reimbursable basis, strengthen the civil sectors of the governments and economies

rather than go toward military application. We see an important task for American private business as well as Government in providing such assistance. American technical assistance in the broadest sense has long played a significant part in the area's development. The presence of American oil interests in the region, for instance, is essentially the reflection of the technical skills which they provide in exploration and production and the distribution channels abroad which they make available to the oil of the Gulf States. In Saudi Arabia, Iran, and Kuwait, American private firms and Government organizations have contributed significantly to economic development activities. In Saudi Arabia, for example, U.S. Government expert advice, paid for by the Saudi Government, has recently played a prominent and effective role in several developmental areas, most notably the creation of a national television system, the survey of mineral resources, and the construction of a technological advanced water distillation and powerplant.

U.S. policy seeks to extend this same type of help to the newly independent states of the region. In Bahrain, for example, the Peace Corps has recently discussed with the government areas in which it might provide expert advice. Private American groups such as International Executive Service Corps are also actively exploring opportunities to assist. The Gulf States do not need, nor do they wish, to become recipients of U.S. economic assistance, except for commercially motivated financing by Export-Import Bank, which is becoming increasingly active in the region. A problem we face in helping these governments, however, is the U.S. Government's present lack of legislative authority and funds to "top" salaries of American experts provided mainly at the expense of the Gulf States. While these governments want to pay their own way and frequently express a specific preference for American expert advice, they find the high cost of American advisors difficult to justify in view of the availability of considerably less costly but highly qualified experts from other countries.

Along with the exchange of technology, we seek cultural and educational exchange. Large numbers of students from the gulf area are studying in American universities, a few under our modest but expanding cultural affairs program, the large majority under scholarship programs financed and operated by their own governments, notably Saudi Arabia and Kuwait. We hope this exchange will grow substantially in coming years.

The President decided to extend U.S. diplomatic representation to the lower Gulf States as they became independent in the course of 1971. The United States promptly recognized the new states, Bahrain in August, Qatar in September, and the United Arab Emirates in December. At the same time we agreed to establish formal diplomatic relations with these three states, and the Sultanate of Oman, which the United States has recognized as an independent country since the early 19th century. We supported the membership of all four states in the United Nations. Early in 1972 the President accredited our newly appointed Ambassador to Kuwait, William A. Stoltzfus, Jr., as nonresident Ambassador to Bahrain, Qatar, and the United Arab Emirates and Oman. Under his supervision small American Embassies under resident Chargés have been established:

In Manama, the capital of Bahrain, in September 1971;

In Abu Dhabi, the provisional capital of the United Arab Emirates, in May 1972; and

In Muscat, the capital of Oman, in July 1972.

This unique pattern of diplomatic representation stresses minimum expenditure of personnel and other resources and maximum reliance on carefully chosen diplomatic representatives knowledgeable of and experienced in the area. The physical presence of American diplomats in the lower gulf has already begun to bear fruit in achieving our policy objectives and furthering our overall interests in the region.

United States interest in the region has been dramatically demonstrated by the visits of the President, Vice President, and Secretary of State. In May, President Nixon visited Iran immediately after his trip to the Soviet Union. Vice President Agnew represented the President at Iran's 25th centenary celebrations at Persepolis in October 1971. Earlier in July he had been the first Vice President to visit Kuwait and Saudi Arabia. Secretary Rogers, who in 1971 made the first visit by a Secretary of State to Saudi Arabia, in July of this year became the first Secretary of State to visit Bahrain and Kuwait. On this recent trip to the gulf he also went to the neighboring Yemen Arab Republic, which during his visit resumed diplomatic relations with the United States, the first Arab League member to do so since the 1967 Arab-Israeli conflict.

III. U.S. NAVAL PRESENCE

Another manifestation of United States interest in the gulf is the decision to maintain the small U.S. contingent which has operated in the Indian Ocean area for a quarter century. In recent years the command, Middle East Force, has consisted of a flagship homeported in Bahrain and two or three destroyers temporarily attached to the command. The mission of the small contingent has always been, and remains, a peaceful and symbolic one—goodwill visits to friendly ports on the Persian Gulf, Red Sea, and Indian Ocean littoral. In our view this concrete demonstration of American interest makes a symbolic but psychologically significant contribution to the continuation of an atmosphere of tranquillity in the area.

A larger more habitable flagship, the *U.S.S. LaSalle*, was assigned in July to replace the ancient converted seaplane tender which has long served as flagship. There is no intention, however, of increasing the numbers, or altering the mission of the Middle East Force vessels. This longstanding presence is not intended to represent a commitment to, or threat to intervene in, the area, nor is it intended as a provocation to any state.

In the wider Indian Ocean region, where Soviet naval presence has increased in the last 5 years, we wish to avoid a naval competition.

The continued presence of U.S. Navy personnel in Bahrain required, upon that country's full independence, the formalizing of arrangements for the status of Navy personnel and the use of support facilities long made available under informal arrangements through the Royal Navy. In December 1971, following notification to appropriate congressional committees, we concluded such an arrangement through an executive agreement subsequently published and registered with the United Nations. It provides Bahraini Government approval for our Navy's continued use of logistic facilities and defines the legal status of Middle East Force personnel in Bahrain. Pursuant to the agreement, our Navy has entered leasing arrangements for part-time use of a commercial pier and rental of warehousing, communications and recreation facilities to which it had access when these accommodations were a fraction of the British Navy facility in Bahrain.

This agreement in no way constitutes or implies political or defense commitments by either party. There are no plans to seek additional military facilities for U.S. forces either in Bahrain or elsewhere in the gulf.

IV. THE SOVIET ROLE IN THE GULF

The increased international focus on the gulf and the marked rise in recent years in Soviet sea power and in Soviet presence in the wider Middle East has stimulated considerable interest in, and speculation about, Soviet objectives in the gulf and Arabian Peninsula states.

In addition to the close ties it has established with the Peoples Democratic Republic of Yemen (the former Aden protectorate) and with Iraq (with which it recently concluded a treaty of friendship and cooperation), the Soviet Union has diplomatic relations with Iran and Kuwait but not with Saudi Arabia or Oman. The Soviet Government has recognized the newly independent states, Bahrain, Qatar, and the United Arab Emirates, but diplomatic relations have not been established.

Iran's relations with the Soviet Union, long tense in the postwar period, have relaxed in recent years and reflect certain areas of economic mutual interest. The normalization of Iran's relations with the Soviet Union has not diminished Iran's strong orientation toward and ties with the Western world. It has coincided with spectacular continuing economic and social progress and strengthening of the fabric of the state. Simultaneously the impact of the small Iranian Communist Party has declined noticeably.

Insofar as the Middle East's principal export is concerned, the Soviet Union has traditionally been self-sufficient in oil. To date, it has limited itself to a technical assistance agreement with Iraq to develop oil fields, primarily in the northern part of that country, and has also accepted token shipments of Iraqi oil. In Libya, the Soviets have also negotiated a technical assistance agreement and have agreed to purchase limited quantities of crude oil from the nationalized British Petroleum concession. What further steps the Soviets intend to take here and elsewhere in the area are difficult to predict.

The development of the Soviet Navy in recent years has resulted in an expanding Soviet naval presence in the Indian Ocean area. In the last 5 years, Soviet vessels have made at least six visits into the gulf, visiting Iraqi or Iranian:

ports. The Soviet Union has assisted Iraq in the development of the gulf port Umm al-Qasr. The Soviet naval presence in the Indian Ocean area will most likely continue, as will our own naval presence. In maintaining our longstanding presence and, in the spirit of the principles enunciated during the President's recent Moscow visit, we do not wish to provoke a naval confrontation or build-up in the area.

For some years the Peoples Republic of China has had a diplomatic presence in Iraq and in two Arabian Peninsula countries outside the gulf, the Yemen Arab Republic and the Peoples Democratic Republic of Yemen. China has been effective in providing economic assistance in the two Yemens. In the last year, Iran and Kuwait have established diplomatic relations with the Peoples Republic of China which has recognized the newly independent states of the lower gulf. Except for reports of support through the Peoples Democratic Republic of Yemen of the insurrection in the mountainous Dhofar region of Oman, there has been no evidence of significant Chinese political activity in the gulf region. Chinese commercial efforts in the area, concentrating on the sale of low-priced consumer goods, have been increasingly effective.

V. U.S. OIL INTERESTS AND INTERNATIONAL OIL PROBLEMS

As noted above, the United States has a major and growing interest in Middle East and particularly Persian Gulf oil in both the strategic and commercial senses. From the strategic standpoint, we share with other consumer nations the desire to insure the continued flow of this oil.

The concession relations between Western oil companies and producer governments of the gulf have, for over 20 years, weathered the tides of growing economic nationalism in the region. In the process there has been significant change in tax and price terms of concessions and most recently in terms of equity participation. The major current issue between producer governments and international oil companies is that of "participation." At present the major concession holders in Saudi Arabia and other Arab Gulf States have agreed to work out terms for government participation in 20 percent of equity of the producing company. The ultimate goal of the producer states, as enunciated through OPEC resolutions, is 51 percent ownership. For some months difficult and complex negotiations have been underway primarily between Saudi Arabia and the Arab-American Oil Co. (Aramco), on the terms for effecting the initial 20 percent participation. U.S. interests are clearly affected by the outcome of these negotiations; so are the interests of other nations, principally the United Kingdom, the Netherlands, France, and Japan, with significant investments in oil production in the gulf area. It is the policy of the U.S. Government to urge that negotiations of this type be conducted in a businesslike manner without political pressure or threat of unilateral action from the producer governments. At this stage, it is, of course, impossible to predict the outcome of these negotiations.

While the question of participation has been under discussion, there have been two well-publicized instances of nationalization of Western oil interests by Arab States. At the end of last year, the Libyan Government nationalized the assets of British Petroleum. To date, the Libyan Government has not succeeded in marketing abroad much of the production from nationalized facilities.

Iraq's recent announcement of nationalization of the assets of the Iraq Petroleum Co., one of three production entities in the country controlled by the same owners, must be viewed in the context of over a decade of concession disputes between the government of Iraq and the IPC group. In the long and complex course of these problems, vast portions of the original IPC concession area have been taken over by the Iraqi Government and questions relating to taxes have remained unresolved. Nationalization resulted from a cutback in IPC offtake for Mediterranean delivery because of pricing factors related to dropping oil transport rates. Throughout this long history of dispute, Iraq's oil has continued to flow to the industrial world, both through the IPC pipeline to the Mediterranean and from IPC's gulf terminal. The Government of Iraq has publicly indicated its intention to continue to supply oil to the industrialized world whatever the outcome of attempts to resolve the problems raised by its decision to nationalize IPC. There would appear to be room for negotiation between the Iraqi Government and the IPC owners toward a solution meeting the essential interests of both parties.

Iran

During the first half of this year, separate negotiations have been undertaken between the international oil consortium (in which the American interest is 40 percent) and the Iranian Government. Instead of pursuing the participation formula, the negotiations have been concerned primarily with Iran's access to oil for marketing without the capital costs. There has been clear recognition by both parties of the strong mutuality of economic interests in assuring the flow of oil from producer to consumer without fear of interruptions in the continuity of supply or of imposition of unreasonable prices. These negotiations culminated at the end of June in an agreement based on close collaboration and cooperation between the parties.

Rather than following the path of equity participation presently being pursued by the Arab States of the gulf, the principal elements of the agreement provide for placing certain quantities of crude oil at the disposal of the Iranian Government for its unrestricted use, and for renewal of the existing agreement, which expires in 1970, by three 5-year periods, that is to 1994.

VI. POLITICAL EVOLUTION IN THE GULF

In 1971, the British saw the climax of the transition from protection to full independence for the Arab Gulf States. The change which began a decade ago when Kuwait became fully independent, accelerated with the British decision of 1968, reaffirmed in March 1971, to terminate a century old protective relationship with the nine emirates of the lower Gulf—Bahrain, Qatar, and the seven so-called Trucial States.

The impending end of British responsibility for the foreign relations of the Gulf States intensified the search for solutions to several longstanding territorial disputes. In 1969, Saudi Arabia and Iran demarcated the median line between their continental shelves. A major problem was resolved in 1970, when Iran relinquished its claim to Bahrain. Another decisive issue was resolved late in 1971, when Iran and the Trucial Coast State Sharjah reached an amicable working arrangement regarding their contending claims to Abu Musa, a gulf island with some 800 inhabitants and apparent offshore oil prospects. Two smaller disputed gulf islands lying near the Iranian shore were occupied by Iran in late 1971. There is reason to hope that the long and once bitter contention of Saudi Arabia and Abu Dhabi over Buraimi Oasis and other border areas may become susceptible to amicable discussion, although no agreement has been reached.

These territorial arrangements reflect and sustain the search by the gulf emirates and their larger neighbors Saudi Arabia and Iran for close cooperation to preserve the stability of the area without outside interference. The United States has consistently advocated such cooperation among the gulf littoral states, convinced that they are capable of working in harmony to provide for the security and progress of this strategic area.

The United States joined the United Kingdom and states of the region in supporting the aspiration of the nine lower gulf emirates for federation. A union of all nine states did not appear immediately workable, however, although all the emirates remain pledged to this ultimate goal. In August 1971, Bahrain became fully independent as a separate entity; Qatar followed in September. In December, six of the seven trucial states, upon achieving full independence, formed the United Arab Emirates. The seventh state, Ras al-Khaimah, joined the other six in February 1972. The UAE is a federal entity with each emirate represented equally in its Supreme National Council. The Ruler of Abu Dhabi is the first President of the UAE, the Ruler of Dubai, its first Vice President. The federation will exercise specified powers including defense, conduct of foreign relations and responsibility for federal economic/social development projects, with residual powers reserved to the individual member states.

The three newly independent gulf entities were quickly accepted as members of the United Nations and the Arab League. Their future appears promising. Substantial oil wealth has already permitted striking economic and social development and the provision of apparently adequate security forces. All three are developing governmental institutions and seem headed toward the constitutional and parliamentary development which Kuwait has experienced over the past decade.

The establishment of formal U.S. diplomatic relations with Oman reflects the policy of the new Sultan of bringing the Sultanate out of its previous isolation.

tion and of utilizing its oil revenues for the economic and social progress for the Omani people. In the first years of his reign, the new Sultan's programs of civil development have faced limitations imposed by the need to devote resources to military action against a long smoldering insurrection in the Dhofar province. The small rebel force is supported by the neighboring Peoples Democratic Republic of Yemen (South Yemen) and receives some Chinese advice and equipment. In recent months the Government of Oman appears to be making progress in neutralizing the insurgents and gaining control of the Dhofar hinterland. At the same time, the Sultan has rapidly developed closer relations with neighboring states, notably Saudi Arabia and Iran as well as with Jordan. Oman has been accepted into the United Nations and Arab League.

Throughout this period of transition probably the most significant development affecting the region has been the spectacular economic and social advancement of the two major powers of the gulf, Iran and Saudi Arabia, as well as the continued prosperity and political stability of the entire region, provides an essential framework in which the newer and smaller states can permit their substantial economic resources to work toward social progress, domestic tranquility and regional cooperation.

VII. PROBLEM AREAS

The political future of the gulf region is, of course, not without elements of uncertainty. The rapid rate of economic and social change throughout the area inevitably sets all states on untried courses. The newly independent states, Bahrain, Qatar, and the United Arab Emirates, are quite small and their political future is to an extent dependent upon the course of events in the larger neighboring states. The United Arab Emirates, moreover, is a challenging experiment in Federal Government in a region where cooperation among the small shaykhdoms has not historically been a striking characteristic. All of the states in the area, particularly the smaller ones, are engaged in the demanding task of improving the overall quality and efficiency of the administrative apparatus.

More specific problems persist. The revolutionary regimes in Iraq and in South Yemen are ideologically incompatible with the traditional monarchies of the gulf; this incompatibility fosters bilateral tensions and propaganda and subversive activities. The hostility of the South Yemeni regime is reflected primarily in its support of the insurrection in the Dhofar region of Oman. Here the continued success of the Sultan's efforts to restore complete civil order bear significantly on the prospects for future political tranquility within the gulf. Iraq's continuing tension with Iran creates a major problem in the area. A side effect of this problem is that Kuwait is faced with a dilemma of sometimes having to choose between two more powerful neighbors when a friendship with both would be desirable in terms of Kuwait's own self interests. Iran and the Arab States of the gulf share a common interest in stability and progress, but the new era of cooperation between them faces inherent obstacles. Iran is much larger and more powerful than any single Arab State of the region. There is little longstanding tradition of cooperation. A most recent example is the friction between Iran and some of the Arab Gulf States over the question of the Tunbs Islands.

Territorial problems remain. Iraq, which laid claim to Kuwait upon the latter's independence, has never agreed to a demarcation of the border between them. The longstanding boundary problems between Saudi Arabia and Abu Dhabi tend to inhibit relationships between Saudi Arabia and the United Arab Emirates. While the overall atmosphere between these two states is cordial, Saudi Arabia has not formally recognized the United Arab Emirates and the resolution of the boundary problems with Abu Dhabi appears, on the basis of past history, to be a complex and sensitive issue.

Finally, Arab States of the gulf are far from immune from tensions created by the Arab-Israel problem. Although these states have not been directly involved in the conflict, their people understandably have strong Arab nationalists feelings on this question. Continuing domestic political tranquility on the Arab side of the gulf is inevitably related to the search for a lasting peace in the Middle East.

VIII. ASSESSMENT

Despite the uncertainties facing the area, the present situation in the gulf warrants cautious optimism about future developments in the region. The most striking characteristic of the Gulf States is their capability to fund an increasingly better life for the people of the region as well as to provide for the security of the

region. Despite the problems noted above, the governments of the Gulf States, including the newly independent states, are seriously and energetically grappling with the tasks of developing a sense of national identity and effective government administration. Moreover, most leaders in the region seem to be dedicated to the cause of regional cooperation. In the last year, particularly with respect to the posture of Saudi Arabia, Iran, and other Gulf States as well as Jordan toward the Sultanate of Oman, there are encouraging signs that regional cooperation is becoming more of a reality. Finally, while each of the governments in the area is determined to preserve its independence from outside intervention, there is a solid tradition of cooperation with the United Kingdom, the United States, and other Western countries, and evidence that the leadership of the gulf region intends to pursue actively the further development of these bonds of mutual interest.

FACT SHEETS

KUWAIT

Population : 733,000 (April 1970 census) of which 56 percent are non-Kuwaitis.
Capital : Kuwait (80,000 excluding suburbs).

Area : 7,780 square miles.

Languages : Arabic; others : Persian, Hindi-Urdu, English.

Religions : 75 percent Sunni Muslims; 25 percent Shia Muslims; others : Christians, Hindus.

Form of government : Constitutional monarchy.

Head of state : Shaikh Sabah Salam Al-Sabah, Amir of Kuwait.

Head of government : Shaikh Jaber al-Ahmad Al-Sabah, Crown Prince and Prime Minister.

Legislature : Unicameral national assembly with 50 elected members and 10-15 cabinet ministers who sit ex-officio.

Political conditions : Kuwait is a traditional amirate in the process of developing a parliamentary system. The ruling Sabah family still dominates political life but must increasingly interact with other influential native-born Kuwaitis. Political parties are prohibited. Kuwait is a welfare state with the government employing its rising oil revenues to provide an extensive and expanding range of educational, health, social welfare, and housing benefits to its citizens.

Economic conditions : Predominantly arid desert, Kuwait's economic "miracle" is based on oil which provides 55-60 percent of GNP, 90 percent of total government revenues, and 95 percent of exports. Oil earnings in fiscal year 1972 were \$920 million, based on a production average of 3 million bpd. The government's gold and foreign assets are estimated at \$1.9 billion and rising. Per capita GNP is estimated at \$4,200.

Foreign policy : Kuwait follows a moderate path which seeks to balance its commitment to Arab unity with its vital economic links with Western Europe, the United States and Japan. It also maintains diplomatic relations with most Communist states. Kuwait is preoccupied by its relations with its larger gulf neighbors : Iraq, Iran, and Saudi Arabia. It is a foreign aid donor, primarily to other Arab countries.

BAHRAIN

Population : 216,000 (April 1971 census) of which 17.5 percent are expatriates.
Capital : Manama (90,000).

Area : Island group totaling 231 square miles.

Languages : Arabic (80 percent); others : Persian, Hindi-Urdu, English.

Religions : 95 percent Muslim, equally divided between Sunni and Shia; others : Christian, Hindu.

Form of government : Amirate, no written constitution.

Head of state : H.H. Shaikh Isa bin Salman Al Khalifah, Amir of Bahrain.

Head of government : H.E. Shaikh Khalifa bin Salman Al Khalifah, President of the Council of Ministers.

Legislature : None.

Political conditions : Khalifah family continues to dominate political life and there are no legal political parties. A well-developed group of local and communal social clubs provides some focal point for reflection of public opinion. Some political reforms have been promised.