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REPORT

OF THE

DELEGATION TO THE INDIAN OCEAN AREA

OF THE

COMMITTEE ON ARMED SERVICES

HOUSE OF REPRESENTATIVES

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## REPORT OF THE DELEGATION TO THE INDIAN OCEAN AREA

### INTRODUCTION

The delegation of House Armed Services Committee members visited the Indian Ocean littoral states and Turkey during the period April 2-14, 1980. The delegation, made up of 13 members of the committee, visited Somalia, Oman, Pakistan, Saudi Arabia, Kuwait, and Turkey. Members of the delegation also traveled by helicopter from Oman to the United States aircraft carrier U.S.S. *Coral Sea*, on station in the Indian Ocean, for a brief visit with the carrier's crew. In addition, several members of the delegation visited the U.S. installation on Diego Garcia.

### PURPOSE

The principal concern that motivated the appointment of the delegation was the ongoing negotiations looking into the access to facilities along the Indian Ocean for potential U.S. force deployments there. Negotiations are presently being carried out for the use of facilities in Mombasa in Kenya, in Mogadishu and Berbera in Somalia, and in several locations in Oman. The delegation was interested in the views of potential host nations as to the use of facilities by the U.S. forces, as well as the views of other important states in the area to the U.S. presence and to the use of local facilities by the United States.

Equally, the delegation sought the opportunity for discussions with civilian and military leaders in the countries visited regarding the situation in Iran and the brutal Soviet invasion of Afghanistan. In this regard, in its stop in Pakistan, the delegation, in addition to lengthy discussions with President Zia, and principal members of his administration, had the opportunity to meet and talk with Afghan refugees.

In Turkey, which has a large Moslem population, the delegation met with Admiral Harold E. Shear, USN, Commander-in-Chief, Allied Forces, Southern Europe, to discuss the status of NATO defenses on the Southern flank, particularly in the southeast region, and the impact on those forces of events in the Middle East.

Earlier delegations of the Armed Services Committee had visited the Middle East in 1973, after the Yom Kippur War, and in 1975. Those delegations, however, were principally concerned with the military balance in the area of confrontation of the Yom Kippur War. The 1975 delegation did examine the impact of weapons sales to Iran and Saudi Arabia. The present delegation was interested in the Indian Ocean and Persian Gulf area from a strategic standpoint and was the first delegation to make an official visit on behalf of the committee to Oman and Pakistan.

## GENERAL COMMENT: THE POSITION OF THE UNITED STATES

In the following pages the delegation discusses its impressions gained at the various stops along its journey. Certain general views were repeated with remarkable frequency by the national leaders interviewed, and the delegation would like to briefly summarize them here:

A necessary part of any military agreement with the United States is a security guarantee: an ironclad assurance that should the interaction with the United States lead to an attack by a superior power, the U.S. would come to the aid of the other party.

The nations of the Indian Ocean littoral cannot fight alone, and even collectively, they cannot match Soviet military power. Thus, they need the assurance of firm U.S. support before they could individually or collectively take actions to resist directly Soviet military power.

The United States should get its act together. The Soviet Union is perceived as having a clear long-term objective for control of the oil rich Middle East and to be proceeding along a plan to achieve that objective. The United States is seen as hesitant, uncertain and unsure. It is not at all clear that the United States has firmly defined its long-term objectives in the Middle East. The United States should decide exactly what its national interests are in the region and how far it is prepared to go to maintain them and be consistent in its dealings with the nations of the area. The United States responded late to Soviet initiatives in the Indian Ocean area and on the subcontinent of Asia. Perhaps it is not too late.

The Muslim nations of the Indian Ocean littoral do not want the Soviets as allies. They see the Soviets as the enemies of the Moslem faith. There is a residue of good feeling toward the United States and the nations of the area prefer to have closer relations with the United States.

The unsettled Palestinian issue is a constant irritant and creates an inherent political problem for Arab leaders wishing to promote closer ties with the United States.

## SOMALIA

Somalia, a country of approximately 4 million people, circles the Horn of Africa with over 3,000 kilometers of sea coast. One of the poorest countries of the world, Somalia has a population of approximately 60 percent semi-nomads, 20 percent farmers and 20 percent city dwellers. Half of those city dwellers live in the capital city of Mogadishu. Livestock raising is the principal feature of the Somali economy and livestock on the hoof constitutes the great bulk of Somalia's exports.

## DELEGATION MEETINGS

The delegation had a lengthy discussion with President Mohamed Siad Barre during its brief visit to Mogadishu. It also had the benefit of an exchange of views with other Somali officials and members of the Assembly during a dinner meeting hosted by the President of the People's Assembly, Brigadier General Ismail Abokar, Omar Arteh Ghalib, Chairman, Political Committee of the People's Assembly, and Abokar Hassen Wehelive of the Defense Commission of the People's Assembly, joined in the discussions with members of the delegation.

The delegation also had the benefit of extensive briefings by Ambassador Peterson and his staff.

## BACKGROUND

The Somali people have inhabited the Horn of Africa for centuries and probably no other area of Africa has such ethnic homogeneity. The colonial powers divided up Africa according to zones of commercial interest and ignored tribal and ethnic lines, and therein lies part of Somalia's present tragedy. The Berlin conference of 1884, a conference of European colonialists, divided up the areas inhabited by Somalia into five parts: One part was given to the French and was formerly known as the French Territory of the Afars and Issas; it is now the small country of Djibouti. Two parts were given to the British, the northern part of which was known as British Somaliland. One part was given to the Italians and was known as Italian Somalia. And one portion was given to Ethiopia and is today the Ogaden area of Ethiopia. The Somalis speak of the five-pointed star of Somalia to symbolize these five different areas.

In 1960 British Somaliland and Italian Somalia were given their independence and united into the country which is today known as Somalia. The other three portions remained outside. Djibouti, which two years ago received its independence from the French, has a population which is more than 60 percent Somali. The second of the portions that were given to the British in 1884 was the northeast district of Kenya which the British gave to Kenya and which is sometimes referred to as the Northern Frontier Territory. Ethnic Somalis make up a significant portion of the population of that section of Kenya. The third portion, a much larger area, is the Ogaden region of Ethiopia where the population is over 90 percent Somali.

The present government of Somalia led by President Siad Barre came to power in October 1969, when Siad Barre, then a major general, led a military overthrow of an existing government that had been widely criticized for corruption and inefficient administration. Siad Barre initially governed with a 21 member revolutionary council. In December 1979, a People's Assembly was chosen, following the adoption by national referendum of a constitution earlier that year, and in February of this year, President Siad established a new cabinet. The only legal political party in the country is the Somali Revolutionary Socialist Party.

"Ten years ago we had 86 political parties, today we have only one," President Siad told the delegation.

Beginning in the early 1970's, the Somali government developed a close relationship with the Soviet Union. At the high point of Soviet influence, in the mid-1970's, the Soviets provided extensive aid, primarily military aid, and had a pervasive influence at all levels of the Somali government. For their support the Soviets got a naval base at Berbera, on the Gulf of Aden, where they constructed a powerful communication station, a petroleum storage facility, a missile handling building, and an airfield with a 15,000 foot runway. At the time of heightened Soviet activity there, Berbera was the largest Soviet naval base outside of the Soviet Union. The Soviets also had access to port facilities in Mogadishu, the capital of Somalia, and use of other air facilities in the country.

#### THE OGADEN WAR OF 1977-78

The ancient animosity between the Somalis and the Ethiopians erupted into subversive activity against the Ethiopian government in the Ogaden as early as 1972. The activity increased over time and in July 1977, war broke out. The Somali government's version of the events, then and now, is that the war was an uprising for liberation by the Western Somali Liberation Front (WSLF), a group made up of ethnic Somalis living in the Ogaden.

Relations between the Somalis and the Soviets began to be strained when the Soviets proceeded to provide support, including military support, to the revolutionary government in Ethiopia. When the war broke out, the Soviets initially attempted to maintain relationships with both sides. However, as the war went on, the Soviets continued military assistance to Ethiopia but cut off military supplies to Somalia. The Somalis broke off military relations with the Soviets and ordered Soviet personnel out of the country, eventually throwing out all Russians. Following the expulsion from Somalia, the Soviets significantly increased military aid to Ethiopia, providing massive airlift of equipment and providing MIG aircraft, as well as advisors to train the Ethiopian armed forces. The Soviets also arranged to supply Cubans who began arriving in Ethiopia in the fall of 1977.

The Somali military forces initially had considerable success in the war, in part because the Ethiopian armed forces were heavily engaged in Eritrea in the north of Ethiopia. At one time the Somalis had control of most of the Ogaden region. But the Somalis were unable to take the principal northern Ogaden towns of Harar and Dire Dawa. After a time, the Ethiopians' considerable advantage in manpower (Ethiopia has a population of 27 million compared to about 4 million

for Somalia), the massive amount of Soviet heavy equipment, including tanks and MIG aircraft, and the presence of Cuban troops and Cuban pilots allowed the Ethiopians to push the Somalis back across the Somalia border and completely retake the Ogaden. There were heavy casualties on both sides.

#### PREVIOUS COMMITTEE VISITS TO SOMALIA

The present visit was the third to Somalia by a delegation of the Armed Services Committee.

In July 1975 a special subcommittee chaired by Rep. Samuel Stratton of New York visited Somalia and confirmed the presence of Soviet ships and facilities at Berbera. In November 1977 a committee delegation headed by committee chairman Melvin Price visited Somalia. It happened that the delegation, on a brief one day visit, was in Mogadishu the day after the last significant contingent of Soviet advisors was forced to leave the country. The delegation got a warm welcome from the people under the apparent assumption that they were welcoming a new ally. The Somalis were then seeking additional military support and looked for aid from the United States and the West.

#### U.S. POLICY ON OGADEN WAR

The official U.S. policy at the time, however, insofar as it could be determined, was to avoid taking sides militarily and to urge mediation of the conflict by the Organization of African Unity (OAU). Somalia at the time did get aid from a number of Arab states, including Egypt and Saudi Arabia, as it continues to do today.

The U.S. policy at the time was based in considerable part on the desire not to hurt relations with other African states which have historically been important to the United States, particularly Kenya. The charter of the OAU provides that the borders inherited from the colonial powers are to be considered inviolate. Leaders of African states did not support Somalia, even though many of them had reservations about the Ethiopian government, distrust of Lt. Col. Mengistu, the Ethiopian strong man, and growing concern about the presence of Soviet and Cuban personnel in Ethiopia. Virtually every African state has borders that cross ethnic lines and so any leader who supported the claim of the Somalis to the Ogaden could face a similar threat from ethnic groups within the borders of his own country.

Outright support for the Somali irredentists at the time, therefore, might have put the United States in a position of opposing one of the sacred tenets of the OAU.

Kenya, in addition, provided a special case because of its long history of close and cooperative relations with the United States. Kenya at the time was deeply concerned that the war in the Ogaden might expand to its northeast frontier territory.

The present delegation, in visiting Somalia, was interested in the reports that the war was heating up again in the Ogaden; but principally concerned, as it was in Oman, with reviewing the progress of negotiations for the right of U.S. forces to use base facilities in Somalia. The delegation sought to gain the benefit of the Somali view as to the country's military requirements and the view of Somali leadership concerning a base rights agreement with the United States.

#### PRESENT SITUATION IN THE OGADEN

The Somali natives of the Ogaden have never accepted the rule of the Ethiopians and, despite the terrible losses of the 1977-78 war, insurgent activity began to pick up again late in 1979.

Guerrillas of the WSLF conduct hit and run attacks on Ethiopian forces, avoiding pitched battles but ambushing Ethiopian and Cuban convoys, denying the Ethiopians freedom of the countryside, and on occasions, swiftly attacking garrisons or small towns. The Cubans tend to stay in their garrisons and not venture into the countryside.

The best estimate obtained by the delegation is that there are about 17,000 Cubans in Ethiopia.

The delegation attempted to determine the current level of troops committed on all sides in the Ogaden, which side seemed to be winning there, and how the conflict might develop in the future. President Siad denied, as he has in the past, that any of Somalia's regular armed forces were involved in the Ogaden. Somalia officially maintains that the WSLF, the "freedom fighters," is conducting the fighting and is in control of all operations and that they are essentially people fighting for their homeland.

The WSLF wins some and loses some, Siad said. He maintained that some of the freedom fighters are better trained than his own forces, having received training in other countries, in some cases in Iron Curtain countries.

Since the heavy insurgent activity resumed in the Ogaden, the Ethiopians have retaliated by air strikes on insurgent camps in Somalia. Siad said that the Ethiopian air raids on Somali towns and camps have resulted in numerous casualties. Siad made plain that the Somali view is that such attacks give Somalia the right to take retaliatory action, not clearly specifying whether that action could include across the border activity.

Barre maintained that the Soviet activity in Ethiopia is part of the plan to capture the whole of the Horn of Africa and get a lock on the area around the oil sources of the Middle East. He noted that when they monitor the communications of Ethiopian aircraft, the pilots are talking Spanish or Russian. He also charged that the Ethiopian forces are poisoning wells in the Ogaden to kill the animals and force the people to leave. Several times his point was repeated to the delegation that the refugee problem is part of a deliberate effort by the Ethiopians to rid themselves of ethnic Somalis.

#### STATUS OF NEGOTIATIONS ON USE OF SOMALIA FACILITIES

At the time of delegation's visit, problems had developed in the Somali-U.S. negotiations based on the different perceptions of what those negotiations might achieve and what problems they might engender.

The United States is looking to the use of facilities, in Mogadishu to a limited extent, but particularly in Berbera. Preliminary surveys indicate good facilities are available. In Berbera the airfield could be very useful to U.S. forces. While supporting airfield facilities would have to be built, the 15,000 foot runway is intact. The nucleus of good port facilities are also available.

The U.S. aid offer was for \$40 million in foreign military sales (FMS) during 1980-81 and other aid as part of a package. The offer

made clear the U.S. would not have bases in Somalia, simply the right to use various facilities. It is recognized that the \$40 million package would be a first installment.

Siad Barre and his government take the position that the \$40 million is insufficient. Speaking to the delegation, Siad emphasized that first priority for the Somali forces is air defense systems because of the repeated Ethiopian air attacks in recent months against camps inside Somalia. Your government offered \$40 million; what is that? Siad asked rhetorically. It is not even sufficient for anti-aircraft rockets.

Siad Barre said that he would not use the weapons given to him to attack Ethiopia; that what he wanted was defensive systems. The possibility that U.S. supplied arms would be used for enlarging the war in the Ogaden has been of major concern to the U.S. administration.

In response President Siad said that he would sign a guarantee that he would not use a single bullet provided by the U.S. against another country. Siad said that if the delegation believes the reports of Somalia regular armed forces being involved in the Ogaden, which he blamed on Soviet propaganda, then the U.S. should send a commission to investigate such reports. He noted that Somalia did not produce arms and did not have the money to buy arms so the freedom fighters must be getting the arms from somewhere else.

But it was made clear that beyond any level of aid, the Somalis want a security guarantee to assure that if they were attacked the U.S. would come to their aid.

Siad said that Somalia had chosen carefully to seek friendship with the U.S. and that it was prepared to give facilities to the U.S. on the basis of friendship.

Siad, in discussions, sought to emphasize the points of common interest with the United States. Among other things, he said that he had opposed Iran's seizure of the hostages and said that no Arab country could support such an action. He said that Somalia would not oppose *any* solution to restore the principle that diplomats are inviolate. He opined that the Communists are behind the hostage taking in order to confuse and undermine the new Islamic regime in Tehran and discredit it in the eyes of the world. Among other points, the President noted that he had promoted education and equal rights for women, that he has a close relationship with President Sadat of Egypt, and that he had supported the Camp David accords, the implication being clear that that had caused some problems with his other Arab allies. (Somalia is an Arab country and the vast majority of its people are Moslems.) Somalia is not only asking aid from the United States, but offering its support, Siad said.

But Somalia wants the United States to guarantee it will be able to defend itself.

The guarantee of sovereignty—in other words, a security guarantee that the United States would come to Somalia's aid in the ultimate crisis (which would seem to be interpreted as Soviet-backed invasion into the country) was stated repeatedly as the number one priority. This is similar to what the delegation heard in other countries.

Asked the priority for his military requirements, Siad said that he had provided a hardware list to U.S. military negotiators. Siad claimed that for the past three years very little military armament was given to Somalia; therefore, he said, Somalia had no arms available to give to the insurgents in the Ogaden. The "freedom fighters," which is the

term he always used for the ethnic Somali guerrillas in the Ogaden, get help from "friendly countries," he maintained.

In answer to a question, the President said he could not set a dollar amount of military aid Somalia requires because he doesn't know what rifles, air defense systems and other equipment cost.

Siad said that Somalia badly needs training for its personnel and improved facilities, as well as air defense; and that it also needs military equipment of every kind. He stated he could provide a list of needed items; and would be grateful for whatever was given to Somalia. He also stressed the need for economic aid.

A U.S. military survey team has reviewed the Somali armed forces, and while the details of its findings are classified, it confirms that the Somali armed forces badly need equipment, spare parts and training.

President Siad said that in the past he had always opposed allowing the use of bases to foreign powers since such is dangerous for a small country. But, today the situation is different he said; the sovereignty of small countries may be lost if they are left alone.

"Help us to reinforce our defenses and protect our friends in the area," he said.

The negotiations come down to the question of whether the U.S. desire for facilities at Berbera outweighs the desire to not get involved in fighting as a result of the conflict in the Ogaden.

Since the delegation's visit to Somalia the U.S. Government has successfully concluded negotiations with Somalia and has initiated an access agreement for the use of air and port facilities. The administration sent a reprogramming notice to the Congress on August 26 in connection with this agreement.

#### CHANCES FOR PEACEFUL SETTLEMENT

The delegation raised the question of whether, following the model of the Camp David accords in getting a peaceful settlement between Egypt and Israel, where none had thought such possible before, the United States could promote Somali-Ethiopian peace talks. What would be the chances of such an effort succeeding, the delegation asked.

The Somali leadership maintained that for such an effort to succeed, there would first have to be equality of military strength between Somalia and Ethiopia, and that this equal balance must be so recognized by both parties. It was not likely the Ethiopians would be prepared to negotiate since, at present, they see themselves correctly as much stronger. Secondly, it was maintained that for such negotiations to be meaningful, the Ethiopians had to have true freedom of action to make their own decisions and the Somali leadership said that is not now the case since the Soviets and Cubans dominate decision-making in Ethiopia. Third, it was stated that Somalia could not simply abandon the Western Somali Liberation Front and that the freedom fighters had to have their claim for self-determination met. Siad in particular said he was not interested in annexing the Ogaden and that he would be content with a decision by the "western Somalis" as to their own future.

Siad's statement on this point had a hollow ring to it here since obviously he would expect the overwhelming majority of the inhabitants of the Ogaden to vote for a union with Somalia. But he said he was prepared to work toward an honorable settlement between the Ethiopians and the western Somalis.

It is the view of the Somalis that the Ethiopians are black colonialists, that is, that the Ogaden has been under colonial rule since it was given to the Ethiopians years ago. Siad Barre stated, as he has to delegations in the past, that he could understand the U.S. support for its old long time friend Haile Selassie when the latter was the emperor of Ethiopia, but he could not understand why the U.S. today would support Ethiopia which is led by Mengistu, Brezhnev and Castro on the issue of the Ogaden. It is entirely inconsistent, he said, for the U.S. to support freedom fighters in such places as Zimbabwe but oppose the aspirations for freedom of the western Somali people. He said he would be perfectly content if the western Somalis chose independence as was the case in Djibouti.

#### VIEW OF U.S. POSITION

Siad said that the Soviet Union leads a "consortium of trouble" in the Horn of Africa. Siad echoed the questions of other Middle Eastern leaders when he said he did not understand why the United States fails to respond to the Soviet threat in the Horn of Africa and the Indian Ocean area, and why the United States does not take action to deny the Soviets the easy take over of such territories as those bordering the Red Sea and the Persian Gulf. He referred to South Yemen as a Soviet arsenal which housed thousands of Soviet, Cuban and East German personnel.

#### REFUGEE PROBLEMS

As a result of the renewal of the conflict in the Ogaden, ethnic Somalis have fled from the area of fighting across the border into Somalia. And Somalia, already a very poor country, is struggling with the burden of the most massive influx of refugees anywhere in the world. It is estimated that there are more than 600,000 refugees in camps strung out along the western border of Somalia, and that, together with the number of refugees who are outside the camps, the total number exceeds a million. It is greater than the number of Cambodians who have fled their ravaged country and probably greater than the number of Afghans who have fled into Pakistan.

The Somali government has worked hard to provide for the refugees and to share its resources, although there is already a food shortage throughout the country. Massive foreign assistance is required and, while the United States and other countries have provided food and medicine and other supplies, the aid has fallen short of the need.

The present schedule of food shipments is such that it appears the aid will continue through August and September. Additional money for food aid is contained in the supplemental appropriations bill which had been delayed because of the delay in approval of the third concurrent budget resolution. The supplemental contains approximately \$13 million for food shipments to Somalia. Because of the delay in considering the supplemental, it has been necessary to divert shipments from other parts of the world to continue the flow of food stuffs to Somalia.

The fiscal year 1981 aid request includes approximately \$23 million which would go for the delivery to Somalia of 102,000 metric tons of food. This request was decided upon, however, when the number of refugees was considerably less than the present estimate, and additional food aid from some source will be required.

The United States has been providing about 60 percent of all of the food shipments to Somalia. Other major donors include the European Economic Community, Iraq, Saudi Arabia, Belgium, Canada, Holland, Federal Republic of Germany, and Sweden. The U.S. has been trying to encourage greater efforts from other countries.

Siad said that just to feed the refugees and care for them he has had to divert almost all the country's doctors to the refugee camps and had to curtail basic education programs and other health programs for his people to help pay for the cost of caring for the refugees.

Siad stressed that the Somali refugees are pouring into Somalia in the Ogaden because Ethiopians and Cubans are killing large numbers of Somalis in Ethiopia.

#### *Delegation recommendation*

The delegation noted that the Stratton Subcommittee, in its 1975 visit, had recommended that aid be given to the Somali refugees, who were refugees from the drought in the northern part of the country. Such aid was recommended notwithstanding the presence of Soviet forces and personnel in the country as a humanitarian gesture in keeping with the tradition of the United States to help those in deep distress.

The present delegation reiterated that the refugee problem in Somalia today is of crisis proportions, that children are dying of malnutrition, and medical attention that could save many lives is lacking. A serious drought in the country could lead to catastrophic consequences.

The delegation urged that legislation to support additional food aid be cleared without delay and that those committees of Congress directly responsible for such legislation take immediate steps to increase the level of aid commensurate with the growth in the refugee population.

#### **OTHER ECONOMIC AID**

In addition to food for the refugees, the U.S. has an economic aid program that was reestablished early in 1978. Between 1979 and 1983 this program calls for approximately \$60 million in development aid for such projects as agricultural support, range land development, ground water development, and rural health care.

President Siad stressed in his talks with the delegation that his country wished U.S. technological aid to help develop its resources and potential. He said Somalis are poor people, but Somalia is not truly a poor country. Rather, it is one that simply has not yet awakened to its potential. He said Somalia has great potential as an agricultural country; it has 27 million livestock; and it has the vast potential of the untapped fisheries off the long Somalia coastline.

The President said that, in addition to the Ethiopians, Soviets and Cubans, Somalia's other enemies are illiteracy, poverty and sickness. He was at pains to stress for the delegation that Somalia's brand of socialism which he originally dubbed "scientific socialism" when he took power in 1969, is designed to mobilize the people against ignorance and poverty and is not an ideologically rigid doctrine. Foreign companies are welcome to come to Somalia and enter a partnership with the government, he said, stressing that Somalia lacked foreign investments. But he insisted that capitalism would not work in a backward country like Somalia.

#### **DIEGO GARCIA**

##### **U.S. PRESENCE**

U.S. presence on Diego Garcia, which is the only remaining part of the original British Indian Ocean Territory, began in 1971 as a result of a 1966 exchange of notes between the United Kingdom and the United States. The agreement permitted U.S. use of the atoll for 50 years. In 1973 a communications facility was started and, as a result of a 1976 agreement between the United Kingdom and United States, a naval support facility was established.

With recent events in Iran and Afghanistan, the importance of Diego Garcia has increased. Although it is located 2,280 miles from the Straits of Hormuz, and about 1,000 nautical miles off the southwestern tip of India, Diego Garcia is viewed as being the hub of the logistics system for U.S. naval forces in the Middle East. Activity on Diego Garcia is dependent upon base rights negotiations in the Indian Ocean region. If negotiations are successful, construction requirements on Diego Garcia may lessen. If negotiations are not completed, there will be increased pressure to build additional facilities on Diego Garcia.

Other basing will extend U.S. capability. New basing will not replace Diego Garcia but simply complement activities on the island.

#### **PHYSICAL CHARACTERISTICS**

Physically, Diego Garcia is a horseshoe-shaped island 37 miles in length and averages approximately a quarter of a mile in width. The United States occupies 3,400 of the 7,000 acres on the island. The British retain control of the remaining acreage. The lagoon, which is protected by the island, is being dredged to accommodate larger ships and provide building material for additional military construction projects.

#### **MILITARY CONSTRUCTION**

To date, nearly \$100 million has been spent in military construction. The combined fiscal year 1980 supplemental request and the revised fiscal year 1981 construction authorization request total \$169 million. Further military construction requests are expected in the fiscal year 1982-1984 timeframe. Combined, all of the requests will represent over \$500 million in investments on the island.

Most of the build-up is to support fleet operations. While the specific requirements are classified, the delegation visiting Diego Garcia saw the current overloading and crowded conditions. Based upon an on-site staff visit and other information, assuming that present operational plans remain constant, the military construction requirements are justified and should be funded. Otherwise, U.S. forces will be severely constrained in their operations.

## U.S. MANPOWER

Presently, there are approximately 1,900 U.S. military personnel on the island. This total includes 850 Seabees, who are responsible for military construction activities. Plans call for a total population of 2,150, excluding the Seabees.

Most of the personnel increase will be used to meet the added support activities on the island. With the increased tempo in logistics, the support levels are being expanded. For example, air freight increased from 500,000 pounds per two-week period to over 3.5 million pounds of cargo per two-week period at the end of 1979.

Ship berthing has increased. Originally, the island averaged 4.5 ship days per month; at the end of 1979 the average was 8.5 ship days per month.

Aviation activities have risen dramatically from 576 in 1974 to 8,110 flights in 1979. Fuel storage assets have increased in similar fashion and the operation and maintenance budget of the Naval Support Facility has increased considerably to pay for the cost increase and increased storage of aviation fuel.

Increased communications traffic has resulted as well. The receiving activity doubled in one year and the communications group currently processes as much traffic in one week as it did in one month last year.

## FUTURE OPERATIONS

At present, the Naval Support Facility consists of a joint United States-United Kingdom communications facility, a 12,000-foot runway with limited aircraft parking, petroleum storage, a general purpose pier, dredged anchorage that could accommodate a carrier battle group and limited supply and personnel support facilities.

These facilities have enabled the U.S. to use Diego Garcia to support contingency operations in the Indian Ocean over the last fifteen months. Maritime patrol and reconnaissance flights are conducted; naval units are refueled and resupplied with support ships from Diego Garcia; ship repair and overhaul activities are performed and refueling of logistic support flights from the Pacific to the Middle East is provided.

With the requested expansion of facilities, the island would have the following capabilities:

Add 400,000 bbls to the existing and programmed aircraft fuel storage capacity which will give the island the ability to store a total of 1,100,000 bbls of fuel;

Double the existing ramp space which will permit parking for a total of 56 aircraft (6 C141s, 8 P-3s, 2 CODs, and 40 fighter/attack aircraft);

Construct a taxiway parallel to the existing runway so that the runway will remain open for take-offs and landings during taxiing;

Provide a small pier and causeway to offload wheeled and tracked vehicles from Maritime Pre-positioning Ships (Ro/Ro ships) for maintenance, especially important in Diego Garcia's harsh environment;

Improve the airfield's refueling facilities by adding eight hydrants with high-capacity fueling systems; and

Improve the fresh water system to provide a reliable supply in the event of crisis and sudden increase in the island's transient

## OMAN

Situated in the southeastern corner of the Arabian peninsula, the Sultanate of Oman is about the size of Colorado and has a 1,000-mile coastline which stretches from the Strait of Hormuz on the northeast to the border with South Yemen on the southwest.

Oman's significance stems largely from its location overlooking the strategic Straits of Hormuz linking the Persian Gulf to the Indian Ocean. Oman, though not a member of OPEC, is a significant petroleum exporter. For over a century the policy of the United States has been that a moderate government with a responsible outlook in power in Oman was in the best interest of the United States. This is still United States policy.

The Sultan of Oman is an absolute monarch who rules with the aid of his ministers and advisors, both Omani and expatriate. The present royal family, the Al Bu Said, family, has ruled since 1744. With the exception of decrees from the Sultan, the legal system is based on the tenets of Islam and tribal custom. Administratively, the country is divided into districts governed by governors who are appointed by the Sultan.

Oman depends on petroleum for more than 90% of its government revenues and virtually all of its export earnings. While the current production of 315,000 barrels per day is modest in comparison with some of its neighbors, the daily government oil revenue of over \$3 million sustains a reasonable rate of development. While most of the money has gone into defense, construction, health, education, transport and communications, productive projects in agriculture, fisheries and light industry are underway. Some minerals, especially copper, are being considered for future development.

While oil was first exported in 1967, the overthrow of the then Sultan by his son, Sultan Qaboos bin Said, in July 1970 marked the real beginning of Oman's emergence from poverty and isolation. Significant strides have been taken since then, but the majority of Oman's people continue to live on subsistence farming and fishing. The population is estimated at 700,000.

The U.S. Embassy in Muscat was first opened in 1972. American private and commercial interests in Oman have been growing steadily for the past decade. American companies are active in agriculture, road construction, airport management, petroleum and minerals exploration, banking, oilfield services, communications, and the hotel business.

For a decade, Oman fought against rebels in the mountains of the southern province of Dhofar. The rebel movement began in 1964 as a revolt against the despotism of the former Sultan, and then assumed ideological overtones through support by the radical regime of the People's Democratic Republic of Yemen and its Soviet backers. This rebellion, led by the Popular Front for the Liberation of Oman (PFLO), was effectively quelled with significant aid from the British, Iranians, and Jordanians in late 1975. Approximately 50 representatives of the PFLO are estimated to be still politically active in the Dhofar.

South Yemen, whose government has become ever more leftist following a 1978 coup, has sustained its anti-Omani/pro-PFLO rhetoric. Omani leadership is alert to potential threats to Oman's stability by radical elements within its borders or by overtly hostile acts of South Yemen which would be backed by the Soviets.

#### DELEGATION MEETINGS

The Congressional delegation met with Qays Abd al-Munim Zawawi, the Omani Minister of State for Foreign Affairs, Colonel Salim Abdullah Al-Ghazali, the Under Secretary of the Ministry of Defense, and Farid Mbarak Ali al-Hinai, Chief of Protocol and former Ambassador to the United States. The delegation also met with Mr. Marshall W. Wiley, the U.S. Ambassador to Oman and key members of his staff.

#### RECENT MILITARY ASSISTANCE

Recent events in Iran and South Yemen have underscored Oman's strategic and vulnerable position. Thus, although Oman's armed forces are equipped primarily by the British, the United States continues to remain responsive to reasonable Omani requests for United States defense articles and defense services required to meet legitimate Omani defense needs.

The proposed fiscal year 1981 security assistance program for Oman consists of Foreign Military Sales (FMS) financing of \$25 million. In addition, the United States has had a modest Foreign Military Sales cash program with the Government of Oman during the years Oman has been eligible to purchase defense articles and defense services. Recent purchases by Oman have consisted primarily of support items for equipment previously obtained from the United States and small quantities of ammunition. Oman is expected to procure limited quantities of major items of defensive military equipment to include anti-tank and anti-aircraft weapons, towed medium field artillery pieces, armored cars, and tactical transport aircraft. Discussions as to specific defense requirements and systems availability have been underway for some time. Sales under these cash programs are substantially dependent upon financial assistance from Saudi Arabia.

Credits in this year's program will underwrite Oman's acquisition of a medium field artillery support capability which is currently lacking in the Sultan's Armed Forces.

The United States continues to encourage the Omani Government to look to the United Kingdom military presence there and to the larger friendly regional states to maintain security in the area. It is not believed that large-scale Omani purchases of sophisticated military materiel are needed at this time.

#### CURRENT SITUATION

Oman appears to be willing to allow limited use of their military facilities, specifically the port at Matrah, and the airfields at Seeb, Thumrait in Dhofar province and on the island of Masira, given that the United States will provide certain security guarantees. As of the time of the committee delegation visit, final agreement as to our "status of forces", use of facilities, and security agreements to Oman had not been reached. The difficult area is apparently just how far

the United States would be committed to the defense of Oman should an outside attack, such as a Soviet-backed attack by South Yemen, occur.

At the time of the visit, C-141 transport aircraft and Navy P-3 antisubmarine warfare aircraft were using Seeb International airport on a limited basis. The C-141s are re-supplying the two battle groups in the Indian Ocean while the P-3s, based out of Diego Garcia, are conducting anti-submarine warfare patrols over the entire Indian Ocean area.

Oman supported Egypt and the Camp David accords to the displeasure of the other Arab states.

The Palestinian settlement question, as with all the Arab states, continues to be a significant obstacle in United States-Oman relations. Above all, Oman's concern over regional stability is clear.

#### COMMITTEE CONCERN

As a result of the decision in mid-1979 to significantly increase the United States' military presence in the Indian Ocean and Persian Gulf region the strategic location of Oman will play a major role in determining how and where our forces will be forward deployed. The Defense Department is currently gathering a seven ship support group to initiate the maritime pre-positioning of major defense equipment, fuel and ammunition. It is anticipated this support group will operate primarily out of Diego Garcia.

Maritime pre-positioning of end items alone is not sufficient to support a sustained military action of any size in the region. The use of facilities in friendly nations must be available to insure that ground and air forces, in numbers, can be inserted in a crisis area. Oman, because of its location, has the greatest potential for supporting such military actions should that become a necessity.

Omani officials stated clearly the fundamental principles on which the relationship with the United States should be based:

The vital economic interest of the Western world for mideast oil and respect for Omani's territorial integrity;

The stability of the immediate Persian Gulf regional powers;

The development of a long term special relationship with the United States that would include use of certain facilities in Oman in return for as yet to be finalized security agreements;

Oman's desire to improve its own defense capabilities and its intention to defend itself within the region with minimum outside assistance; and

The understanding that the welfare and prosperity of the Omani people cannot be overlooked.

Oman is prepared to accept U.S. forces on a temporary basis and is prepared to conclude long term security agreements. In return, Oman wants the equipment and training to defend itself from modest threats. Omani leaders made it clear Oman will fight its own wars—it does not wish outside troops to do the job. But it does need aid.

The delegation questioned how United States pressure (or direct military action) on the Government of Iran to settle the hostage issue and how increased U.S. presence in the Indian Ocean area would be viewed by the Arab world and, specifically, how Oman would react to such actions. The Omani officials indicated that the current

United States response was late, but not too late. Oman watched Soviet naval buildup in the Indian Ocean and could not understand why the United States failed to respond promptly. Neighboring Arab countries have thought, in the past, the U.S. was apathetic toward the region because of its nonpresence in the face of the Soviet buildup, these officials stated.

Omani officials would not comment on the present situation in Iran except to acknowledge there is an unstable situation in Iran. The hostage problem is unique and there is a question as to the ultimate effect of shows of strength or economic strangulation of Iran.

As far as entering into an agreement with the United States, it is clear that any relationship with the United States is somewhat of a political liability for an Arab nation as long as the Palestinian settlement question remains unsettled. This notion ran through discussion in all the countries visited by the delegation. The Omani officials did indicate, however, that the Arab world does believe that in the final analysis the United States will defend its interest whether it be for political or economic reasons.

The most significant impression left by the Omani officials was that the United States must define and follow an organized strategy in the Indian Ocean and Persian Gulf region. The Soviet Union is viewed as executing a determined political and military strategy of influence and, where possible, control of geopolitical events. Unlike the United States, economic interests alone do not drive Soviet expansion of influence.

#### VISIT TO THE INDIAN OCEAN TASK FORCE

On April 7, the committee delegation flew to the carrier U.S.S. *Coral Sea* on station in the Arabian Sea. The *Coral Sea* is a part of the two U.S. carrier battle groups now in the Indian Ocean. This two carrier battle group force, with approximately 20,000 U.S. military personnel, is graphic evidence of the significance of the Indian Ocean to U.S. strategic interests.

#### U.S. FORCES OPERATING IN THE INDIAN OCEAN

Since 1949 the United States has maintained a small mid-east naval force usually comprised of a command ship, two destroyers, and two frigates. Currently, the U.S.S. *Lasalle* (AGF-3) operates out of Bahrain as the command ship for Commander, Mid-East Force. The guided missile destroyers *Tattnall* and *Byrd* and the frigates *Koelsch* and *Brumby* make up the balance of this mid-east force.

Although not a large naval surface force, COMIDEASTFOR provided a needed presence in this important area of the world. These ships provide surveillance operations in the Red Sea, Gulf of Aden, and Persian Gulf. Force exercises either independently or in task groups involve anti-submarine, anti-surface, and anti-air warfare training and support operations.

Since November 25, 1979, the Soviets have maintained a surveillance ship, either dedicated for surveillance or a warship with surveillance equipment, continuously at the eastern end of the Strait of Hormuz. This is apparently in reaction to the recent buildup of

United States forces in the area. It is important to note that half of the world's oil supplies passes through this strait from the Persian Gulf to the Arabian Sea.

In addition to the surveillance of the Strait of Hormuz, the Soviets maintain some 25-plus frigates, amphibious ships, submarines and cruisers in support of their Indian Ocean presence. These forces operate predominately out of the island of Socotra and the ports of South Yemen. Prior to 1977 the Soviets operated out of the strategic port of Berbera in northern Somalia.

In mid-1979 the administration decided to significantly increase the United States force presence in the Indian Ocean and Persian Gulf area. This decision resulted from the January 1979 events in Iran and the general mid-east oil situation. Initially one carrier battle group was ordered to the Indian Ocean. This force was subsequently increased with the addition of a second carrier battle group, lead by the nuclear aircraft carrier U.S.S. *Nimitz* and two nuclear escorts, the guided missile cruisers U.S.S. *Texas* and U.S.S. *California*. One of the carriers was taken from the Seventh Fleet in the Pacific and the other from the Sixth Fleet in the Mediterranean. U.S. capability has been degraded in both areas. Continued reduced deployments in the Sixth and Seventh fleets could have a political effect in both NATO and the Far East.

At the time of the committee's visit to the Indian Ocean and specifically to the fleet, this all nuclear battle group was conducting extensive anti-submarine, anti-surface and anti-air warfare exercises with the second carrier battle group lead by the U.S.S. *Coral Sea*.

The U.S.S. *Coral Sea* battle group is comprised of two guided missile cruisers, the U.S.S. *Standley* and *Reeves*, and two frigates, the U.S.S. *Cook* and *Hammond*. The battle groups are supported logistically by two fleet oilers, an ammunition ship, a commissary supply ship and a repair tender. Without these support ships the United States continued presence in the Indian Ocean would not be possible. The repair tender, U.S.S. *Dixie*, is presently the oldest ship in the U.S. Navy. The U.S.S. *Dixie* was commissioned in 1941.

The exercises, essentially "mini wars" between the two battle groups in opposition to each other, provide excellent readiness-enhancing activities. At present, the aggregate aircraft carrier sortie rate in the Indian Ocean is approximately 150 sorties per day, with each sortie averaging 1.75 hours. As a rough measure, this permits each pilot to fly every other day.

The operational exercises conducted by the battle groups consist of maneuvering exercises, practice air-to-air intercepts, live anti-air warfare exercises, surface-subsurface coordination exercises and practice air-to-surface gunnery and bombing exercises. In addition, the battle groups are conducting around the clock communications, anti-air warfare plotting and electronic warfare drills.

Recently, the United States naval forces in the Indian Ocean were augmented by a Pacific fleet amphibious ready group consisting of four amphibious ships, escorted by two surface combatants. This amphibious force; an amphibious ship carrying some 1,800 marines and their guns, vehicles and equipment, a tank landing ship to move tanks and heavy equipment to the beach, a dock landing ship to carry landing craft, and an amphibious cargo ship to carry both landing craft and supplies, is capable of making an opposed landing in most areas of the Indian Ocean littoral.

At the time of the committee visit, exercise landing arrangements for the amphibious force had not been made. It is most important that this or any other amphibious force sent to the Indian Ocean have access to an operational area where landing exercises may take place. It is understood such areas are being discussed in the ongoing Indian Ocean facilities negotiations.

Sustainability of two battle groups at the operating tempos of the past year will essentially stress to the breaking point the Navy's logistic support system. The bulk items such as food, fuel, and ordnance are not as difficult a problem as are the equipment failures that require spare parts. The communications, electronics, machinery, engines and hundreds of other items, which under normal operating conditions fail periodically, must be repaired or replaced if readiness is to be maintained. The critical spare parts must be flown into the Indian Ocean area by Air Force Logistics Command and then transported by helicopter or ship to the fleet.

In summary, the state of readiness and morale of the forces currently in the Indian Ocean is good essentially due to the sense of purpose provided by the Iranian hostage situation and the Soviet invasion of Afghanistan. The 20,000 sailors assigned to the task force know they are involved in an important international confrontation and are willing to sacrifice and endure the harsh environment of long deployments with few or no port calls. This attitude is evident for the first deployments in the area, however, a second and third deployment without port calls at current operating tempos could severely hurt morale, retention and eventually recruitment.

The 8,000 sailors assigned to the two carriers are undergoing the most demanding conditions. Neither of the carriers are able to call at any ports in the area due to operational demands and the limited port facilities available. Recurring deployments stretching to 6 and 7 months with no respite from at sea conditions, may have a long-term, adverse personnel impact that is substantial.

## PAKISTAN

Pakistan, a country of 80 million, is bordered by Afghanistan and Iran on the west, India on the east, and the People's Republic of China on the north. Its southern border, a 500-mile coastline along the Arabian Sea, makes Pakistan a key location in the Indian Ocean region.

There are four provinces in Pakistan—Punjab, Sind, Northwestern Frontier, and Baluchistan. Some 40 million Punjabis make up the dominant majority. There are other ethnic groups whose resentment toward the Punjabis has produced internal strains; however, 97 percent of the population is Moslem.

### RECENT POLITICAL DEVELOPMENTS

Following World War II, in 1947, the United Kingdom granted full dominion status to India, a predominantly Hindu nation, and Pakistan, the Moslem-majority areas of British India. The result was a split Pakistan, east and west, separated by the breadth of India, a distance of more than 1,000 miles.

Eventually in 1950, following the adoption of a new constitution, Pakistan became a sovereign Islamic republic within the British Commonwealth. A parliamentary government was established ultimately; however, through the years on a number of occasions, the military has intervened in the nation's affairs and imposed martial law.

Following the war with India in 1971, East Pakistan severed ties and became the separate nation of Bangladesh.

Currently, General Zia-ul-Haq and his military government are in power in Pakistan. In a bloodless coup in 1977, General Zia ousted then Prime Minister Zulfikar Ali Bhutto, who had been responsible for bringing the general into political prominence as head of the Army.

National elections have been promised, but in October 1979 for the second time President Zia cancelled them. Instead local elections have been held as a means of developing a national political infrastructure. President Zia told the delegation that the established political parties have become rigid and inflexible. Thus, it has been necessary to bring new political talent into the nation building process at the grass roots level.

It remains to be seen whether these efforts will result in a broadened political base for President Zia's government and ultimate restoration of civilian political control. President Zia has expressed hope that national elections can be held within the next two or three years.

### DELEGATION MEETINGS

During its visit to Pakistan, the delegation had the benefit of a lengthy private meeting with President Zia-ul-Haq and also met with the Advisor on Foreign Affairs, Agha Shahi; the Secretary-General of the Ministry of Defense, Lieutenant General Ghulam

Jilani Khan; the Foreign Secretary, S. Shah Nawaz; and was the guest at an outdoor meeting with the Mayor of Rawalpindi, S. Ghulan Hussain and the members of his administration. The delegation also had the benefit of discussions with Ambassador Arthur Hummel Jr., and members of his staff.

#### THE PAKISTAN ECONOMY

Pakistan is a poor country, with a per capita Gross National Product (GNP) of about \$250 annually. It depends on agriculture for about two-thirds of its employment and one-third of its GNP. Its principal economic problems are those common to many developing countries—inadequate productivity, especially in agriculture, the need to extend the benefits of development throughout the population, and the difficulty of mobilizing domestic savings and foreign exchange earnings to finance its economic plans. The chief sources of strength which could produce a better economic future are a substantial untapped potential for agricultural growth and possible oil resources which could eventually make Pakistan self-sufficient in oil.

Pakistan is moving ahead to expand crucial oil production and encourage exploration. The prospects for finding more oil are good. Pakistan thus has a chance to increase the percentage of domestically supplied oil (at present ten percent) over the next few years. In the long term—in the next decade—self-sufficiency is the goal.

Until these resources are developed Pakistan will probably continue to have a serious balance of payments problem. At present there is a growing trade imbalance, with imports more than double exports, and debt service obligations equal to about one-third of export earnings add to the burden. So far, Pakistan has been able to avoid a serious crisis by substantial aid flows, payments from overseas Pakistanis, and most recently support from the International Monetary Fund. However, current indications are that these support elements will level off over the next several years.

In conjunction with these developments, the Pakistanis, at the time of the visit, were seeking rescheduling of \$3 billion in debts to the United States. Such action would ease financial pressure on Pakistan and, according to U.S. embassy officials, would have minimal economic impact on the United States. Subsequent to the visit, the United States has indicated to Pakistan that it would be prepared to consider rescheduling the debt payment if Pakistan could obtain similar agreements from other creditor nations and could reach a stabilization agreement with the International Monetary Fund. If these conditions are met, the United States would be prepared to reschedule up to \$70-80 million of debt payments in fiscal year 1981.

Pakistan is also pressing ahead with development of its nuclear power program. President Zia told the delegation that Pakistan's acquisition of nuclear technology is a matter of national right. The country's ability to meet its energy requirements by conventional means will be totally saturated after 1983. For this reason and because Pakistan wants parity with India, President Zia indicated to the delegation that his country will continue with its nuclear development efforts, expressed a willingness to observe all international safeguards and stated he would not allow the transfer of technology to a third country.

The issue of Pakistan's nuclear program has caused serious problems in relations with the United States. Military aid has been suspended because of this and other policy conflicts between the two countries.

#### THE PAKISTAN MILITARY

Based upon the latest available figures, Pakistan's defense expenditures run about \$1 billion annually within a total national economy of \$18.5 billion. It has a total active force of approximately 429,000, including 17,000 Air Force and 12,000 Navy personnel. It has reserve and para-military support elements totaling another 225,000 people.

Pakistan needs to modernize its military equipment. It is expected to continue purchasing the Mirage fighter aircraft. Previously it expressed interest in the A-7 aircraft, but its plans for development of nuclear capability helped cause the United States to withdraw the offer.

In discussions with Pakistan military leaders, the delegation learned that a massive force modernization package had been developed through a United States defense survey and submitted for review by the United States officials. The weapons package included requests for air defense ground equipment, aircraft, attack helicopters, missiles, anti-aircraft weapons, tanks, armored personnel carriers, communications gear and artillery. In addition, Pakistan has expressed interest in obtaining two *Gearing* class destroyers.

Much of the impetus for this package is a result of the Soviet invasion of Afghanistan. Historically, Pakistan has viewed India as its primary threat. Consequently, most of Pakistan's defense assets have been directed along its eastern border with India. With the Soviet invasion of Afghanistan, Pakistan is faced with a two-front threat. Although relations with India are reasonably good, Pakistan is unwilling to redirect its eastern defense to the Afghan border.

Whatever decision is made on the arms package, it is evident that Pakistan would have serious difficulty in paying for the equipment. Foreign military cash sales with the United States have averaged between \$20 and \$30 million annually. During the fiscal years 1955-1979 period, U.S. foreign military sales and assistance totaled approximately \$680 million in MAP and \$450 million in FMS.

Pakistan has viewed the People's Republic of China (PRC) as its most faithful ally. During the 1967-1976 period, the PRC provided an estimated \$335 million in military arms. Recently, the Arab states have begun to provide assistance to Pakistan. As a result of the Soviet invasion, it is not unreasonable to expect that aid from the Arab world to Pakistan will become even more pronounced.

#### UNITED STATES-PAKISTAN RELATIONS

United States relations with Pakistan have been ambiguous at best. At a time when Pakistan is looking for iron-clad treaty guarantees, the United States is in the process of redefining its role in the Indian Ocean area. The two developments are not necessarily mutually exclusive; rather, at least for the United States, it is a question of emphasis and determination of how close security ties with Pakistan can be managed within a structure less circumscribing than a treaty.

Complicating relations has been the controversy over the burning of the American Embassy at Islamabad. President Zia told the delegation which visited the burned-out ruins that there was no excuse for what happened and termed the incident "unacceptable."

According to the President, the following chronology of events led to the attack:

(1) President Zia was in the city, and a crowd had gathered to see him.

(2) At 11:00 a.m., during the visit, the British Broadcast Corporation announced that foreign troops had landed and captured Mecca.

(3) A further report by ABC London alleged that the United States was involved in the attack.

(4) At the time of the report, a Pakistani-Indian soccer match was in progress in India and the radio broadcast at the match was being followed by many people; the broadcast was interrupted for a news report alleging that the U.S. was involved in the attack on the Mosque in Mecca.

(5) Word reached the crowd in downtown Islamabad; they converged on the Embassy.

(6) No plans existed for bringing the military into Islamabad. There was a delay of four hours before Pakistani military forces came to the aid of the Embassy.

Based upon discussions in Pakistan, the delegation learned that the attack was planned by a small group of activists that included Iranian students, Palestinians, leftist elements and conservative Islamic students. The U.S. Embassy in Islamabad does not believe there was a deliberate delay in rescuing the Americans.

Zia apologized repeatedly for the delay in coming to aid the Americans trapped in the Embassy and noted that of the four people who lost their lives in the tragedy, two were American and two were Pakistani.

The main feature of United States-Pakistani relations at present, of course, is the difficulty in agreeing on common action in response to the Soviet invasion of Afghanistan. The United States discussed with Pakistan a \$400 million security assistance package. Ultimately, Pakistan rejected the package for several reasons:

(1) It was viewed as insufficient in terms of Pakistan's military requirements and as compared to amounts provided Egypt and Israel.

(2) It would draw Pakistan too close to the United States in the eyes of the Moslem world at a time when the issue of Palestine remains unresolved.

(3) In the absence of firm U.S. security commitments, beyond the 1959 Defense Cooperation Agreement, the package was viewed as being too risky in terms of possible Soviet reaction.

It is clear from discussions with Pakistan leaders that the country feels vulnerable and threatened, yet determined to protect its own interests. Pakistan is looking to the United States for help. The delegation was told repeatedly that Pakistan is seeking concrete security commitments. It does not want U.S. manpower to defend the country. But it needs substantial amounts of equipment and material to enable

Pakistan to upgrade its military forces and be prepared to deter, or defeat, attacks. Above all, however, Pakistan wants the ultimate security guarantee—the assurance that the United States will come to its aid if it faces an overwhelming attack.

It appears that for the time being the military assistance package is a dead issue. Possibly there may be further attention given to it in the future. In any event, the basis for Pakistan's rejection of the proposal leaves unsettled the issue of the role of Pakistan in support of the Afghan freedom fighters.

The Pakistanis have almost a million Afghan refugees in their country and are trying to feed and care for them. But it was made clear by Pakistan officials that they did not want their country to serve as a conduit for arms to the Afghan freedom fighters in a way that would bring an attack on Pakistan by the Soviets.

The delegation's visit to the Khyber Pass underscored the tenuous situation confronting Pakistan. Notwithstanding the presence of the famed Khyber rifles, the pass is not protected by air defense capabilities and modern, up-to-date equipment. Unless the western flank is shored up with equipment and material, Pakistan would be reluctant to have the Afghan rebels mount raids from Pakistani territory.

Pakistani officials expressed reservations about past U.S. actions and a sense of uncertainty about U.S. directions. President Zia said that Pakistan considers itself part of the free world and that the United States is the leader of the free world, and said that Pakistan would never be allied with the Soviet Union because the Soviets are not really friends of Moslems. He said that Pakistan knew it could not exist alone because such was impossible in today's world and he repeatedly made reference to the need for an ultimate security guarantee.

At the same time, Pakistani officials stress that a bitter taste had been left because of U.S. actions in the past which, in the Pakistani view, were failures to live up to clear agreements. It was mentioned particularly that in 1971 the country was dismembered and that, although Pakistan had both the bilateral 1959 agreement and membership in regional security arrangements with the United States, the security of Pakistan was not safeguarded.

Even today, the delegation was told, the U.S. has reservations about India being annoyed by what it does in Pakistan and references were made to comments of U.S. officials who had recently visited Pakistan raising the question of India's reaction to increased military ties with Pakistan.

Zia referred to Pakistan as an "island of stability" in the region and said that without it, the U.S. has no influence from Turkey to Vietnam. The United States must decide how much interest it has in the region, must show that its interest is sincere and make clear how far it plans to go to protect its interest, the President said.

"Pakistan cannot be dragged into a situation where only Pakistan suffers," he said.

Zia, echoing the comments of leaders of other countries the delegation visited, said the U.S. in the last twenty years has done "nothing but retreat." He mentioned Vietnam, Angola, Somalia, and Yemen. You are a super power, he said. You can no longer retreat.

## OTHER MIDDLE EAST ISSUES

On the issue of the U.S. hostages in Iran, President Zia, again in common with other Middle East leaders, counseled that patience and forbearance are the correct policies for the United States. According to him the time for the use of force has passed. We are with you on this, he said, because we do not believe in taking hostages. But use of force would put Pakistan in a difficult quandary because of its close relations with Iran. A peaceful solution of the problem is in the best interest of everyone, he said.

Continuing to affect relations between Pakistan and the United States, as it does throughout the Middle East, is the Palestinian issue. Until the Palestinian issue is resolved, Pakistani officials made clear, closer ties between the United States and the world will be very difficult to achieve.

If the United States would help the Palestinians as it helps Israel many of its most difficult problems in the area would be solved.

## MEETING WITH AFGHAN REFUGEES

The members of the delegation had a brief but moving visit with refugees from Afghanistan at their camp outside of Peshawar, Pakistan.

The speakers talked of how Russian aircraft came and bombed and obliterated their villages and of how women and children died in the rocket attacks.

The speakers said that the Afghans were fighting for their freedom but they have few rifles and little else in the way of weapons. They each said that they wanted to go back and fight for their country and they know how to use weapons but they need help.

We do not ask for food or for tents, only weapons, they said. If your government gives them to us we will take on the Russians—not only those in Afghanistan now but many more if necessary.

The women members of the delegation met separately with the wives of the Afghan men (who are Moslems) and were told by the women: don't send food or medicine; send guns for our husbands to fight the Russians.

A number of the refugees said that the Soviets had used chemical warfare against their villages. One speaker said that in Packtia Province planes came in and dropped gas bombs and the people who were close to where the bombs fell choked up, passed out and eventually died.

When one member questioned whether the rebels could stand up to Soviet forces with small caliber guns and asked how many were willing to go back and fight against the well-armed Soviet army with just rifles, all of the men present raised their hands and shouted that they were ready to go.

## SAUDI ARABIA

The committee delegation visited Saudi Arabia over a two-day period and met with Prince Abdallah ibn Abd al-Aziz Al Saud, Second Deputy Prime Minister and Commander of the National Guard; Prince Sultan ibn Abd al-Aziz Al Saud, Minister of Defense and Aviation; Prince Saud al-Faisal, Minister of Foreign Affairs; Mr. James Placke, Deputy Chief of the United States Mission to Saudi Arabia; Major General Charles Donnelly, Chief, U.S. Military Training Mission, Saudi Arabia; Brigadier General Gerald Bartlett, Project Manager, Saudi Arabia National Guard Modernization Program; and Brigadier General James Ellis, Chief, U.S. Army Corps of Engineers, Middle East Division.

## THE ROYAL KINGDOM

Though its origins date back to some of the earliest periods in recorded history, the modern Saudi state was founded by King Abd Al Aziz Al Saud in 1902. Continuing consolidation of surrounding areas resulted in the creation of the kingdom of Saudi Arabia in 1932.

The government is a monarchy with no constitution, although one is under consideration. There are no political parties.

The population of Saudi Arabia is approximately 7.1 million—roughly 2 million of whom are foreigners living in the kingdom.

Saudi Arabia encompasses almost four-fifths of the land mass of the Arabian Peninsula and is roughly the size of the United States east of the Mississippi. There are no permanent rivers or bodies of water within Saudi Arabia.

## POLITICAL SITUATION

Saudi Arabia remains one of the staunchest and most important allies of the United States. As the late King Faisal pointed out to an earlier committee delegation, at the time of World War I when the Ottoman Empire ended and the Arabs were asked which country they would choose to hold trusteeship over their area, all chose the United States. This reservoir of goodwill toward the United States is still much in evidence.

There can be no doubt about the importance to each of the special relationship between the United States and Saudi Arabia. For the United States, Saudi Arabia is our seventh largest trading partner; provides 8 percent of the United States' oil supply—and the level of dependence is likely to increase in the next five years; has established a favorable pricing arrangement for oil that resulted in a \$1 billion saving for the United States consumer last year; has placed approximately 80 percent of its financial investments in the United States; and is a leader of the Arab world.

For Saudi Arabia, the United States is the largest exporter of goods to Saudi Arabia; is the primary source of needed training, technology, and equipment for its military; and provided security assistance during its recent border conflict with South Yemen.

However, although each nation fully appreciates and recognizes the significance of the special relationship, it is also true that each has a variety of concerns about the other that cloud the association. The United States remains concerned by the continuing uncertainty over oil supplies and prices; and the long-term prospects for the country and the possibility of involving Saudi Arabia in the Egypt-Israel peace negotiations.

The Saudis, on the other hand, are concerned about the terms imposed on them for obtaining military equipment and supplies, particularly in view of the altogether different approach accorded other United States allies, such as Israel; continued United States pressure on Saudi Arabia's oil pricing policies which they regard as retarding necessary adjustments by the United States to conserve oil use and the development of alternative sources for future United States energy needs; the impact of inflation that erodes the value of Saudi Arabia's financial reserves at a time when it is producing more oil—and using up its in-ground reserves and future assets—in order to meet world demand, even though its own financial commitments do not require all of the revenues from this level of oil production; the treatment they have received by the United States media, which they regard as presenting a distorted view of their society, and, to some extent, as an attempt to weaken their system; and the consistency and durability of United States commitments.

The events involving United States relations with Iran and Taiwan are disturbing examples for Saudi Arabia, and have led to the Royal Kingdom expanding its contacts in the world—mainly in Europe.

While the concerns by each side produce strains in the relationship between Saudi Arabia and the United States, what is abundantly clear is that relationship itself is strong because each nation is too important to the other to permit deterioration.

#### *Views of Saudi officials*

The delegation was impressed by the comments of three senior members of the Royal Family as they surveyed United States-Saudi Arabia relations and the world situation in general. While the consistency in views among these important officials was not surprising, the clarity and breadth of their perspective on international events was stimulating and of great value in developing United States-Saudi Arabia relations for the future. It was also important to understand the role other nations expect the United States to play in the world.

Each of the Saudi princes made a point of commenting that while the United States should act principally according to its own national interests, it should also be discerning as to its real friends in the world. The reference seemed aimed at the precedence given United States relations with Israel compared to that accorded allies, such as Saudi Arabia, which provide the United States tangible evidence of the significance of the relationship.

While the Saudis are firm in their desire for no superpower involvement or stationing of troops in the Mideast, they endorse the expanded United States presence in the Indian Ocean as a result of the Soviet invasion of Afghanistan. There is little doubt among Saudi leaders that the Soviets ultimately covet the entire region. The Saudi leaders urged the United States to meet this challenge by exerting strong

leadership in responding to the Soviet challenge. They said the Arab nations will follow the United States lead. These officials portrayed the United States role in responding to the invasion of Afghanistan as critical. They cautioned that the United States could not be timid in rebuffing the Soviets because if hopes in the world were raised, but then little accomplished, the results would be even more devastating than if nothing were done.

In their view, because of the world situation, and in Southwest Asia in particular, the Saudis assumed the United States would urge Saudi Arabia to arm. Instead, they perceive the United States has delayed the delivery schedule of military equipment the Saudis have purchased.

As to the prospects for the future in the Mideast, the Saudis suggested that if the Palestinian problem can be resolved, the whole area will "eat out of the United States hand." However, the future is much less stable for the area and for United States interests, if the Palestinian problem cannot be solved. The presence of large numbers of Palestinians in countries throughout the Mideast is a potential destabilizing factor of major proportions.

Overall, the Saudis project a clear understanding and appreciation of world events and the importance of the United States role in the shaping of these events. With an objective analysis of United States interests and responsibilities in the world as the backdrop—an analysis that is difficult to take issue with—the Saudis are confused and to a degree disappointed by the United States actions. The Saudis are anxious for the United States to fulfill its role as a superpower—"stand up to its natural dimensions"—but they suggest that there now must be a sense of urgency on the part of the United States in meeting its responsibilities in Southwest Asia and the world. The United States must adopt a firm, consistent, and durable policy on which its allies can rely.

#### THE FUTURE

From all evidence available to the delegation, the Royal Family enjoys broad public support and is unlikely to be challenged in any substantial manner in the next few years. The takeover of the Grand Mosque in Mecca was an event that received wide attention for its potential implications but was apparently, not a serious threat to the current Saudi government.

The government in Saudi Arabia appears to be stable with little political challenge for at least the next 5 to 10 years. However, if allegations of corruption sometimes carried in the press are substantiated, the long-term impact on stability and public confidence in the regime would be difficult to forecast.

#### SAUDI REGULAR MILITARY FORCES *Army*

The Saudi regular Army forces number approximately 35,000. The forces include an armored and four infantry brigades, two paratroop battalions, three artillery battalions, six anti-aircraft battalions, ten surface-to-air Hawk missile batteries, and a Royal Guard battalion.

The Army is equipped with 250 AMX-30 tanks, 125 M-60 medium tanks, a variety of armored vehicles from personnel carriers to scout cars, and TOW and Dragon anti-tank weapons and six batteries of Improved Hawk surface-to-air missiles. Among other equipment

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**Navy**

The Saudi Navy has approximately 1,500 personnel, although it is currently undergoing an expansion program. Additional naval facilities are being built at Jiddah and Jubail. Training of personnel is underway and an infrastructure is being developed to command and support the planned expansion.

The Navy currently has 3 German-built Jaguar class destroyers, a large patrol craft (an ex-U.S. Coast Guard cutter) and an assortment of small patrol craft. As a part of its naval expansion program, the Saudis have on order nine Corvettes, four Fast Attack Craft (Missile) ships with Harpoon missiles, four coastal minesweepers, and four Landing Craft Medium ships (LCM).

**Air Force**

The Saudi Air Force is the kingdom's most effective military force. With approximately 8,000 personnel, the force structure contains approximately 178 combat aircraft. The principal combat capability is derived from the 65 F5E fighters, although there are also a number of obsolescent British-made Lightning aircraft in the Saudi Air Force. The Saudis also have substantial transport capability with two squadrons totalling 40 C-130 aircraft of various models.

A sharp increase in capability will occur when the Saudis receive the 60 F-15 fighter aircraft already approved for sale by the U.S. Government.

**Saudi Arabian National Guard**

The Saudi Arabian National Guard (SANG) is a paramilitary force of approximately 20,000 personnel. Primarily composed of Bedouins, the SANG has the mission of internal security and protection of the oil fields. Its commander reports directly to the king.

In 1970, recognizing the need to modernize, Saudi Arabia requested United States assistance in upgrading the force. On March 19, 1973, the United States and Saudi Arabia governments signed a Memorandum of Understanding committing both governments to a joint effort to modernize the SANG. The agreement was entered into under the provisions of the Foreign Military Sales Act and called for the modernization, training, and equipping of four mechanized infantry battalions and one light artillery battalion. Although the agreement to assist the SANG was a commitment by the U.S. Government, it was carried out by the Vinnell Corp. of Alhambra, California, a private firm awarded the contract on a competitive basis. United States military personnel are overseeing the contract in an administrative role. At the time of the award of the contract to Vinnell, questions were raised about its propriety. The issues raised are discussed in detail in the Report of the Special Subcommittee on the Middle East, H.A.S.C. No. 94-3, March 11, 1975.

Training of the four SANG battalions was successfully completed in March 1980.

In February 1978, the commander of the SANG formally requested the United States to continue the modernization program beyond January 1980. The follow-up modernization program will involve two phases: development of a logistical and training infrastructure and a headquarters for command and control first, and the modernization of logistical and training bases and four additional battalions by 1985. Some structural modifications of these forces, as well as further modernization are also under discussion.

**MILITARY CONSTRUCTION—THE ARMY CORPS OF ENGINEERS**

The United States Army Corps of Engineers maintains its Middle East Division headquartered in Saudi Arabia. With a complement of 67 officers and 12 enlisted personnel, the Corps provides design and construction assistance on \$19 billion worth of Saudi projects. The United States is fully reimbursed by the Saudi government for all costs associated with these personnel.

**SAUDI'S MILITARY MODERNIZATION—NATION BUILDING**

In a nation with little technical proficiency or modern infrastructure, the United States assistance to military projects and Saudi military personnel is developing a reservoir of technicians and capability vital to the future progress of Saudi Arabia as a nation. The delegation was impressed by the vast amount of goodwill United States military assistance programs have created in Saudi Arabia.

**ECONOMIC SITUATION**

Oil represents over 99 percent of Saudi Arabian exports and is its main source of foreign exchange. While Saudi economic prospects are favorable with over a quarter of the world's proven oil reserves within its borders, the government's policy is to diversify its sources of national income for the future, and reduce its dependence on oil.

The Saudi government's budget for fiscal year 1979 was approximately \$38.5 billion, with a deficit of \$4.3 billion, and roughly 30 percent of the budget was spent for defense and internal security programs. In fiscal year 1980, the Saudi budget is approximately \$47.6 billion, with a surplus of \$14 billion, and the same percentage allocated to defense expenditures.

What is evident after even a limited exposure to the Royal Kingdom is the immense amount of construction and modernization underway. The enormous revenues generated by oil production have provided the Saudi's the means to expose the nation to modern technology. Vast changes are occurring as this country, which has seen little change for many centuries, is modernized. The Royal Family is committed to bringing about modernization without disturbing the religion and traditions basic to the country. The policy of modernization without westernization is a difficult goal and may be the crucial ingredient in the long-term viability of the Royal Kingdom of Saudi Arabia.

**MEETING WITH THE AMERICAN BUSINESSMEN'S GROUP IN RIYADH**

During the visit to Saudi Arabia, the delegation met with the American Businessmen's Group of Riyadh. The businessman's group, representing a number of United States firms doing business in Saudi Arabia, outlined the loss of competitiveness of United States firms in Saudi Arabia. The businessmen cited the impact of U.S. laws that tax foreign earned income (unlike other countries), subsidies provided foreign firms by their own governments—such as guarantees for bonds necessary in the bidding process, and federal regulations emanating from legislation like the Foreign Corrupt Practices Act. The businessmen stated that it was extremely difficult to operate consistent with that act's policies because they received contradictory interpretations of what actions were prescribed, and in some cases received no clarification of the act's intent at all.

The businessmen asserted that if U.S. businesses are to continue to compete in a realistic manner in the international market, the U.S. government must alter its tax laws and strip away unnecessary and ineffective regulations.

The delegation believes the committees having jurisdiction should examine in depth the difficulties that have been encountered in seeking clarification of proscribed activities under the Foreign Corrupt Practices Act, and U.S. legal barriers to U.S. businesses being competitive abroad.

## KUWAIT

The committee delegation visited Kuwait over the Moslem weekend which precluded formal meetings with members of the government. However, the delegation met informally with government officials and received comprehensive briefings from the U.S. Ambassador to Kuwait, Francois M. Dickman, and the embassy staff.

### BACKGROUND

Kuwait is a tiny (7,000 square miles) country situated on the western end of the Persian Gulf, bounded in the southwest by Saudi Arabia and in the northwest by Iraq. Twenty-five years ago, Kuwait was a backward country of mud huts and dhows; it even lacked sufficient fresh water to support a population of less than 100,000. Today, Kuwait is the wealthiest country in the world on the basis of per capita income, due almost entirely to its emergence as the sixth largest oil producer in the world (1.7 million barrels a day with proven reserves of more than 70 billion barrels.)

### ECONOMIC SITUATION

The ruling Al Sabah family has a comprehensive three-pronged plan for managing Kuwait's oil revenues. Internally, the plan calls for massive funding of social programs to raise the quality of life for its population which now exceeds one million; and to serve as an investment in Kuwait's future. The extent of this program is staggering; it includes subsidized housing and free education and health care. So wide-sweeping is this program that Kuwaitis requiring the care of specialists abroad receive travel and treatment free of charge. The average Kuwaiti citizen can expect to receive in excess of \$500,000 in benefits from the government during his lifetime.

Externally, Kuwait is one of the major providers of economic assistance to developing countries, funding foreign aid projects of more than a billion dollars a year. This action is seen by Kuwait as a means of strengthening political ties to developing and non-aligned countries, and its per capita expenditure for foreign aid is approximately 20 times that of the richest industrialized nations.

Kuwait recognizes the impact of oil prices on the world economy and has been increasing its imports, mostly consumer goods, at the rate of 40 percent per year. The United States is the second largest supplier of imports in Kuwait.

The third aspect of Kuwait's economic policy is planning for the future. However, efforts to invest surplus foreign exchange assets in the U.S. have been hampered by U.S. tax policy. Oil production has been reduced from a peak output of 2½ million barrels a day to the current rate of 1.7 million barrels to preserve this income producing natural resources until the diversification of the economy can be completed.

### *Military-political issues*

Kuwait's military and foreign policy is shaped largely in response to two key considerations: the fact that Kuwaitis are a minority within their own country; and a long-standing border dispute with Iraq, its neighbor to the North and West.

Kuwaiti citizens comprise roughly 40% of the population while Palestinians, the most important expatriate group, represent between 25-30%. The Palestinians play a key role in the government and their presence strongly influences Kuwaiti policy. The committee delegation was told that the Palestinian question is the dominant issue for Kuwait. Because of its political ties to and financial support for the P.L.O., Kuwait remains strongly opposed to the Camp David peace process. U.S. support to Israel has forced the Kuwaitis to oppose actively the establishment of a U.S. military presence in the Persian Gulf. They remain equally opposed to a Soviet presence, preferring to hold both super-powers at political arms length.

The principal military threat perceived by Kuwait is Iraq, which does not recognize Kuwait's territorial sovereignty within current borders. The well-equipped Iraqi military forces have periodically sent troops 3 to 5 kilometers inside Kuwaiti territory and past efforts at a negotiated settlement of the boundary dispute have been unsuccessful.

Kuwait recognizes that its small, but well-equipped armed forces cannot defend the country—beyond a matter of days—against a determined Iraqi attack. Therefore, their defense policy toward Iraq is based primarily on non-provocation, limited defense and the political and military support (if necessary) of other countries within the region.

Kuwait is concerned that the Mecca Mosque takeover in Saudi Arabia may escalate into a reform movement against the privileges of the Royal family of Saudi Arabia; a movement with ominous implications for Kuwait which has a similar political structure. This concern is reflected in the recent government decision to form a committee to make recommendations on a new constitution. The Kuwait Assembly was dissolved by the previous ruler, Shaikh Sabah in 1976.

### MEETING WITH COMMANDER-IN-CHIEF ALLIED FORCES, SOUTHERN EUROPE (AFSOUTH)

The committee delegation met with Admiral Harold E. Shear, AFSOUTH commander, at the NATO Land Forces South Headquarters in Izmir, Turkey for a briefing on the status of NATO defenses on the Southern Flank.

Because of geographical barriers, the AFSOUTH command is divided into three potential fronts on land: Northern Italy, Northern Thrace and Northeast Turkey. On each front, the Warsaw Pact enjoys both quantitative and qualitative advantages over the NATO defenders.

The situation is extremely precarious in Turkey where economic difficulties, domestic political unrest and the lingering international political effects of the Cyprus crisis are compounding the problems facing the Turkish military forces. With a 90 percent inflation rate, 25 percent unemployment, and a massive foreign exchange deficit, Turkey lacks either currency or credit to finance modernization of its military forces which are approaching bloc-obssolescence.

The strategic position of Turkey—guarding the Trans-Caucasus land bridge approach to the Arabian peninsula in the west and the Straits approach to the Mediterranean Sea in the east—makes it critical that the NATO allies respond to the crisis in Turkey as a collective security issue.

AFSOUTH headquarters is concerned about the preservation of the political status quo in post-Tito Yugoslavia. Due to the current requirement to maintain two carrier task-forces in the Indian Ocean, U.S. naval forces in the Mediterranean have been reduced. Increased Soviet influence in Yugoslavia and the Adriatic would present significant problems for NATO naval forces.

At the present time, the Soviet Mediterranean squadron ranges between 40 and 60 ships including missile equipped nuclear submarines. However, the Soviet Navy is hampered in its Mediterranean operations by the lack of port facilities, a situation which could change if Libya, Malta or post-Tito Yugoslavia reverse their present policies.

Admiral Shear indicated that his command was seriously short of O&M funding and that this shortage was creating significant readiness deficiencies due to curtailment of training operations. This problem also experienced by the other NATO commands, is primarily the result of the soaring cost of fuel and other inflationary effects which make programs inexecutable.

The AFSOUTH command is optimistic about long-range prospects about Greek reintegration into NATO. However, the lack of progress on the Cyprus issue precludes any imminent change in current Greek military or political posture.