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DIRECTORATE OF INTELLIGENCE

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Arab Gulf State Reactions to Soviet Policy Shifts

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Summary

Current trends in the Persian Gulf are enabling Moscow to enhance its presence and legitimacy in the region and to capitalize on declining Gulf state fears that it poses a threat to regional stability. While Iraq and the conservative Arab Gulf states have been frustrated by Moscow's efforts to delay follow-up action on United Nations Security Council Resolution 598 as well as by its efforts to improve relations with Iran, they have repressed their irritation and concentrated on trying to gain Soviet assistance.

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Should the Soviets support the proposed sanctions resolution in the United Nations, the conservative Gulf states probably would expand contacts. Should the Soviets also follow through on their promises to withdraw from Afghanistan, thereby removing a major obstacle to improved relations, the process would receive further impetus. The Saudis--as well as Qatar and Bahrain--would be somewhat more likely to reestablish diplomatic relations with Moscow.

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Improved relations with Moscow is unlikely to alter the basic Gulf state orientation toward the West. Leaders of these states will remain suspicious of communism and of Soviet intentions, and their primary political, economic, and security ties will remain with the West. In a post-war environment, when it is no longer so dependent on the USSR for

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arms, Iraq is likely to expand its ties to the West. If the United States sustains its security support in the Gulf, moreover, its credibility in the region will be enhanced. [redacted]

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Gulf States Face Soviet Policy Shifts

Over the past year, the Gulf states have had to respond to a fluctuating Soviet policy in the region as Moscow has pursued somewhat contradictory policy objectives. During the first half of 1987, the Soviet emphasis was on supporting Iraq, courting the conservative Arab Gulf states, and projecting an image of a responsible superpower seeking constructive solutions to regional problems. Moscow voted for United Nations Resolution 598, which was designed to put pressure on Iran, and it endorsed Iraq's positions on ending the war and on interpreting 598. It also agreed to lease oil tankers to Kuwait, thereby extending implied Soviet security protection to Kuwaiti shipping which was under Iranian attack. [redacted]

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Although Soviet agreement to lease oil tankers to Kuwait gave Moscow its desired inclusion in Gulf security matters, it was followed by the US decisions to reflag Kuwaiti vessels and to increase its naval presence in the region--decisions which undermined Moscow's primary goal of preventing an increase in the US military presence in the region. It also led to an Iranian attack on a Soviet freighter in May 1987. These events apparently prompted a re-evaluation of policy in Moscow and a shift in tactics. [redacted]

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During the summer, Moscow began to focus less on the need to end the Iran-Iraq war per se and more on the so-called tanker war--which posed dangers for Soviet vessels and which had produced the US naval buildup and enhanced US credibility as the security guarantor of the region. The Soviets therefore embarked on a policy designed to protect their ships; to end, or at least reduce, the US naval presence in the Gulf; and to prevent the United States from successfully engineering a new initiative to end the war (e.g., the sanctions resolution in the United Nations). There were three primary facets to Moscow's new approach:

--An effort to delay action on the sanctions resolution in the United Nations.*

--A proposal to create a UN naval force in the

*The Soviets began to emphasize the importance of the mediating role of UN Secretary General Peres De Cuellar and to downplay the desirability of follow-up UN action to 598. They also modified their interpretation of 598 to reflect a more pro-Iranian position. When voting for the resolution in July 1987, the Soviets had endorsed Iraq's interpretation that a ceasefire and withdrawal from occupied territory would occur first. In his speech to the United Nations in September, Soviet Foreign Minister Shevardnadze suggested instead that, at the time of a ceasefire, a preparatory committee should be established to determine responsibility for the start of the war--an Iranian demand. [redacted]

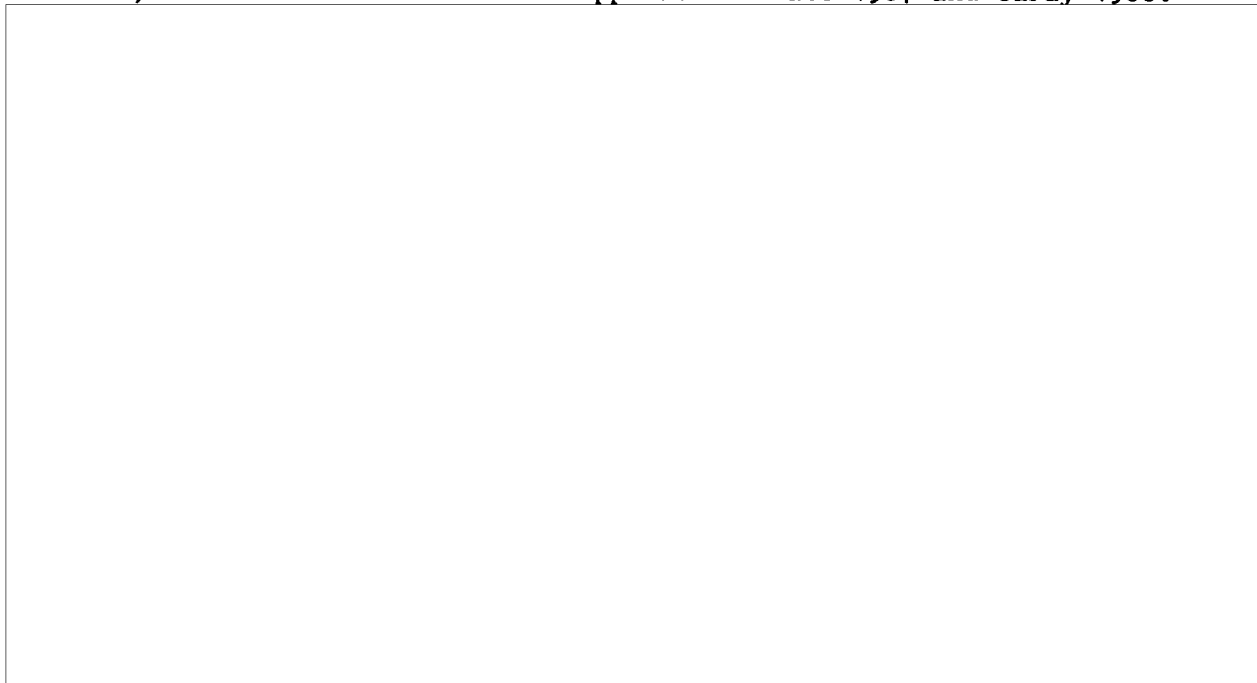
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Gulf to replace the Western presence.

--A new move to improve ties with Iran in order to gain protection for Soviet ships, promote a common goal (the removal of the US navy from the Gulf), and gain Iranian cooperation on Afghanistan.* [redacted]

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In response to negative reaction from Iraq and the conservative Gulf states, the Soviets modified this approach in late 1987 and early 1988.



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*Iran had indicated its interest in improving relations as it sought to prevent its isolation and head off joint US-Soviet action against it. In the summer and fall of 1987, the level of bilateral contacts expanded considerably. Soviet First Deputy Foreign Minister Vorontsov visited Tehran three times, Iranian Deputy Foreign Minister Larijani visited Moscow twice, and numerous bilateral meetings were held at lower levels. The tone of rhetoric improved on both sides and, for the first time since 1982, there was some limited progress on substantive matters. Aeroflot resumed intermittent flights to Tehran in October, and a trade protocol was signed to the effect that Iran would ship crude oil to the USSR in return for light oil products as well as some machinery and renewed help in industrial projects. (Iran has long sought a return of Soviet experts to its power and steel plants). The strong Iranian reaction to Iraq's use of Soviet-supplied SCUDs to bomb Tehran again put a negative cast on bilateral relations, however. [redacted]

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At the same time, Moscow continued its efforts to improve relations with Iran and stall action on a sanctions resolution.

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Gulf State Reactions

Iraq and the two Gulf states that have been most antagonistic to Iran--Kuwait and Saudi Arabia--have also been most affected by Soviet policy fluctuations and strongest in their reactions. The smaller states, particularly Oman and the United Arab Emirates, have tried to keep their own options open by sustaining contacts with Iran and have been less concerned about Soviet ambivalence.

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Iraq

Iraqi frustration with Moscow's ambivalence has been sublimated to its greater need to continue receiving arms from the USSR, by far its most important source of arms. This dependence has given Baghdad little room to maneuver. The Iraqis, however, have expressed their irritation, both publicly and privately, to the Soviets. Iraqi Foreign Minister Tariq Aziz publicly stated in late November that Moscow's position was an obstacle to resolving the war.

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[Redacted]

At the same time, Iraq has tried to entice the Soviets into backing its position by expressing support for Soviet policies in Afghanistan and the Middle East.

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[Redacted]

Iraqi officials and recent press commentary have welcomed Moscow's "positive stand" on the search for a solution in Afghanistan.

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Kuwait

The Kuwaitis, who have the closest ties to Moscow of any of the Gulf states, have expressed their criticism of Soviet policy more strongly in public than the Iraqis. They may have been more willing to use their limited leverage to influence Soviet decisionmaking because they are not dependent on the USSR for arms. They too have tried to entice Moscow into a more favorable position by supporting Soviet policy on Afghanistan.** [Redacted]

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During visits to Moscow in the fall of 1987, the Kuwaiti Foreign and Oil Ministers expressed unhappiness with Soviet policy and presumably pressed for a modified approach. The sharpest public commentary appeared in the newspaper Al-Rai Al-Amm which asserted in October that the Saudis had been right to avoid ties with Moscow over the years and to focus instead on relations with the United States. [Redacted]

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Concern about improving Soviet-Iranian relations induced Kuwait to intercede with the Soviets and to warn them against proceeding further.

[Redacted]

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[Redacted] There has been little movement by Kuwait to expand economic and military ties with Moscow during the past year. [Redacted]

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** The Kuwaitis also have used this issue before and have lobbied in Moscow's behalf. They tried unsuccessfully, for example, to water down the resolution on Afghanistan which was passed by the Organization of Islamic Conference summit, held in January 1987. In May, they proposed an initiative to the United States which was designed to put pressure on Pakistan on Moscow's behalf. [Redacted]

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[Redacted]

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The Kuwaitis have demonstrated their willingness to use support for Soviet efforts on Afghanistan as an instrument to gain Moscow's cooperation. Their agreement to receive the Afghan Foreign Minister in February 1988 was a clear gesture to Soviet sensibilities. Their warm reception in February of Soviet envoy Oleg Grinyevskiy and his message on Afghanistan also suggested that Kuwait's current emphasis is on enticement rather than pressure. [redacted]

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Saudi Arabia

Saudi Foreign Minister Sa'ud's visit to the Soviet Union in January 1988 and the February visit to Riyadh by Vladimir Polyakov, the Head of the Soviet Foreign Ministry's Near East Department, suggest growing Saudi recognition of Moscow's relevance to Gulf state interests and a trend toward increased bilateral contacts. Polyakov, who carried a message from Gorbachev to the King, was the first official Soviet visitor to Saudi Arabia since diplomatic relations were broken 50 years ago. He met with Crown Prince Abdallah and other Saudi officials to discuss the Iran-Iraq war, Afghanistan, and the Arab-Israeli conflict. [redacted]

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While Sa'ud was in Moscow as head of a Gulf Cooperation Council delegation petitioning for Soviet support of Resolution 598 and a sanctions resolution, Moscow clearly interpreted the visit as a harbinger of improved relations with Riyadh.* It played up bilateral aspects of the visit, emphasizing Sa'ud's meetings with Gromyko and Shevardnadze, calling for the restoration of diplomatic ties, and stressing the coincidence of Soviet and Saudi views on resolving conflicts in the Middle East and the Persian Gulf. [redacted]

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Both Soviet and Saudi spokesmen subsequently confirmed that there is no agreement to resume ties in the near future, but Soviet Foreign Ministry spokesman Gerasimov stressed the mutual interest in maintaining contacts, and Sa'ud indicated [redacted] such contacts were likely to increase. [redacted]

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Saudi perceptions of the Soviet Union continue to evolve. Sa'ud commented in early 1988 that the Soviet Union had become less messianic under Gorbachev [redacted]

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*Sa'ud was accompanied only by Saudi Foreign Ministry officials. The Saudi Petroleum Minister, who visited Moscow in early 1987 on behalf of OPEC, also was accompanied by other Saudi officials. During Sa'ud's previous trip to Moscow, in 1984, he was a member of a large Arab League delegation. Ambassador to the United States Prince Bandar was a member of Sa'ud's retinue. In recent months, Bandar has met occasionally in Geneva with Soviet Deputy Foreign Minister Adamishin, presumably to discuss bilateral relations and matters of common interest. [redacted]

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[redacted]
[redacted] Riyadh's reluctance to expand ties with Communist countries also appears to be waning. [redacted]

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[redacted] the Saudi press reported that the USSR would purchase Saudi wheat in 1988. [redacted]

The Saudis, who are strong backers of both Pakistan and the Afghan insurgents, have made Soviet withdrawal from Afghanistan a necessary, but not necessarily sufficient, precondition for the reestablishment of diplomatic relations. For its part, Moscow would like to have Saudi cooperation in its announced policy of withdrawal, particularly by ending aid to the insurgents. Should Moscow proceed with its promises to withdraw while supporting the Arab position on the Gulf, Riyadh probably would be willing to explore expanded ties, including reestablishing relations. [redacted]

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The United Arab Emirates

The Soviets also have been on the defensive in the United Arab Emirates (UAE), but the Soviet posture on a sanctions resolution is less crucial to the UAE than it is to Iraq, Kuwait, and Saudi Arabia. Embassy reporting indicates that bilateral relations are minimal in any event, that the UAE remains suspicious of Moscow, but that it will not slam the door on the Soviets as long as there is doubt about US steadfastness in the Gulf. [redacted]

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The decisions of the UAE and Oman to establish diplomatic relations with the Soviet Union in the fall of 1985 have been the most dramatic manifestations to date of shifting Gulf perceptions of the Soviet Union. The UAE has moved more rapidly than has Oman to expand relations, however, and has agreed to open air routes, allowed the Soviets to participate in a trade show, received trade delegations, and purchased military equipment (SA-7 surface-to-air missile systems). [redacted]

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The change in UAE attitudes toward the Soviet Union is reflected in the comments of an official who had opposed the establishment of relations with Moscow and who has been irritated by Soviet footdragging on a sanctions resolution. In December he stated that the Soviets now have a permanent foothold in the Gulf and that the United States and the Soviet Union are pursuing similar games in the region. [redacted]

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Oman

The Gulf war is not at the top of Oman's agenda in its relations with Moscow. Oman's primary objective with Moscow has been to help control the threat from South Yemen. A Senior Omani Ministry of Foreign Affairs official told US Embassy officials in January 1988 that good relations with the USSR are an essential element in Oman's progress towards non-alignment and a feature of its national policy toward South Yemen.* [redacted]

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Oman's approach to the Gulf war has been different than that of its neighbors. It has tried to maintain a dialogue with Iran and to avoid highly visible cooperation with the United States which might antagonize Iran. It has even been supportive of several Soviet policies which have irritated its Gulf brothers. In February, Sultan Qaboos spoke out publicly against an arms embargo directed at Iran, saying it was not realistic; he also indicated that he did not oppose a UN fleet in the Gulf. [redacted]

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Oman has moved at a more deliberate pace to expand contacts with Moscow than has the UAE. After stalling for two years, Muscat agreed to the opening of embassies in late 1987, and the exchange of resident ambassadors early this year. Omani officials have indicated in public interviews that they believe Soviet attitudes are shifting and that Gorbachev is willing to make changes within and outside the Soviet Union. One of these officials indicated that the decision to establish relations was made when the Soviet Union started to show a "positive and new position towards the region." [redacted]

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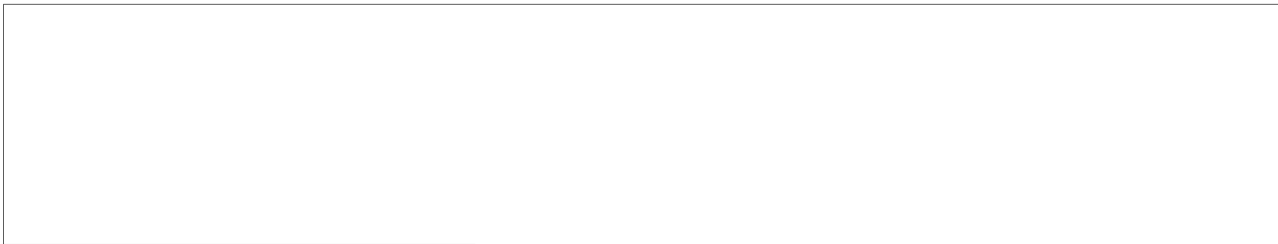
Bahrain and Qatar

The Soviets undoubtedly believe that it is only a matter of time before Qatar and Bahrain agree to diplomatic relations. Bahrain's Foreign Minister told the US Ambassador in early March 1988 that it was unrealistic to ignore the Soviet Union and that, if new developments came along in Afghanistan, Bahrain, Saudi Arabia, and Qatar would establish diplomatic relations with Moscow. [redacted]

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Qatar shows even more signs of being receptive to Moscow. There have been increasingly frequent visits by Soviet journalists to Qatar, and, over the last year, Qatar has toned down its staunch, anti-Soviet rhetoric and allowed more news about the Soviet Union to appear in its media. In January 1988, according to embassy reporting, the Qataris indicated that they preferred that the United States coordinate Gulf policy with the Soviets, arguing that it would be best not to force Moscow to vote on an arms embargo resolution which it had not participated in drafting and indicating that Qatar would prefer to wait patiently a bit longer to allow the five permanent members of the Security Council to agree on an approach. [redacted]

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Prospects and Implications for the United States.

The willingness of the Gulf states to accept the USSR as an important regional actor almost certainly will grow. This shift in attitude is based on a number of factors, including:

- The danger posed by Iran and a perception that closer ties to Moscow adds a potentially useful dimension to Gulf state security options.
- A decreasing perception of the Soviet threat, fostered by the announced Soviet intention to withdraw from Afghanistan and the fact that Moscow has not exploited current tensions to expand its own naval forces in the Gulf.
- A view that the new Soviet leadership is less ideological and, therefore, less threatening than its predecessors.
- A desire to lessen dependence on the United States in order to deflect growing anti-US sentiment in the region driven by the Islamic revival.
- A recognition that, in an era of depressed oil prices, "checkbook diplomacy" is no longer sufficient and that Kuwait's successful diplomatic maneuvering provides a useful model. [redacted]

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A Gulf state tendency to expand contacts with the USSR will be reinforced if the Soviets:

- Follow through on promises to withdraw from Afghanistan.
- Vote for a sanctions resolution in the United Nations and generally support Arab positions in the Gulf.
- Keep a low military profile in the Gulf.
- Support a moderate Arab position in the Arab-Israeli conflict.

These policies would encourage those states which still do not have diplomatic relations with Moscow to proceed toward establishing formal ties. They also would foster increased political and economic ties between the Soviet Union and all the conservative Gulf states. Over time, these states also are likely to follow Kuwait and the UAE in purchasing arms from Moscow. [redacted]

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