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Intelligence 25X1

North Yemen: Troubled Relations With Saudi Arabia

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An Intelligence Assessment

-Secret

NESA 85-10005 January 1985

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An Intelligence Assessment

This paper was prepared by _______ of the Office of Near Eastern and South Asian Analysis. It was coordinated with the Directorate of Operations. _____ Comments and queries are welcome and may be directed to the Chief, Persian Gulf Division, NESA,

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	North Yemen:	
	Troubled Relations With Saudi Arabia	25 X 1
Key Judgments Information available as of 3 December 1984 was used in this report.	Relations between Saudi Arabia and North Yemen, long troubled, are likely to continue unsettled for some time. As one of the world's poorest countries, North Yemen has been forced to accept a client relationship with its wealthy neighbor. Yemenis resent this status as well as Riyadh's persistent interference. Riyadh's repeated calls for a settlement of disputed border issues and for a reduction in the Soviet presence in North Yemen, both longstanding goals on its Yemeni agenda, help to sustain frictions.	
		25 X 1
	The recent oil discovery in North Yemen by a US firm has added a new complication to the North Yemeni–Saudi relationship. The oil find is the brightest spot in North Yemen's troubled economy. Significant returns are unlikely before 1990, but any lessening of Sanaa's need for Saudi financial aid is likely to erode Riyadh's influence on North Yemeni policies. A financially secure Yemen probably would attempt to expand its control over the independent-minded northern tribes that live along the border with Saudi Arabia. Riyadh has long provided subsidies to these tribes both to maintain its influence in the border area and to limit Sanaa's authority over them.	25V1
	Saudi aid will be vital to the regime of President Ali Abdallah Salih, however, at least until oil earnings begin. We believe Riyadh will maintain its present levels of assistance to ensure its influence in Sanaa, although it will slow aid flows periodically, as it has in the past, to press Salih on specific issues.	25X1 25X1
	Although some high-level Saudis, including King Fahd, profess to be pleased with Sanaa's oil discovery, we doubt the Saudis will officially abandon claims to the territory around the oil concession. We do not believe, however, that they will interfere directly with operations at the drilling site. They know that the stakes for Sanaa are high and that the Yemenis can be expected to fight hard to hold the oil-concession area. Nonetheless, the Saudis might encourage local tribes to interfere with operations, particularly if new wells are drilled farther east.	25X1
	The oil discovery has sparked a slight upturn in traditionally cool but correct US-North Yemeni relations. President Salih and other high Yemeni officials have renewed calls for the United States to deal with North Yemen independently of the Saudis. Sanaa would like stronger ties	25X1

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The new Soviet—North Yemeni friendship and cooperation treaty signed in October 1984 in Moscow does not signal a decisive shift in North Yemeni foreign policy toward the Soviet camp. Salih is maneuvering to defer payment on North Yemen's \$1.2 billion military debt to the Soviet Union and probably views the treaty as a useful gesture to Moscow. It is also calculated to signal the Saudis that he can call on powerful support if they increase pressure on border issues or seek other political concessions.

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	North Yemen:		
	Troubled Relations		05)//
	With Saudi Arabia		25 X 1
	North Vamon has traditionally sought to maintain its	In Morah 1070 often covered vices of counting the	
	North Yemen has traditionally sought to maintain its independence by balancing relations among compet-	In March 1970, after several years of conflict, the Saudis supported a compact between the royalists and	
0EV4	ing foreign powers. By cultivating ties to both Riyadh and Moscow, Sanaa has stimulated aid flows from	the republicans under which the Imam was exiled and	
25 X 1	each. Saudi Arabia's influence as the largest donor of	some royalists were absorbed into the republican government. This agreement continues to shape	
	economic aid is balanced against Moscow's as the	North Yemen's politics. The Sanaa government main-	
	provider of most North Yemeni arms.	tains its leftist rhetoric but pursues domestic policies that are generally acceptable to Riyadh.	25X1
	Maintaining such a balance is essential for Sanaa.	Since 1970 the Saudie have fallered	20/(1
	President Salih routinely signals that he is contemplating even closer ties with the Soviets when relations	Since 1970, the Saudis have followed a strategy designed to maintain a moderate and friendly regime	
	with Saudi Arabia become strained. He has been	in Sanaa. In part, this was intended to create a buffer	
	careful, however, not to permit Soviet influence to increase dramatically, knowing that the Saudis almost	against the Marxist-dominated and Soviet-backed regime that took power in Aden when the British left	
	certainly would react by cutting back economic aid	in 1967. Although Riyadh cannot dictate terms to	
25 X 1	and might even attempt to subvert the regime. Riyadh not only provides critical financial support to the	Sanaa because the Yemenis are strongly nationalistic and tend to close ranks when threatened from abroad,	
	government but also has close ties to key Yemeni	no Yemeni leader in the past decade has come to	
	constituencies, particularly the northern tribal leaders.	power or maintained his position without Saudi support.	25X1
	The Troubled Relationship	The Saudi Economic Weapon	
	North Yemeni-Saudi relations historically have been	Riyadh's greatest influence over Sanaa comes from	
	strongly adversarial, a product of wide cultural differ-	North Yemen's economic dependence. Saudi Arabia	
	ences, conflicting territorial claims, and past armed conflicts. Yemenis base their national identity on	is North Yemen's largest single donor of economic aid and its leading trading partner. Saudi currency circu-	
	state traditions that date back more than three millenniums and view the Saudis as newcomers to	lates freely and is the currency of choice in northern	
	power in the Peninsula. They continue to nurse griev-	areas that are closely tied to the Saudi economy. Approximately 600,000 Yemenis work in Saudi Ara-	
	ances over territorial losses resulting from their military defeat by the Saudis in 1934. The Saudis, for	bia and another 150,000 in the Gulf emirates. North Yemen's economy depends on remittances from these	
25 X 1	their part, see Yemenis as fractious and aggressive	workers to fund consumer imports. Remittances	
	tribesmen who, given their population advantage, pose	dropped from a high of \$1.2 billion in 1978 to \$900	
	a long-term threat to their neighbors.	million in 1982 but were back up to \$1.1 billion in 1983.	25X1
	The overthrow of the Imam of Yemen in September 1962 by Nasirist-inspired military officers alarmed	We estimate that Saudi automations have a second	
	Riyadh, which saw itself being encircled by Arab	We estimate that Saudi subventions have averaged between \$400-600 million annually in recent years.	
05)//	nationalist regimes hostile to the Peninsula monar- chies. To counter the threat from North Yemen,	Although these amounts are large from the North	
25 X 1	Riyadh provided arms, bases, and financial aid to	Yemeni perspective, they are, for example, far less	
	royalist Yemeni tribesmen who took the field against the Egyptian-supported republican government in		
	Sanaa to restore the Imam to power.		

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North Yemeni President Salih arriving in Jiddah.

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than Saudi aid to Iraq. Lower oil earnings have made
Riyadh a more careful aid donor, but we do not
believe that reduced earnings would ever limit the
Saudis' use of aid to protect their interests in North
Yemen.

US Embassy official that Riyadh was giving highest priority to projects in the Wadi Jawf region and acknowledged that the Saudis eventually hope to convert the Jawf from a "zone of anarchy on their southern border" into a buffer zone under Saudi influence.

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Military assistance has varied according to Riyadh's perception of the threat Sanaa faces from South Yemen or from leftist insurgents. We believe military aid has been substantially reduced since the highpoint in 1981 of the South Yemeni-backed National Democratic Front insurgency. Most official Saudi military aid has been in the form of grants that have funded the purchase of more than \$300 million worth of US weapons and munitions by North Yemen since 1979. The Saudis also make unofficial contributions to help the North Yemenis pay military salaries and meet costs for training and equipment maintenance.

We believe project aid has decreased sharply in the last two years because of lower Saudi oil earnings. Disbursements clearly identified as project aid amounted to just under \$30 million in 1983. Only about \$10 million was disbursed in 1984.

The Saudis set official aid levels at the annual meeting of the Saudi-North Yemeni Joint Coordination Commission. The Commission—now in its eighth year—provides a forum for both sides to review

Saudi Arabia's Fund for Development administers such aid for a variety of projects, including hospitals, schools, mosques, and highways. Most of the projects are in border areas where Riyadh wields strong influence. A high official in the Saudi Ministry of Foreign Affairs noted in a conversation in 1982 with a

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	North Yemen's Deteriorating Economy North Yemen is among the poorest nations in the	problems in the relationship. At the annual sessions, Riyadh invariably cites its concern about the Soviet presence in North Yemen. The Saudis also have raised border issues and pressed Sanaa to redress	
	world, with a per capita income of only \$550 per year:	grievances of Saudi clients in North Yemen. The	
	• Most of the population is rural and lives at a subsistence level.	Yemenis routinely seek additional funds while avoiding commitments to the Saudis.	25X1
	• With the exception of the oil strike near Ma'rib in July, few exploitable minerals have been found.		25X1
	• The exodus of roughly 750,000 Yemenis—half the domestic work force—to Saudi Arabia and the Gulf emirates has contributed to a deterioration of the country's agriculture.		
	 A narrow resource base results in a heavy dependence on imports. Sanaa has the worst trade imbalance in the world, with export earnings covering less than 1 percent of imports. 		
25 X 1	• Rising current account deficits—in part because of a slowing in worker remittances—resulted in a drawdown in official foreign exchange from a peak of \$1.4 billion in 1979 to \$313 million at the end of 1983.	When North Yemen's economic woes mounted in early 1983, we believe Riyadh perceived it had its best opportunity in years to gain significant concessions from Sanaa on the Soviet presence and the disputed border. North Yemen's pleas throughout the spring and summer of 1983 to convene the Joint Coordina	
25 X 1	In the fall of 1983, Sanaa finally began to take some of the politically difficult steps needed to improve economic performance, including cutbacks in government spending. By May 1984, US Embassy officials had noted improvements. Salary freezes, budget cuts, and a temporary halt in government spending on construction and development projects helped stem the outflow of hard currency.	and summer of 1983 to convene the Joint Coordination Commission so the annual stipend could be provided and Sanaa could ask for more aid were ignored by the Saudis.	25X1 25X1
25 X 1	Raising import duties, however, has spurred inflation and smuggling. The value of smuggled imports, in the view of some Western observers in Sanaa, is estimated to be as much as half the value of officially recorded imports. Much of the privately held foreign exchange—which by some estimates is at least as large as that within the banking system—finances illegal imports. Devaluations of the Yemeni riyal in February, May, and November 1984 were attempts to bring the official rate in line with street rates and to attract "mattress dollars" into official channels.	The Saudis finally convened the Commission in late October in Riyadh but agreed only to provide budgetary and project aid at 1982 levels. the Saudis also offered to cover unfunded portions of North Yemen's second five-year development plan and lobby for North Yemen's entry into	25X1 25X1

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Saudi Minister of Defense Prince Sultan.

the Gulf Cooperation Council as an associate member in return for an extension of the 1934 Saudi-North Yemeni Treaty of Taif (see the appendix and the map). This treaty confirmed Saudi possession of the Yemeni-claimed territories of Najran, 'Asir, and Jizan. Sanaa parried with a demand for a 30-percent share of all revenues derived from exploitation of mineral resources in the three provinces. For its part, Riyadh made the usual demand that the Soviet presence in North Yemen be greatly reduced or eliminated and voiced concern about the growing rapprochement between the two Yemens.

Despite its disappointment with the results of the meeting, Sanaa continued to press for additional Saudi funding. Salih's decision in November 1983 to proceed with a long-rumored Cabinet shuffle—the first major government shift since 1980—was primarily intended to reassure the Yemeni public and the Saudis that the government was serious about dealing with the economic crisis. The increase in the number of conservatives in the Cabinet-at least two had links to Saudi-supported Muslim Brotherhood groups probably also was a sop to the Saudis. US Embassy officials reported that the head of the Saudi military training mission in Sanaa "almost gloated" over the dismissal of Deputy Prime Minister for Economic Affairs Hassan Makki and Foreign Minister Lutf al-Thawr. Both were considered by Riyadh to be leftists.

North Yemen's Tribes—Available to the Highest Bidder

Riyadh easily outbids Sanaa in currying favor with the northern tribesmen. The Salih regime objects to its citizens' having private channels to Saudi Arabia, but there is little it can do about it. Leading Yemeni tribal shaykhs frequently attend the majlis (audience) of Saudi Defense Minister Sultan and other senior Saudi princes, and some Yemeni shaykhs hold both Saudi and North Yemeni passports. US Embassy officials in Sanaa estimate that as many as 1,000 shaykhs are on the Saudi dole with monthly stipends ranging from \$400 to \$1,600 for a minor shaykh to as much as \$20,000 for the head shaykh of a powerful tribe.

In addition to direct subsidies, the Saudis allow the tribesmen a relatively free hand in smuggling. This is an important source of income for tribes close to the border. With the Saudis turning a blind eye and Sanaa's authority restricted to major towns and crossing points, the border has become a sieve. Truck caravans under the protection of tribesmen armed with machineguns and 75-mm recoilless rifles regu-

larly ply desert routes between Najran in Saudi

ters to the southeast.

Arabia and the Ma'rib area, more than 250 kilome-

Despite Riyadh's heavy subventions, the tribesmen remain an uncertain instrument of Saudi political influence. Their loyalties to Riyadh—as well as to the central government in Sanaa and even their own shaykhs—are always subject to negotiation. Most tribesmen share the Yemeni antipathy for Saudis and either will not accept or will evade Saudi dictates. Tribal and personal rivalries prevent the shaykhs from presenting a united front against Sanaa, and President Salih has adeptly played the shaykhs against one another. Over the years, moreover, tribal leaders have lost some of their political influence. Salih has resisted pressure to return the shaykhs to the commanding position they held in the early 1970s, when shaykhly families controlled six of the 10 provincial governorships.

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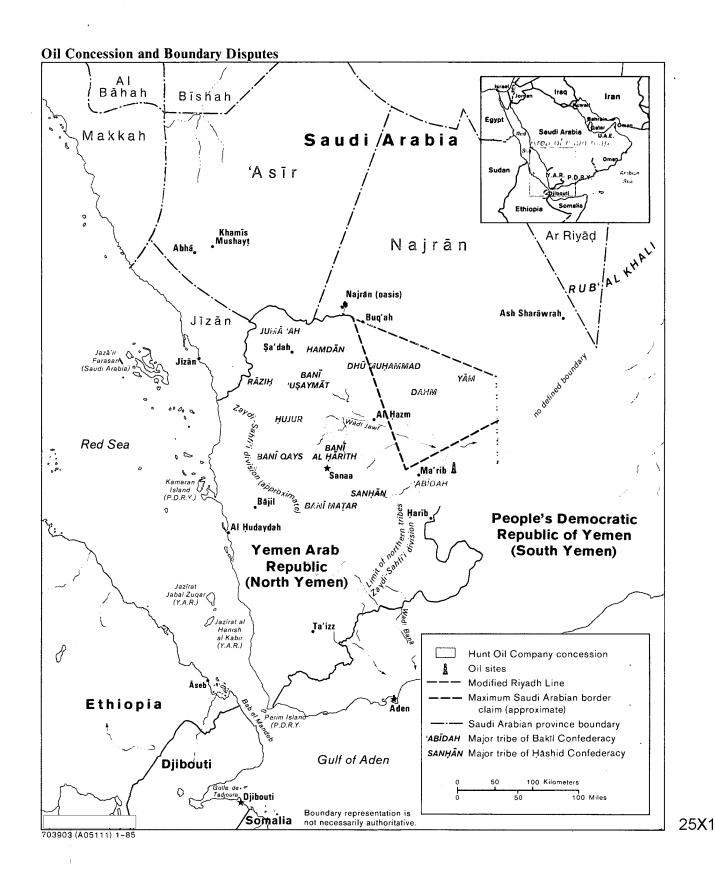
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Border terrain south of Najran oasis, Saudi Arabia.

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Border Clash at Buq'ah

Relations between Sanaa and Riyadh took a turn for the worse during December 1983 and January 1984, when Saudi and North Yemeni troops clashed near Buq'ah in the north. This was the largest military engagement fought by the Saudis since the border fighting with South Yemen in November 1969. The Saudis drove the Yemenis back in two major clashes and continue to hold positions won in the fighting.

an attempt by North Yemeni troops to intercept smugglers sparked the fighting. The Saudi military buildup that followed the incident, however, was unprecedented. By late January, Riyadh had deployed more than 4,000 troops and several hundred armored vehicles to the Najran area, including troops from Riyadh's two most effective ground force units, the National Guard's 1st Combined-Arms Battalion and the Army's Airborne Brigade. Sanaa moved reinforcements to Buq'ah and Sa'dah but did not attempt to match the Saudi buildup.

King Fahd and President Salih agreed to a mutual pullback of troops during talks in January in Morocco, where both were attending a meeting of the Islamic Conference Organization.

There

have been reports of occasional skirmishing since January, although both sides have sought to avoid a major confrontation. In April, Riyadh began reducing its forces, and Saudi troop strength in the Najran area is now near precrisis levels.

The North Yemen Oil Discovery

The discovery of oil in the disputed border area of eastern North Yemen by Hunt Oil has added a major new issue to relations with Saudi Arabia. US Embassy officials reported last summer that the first test well produced at a rate of about 10,000 barrels per day (b/d). A second well in September was also successful. President Salih has asked Hunt officials not to discuss the results publicly because this would arouse popular expectations. Hunt will drill additional test wells to delineate the field and test at least seven potentially oil-bearing structures in the 10,000-square-kilometer concession. An additional drilling rig was expected to arrive in December 1984.

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Saudi Arabia and the North Yemeni Tribes

Relations between the Saudis and Yemen's northern tribes generally are successful when both sides perceive direct advantages from cooperation. The Saudis in 1981 and again in 1982, for example, encouraged some of the tribes to respond to Sanaa's appeals to raise a militia—known as the Popular Army—to join North Yemeni Government troops in fighting the South Yemeni-based National Democratic Front. Riyadh finances the militia, but payment is dispensed by the North Yemeni Government to the tribal shaykhs, who then distribute the money among their followers. By 1983, according to US Embassy officials, the force numbered some 40,000 tribesmen. The size of the force probably has declined since then, but several thousand continue on active service and are stationed near the border with South Yemen.

We believe Riyadh views the militia both as a counter to North Yemeni Government forces and an institution that is susceptible to Saudi influence. For their part, the tribal shaykhs see the militia as a source of patronage to ensure the loyalty of tribal followers. At the same time, they enhance their martial reputations—necessary in maintaining authority in the tribe—by defending the homeland in partnership with, rather than in subordination to, the central government.

Hunt Oil officials initially reported that they believed they had discovered a field that ultimately could produce 100,000 b/d. This rate would exceed North Yemen's current domestic consumption of 15,000 b/d and is the minimum production considered necessary to justify construction of an export pipeline. If further drilling is successful, field development and construction of a pipeline to the coast are expected to take at least five years.

Yemeni leaders have been alert to signs that Riyadh might try to interfere with oil-exploration activities. US Embassy officials note that the boundaries of the concession area were carefully drawn well within territory claimed by North Yemen. Nevertheless, at least half of the concession is in areas that have been claimed by the Saudis in the past.

Although Riyadh fears an economically and militarily secure North Yemen, we do not expect the Saudis to harass the drilling site directly. The Saudis realize that North Yemen's stakes in the oil-concession area are high and that, in contrast to the fighting at Bug'ah, Riyadh could expect a determined North Yemeni defense. In the Buq'ah fighting, moreover, the Saudis operated from nearby bases at Najran and Khamis Mushayt; they have no comparable advantage farther south. Although the Saudi Air Force is more than a match for the Yemenis, Saudi ground troops would have to operate across roadless and waterless desert terrain from their base at Ash Sharawrah, more than 250 kilometers from the oil wells. In our opinion, the recently reinforced North Yemeni garrisons at Al Hazm in the Wadi Jawf and at Ma'rib are adequate to defend against a Saudi thrust.

If the Yemenis push oil-exploration activities much farther east of the present sites, this will risk a Saudi reaction. Although the Saudis are unlikely to intervene directly, Riyadh could encourage local tribesmen to harass the drilling parties. Many members of the 'Abidah tribe, who dominate the Ma'rib area, have traditionally considered themselves to be a "Saudi" tribe and could disrupt exploration activities.

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The US-Saudi-North Yemeni Triangle

US-North Yemeni relations have been stormy and frequently entwined with each country's relations with Saudi Arabia. Sanaa severed ties with Washington over US support for Israel in the 1967 Arab-Israeli war and resumed them in 1972 only after a visit to Sanaa by a high-level US delegation. North Yemenis periodically indicate an interest in warmer ties but insist that Washington must deal with Sanaa independently of Riyadh.

Although the United States has provided modest amounts of economic aid to North Yemen, the US military assistance program has had greater prominence. Major deliveries of military equipment began in 1979, when the United States, at Saudi urging,

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A North Yemeni shaykh and members of his entourage.



rushed to support North Yemen against attacks by South Yemeni forces in February. Since then, the United States has provided more than \$300 million in military equipment, munitions, and training programs, most of it financed by Saudi grants.

The Saudis are ambivalent about these US programs. Riyadh views US assistance as necessary to maintain a North Yemen strong enough to provide a secure buffer against South Yemen, but it does not want Sanaa strengthened to the point where it presents a threat to Saudi Arabia. Changing perceptions in Riyadh of North Yemen's strength have led the Saudis periodically to urge greater US assistance and then to interfere later with US programs.

The Yemenis constantly complain to US officials that Washington's programs are subject to a Saudi veto. They claimed, for example, that the delivery of vitally needed ammunition during the National Democratic Front insurgency was impeded in 1982 by Saudi Arabia to weaken the North Yemeni regime.

The oil strike in July 1984 by the Hunt Oil Company, however, has changed Yemeni perceptions of the United States. US Embassy officials in Sanaa note that many Yemenis had expected Washington to defer to the Saudis and press Hunt to limit its

activities or even break off its search for oil. In the euphoria that followed the strike, Washington is credited with having facilitated the operation.

The Impact of the Soviet Presence

North Yemen's ties with the Soviet Union are a major topic in Sanaa's relations with Riyadh because these ties have long irritated the Saudis. In the late stages of the civil war in the mid-1960s, the Soviets came to the aid of the Yemeni republicans who were fighting the Saudi-backed royalists. Most important, the Soviets mounted an airlift to help break the royalist siege of Sanaa. After the civil war, North Yemeni-Soviet relations cooled as Sanaa increasingly relied on Saudi aid, the government moved away from strongly leftist positions, and the Soviets stepped up aid to the leftist regime in Aden. In 1979, however, President Salih concluded a \$700 million arms deal with Moscow after failing to secure Saudi financing for the additional arms Sanaa believed necessary to counter the South Yemeni military threat. Subsequent arms deals have pushed North Yemen's military debt to the USSR to nearly \$1.2 billion.

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	We estimate that there are 500 to 700 Soviet and East European military advisers and technicians in North Yemen. About 300 Soviets and East Europeans are employed in civilian projects, such as the Soviet-	economic aid will persist. Moreover, we believe that Riyadh is apprehensive that its longstanding patronclient relationship with Sanaa will be eroded if North Yemen develops a significant oil export capability.	
	funded Bajil cement plant. At any one time approximately 500 North Yemeni officers and enlisted men are enrolled in training programs in the USSR, and an additional 2,000 civilians attend Soviet universities. Nonetheless, Sanaa sets clear bounds on the activity of the Soviet Mission in Yemen. According to US Embassy officials, Soviet military advisers have only limited access to military units, even at the	Although Riyadh is prepared, in our opinion, to allow North Yemen to exploit the oil discovery, we do not believe it will formally renounce claims to the territory east of Ma'rib and in the Wadi Jawf unless Sanaa is willing to negotiate a substantial quid pro quoperhaps a settlement of outstanding border issues in	25X
25X1	brigade level, unless there is a specific requirement for technical assistance.	the north. The Saudis will, in any case, continue to press Sanaa for negotiations on the northern border,	
25 X 1	Moreover, Soviet officials fear hostile tribesmen and are reluctant to travel beyond the environs of Sanaa, Al Hudaydah, and Ta'izz.	anticipating that, if North Yemen's economy improves, the chances of obtaining a settlement on favorable terms would be lessened. President Salih, however, will attempt to defer border talks indefinite-	
25X1	We believe that North Yemen's recently updated friendship and cooperation treaty with Moscow is in part intended as a warning that Sanaa would not hesitate to turn to the Soviets for major support if the Saudi military were to threaten the Hunt Oil operations. In addition, the relationship with the USSR probably is viewed in Sanaa as a means of encouraging Moscow to restrain South Yemen and limit Soviet and South Yemeni aid to Salih's opponents.	ly, knowing that he or any other Yemeni leader would run great personal risk if perceived by Yemeni nationalists to be overly accommodating to Riyadh. The Saudis also may expect that Sanaa—anticipating early returns from the oil strikes—will overcommit itself on development plans and require periodic and costly financial bailouts by Riyadh. While seeking to limit such outlays, we believe the Saudis would	25X
25X1	In the unlikely event that Sanaa shifted decisively toward Riyadh and Washington, we believe the Soviets would react by mobilizing their sympathizers in the military to bring pressure on the regime to reverse its course. Moscow might also urge Aden to renew support to NDF insurgents. At a minimum, the Soviets would threaten to curtail their military programs. Sanaa probably realizes this and cannot be sure that either the United States or Saudi Arabia would provide the quantity of military equipment the Soviets have offered. Other potential Western suppliers are likely to charge higher prices, and their weaponry would not be compatible with Sanaa's present inventory. This gives Sanaa strong incentives to keep the North Yemeni–Soviet military link intact.	welcome the continuation of their present patronclient relationship with North Yemen to retain leverage in Sanaa. Implications for the United States Salih will continue to use his Soviet ties carefully to influence the United States as well as Saudi Arabia. Salih views the Soviet presence as an essential counter to Saudi pressure, and we see little prospect that he will reduce it significantly. We believe that further gestures of friendship toward Moscow can be expected as Salih attempts to avoid repayment of Sanaa's massive military debt to the USSR.	25X
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Outlook for North Yemeni-Saudi Relations

Saudi-North Yemeni relations will continue to come under recurrent strains. Saudi pressure for political accommodations by Sanaa in return for vitally needed

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The Hunt Oil discovery that has sparked a slight upturn in US-North Yemeni relations has provided the Yemenis with a strong reason for developing closer ties to the United States. The oil discovery is the one bright spot in the economy, and the fact that a US firm made the find is a major plus for Washington. Moreover, we believe Salih will press for expanded relations with the United States as a useful check on the Saudis and a counter to the Soviets. He perceives Washington, however, as reluctant to irritate the Saudis by seeking an expanded role in North Yemen. He probably sees little prospect of an early dramatic improvement in relations, and he will remain sensitive to signs of Saudi influence on US actions.

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Appendix

	The Troubled Borderlands— The Legacy of the Treaty of Taif		
	Much of North Yemen's frontier with Saudi Arabia has never been fully defined. The northern border follows the crests of mountain ridges for approximately 320 kilometers inland from the Red Sea to the vicinity of Najran. Established by the Treaty of Taif following the Saudi defeat of North Yemen in 1934, it is the only part of the border between the two countries that has been accepted as an internationally recognized boundary. Nonetheless, Yemenis remain unreconciled to the northern boundary, and many	Last March, he acknowledged to the US Ambassador that the Saudi demand for a definitive boundary agree- ment "would pose extremely difficult political issues for Yemenis." Salih has threatened to put the matter to a national plebiscite, a move that is intended as a signal that Sanaa will not give in on the dispute.	25X 25X 25X 25X
	assert a national claim to the Najran oasis, the Jizan area, and the "lost" province of 'Asir. Some Yemenis		
25 X 1	even claim the Ash Sharawrah area in the eastern desert, now a major Saudi frontier military base.		
	Although the inhabitants of southwestern Saudi Arabia culturally and linguistically are closer to Yemenis than they are to other Saudis, there is little historical substance to the Yemeni claims. Past Yemeni dynasties only briefly held hegemony over 'Asir. The terri-		
25 X 1	torial union between North Yemen and 'Asir under 19th- century Ottoman rule was imposed from the outside and was only partly effective. In recent years, Riyadh has funded investments in the region to cement local loyalties to the House of Saud.	In our view, Riyadh wants to remove any basis for Yemeni claims that the border forced on the Imamate government at Taif in 1934 is not binding on the present regime. Riyadh also wants formal boundaries to facilitate tightening of security on its side of the	
	From Najran to the east, the frontier crosses the still largely unsurveyed western reaches of the Rub' al Khali (Empty Quarter). Saudi and Yemeni claims in the area overlap as much as 160 kilometers. The	generally lawless frontier. Brigandage by North Yemeni and even South Yemeni tribesmen is common- place in the border region.	25X
	Yemenis base their claim on the line declared unilaterally by the British in 1955 to be Saudi Arabia's border and commonly called the "Modified Riyadh	We believe the Saudis are primarily concerned with the area south and east of Najran, where the border has not been demarcated. Saudi and Yemeni troops	
25X1	Line." Saudi Arabia has never officially accepted the "Modified Riyadh Line." Saudis repeatedly assert title to all of the interior desert while conceding to the Yemenis the mountains to the west and south.	have clashed repeatedly in this region in recent years. Reported Saudi attempts to shift border markers to take advantage of a change in affiliation by a Yemeni tribe to Saudi nationality may have sparked the	
25X1	President Salih is particularly sensitive to the border issue and Yemeni claims to 'Asir, Jizan, and Najran. In May 1983,	upsurge of fighting that took place in October 1983.	25X
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Eastern borderland in the Rub' al Khali, North Yemen





Armed Saudi tribesmen mix with North Yemenis in Sa'dah, the capital of the northern tribes.

The Saudis have generally refused to cooperate with Sanaa's efforts to control cross-border smuggling, since open frontiers facilitate Riyadh's economic role in the northern tribal region of North Yemen. Moreover, powerful Saudi officials in Najran are widely believed to have major interests in smuggling and probably lobby Riyadh to ignore the issue.

We suspect that Riyadh is concerned by the proximity to the border of an airfield the Yemenis began building near Buq'ah in 1982. Although the location is south of the so-called "Modified Riyadh Line," according to some maps published in Riyadh it lies within Saudi-claimed territory. The Yemenis claim that the airfield is intended to support the antismuggling drive, but we believe that it can accommodate military aircraft. Riyadh probably objects to what it sees as Sanaa's attempt to "create facts" on the ground before a final settlement of the frontier is negotiated.

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