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The Arab Gulf Countries And the Arab- Israeli Conflict: The linkages and dynamics (1970-2000)

By Jawad M. A. El-Hamad

Thesis for M. A. Degree

University of Durham

Institute for Middle Eastern and Islamic Studies

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2004



The Arab Gulf Countries and the Arab-Israeli Conflict: The Linkages and Dynamics 1970-2000

Jawad M.A. El-Hamad

This thesis examines the changing linkages and dynamics of the relationship between the Arab Gulf countries and the Arab-Israeli conflict through the period of 1970-2000. The Arab Gulf countries' level of involvement in supporting the Arabs and Palestinians in the Arab-Israeli conflict diminished throughout the period of study. The thesis explains this diminishing role by discussing the impact of the developments of international struggle for influence in the Gulf as well as the Israeli ambitions and relations to the Gulf region, largely expressed through the Israeli relationship with Iran under the Shah. The thesis shows that the years 1973, 1979 and 1990 formed important turning points for international influence in the region. These turning points influenced on the level of the Arab Gulf countries' involvement in the Arab-Israeli conflict.

Throughout the seventies, the Arab Gulf countries played an active role in supporting the Arab side in the Arab-Israeli conflict. The clearest expression of this support was the implementation of the oil embargo against the West during the October 1973 War.

The eighties witnessed the birth of the Gulf Cooperation Council (GCC), the formation of which symbolized the emerging security challenges within the Gulf region. These security challenges represented by the Iranian Revolution, the Iran-Iraq war and the Soviet invasion and occupation of Afghanistan exhausted most of the capabilities and efforts of the Arab Gulf countries. Their focus and attention shifted away from the Arab-Israeli conflict, in spite of the serious and dramatic developments in that conflict.

The repercussions of the Iraqi invasion of Kuwait in 1990 resulted in a further diminishment of the role of the Arab Gulf countries in backing the Palestinians in the Arab-Israeli conflict. Only after September 2000 and the beginning of the Second Palestinian Intifada did the Arab Gulf countries again play a vital role, by means of financial, political and media support.

The thesis explains the linkages between security in the Gulf and the Arab-Israeli conflict. It examines the hypothesis that a reciprocal relationship explaining the level and type of Arab Gulf countries involvement in the Arab-Israeli conflict has existed throughout the period of the study.

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Declaration

I, Jawad M.A. El-Hamad, the author of this research study declare that the content of this thesis is the original work of the author. None of the material contained in this study has been submitted for a degree in this or any other University.

Statement of Copyright

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Introduction

The hypothesis of the thesis and its importance

This thesis examines the linkages and dynamics of the relationship between the Arab Gulf states and the Arab-Israeli conflict. It argues that there is a reciprocal relationship, whereby the policies of the Arab Gulf states and the role that they play in the Arab-Israeli conflict are themselves shaped in part by the conflict. They are also shaped by the security concerns of the Arab Gulf states that arise from international competition for influence over the Gulf and the pursuit of Israeli ambitions towards the Gulf region.

This study is the first to deal so directly with the reciprocity between the Arab Gulf states and the Arab-Israeli conflict, and which focuses so intently on the role that Arabian Gulf security plays in determining that reciprocity.

This thesis adopts the historic survey and descriptive analysis approach. It analyzes the nature of the relationship between the two arenas by examining both the impact of historical developments in each arena and how factors internal to each arena impact upon the relationship with the other. Crucially, it takes into account the geopolitical position of the Arabian Gulf, examining it in effect as the periphery of the Arab-Israeli conflict.

Period of the Study

The principal period of study for the thesis will be the three decades from 1970 to 2000. The beginning of this period coincides with the political independence of most of the Arab Gulf countries. The Gulf region was challenged with its own heavy security burdens during this period, though the nature of those security challenges changed in each decade. A large part of Gulf security concerns are related to the economic potential of the region, which is due to their extensive oil resources. The jump in the price of oil and its subsequent price collapse also happened during this period. This period also witnessed important developments in the Arab-Israeli conflict, both in terms of peace and war. The most effective developments regarding the level to which the Arab Gulf States worked to retain Arab rights and defend their dignity in the Arab-Israeli conflict were also expressed during this period. This period thus witnessed great developments as well as great challenges to the Arab Gulf States in the economic, political, and

security realms, as well as regarding their interactions with the Arab-Israeli conflict.. This is thus a convenient period to study regarding the aims and questions of the hypothesis. However, the complexity of the subject means that, at times, the thesis must delve further into the past to provide relevant context, and venture beyond 2000 in order to illustrate consequences of events. No period of time exists in isolation and so, while the main emphasis is on the period 1970-2000, the author has not attempted to extract this period from its greater historical context.

Outline of the Chapters

Each of the three chapters of the thesis deals with important aspects needed to examine the validity of the hypothesis.

The first chapter discusses the potential importance of the Gulf region, and then illustrates the extent to which international competition for influence over the region has served to shape its policies. It revealed the goals and policies of the international superpowers towards the Gulf in this regard. It also illustrated the repercussions that such competition has had on the security of the Arab Gulf countries, or at least how they have perceived it to have impacted upon them. These perceptions of security interests have played a role in shaping Arab Gulf policies towards different challenges including the Arab-Israeli conflict.

The second chapter discusses Israeli ambitions in the region. It explores in detail the Israeli efforts to consolidate relations with the Shah of Iran. The chapter emphasized the critical role that Israeli ambitions played in affecting the Arab Gulf countries' security and how the increase in security concerns in this regard affected their role and interaction with the Arab-Israeli conflict. These ambitions represented a security threat to the Arab Gulf countries during different stages. The chapter unveils the potential reciprocal relations between the Arab-Israeli conflict and security in the Gulf through its analysis of Israel's relations with Iran and other Israeli policies towards the Gulf region.

The third and final chapter shows how the Arab Gulf countries' linkage and dynamics towards the Arab Israeli conflict developed through the period of study. It also presents the development of their role in the Arab-Israeli conflict based on different factors through such dynamics.

In the third chapter, the thesis draws together the relative issues and components of the changing dynamics of the Arab Gulf countries' engagement in the Arab-Israeli conflict, and the conflict developments' impacts on the Arab Gulf countries as well. It traces the historical development of the participation of the Arab Gulf countries in the Arab-Israeli conflict as well as the exhaustion of their capabilities in response to the emerging security challenges in and around the Gulf region.

The linkage of the Arab Gulf countries to the Arab-Israeli conflict was effective in some periods but was weak or even absent in other periods. The thesis deals with the reciprocal impact of the Arab Gulf countries' security with the Arab-Israeli conflict. The effectiveness of their involvement during the 1970s appeared to have largely diminished by the 1990s, except for their contribution to the peace process. More recently, however, (and in the period following that covered by this thesis) the Arab Gulf states have partially revived their involvement and role in response to the Palestinian Intifada that erupted in 2000.

The thesis has clearly revealed that developments in the Arab-Israeli conflict impact directly on the security and stability of the Arabian Gulf region. Therefore, the conflict contributes in the shaping of the policies of the Arab Gulf countries under study.

Limits of the thesis

In spite of the achievements of this thesis, the author acknowledges its limitations. By dealing with such a prolonged period of time, which includes a great many significant events, and having included analysis of many players within one hypothesis, it becomes impossible to cover every relevant aspect with the full attention that the reader may feel is deserved. The author has tried to highlight the most relevant factors for consideration, but recognises that some less obviously pertinent details may have been lost in the analysis.

The author also recognises that there is a heavy reliance on Arabic references and translations. This is partly due to the fact that the author has been based in the Arab world throughout the period of study, and has had better access to these sources than those in other languages. However, the author has also chosen to make full use of sources that reflect the perspective of events held within the region under study (the Arabian Gulf) in order to express the 'flavour' and raw substance of the security concerns as seen from the perspective of the peoples and states of the Gulf.

Much of the translation of Arabic sources into English has been done by the author himself. Transliteration has been based on common usage as known to the author. Therefore it is acknowledged that the spelling of names and places may be different from those of other common transliterations found in Europe.

Chapter One

For Influence in the Gulf Region

Defining the subject: the Arab Gulf Countries and the GCC

The subject of this thesis is the Arab Gulf countries that today comprise the GCC. This excludes Iraq and Yemen from the study. The countries have been chosen due to their homogeneity, both with regards to one another and in their collective linkages with the Arab-Israeli conflict. They are similar in their political systems, as well in their cultural, social, and economic structures. Furthermore, they share common historical experiences.

The shared interests and experiences of these countries were made evident when they collectively formed the Gulf Cooperation Council (GCC) in 1981. In forming the GCC, the member countries demonstrated their understanding that the security challenges within an unstable regional environment, such as the Gulf area, imposed a necessity for the States to co-ordinate their policies and collectively mobilize their capabilities. The organisation was considered to be a practical answer not only to the challenges of the area's security, but also to issues of economic development and foreign policy. The immediate objective was to protect the member states from the threat posed by the Iran-Iraq War and Iranian-inspired Islamist activism.

^{1.} The GCC was established in an agreement signed on May 25, 1981 in Riyadh, Saudi Arabia between Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. The GCC is considered to be a regional common market and a defence planning council. Its purpose, according to its charter, is to facilitate regional unity and, eventually, integration through co-operation between its members in the fields of international commerce, education, science, technology, industry, shipping and travel, and defence. In the introduction to the GCC Charter, it states that the member countries declared that the establishment of the GCC was based on the following: 1.) the existing special relations between members. 2.) The sharing of similar political systems which were based on Islamic beliefs. 3.) The perception of a joint destiny and common objectives. 4.) The geographic proximity of the countries, and their common geographical characteristics, leading them to resemble a distinct region with common boundaries. 5.) The general adoption of free trade economic policies by all the member countries. The GCC Charter can be seen at: www.gcc-sg.org/charter.html

^{2.} The declaration of the GCC, see the web: www. gcc-sg.org/declaration.html

The thesis includes a consideration of the period before the establishment of the GCC. The intention of the thesis is to consider the linkages and dynamics between the countries that eventually comprised the GCC, rather than the institution of the GCC itself. Moreover, some of these states have played a more significant role than others, given their greater strategic and economic potentials. Equal weight will not, therefore, be given to all these countries in the discussions in the thesis.

The six countries concerned will be referred to as the "Arab Gulf countries". By definition, Iraq is technically part of the Arabian Gulf, but for the purposes of this thesis whenever the term "Arab Gulf countries" is used it will be referring only to the six countries that eventually made up the GCC and will not include Iraq. The thesis will refer to them as the GCC when it refers to any collective consideration through GCC organization meetings. The thesis also uses the term "The Arabian Gulf", but acknowledges the historic dispute over the use of this name. The term "West" is used to denote the US and Europe together.

The reciprocity of the dynamics and linkages

This thesis argues that there has been potential reciprocity of impact in the relationship between the Arab Gulf countries and the Arab-Israeli conflict. The Arab-Israeli conflict has had an impact on Gulf security, while the Arab Gulf countries have played a role in the conflict itself. The Arab Gulf countries felt from the early stages of the conflict that they had a part to play in its evolution. The Gulf feelings toward the conflict are clearly seen in the statements and policies of Saudi Arabia in the 1940s. King Abdul Aziz firmly opposed the Zionist movement and Jewish immigration into Palestine. He was enraged by the call at a Zionist conference in America for the creation of a Jewish state. King Abdul Aziz's interest in the Palestinian issue is underscored by the fact that just one week before US President Roosevelt's death, King Abdul Aziz was able to extract a promise from him that the US would not take any hostile actions against the Arabs and would not take any further steps in the region without consulting both Arabs and Jews, the letter was dated April 5, 1945. When Truman became President in 1945 and broke that promise by facilitating the settlement

^{3.} Fahda bint Saud, "King Saud and the Issue of Palestine," (2002), pp. 1-4, from Alfred Lilienthal, "Middle East Perspective", which can be seen at http://www.alfredlilienthal.com/saudpalestine.htm.

of 100,000 Jews in Palestine, Abdul Aziz was enraged and the US ambassador to Saudi Arabia resigned in 1946.⁴ Later, Abdul Aziz's successor, King Saud, as part of his assessment of the danger of Zionism, said: "The Zionist threat is like cancer." When the UN recognized Israel as a sovereign state on 78% of Palestine in 1948⁶ in spite of the objection of the Arab states, fears increased in the Arab world. The Arab public, including in Saudi Arabia, protested against the decision in massive demonstrations calling for the liberation of Palestine and expressing their fears of the newly established Israeli state⁷.

Less than a decade later, a joint Israeli, British, and French attack on Egypt followed Egypt's nationalization of the Suez Canal in 1956. Saudi Arabia reacted by severing diplomatic relations with the United Kingdom and France, and cutting off oil supplies to their tankers. The Israeli participation in the assault seemed to confirm the fears of many Arabs that Israel would serve the role of a Western military proxy in the Middle East while it had aggressive expansionary designs of its own. By April 1957, one year later, King Saud threatened to open fire on any Israeli vessel attempting to pass through the Gulf of Aqaba and the Saudi Straits. In May of the same year, the Kingdom lodged a protest with the United Nations against hostile Israeli aerial and navel activities in the Gulf of Aqaba, serving notice that it had the right to take whatever measurers it deemed necessary in self defence 9.

These fears were further increased when only nine years later; Israel attacked neighbouring Arab countries and occupied the rest of Palestine as well as parts of Syria, Jordan, and Egypt as well as two small Saudi islands. Following the Israeli victory in the 1967 war, and not least due to a perception that this increased the threat to them from Israel, Saudi Arabia and other Arab Gulf countries became more involved in the

^{4.} Ibid.

^{5.}Ibid.

^{6.} The UN Partition Resolution 181 of 1947 gave the Jewish state only 54 % of Palestine.

^{7.} For more details: Najeeb Al-Ahamad, Palestine, History and Struggle, (1985), pp. 342-393

^{8.} Encarta Encyclopaedia, Turmoil at Home and Abroad, The web: http://encarta.msn.com/encyclopedia 761575422_5/Saudi_Arabia.html.

^{9.} Fahda bint Saud, (2002), pp. 6-7

conflict, primarily through economic and diplomatic means but with some military contributions. In general, they sought to support the Arab and Palestinian opposition to Israel, and to influence Israel's own supporters to reduce their assistance to the Jewish state. Salman Bin Abdul Aziz, the Prince of Riyadh, warned against "Zionist ambitions that extend to Medina", the second holiest city in Saudi Arabia, on 20 March 1968 in a ceremony under his patronage, convened to support the Palestinian cause. 10 Such an alarm by Saudi officials confirms part of the reasons for their involvement against Israeli ambitions in the Arab-Israeli conflict. It became widely acknowledged in the Arab world that the Arabian Gulf region represents strategic depth for the Arab-Israeli conflict. At the same time, Israel has demonstrated growing strategic ambitions towards the Arabian Gulf and bordering regions, shown in both the nature of its alliances and also in its need for oil (as Chapter Two of this thesis will show). This raised security concerns for the Arab Gulf countries and led them to try to play a more significant role in the Arab-Israeli conflict. For example, Israeli missiles at that time were able to reach a range that could threaten any Gulf country, a fact that led the Arab Gulf countries to consider the Israeli state a threat on their own security.

Saudi Arabia has played a particularly crucial role in this regard. It was the counter player to Egypt in the Arab world throughout the nineteen fifties and sixties, balancing Egyptian progressive inclinations with leadership of the conservative group of states. Its influence on the Arab-Israeli conflict has at times been crucial as the thesis will illustrate later.

This real and potential reciprocal relationship between the Arab Gulf states and the Arab-Israeli conflict has not previously been studied in detail in its own right. This dissertation attempts to remedy this gap in the literature. It starts, however, by examining one of the key factors that has influenced both the stability and security of the Arab Gulf countries on the one hand, and their response to the Arab-Israeli conflict on the other. This is the influence of external (super) powers as they sought to secure their own interests, both within the Arab Gulf region and in terms of their rivalries with one another, taking into consideration the economic and strategic importance of the Gulf to their interests.

^{10.} Borhan Dajani(ed.), The Annual Book of The Palestinian cause in 1968, (1971), p. 155

1.1 The economic and strategic importance of the Gulf

The importance of the Gulf, and the competition of international players to exert influence in the region, has affected the security and stability of the region, and its responses to the Arab-Israeli conflict. It is necessary, therefore, to begin by examining the nature of international interests and competition within the Arabian Gulf region on the one hand, and to explore their contradictions and their consistencies on the other. This will enable this analysis to determine the security and international concerns of the Arab Gulf countries and therefore to contextualise their linkages towards the Arab-Israeli conflict.

The importance of the Arab Gulf countries has increased since the end of the Second World War. This importance was due to two fundamental factors: the increase in oil exploration and production in the Gulf countries, which resulted in significant increases in financial resources, and the development of bi-polar conflict and the 'Cold War' in the international arena. The growing economic importance of the region contributed to making it a 'tempting fruit' for the new superpowers to try to pluck. Such efforts took the form of both objective interaction with the states and peoples of the region, and efforts to control them directly as will be shown later.

The world first became aware of the economic potential of the Arab Gulf countries in the 1940s and 1950s as increasing oil resources were found in the region. By 1980, oil production in the Arabian Gulf represented one third of the total production of the Organization of Petroleum Exporting Countries (OPEC) 11, an organization founded in 1960 to represent the interests of developing countries whose economies rely heavily on oil export revenues. Even more importantly, the relatively small populations of the Arab Gulf states meant that little of the oil that was produced in them was used for local consumption making the Arab Gulf countries particularly important petroleum exporters. In 1980, the Arab Gulf countries thus represented 50-70% of oil sold on the world markets. 12

Oil production of the Arab Gulf countries increased throughout the 1980's and 1990's while the oil production in most other countries remained stable or declined. From 1994 to 1998, the Arab Gulf countries produced about 50% of the total oil

^{11.} Abdullah. Hammoudeh (ed.), "The Introduction", Oil and Security in the Gulf, (Dec. 1980), p. 3

^{12.} Ibid.

production of the OPEC nations. This was equivalent to 20% of the international oil production in the same period. The Arab Gulf countries' oil reserve was estimated to be more than 4,662 billion barrels by the end of 1998, representing 45% of the international oil reserve¹³. The importance of the larger region is further highlighted by the fact that with the addition of two neighbouring countries, Iran and Iraq, the figure is increased to 70% of the international oil reserves.¹⁴

With their huge reserves, the Arab Gulf countries are estimated to be able to continuously extract oil almost until the end of the twenty-first century. ¹⁵ This is especially important considering the expectation that the oil fields in other parts of the world such as Russia, the US, China, and Europe are expected to be exhausted in the coming years. ¹⁶ Furthermore, The importance of Gulf oil stems not only from the huge underground reserves in the region but also from its competitive power in the world market, owing to its production capacity, lower production costs and competitive prices. ¹⁷ Not only does the Arab Gulf have more oil than anywhere else in the world, but its oil is the cheapest to extract and is of very high quality.

Due to the huge oil resources found in the region, the economic potential of the region, the importance of oil in the economic and industrial development of all countries of the world, and the importance of ensuring the stability of both the production and distribution of oil, the Arab Gulf countries are considered of high strategic importance. Both the West, represented by the United States and Western Europe, and the East, represented by the Soviet Union and later Russia, have considered the Arabian Gulf of vital strategic importance and have competed over the region in an attempt to influence the countries of the area and to ensure their own access to its oil resources. We will now look more closely at first the Western view of the region, then the Eastern view, and then we will give a historical account of their competition for influence in the area.

^{13.} See: The General Secretary of the Arab League and others, <u>The Unified Arabic Economic Report</u>, (1999), pp. 266-268

^{14.} Jan H. Kalicki," A Vision for The US- Saudi and US-Gulf Commercial Relationship", <u>Middle East Policy</u>, (May 1997), pp.74-75

^{15.} Ibid.

^{16.} N.G. Lineback, "The Gulf Stream", Focus, (Spring 1995), pp. 15-17

^{17.} H.Jawhar and A.Sahar, "The International Attempts to Control Gulf Oil", <u>Assiyasa Al-Dawlya Journal</u>, (July 1998), p.13

1-2 The West and the Gulf region

Soon after oil was discovered in the Gulf region in the late 1930s, the West began showing an interest in the area. This interest is symbolized by the famous 1945 visit between King Abdul Aziz ibn Saud of Saudi Arabia and US President Franklin D. Roosevelt on a US ship in the Red Sea and the visit later that same year between King Abdul Aziz and British Prime Minister Winston Churchill. The British at the time occupied most of the smaller Gulf states on the Eastern and Southern borders of Saudi Arabia. Most of these countries gained formal independence in the 1960s and the last British troops had withdrawn by 1971. Even after the British withdrawal, most of the oil was being extracted by American and British oil companies. During the 1970s, most of those oil resources were nationalized.

1-2-1 Economic interests

The first oil crisis that was felt in the West occurred in 1973 when the Arab oil countries declared an embargo on oil exports to the West because of Western support for Israel. The embargo caused panic among energy consumers.

Despite attempts by the West to wean itself off of dependence on Gulf oil resources in the 1970s, by 1980, the Arab Gulf countries were still providing Japan with 76-85% of its requirements, Western Europe with 60-65% and the US with 15-30%. These numbers remained fairly stable, with slight increases for some countries over the next two decades. Ted Thornton affirmed that "a long-term strategic interest of the United States is to control the flow of Gulf oil, not solely because of American domestic needs (7%) but more importantly because Europe and Japan were almost completely dependant on this oil. The United States, declining in power economically relative to other world powers, sought ways to stay in the game and maintain a competitive edge. In spite of the relatively low US dependence on Gulf oil, a little perspective was in order. In 1973, the year of the Arab oil boycott, the United States was dependant on Arab oil for only 6% of its domestic consumption. In 1990, American dependence on Arab oil overall (from other Arab countries as well as the Gulf) had swelled to 30%."

^{18.} A. Hammoudeh (ed.), (Dec. 1980), p. 3

^{19.} For more details see: Ted Thornton, Middle East History database, The Gulf Wars 1990-1991, the web: http://www.nmhschool.org/tthornton/mehistorydatabase/gulf_war.htm

During the period of 1995-2002, the Arab Gulf countries supplied the US with 16-18% of its oil needs, Japan with about 80-85% of its needs, and the EU with 65-70% of its needs. ²⁰ These figures illustrate that Western Europe and Japan are highly dependent on oil supplies from the Arab Gulf countries and their oil has long been an important factor in the economic progress of the West.²¹

Moreover the rates of dependence on, and demand for, oil by these same industrial countries, are expected to increase dramatically over the next two decades for a number of reasons, but especially because of the entrance of China as a major new oil importer. The share of the above countries in world oil consumption in 1995 was 58%. China joined the oil importing countries in 1995, buying most of its needs from the Gulf region²². China's oil imports were only 0.4 million barrels per day (mbpd) in 1995, but they are projected to grow to 6.9 mbpd by 2020 ²³. In addition, China's need for gas will increase from 0.5% of world gas consumption in 1990 to 3.7% in 2020 ²⁴. Table 2 in the appendix shows the projected increase in world demand for oil until 2020. Table 3 shows the extent to which Gulf oil will be expected to fill this increasing demand.

The American Defence Department raised US concerns of any problems that might face oil flow from the Gulf region, in a report defining US interests and commitments in the Middle East. Noting American, European, and Japanese dependence on oil from the Gulf, the Defence Department asserted that "any threat to Gulf security would endanger the critical economic interests of the United States." European concerns are similar to those of the Americans. The Western European countries concentrate their attention on securing energy sources, believing that without getting oil and gas in steady rates and at reasonable, predictable prices their economies will be prone to instability.

^{20.} For more details, see: Energy Information Administration, <u>U.S Department of Energy</u>, (October 2002), The web: www.eia.doe.gov/Emeu/cabs

^{21.} James Ekniz, "US Domestic and Foreign Policies", Oil and Security in the Arabian Gulf. (1980), p. 40

^{22.} DOE/EIA, "Estimates in International Energy Outlook, 1999", (April 1998), p.36

^{23.} DOE/EIA, "Estimates in International Energy Outlook 1997", p.115

^{24.} Ibid., p.137

^{25.} William Perry, "United States Security Strategy for the Middle East", Office of the Secretary of Defence, (May 3, 1995), p.6

The US Defence Department report mentioned above also noted that the vast expansion of wealth in the hands of the Gulf countries as a result of the oil boom of the 1970s had made that region an important market for Western goods, and that maintaining access to those commercial markets was an important American interest. One scholar described a similar view in Europe, saying the European countries seek "the security of continuous dealing with the profitable markets of the Gulf and maintaining European investments there". Arms constituted one of the most important Western products imported into the region. One scholar noted that the West was so keen to sell arms to the region that they emphasized the threats that the countries were facing to encourage them into buying more arms. He called such practices: "Threat and Protection Trade". 28

The Western countries benefited tremendously from these arms sales. Arms exports increased dramatically following the Second Gulf crisis of 1990-1991. At the same time, from 1988-1992, there was a clear decline in the sale of arms to the third world in general because of the end of the Cold War. In 1988, sales had amounted to about \$24 billion, but they fell back to \$9 billion in 1992. In the early 1990s, the Stockholm Institute for Peace Research reported that many weapon manufacturing companies in the West were facing possible bankruptcy. ²⁹ The massive arms deals with the Arab Gulf countries constituted the most important factor in saving those companies from bankruptcy. Arab Gulf countries were at the top of the list of the arms purchasing customers during the period of 1989-1993, according to the same Institute in its 1994 yearbook. Saudi Arabia, as the Institute says, is one of the world's largest purchasers of military equipment. During the eighties it was the greatest customer in the world arms market. In the period 1989-1993 it spent \$8.039 BN, and was the world's third largest arms importer. The Emirates were the 17th largest importer and spent \$ 2.491 BN.

^{26.} Ibid., p.10

^{27.} Mohammad Saed Idrees, "Role of Security and Military Cooperation in Development of the GCC as a Regional Identity", <u>Al_Mustaqbal Al-Arabi Journal</u>, (Jan 1997), p.113

^{28.} N.G. Lineback, (1995), p. 13

²⁹. *Ibid.*, p. 32

Kuwait was the 21st largest importer and spent \$2.308 BN. ³⁰ [See table (10) in the appendix].

This trade exchange is closely linked to oil in that the Gulf countries ability to buy so many Western industrial and food products in addition to military equipment, infrastructural improvements and other items is due to the wealth they have derived from oil sales.

During the period of 1973-1990 the European Community (EC) exports to the Arab Gulf countries totalled between \$18-23 billion in value, while its imports from them totalled between \$11-18 billion. This reveals a surplus in the balance of payments to the EC advantage as shown in Table 5. During 1990-1993 the Arab Gulf countries' imports from the EU increased to a rate of \$3362.11 million annually. They exported at a rate of \$1916.1 million annually in the same period to the EU.

The Arab Gulf countries imported from the European Union (EU) at the rate of \$23,979.3 million annually during the period of 1994-2000, as can be seen in Table 6. They exported to the EU at the rate of \$13,408.1 million annually in the same period, leading to a surplus of \$10,571.2 million to the advantage of the European Union.

Regarding the US, Saudi Arabia itself exported about \$3,611.7 million in 1986; these exports jumped to \$7,688 million in 1994. The Arab Gulf countries' imports as a whole from the US were \$1540.35 million annually, while they exported \$1264.28 million annually through 1990-1993.³¹ The Arab Gulf countries' imports from the US increased to \$12103 million annually during the period of 1994-2000, while American imports during the same period were \$11595 million annually from Arab Gulf countries, making an annual trade surplus in favour of the US of \$508 million dollars as indicated in Table 4.

Looking at the above figures, the importance of Gulf oil is evident on two levels. First, the Western dependence on Gulf oil for their own economic production as was discussed earlier. Second, the huge sums spent on Western imports into Arab Gulf countries has made oil important in enabling the Arab Gulf countries to continue being such an important consumer market for Western goods. This further underscores the

³⁰. Jawdat Bahjet and Hassan Jawhar, "The peace and Stability Factors in the Gulf in the nineties: Internal Indications and external Pressures", <u>Al-Mustaqbal Al-Arab</u>i, (1996), p. 41

^{31.} ESCWA, Statistical Abstract of ESCWA Region, (1999), Tables # VIII-2 and # VIII-3, pp.374-385

Western interest in maintaining the security and stability of the Gulf region. Not only is free access to oil resources and steady oil prices important for the internal Western economies but the stability in the oil market is also important for the Western producers of goods sold to the Arab Gulf countries. The wealth of these countries has made the maintenance of a convenient environment for trade in the Arab Gulf countries a vital Western interest in itself. Linked to this is the further Western interest in maintaining channels for the continued investment of excess Arab Gulf states' wealth in Western financial and trade markets. "Saudi Arabia alone has placed an estimated 60% of its global investments in the United States through passive and direct investment". Saudi investments in the US and Europe are estimated to be from \$700-900 billion. The US market enjoys \$420-630 billion of that total. Saudi Arabia was the region's single largest FDI investor in the United States during the years 1998-2000.

1-2-2 Security interests

Due to these very important economic interests, the West considers the Gulf region a vital interest that lies within its strategic periphery. The most notable Western strategic interests in the Gulf region can be characterised as follows:

- 1. Consolidating military control over the region.
- 2. Sustaining the Arab Gulf governments as the safety valve for the economic and strategic interests of the West, and preventing such regimes from using oil as a weapon or threatening its routes.³⁴
- 3. Preventing radical Islamic, national, or leftist movements from affecting social and political affairs in the Gulf region, as such movements are usually perceived to be against most Western policies in the region. This is in addition to preventing such movements from influencing Gulf stability and threatening oil supplies. Edward Djerejian, former Assistant to the US Secretary of State, talked openly about such issues. He said: "Religion is

^{30.} Tanya C. Hsu, "The United States Must not Neglect Saudi Arabian Investments", The web: http://www.saudi-americam-forum.org/Newsletters/SAF Essay 22.htm

^{31.} Ibid.

^{34.} The Washington Institute for Near East Policy, Navigating Through the Turbulence: America and the Middle East in a New Century, Report of the Presidential Study Group, (2001), pp. 58-60

not a main factor to direct our policy towards any state in the Near East (including Arab Gulf states), but our dispute and conflict is with and against radicalism, rejection of tolerance, compulsion and terrorism which often accompany religious issues in the Near East."³⁵ Djerejian summarized the results of US policies in the region as follows:³⁶

- To build up a comprehensive and durable peace between Arabs and Israel (i.e. to end the conflict in favour of maintaining Israeli security and ensuring the Arab Gulf states do not get involved in the conflict.)
- Creating a series of security measures to safeguard the friends and allies of the US in the Arab Peninsula (i.e. to maintain a large military presence that gives the US de facto military control over the region and enables them to support those governments that keep in harmony with US interests and security requirements.)

1-2-3 Reciprocity: Gulf Security and the Arab-Israeli Conflict

The previous section has underscored the great economic and security correlation between the Arab Gulf countries and both Europe and the US. This correlation emphasizes the overlapping of many interests and forces both the Arab Gulf countries and the West, particularly the United States, to look at their relationship with each other as vital. The need by both sides to maintain this economic co-dependency strongly affects the Arab Gulf countries' general policies and dynamics including towards the Arab-Israeli conflict as the economic associations have led the Arab Gulf countries to be politically cautious. This caution has translated into the Arab Gulf states playing a less significant role in the Arab-Israeli conflict than would otherwise be expected, except during the first half of the seventies and in the US sponsored peace process.

^{35.} Edward R. Djerejian, "US Policy Goals in the Near East", <u>US State Department Dispatch</u>, (9/14/92), p. 701

^{36.} Ibid.

While the economic correlation between the Arab Gulf countries and the West has led them to refrain from taking an active role in the Arab-Israeli conflict, the US has not been similarly cautious as it considers Israeli security, along with access to oil, as the two vital American interests in the Middle East. Michael Hudson best expressed this when he said that US interests in the Middle East can be summed up as what he calls: "The Holy Trinity: Israel, Oil and Fighting Communism (during the Cold War)."³⁷

The American public and strong commitment to Israeli security is translated to view any hostility towards Israel from the Arab Gulf countries as a hostile move against the US itself. This has led the Arab Gulf countries to become even more cautious in the hopes of avoiding any critical dispute that may emerge with the US on the bases of the contradiction of interests between the Arab Gulf countries and the US in regard to the Arab-Israeli conflict. The correlation of economic interests between the Arab Gulf countries and the West has thus created a security preoccupation in the Gulf, which has lessened the Arab Gulf states' ability or, sometimes, willingness to participate effectively in the Arab-Israeli conflict, underscoring the hypothesis of the potential reciprocity between the Arab-Israeli conflict and the Arab Gulf countries security.

1-3 The Soviet Union and the Gulf Region

The Soviets first tried to establish relations with some Gulf countries, especially Saudi Arabia, during the period between the two world wars. In the 1950s, the Soviets increased their interaction in the Gulf when they supported the 1958 revolution in Iraq. But the nature of Abdul-Kareem Qasim's rule, his internal problems, Iraq's instability and the bloody methods he used to liquidate Iraqi communists strained his relations with the Soviets.³⁸ On account of their experiences with Iraq, Soviet policy in the region became more cautious and practical after 1961. A major event underscoring this new mode of Soviet policy was the 1966 Soviet agreement with Kuwait to increase the volume of trade between the two countries.³⁹

^{37.} Michael Hudson," Play the Hegemony: Fifty Years of US Policy Towards the Middle East", Middle East Journal, (Summer 1996), p. 329

^{38.} Walid Sharif, "Soviets and the Arabian Gulf", <u>Dirasat Al-Khaleej Wal-Jazira Al-Arabeya</u>,(January 1996), pp. 94-95

^{39.} Ibid., p. 95

The huge oil wealth in the Gulf region became a principal factor in shaping Soviet international strategy in light of reports in the early nineteen seventies anticipating that Soviet oil production would start declining in the late nineteen seventies. When the Soviets expressed their desire to satisfy their oil needs from Gulf sources in 1971, it was considered an official recognition of the oil problem in the USSR. The Soviets adopted a strategy of encouraging Arab states to nationalize their oil, which was monopolized by Western companies at that time.

In sum, the geographic-strategic position and international strategic and economic value of the Gulf region were objects of attention by the Western and Eastern camps throughout the Cold War period and even before and after that time. The great attention given to the Arabian Gulf by the two camps was based on the volume, quality and low cost of Gulf oil, and the strategic position of the Gulf between North and South Asia and its linking of Eastern to Western Asia, especially during the closure of the Suez Canal.

1-4 The stages of international competition for influence in the Gulf region

The international attention and competition to influence the Gulf region progressed through four different stages. Three of these stages took place during the Cold War Era while the fourth occurred in the post-Cold War Era, which brought about a new strategic environment with new consequences for the Arab Gulf countries.

1-4- 1 The Cold War Era

During the period of 1945-1990, Western and Soviet interests predominated in the competition for influence in the Gulf region. They were fighting indirectly through their support of opposing factions in the region. During the Cold War Era (1945-1990), policies were formed in a way that endangered the oil fields themselves through increasing international competition to influence the region⁴¹.

They also competed economically, ideologically and militarily. Their competition went through three distinct stages. It is important here to study these stages to clarify how they affected Gulf security as well as the Arab Gulf countries' role in the Arab-Israeli conflict.

^{40.} Ibid.

^{41.} For more information see: Shebli Telhami," The Persian Gulf Understanding the American Oil Strategy"; in www. Brook.edu/views/op-ed/telhami/20020129.htm

1-4-1-1 First stage: 1945-1970

After the Second World War, the competition of the Western and Eastern blocs for influence in regions of energy and strategic importance emerged. The result of this competition influenced the security, economy and alliances of the regions over which they were competing.

In the early part of the Cold War, the United States was concerned about preventing a Soviet takeover of the Gulf oil fields, which the US believed would give the Soviet Union the ability to control the flow of oil to the industrialized world. The Americans pursued "the containment policy" which aimed at containing the Soviet Union and not allowing it to increase its influence. US President Harry Truman's administration (1945-1953) was concerned about the Soviet military presence in Tehran. Truman provided \$400 million in aid to Greece and Turkey in an attempt to stave off any Soviet attempt to increase its influence in the region. The provision of financial assistance to developing countries as a means of challenging Soviet ambitions became known as the "Truman Doctrine." The Doctrine was aimed primarily at the Middle East, and the major strategic objective behind it was protecting the oil reserve fields.⁴²

The alternative idea of exploding the Gulf oil wells as a last resort in case of military conflict there was also addressed by the Truman administration in 1949. At that time, the Americans and the British moved explosives to the Middle East. They intended to blow up both the oil wells and the refineries in the Gulf if a Soviet takeover became imminent. In spite of opposition from the CIA and the State Department, the plan was implemented and explosives were moved to the region as shown by the recently declassified American National Security Council documents NSC 26/2 and NSC 26/3. Telhami explains that the plan was later reinforced by President Eisenhower's administration in 1957 after the closure of the Suez Canal. As Telhami explains: "Despite concerns by State Department officials that such a policy would be opposed by the host countries if it ever leaked, this policy was implemented in the

^{40.} National Council for Peace Salidarity, Iraq, Research and Studies Papers, (11-14/11/1972)

^{41.} For more Information See: Shebli Telhami, "The Persian Gulf Understanding the American Oil Strategy; in: http://www.brook.edu/dybdocroot/press/REVIEW/spring2002/Telhami.htm

^{44.} Ibid.

1950's and remained in place at least through the early 1960's, so great was the worry that the Soviet Union would come to control a substantial share of the world's oil."⁴⁵

The competition over the region intensified in the early 1960s when the many predictions were realised about the great quantities of oil in the Gulf region. The Western camp, in particular, felt that its fate might be dependent on its control of the region and oil tanker routes across the Arab Sea to the Red and Mediterranean Seas through the Suez Canal. This feeling led to an exaggerated evaluation of Soviet aspirations and plans towards the warm water and oil resources of the Gulf region. ⁴⁶

1-4-1-2 Second Stage: 1970-1979

This period began with the full British military withdrawal from the Gulf region in 1971. This left a security vacuum that the two superpowers moved to fill. The Soviet strategy was based on the support of leftist parties revolting against the "imperial" presence in the region. Through such support, the Soviets hoped to establish a foothold in the Gulf periphery, if not on its coasts. In 1969, Muammar Al Qadafi led a successful military coup in Libya – a country of great oil potential. His inclinations towards the USSR and his opposition to Western policies created a Western security obsession, and an opportunity for more Soviet influence in the region. In 1972, The USSR signed a friendship agreement with Iraq, a country that had just experienced a military coup bringing the leftist-leaning Baath Party to power. This represented a new danger to US interests in the Gulf. The new regimes in Iraq and Libya raised the importance of Gulf oil to the US and its allies as well as increased concerns about growing Soviet influence in the region.

The US strategy was altered to intensify its ability to project military power. On July 25, 1969 US President Richard Nixon stated that the United States would henceforth provide extensive military assistance to regional allies to give them the ability to stave off any threats to their security. He addressed three principles for the new US strategy saying first, the US would keep all of its treaty commitments, second, would protect any ally or nation considered vital to US security from any threat by a nuclear power, and third would furnish military and economic assistance to any ally

^{45.} Shebli Telhami, "A Need for Prudence in the Persian Gulf", from: www.brook.edu/views/op-ed/telhami/20020129.htm.

^{46.} Will D. Swearingen, "Geographical Reviews", Geographical Review, (1993), pp. 490-491

facing aggression, while at the same time looking to regional allies to assume the primary responsibility of providing the manpower needed for regional security.⁴⁷

This strategy, termed "The Nixon Doctrine" emphasized the creation of "a regional system allied to the US in order to protect US interests. It also served to promote America's aid and weapon sales to create independent power centres able to maintain local stability and help in securing US interests". In this regard, the United States increased its military assistance to both Iran and Israel in the hopes that those two nations could serve US interests in the Middle East.

During the Arab-Israeli war of October 1973, the US intervened in favour of Israel. This intervention came at a time when the Arab World believed Egypt was about to achieve victory in the war. The Arab public and regimes were enraged by the American intervention. Arab leaders decided to halt oil supplies to the US and its allies, leading to an international energy crisis. By that time, the region had become an essential provider of oil to Western industry, and the embargo led the US to revise its earlier plan of blowing up the oil fields in case of an imminent Soviet takeover to a new plan of ensuring the Western ability to occupy the oil fields themselves.

James Ekniz, the former US Ambassador to Saudi Arabia, affirmed that Kissinger threatened to occupy Gulf oil fields; the Saudis were surprised since such threats would only make the USSR a winner in the international competition in the Gulf region. One scholar described US policy at the time, saying: "The US was concerned with its ability to project military force in the Middle East, and to keep the oil flowing". Henceforth, the US not only considered access to oil but also a military presence in the Gulf as a vital interest. There were many fears in the region that the US was planning to occupy the oil fields in the event of any new crisis. Marwan

^{47.} The Freedictionary.com, Richard Nixon, Address to the Nation on the War in Vietnam November 3, 1969, The web: http://encyclopedia.thefreedictionary.com/Nixon%20Doctrine

^{46.} A.S. Abdul-Muhsin and D. Alyaseen, "US Interference Policy in the World", Middle Eastern Issues Journal, (1999), pp. 19,30

^{49.} James Ekniz, (1980), p.42; see also: Abu Talib, The Kingdom of Saudi Arabia and the Shadows of Jerusalem, (1992), pp.136-137

^{48.} Joyce Battle, (ed.), "Shaking Hands with Saddam Hussein, The US Tilts towards Iraq 1980-1984", National Security Archive Electronic Briefing, Book No. 82, p.6, The web: www.gwu.edu/%7Ensarchiv/NSAEBB/NSAEBB82/

^{49.} Little Brown and Company, Henry Kissinger, Years of Upheaval, (1982), p.878

^{52.} R. K. Ramazani, Security Issues in the Gulf Region, (1981), p.13

Buhairi explained the details of possible scenarios that were under discussion in the US through 1973-1979.⁵³

Although in the aftermath of the 1973 war, the Soviets stood in much closer solidarity with the Arabs, the US was successful in its new strategy of securing the flow of oil and preventing the Arabs from halting oil supplies in the future. To ease the immediate crisis caused by higher oil prices, the International Energy Agency (IEA) was established. The IEA was tasked to find alternatives to Gulf oil, research energysaving technologies, and research oil substitutes to free Western industries from potential Arab pressures. But even more important than the IEA, American success came about because of the continued strong ties the US had with the monarchies of the Gulf and because the US was able to find suitable channels for the excess Gulf wealth that came about after the 1973 oil embargo. Despite strong public opposition to American support for Israel, the Arab Gulf regimes also feared the nationalist and leftist tendencies being articulated by pro-Soviet Arab groups and feared a strong alliance with the Soviet Union could ultimately undermine their monarchical systems. Furthermore, the increased wealth enjoyed by the Arab Gulf states found better outlets for both investment and consumer purchasing in the Western capitalist markets than they did in the Soviet bloc and this resulted in the rapid development of strong economic ties that cemented the US-Saudi alliance.

The USSR tried to exploit the popularity it had gained in the Arab world after 1973 by building stronger relations with some Gulf countries, in addition to other Arab countries, but these attempts were not successful in replacing American influence, partly because Soviet influence in some parts of the Arab world was seen as a threat to the Gulf regimes. The success of the Islamic Revolution in Iran in overthrowing the pro-American Shah in 1979 led to a new phase in the international competition for influence over the Gulf. The revolution provided increased incentives to the Soviets to attempt to increase their influence in the region.⁵⁴ The new Soviet stance is best exemplified by their invasion of Afghanistan later that same year. At the same time, the downfall of the Shah incited the Americans to think about defending their oil interests directly, since Iran could no longer play the role of America's "regional ally" as had been assumed

⁵³ For more details on American scenarios and threats to deploy forces in the Gulf oil fields area, read: Marwan Buhairi, <u>Arab Oil and American threats 1973-1979</u>, (1980)

^{54.} Thomas Stauffer, "The Political Uses of Arab Oils", in Ronald G. Wolfe, (ed.), <u>The United States</u>, Arabia, and the Gulf, (1980), p.31

under the Nixon Doctrine. The rise of an Iranian Islamic regime that opposed American policies thus increased both the Soviet and the Western inclination to increase their involvement in the region.⁵⁵

1-4-1-3 Third Stage: 1980-1990

The Soviet occupation of Afghanistan in 1979 changed the geo-political situation in the Gulf region in particular, and in the Middle East in general. By occupying Afghanistan, the USSR became 300 miles away from the Straits of Hormuz, through which pass about 57% of the world oil trade, comprising 80-85% of Japan's oil requirements and 60-70% of Europe's requirements.

In a speech before the Indian Parliament, Soviet President Leonid Brezhnev announced an initiative that underscored some of the USSR's strategic goals for the region. In that speech, he urged the Arab Gulf countries to make genuine changes in the existing power balance that was serving the growth of the Western military existence in the Gulf region.⁵⁶

The new Soviet moves were of great concern to the US. The US found its resources and strategic influence in the region threatened. The USSR was in direct occupation of Afghanistan and had strong alliances with Libya, Iraq and South Yemen, a country that could threaten Oman, which was in control of the strategic straits of the Gulf. Furthermore, the Soviet Union had massed its forces on the borders with Iran and was providing assistance to the Iranian Tudeh Party, a communist party hoping to use the instability in Iran to take power in that country. All these Soviet moves made it seem possible that they would be able to surround the Arab Peninsula, endanger Pakistan and threaten Iran. If the Soviets were successful they would gain real control over the Gulf region and the supply of oil to the Western industrial countries. ⁵⁷

According to Western experts, the US in the late 1970s and early 1980s had become "worried by potential conflicts in the region, terrorist and subversive activities, and the expected need of the Soviet Union for Gulf oil that it would not be able to pay

^{55.}Elmer Berger," A Tangled Web: Israel and the Gulf", <u>Arab Studies Quarterly Journal</u>, (Winter/Spring 1991), p. 83, 17p, ABESCO Electronic Data Base.

^{56.} Stephen W. Buck," The Gulf 2000 Project", in Charles Doran and Stephen W. Buck, <u>The Gulf Energy and Global Security: Political and Economic Issues</u>, (1991), pp.9-11

^{57.} Michael C. Lynch, "'The Economics of Petroleum in the Former Soviet Union", in <u>Gulf Energy</u> and the World, Challenges and Threats, (1997), pp. 112-114

for."⁵⁸ Washington saw Moscow as a main source of danger to the safe flow of oil and the Arab Gulf countries' independence. The Soviet invasion of Afghanistan provided the US with the justification it needed to increase its military presence in the region.

US President Jimmy Carter (1976-1980) adopted the policy of maintaining a direct American military presence in the Gulf, as opposed to the earlier policy of relying on militarily strong regional allies. The Carter Doctrine called for the establishment of Rapid Deployment Forces (RDF) that could quickly be deployed to the Gulf. ⁵⁹ According to the Carter Doctrine, the U.S. would not allow any outside power to gain control over the Persian (Arabian) Gulf. In announcing the Doctrine in 1980, Carter stated that "any attempt by an outside force to gain control of the Persian (Arabian) Gulf region would be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force." ⁶⁰ While the invasion of Afghanistan provided the justification for the new doctrine, it was aimed also at ensuring the Soviets would not be able to take advantage of the unstable situation in Iran to increase its influence there. "This policy thus warned the Soviets away from Iran, which had just had a revolution, and at the time was holding hostages in the United States Embassy." ⁶¹

The Soviet threats never materialized. This was partly because the Soviets failed to receive the sympathy they had expected from the Arabs in their confrontation against American "imperialism," largely because of their occupation of an Islamic country (Afghanistan). The Afghan Jihad flared up against the Soviets and had echoes throughout the Arab and Muslim world, especially in the Gulf, giving support for the US strategy of driving the Soviets away from the Gulf region.

Robert Pelletreau has described the US philosophy for maintaining Gulf security since the late 1970s as having come about as a result of a series of continuous crises that threatened the security of the Arab Gulf states.⁶² Pelletreau says that with the rise of the

^{58.}R.K. Ramazani, (1981), p.18

^{57.} A.S. Abdul-Muhsin, (1999), p. 19,30

^{58.} The Freedictionary.com, Jimmy Carter, in the State of the Union Address in January 23, 1980, The web: http://encyclopedia.thefreedictionary.com/Carter%20doctrine

^{59.}Ibid.

^{62.} Robert H. Pelletreau, "American Objections in Middle East". <u>US State Department Dispatch</u>, (6/3/1996)

Islamic Revolution in Iran and the downfall of the Shah in 1979 and then the Soviet invasion of Afghanistan, the US increased its military presence in the region to secure American oil interests and protect friendly regimes in the Gulf region,⁶³ i.e. Arab Gulf countries. Since then the US has gradually increased its military presence in the region in the light of a series of new crises. The first of these was the Iran-Iraq war.

The Iran-Iraq war broke out in 1980, when the region was passing through grave developments including the serious revisions to previous security strategies of both the Western and Eastern (Soviet-led) blocs. The Iran-Iraq war endangered the security and stability of the whole region, and exhausted the resources and potentials of both Iran and Iraq in addition to the other Arab countries in the Gulf. Both the Soviet Union and the US however derived some benefits from the war. The USSR thought that its war with the Afghan Mujahideen (warriors) would be contained during the preoccupation of Arab, Gulf and Muslim countries by in-fighting. On the other hand, the US and its Western allies used the escalation of security threats to the oil fields and their shipment passages as a pretext to intensify its military presence in the Gulf and the Indian Ocean. The Western industrial countries simultaneously increased their revenues from the increased sale of military exports to the region, which had the indirect effect of further inflaming the war. So, this war served the interests of both superpowers in spite of its escalating dangers to the oil supply of Japan and Western Europe.

The war weakened the Arab ability to respond to emerging dangers to their interests through the eight years of the war and onward. It also led to a further weakening of the ability of the Arab Gulf countries to back the Palestinians and the Arab confrontation countries in the Arab-Israeli conflict. During the Iran-Iraq war, in June of 1982, Israel invaded Lebanon and waged a fierce war against the Palestinians. The Israeli army defeated the PLO forces, which were left alone in that battle. Israel eliminated an important ally to the Soviets. At the same time, the Soviets couldn't help their ally militarily to face Israeli attacks. Thus, the Israeli achievement provided the US with an additional victory in the Cold War against the Soviets in the Middle East that helped in weakening its influence in the region.

The world changed dramatically in the late 1980s and those changes had dramatic effects on the Gulf. The Soviet Union was defeated in Afghanistan and that defeat marked the end of many communist regimes throughout the world, including the

^{63.} Ibid.

USSR itself. This defeat and its resultant breakdown calmed Western fears over Soviet threats to the Gulf and led to dramatic changes in the strategic calculations of the countries of the region as well as of the United States, which became the sole superpower in what became known as a uni-polar international system with the end of the Cold War Era. American military pre-eminence did not end their ambitions toward the region; they re-evaluated their policies based on how the new developments affected their national security objectives.

1-4-2 The Post-Cold War Era: 1990-2000

In August 1990, Iraqi forces invaded and occupied Kuwait. The Iraqi actions were regarded as a violation of the rules of the international order and an act of aggression against a sovereign state. The Soviets, along with some Western countries, tried to find a political solution that would save Iraq from an American invasion. They offered a peaceful initiative that Iraq accepted; but the deal was explicitly rejected by the US. For more than five months, the Soviets had led shuttle diplomacy efforts to overcome the main disputes that created the crisis but they failed to save Iraq from an American-led military assault. In early 1991, the US and its allies began a war that drove Iraq out of Kuwait and destroyed much of Iraq's military power, which had been rapidly increasing.⁶⁴ President George Bush acknowledged that he had waged the war to maintain the major sources of oil in the world, necessary for the industries of the US and its allies, and to preserve American jobs.⁶⁵

In the same year of the American attack on Iraq, the Soviet Union formally dissolved and Russia took its place. While Russia was no longer considered a superpower, it did maintain interests in the region. Iranian-Russian relations consolidated rapidly after the second Gulf war in 1991, especially in the field of economic, military, and nuclear cooperation, increasing Western security concerns in the region⁶⁶. The increase of the economic ties between Iraq and Russia also increased

^{64.} Hermann Frederick Elits, "The U.S Perception of (Persian) Gulf Security", <u>Asian Affairs</u>, (Oct. 1994)

^{65.} U.S National Archive and Records administration, The web:

http://www.archives.gov/research_room/alic/reference_desk/military_resources/gulf_war.html

American concerns. These concerns were in addition to the constant Western concerns about the assumed threats of Iran and Iraq against the security and stability of the Arab Gulf countries. This escalation of Western security concerns resulted in a new kind of international competition in the Gulf region. This competition was consequently projected by the increasing military presence of the US and its Western allies in the Gulf region during the nineties. The US and its allies continued to claim the need for a military presence in the region on the pretext of such concerns. "On September 23, 1990, US secretary of State James Baker testified before a congressional committee that the United States sought a "permanent military presence" in the Gulf. What was not elaborated at the hearing was the fact that the United States has been trying for years to establish a permanent centre for military operations in the Gulf region, an effort which naturally had been rebuffed by the Arabs."

These military forces undertook a complete siege of Iraq, imposing draconian military and economic sanctions against it, in the aftermath of the 1991 war. The US aimed to become the sole security guarantor for the region, this partially involved ensuring that the region was isolated from any regional framework concerning security; this was best illustrated by the American efforts against any real implementation of the military aspects of the Damascus Declaration which will be discussed in more detail in Chapter 3. One analyst has described this policy, saying that: "the main concern in the American mapping of the region is to isolate the oil shores from any Arabic depth, i.e. to distance oil and its empowerment away from the densely populated Arab areas. It then persuades the oil countries that their security can't be granted without US power and influence."

A 1995 US Defence Department report suggested that America's new security policy in the Gulf would depend on a large, direct American military presence in the region as "only U.S. forces have the capability to meet and defeat the very real military

^{66.} The oil-rich and strategically important Gulf is high on Russia's list of priority regions. Russia sought to balance it's policy among Iran, Iraq and the Arab Gulf states. For more details regarding Russian-Iranian relations see: Robert O. Freedman, "Russian-Iranian relations in the 1990s", Middle East Review Of International Affairs, (June 2000), The web: http://meria.biu.ac.il/

^{67.} Ted Thornton, the web: http://www.nmhschool.org/tthornton/mehistorydatabase/gulf war.htm

^{66.} Mohammed Rabia, "New American Policy in the Middle East", <u>Palestinian Policy Journal</u>, (Summer-Autumn 1994), p. 15

threats to the stability and security of the region."⁶⁹ US Ambassador Martin Indyk emphasized the American interests in the region when he said: "The free flow of Middle Eastern oil with reasonable prices is still one of our national constant interests."⁷⁰ The US Defence Department put the unhindered flow of oil from the Gulf as its top regional strategic interest in the 1995 report, which states that: "Our paramount national security interest in the Middle East is maintaining the unhindered flow of oil from the Persian (Arabian) Gulf to world markets at stable prices."⁷¹

Edward Djerejian, the former Assistant to the US Secretary of State, expanded upon this concern by noting that the unhindered flow of oil required the stability of the Arab Gulf countries' regimes. He asserted that "stability in the Gulf is vital, not only to our own national interest but also to the economic security of the whole world."⁷²

To maintain stability in the Gulf in the 1990s, the US also increased its focus on the fundamentalist threat sweeping through the Arab Gulf societies. As for Islam, the US Defence Department's strategic report of 1995 says that: "some have asserted that radical Islam is the principal danger to the Western democratic world" A similar statement was made by an influential Washington think tank which asserted that: "The threats the Arab Gulf faces endanger the regimes themselves, not only from the neighbouring countries but also from within. These threats include the radical Islamic opposition revival. Such threats should be considered by the US strategy in the region." Despite the new focus on the internal threat posed by radical Islamists, the dangers posed by Iraq and Iran headed the list of security concerns in the Gulf, leading to the rise of the American policy of the "Dual-Containment of Iraq and Iran."

The Dual-Containment policy of keeping both Iraq and Iran constrained required the United States to increase its own military presence in the region. "The US project (to safeguard security in the Gulf) is based on the concept of keeping a Western marine, air and land military presence in the Gulf region after the crisis ends. It also encourages

^{67.} William Perry, US Security Strategy in the Middle East, (May 3, 1995), p.1

^{68.} Martin Indyk, "Clinton's Administration policy Towards the Middle East", <u>Palestinian Studies</u> <u>Journal,</u> (Summer 1993), p. 9

^{69.} William Perry, (May 3, 1995), p.6

^{70.} Edward Dierejian, (9/14/1992), p.701

^{71.} William Perry, (May 3,1995), p. 15

^{72.} The Washington Institute for Near East Policy, (2001), pp. 56-57

the development and modernization of the Arab Gulf countries political structures, making the goal of the US to contain any threat to the security and stability of friendly countries." One scholar described the new policy saying that: "The US works with the aim of not allowing the emergence of any regional power in the Gulf that opposes US policies. The US permanently keeps its Rapid Deployment Forces (RDF) in the region to accomplish this policy. It also strengthened its military cooperation with the conservative states in the region."

Conclusion

The chapter has illustrated the strategic and economic importance of the Gulf region to external powers, notably the United States and - during the Cold War period – the Soviet Union. It has demonstrated the degree to which the region has been the source of competition by external powers pursuing their own security interests and playing out their competition vis-à-vis one another within the region. The analysis provided a backdrop to the environment within which Arab Gulf states have made policies, illustrating the degree of constraint laid upon them by the interests of, and influence of, international powers in the region.

It has also shown that the security threats posed to the Arab Gulf countries and the strong economic correlations between the Arab Gulf countries and the West resulted in an increasing level of Arab Gulf countries economic and military dependence on the US, especially in the 1990s when a large US and Western military presence was established in the Gulf region.

In concluding this chapter it is worth mentioning that while European and American interests generally coincide in the Gulf region, they are not identical and there are some slight disagreements in what we have termed as the West. Both the Europeans and the Americans want energy at reasonable prices and steady rates, but at the same time, they compete with each other for oil contracts. The Europeans furthermore try to obtain oil directly from the Gulf States without any American intermediary role and thus are not wholly appreciative of the large American military presence in the region when that presence threatens to not only provide security but also bring about economic benefits and privileges to the Americans. The Europeans also compete in the

^{75.} M. S. Idrees, (Jan., 1977), pp.48-50).

^{74.} Majdi Omar, The Changes in the World Order and The Middle East, (1995), p.6.

armaments' market with the US and large arms deals often become a source of contention between the US and some European countries. Finally, the US and Europe have different perceptions regarding how to deal with the supposed Iraq-Iran security threats to the region. Unlike the US, the Europeans believe in engaging rather than excluding Iran and Iraq.

This chapter has provided a key insight into the context for analysing the policies of the Arab Gulf states towards the Arab-Israeli conflict. However, a second key aspect of this has been the policies of Israel itself towards the Arab Gulf states, which will form the basis of the following chapter.

Chapter Two

Israel and the Arabian Gulf

Israel has had an important impact on the Gulf and its security since its establishment in 1948. Israeli ambitions were directed towards the Gulf in various forms. This chapter will concentrate on what has constituted perhaps the most important of these forms, namely the relationship between Israel and Iran and how that relationship impacted upon the security of the Arab Gulf Countries. As far as chapter one has shown the first source of security challenges and concerns in the Gulf, this chapter will thus illustrate the second source of security challenges that created dynamics in the policy of the Arab Gulf countries, i.e. Israeli ambitions and policies towards the Gulf, including its relations with Iran.

Iran constituted the most important country in the Israeli "Perimeter Theory" of establishing strong security ties with non-Arab states bordering the Arab world. As part of that theory, Israel also established security relations with other countries that affected the security aspects of the Arab Gulf states, most notably Ethiopia in Eastern Africa. Saudi Arabia was deeply concerned about the Ethiopian-Israeli relationship, which had been especially close until the overthrow of the Emperor Haile Selassie in 1974 but continued even after that In 1978, Ethiopia received military aid from Israel in its border war with Somalia. Israel also aided Ethiopia against Muslim Eritrean secessionists (supported by the

^{1.} In fact, the security implications of the establishment of a Jewish state in Palestine began even before 1948 as the Zionist Movement's desire to establish a Jewish state in the heart of the Arab world had an impact on Gulf security, especially considering some Zionist ambitions to occupy lands that include parts of present-day Saudi Arabia. These Zionist ambitions and their effect on the Gulf will be discussed in the next section.

^{2.} Shumeil Seigif, <u>The Iranian Triangle: Secret Israeli-US- Iranian Relations,</u> First Volume of two,(1983), pp. 93, 107

^{3.} For more information about Saudi and other Arab concerns about the Israeli-Ethiopian relationship see: Mitchell G. Bard, "The Evolution of Israel's Africa Policy," Jewish Virtual Library, The web: www.us-israel.org/jsource/Politics/africa.html

Arab states) in 1984 and 1985.⁴ However, the emphasis in the thesis will be placed upon the Israeli-Iranian relations because they are linked directly to the Arab Gulf countries' security. Before discussing the Iranian-Israeli relationship however, there will be a brief discussion of early Zionist and Israeli ambitions and actions in the Gulf region and how they affected Gulf security.

2-1- Early Zionist and Israeli ambitions in the Gulf region

Prior to the establishment of Israel, the Zionist movement saw the Arabian Peninsula as an important strategic area. On its Western side, the Peninsula controlled access to the Tiran Straits and the Mandeb Gate which would be important shipping and trade routes for any future Jewish state in Palestine. On its Eastern side, the Peninsula controlled access to the Straits of Hormuz and the most important Iranian (Persian) ports. Furthermore, there had been ancient Jewish communities in parts of the Peninsula, most notably Khaibar and Yathrib, and some influential Zionists dreamed of re-establishing Jewish control over those areas, both for historical and religious reasons – as some Jews claimed the Torah promised them a state including those areas. To achieve their larger ambitions, other Zionists included parts of the Gulf within the proposed state of Israel, as is best exemplified by the statements made by Zionist leaders as well as some of the Zionist maps of Israel published before the actual establishment of the state.

In 1904, Theodore Herzl, considered the founder of modern Zionism, said: "What we need is not a united Arabian Peninsula, but a poor dispersed peninsula divided into a number of small emirates, under our sovereignty, denied of possible unity against us".⁵

Herzl included large parts of the Arabian Peninsula within his proposed state of Israel. In addition to Palestine, Jordan, Lebanon, and Syria, Herzl's map included all of Egypt west of the Nile, all of Iraq south of the Euphrates, and a large section of western Saudi Arabia. ⁶ [See Map (1) in the appendix]. A different plan by the Russian Zionist leader, Dr. M. L. Rothschtein, was devised during World War I when he wrote a letter to

^{4.} Ibid.

^{5.} Ibrahim Abdul Karim, "The Arabian Gulf in Zionist Calculations," <u>Al-Ta'awon Journal</u>, (April 1986), p.12

^{6.} Ibid., p. 12

the British Government calling for Britain's help in establishing a 120,000-strong Jewish army in Bahrain that could fight under allied command and after the war establish a Jewish state in the Eastern part of Saudi Arabia from Bahrain up to the borders of Kuwait. He claimed that such a state would protect future British interests in the region from any Ottoman, German, or internal problems.⁷ A later map proposed by the Zionist Movement in 1923 and widely published in the Arab press included part of the Arabian Peninsula as part of the proposed Israeli state⁸ [See Map (2) in the appendix]. King Abdul Aziz expressed such fears in a letter to the British government dated January 1st 1937. He emphasized that "many letters he received express the fears of Muslims. They claim that Jews plan to occupy Al-Madina and Khaibar (in Saudi Arabia), and to destroy the grave of the prophet Mohammad".⁹

The fears in the Gulf region that Zionists planned to occupy parts of their land in addition to Palestine did not stop with the creation of Israel in 1948. By that time, the oil wealth within the Gulf region was becoming known and many observers believed that Israel's need for oil would lead to ambitions to have access to the oil fields in the Gulf and its routes in the Red Sea. Abdul Karim expressed the fears felt in the Arab Gulf countries at the time in an article he published in an official GCC journal. Abdul Karim says that in a 1957 book by an Indian author, it was noted that the strategic plan of the Israeli Army's chief of staff noted that: "The strategic importance of the region may require Israel to take control over Saudi Arabian oil fields... Israel gives very high importance to the areas of the Suez Canal, the Litani River, and the Persian Gulf." 10

Arab Gulf States fears were also increased by Israel's meddling in the affairs of the region. Israel began interfering in the internal affairs of Iraq, the strongest Arab country in the Gulf region, soon after the establishment of the Jewish state. Israel supported violent

^{7.} Ibid., p. 14 - 15

^{8.} Ibid., p. 15

^{9.} Abdulla Abu Alia and Rafiq Al-Natsheh, <u>The Kingdom of Saudi Arabia and the Palestinian Cause</u>, (1991), pp. 403-404

^{10.} I. Abdul Karim, (1986), p. 16, The book referred to is by Karangia and entitled The Israeli Dagger.

riots in the Kurdish region in northern Iraq in 1950.¹¹ This was later acknowledged by Moshe Arens who admitted that Israel had offered aid to Kurdish fighters wishing to gain independence from Iraq and that the Mossad had performed many intelligence operations encouraging those early riots in the 1950s. Israel's attempts to use the Kurds to keep Iraq internally preoccupied did not end with the 1950 riots but were done again in 1958, and again just prior to the June 1967 war, when Levy Eshkol met with Iraqi Kurdish leaders in Iran for that purpose. After that meeting, the Iraqi Kurds began receiving more direct assistance from Israel. After the 1967 war, the Iraqi Kurds started getting \$500,000 a month from Israel in addition to the Soviet equipment Israel captured from Syria and Egypt in that war.¹²

Israel was also perceived as a threat to Gulf security in that it openly linked its interests to Western interests, introducing itself as an extension of the West in the Middle East. ¹³ It has been introduced in the West as "a strategic asset" for Western political interests in an unruly, "disorderly non-Western Arab world". ¹⁴ Its supporters in the West proposed that a militarily strong Israel would be willing and able to support Western policies towards the Arab or Muslim world. The best early application of this use of Israel occurred when France and Britain conspired with Israel to attack Egypt in 1956. While Israel had its own interests and agenda in the attack on Egypt, the Israeli participation also served the goal of protecting Western interests concerning the Suez Canal.

2-2- Iran under the Shah, and Israeli ambitions

Iranian-Israeli relations, which began two years after the establishment of the Jewish state, had a special impact on Gulf security. Iran had constituted a traditional security threat to the Arab Gulf countries and the increasing political, economic, security, intelligence and military ties between Israel and Iran considerably heightened the security

^{11.} Elmer Berger," A Tangled Web ", <u>Arab Studies Quarterly Journal</u>, (Winter/Spring 1991), p. 83,17p, ABESCO Electronic Data Base

^{12.} Ibid.

^{13.} Ibid.

^{14.} Ibid.

concerns of the Arab Gulf countries. The Israeli assistance to the Iraqi Kurds, partly hosted and motivated by the Shah's regime, represented an example of how the Iranian-Israeli relationship led to escalating security concerns in the Gulf in the 1950s and 1960s. The Iranian-Israeli relationship facilitated Israel's support for the Kurds in 1950, 1958 and 1967 and gave Israel the ability to meddle in Arab affairs, at times without even the agreement of the United States. As Berger points out, Israel's assistance to the Iraqi Kurds underscored that "with, or without, United States' advance, open agreement, Israel now considered itself practically free to extend its "self-defence" to the Gulf."

The strong Israeli alliance with Iran confirmed the perceived view in the Arab Gulf countries that Israel had ambitions in the Gulf, and that the Israeli-Arab conflict could potentially extend into the Gulf region if Israel was not checked. This is because Israel "had come to be seen as an enemy that rejected all peace offers and aspires to control the Gulf region and its wealth." The Israeli alliance with Iran was aimed at "weakening any possible Arab military threat from the Arab Gulf either by Arab Gulf reinforcements to one or more of the Arab states bordering Israel or by direct military strikes from the Gulf through one of the neighbouring Arab states." 18

This section will cover the historical development of the Iranian-Israeli relationship. To fully understand the dynamics of the relationship there is a need to look at the period prior to the period of this study. Therefore, this section will cover the period from 1950 up to 1979.

From the early fifties, the Shah of Iran, Mohammed Reza Pahlavi, had close links with Israel. The similar kind of relations and alliances that Iran and Israel had with the US as well as the similar functions both played regarding US regional interests, helped to

^{15.} For further details on the Kurdish factor see: Elmer Berger (Winter/Spring 1991), p.83

^{16.} Ibid.

^{17.} The Stanley Foundation , <u>Policy Brief #7</u>," US Challenges and Choices in the Gulf: Israel and the Gulf", p.1

^{18.} Elmer Berger, (Winter/Spring 1991), p. 83

cement this relationship.¹⁹ These relations extended to include military, intelligence and economic fields.

2-2-1 Relation developments and their various stages

Fearful of Soviet threats, the Shah quickly joined the American camp during the Cold War and the fear of communist threats remained a main motivation for the Shah in his dealings with the region. When it became clear that Israel would also be a part of the Western camp, the Shah also began having relations with Israel; however, he tried to adopt political positions that would not drag Iran deeply into the Arab-Israeli conflict. He believed that he could avoid being dragged into the Arab-Israeli conflict and yet still use his relations with Israel to achieve important goals of Iranian foreign policy.²⁰ Such policies included improving relations with the US and limiting Soviet influence in the region.

The Shah played the game based on the two pillars of his policy. While the pillars were in many ways contradictory, they formed the basis for the Shah's relationship with Israel throughout his reign. *The first* was his commitment based on principle to support the Palestinian and Arab rights in the conflict. *The second* was his pragmatic political approach in dealing with Israel as a de facto reality that not only must be dealt with but also that he could benefit from. Through the 1950's and 1960's he desired American support against Soviet ambitions and the challenge of Nasserism in the Gulf region. His perception that Israel could influence US policy in the region provided him with the basic motivation to establish relations with Israel. This will be clarified later in this chapter.

The Iranian-Israeli relationship passed through what may be summed up as three phases during the period starting with the establishment of the State of Israel and ending with the downfall of the Shah's regime in 1979, after the Islamic revolution headed by Khomeini took over.

Researchers have disagreed on how to divide the stages of the Iran-Israel relationship. Some suggested that the June War in 1967 was a turning point, while others saw Nasser's death in 1970, after his approval of a political settlement that was offered by

^{19.} Syed Zahra, "Strategy of the Two Major Powers and Security in the Gulf", <u>Al-Fikr Al-Istrategy Al-Arabi</u>, Arab Development Institute, No. 2, (Oct. 1981), p. 84

^{20.} R. K. Ramazani, Security Issues in the Gulf Region, (1981), p. 413

the US Secretary of State known as "The Rogers' Plan", as the most important factor in the middle stage of these relations. Other researchers consider the October War in 1973 as an important turning point in Israeli-Iranian relations that occurred even before the Shah's downfall. This chapter of the thesis divides the period into three stages: 1948-1967, 1967-1973 and 1973-1979.

2-2-1-1 First Stage: 1948-1967

Iranian-Israeli relations during this period were largely dictated by the Cold War between the Soviet Union and the US. The Shah feared Soviet ambitions against Iran. In 1941, during World War II, the Soviet Union occupied Iranian Azerbaijan and remained there after the end of the war. It was only in 1946, under Western pressure, that the Soviets withdrew. That event was one of the first conflicts of the Cold War and it placed the Shah squarely in the American camp.

Iran did not recognize the newly born Jewish State in its early days. It is interesting to note that: "After the formation of the UN Committee on Palestine Affairs on May 15th, 1947, the Iranian delegate in the Committee, Nassrallah Intizam, voted against the partition of Palestine into Jewish and Arab states." Iran was reluctant to recognize Israel at that time due to many factors including the balance of power, Iran's special relations with the Arab and Muslim world, and the strong Israeli links with the USSR, the traditional enemy of Iran. When Israel was first established, it enjoyed strong ties to both the US and the USSR and it was not certain which side Israel would take in the Cold War. The USSR had been one of the Zionist movement's most important arms suppliers prior to 1948 and it supported the UN decision to establish Israel. But after Israel was established, Israeli leaders quickly moved to the Western camp. When Israel's position in the Cold War became clear, the Shah practically recognized Israel in 1950 and established low-level relations.

Iran then allowed for the emigration to Israel of tens of thousands of Iranian Jews²² at a time when the rest of the Arab and Muslim world was refusing to recognize Israel and

^{21.} Shumeil Seigif, (1983), p. 179

^{22.} Ibid.

tried to prevent their Jewish populations from emigrating to and strengthening the new state. According to Seigif, 55 thousand Iranian Jews migrated to Israel between 1948-1968.²³ The Israeli census of 1961 gives an even higher number, identifying approximately 60,000 Jews in Israel originally from Iran.²⁴ The Shah also allowed Iran to be used as a transit station for Iraqi Jews who migrated to Israel in the early fifties. These migrants used to stay for ten days in Iran before they were transported to Israel by air. It is estimated that almost 60,000 out of a total population of 120,000 Iraqi Jews left to Israel through Iran in 1950. ²⁵

Iran however was not at the time very concerned with its relations with the Arab world while it saw the new link with Israel and the US as an important political step that would help it face the growing Soviet influence in the region, on one hand, and the widely spread Arab nationalism in the Middle East, on the other.²⁶

This stage witnessed noticeable and concentrated Israeli activity to broaden relations with Iran on the basis of sincere friendships between officials in both countries, on one hand, and on the active mutual visits and meetings, on the other. During this stage, an Iranian affairs office was opened in Tel Aviv inside the Swiss embassy in 1950. It supervised the immigration of Jews to Israel, from and through Iran, in addition to broadening the field of trade exchange between both sides.

Such relations accelerated after the 23rd July 1952 Revolution in Egypt, which raised the slogan of "Arab homeland from the Ocean to the Gulf". It was strengthened by two Nasser steps, the closure of the Suez Canal in 1956, and the sending of Egyptian troops to Yemen, which controlled the Mandeb Gate of the Red Sea. The military cooperation between Israel and Iran continued to increase. The Shah justified the increasingly strong relations with Israel by noting the escalation in danger as a result of Nasser's policies

^{23.} Ibid.

^{24.} Elmer Berger, (Winter/Spring 1991), p. 83

^{25.} Ibid.

^{26.} R.K Ramazani, (1981), pp. 415-416

towards the Gulf. The Shah regarded his links with Israel as a defensive measure in the face of this Arab danger.²⁷

In 1956, Iran agreed to ship oil to the Israeli port of Eilat. It was agreed that a pipeline connecting Eilat to the Israeli city of Bar Shiva would be built, thus providing an alternative shipping route after the Suez Canal was closed by Nasser in 1956. The year 1957 witnessed an important development in Israeli-Iranian relations. The Iranian Prime Minister, General Taymour Bekhtiar, met with the Israeli Ambassador to Paris, Jacob Tsur, in September 1957. Both parties agreed on an unwritten alliance, which resulted in opening an Israeli Commercial Office in Tehran in 1958, 28 and in the activation of the diplomatic missions of both sides. These steps coincided with the expansion of the Nasserist national tide aiming at the unification of the Arab homeland on one hand, and with the signing of weapon deals by both Egypt and Syria with the USSR in 1955 and 1956 respectively, on the other.²⁹ The Israeli oil pipeline from Eilat to Bar Shiva was completed in 1960 allowing for an increase in Iranian oil supply shipments to Israel.³⁰ In the same year Iran signed a defence pact with the United States. The Shah emphasized Iran's recognition of Israel in a press conference on 23rd July 1960. Such developments led Nasser to cut his diplomatic relations with Iran, and a media war erupted between both countries.³¹ King Hussein also called upon the Shah to retreat from his decision to recognize Israel. As a response to pressure from both the Arab League and the Iranian public itself, Iran did not exchange Ambassadors with Israel. But Iranian-Israeli relations continued to consolidate on the military and economic levels.³² Ben Gurion complained about the secrecy that was enforced by the Shah on Iranian-Israeli relations in his letter written to the Shah on May 23, 1963.³³ The year 1964 witnessed Arab attempts to restore Iranian-Egyptian relations, but

^{27.} Ibid.

^{28.} Souresrafi Behrouz, Khomeini and Israel, (1988), p. 34

^{29.} Benjamin Beit Halhami, The Israeli Octopus, (1989), p. 19

^{30.} Shumueil Seigif, The Iranian Triangle, Second volume of two, (1990), p. 55

³¹ Shumeil Seigif, (1983), pp. 98-100

^{32.} Ibid., p.101

^{33.} Shumeil Seigif, (1990), pp.74-75

the Shah maintained his position of refusing to restore relations with Egypt until Egypt apologized publicly.

2-2-1-2 Second Stage: 1967 - 1973

Both Iran and Israel shared joint interests in their opposition to the Soviet Union and to Arab ambitions for unity. At the outbreak of the June 1967 War, and the defeat of Arabs by Israel, the Iranian-Israeli bilateral relations began a new stage. The outcome of the war gave Iran indirect gains represented by Nasser's defeat and the collapse of his Unionist Arab Project. The war also led to the withdrawal of Egyptian troops from Yemen and the portrayal of the Soviets as incapable of supporting their Arab allies in defeating Israel. The Soviet stance led to the retreat of popular inclinations towards Communism and the USSR in the Arab world.³⁴

At the same time, the Shah publicly denounced the June 6, 1967 Israeli aggression against the Arab countries. The Shah in fact froze cooperation with Israel for two months.³⁵ At the time, the Shah called upon Israel to withdraw from the newly occupied territories while at the same time calling upon the Arabs to recognize Israel in its 1948 borders. This was in accordance with the traditional position of Iran in calling upon all parties in the region to adhere to UN resolutions and international law without getting Iran deeply involved in the Arab-Israeli conflict and to satisfy Iranian public opinion, which was strongly against the Israeli aggression. It is worth mentioning that the Shah kept most of his relations with Israel away from the public, and the political and diplomatic relations between Iran and Israel were always kept at a low discreet level.³⁶

There was however no signs of a long-term downgrading in the Iranian-Israeli relationship in the aftermath of the 1967 war and the Shah in fact continued providing Israel with oil during and after the war despite strong Arab objections. The Shah's criticism of Israel thus did not cost him much in his relations with the US and Israel while it

^{34.} R.K.Ramazani, (1981), p. 417

^{35.} Shumeil Seigif (1990), pp. 91-92

^{36.} Shumeil Seigif, (1983), p.107

provided him with the political cover to leave the door open for any future developments in his relations with the Arab world.³⁷

The Shah did not gain much traction in the Arab world from his temporary actions against Israel, especially since the leftist-leaning Ba'ath Party took power in Iraq in 1968 raising the level of tension between Iran and Iraq. The Iranians soon realized that they were subject to a new Iraqi threat that might substitute for the subsiding threat from Nasser. Moreover, the Arab-Israeli War of Attrition which lasted from 1967-1970 brought back the ghost of Nasser's and Soviet dangers to both Israel and Iran.

The gravity of these dangers were somewhat reduced by the Egyptian and Jordanian acceptance of the US-sponsored "Rogers' Plan" for a political settlement of the Arab-Israeli conflict. That acceptance resulted in the halting of the War of Attrition by the Arabs against the Israeli occupation forces, in 1970. The Egyptian move attracted the attention of Iranian politicians, who saw it as an important shift in Egyptian diplomacy away from their alliance with the Soviets. Consequently, Egyptian-Iranian diplomatic relations were restored after 10 years of disruption. After Nasser's sudden death in September 1970, events accelerated for the normalization of Egyptian-Iranian relations and the Shah established especially good relations with the new Egyptian President, Anwar Sadat. Many other Arab leaders consequently visited Tehran.

These increasingly warm ties between Iran and the Arabs were slightly disrupted by a dispute over three Emirate Islands. The Shah had long claimed both Bahrain as well as the three Emirate islands as an intrinsic part of Iran. While the Americans and British were strongly opposed, practically, to Iranian control over Bahrain, they did not oppose Iran taking over the three small Emirate islands. "The Shah reached an understanding with Britain on the fate of Bahrain and the three islands in the Gulf." With Britain's full withdrawal from the Arab Gulf in 1971, the Shah occupied the Emirate Islands of Abu Musa and the Greater and Lesser Tunbs. Arabs strongly protested against the move. In addition to cutting diplomatic relations with Iran, Iraq cut its diplomatic relations with

^{37.} Mostafa Zahrani," The Coup that Changed the Middle East: Mossadeq V. The CIA in Retrospect", World Policy Journal, (Summer 2002), p. 94

^{38.} US Library of Congress, "State and Society, 1964-1974," <u>Iran – A Country Study</u>; The web: http://lcweb2.loc.gov./cgi-bin/querry2/r?frd/cstdy:@field(DOCID+ir0027)

Britain in opposition to British complicity in Iran's taking of the islands. Libya suggested sending troops to the Gulf to help protect the region from Iranian incursions and it nationalised its shares in British petroleum in opposition to the British stance.³⁹ The Kuwaiti Foreign Minister affirmed that "such Iranian policy couldn't serve the security and stability in the Arabian Gulf region." He emphasized that Kuwait was worried about such Iranian military moves in the Gulf.⁴⁰

However, the dispute over the Emirate islands was kept at a low level and when Egyptian President Anwar Sadat expelled Soviet military consultants and experts from Egypt in July, 1972⁴¹ the Shah's relationship with Egypt improved dramatically. The new Iranian relationship with Egypt, which continued to be Israel's strongest enemy, led to different Iranian perceptions of its regional alliances and role. While Sadat never insisted that the Shah cut or lower the level of his relations with Israel as a condition for restoring Iran-Egypt relations,⁴² Israel was alarmed that the developments could have a serious impact on Israel's interests whether in its relations with Iran or in the Arab-Israeli conflict. This alarm was underscored by the fact that Iran attempted to keep its strong relations with Israel hidden. The Prime Minister of Iran, Amir Abbas Hawaidi strongly denied any diplomatic or other relations between Iran and Israel in 1973."⁴³ Mr. Khala Tbari, the Foreign Minister of Iran, affirmed that "Iran doesn't recognize the legitimacy of Israeli existence and has no official relations with Israel. Iran has only recognized the de facto existence of Israel as a country that has a chair in the UN."⁴⁴

^{39.} Rosemary Saeid," The dispute on the Arab Islands in the Gulf", <u>Gulf and Arab Peninsula Studies</u>, (April 1976), p.9

^{40.} Sabah Al-Ahmad Al-Jaber, Kuwait Foreign Minister, Kuwait Magazine, 1/2/1971, p.3

^{41.} Shumeil Seigif, (1990), p. 102

^{42.} Shumeil Seigif, (1983), pp. 125-128

^{43.} Kameel Mansour (ed.), The Annual Book of the Palestinian Cause in 1973, (1976), p. 548; from L'Orient-Le Jour, (26/5/1973)

^{44.} Ibid., pp.547-548; from Al-Ahram newspaper, (13/9/1973)

2-2-1-3 Third Stage: 1973 - 1979

Israeli-Iranian relations began their third stage during the October 1973 Israeli-Arab War. Iran clearly sympathized with the Arab side during the war both because public opinion in Iran was overwhelmingly pro-Arab and because of the good personal relations the Shah had with Sadat. During the war, Tehran sent medical aid to Egypt, and warplanes with pilots to Saudi Arabia to help in solving logistical problems related to the war. It also allowed Soviet civilian planes to use Iranian airspace to transport weapons to the Arab countries bordering Israel. Meanwhile, Iranians did not allow Australian Jews, who volunteered to fight with the Israeli side in the war, to pass through Tehran on their way to Israel.

The Shah also supported Sadat's peace initiative to end the conflict. He encouraged and pressured Israel to accept UN resolutions and advocated bringing about a comprehensive peace in the region in compliance with Iran's traditional stance towards the conflict. As part of a US-supported peace deal, he exerted pressure on Israel to completely withdraw from the Sinai, including the Abu-Rudeis oil field after the 1973 war. In exchange, Iran promised through the US "to provide enough oil for Israel." By strongly advocating and working for a peaceful solution, the Shah felt he would be able to earn a position of leadership in the Gulf region and he used his developing relations with Egypt as a catalyst for that ambition.

In the aftermath of the war, Iran's improved relations with the Arab world is best exemplified by the settlement of the Iranian-Iraqi dispute over the Shatt Al-Arab with the signing of the "1975 Agreement" in Algeria. Even more important than this was the larger strategic picture that existed in the region following the war in which the United States increasingly saw the oil-rich Arab countries as playing a role in the security of the region. After the assassination of Saudi King Feisal in 1975, Saudi Arabia became willing to use its monetary prowess as a means of neutralizing the influence of leftist-leaning states, such as South Yemen and Iraq, and bolstering pro-Western governments in the region, thus

^{45.} Shumeil Seigif, (1983), p. 105

^{46.} R.K. Ramazani, (1981), p. 419

^{47.} Souresrafi Behrouz, (1988), p. 37

complementing the pro-Western Iranian security policy in the Gulf and leading to a concrete application of what was known as the American "Twin-Pillar Policy." 48

When the Right-wing Likud Party under the leadership of Menachem Begin came to power in Israel in 1977, the Shah increased his criticism of the Israeli policy of refusing to implement UN resolutions regarding the Arab-Israeli conflict. The Shah had long held the position that the US should force Israel to evacuate occupied Arab territories and recognize Palestinian rights. This stance resulted in the new Israeli Right-wing Government led by Begin to agitate against the Shah's regime and the Israeli Government called upon the US to halt its aid to Iran. These political developments resulted in the deterioration of Iranian-Israeli relations on the political level.

Despite both this political deterioration as well as the application of the American "Twin Pillar" Policy that worked to bring Iran closer to the pro-Western Arab countries, Iranian-Israeli relations continued to flourish throughout the 1970s in the economic, security and intelligence fields. Trade exchange continued between Israel and Iran, a joint Iranian-Israeli project to develop a long-range missile capable of carrying nuclear warheads was signed as late as 1977, and the Mossad-Savak intelligence agencies maintained high levels of cooperation. The fact that such relations continued despite political tensions, underscores the deepness of the Iranian-Israeli relationship and it was that deepness that continued to be seen as a security threat to the Arab Gulf states.

This view of the Iranian-Israeli relationship as a continuing threat to the Gulf was expressed by Mohammad Al-Ansari, one of the most well-known Arab intellectuals of the Gulf. Al-Ansari said to Al-Sayad Magazine: "The cooperation among the intelligence agencies of the US, Israel and Iran is full and continuous. This cooperation is aimed at

^{48.} R.K. Ramazani, "Security in the Persian Gulf", Foreign Affairs, (Spring 1979), The web: http://www.foreignaffairs.org/1978/4.html; Bruce R. Kuniholm, "September 11: A campus Reflects", American History journal, Vol. 89, Issue 2, The web: http://www.historycooperative.org/journals/jah/89.2/kuniholm.html"; In accordance with President Richard M. Nixon's endorsement in 1970 of what became the "twin-pillar" policy, the United States sought to ensure stability in the gulf through cooperation with Iran, which American officials recognized as the region's predominant power, and Saudi Arabia". The web: http://www.dukenews.duke.edu/911site/kuniholm.html

^{49.} Souresrafi Behrouz, (1988), p. 38

exchanging military and political information regarding the Gulf as well as the rest of the Arab world ... The Israeli diplomats have freedom to work in Tehran, while Iranian oil remains the main source for Israeli industry and military."⁵⁰

Al-Talea', a well known magazine published in Kuwait, described Iranian-Israeli relations as a means of allowing for Zionist activities to have access to the Gulf through Iran. It emphasized the fact that Israeli economic activities were penetrating the Gulf through different Iranian companies.⁵¹

In 1979, an Islamic Revolution overthrew the Shah of Iran and led to the establishment of a new regime in Iran. Interestingly, Iran remained an important factor in the Arab Gulf States relationship to the Arab-Israeli conflict even after the revolution, though in a different way. While the Iran factor during the Shah's regime involved the strong ties between the Shah and Israel; after the Revolution the Iran factor involved the strong mutual public hostility between Iran and Israel while at the same time there was hostility between Iran and the Arab Gulf states. The public hostility with Israel provided Iran with some popular support within the Arab world and thus forced the Arab Gulf countries to compete with Iran by claiming support to the Palestinian issue as a means of the Arab Gulf states being able to maintain their own legitimacy while also justifying their opposition to Iran. On the other hand, Iran received military arms deals from Israel during its war with Iraq (1980-1988) as will be detailed later, which raised additional security concerns in the Gulf.

2-2-2 Main Fields of Cooperation

While the above sections have shown the chronological development of Israeli-Iranian ties, it is important to provide a more in-depth look into the different fields of their relationship. This in-depth study will thus enable us to see the full picture of how the Iranian-Israeli relations impacted upon the Arab Gulf States security.

^{50.} Mohammad Jaber Al-Ansari, "An Arab Integrated Bloc to Face the American -Iranian challenge", <u>Gulf</u> and Arab Peninsula Studies Journal, (January 1975), p. 188

^{51.} Kameel Mansour, (1976), pp. 548-549

2-2-2-1 Economic Field

Iran began supplying Israel with oil in 1954, directly and constantly. The closure of the Suez Canal in 1956 led to deeper ties between both sides, because around 73% of Iran's imports and about 76% of its exports used to pass through the Suez Canal. After the Canal's closure, Israel was the practical alternative port to the Canal. This turn in events coincided with the Soviet trend to halt oil supplies to Israel, following Israel's participation in the tripartite aggression on Egypt in 1956. As a result, an agreement between Israel and Iran was signed in which Iran would supply Israel with its oil needs at a price of \$1.30 per barrel. The agreement took effect from the summer of 1957. The Israeli oil pipeline from Eilat to Bar Shiva was completed in September 1960. Iran, then, doubled its oil supplies to Israel. Another pipeline was constructed in the summer of 1967, which also doubled, for the second time, Iranian oil supplies to Israel. Moreover, Israel used to re-export Iranian oil from its ports on the Mediterranean Sea to countries in Eastern Europe.

As for trade relations, Israeli exports to Iran, including military equipment, increased from the value of \$23 million in 1972, to \$225 million in 1978. This composed about 7% of total Israeli exports (see Table 7).⁵³

The commercial tenders, contracts and regular flights between Israel and Iran should also be mentioned. Israel trained more than 1500 Iranians in agricultural cooperatives and helped in the activation of tourism and agriculture in Iran. This interaction continued in spite of the deterioration in the political relations after the Likud Party took power in Israel in the 1977 elections. So "under the Shah, from 1953 to 1979, Iran was one of Israel's primary suppliers of oil and a major commercial partner". ⁵⁴

2-2-22 Military and Security Fields

The military aspects of the relations were manifested in mutual military cooperation and by the training of Iranian officers by Israel. On the intelligence and military fronts, the Israeli Mossad took part in creating the Iranian Savak apparatus, training its officials in

^{52.} Shumeil Seigif, (1990), p. 55

^{53.} Benjamin Halhemi, (1989), p. 21

^{54. &}lt;u>Allrefer.com Encyclopedia</u>," Israel and Iran", the web: www.1upinfo.com/country-guide-study/Israel/israel130.html

Israel and undertaking many joint intelligence operations.⁵⁵ During the long period of strong bilateral relations between Iran and Israel, strong links were established between the general staffs of both sides. Such links included ties among those involved in combat, air force operations, intelligence and counter espionage. Israel helped in training 400 Iranian pilots, paratroopers and gunners⁵⁶.

The Head of Iranian Intelligence, Ali Kai, first visited Israel in October 1958, accompanied by his wife and daughter. He was received by General Yehoshafat Hercabi, Head of Israeli Intelligence. During that visit, Kai met with Yizhak Rabin, Ben Gurion, Golda Meir and Shimon Peres.⁵⁷ He also met with Israeli Reserve Colonel Jacob Nimrodi. Kai suggested that Nimrodi be designated as an Israeli Liaison Officer in Tehran. Nimrodi, who was later promoted to a Military Attaché, is considered the engineer of Israeli-Iranian ties. He lived in Iran for more than 25 years.

The former Iranian Air-force Commander Amir Hussien Rabiey said, "Most Iranian officers above the rank of major visited Israel. ... The Deputy Minister of Defence for Purchasing Affairs, General Hassan Tofnyan visited Israel more than a hundred times." The first military-security agreement between both sides was signed on January 22nd, 1960. General Haim Herzog, Head of Intelligence in the Israeli army, signed it with the Shah himself at Marmara Palace in Tehran. This agreement formed the basic foundation for broader military ties between Iran and Israel. Accordingly, Israeli air industries began to repair and maintain "Iran Air" planes in July 1960. During the period of enhanced relations, all Israeli Chiefs of Staff except for Haim Bar Lev visited Tehran.

^{55.} Sayed Zahra, Strategy of the Two Major Powers and Security in the Gulf, <u>Al-Fikr Al-Istrategy Al-Arabi</u>, Arab Development Institute, No. 2,(October1981), p.84

^{56.} Shumeil Seigif, (1990), p. 58

^{57.} Ibid., p. 23

^{58.} Ibid., p. 59

^{59.} Ibid.

^{60.} Jonathan Marshall,(et al), The Iran Contra Connection: Secret Teams and Covert Operations in the Reagan Era, (1985), Third World Traveler: www.thirdworldtraveler.com/Ronald_Reagan/Irangate_Israel_TICC.html

Israeli experts helped in technical operations of the Savak. The Shah also sent many security and intelligence officers to study in Israel. Cooperation between both sides developed and included the exchanging of reports and assessments about Arab countries and the Gulf region, in addition to the activities of Palestinian organizations. Cooperation continuously and steadily increased during the reciprocal visits of Iranian and Israeli intelligence officers. Experts from both countries worked together to develop a long-range missile capable of carrying nuclear warheads. The agreement regarding this joint project was signed in the spring of 1977, during Shimon Peres' visit to Iran. Iran financed the project with one billion dollars of crude oil that was to be transferred to Israel. These military and intelligence relations were seen as a security threat by the Arab Gulf countries. They felt that the exchange of information between Israel and Iran about Gulf military and security situations increased the danger to the Gulf from both Iran and Israel.

2-2-2-3 Political Field and Visits

On December 4th, 1961, Israeli Prime Minister, David Ben Gurion, paid a secret visit to Tehran. In 1966, Prime Minister Levi Eshkol visited the Iranian capital, while Golda Meir had done the same in 1965 and met with the Shah. She visited Tehran a second time in 1974 at the invitation of the Shah himself. During the period of 1974-1977, Yitzhak Rabin paid three visits to Iran, while Yigal Alon paid two visits. Israeli Foreign Minister, Moshe Dayan, paid three visits while Shimon Peres paid one visit. Menachem Begin, the Prime Minister, visited Tehran once in 1977. Underscoring the importance of the intelligence aspect of the relationship, the main host to all the Israeli officials was Ne'mt Allah Nasseri, the Deputy Prime Minister and Head of the Iranian Intelligence Apparatus, "Savak". Such high-level visits reflect the deepness of the Iranian-Israeli relationship. As both Iran and Israel had ambitions toward the Gulf region, these visits also increased the national security anxieties of the Arab Gulf countries.

^{61.} Ibid., and Shumeil Seigif, (1990), pp. 58-59

^{62.} Benjamin Halhemi, (1989), pp. 20-21

^{63.} Ibid., p. 19

2-2-3 The motives and gains of both sides of the relationship

1. The Iranians

The fundamental motive of Iranian foreign policy under the Shah was Iran's basic interest to limit Soviet influence in the Middle East. That goal was attained following both the 1967 War and the 1973 War. 64 Another important reason behind the Shah's enthusiasm to establish and maintain strong ties with Israel was his belief that American Jews could use their influence in the United States to help him in the American Congress.⁶⁵ The Shah hoped that Israel would be the advocate for Iran in the US. During the December, 1958 visit to Tehran of General Yehoshafat Hercabi, the Israeli Head of Intelligence; the Shah asked Israel for a favour. The Shah said to his guest: "as for the Israeli high prestige in Washington and the great Jewish influence [in the US], Israel should explain to the Americans what is going on in the region. The US is not aware of Iran's need for weapons and financial aid". 66 The Shah repeated his demands to every Israeli whom he met. Israel's former President, Chaim Herzog, commented on the Shah's demands by saying, "the Shah saw every Israeli as a gateway to Washington." ⁶⁷ Such relations aimed also at balancing the threat that Iran felt from the Arab Nasserism tide which was escalating in the Gulf. As far as for Israel, which is considered a strong enemy to Egypt, such relations would pave the way for both of them to potentially work against that "common" enemy where the shah considered such relations as a "defensive measure", as mentioned earlier.

2. The Israelis

It is believed by some observers, especially those from Israel, that relations between Tel Aviv and Tehran were strategic, regardless of the regime in Iran⁶⁸. Such a belief is

^{64.} Andrew I. Killgore," Iran and Israel: A Parallel", <u>Washington Report on Middle East Affairs</u>, 25/2/1985; The web: www.washington-report.org/backissues/022585/850225003.html

^{65.} Benjamin Halhemi, (1989), p. 20

^{66.} Shumeil Seigif, (1990), p. 49

^{67.} Ibid.

^{68.} Benjamin Helhami, (1989), p. 24

based on three main considerations. *First*, Iran forms a continuous factor of unrest in the Arab World. *Second*, Iran is able to neutralize Iraq in the equation of the Arab-Israeli conflict, as Iraq is one of the strongest potential enemies of Israel and the most dangerous. *Third*, Iran is a basic element in the Israeli "Perimeter Theory" Ben Gurion had suggested this theory in 1953 and it was adopted by the Israeli Government as a policy in which the Israelis would aim at "having close relations with non-Arab countries of the region, i.e. Ethiopia, Turkey, and Iran."

The supposed contrast between the Arab world and Persian Iran, and the perceived suffering of the Shiites in Arab countries of Sunni majority, may be considered stimulating factors for discord between Iran and the Arab world. If so, the above three strategic motives are valid regardless of the regime in Tehran. Israel, as a result, was keen to enhance relations with the Shah. Such relations provided Israel with a presence on the Gulf coasts which it could use to serve its own ambitions and interests.

With the Shah's downfall in 1979, Israel lost a strong ally and their relations with Iran came to an end. In the field of intelligence, Israel had had more influence in Iran than any other country in the world; and in nearly all other areas Israeli influence in Iran was second only to that of the US.⁷¹ In the 1980s, the Israeli desire to test the possibility of reviving these ties as well as their immediate concern about the fate of 80,000 Jews⁷² in Iran encouraged Israel to assist Iran in its war against Iraq. This became known as the "Iran-Contra" scandal, and the US co-operated with Israel in this regard as Richard Curtiss will show later in this chapter. These developments led to a renewal of contact between Iran and Israel. Israelis hoped for and worked to change the attitudes of the new regime in Iran to increase the possibility that Iran may restore the old relations. Israeli Prime Minister, Yitzhak Shamir emphasized this in February 1987, when he said: "Israel is greatly

^{69.} Shumeil Seigif, (1983), pp. 93, 107

^{70.} Souresrafi Behrouz, (1988), p. 38

^{71.}B. Halhemi, (1989), p. 18

^{72.} S. Zahra, (1981), p. 180

interested in establishing a strategic alliance with Iran in spite of the long distance between Israel and the new regime".⁷³

All of these economic, military, and political ties make it clear that it is crucial to understand the Iranian-Israeli relations to come to a full understanding of the Arab Gulf countries worry regarding them.

The relationship with Iran was very strategic for Israel. But it was viewed by the Arab Gulf states as a threat that boosted their security concerns. The Shah fell under Arab pressures especially from Egypt, Saudi Arabia and Jordan. The Arabs called upon him to stop providing Israel with oil and to use his influence in Washington to force Israel to ease its position in regard to the Arab world.⁷⁴

Israel-Iran relations, Gulf security and the Arab-Israeli conflict

Israeli-Iranian relations were both a security concern to the Arab Gulf countries as well as a factor in the formation of their policies towards the Arab-Israeli conflict. Early Israeli interference in Gulf security affairs, most notably in Israeli assistance to the Kurdish riots against Iraqi stability in the 1950s and 1960s, was facilitated by the Israeli ties to Iran. This Israeli policy towards the Kurds underscores the fact that the Israeli relationship with Iran gave Israel the ability to extend and secure its vital interests in the Gulf in accordance with the Israeli "perimeter theory" explained earlier in this chapter. This strengthened Israel in the Arab-Israeli conflict as it weakened the Arab Gulf countries ability to contribute directly to that conflict in case of any escalation. The presence of Israel next to the borders of the Arab Gulf countries has been manifested in increasing security concerns affecting the shaping of their policies towards the Arab-Israeli conflict as discussed in this chapter and chapter three.

^{73.} B. Halhemi, (1989), p. 24

^{74.} Shumeil Seigif, (1990), p. 102

Furthermore, any attempt by the Americans to use the Israeli-Iranian relationship as part of a pro-American agenda in the region was seen as coming at the expense of the Arab Gulf countries strategic importance to the US and a threat to the importance of the Gulf countries in the American "Twin Pillars" policy.

In many other ways, Iran was used as a source of Israeli strength in the Arab-Israeli conflict. Iran was a major source of Jewish migration into Israel and served as a station for Iraqi Jews on their way to emigrate to Israel, thus helping bolster the Israeli State and provoking Arab and Islamic opposition. Iran also provided Israel with its need for oil, thus strengthening its military and civil industry in addition to creating economic and social stability. By strengthening the Israeli state and helping it become stable; Iran played an important role in strengthening Israel's position in the Arab-Israeli conflict and consequently increasing the security concerns of the Arab Gulf countries.

Those security concerns were increased by a number of other factors as well. The intelligence cooperation between Israel and Iran in which the two countries exchanged reports on the Arab Gulf countries and the Palestinian organizations in the Gulf was of deep concern to the Arab Gulf countries. The joint Israeli-Iranian project to develop a long range missile capable of carrying nuclear warheads also increased the security concerns not only of the Arab Gulf countries, but of the entire Arab world. The Shah's interpretation of Iranian relations with Israel as a "defensive measure" against Nasserism also increased the security concerns in the Gulf. This interpretation implicitly indicated that the Shah would consider using his ties to Israel in the event of any military conflict with the Arab countries, hence providing for the real potential of Israeli participation in a conflict between Iran and the Arabs in the Gulf.

These examples of Israeli interference in the Gulf's affairs, the Israeli potential to harm US-Gulf relations, the various ways in which Iran strengthened Israel as well as the direct security concerns that came about as a result of the Iranian-Israeli relationship all supplement the linkages and dynamics. They also underscore the potential reciprocity between Gulf security on the one hand and the Arab-Israeli conflict on the other.

2-3 Israel and Gulf Security in the aftermath of the Iranian Revolution

Israel's influence on the security of the Arab Gulf countries did not end with the Iranian Revolution in 1979. Its influence continued largely through its relationship with the US. The US became an increasingly important player in Gulf security after the Iranian Revolution and after the downfall of the Soviet Union, as was seen in Chapter One. The US dimension to Israel's impact upon Gulf security came through the American strategic alliance with Israel, the Israeli ability to influence US policy and the political obstacles the US-Israeli relationship placed in the way of improving US-Gulf ties.

Israeli Strategic Role

In the aftermath of the Iranian Revolution, Israel increased its efforts to put itself forth as the frontier military base for defending Western interests in the region. Zionist propaganda put forward Israel as the only Western-style democracy in an unstable and uncivilized Arab/Muslim world. Pridham affirmed that "it is against this background that Israel objected to the AWACS sale to Saudi Arabia in 1980 and the Fahd plan for peace in 1981. At the same time, Israel engaged in a campaign of rhetoric presenting Israel as a solid democracy, a part of the "free world" and the only reliable ally of the west in the region as a counteract to any developments in the Gulf-US relations. Israeli supporters noted that while the Shah of Iran had earlier worked to defend Western interests in the region, that role was a factor in leading to his being overthrown, thus proving that no Arab or Muslim country could be trusted to play the role of a stable defender of Western interests.

It was within this context that Israel destroyed an Iraqi nuclear reactor on June 7th, 1981, using advanced aircraft supplied by the US.⁷⁶ While at the time the US did not officially approve the operation, Israel's ability to undertake the act illustrated the military role that Israel could play in the service of Western interests. The Reagan Administration, (1980-1988), respected Israel's military capabilities and saw Israel as a force that could block Soviet designs against Persian (Arabian) Gulf oil. Thus, the US and Israel signed a

^{75.} B.R. Pridham, The Arab Gulf and the West, (1985), p. 186

^{76.} The Global Intelligence Company, "Israel and Iran: Covert Friends?", (3\9\2002), The web: www.worldnetdaily.com/news/article.asp

Strategic Cooperation Agreement in November 1981.⁷⁷ In describing the agreement, Garaudy says: "Ariel Sharon, Begin's Minister of War, met his counterpart, Casper Weinberger, and together they drew up a strategic cooperation plan to deflect any Soviet threat in the region."⁷⁸ The agreement represented an important upgrading in the US-Israeli relationship and confirmed Washington's acceptance of Israel playing the role of a proxy Western military force in a region that included the Persian (Arabian) Gulf.⁷⁹

This potential role of Israel was further solidified in 1982 when Israel invaded and occupied large parts of Lebanon and quickly destroyed much of the PLO infrastructure, forcing the dispersal of its forces. Israel showed that it could eliminate the military capabilities of an enemy of the US and Israel and a regional ally of the Soviets. This further consolidated the belief of many Reagan administration officials that Israel had an important strategic role to play in the Middle East.

Such a role for Israel was alarming to the Arab Gulf countries, which feared that Israel might use its arsenal of traditional arms or weapons of mass destruction directly against their interests. The Arab Gulf countries fear of such Israeli ambitions was partially fuelled by the strong opposition Israel had to the sale of any weapons, even defensive ones, to the Arab Gulf states. Just before the US signed the strategic cooperation agreement with Israel, the American Jewish Lobby had put considerable effort in their unsuccessful campaign to block the sale of AWACS planes to Saudi Arabia. The Arab Gulf States feared that the attack on Iraq and the invasion of Lebanon might be a prelude to military operations against the territories of the Arab Gulf states. Their fear was especially pertinent in light of the awareness in the Arab Gulf countries of the early Zionist maps that included large parts of their territory in "Israel" and the widespread belief in the region that Israel had expansionary designs on the Gulf as well as other Arab countries as was repeatedly stated by Saudi leaders.⁸⁰

^{77.} Ibid., p. 38

^{78.} Roger Garaudy, The Founding Myths of the Israeli Policy, (1997), p. 114

^{79.} Center for Defence Information, "Iran, Israel and Nuclear Weapons in the Middle East", (14\2\2002), Washington D.C, The web: www.CDI.org/terrorism/menukes.cfm.

^{80.} For more details of such statements see: A. Abu Alia, and R. Al-Natsheh, (1991), pp. 404-415

Saudi Arabia, in particular, saw Israel as a potential security threat.⁸¹ The Saudi calculations were based on a number of factors including:

- Israel's occupation of two Saudi islands during the 1967 War, Tiran and Sanafer (see map (3) in the appendix), which were being used by Egyptian troops at the breakout of the war. The two islands were not returned to Saudi Arabia after the Camp David Treaty between Egypt and Israel. Israel subsequently allowed UN forces on the islands with an understanding that they would not be returned to Saudi Arabia.
- The Israeli cooperation with Iranian intelligence in collecting information about the Arab Gulf States during the reign of the Shah before 1979.
- Israel's daring use of Saudi airspace, without Saudi permission, when they struck the Iraqi nuclear reactor in June of 1981.
- The continued Israeli objection to any US arms sales to Saudi Arabia, whether the advanced AWACS aircraft in October 1981,⁸² the Phantoms F-15 in 1992, or the Space Satellite deal of 1994.
- The continued Israeli interference in the Arab Gulf countries security relations with the US in the Gulf region, in the Red Sea and even in the Tiran Straits.⁸³

82. AWACS DEAL TO Saudi Arabia:

The Reagan administration in its efforts to promote peace in the region and to face the Soviet influence proposed to sell the Kingdom of Saudi Arabia (KSA) AWACS aircraft with all the assistance needed to activate them. President Reagan began defending his proposal on 1 October 1981. He was ultimately able to win the votes in Congress after an intensive four week marathon that ended on 28 October 1981.

The main source of opposition challenging the president's proposal came from Israel and its Jewish Lobby and friends in Congress. Secretary of State Alexander Haig met separately with both Saudi Crown prince Fahd bin Abdul-Aziz and Israeli Prime Minister Menachem Begin during the marathon to clear the way for the approval of the deal. He also addressed the House Foreign Affairs Committee as well as the Senate Foreign Relations Committee which both rejected the deal.

President Reagan lobbied for the deal by himself using his personal influence to pressure Senators. He emphasized that "such a deal won't pose a threat to Israel or compromise U.S national security." (Source: The Eighties Club, the Daily News - October 1981, http://eightiesclub.tripod.com/id116.htm) As background support for the Saudi E-3 AWACS, the Peace Sentinel program for Saudi Arabia began in 1981. It included five AWACS aircraft and six E-3 derivative (KE-3) in-flight refuelling tanker aircraft, along with spare parts, trainers and support equipment. In 1984, the Saudi government exercised an option to increase the tanker order to eight. The first Saudi E-3 was delivered in June 1986, with deliveries of the remaining E-3s and tankers completed by September 1987.

The web: http://www.boeing.com/defence-space/infoelect/awacs/saudie3.html

^{81.} B.R. Pridham, (1985), p. 176

American Jewish lobby

The issue of the American Jewish lobby and the extent of its ability to influence US policy is very controversial. It is out of the scope of this thesis to go into detail on the issue. However, this section will mention two major examples of how the Lobby was able to influence US policies towards Gulf security. For further evidence and discussions there are many sources by other authors who deal more directly with the Lobby issue⁸⁴.

Through its ability to influence US policy, the American Jewish Lobby constituted the second way that Israel continued to have an important impact on Gulf security in the aftermath of the Iranian Revolution. The American Jewish Lobby undertook efforts to impede the sale of many US arms to Saudi Arabia and to interfere in the security relations between the US and the Arab Gulf Countries as mentioned earlier.

It also played an important role in the framing of US policies towards the region. The best example of this is US policy towards the 1980-1988 Iran-Iraq war. Seymour Hersh, in a New York Times article printed on December 8, 1991, provided persuasive evidence that throughout the Iran-Iraq war, "Israel was aggressively pouring arms into [Iran] in order to sustain the Iran-Iraq war and thus keep two potential enemies preoccupied with each other." As George Ball points out, the ability of the American Jewish Lobby to influence US policy enabled Israel to quickly get the Reagan administration to buy into the scheme of secretly arming Iran. So on one hand, the United States encouraged the Arab Gulf countries to provide military and economic support to Iraq while at the same time it was providing secret military support to Iran. Israel and the American Jewish Lobby played a decisive role in initiating and organizing the contacts that led to the US supplying weapons to Iran during the Iran-Iraq war. On the other hand the US had its own motives in

^{83.} William B. Quandt, "Riyadh Between Superpowers", Foreign Policy Journal, (Fall 1981), p. 44

^{84.} The ability of the American Jewish Lobby to influence American policy towards the Middle East is a huge topic that has been dealt with extensively by other authors, see especially: Cheryl Rubenberg, <u>Israel and the American National Interest</u>, (1986), and the books by former US Congressman Paul Findley, <u>They Dare to Speak Out</u>, <u>People and Institutions Confronting Israel's Lobby</u>, (1985), and <u>Silent No More</u>, <u>Confronting America's False Image of Islam</u>, (2001)

^{85.} George W. Ball and Douglas B. Ball, The Passionate Attachment, (1992), p. 292.

^{86.} Ibid.

undertaking the arms sales to Iran, most notably the freeing of American hostages in Lebanon and the effect that would have on the American presidential campaign as well as a secret way to fund anti-Communist Nicaraguan fighters. It was the contacts provided by Israel and American friends of Israel that made the arms sales possible thus enabling Israel to influence US policy in a way that lengthened the Iran-Iraq war. This served a number of Israeli interests that, largely through the efforts of the American Jewish Lobby, also came to be seen as American interests.⁸⁷

The interests served by the prolongation of the Iran-Iraq war included keeping Iraq and Iran preoccupied and thus unable to play an active role in the developments of the Arab-Israeli conflict, providing a pretext for the increased US military presence in the region, confusing the Soviet strategy in the region and hindering any serious upgrading of Soviet relations with either Iran or Iraq. The American Jewish Lobby was also able to use the war to further justify Israeli-US strategic cooperation in accordance with the 1981 agreement aimed largely at limiting Soviet influence in the region. Stephen Shalom agrees to this analysis. He explicitly states that the American policy of supplying both Iran and Iraq with weapons during the war had the effect of keeping those two large regional states preoccupied while also weakening their military capabilities – both of which were important Israeli interests.⁸⁸

This same kind of thinking continued even after the end of the Iran-Iraq war, the Iraqi invasion of Kuwait, and the American war against Iraq. The developments in the region prompted both Israelis and Americans to exert great efforts to prevent Iran and Iraq from playing any real role in maintaining Gulf security. To do this, the "Dual Containment" policy against both Iran and Iraq, was devised. The influence of the American Jewish Lobby was instrumental in the adoption of this US policy. The policy was formulated by Martin Indyk when he was the Executive Director of the Washington Institute for Near East Policy, a research institute sponsored by the American Israel Public

^{87.} Curtiss detailed the role of the Jewish Lobby to cover the Israeli role in this scandal, for the details see: Richard H. Curtiss, <u>Stealth PACs: How Israel's American Lobby Seeks to Control US Middle East Policy</u>, (1990), p. 98

^{88.} To see an argument that it was actually the US intention to prolong the war see: Stephen R. Shalom, "The United States and the Iran-Iraq War", The web: http://www.zmag.org/zmag/articles/ShalomIranIraq.html

Affairs Committee (AIPAC), the American Jewish Lobby's main institutional body.⁸⁹ Indyk advocated and lobbied for the policy and later helped enforce it when he moved in 1993 into President Clinton's administration (1992-2000) through his position as the Senior Director for Near East and South Asian Affairs at the National Security Council.

The Israeli constraints on US-Arab Gulf countries' relations

Another way that the US-Israeli relationship impacted upon the interests of the Arab Gulf countries, in their relations with the US, was that it established obstacles in the way of establishing strong security ties between the US and the Arab Gulf states. "A special relationship between the US and Saudi Arabia was viewed in Israel as a dangerous threat to its national security" In 1981, in the aftermath of the AWACS deal, Israeli Defence Minister Ariel Sharon, declared that Saudi Arabia was a confrontational country. This declaration increased the resolve of the American Jewish Lobby to block any other arms deals between the US and Saudi Arabia. During the 1980s, this kind of thinking hindered the development of strong Gulf-US ties at the same time that the Soviet Union was threatening the region.

Throughout the 1980s, the Arab Gulf states tried to keep their countries and the Gulf region in general, free from foreign military bases. The Crown Prince of Saudi Arabia, Fahd Bin Abdul-Aziz, clearly expressed this policy when he said in 1980 "we will not allow the establishment of new foreign bases on our territory, because we do not want our country to be pushed into the conflicts of the superpowers." The unwillingness of the Arab Gulf countries to allow for the establishment of Western military bases was partially motivated by strong domestic opposition that was largely due to the strong US ties to Israel.

At a time when a strong Gulf-American security alliance seemed to be a natural reaction to Soviet actions and the Iranian Revolution, US support for Israel and its

^{89.} For the role of the Jewish Lobby in getting the US to adopt the policy of Dual Containment see, Ahmed Yousef and Terry M. Rauch III, <u>Demonizing Islamic Revivalism: The Jewish Lobby's Impact on United States Foreign Policy</u>, (1997), p. 3

^{90.} B.R.Pridham, (1985), p. 186

^{91.} Palestinian Research Center, <u>Israeli Broadcast Daily Report</u>, Vol.10, No. 2481, (6/6/11/1981, 13 p.m.)

^{92.} John Nelson, et al.," Saudi Arabia: A Shaky US Pillar", Newsweek, (March 3, 1980), p. 38

aggressive policies against Arabs in the region led to apprehension on the part of the Arab Gulf regimes, which feared strong open ties to the US would lead to a weakening of their own legitimacy on one hand, and the strengthening of domestic public opposition on the other. Robert Hanx, a former Commander of the US military force in Bahrain, affirmed such understanding. He said: "one of the major weaknesses in US foreign policy is its lack of understanding that its support of Israeli objectives will impede the development of US cooperation with the Arab Gulf States." ⁹³

American-Israeli relations, thus, remained a constant factor in overall Gulf security. Had it not been for conflicts between Gulf countries, especially between Iraq and Iran (1980-1988), and subsequently between Iraq and Kuwait (1990-1991), the US would not have been able to achieve its current military presence in the Gulf region.⁹⁴ This was implied by James Baker in the testimony he had before a congressional committee in 1990⁹⁵.

Even after the Americans helped the Arab Gulf countries force Iraq out of Kuwait in 1991, the Saudi Chief of Staff during that war, Prince Khalid Bin Sultan, strongly opposed the establishment of new American military bases on Saudi territory, instead calling upon the Arab Gulf nations to develop their own military strength threefold as a means of defending themselves against any threat from Iraq or Iran. Prince Khalid was concerned both about the internal opposition that an American military presence in Saudi Arabia would generate (an opposition largely premised on the strong American support for Israel) as well as the fact that a military dependence on the US would weaken the Arab Gulf states' abilities to defend themselves from any Israeli attempt to increase their influence in the region. Prince Khalid was also disgruntled by the American conditions put on weapons sales to Saudi Arabia (conditions largely dictated by the strong pro-Israel lobby in Washington as shown before) explaining his position by saying: "I don't refuse putting

^{93.} Robert Hanx, Oil and the US Policy Towards Arabian Gulf and the Indian Ocean, Arabic Papers, (1980), p. 30

^{94.} A.L. Atherton Jr.," The Shifting Sands of Middle East Peace", <u>Foreign Policy Journal</u>, (Spring 1992), pp. 118-121

^{95.} The Global Intelligence Company, "Israel and Iran: Covert Friends?", 3\9\2002:

limits to weapon sales, even to Saudi Arabia, if criteria of such limitations are equally implemented on all sides in the region, including Israel". This view from such a high-ranking former Saudi official affirms the concern felt in the Gulf about US policy towards Israel.

Kenneth Pollack alluded to this in an article in the Foreign Affairs Journal. In discussing different scenarios for the future security of the Gulf, he pointed out that the Israeli factor could scuttle any attempt to establish a regional security system." He affirmed that the presence of American troops in the Gulf, especially in light of the strong US ties to Israel, leads to local claims that the United States is seeking to prop up "hated local tyrants" and control the Middle East. The American troops, he said, are seen as a "source of humiliation and resentment for pretty much all locals...a constant reminder that the descendents of such Islamic States can no longer defend themselves and must answer to Western powers."

Related to this is the fact that the Arab Gulf States are continually subject to Arab criticism because they do not stand firmly against American and European policies in support of Israel even while the West is allowed to enjoy the oil, waters and strategic position of the Gulf, and even have been allowed to establish military facilities in Arab Gulf countries. On the contrary, Western countries stand by Israel despite its violations of Arab rights and its engagement in aggressive acts and assaults against Arab security. Such behaviour by Israel leads to increased calls in the Arab world for more pressure against the West, and questions the relationships the Arab regimes have with the US.

The international failure to resolve the Arab-Israeli conflict in a way that would respect Arab rights ignites hostility against the US in the region. This is based on the prevailing belief that the US is in full alignment with Israel. This dilemma puts pressure on the relations the Arab Gulf countries have with the US. Governments of the Arab Gulf countries believe that the success of the peace process in regaining Palestinian rights might

^{96.} Elmer Berger, (Winter/Spring 1991), p. 71

^{97.} Kenneth M. Pollack, "Securing the Gulf", <u>Foreign Affairs Journal</u>, (July/August 2003), the web: www.foreignaffairs.org

^{98.} Ibid.

contribute to reducing such pressures. It would reduce the level of Palestinian resistance and might enable Arab states to build stronger security relations with the US without provoking internal unrest for the Arab Gulf governments. This understanding of the crucial linkage between the Arab-Israeli conflict and Gulf security, including the stability of the regimes itself, is best illustrated by the concluding statement of the GCC summit's Foundational Conference in May 1981 which states: "Gulf security is linked to the achievement of peace in the Middle East. It is also linked to a just settlement of the Palestinian issue that secures the legitimate rights of the Palestinian people. These rights include the right to return to their homeland, to establish their independent state, and their right to Israeli withdrawal from all Arab territories, including Jerusalem."

Conclusion

This chapter has illustrated the important linkages between Israeli ambitions and Gulf security. The chapter showed that Israeli potential threats to Gulf security were represented most dramatically by Israel's good relationship with Iran under the Shah. This was mainly manifested in the strong economic and military ties between the two countries. The Israeli ability to influence US policy towards the region formed another source of potential threat to the Arab Gulf countries' security. Grave Israeli violations of international law, including numerous attacks on Arab states, further increased the concern of the Arab Gulf countries. The chapter showed that Israel was seen to constitute a source of threat to the security and stability of the Arab Gulf countries.

The chapter emphasized the important linkages between Gulf security and the Arab-Israeli conflict. It showed the potential reciprocity between them where Israel is the common factor.

While many factors influenced some of the nuances in the positions of Arab Gulf countries toward the Arab-Israeli conflict (as will be discussed in further details in chapter 3), their own security concerns formed the most important determining factor. Israeli ambitions, policies, and influences towards the Gulf has also been one of the most important elements in overall Gulf security. This provided additional support to the

^{99.} O. Al-Khatib," Gulf Political Development Within the Framework of GCC", <u>Al-Uloom Al-Ijtimaey</u>a, (Winter 1985), p. 209

hypothesis of potential reciprocity between security in the Arab Gulf countries and the Arab-Israeli conflict.

The Arab Gulf countries reacted to the Israeli threat posed to their security in various ways. One of the ways was in the formation of their own policies towards the Arab-Israeli conflict including their efforts to provide the Palestinian cause with political, military and economic aid while also providing economic assistance to the Arab countries that bordered Israel, as will be shown in details in chapter three.

The next chapter will expand upon this concept by showing how the Israeli ambitions towards the Gulf region increased the credibility of the argument that the security of the Arab Gulf countries is linked to the Arab-Israeli conflict. The chapter will illustrate this argument in two ways. It will first provide an assessment of the historical developments in the Arab Gulf countries' policies that were linked with their role in the Arab-Israeli conflict. It will also show the emergent developments within the Gulf and its periphery regarding their security and economic capabilities. It was these developments that created the main dynamics for the linkages.

Chapter Three

Developments of the linkages and dynamics of the Arab Gulf countries in the Arab-Israeli Conflict

It was clarified through the first and second chapters of this thesis that the international competition for influence and the Israeli ambitions in the Gulf region have affected the environment within which the Arab Gulf countries have determined their policies towards the Arab-Israeli conflict. It is necessary now to examine both the historical development of those policies as well as those factors that can be considered as constants and those that can be considered as variables in determining the Arab Gulf countries' responses to developments in the conflict. Therefore, this chapter will begin by assessing the ideological and strategic principles that have served as constants in guiding the Arab Gulf countries' policies. The chapter then examines how the relationship between the Arab Gulf countries and the Arab-Israeli conflict has been affected by four main variables that determine the extent to which these constants are applied. These variables are the following: first, the correlation between Western interests and the Arab Gulf interests as was outlined in chapter one; second, the developments in the Arab-Israeli conflict itself; third, the developments within the Gulf region that have impacted upon the perception of their security; fourth and finally, the development of the economic capabilities of the Arab Gulf countries.

The chapter concludes with an assessment of the changing dynamics and policies of the Arab Gulf countries towards the Arab-Israeli conflict in the period of the study, i.e. 1970-2000. It will show the degree of the potential reciprocity between Gulf security, linkages, and policies towards the Arab-Israeli conflict. It will also find the limits that such policies and linkages are affected by.

3-1 Ideological and strategic principles

The Arab Gulf countries' response to and role in the Arab-Israeli conflict is based on basic principles and on fundamental strategic interests.

The individual and collective Arab Gulf stances have generally been close to the official Palestinian position since the establishment of the PLO in 1964. Three

important trends influenced these stances: first, Arabism from the fifties until the late seventies, second, Islamism from the early eighties up to the end of the 20th century. And third, the general desire of the Arab Gulf states to support policies that conform to international laws and resolutions. Saudi Arabia and the other Arab Gulf states thus repeatedly call upon the international community to force Israel to comply with UN resolutions, in particular Resolution 242 of 1967¹. This Saudi policy is illustrated by the revelation of a former CIA officer who discussed the correspondence between King Feisal and President Richard Nixon. Raymond Close, the former CIA officer, said in an article: "On April 17, 1973, several months before the October War began, I was informed by my official Saudi intelligence counterparts that Anwar Sadat had reached a decision to begin preparing for a major military assault across the Suez Canal, and that he had informed King Feisal of this decision in a letter received that day."²

The goal was to encourage the US to support a peaceful resolution of the conflict. King Feisal explicitly informed President Nixon about the contents of the letter through an envoy. "The US ignored such warnings and later in a personal letter to King Feisal dated Dec. 3, 1973, President Nixon included remarkable passages. He said: 'Looking back over recent years, I recall the many times Your Majesty has written to me of your concern and of your conviction that we should do more to resolve the Arab-Israeli conflict.... You have always given me wise counsel, and in retrospect your advice was well taken and should have been heeded... with your Majesty's cooperation, I am prepared to devote the full energies of the U.S. to bringing about a just and lasting peace in the Middle East based on the full implementation of Security Council Resolutions 242 and 338, in the adoption of which my government played a major part'". 3

3-1-1 Ideological and strategic principles of the Arab Gulf countries policies

Ideological principles are formed from the nature of conceptions prevailing in the political structure of states and their societies. In the case of the Arab Gulf countries, they are derived from their Arab and Islamic identity. Both Arab national and Islamic religious identities, therefore, form factors that favour the involvement of the Arab Gulf

^{1.} For more details see: Robert Hanx, Oil and the US Poling Towards Arabian Gulf and the Indian Ocean, Arabic Papers, (1980), p.62; and Hassan Abu-Talib, <u>The Kingdom of Saudi Arabia and</u> Jerusalem Shadows, (1992), p.117

^{2.} Raymond Close," It's Time to Keep American Promises", <u>International Herald Tribune</u>, November 29, 2002.

^{3.} Ibid.

countries in the Palestinian cause and the conflict with Israeli interests. Such involvement on the state level results in harmony between the official and popular positions within states. This has historically resulted in general agreement between the stances of the Arab Gulf countries on the one hand, and the general Palestinian, Arab and Islamic stances concerning the Palestinian cause on the other, with a few exceptions. Such exceptions usually occurred as a result of the Arab Gulf states succumbing to pressure by the US, which as the protector of the Arab Gulf States' security was able to wield influence over the latter's policies during some historical periods. Examples might be the pressure exerted on the PLO by the Arab Gulf states to withdraw from Beirut during the Israeli invasion of Lebanon in 1982, or the attendance of representatives from the Arab Gulf states at the Madrid Conference in 1991. The US has used its relations and influence over these states to pressure them to help in the accommodation of American policies in the Arab-Israeli conflict.

The religious dimension was symbolized by the al-Aqsa Mosque that linked, according to Quranic verses, the holy mosques in Mecca and Jerusalem. The Arab Gulf States often referred to the importance of the al-Aqsa Mosque and Jerusalem in Islam as an argument to exert pressure on Israel through the US. The religious dimension was instrumental in King Feisal's insistence on a full Israeli withdrawal from the territories that Israel occupied in June 1967, including East Jerusalem. King Feisal conducted more than eight meetings in only 17 months (November, 1973-19 March 1975) with Kissinger on the subject of the peace process and Israel's occupation of Jerusalem and the al-Aqsa Mosque. King Feisal was assassinated on March 25, 1975; six days after the last failed meeting took place⁴.

From the first meeting on 8th November 1973 he discussed three main points: oil, Jerusalem and Palestinians. He insisted that Jerusalem is Arab territory refusing any ideas of internationalising the holy city. He also affirmed the importance of Jerusalem to Muslims⁵. In addition to these ideological bases, the Gulf region has always been linked to the Arab-Israeli conflict by the strategic nature of the conflict and its impacts on the Arab Gulf countries, their interests, and identity.

From the perspective of the Arab Gulf countries, the strategic nature of the Arab-Israeli conflict is based on:

^{4.} For details of this discussion see: Hassan Abu-Talib (1992), pp.129-130

^{5.} Kameel Mansour, (ed.), The annual Book of the Palestinian Cause of 1973, (1976), p. 175

- 1. A perception of continued Israeli threats to the Arab Gulf countries and their oil interests, as the thesis has shown earlier.
- 2. The real financial responsibilities of the Arab Gulf countries that emerge as a result of the continuation of the Arab-Israeli conflict, that were related to:
 - The support for both Palestinians and Arab front-line countries, including finance for their armament procurement strategy.
 - The Arab Gulf countries' own wide ranging military spending, considered necessary for enhancing their own security and stability in light of perceived threats.
 - Assistance with economic development in Arab front-line states in order to enhance infrastructural capacity in order to achieve steadfastness against Israeli threats.
- 3. The assumed contribution of the conflict in creating political, security or social instability in the Arab Gulf countries themselves.

Commitments on the part of the Arab Gulf countries to the Palestinian cause provide them with political legitimacy in their countries both from their own peoples as well as from the large expatriate Palestinian community living in the Arab Gulf countries. This Palestinian presence played a role in promoting support for the Palestinian cause. This community consisted of 450,000 Palestinians in Arab Gulf countries in 1980, which rose in 1990, prior to the Gulf crisis, to 750,000.⁶ These numbers dropped after the Second Gulf War in 1991 to about 443,500 as of 1999.⁷

The ideological and strategic principles encouraged the Arab Gulf countries to be more involved in the Arab-Israeli conflict. This again has demonstrated the potential reciprocal relations between those countries' interests and the outcome of the Arab-Israeli conflict. At the same time, the overlapping of the Western and Arab Gulf countries' interests created new constraints that hindered the development of Gulf

^{6.} B.S. Abu Al-Qaraya, "The Expelled Palestinians in the Arabian Gulf", a paper submitted to the <u>Future of Dispelled Palestinians Conference</u>, 11-13 September, 2000, MESC, Amman, Table#8 in the Appendix, (2000).

^{7.} Palestinian National Information Centre, The web: www.pnic.gov.ps/information.

policies in support of the Arab side in the Arab-Israeli conflict, especially in the 1980s and 1990s.

3-2 The variables affecting the policies of the Arab Gulf countries

The Arab Gulf countries' policies towards the Arab-Israeli conflict have been affected by other decisive variable factors in addition to the ideological and strategic principles discussed above. The most mentioned factors are the emergence of security challenges in the Gulf, the development of the Gulf region's economic capabilities, the increasing correlation of interests between the Arab Gulf countries and the West; and the developments in the Arab-Israeli conflict itself. All these factors played a role in shaping the policies of the Arab Gulf countries towards the Arab-Israeli conflict.

3-2-1 The Emergence of Security Challenges in the Gulf region

The Gulf region witnessed very difficult security challenges during the period of the study. These challenges attracted the attention of intellectuals and the political elite in the Arab Gulf countries and played a role in lessening the contribution of the Arab Gulf countries to the consolidation of the Arab side in the Arab-Israeli conflict. The most notable are:

3-2-1-1 The downfall of the Shah and the revival of the Islamic revolution in Iran in 1979

The emergence of security challenges that followed the Shah and replaced him with the Islamic regime in Iran are discussed deeply in chapter two. Yet this section will show how those new challenges fit into the scope of this chapter.

The Shah of Iran had represented a threat to the Arab Gulf countries through his increasing relations with Israel. He had played the role of a protector of American interests in the region as a regional ally and the "Twin Pillar" policy. He also had his own ambitions towards neighbouring countries in the Gulf. Iran under the rule of the Shah enjoyed relative political, social and economic growth. In spite of all the above, the downfall of the Shah in 1979 invited new security challenges to the region, as was believed by Arab Gulf countries' intellectuals and American politicians and analysts. The most important were: instability whether in economic or social conditions, the ideology of the new Islamic revolutionary regime, and the international crisis that emerged due to the Iranian revolutionists occupation of the US Embassy and keeping its American employees as hostages.

The Islamic Revolution in Iran succeeded as a result of the frustration among the Iranian people about the Shah's internal and foreign policies. The new revolution was motivated by the Islamic ideology, in general. Lots of fears spread in neighbouring Arab countries about the major theme of this revolution, to export its revolutionary way of changing regimes.

Arab Gulf countries were very wary of the new Iranian regime, and began to pay more attention to both their internal as well as regional security. These new security concerns diverted resources in the Arab Gulf countries away from other parts of the Arab World in general and the Palestinian cause in particular.

3-2-1-2 The Soviet Occupation of Afghanistan in 1979

In 1979, the Soviets moved into Afghanistan, created a Communist regime in Kabul and declared a state of emergency in the country. Afghani Mojahideen revolted against the Soviet occupation and called upon their Muslim brothers to support their (Jihad) against Communism (the red danger). The echo of their calls found wide response in the Gulf on both public and official levels. The Arab Gulf countries had long hostile attitudes towards the Communist ideology of the USSR. The Arab Gulf countries feared that the main reason the Soviets had occupied Afghanistan was to later expand even further so as to reach the warm waters of the Indian Ocean and thus threaten the nearby oil fields of the Gulf.

The West was also deeply worried about the increased Soviet threat to Gulf security as represented in the invasion and occupation of Afghanistan. American and Arab Gulf policies became aligned in opposition to the Soviet challenge. This alignment further directed the concerns of the Arab Gulf countries towards their own security.

3-2-1-3 The Iran-Iraq War 1980-1988

As the Islamic Revolution took root in Iran, war broke out between Iran and Iraq. Arab Gulf countries, as did most other Arab countries, stood beside Iraq against Iran. Iraq and Iran both suffered thousands of casualties, lost much of their economic strength and much of their civil and military capabilities. The war lasted for eight years. Its cost was estimated to be \$600 BN according to the estimate of the Kuwaiti Foreign

Minister Sheikh Sabah Al-Ahmad⁸. This constituted a very dangerous phenomenon against the Gulf countries' security in particular, and against the security of the Arab world in general. Arab Gulf countries paid most of the war costs of the Iraqi side. The war also deepened the fears between Arabs and Iranians in the Gulf, which led to more hostility between both sides⁹. It encouraged the mass presence of the American military in the Gulf on the pretext of protecting oil routes and shipments. This presence crystallized the new international security concern in the Gulf. It also diverted the Gulf countries away from the Arab-Israeli conflict in a very critical period, when the Israeli military and intelligence efforts were destroying the PLO forces and institutions in Lebanon in 1982.

3-2-1-4 The establishment of the GCC in 1981

In light of the downfall of the Shah, the emergence of the Islamic regime in Iran, the Soviet occupation of Afghanistan, and the breakout of the Iran-Iraq war with its security consequences, the Arab Gulf countries convened to co-ordinate their efforts in protecting their countries' security, stability, economy and living style. They declared the establishment of the Gulf Cooperation Council (GCC) at their summit in 1981. The details of this establishment were illustrated in chapter one's footnotes. It was considered a positive response to these challenges. Therefore, the Arab Gulf countries decided to come together in military action in case of any threat. They formed a special army called "Desert Shield," that was made up of officers and soldiers from the GCC members' armies. 10 This new trend increased their security and armament budgets as mentioned in Chapter two. The Arab Gulf countries became less concerned about contributing deeply and widely towards the Arab-Israeli conflict, especially to the economic and military aspects. However, they still collectively expressed their support for the Palestinian cause and the Arab struggle against Israeli threats. Their stance towards the Israeli aggression against the PLO and Lebanon in 1982 was an example of this analysis. The Arab Gulf countries contributed symbolical financial and military

^{8. &}lt;u>Al-Riyadh Newspape</u>r, (13/10/2002), The web:

http://www.alriyadh.com.sa/Contents/13-10-2002/Mainpage/POLITICS_2714.php

^{9.} For more Details on the 1980-1988 Gulf War see: Feisal Al-Ors, <u>Iran-Iraq War: Daily Events</u>, (1988)

^{10.} For more details see the GCC official website: http://www.gcc-sg.org

support during the war and acted as mediators to help in ending Israeli aggression. So it can be said that the establishment of the GCC itself was a factor that lessened the support the Arab Gulf countries provided to the Palestinian Cause in the Arab-Israeli conflict as it shifted the concerns and priorities of its countries towards the Gulf region except for the peace efforts and the humanitarian aid mostly supplied by publics for the Palestinians.

3-2-1-5 The Iraqi Invasion of Kuwait and the second Gulf war (1990-1991)

Iraq invaded Kuwait on the pretext of the protection of its economy, sovereignty and stability. It claimed that there had been a conspiracy against Iraq with the participation of the Kuwaiti government. Tens of thousands of Iraqi soldiers moved into Kuwait, toppled the government, occupied the whole country, and appointed a new government of its own in August of 1990. Then, Iraq annexed Kuwait and declared it Iraq's 19th province. ¹¹ This violent way of resolving disputes between Arab neighbours, not to mention neighbouring sovereign states, enraged the international community and the Arab Gulf countries as well. The UNSC imposed economic and military sanctions against Iraq. The US did not wait for the sanctions to work in weakening the Iraqi government position. "Former National Security adviser Zbigneiv Brzezinski in an interview on CNN said that as of early December 1990, since sanctions were imposed, Iraq had suffered a 97% drop in exports, a 90% drop in imports, 43% drop in its GNP, while prices had soared 700%. The sanctions were said to be costing Saddam \$100 million a day." ¹²

Within 5 months, the US and its Western allies succeeded in gathering more than half a million soldiers with high-tech weaponry to fight Iraq and drive its forces out of Kuwait. Arabs were divided into two axes on such developments, one with the US alliance, and the other against it. The Arab League failed to reach any political settlement to the situation. The US, supported by 12 UN resolutions¹³, took a decision to

^{11.} Mohammad Haykel, <u>Gulf War ...the Illusions of Power and Victory</u>, (1992); for more details see: Erick Loran, <u>The Desert Storm: The secrets of the White House</u>, Arabic Version by Mohammad Mustajeer, (1991)

^{12.} Ted Thornton, History of the Middle East Database," Key events in the Modern History of Iraq", The web: www.nmhschool.org/tthornton/mehistorydatabase/gulf_war.htm

^{13.} Security Council Resolutions on Iraq-Kuwait crisis, The web:; http://www.un.org/Docs/scres/1990/scres90.htm

wage a war against Iraq under the pretext of liberating Kuwait and protecting other Arab neighbours. The war began on January 15th, 1991. Iraq suffered a massive defeat and Kuwait was liberated by the end of February 1991.

This crisis and its war cost the Arab Gulf countries billions of dollars. James Baker estimated the cost of the war on the side of the coalition forces to be \$60 BN. The Arab Gulf countries pledged to pay most of those costs. ¹⁴ The war cost on the side of the Arab Gulf countries and Iraq reached more than \$300-400 BN according to different Arab and western estimates.

This war and crisis, with its high cost on all levels, constituted a new stage in the shift of the Gulf countries' policies towards the Palestinian cause in the Arab-Israeli conflict. This was expressed in decreased financial and political support to the Palestinians from the Gulf under the pretext that the PLO leadership was considered in the Gulf to have been supportive of the Iraqi leadership. In addition, the new security concerns that emerged in the Arab Gulf countries themselves required the purchase of increased armaments as mentioned before, not to mention the economic and social suffering that the Arab Gulf countries faced as a result of the war.

The crisis constituted a fundamental shift in the Arab Gulf countries relations with the PLO. The PLO suffered an additional political crisis when some of its leaders saw participation in the Madrid conference of 1991 as a chance to reform the PLO situation on the international and Arab levels. 15

As a result of the war and some other regional, internal and international factors, the Arab Gulf countries had a largely absent role in the Arab-Israeli conflict throughout the 1990s. While the Arab Gulf countries' support toward the Arab side in the conflict almost disappeared on the military, economic, and political levels, the Arab Gulf countries were used by the US to push forward the peace process starting with Madrid in 1991. As the US protected the Arab Gulf countries against Saddam's plans to topple their regimes.

3-2-1-6 The Damascus Declaration 1991

The Foreign Ministers of the Arab Gulf countries along with Egypt and Syria signed a Declaration in Damascus on 6 March 1991 in the wake of the defeat of Iraqi

^{14.} James Baker," The Right Way to Change the Regime", <u>Alwatan Newspaper</u>, (26/8/2002), The web: http://www.alwatan.com.sa/daily/2002-08-26/first_page/first_page12.htm

^{15.} Lamis Andoni," The Washington Talks, Deadlock or the End?", <u>Middle East International Journal</u>, (6/3/1992), p.3

forces in Kuwait. The signatories pledged to cooperate in security and economic matters. The Declaration called for massing Arab capabilities to face challenges that might emerge, especially from Israel's continued occupation of Arab land - an occupation that threatened the stability and security of the region. The Foreign Ministers asserted that they aimed to reach a just and comprehensive settlement to the Arab-Israeli conflict through an international conference for peace. ¹⁶

The Declaration claimed as its goals: "to accumulate the capabilities of the eight signatories to face mutual security challenges and interests including to settle a protocol for a new Arab collective security defence system; and to establish a collective Arab defence force including troops from all the signatories." The US Secretary of State James Baker had met with the declaration states' foreign ministers in Riyadh on 10 March, 1991 addressing security arrangements and the Palestinian issue. The move was considered part of the US effort to halt the implementation of the Declaration security and military parts. Baker suggested that the US was keen to participate with the declaration members in securing the Gulf region. Oman suggested that this declaration not be considered an agreement or military treaty, and that the troops formed from it would constitute a temporary force. It considered all the arrangements as temporary and asserted the right of any party to sign bilateral agreements with any other regional or international party without contradicting the declaration. It also advocated using troops only from the Arab Gulf nations – and not from Egypt and Syria - on the pretext that the Arab Gulf had to become self-dependent in protecting its own security. This was addressed in the Foreign Ministers meeting on 15-16 July 1991 in Kuwait. 18 It is considered the first clear shift in the different understandings of the declaration among the eight members. The further differences that surfaced in later meetings and discussions resulted in delaying the implementation of the kind of cooperation the Declaration called for.

By 1993 the members were only putting their efforts toward the implementation of the economic annex of the declaration. In a meeting in May of 1993, the Arab Gulf

^{16.} The Official Website of The State of Kuwait, Damascus Declaration, The web: http://demo.sakhr.com/diwan/main/Story Of Kuwait/Liberation/Reconstructing/damascus.html

^{17.} Fighter from the Desert encyclopedia, the web: http://www.mukatil.com/openshare/indexf.html

^{18.} Ibid.

countries proposed an executive protocol on security and cooperation which they agreed to implement within 10 years at a cost of \$6.5 Billion. Iran and the United States however expressed strong opposition to any Egyptian or Syrian military presence in the region, and in a subsequent June, 1993 meeting, the Arab Gulf countries reversed themselves and decided not to activate the military annex of the Declaration but rather leave security issues to be decided in bilateral meetings between the individual Arab Gulf states and any other nation that could provide them security.

The years 1994-1995 witnessed the resumption of relations between the Arab Gulf countries and other Arab states especially Jordan, Yemen, Sudan, the PLO and the Arab Maghrib. This eased security tensions in the region and lessened the hostility to the Arab Gulf states from within the Arab community. It contributed to defuse the enthusiasm that had accompanied the declaration climate in 1991. Egypt and Syria were continuing to insist that Gulf security could best be achieved by the permanent presence of their troops in the Gulf at the expense of the Arab Gulf countries' budgets. The Arab Gulf countries however refused to activate any joint military cooperation with Egypt and Syria. With the lack of any mechanism for military cooperation, the Declaration was emptied of its main effect and goal.¹⁹

The history of the Damascus Declaration confirms the thesis regarding the potential reciprocity of Gulf security and the Arab-Israeli conflict. In theory, the Declaration gave Egypt and Syria, the main Arab confrontation countries in the conflict, an important security role in the Gulf. At the same time they were to get massive economic support with \$15 Billion from the Arab Gulf countries. If implemented the agreement would have likely provided a more unified security framework for the whole region, more directly linking security in the Gulf to the Arab-Israeli conflict. The failure of the Declaration, however, underscored the increasing reliance of the Arab Gulf countries on the West for their security, and how this reliance translated into a lower level of involvement of the Arab Gulf countries in the Arab-Israeli conflict. The Arab Gulf countries ultimately opted for bilateral defence treaties with Western countries to accomplish their security needs as an alternative to the Declaration. The

^{19.} For more details. See: Ibid.

^{20.} Fighter from the Desert encyclopedia, the web: http://www.moqatel.com/MOKATEL/Data/Behoth/Monzmat3/Demshek/1/Mokatel2 7-4.htm#13

correlation of Arab Gulf states and Western security concerns increased and both sides became more interlocked than ever.

3-2-2 Developments of the economic capabilities of the Arab Gulf countries

The seventies witnessed a great boom in the financial and economic potential of the Arab Gulf countries. It also witnessed the rapid progress of economic and trade infrastructures, in addition to general modernization. World oil prices jumped from \$3.11 per barrel in 1970 to \$32 in 1980, an increase of 928.4%.²¹ The impetus for the rise was the 1973 Arab decision to ban the flow of oil to some states in the West. This decision also helped the Arab oil-producing countries participate in controlling the production, pricing and export of oil, which has a special sensitivity to Western industries, and thus gave them a chance to influence the world economy.²² Various countries throughout the world subsequently focused their attention on the Gulf region and the Arab-Israeli conflict. Far away countries, like Japan, established Middle Eastern and Gulf study units at their universities, but their role and budget receded after the world energy crisis came to an end.²³

That sharp rise in oil prices was reflected on the Arab Gulf countries' budgets, and also on their national standards of living. Oil revenues of Arab Gulf countries, excluding Oman, rose from \$2.486 billion in 1970 to \$144.714 billion in 1980, an increase of 5721.2 %.²⁴ The Gross National Product (GNP) of the Arab oil producing countries, including Arab Gulf countries, rose from \$18.508 billion in 1970 to \$89.715 billion in 1975, an increase of 384.7%. Individual standards of living rose from \$540.4 per capita in 1970 to \$2225.6 in 1975.²⁵

The rise in oil prices was also "reflected in the acceleration of construction activity in high rates, which in turn, resulted in great emigration to cities, where various

^{21.} Graph of the International Monetary Fund, <u>International Financial Statistics</u>," Real and Nominal Prices of Oil", (1970-1995), The web: www.imf.org/external/pubs/ft/policy/chart02.htm.

^{22.} Akera Usoki, Unpublished Lecture at MESC, (4/3/2002)

^{23.} Ibid.

^{24.} Khaldoun Al- Naqib, Society and State in the Gulf and Arab Peninsula, (1987), p. 122

^{25.} Mahmoud Abdul-Fadhil, Oil and Arab Unity, (1981), p.14

service organizations were concentrated".²⁶ That consequently led to large local economic movements that were parallel to the revenues generated by the sale of oil. Some Arab Gulf countries, especially Kuwait and the UAE, established important international trade zones. As a result of all these economic advancements, the capabilities of the Arab Gulf countries to support Arab confrontation countries became higher.

That oil upswing also increased the relative weight of the Arab Gulf countries in the Arab and international orders, especially in light of the rise in their oil capabilities and the growth of their relative military power. Annual military expenditures of Saudi Arabia rose from \$634 million in 1971 to \$3653 million in 1978. In Oman, the increase was from \$15 million in 1971 to \$486 million in 1978, and in the UAE, from \$16 million in 1972 to \$641 million in 1978. In Bahrain, figures increased from \$5 million in 1971 to \$22 million in 1978. The increases in the levels of military expenditures in these Arab Gulf countries were 476%, 3140%, 3906% and 340%, respectively. Kuwait's level of military expenditures rose from 4.3% of the GNP in 1971 to 16.6% in 1976. In Saudi Arabia, the level rose from 7.5% in 1971, to 18.1% in 1976. In Oman, it rose from 12.8% in 1971 to 32.2% in 1976. ²⁸

Developments in the Gulf's new financial capabilities continued, under annual growth rates of 10% from 1965-1970, and 37.1% from 1970-1975, an increase of 271%.²⁹ Arab Gulf countries maintained their ability to effect international markets even after they lifted the oil embargo as the world demand for energy sources increased. World demand rose from 44,374.00 thousand bpd in 1970 to 60,184.00 thousand bpd in 1980, an increase of 35.61%.³⁰

Their new economic power gave the Arab Gulf regimes more local power as they could provide more services to their people. This was somewhat mitigated by growing popular demands to withdraw the Arab Gulf countries' deposits out of

^{26.} Abdul Jaleel Marhoun," The Gulf Cooperation Council and the Project of Regional Order", <u>Shu'nn al-Awsat Journal</u>, (1992), p.62

^{27.} Stockholm International Peace Research Institution (SIPRI), <u>World Armaments and Disarmament:</u> <u>SIPRI Year Book 1979</u>, (1979), pp.40-41

^{28.} Ibid., pp.42-43

^{29.} M. Abdul- Fadhil, (1981), p.14

^{30.} A.R Al-Faris, "Gulf Crisis and Oil Crisis, and Arab Oil Weapons", <u>Al-Mustaqbal-Al-Arabi</u> <u>Journal</u>, (March 1991), p.22

European banks and the US. These demands, which were largely predicated on Western support for Israel, were never heeded as the oil wealth of the Arab Gulf countries continued to be invested in the West. Nonetheless, their new power enabled the Arab Gulf States to nationalize the British and US oil companies in their countries. That trend opened the door for them to play a more effective role in the Arab-Israeli conflict, on both regional and international levels. The Arab Gulf countries new power enabled them to influence international policies and positions towards the conflict as international actors were in need of the oil of the Gulf. Yet, while gaining some immediate fruits, the Arab Gulf countries could not use this power to draw an effective strategy that could bring about a real strategic change in the conflict's balance of power. The US refused to yield to Arab pressure and was able to contain its impact through such policies as increasing their own military presence in the region on the pretext of securing the world's oil supply.

The Arab Gulf countries were however to play an effective role through the provision of their new economic capabilities to support the front line Arab countries and Palestine. For example, King Feisal supplied Egypt with \$400 million in aid, ³² while Palestinians received \$429 million from the Public Committee for Palestine in Saudi Arabia.

This policy was manifested in economic aid, development funds, the increase of labour in the Gulf, and the enforcement of the oil-ban to pressure Israel's allies..

As a whole, the amounts of Arab development aid from the Arab Gulf countries rose from \$7.7 billion in the first half of the seventies to \$31.9 billion in the second half.³³ Such aid played the major role in enabling the frontline countries to sustain a position of confrontation. It contributed to the economic and political stability of the frontline countries as well as in enabling them to modernize their military infrastructure. The details of the economic aid are illustrated in the next section.

Moreover, Arab labour immigration to the Gulf region greatly increased, and Arab Gulf countries opened doors for increasing Arab labourers. There were 300

^{31.} M. S. Idrees, The Regional Order of the Arabian Gulf, (2000), p.64

^{32.} H. Abu-Talib, (1992), p.119

^{33.} A. Al-Halfi, "Oil's Effect on Main Economic Developments in Arab Countries", Shu'un Arabiah Journal, (September 1998), p.159

thousand such labourers in 1971 and this number rose to about 600 thousand in 1973.³⁴ In light of the rising labour immigration from Arab confrontation countries to the Arab Gulf countries, financial transfers increased to such countries, particularly Jordan, Syria and Egypt. Total expatriate transfers in the Gulf region to these three countries rose from \$181 million in 1973 to \$1941 million in 1977, a relative increase of 972.4%.³⁵ Such labour took part in increasing the popular and official interaction of the Arab Gulf countries with the Arab-Israeli conflict and its consequences as it helped the states and peoples of the Arab Gulf feel the level of threat that Israel posed to the Arabs. King Feisal's initial position of refusing to lift the oil-ban against the US until Israel completely withdrew from the occupied Arab territories and secured the rights of the Palestinian people expressed such effect as was discussed later in detail in section 3-2-4-2.36 The Arabs were satisfied with the general international mood and most European positions to support the Arab cause as a response to the embargo. They also wanted to use the increasing oil prices to compensate for their losses during the embargo. The embargo led to intense US pressure that threatened the political, security and economic stability of the Arab Gulf countries, especially the implicit threats to occupy the oil fields by force. A deal was ultimately reached between the Arabs and the US to lift the oil embargo in exchange for American political pressure on Israel to accomplish an agreement on the Syrian Israeli front.³⁷ While this was a political achievement for the Arabs that resulted from the embargo it was much less than the goals they first declared when they began enforcing the embargo.

The Gulf oil-ban decision, in itself, was regarded as a direct confrontation with countries that supported Israel and could pressure it to withdraw from the occupied Arab territories. The embargo was seen as participation in the battle, by using the "oil weapon" as it was called at that time. As a result, the embargo had the effect of bringing the Arab Gulf countries' role to the front of the confrontation line, not only with Israel, but also with Israel's military and political allies.

^{34.} M. Abdul- Fadhil, (1981), p.39

^{35.} Ibid., p.56

^{36.} H. Abu Talib, (1992), p.129

^{37.} For details see Ismail Fahmi's, Egypt Foreign Minister, explanation in Hassan Abu Talib, (1992), pp.140-142

Under such pressure, the European Community supported the Arab stand calling for an Israeli withdrawal, but the US reply was to give more American aid to Israel and refuse to yield to the embargo with a change in its foreign policies. Through its exertion of political and economic pressures, Washington tried to break the Arab decision. Along with its position towards Israel and its threats against the Arab positions, the US tried to direct the political horizon for a solution to the conflict through continuous and deep consultations with other industrial countries. At the same time it aimed at reducing Arab anger against the US, ³⁸ and at helping moderate Arabs get more support to lift the oil-ban. Despite the American attempts to unify the Western stance, the position of the Arabs led to clear contrasts between the US and European positions. The nations of the world were classified by Arabs into friendly and hostile groups, with Britain, Holland and the US being considered the most hostile nations. This new phenomenon raised concerns in the US about a dispute within NATO, regarding the crisis.

The oil embargo generated a crisis endangering the Western economy in general and its heavy industries in particular (as detailed earlier). It even had an effect on the everyday life of people in the West. "The US (itself) was obliged to reduce its oil consumption by 10%"³⁹ due to this crisis.

The economic capabilities of the Arab Gulf countries that provided them with the potential to influence international policies passed through different stages during the eighties. These capabilities continued to increase as the oil price increased until 1983. It then suffered a sharp drop and collapsed in 1986 when oil prices dropped to \$13 per barrel [see Figure (2) in the appendix]. This was reflected on the Arab Gulf countries' policies, linkages, and support towards the Arab-Israeli conflict up to 1990 as in the mid-1980s they cut back on the amount of economic assistance they could provide to the Arab frontline states and the PLO.

The Arab Gulf countries suffered due to the increasing security burden needed to counteract the new emerging security challenges. The Iran-Iraq War (1980-1988) constituted the most dangerous challenge to Arab Gulf security as they spent a large part of their oil revenues in supporting Iraq and on the development of their own armies' structure and equipment. The war and the economic burdens it entailed also led the

^{38.} Saleh Al-Agad, Political Currents in the Arabian Gulf, (1974), p.136

^{39.} Ibid.

Arab Gulf States to decrease their role in supporting the Palestinian cause. The second dangerous challenge was the Iraqi invasion of Kuwait in 1990, which resulted in the great exhaustion of Arab Gulf capabilities and contributed to a further retreat in their ability to support the Palestinian cause.

This section illustrated that despite the decrease in income in the Arab Gulf countries after the mid 1980s and onwards, the burden of the needed finance to face security requirements increased. Saudi Arabia spent 22.6% of its GNP in 1991 in response to these emerging security requirements⁴⁰. The security budget was about \$13.2 billion in 1995. It constituted one third of the Kingdom's whole budget. Through the period from 1992-1997, Saudi Arabia bought arms worth \$9.8 billion from Britain, France and the US.⁴¹

Saudi Arabia's security expenses amounted to \$28.459 billion in 1991.⁴² Kuwait as well had expended 117% of its GNP for security expenses.⁴³ Its total security expenses amounted to \$12.993 billion in 1991.⁴⁴ These expenditures resulted in deeper exhaustion of their financial capabilities.

The impact of such developing changes and challenges in the Gulf region, taking into consideration the developments of the Arab-Israeli conflict as mentioned above, resulted in lessening the role of the Arab Gulf countries in the Arab-Israeli conflict by the end of the eighties, and at the beginning of the nineties. Their role was almost absent in the nineties except for their pledge, under the pressure of the US, to support the peace process agreements with Israel. Thus, the emergence of security challenges in the Gulf proved to be an important factor influencing their interaction with the Arab-Israeli conflict, as the hypothesis claims.

3-2-3 The correlation of interests between the Gulf countries and the West

With increased Western interests in the Gulf region and the growing Western dependence on oil from the Gulf as was shown in Chapter One, the US believed that

^{40.} Shmuel Even, <u>Tendencies and Expenses of Security in the Middle East in the Nineties</u>, (1999), Table #1, p.7

^{41.} Ibid., p.15

^{42.} Ibid., Table #6, p.16

^{43.} Ibid., Table #1, p.7

^{44.} lbid., Table #6, p.16

"the main element in its plans for the region was to exclude the Arab coastal regions from the Arab depth. This meant that the Arab oil states were to be kept away from the areas of Arab demographic density and that the Arab oil countries had to be convinced that their security was not guaranteed without American power". 45

The Iraqi occupation of Kuwait in 1990 justified the later exclusion of Iraq from any regional security framework. The Assistant to the US Secretary of State Edward Djerejian, when referring to the joint interests of America and the Arab Gulf countries, emphasised this policy by saying: "the common interests of Arab Gulf states and America are based on achieving security and stability in the region which will lead to the accomplishment of American national interests as well as world economic security. Iraq is considered the most dangerous direct party which threatens Gulf security. It is, therefore, very essential to maintain the Arab Gulf countries' opposing position to Saddam Hussein's regime and support of UN resolutions related to the sanctions against Iraq". The Americans concluded that any change in the attitude of any Arab Gulf country towards Baghdad would unveil the international and legal cover that enabled the US to maintain its position against Iraq and thus jeopardise American interests in the region.

Chapter One revealed the volume of trade between the West and the Arab Gulf countries. The oil factor in their relations as well as the extent of defence and security ties between the West and the Arab Gulf were explored as well. This is basically represented in the heavy Western military presence on the Gulf, where American, British and French forces have been deployed. The Arab Gulf states, excluding Saudi Arabia, signed joint-defense agreements with the US; Oman signed its agreement in 1980, Bahrain in 1991, Kuwait in 1991, Qatar in 1992 and the Emirates in 1994. Kuwait, Qatar and the UAE also signed similar agreements with France in 1992, 1994, and 1995 respectively.⁴⁷

The European concern about stability in the Gulf greatly depends on US military capabilities in the region. Since the British withdrawal in the early seventies, the US has become the major power determining the security situation of the Gulf. It has

^{45.} M. Omar, The Impacts of Changes in International Order on The Middle East Region, (1995), p.65

^{46.} Edward R. Djerejian," The US and the Middle East in a Changing World", <u>US State Department Dispatch</u> (8/6/1992), pp.445-447

^{47.} Johans Riesner," Europe, United states and the Gulf", Shu'un Al-Awsat, (October 1997), p.13

enough power and concentrated military presence in the region to maintain security. The US controls the balance between Iraq and Iran and has assumed responsibility for the defence of the Arab Gulf countries against any Iranian or Iraqi aggression. The European position generally conforms to American policies on these issues.

On the other hand, Arab Gulf countries are a basic market for Western military products and completely depend on the West for importing their military equipment. The Arab Gulf countries make huge budget outlays for defence requirements in response to Western assessments about the nature of existing threats from surrounding sources, i.e. Iran and Iraq. The combined annual military budgets of the Arab Gulf states in 1994 amounted to \$24.4 billion. Total defence expenditures during 1990-1994 reached about \$181 billion in the Arab Gulf countries. Those large amounts caused budget deficits, equivalent to \$40 billion in the above countries in 1994.

King Fahd announced that through 1993-2003 Saudi defence military expenditures would increase by 9% (to reach \$8.762 BN). Kuwait assigned \$12.00 BN for arms purchases during the same period.⁴⁹

Such arms deals play a main role in stabilizing the military manufacturing industry in the West, a fact that supports the claimed correlation between both the Gulf and the West.

The Gulf and Western interests are formed and interlock as a result of the outcome of the complex equation between the need for security and political stability for oil production in the Gulf, and the armament race in the shadow of the assumed security threats. Ironically, while arms purchases may seem to provide more security for individual states, the armament race has a detrimental effect on political stability. The above discussion illustrates the clear correlation between the US-European military and civil industries on one hand, and oil in the Arab Gulf countries on the other.

The analysis has shown the important correlation of Gulf and Western interests that started in the 1980s and was accelerated in the 1990s. Consequently, this correlation played a role in shaping the Arab Gulf countries' policies towards the Arab-Israeli conflict in these periods. This correlation resulted in the ability of the West to use

^{48.} Hassan Jawhar and Abdullah Sahar, "The Gulf and International Attempts to Dominate Oil Sources", <u>Asseyasah Al-Dawliya Journal</u>, (July 1998), p.27

^{49.} Ibid.

^{50.} Johnas Reisner, (October 1997), p.23

the Arab Gulf countries to help implement Western policies regarding the Arab-Israeli conflict, rather than being used by Arab Gulf countries to develop Western policies towards the conflict more in favour of Arab rights, as had been attempted in the early 1970s - most notably through the enforcement of the oil embargo. This is due to the increased fear within the Arab Gulf states of the outbreak of any dispute with the US, which maintains a very heavy military presence in the region. Ironically that very security presence, while protecting the Arab Gulf states from external threats, increases the likelihood of internal instability, especially in light of escalations in the denial of Palestinian rights by Israel and the US. These escalations are a very effective tool in the discord of Islamic opposition in the Arab world, including within the Arab Gulf countries, to destabilize and de-legitimize the Arab regimes. In the face of such threats, the Arab Gulf regimes have generally not called for the removal of the Western military presence but have rather become doubly dependent on it hoping that the correlations of interests they have built up with the West will lead the Western states and their military and intelligence bodies to protect them from internal as well as external threats. They thus deeply feel the need to satisfy the requirements of maintaining their friendship with the US. The correlation of interests is thus a determinant variable that explains the degree of the Arab Gulf countries' involvement in the Arab-Israeli conflict. The more there is a correlation of interests; the less the Arab Gulf States are involved in the Arab struggle.

3-2-4 Developments of the Arab-Israeli conflict

The developments of the Arab-Israeli conflict itself represented an important factor in crystallizing the role of the Arab Gulf countries within that conflict.

Arab leaders met in Ansha'as, near Cairo, in 1946 and declared that "Palestine is an indivisible part of the Arab countries. It is not only the cause of the Palestinians but of all the Arabs". ⁵¹ But the UN Security Council members did not respect the Arab position. Hence the Arab countries appeared very weak against both the Western and Eastern blocs' willingness to implement a resolution establishing the state of Israel.

In spite of strong Arab opposition, the UN adopted Resolution 181, of November 29, 1947 calling for the partition of Palestine between Arabs and Jews. The

^{51.} Abdel-Sattar Qasim and Ghazi Rabab'a, "Arab-Israeli Wars" in: J. El-Hamad, (ed.), Introduction to The Palestinian Cause, (1999), p.257

Zionist movement, while they accepted the principle of partition, refused to accept the percentage allotted to their state, which was 54% of Palestine.⁵²

Arabs were obliged to go to war when British troops withdrew from the Mandate. Armed Jewish military organizations quickly moved to occupy lands that had been allotted to the Palestinians by the UN Partition Resolution. Arab armies moved into Palestine on May 15, 1948, to defend the Palestinians' allotted land. The 1948 War⁵³ constituted additional complex security and stability problems to the Middle East region, which had not yet recovered from the period of colonisation by European countries. The war ended with the signing of the truce agreements.⁵⁴

The new source of threat to Arab security, including the Arabian Gulf, was now the Jewish State. In supporting such a prevailing view, Arabs referred to Israel as an aggressive political entity, which held an expansionist project in Palestine based on and affiliated to the First Zionist Congress decisions.

Arab states imposed an economic and political embargo on Israel and signed the "Common Defence Agreement" in 1950. Among the states that signed the agreement was Saudi Arabia, the only independent state of the Arab Gulf countries at that time.

Eight years after its establishment, Israel commenced its first attack on Egypt in 1956 with France and Britain. That war uncovered, as the Arab literature states, the functional role that Israel might play against the Arab nation's interests and sovereignty, and in service of Western goals. ⁵⁵ It also revealed that Arab security was vulnerable to threats by the Jewish state. Such developments affected the substance of national Arab thought and gave the Palestinian cause a deeper dimension. ⁵⁶

The Arab Gulf countries were the incubators of the Palestinian Revolution when the Fatah movement was established in 1962 in Kuwait, and openly started its military

^{52.} Moneer Al- Hour and Tareq Al- Musa, <u>Political Settlement Projects of the Palestinian Issue 1942-1982</u>, (1983), p.22

^{53.} Fore more details about the 1948 war see: Dan Knrzman, <u>Genesis 1948: The First Arab-Israeli War</u>, (1970); Mohammad Abdul-Mone'm, <u>1948 War</u>, (1968)

^{54.} A. Qasim and G. Rabab'a, (1999), p.274

^{55.} A.S. Nofal, "Features of the Arab-Israeli Conflict Since Israel's Creation Until Camp David", in Abdul Khaliq G. (ed.), <u>The Century of Conflict: 100 Years of Arab Conflict with Zionism and Israel</u>, (1999), pp. 109-110

^{56.} A.S. Nofal, "Between Palestinian Liberation and Arab Unity", in J. El-Hamad (ed.), <u>Introduction</u> to the Palestinian Cause, (1999), pp.238-239

operations against Israel in 1965. They also supported the establishment of the Palestinian Liberation Organization (PLO) in 1964. The sixties, therefore, witnessed a prominent role for the Arab Gulf countries in fostering the crystallization of a Palestinian identity and the support of the Palestinian people's struggle against Israel.

The Arab world was characterised in the 1960s by what was called a division into two axes: the "conservative" and "progressive" states. The Arab Gulf countries, classified as conservative, were led by Saudi Arabia, while Egypt led the progressive states. The Palestinian cause was claimed as a source of inspiration for both sides.

Arab countries deployed their forces on the front line against Israel in light of continuous and increasing Israeli threats to the Arab World. Units from the Saudi Arabian and Iraqi armies were moved to Jordan and stationed on the eastern front. Kuwaiti and other Arab troops were moved to both the Egyptian and Syrian fronts. The nature of the conflict was obviously widened by the participation of Arab Gulf countries on the Arab front, as the coming developments will show. Such developments and policies were pursued by Arab governments who felt that Israel threatened their own stability, sovereignty and subsequent development. They went to the front line to prevent the conflict from escalating and being taken to their capitals.

3-2-4-1 The June 1967 War and its consequences

Within a decade following the Tripartite Aggression on Egypt, in 1956, reasons for conflict and war between Arabs and Israelis gathered again.

On the other side, the Jewish State enjoyed relative stability and was able to develop its economic, military and political infrastructures. The Zionist project enjoyed great success due to increased waves of immigration. The Zionist successes led them to prepare to execute Israel's expansionist ambitions to occupy new Arab land.

Israel waged a war against three Arab states in June 1967⁵⁸. The war resulted in a defeat of the Arab armies. Israel occupied new Arab lands in the Sinai, Golan Heights, and the West Bank, including East Jerusalem, and the Gaza Strip, in addition to two Saudi islands in the Red Sea.

The Arabs rejected the results of that war. They declared that defeat would not be a reason for reconciliation with, recognition of, or negotiations with the Israelis. That

^{57.} A. Quasim and G. Rababa', "The Arab-Israeli Wars", in J. El-Hamad (ed.), <u>Introduction to the Palestinian Cause</u>, (1999), pp.279-284

^{58.} For the Details of the 1967 War see: John Norton Moore, The Arab-Israeli Conflict, (1974)

position was manifested in the three "Khartoum NO's" adopted by Arab leaders in their Khartoum Summit, on August 27, 1967. The Arab Gulf countries who participated in that summit, at the same time, regarded the results of the June 1967 War as new evidence of Israel's threat to their direct security. The Israeli Army occupied two Saudi islands in the Gulf of Aqaba during the war, making Saudi Arabia a front line state (see map 3 in the appendix).

The UN intervened to impose a cease-fire through Security Council Resolution 242 of 1967. The Resolution was accepted by most Arab states who regarded it as a good base for conflict settlement. This thus changed the mood and policy of Khartoum's summit of 3 No's, although it might accomplish the end of the Israeli occupation if implemented. The Arab regimes began yielding to the international community rather than to the enthusiasm of their own people who wanted to retaliate for the 1967 defeat. The Arab Gulf countries stood strongly against the Israeli aggression on a political level and endeavoured to bring about the UN Security Council Resolution, which called for an immediate withdrawal of Israeli forces from the territories they occupied in 1967, hoping that its implementation would lead to a prolonged peace settlement between the states of the region. Israel however refused to conform to the international will represented in that resolution. Therefore, the War of Attrition started between Arabs and Israelis.⁵⁹ During the War of Attrition, King Feisal agreed to provide both Egypt and Jordan with 150 million sterling pounds annually in the summit. He pledged another 50 million sterling pounds to support other Arab countries that had a role in the Arab-Israeli conflict. He also declared on January 10, 1968 that he always "(stood) beside Jordan to continue its struggle for the liberation of the Arab homeland and sacred places, and the removal of consequences of aggression". 60 In a letter to the Sudanese President, Ismail Azhari, Feisal affirmed that: "The Kingdom is ready to engage in war, side by side with its sisterly countries, in case efforts for a peaceful solution fail".⁶¹ In a later joint Saudi-Kuwaiti statement, both sides proclaimed that "containing the consequences of aggression is the responsibility of the entire Arab nation".62 Saudi

^{59.} Tala't Mussalam, "The Palestinian War of Attrition and the Future of Occupation", <u>Middle Eastern Studies Journal</u>, (Summer 2001), pp. 29-30

^{60.} Borhan Dajani (ed.), The Annual Book of the Palestinian Case in 1968, (1971), p.157

^{61.} Ibid., P.159

^{62.} Ibid., P.160

Arabia demanded the return of its Tiran and Sanafer Islands, which were occupied by Israel in 1967. Saudi Arabia conveyed its demand to the Israeli side through the US.⁶³

The Palestinians and the Jordanians confronted the Israeli army in a battle, in the Karamah area east of the Jordan River on March 21, 1968. An Arab victory in that battle deepened Arab hopes in the Palestinian Revolution, which was given more protection and support by Arab countries. Hence, Palestinians easily exercised their political, social and humanitarian activities in the Arab Gulf countries at the time. This new stage of the conflict directed the policies the Arab Gulf countries into a deeper consideration of the Arab-Israeli conflict on both political and economic levels. The Arab Gulf States increasing role largely reflected their will to stop Israeli ambitions threatening their own security as mentioned earlier.

Among the most notable consequences of the June 1967 War was the rapid development of US-Israeli relations, which had a significant impact on Arab-American relations in turn. Feeling the extent of such problems and their impact on its interests, the US tried to rebuild some of its ties with Arab states through economic aid and diplomatic courtship.

Israeli refusal to sign the Nuclear Non-Proliferation Treaty in 1968 also raised great Arab doubts about its "unfriendly intentions". Its potential added new evidence to the prevailing view of the Zionist intention to realize their project of "Greater Israel" in the Arab world.

Arab conservative countries, especially Saudi Arabia and Kuwait, became convinced of the real danger of Israel to the sacred places, especially the al-Aqsa mosque. This view developed after the Israeli occupation of Jerusalem, including the al-Aqsa mosque. The attempts to destroy or burn it, best exemplified by the arson attempt on August 20, 1969, and the increasing calls for the rebuilding of the Jewish Temple on the site of al-Aqsa, increased these concerns. Muslim leaders, therefore, called for an Islamic Conference, which convened in Rabat, Morocco, on 22-25 September 1969. Twenty-five countries took part and the meeting resulted in establishing the "Islamic Conference Organization" (ICO). Saudi Arabia and Morocco prepared for the establishment of the ICO following a decision by the Foreign Ministers' Council of the Arab League in Cairo, on August 25-26, 1968. Through establishing such an

^{63.} Ibid.

organization, Saudi Arabia played a critical role in involving the Islamic countries in the Arab-Israeli conflict. The aim of the Islamic Conference was to discuss means for the "liberation" of Jerusalem and to putting an end to the occupation, as stated in the ICO decision which was approved in Jeddah, March 4, 1972. Saudi Arabia hosted the permanent headquarters of the ICO and supported its strategic goal of supporting the Palestinian Cause, particularly Jerusalem. By hosting the ICO, Saudi Arabia, with other Arab Gulf countries, extended political, information and financial support to the holy city and al-Aqsa mosque. These developments increased the involvement of the Arab Gulf countries, especially Saudi Arabia, in the Arab-Israeli conflict. It provided a structure identifying their responsibilities and obligations towards the conflict and its consequences on both Arabic and Islamic levels as well as to their own people. This phenomenon has served as a means for these countries to gain political legitimacy in the face of critics of their regimes from the Islamic and national oppositions.

A critical dispute involving military clashes broke out between the Jordanian government and the Palestinian Liberation Organization (PLO) in 1970. Saudi Arabia played the major role in settling this dispute due to its special relations with both parties. Saudi Arabia was motivated by its eligibility to play such a role as it used to be the main source of finance to both Jordan and PLO.

3-2-4-2 The October 1973 War and the Oil Embargo

The consequences of the October 1973 War⁶⁴ represented an essential change in the conflict. The Arab military forces were perceived in the Arab world to have weakened the Israeli hold on occupied territories on both the Syrian and Egyptian fronts. The Egyptian army had advanced and succeeded to destroy the Bar Lev Line on the east bank of the Suez Canal. They moved deep into the Sinai, forcing the Israeli army to retreat. The US announced massive financial aid and a military airlift to support the Israelis against the Arab troops. The Israeli army was supplied with sidewinder missiles, bomb racks and other sophisticated military equipment that was dropped directly on the front line in the Sinai itself. As a result, the battle scene changed dramatically.⁶⁵ The Arabs regained some of the occupied lands, and raised the hopes of

^{64.} For more details about the 1973 war see: Tarek M. Shukri, <u>October War: A point of View and Analysis</u>, (2002); Mohammed H. Haykel, <u>As The Road Diverges: The October War... What Happened During and After?</u>, (1984)

^{30.} William Burr (ed.), <u>The October War and US Policy</u>, October 7, 2003, Document 18, The web: www.gwu.edu

returning Palestinian territory. The war heightened international concern about the Palestinian cause. Yet, the US did not allow the war to reach its anticipated outcome. The US interfered by supporting the Israeli side using different means including military aid with sophisticated technology. The Arabs were enraged by this position, considering it as an alignment with Israel against Arabs.

The Arab Gulf countries participated in both the battle and the consequent anger against Israel and the US. Kuwaiti and Saudi Arabian forces were stationed in the front line. The Saudi army was stationed in Jordan, while the Kuwaiti Army was on the Egyptian front.⁶⁶ It is true that the magnitude and capability of that participation did not have much impact on changing the balance of power on the battlefield, yet it expressed the Arab Gulf countries concern and involvement in the Arab-Israeli conflict with a symbolic military contribution because they didn't have enough capability to deploy more forces.

On the other hand, Arab oil countries, especially the Gulf countries, used their oil in the political struggle against Israel and to put pressure on the international community to intervene appropriately⁶⁷. This was one of the distinctive elements of the participation by the Arab Gulf countries in supporting the Palestinian cause. Petroleum Ministers of Saudi Arabia, Kuwait, the Emirates, Qatar and Iraq (the Arab members of OPEC) convened in Kuwait on October 16, 1973. They decided to decrease their oil production immediately by 5% monthly.⁶⁸

Arab Gulf countries participated in the enforcement of the oil embargo against the US, Europe and Japan. The economies of these Arab Gulf countries was heavily dependent on the revenues from oil sales in the international market and by enforcing an embargo they risked decreasing their revenues and endangering their own economic stability. In addition to this, the embargo increased political and economic tensions in the international order in general and with the US and Europeans in particular. This role

^{66.} Tala't Mussalam, Arab Military Cooperation, (1990), pp. 197-199

^{67.} Arabs threatened to use the oil embargo as a political weapon in their battle against Israel in 1948, and then they enforced it against Britain and France in 1956. They also repeated such policy in the 1967 against Britain and the US. They enforced the oil embargo in 1973 for the fourth time in the history of the Arab-Israeli conflict. For more details on such policy enforcement see: Ahmad Zahrani, Saudi Politics in the Arabic Circle through 1979-1990, (1992), pp. 328-330; Hassan Abu Talib, (1992), pp. 162-163.

^{68.} Hassan Abdullah, Using Petrol in October 1973 War, (1998), p. 118

remained an eminent mark in international relations history and in international order policies towards the Middle East in general, and the Gulf region in particular.

The embargo caused panic among energy consumers. In the US, for example, "Customers experienced lines and sometimes no fuel at gasoline stations, the lights on the national Christmas tree didn't turn on that year because of the energy crisis, a reassessment of the US strategic position in the world was addressed, US oil production increased to satisfy the local needs of energy and to reduce depending on oil imports." ⁶⁹

The rise in the price of oil due to such crisis from 1973 up to 1981 cost the Western economies billions of dollars and caused panic and fear among economists and politicians in the West. The price of oil rose from \$2.59 per barrel in 1973 to \$10.46 per barrel in 1974 and then up to \$24.00 per barrel in 1979 and then \$34.00 per barrel in 1981 representing an increase of 1212.7% in only eight years. The annual cost of oil imports to the US alone increased from \$6.1 Billion in 1973 to \$86.9 Billion in 1981 an increase of 1324% in eight years. [See Table 1 and Figure 1 in the appendix.]

This situation indicated the potential impact that developments in the Arab-Israeli conflict or the Gulf region could have on the West if such developments might in any way disturb the stable flow or price of oil. The correlation that was built up between Western industry and Gulf oil made the impact real and tangible. The shortage of crude oil supplies to the West would create an energy crisis that would have the potential of severely damaging Western economies. In a study conducted by the US Treasury Office, it was found that a halt in the flow of Saudi oil to the US for one year would cost the American economy \$272 Billion, increase the US unemployment rate by 2% and increase inflation by 20%. 70

On the security and political levels John Campbell discussed how the oil embargo affected the NATO alliance. He said that "governments of the most vulnerable consuming countries, in Western Europe and Japan, reacted in near panic, seeking ways to appease the Arabs on political matters and to obtain economic deals that would assure them continued access to Middle East oil at the new high prices. The less

^{69.} Jay E. Hakes, Administrator, Energy Information Administration, (9/3/1998), the web: www.eia.doe.gov

^{35.} Hassan Ibrahim, "The Gulf and the Arab World." Al-Mustaqbal Al-Arabi, (1984), p.6

vulnerable United States declared it would not bend the principles of its foreign policy (which in this case meant supporting Israel) because of economic pressure".⁷¹

As a result of that embargo, according to the Annual Report of the Strategic Studies Institution in London in 1974, the industrial countries, with the exception of the US, were forced to balance their policies regarding the status of the conflict. This new situation enhanced the Arab Gulf countries' correlation with the Palestinian cause creating deeper linkages and dynamics.

In particular, the Saudis showed that they were willing to use their oil weapon in the Arab cause, and that gave them influence in the Arab world, even if they never used it again (as discussed later). They also have provided money to support the arms purchases of the confrontation states, especially Egypt."⁷³

This contribution by Arab gulf countries in the Palestinian cause emphasised their role of "Supportive Countries" to the "Confrontation Countries". Saudi Arabia and Kuwait, in particular, were the most active in war and peace.⁷⁴

3-2-4-3 The Camp David Accord and Treaty 1978, 1979

King Feisal encouraged the United States to intervene in the Arab-Israeli conflict, and an American initiative to settle the conflict was proposed as a response to Saudi demands. Egypt responded positively to the American peace initiative to halt the 1973 war and negotiate a peace settlement with Israel. Negotiations between Egypt and Israel commenced after Sadat's visit to the Israeli Knesset. In September 1978, Egypt reached an individual peace accord with Israel that enabled Egypt to regain its occupied territory of Sinai without a comprehensive regional peace settlement. Widespread anger erupted in the Arab World. This accord was seen by Saudi Arabia as an individual initiative towards Israel that ignored the legitimate rights of the Palestinians; it would neutralize Egypt in the Arab-Israeli conflict and it was thus believed to be a big loss for the Arabs⁷⁵. Thus, at a summit in Baghdad on November 2, 1978 the Arab leaders decided to boycott and isolate the Egyptian government as a punishment for its "sin".

^{71.} John C. Campbell," Oil Power in the Middle East", Foreign Affairs Journal, (October 1977), p.90

^{72.} Media Section, Information Ministry of Egypt, <u>The October War in International Media</u>, (1974), p.17-18

^{73.} John c. Campbell, (October 1977), p.99

^{74.} Mohammed Haykel, (1984), p.135

^{75.} Ahmad Al-Zahrani, (1992), p.336

With the absence of Egypt, Saudi Arabia took the leading role within the Arab world. Saudi Arabia opposed the Israeli-Egyptian agreement. The Saudis sought the full implementation of Security Council Resolution 242 regarding the Palestinian issue; whereas, the agreement only solved the Egyptian-Israeli aspect of the conflict. It only included a vague promise of self-government for the Palestinians at some future time. Saudi Arabia referred to the treaty as a relinquishment of the Palestinian cause⁷⁶. In addition, the treaty did not return the Saudi islands of Tiran and Sanafer in the Red Sea, which had been occupied by Israeli forces in 1967. This was also a cause of Saudi disappointment with the treaty.

3-2-4-4 The Israeli invasion of Lebanon 1982

In 1978, the Israeli Army undertook an assault on Southern Lebanon that was designed to eliminate the Palestinian forces stationed there. The Israelis failed to defeat and destroy the Palestinian forces and suffered heavy casualties in their attempt. By 1982, soon after the signature of the 1981 US-Israeli cooperation agreement aimed against Soviet influence in the region, Israel decided to attack the Palestinian forces in southern Lebanon again. The political context encouraged the Israelis to take such a step with US support. The Arabs were preoccupied by other regional conflicts and disputes such as the Iraq-Iran war, the Soviet occupation of Afghanistan and the consequences of the Camp David treaty on Arab system and internal relations.⁷⁷

^{76.} For more details on Saudi position see: Hassan Abu – Talib (1992), pp.177-187

^{77.} It is worth mentioning that the Arab world saw the Iran-Iraq war as a critical threat from Tehran that had emerged in the Eastern province of the Arab world. They put a lot of their economic and political as well as military efforts in supporting Iraq to defeat Iran. Iraq had previously provided important strategic depth to the Palestinians and Iran had just emerged as an important supporter of the Palestinians when it was involved in a fierce war with Iraq. Being involved in conflict with each other, neither Iran nor Iraq was able to back the PLO against the Israeli invasion. Their backing would have been essential to strengthen the PLO position against the assault. Egypt, the usual leader of the Arabs in such cases, had already been neutralised by the signing of the peace treaty with Israel. In addition to this, the Soviet occupation of Afghanistan affected their relations with the Arab world. It also preoccupied the Soviets military and political institutions, lessening the possibility of them playing a serious role in backing the PLO in Lebanon. The worry in the Arab Gulf region concerning the Soviet invasion had increased to the extent of the Arab Gulf countries coordinating their policies with the policy of the US in supporting Afghan fighters both financially and by allowing their youth to participate in person in the ground battles. The scene was, then, that the Arab and Islamic worlds were occupied by major battles in

Israel thought the invasion would be an easy job both militarily and politically, and would give them a chance to eliminate their most dangerous enemy at that time, the PLO. They wanted to seize an opportunity when the Arab and Muslim world was divided and preoccupied. The Israeli military campaign began on June 6th, 1982. Within 78 days, it succeeded in destroying the PLO forces and institutions, dispersing them away from Israel's borders.

Both Iraq, the usual ally of the PLO, and Iran, with its Islamic regime that was backing the Palestinian cause, were trapped and preoccupied by their war against each other and thus could not participate in any meaningful way to stand with or back the PLO forces against the Israeli aggression. Thus, while the consequences of the Iraq-Iran war on security in the Gulf were paramount, it also had an important impact on the Arab-Israeli conflict, proving the point that there is a continuous potential reciprocity between the Arab-Israeli conflict and security in the Gulf.

Saudi Arabia helped as a mediator between the US and the PLO. Under US pressure, an agreement was reached to pull the Palestinian forces out from Lebanon and relocate them in Yemen, Tunisia, Sudan and Algeria. But this was not enough to protect Palestinian civilians in the Lebanese refugee camps who were subjected to massacres in Sabra and Shatila on 16-18 September 1982. The Arab Gulf countries expressed political solidarity with Palestinians. They tried to help in containing the consequences.⁷⁸

Saudi Arabia offered a peace initiative during the Arab Summit in Fez, Morocco that convened soon after those massacres, in 1982. It was known as "Fahd's Initiative", and later became an Arab political program. It put emphasis on the Israeli withdrawal from the occupied territories in exchange for peace with the Jewish State, based on UN Resolution 242.⁷⁹ It also called for the creation of a Palestinian state with Jerusalem as its capital. It accepted the idea of the gradual implementation of the resolution over a

Afghanistan, Iraq and Iran. At the same time, the USSR, usually the main international supporter of the Palestinian cause was also preoccupied and concerned about the same fronts.

^{78.} Elias Shofani, <u>Israel in Fifty Years: Zionist Projects from the Imaginary to the Factual</u>, (2002), pp.405-415; Haim Hertzog, <u>Arab-Israeli Wars 1948-1982</u>, (1993), pp.417-419

^{79.} Ghazi Assa'ddi, <u>The Palestinian-Israeli War in Lebanon (4), The Goals That Did Not Occur.</u> (1984), pp. 7-8; Hertzog, (1993), p.400

period of a few months and under the mandate of the UN. It implicitly recognised the right of the Israeli state to live in peace and security in the region.⁸⁰

Israel refused this initiative claiming it aimed at destroying the Jewish state.⁸¹ The Israeli refusal, plus the regional circumstances that continued pre-occupying Arab policies, halted any serious political or military development in the Arab-Israeli conflict until 1987.

3-2-4-5 The Palestinian Intifada 1987

The Palestinians began a major uprising against the Israeli occupation forces on December 8, 1987. This Palestinian phenomenon was called the "Intifada". The Israeli forces killed at least 1392 Palestinians, 353 of them children, by May 1994.⁸²

The Arab Gulf countries supported the Palestinian struggle against the Israeli assault and provocation. They encouraged public aid to the Palestinians, especially those who had suffered injuries, or lost their homes. Politically, they praised and recognized the Palestinian State decision, which was declared by the Palestinian National Council of the PLO (PNC) on November 15, 1988 in Algeria. In a statement released after a GCC meeting in December 1988, the GCC collectively asserted their stand in supporting the Palestinian Intifada. They promised to use their capabilities to help in achieving the Intifada's goals. They called for an international conference to find a just and lasting peaceful settlement to the conflict, based on the right of self-determination for the Palestinian people. 83

3-2-4-6 The Middle East Peace Process (1991-2000)

The President of the US, George Bush, invited Arabs and Israelis to a peace conference in Madrid from October 30 to November 2, 1991⁸⁴. The conference

The web: www.arableagueonline.org/arableague

^{80.} The Final Communiqué: The 12th Round of the Arab Summit in Fez, (1982), Arab League,

^{81. &}lt;u>Ha'artz</u>," Tel Aviv's reaction to Saudi proposal",(9/8/1981)

^{82.} Jawad El-Hamad, Great Palestinian Intifada, in: Jawad ElHamad (ed.), <u>The Introduction to the Palestinian Cause</u> (1999), p.410

^{83.} Ninth Round of Higher Council of GCC, Concluding Statement, Manama, (19-22/12/1988), The web: www.gcc-sg.org/report9.html

^{84.} For More Details on Madrid Conference in 1991 see: Jawad El-Hamad, <u>The Future of Peace in the Middle East</u>, (2000)

convened with the attendance of Israelis and Arabs, including the Secretary General of the GCC and the Saudi ambassador to the US. It resulted in two negotiation tracks: bilateral and multilateral. Some Arab Gulf members officially took part in multilateral negotiation committees, something considered as a great change in their official policy towards the conflict. "Their motives behind such participation have many considerations, the most notable are 66:

- 1- The continuous US pressure which was aimed at achieving two main goals:
 - a. to encourage the Arab normalization with Israel and to end the economic boycott against it that has been enforced since 1948
 - b. to use the Arab Gulf countries oil revenues to finance the outcomes of the expected Arab- Israeli peace settlement especially regarding the settlement of the Palestinian refugees.
- 2- The participation of the Palestinians in the process which provides the political excuse and cover to their new political stance
- 3- The expectations of emergence of a settlement between Israel and other Arab frontier countries which might limit the Israeli ambitions to reach the borders of the Arab Gulf countries
- 4- Some believed that the cost of peace that they will burden would be less than that of war, especially on the economic level ".

Hence it is owing to US pressure, to fulfil their traditional position since the 1980s promoting peace based on the UN resolutions, to save part of their money since peace was thought to be cheaper than war, and due to their security calculations, that they took part in such a deal.

Some argue that part of the change in the positions of the Arab Gulf States after the second Gulf war was related to the perception in the Gulf that the PLO supported Iraq in their invasion of Kuwait. This led the Arab Gulf States to freeze their relations and curtail financial support to the PLO. "The PLO's public support for Saddam Hussein

^{85.} Israeli Ministry of Foreign Affairs, <u>Eighth Anniversary of the Madrid Peace Conference</u>, Oct 30-31, 1991, (29/10/1999), The web:

www.mfa.gov.il/mfa/go.asp/MFA/searchresults/htm?strsearch=eighth

^{86.} Jawad El-Hamad, (2000), pp. 49-50

during the Persian Gulf war shocked the Saudis. The government retaliated by cutting off its aid to the PLO". 87

On the other hand, Russell Watson explained US strategy in this regard when he noted that the US Secretary of State, James Baker, wanted Saudi Arabia to take the lead in approaching Israel on the first track, so that Israel could take the first step towards Palestinians on the second track.⁸⁸

Syrians, Jordanians and Lebanese took part in the bilateral tracks, agreeing to engage in direct negotiations with the Israeli side. The Palestinian-Israeli track opened the way to achieve a secret negotiated agreement in 1993. It became known as the Oslo Declaration of Principles. It was signed in Washington on September 13th, 1993 with the attendance of many Arabs, including Arab Gulf countries' diplomats. Consequently, Jordan signed a peace treaty with Israel on October 26, 1994.⁸⁹

In the 15th round of the Higher Council of the GCC in Manama during 19-22 December, 1994, the Gulf countries welcomed the new steps in the peace process, calling on the US and Israel to comply with international legitimacy.⁹⁰

Since the Madrid Conference, the Arab Gulf countries played an important political role in the Arab-Israeli conflict. Rather than the role of supporting the Palestinian resistance that the Gulf countries played in the seventies, their post-Madrid role was that of supporting the US sponsored peace process. The Arab Gulf countries pledged to aid the Palestinian Authority and the Arab countries bordering Israel if they signed peace agreements with Israel. This new policy expressed the shift that affected the Arab Gulf countries' policies towards the conflict. With the downfall of the USSR and the unilateral leadership of the US that emerged, the Arab Gulf countries related most of their policies towards the Arab-Israeli conflict at the peace process level to the consideration of their correlation of ties with the US. The Arab-Israeli conflict underwent a shift from being primarily based on military confrontation in the 1970s and

^{87.} Saudi Arabia, the Palestinians, (December 1992), The web: www.lupinfo.com/coutry-guide-study/saudi-Arabia.html

^{88.} Russell Watson, (et al), "Let George Do It", Newsweek, (March 18, 1991), p.22

^{89.} Mahmoud Abbas, The Oslo Path: The Real Secrets of the Negotiations, (1994), p.185

^{90.} The Final Communiqué of the Higher Council of the GCC , 15th round,(December 1991), The web: www.gcc-sg.org

^{91.} M. Kramer, "Arabs and the Aftermath", Time, (3/4/1991), p.36

the early 1980s into political negotiations afterwards, so the position of the Arab Gulf countries shifted as well toward support for those negotiations. At the same time, the Arab Gulf countries had to cover their position regarding supporting the Palestinian cause, which was used as a confirmation of and support to their legitimacy internally and in accordance with their regional role. The Arab Gulf countries were able to achieve an internal political balance by allowing their people to continue supporting the Palestinians and other Arabs involved in the Arab-Israeli conflict. This support was expressed on political, social, media and economic levels.

Such developments contributed to constitute a new dilemma for the policies of the Arab Gulf states towards the Arab-Israeli conflict as will be clarified later.

One of the results of the Gulf crisis and war of 1990-1991 – that will be discussed later - was that the Arab Gulf countries became more focused on issues related to internal affairs than the larger pan-Arab interests. It also resulted in the Arab Gulf countries boycotting the leadership of the PLO. The Arab Gulf countries declined to provide their usual financial assistance to the PLO due to its stand in that war.

Yet, they resumed their aid as a part of their obligations towards the peace process, but to the Palestinian National Authority (PNA) rather than to the PLO. 92 Saudi Arabia, for example, donated \$300 million to the PNA from 1994, when it was established, to the year 2000. 93

US pressures succeeded, in the middle stages of the political peace process, in changing the policies of the Arab Gulf states towards the Arab boycott of Israel. The Arab Gulf countries issued a resolution by the GCC on September 30th, 1994, cancelling the Arab League's boycott of the second and third degrees.⁹⁴ That was excused by the first achievements of the peace process. Kuwait had already set the precedent when it had unilaterally made a similar announcement in June of 1993.⁹⁵ Qatar and Oman had also individually opened Israeli trade missions in their capitals.

^{92.} Reed Stanley, (et al), "The Mideast: Why Washington May Give Abdullah's Plan a Try", <u>Business Week</u>, (4/1/2002), p.49

^{93.} King Fahd Bin Abdul Aziz Web: www.Kingfahd-binabdulaziz.org/pages/19-20.htm

^{94.} Emma Murphy (et al), <u>Gulf Security in the new World Order</u>, (1997), p. 194; the official web of the GCC: <u>www.gcc-sg.org/index.html</u>; Abdul Jalil Marhoun, <u>Gulf Security in the Post Cold War</u>, (1997), pp. 270-282

^{95.} A. Atiyah , [General Secretary of the GCC]," The Future Horizon of the GCC", (15/4/2002), The web: www.zccf.org.ae/lectures/A2 $\,$

The Arab Gulf countries were divided on the issue of normalization with the Jewish State. Qatar and Oman began having open relations with Israel. Saudi Arabia, Kuwait, the Emirates and Bahrain were, however, less enthusiastic about having such ties with Israel.

As far as Qatar's position towards Israel, it is worth mentioning that Qatar had been in border disputes with Saudi Arabia and Bahrain for many years. Since the overthrow of the old Qatari system by Sheikh Hamad, the son of the previous Emir, Saudi Arabia has been increasingly sensitive to the policies of the new government. Qatar found that its relationship with Israel strengthened the support it got from the US in its border disputes as well as in the face of general Saudi hegemony over the Arab Gulf. Qatar was keen to use the peace climate to have relations with Israel and create for itself a new role that would improve its international and regional standing. This Qatari policy succeeded in minimizing the impacts of Saudi threats against Qatar. The deal that was intended to enable Qatar to sell Natural Gas to Israel also played a role in Qatar's enthusiastic policy towards Israel. Qatar and Japan were negotiating a natural Gas deal worth \$2-6 BN in 1995. Israel offered to take the deal of \$2 BN⁹⁶ when the Qatari-Japanese negotiations broke down. Qatar began the deal negotiations with Israel in 1995. The Qatari government authorized the American Company "Enron" to provide Israel with 2.5 million tons of its gas annually ⁹⁷.

An Israeli trade mission was publicly declared in Doha in March of 1996. Shimon Peres, The acting Prime Minister of Israel, visited Qatar in April of the same year. He officially signed the agreement between both countries to exchange the opening of Commercial Offices. Five months later, in September, 1996, Israel suddenly stopped the negotiations for the gas deal. This move, taken by Israeli Prime Minister Benjamin Netanyahu, disappointed the Qatari government. 98

As far as Oman's position is concerned, it is worth mentioning that Oman had not agreed with the general policy of Saudi Arabia towards the embargo against the Egyptian government after the Camp David accord was concluded in 1978. Oman had

^{96.} Johans Reisner, (October 1997), p. 18

^{97.} Hamad Bin Jabr Al-Thani, Embassy of Israel, Washingtopn D.C., American Jewish Committee Conference, May 10, 1996, The web: http://www.israelemb.org

^{98. &}lt;u>Al-Hayat,</u> Egypt,(December 16, 2001)," Will Qatar be the Alternative...?", The web: www.msrawy.com

always been more open to a peaceful solution to the Arab-Israeli conflict and never participated significantly in the conflict. The leader of Oman had long been known to have a less hostile attitude towards Israel than the other Arab leaders. Before the American Jewish Conference in May 10, 1996, the Omani Foreign Minister, Yousef bin Alawi, affirmed Oman's vision towards Israel. He said: "Oman has committed its policy to support peace. Oman supported Sadat's move of peace towards Israel. Oman developed every beneficial and fruitful relationship with Israel." So when the circumstances of the conflict changed, he used the opportunity to implement his traditional beliefs regarding the conflict. It is worth mentioning that Oman used to have secret relations with Israel before the Madrid Conference in 1991. Gei Bakhour, the Israeli journalist, uncovered that "Yousef bin Alawi, the Foreign Minister of Oman, visited Israel secretly many times in 1987. He was hosted by the Prime Minister Yitzhak Shamir. 100 Both Qatar and Oman hosted visits from Israeli political leaders, and reciprocally opened trade representation offices in Tel Aviv. In November of 1994, Israeli Prime Minister, Yitzhak Rabin, visited Oman. Israel and Oman signed an agreement in Muscat on January 27, 1996 to open trade representative offices. In April 1996, Israeli acting Prime Minister, Shimon Peres, visited Oman. 101

But for the other Arab Gulf countries, different considerations were taken into account, including their commitment to the full settlement of the Palestinian cause and the return of the Palestinians legitimate rights. The GCC itself expressed this position officially; it stated that "The GCC Council welcomes the achievements that the peace process has accomplished for peace in the Middle East. The Council expresses its continuous support to the peace process. It calls upon the patronage states of peace to exert pressure on Israel to comply with UN Security Council Resolutions 242, 338, 425". 102

^{102.} The final communiqué of 15th round of the Higher Council of the GCC, (Dec 1994), The web: www.gcc-sg.org/index.html



^{99.} Yousef Bin Abdullah Bin Alawi, Embassy of Israel, Washingtopn D.C., American Jewish Committee Conference, May 10, 1996, The web: http://www.israelemb.org

^{100.} Gei Bakhour, Ha'artz Newspaper, (13/3/1996), in Dar Al-Jalil Limited Report (9/4/1996)

^{101.} Israeli Ministry of Foreign Affairs, Foreign Relations, Foreign Ministry Statement on Israel-Oman Agreement, 28 January 1996, The web:

http://www.mfa.gov.il/MFA/Foreign%20Relations/Israels%20Foreign%20Relations%20since%201947/1 995-1996/Foreign%20Ministry%20Statement%20on%20Israel-Oman%20Agreemen

Saudi Arabia continued individually and through the GCC to support efforts for peace. It affirmed the necessity to pressure Israel to comply with the signed agreement with the Palestinians. On the other hand it supported the PNA efforts to maintain the running of Palestinian civil institutions. It also encouraged the Palestinian efforts to accomplish internal unity. Saudi King Fahd hosted Sheikh Ahmad Yaseen (Hamas spiritual leader) for a few days in April of 1998 giving him the full support of the kingdom in his struggle to restore Palestinian rights and independence. Kuwait, the United Arab Emirates, and Qater did the same. Yaseen was promised good financial support in the future. The US, on the other hand, pressured the Arab Gulf states to stop all financial support to the Islamic Palestinian factions such as Hamas. Madeline Albright, the US Secretary of State, toured the Gulf in 1998, after the Yaseen visit, to promote this policy.

When the peace process stalemated, many efforts were made to implement the signed agreements between the Palestinians and Israelis. The last effort to restore the process was made by President Bill Clinton in Camp David in July of 2000. He could not overcome the obstacles between both parties' positions after 13 days of behind scene negotiations. It was said that the Jerusalem issue and the right of the Palestinian refugees to return in accordance with the UN resolution number 194 of 1947 caused the failure of these negotiations¹⁰³. Each party blamed the other for this failure.

3-2-4-7 The Second Palestinian Intifada 2000

On September 28, 2000,the Palestinian people began a new uprising which became to be known as the al-Aqsa Intifada. It was a public reaction against Ariel Sharon's ill-advised visit, under heavy military guard, into al-Aqsa Mosque. This Intifada resulted in deep changes in the Palestinian and Arab attitudes towards the peace process with Israel. Israel used excessive and fatal force and forbidden weapons against Palestinian youths, children and women. Israel killed, wounded and arrested tens of thousands of Palestinians. ¹⁰⁴

The Arab public was enraged; accordingly, Arab leaders convened an urgent meeting in Cairo on 21-22 October 2000. This Summit approved the Saudi proposal of

^{103.} Hassan Asfour, The right of Return in the Peace Process, in <u>"The future of the Expelled Palestinians' Conference"</u>, (September 2000)

^{104.} For more details See : Middle East Studies center, Al-Aqsa Intifada, (2000)

establishing an "al-Aqsa Intifada Fund" of \$200 million, to support the families of killed and injured Palestinians. Another Fund was proposed to sustain the Arabic and Islamic identity in Jerusalem and to support the Palestinian economy. The name of this fund, financed with \$800 million, was the "al-Aqsa Fund". ¹⁰⁵

The Islamic Conference Organisation Summit also convened in Doha, Qatar, on 12-13 November 2000. It was named the "al-Aqsa Intifada Summit". The Summit called for explicit support to the Palestinian Intifada. It called upon its members to boycott Israel and close its missions. This boycott was to remain in force until Israel complied with the UN resolutions on the Palestinian cause, Jerusalem, and the Arab-Israeli conflict. There were different responses to the call in the Arab world. Jordan and Egypt recalled their Ambassadors from Israel. Qatar, Oman, and Tunisia went further by closing the Israeli offices in their capitals.

This new Intifada contributed to a change in the public and official mood of the Arab Gulf countries. Large numbers of their citizens demonstrated in the streets in support of the Palestinians. They donated through their NGOs and the Arab funds established for such support as will be detailed later.

The Israelis tried unsuccessfully to crush the new intifada. The Israeli army committed many grave violations and atrocities against the Palestinians. The Saudi Arabian vision was that a peaceful solution was the only way to solve the conflict. In a dinner with Crown Prince Abdullah of Saudi Arabia in 2001, Thomas Freedman, the famous New York Times columnist, encouraged the Saudis to make this stance public. The Saudis then proposed an initiative that was adopted in the 2002 Arab summit in Beirut to settle the conflict completely through the exchange of concessions from both sides. ¹⁰⁷

^{105.} Urgent Arab Summit Concluding Statement, Cairo, (21-22/10/2000), The web:

www.arableagueonline.org/arableague/arabic.htm

^{106.} The Islamic Summit Conference Concluding Statement, Doha, (12-13/11/2000), The web: www.oic-oci.org/index-arabic.asp

^{107.} The main lines of Saudi initiative were based on the Israeli withdrawal to the borders of June 4th, 1967, and to facilitate the establishing of the Independent Palestinian State, due to UN resolution 242, 338. Therefore, the members of the Arab League (the twenty-two) will setup complete diplomatic relations with Israel, and normalize their trade and security as well, and all of that in exchange with Israel's withdrawal mentioned above according to UN decision No. 242.

It is worth mentioning that this initiative expressed clear development in Saudis' political position towards the conflict, the most notable are:

It is clear, therefore, that the Arab Gulf countries have historically participated in the Arab-Israeli conflict on different levels and by different means. Their participation was affected by both developments in the conflict as well as other factors. The conflict developments played the role of reconsidering the conflict in the Arab Gulf countries' policies. Their contribution was very noticeable and effective during the seventies. The Arab Gulf countries traditional role was played in supporting the Palestinian cause. Saudi Arabia and Kuwait were the most effective among the Arab Gulf countries in this regard because they were more motivated by the Arab inter-politics. They also had more economic capabilities, and used to have the largest Palestinian communities in the Gulf. They supported the right of the Palestinian people to resist occupation and the right of the Palestinian refugees to return to their homeland as essential provisions needed to resolve the problem. They called for the execution of political and economic pressure on Israel to comply with UN resolutions in this regard. They worked to mobilize popular and political efforts to boost the Palestinian cause. They offered military support and fought side by side with troops of the confrontation countries, in a direct

- 2. An Arab commitment to recognize Israel and normalize relations with it
- 3. Saudi involvement in the details of the peace process directly and as a partner.
- 4. It proposed the recognition of Israeli state in exchange with withdrawal only.
- 5. Shared in forming peace and the political future of Israel in the region which was lift earlier to the Palestinians.

The Israeli response to the final communiqué of the Arab summit in March 28, 2002 in Beirut was reversal. Israeli incursion into the West Bank and its assault against Palestinians with its missiles after came only two days after the summit conclusion. This was considered as a practical response which led to understanding it as a rejection from Israeli side to the peace initiative, even through UN resolutions. This initiative was impeded before it even had seen the light due to the aggressive Israeli side.

There were many motives which led Saudi Arabia to propose such an initiative including:

- To reform the Kigdom's picture in American Media
- To directly address the Israeli public
- An attempt to get Arab as well as Israeli leaders back to the track of peace which Saudi Arabia traditionally supports.
- To present the Kingdom as patron of peace and not a shield for terrorism after the continuous allegations claimed by many American journalists and congressmen against the Kingdom.

^{1.} Talking to the Israelis directly, which meant that it called upon the Israeli side to accept its initiative

backing of other Arab and Palestinian efforts to regain their legitimate rights. They also worked to bring about a political settlement to the conflict by proposing peace initiatives in different Arab summits such as in 1982 and 2002.

3-3 The dynamics and limits of Arab Gulf Countries' policies

In earlier sections, the analysis underscored the important linkages throughout the last three decades between the Arab Gulf countries and the Arab-Israeli conflict. In assessing the changing dynamics of the potential reciprocal relationship between Gulf security and the Arab-Israeli conflict it is important to keep in mind the same constants and changing variables that were discussed earlier. Earlier sections of this chapter have shown that the ideological and strategic constants that link the Gulf and the Arab-Israeli conflict are constrained by four variables, namely the correlation between Western and Arab Gulf countries interests, developments in the Arab-Israeli conflict, developments within the Gulf region, and developments in the economic capabilities of the Arab Gulf countries. The earlier sections of the chapter have shown how each of these individual variables affected the role of the Arab Gulf countries at different times.

It is also important to note that these individual variables were also affected by each other and they had different individual effects on the overall political, economic, and military contributions of the Arab Gulf countries to the Arab-Israeli conflict in different periods of the study. Looking at the wider picture gives a clearer understanding of the most important dynamics and the major limitations that affected Gulf policy. Overall, the dynamics of all these different relations and effects led to a general diminishment over time in the reciprocal relationship between the Arab Gulf countries and the Arab-Israeli conflict. This diminishment over time was influenced by a number of major limitations on the ability of the Gulf to remain so closely linked to the Arab-Israeli conflict.

Limits of the dynamics

This study has shown that strong ideological, security and strategic motives stand behind the Arab Gulf countries' policies, especially those of Saudi Arabia, towards the Arab-Israeli conflict¹⁰⁸. Despite those motives, however, this study has also shown that the ability of the Gulf Countries to develop their policies toward the Arab-

¹⁰⁸. Ahmad Al-Zahrani, (1992), p.332

Israeli conflict has been limited by a number of factors. The most notable factors that have served as the major limitations have been:

- 1. The effect of the consequences of the conflict on Gulf security.
- 2. The Saudi relations with the US as seen in the 1973 war, the AWACS deal in 1981, the Iran-Iraq war from 1980 to 1988 and the Madrid Peace Conference in 1991.
- 3. The peace process especially regarding the Israeli positions concerning the implementation of UN Security Council Resolution 242 of 1967, and the Oslo agreement signed with the PLO in 1994.
- 4. The economic capabilities that affected the extent to which the Arab Gulf countries could support the Arabs in the conflict. While this increased with the jump in the price of oil after the enforcement of the oil embargo in 1973-1974, it declined dramatically after the sharp drop in the price of oil in 1986.
- 5. The inter-relations of Arabs and the role of other players in Arab world politics. Egypt is the main player in this regard. Its role has traditionally minimized the ability of Saudi Arabia to manoeuvre with its special vision towards the developments of the conflict such as the case in 1967 and 1978.

These factors played different roles in the different stages of the conflict through the period of study. They affected the Arab Gulf countries by impeding their deep involvement in the Arab-Israeli conflict especially in the 1980s and 1990s.

Such effects can be illustrated in two notable examples:

First, the Arab Gulf countries' decision not to enforce the oil embargo after 1974, in spite of the continuous alignment of the US and Europe with Israel. The reasons behind the unwillingness or inability of the Arab Gulf states to enforce a new embargo are many, including ¹⁰⁹:

¹⁰⁹. For more details on this issue, see: Muhammad T. Al-Gnaimi, <u>Petroleum and the Middle East Crisis</u>, (1974), p. 162; Hassan Abu Talib, (1992), pp. 162-163

- 1- The reaction of the embargo on the economic development of the Arab Gulf countries, whose GNPs are constituted almost solely from oil revenues. This is detected through their need of additional income after the first and second Gulf Wars.
- 2- The emergence of a new philosophy among the Arab Gulf countries to use their oil income in support to the Arab side in the conflict rather than in enforcing an oil embargo.
- 3- The increased US military presence in the region that would enable the US to occupy the oil fields on one hand, while it increased the dependence of the Arab Gulf countries on the US for their own security and stability on the other.
- 4- The increased economic correlations between the Arab Gulf countries and the west throughout the eighties and the nineties.

Secondly, their failure to continue the implementation of their pledges made in the Baghdad Arab summit in 1978 to provide the Palestinians with economic support.

There are many variables that played a role in shaping this situation, including:

- The Iran-Iraq war that heavily burdened the budgets of the Arab Gulf countries through 1980-1988
- The Saudi proposal of a peace plan in the Arab Summit in Fez in 1982. This proposal minimized the enthusiastic support to what used to be called the "frontline countries".
- The Arab reconciliation with Egypt after Sadat's assassination in 1982 which changed the climate of hostility against the Egyptian government that had been due to Sadat's unilateral treaty with Israel.
- The sharp drop of the Arab Gulf countries' income from the oil revenues after 1983 to reach its minimum in 1986.
- The Iraqi invasion of Kuwait in 1990 and the subsequent war of 1991 that came at the expense of any financial contribution in the conflict. Moreover, the dispute that arose between the PLO and the Arab Gulf countries in the aftermath of that crisis (Second Gulf Crisis 1990-1991).

Conclusion

This chapter has shown how the linkages between the Arab Gulf countries and the Arab-Israeli conflict developed through different historical stages. Throughout the period 1970-2000, the Arab Gulf states felt linked to the Arab-Israeli conflict by their Arab and Islamic identity as well as by their strategic ties to the region. This link served as a constant that made the Arab Gulf states almost permanent supporters of the Palestinian position and placed important limits on the extent to which the Arab Gulf States would be willing or able to restrain or cut back support for the Palestinian cause no matter what other factors intervened. Another constant throughout the period was the desire by the Arab Gulf States to link their policies to international law and resolutions. They have always felt the importance of such a linkage in justifying and legitimating their positions.

However, these constants cannot by themselves explain the various different stances taken by the Arab Gulf countries over the thirty year period from 1970-2000. These differences can be explained by four other variables. Those variables are the level of correlation between Western and Gulf interests, the level of aggression that the Palestinians and Arabs faced from Israel, the level of the threat that Israel posed to the security of the Gulf, and the level of the economic potential of the Arab Gulf countries. These four variables changed dramatically in the 1970s, 1980s and 1990s and the manner in which they changed explains Arab Gulf policies towards the Arab-Israeli conflict.

In the 1970s there was relatively little correlation of interests between the West and the Arab Gulf States. The Arabs were victims of Israeli aggression as the occupation of Arab territories, including Jerusalem and the Al-Aqsa Mosque, was still fresh in the minds of the Arab peoples and states. Israel posed a direct security threat to the Gulf through its alliance with Iran, it's clearly expansionist program – as represented by the 1967 war, and its nuclear ambitions and refusal to sign the nuclear non-proliferation agreement. Finally, during the 1970s, the Arab Gulf countries enjoyed massive economic and financial potential as represented in the huge increase in oil prices throughout the decade. All four factors led to strong support from the Arab Gulf states for the Palestinians and frontline Arab states. This was seen in the financial, political, and even military support the Arab Gulf states provided Palestinians and Arab frontline states during that decade.

In the 1980s, there was increased correlation of both economic and security interests between the West and the Arab Gulf States. Their economies became increasingly linked through oil sales, consumer and military purchases and international financial investments. Their security needs became closer aligned as they both looked upon the Soviet and Iranian threats to the region in the same light. The Iranian revolution and the establishment of an Islamic regime in Iran ended the Iranian-Israeli relationship thus lessening Israel's direct threat to the security of the Gulf. New Iranian and Soviet threats, best represented by the Soviet occupation of Afghanistan, increased the security threats from other areas. The Iran-Iraq war (1980-1988) occupied the priority of Arab Gulf countries' policies on both economic and security concerns. Their economic potential decreased dramatically in the 1980s as the price of oil began collapsing in 1983. Israel's aggression against the Palestinians and Arabs remained high during the 1980s as best represented by Israel's invasion of Lebanon and their brutal crushing of the Intifada that started in the occupied West Bank and Gaza in 1987.

With three of the four variables working against strong Arab Gulf countries linkages in support of the Palestinians and Arab frontline states, there was a noticeable decrease and diminishment in such support during the 1980s. However, the support was still meaningful, especially after the beginning of the Intifada to which the Arab Gulf states provided important political and economic support.

In the 1990s, the correlation of interests between the Arab Gulf states and the West again increased dramatically. The economic linkages that had first begun in the 1970s and became meaningful in the 1980s matured further in the 1990s as globalization tied the economies of the Arab Gulf countries and the West closer together. The West had also come to the military support of the Arab Gulf countries after the Iraqi invasion of Kuwait and subsequently established large military bases on the territories of the Arab Gulf states. Much of the costs of those bases were picked up by the Arab Gulf states, further increasing the correlations of economic and security interests between the Arab Gulf countries and the West. The Iraqi threat to the Arab Gulf countries, represented by the 1990 invasion of Kuwait and the subsequent Western-imposed embargo on Iraq – largely imposed through Western bases on the territory of the Arab Gulf states - further tied the Arab Gulf states to the West as it also underscored the kind of security threats facing the Gulf.

In the view of the Arab Gulf countries, the Israeli threats to the region were less pronounced as the Iraqi threat and internal Islamist threats increased. The Palestinians

became active partners in the peace process when they signed the Oslo agreement in 1993 that explicitly recognized Israel's right to exist and committed the Palestinians to a peaceful resolution of the conflict. This development lessened the climate of Israeli hostility that had previously prevailed in the Arab world, including the Arab Gulf countries. Some Arab Gulf countries subsequently built trade relations with Israel. The economic potential of the Arab Gulf States also decreased further in the 1990s as the huge sums of money that the Arab Gulf states spent on the war against Iraq and on new arms purchases put some of them into debt.

With all four factors working against a strong role for the Arab Gulf countries in supporting the Palestinian cause in the 1990s, their position changed dramatically during the decade. It moved from a role of supporting the Palestinians and Arabs against Israel, to a role of encouraging the Palestinians to accept the US-sponsored peace process. This situation only began to change slightly with the outbreak of the 2nd Palestinian Intifada in September of 2000. That Intifada and the unprecedented Israeli acts of brutality that it witnessed, including the use of tanks and military helicopters against civilian Palestinian targets, partially brought the position of the Arab Gulf countries back in support of the Palestinians and their struggle to gain their rights. This shows that as there was a change in one of the four variables, in this case the level of aggression that the Palestinians and Arabs faced from Israel, there was a subsequent change in the position of the Arab Gulf countries toward the conflict.

This chapter has thus shown that in the 1970s, 1980s, and 1990s there was a reciprocal relationship, whereby, the policies of the Arab Gulf States toward the Arab-Israeli conflict were influenced by both developments in the Arab-Israeli conflict itself as well as Israeli threats toward the Gulf and the security concerns they engendered. The detailed analysis earlier showed the diminishment in their strong support and role through the three decades. The Stanley Foundation noted the anxiety felt in the Gulf region concerning Israel when it stated in its policy brief that: "The Arab Gulf states view the Israeli-Palestinian (Arab) conflict as a major destabilising force in the region from a political and ideological standpoint". 110

The Arab-Israeli conflict thus both influenced the security of the Gulf – through Israeli ambitions toward the region - and was, at the same time, influenced by it as the

^{110.} The Atlantic Council of the United States and Others, "US Challenges and Choices in the Gulf: Israel and the Gulf", <u>Policy Brief # 7</u>, p. 1, The Web: www.acus.org

Arab Gulf States' policies, at different times, had a meaningful impact on the conflict itself. Such reciprocity between Gulf security with its different aspects, and the Arab-Israeli conflict was acknowledged by the authors of a paper published by RAND Corporation. The paper tests an approach to a new security system in the Gulf. The authors concluded that: "there is no doubt that constructing a more stable security system and promoting reform in the Gulf would be easier if there were a settlement to the Israeli-Palestinian (Arab) conflict. On the other hand if a more stable system can be constructed in the Gulf ... it may actually prove easier to make progress on the Israeli-Palestinian (Arab) front." ¹¹¹

This statement, from a leading Western think tank, best summarizes the notion that there is strong reciprocity between Gulf security and the Arab-Israeli conflict.

^{111.} Andrew Rathmell and others, "A New Persian Gulf Security System", <u>Issue paper of Rand</u>, (2003), http://www.rand.org/publications/IP/IP248/IP248.pdf

The Conclusion

This thesis explored the potential linkages and dynamics in the relationship between the security of the Arab Gulf states and the Arab-Israeli conflict. It has shown that the policies of the Arab Gulf states toward the Arab-Israeli conflict can be explained by their security perceptions and needs as well as developments in the Arab-Israeli conflict itself. Thus, changes in the kind and level of interaction that the Arab Gulf states had with the Arab-Israeli conflict occurred as a result of developments in the Arab-Israeli conflict as well as developments in their own security perceptions. At the same time, the Arab Gulf states policies toward the Arab-Israeli conflict had a meaningful impact on developments in the conflict. Therefore a potential reciprocal relationship exists whereas the Arab-Israeli conflict, Gulf security, and the policies of the Arab Gulf states have a reciprocal influence.

Arab Gulf security is composed of many factors and is thus influenced by many variables. The two main variables that are relevant to this thesis are the international competition over the Gulf and the Israeli ambitions in the region. This is specified with the acknowledgement of the impact of other factors including the Arab system itself.

The oil wealth of the Gulf region has given it vital strategic importance and has thus made it into an arena of competition among international actors. This has given rise to serious security concerns among the Arab Gulf states. The extent to which those security concerns have at times forced the Arab Gulf states to depend on pro-Israeli Western powers for their security needs thus forms one of the most important variables affecting the Arab Gulf states policies toward the Arab-Israeli conflict. At the same time, the Arab Gulf states enormous economic potential as well as their strategic location has given rise to Israeli ambitions in the region. These ambitions have also led to serious security concerns among the Arab Gulf states. The extent to which Israel has seemed to represent a security threat to the security and independence of the Arab Gulf states forms another extremely important variable affecting the Arab Gulf states policies toward the Arab-Israeli conflict.

The first two chapters of this thesis dealt with these two main variables. Both the international competition over the Gulf and the Israeli ambitions toward the region were dealt with in detail. Both of these factors are complex and their nature changed from the 1970s to the 1990s. The increasing correlation of economic and security interests between the Arab Gulf states and the West over the period of the study reveals

some of the complexity of these factors. This correlation came about as a result of developments that took place during the international competition over the region but it has given rise to a new factor that both affects the long-term security and independence of the Arab Gulf States as well as their ability and/or willingness to take strong political stances in the Arab-Israeli conflict. Related to this is the ability of Israel to influence US policy either directly or through the pro-Israel American Lobby as detailed in chapter two. This ability represents a security threat to the Arab Gulf states in and of itself, while at the same time; it further hinders the ability of the Arab Gulf states to take strong political stances in the Arab-Israeli conflict in the light of their economic and security dependence on the US.

The third chapter revealed some of the complexity of these factors by providing a detailed analysis of their historical development. It also explains how at different times two other variables have affected the Arab Gulf countries' policies toward the Arab-Israeli conflict. The economic capabilities of the Arab Gulf states is itself a variable that partially explains the positions they have taken in the Arab-Israeli conflict, though it is in many ways related to the international competition over the region. Developments in the Arab-Israeli conflict represented by the level of aggression that the Arabs and Palestinians faced from Israel, is another variable that explains developments in the positions taken by the Arab Gulf countries. Wars waged by Israel, developments in the peace process, such as the signing of the 1993 Oslo Agreement, and the occurrence of uprisings in the occupied Palestinian territories all have had an important impact on the development of Arab Gulf policies toward the Arab-Israeli conflict.

This thesis has thus provided a model that explains the development of Arab Gulf countries policies towards the Arab-Israeli conflict. At the same time, it underscores how those policies have had a meaningful impact on the conflict itself and how the Arab-Israeli conflict — in all its complexity — has had an important impact on security in the Gulf. The explanation of the potential reciprocity in the relationship between Gulf security, the Arab-Israeli conflict, and the Arab Gulf countries' policies toward the conflict has given us a new way of understanding important developments in the region.

Hence, the Arab Gulf countries have contributed to the Arab-Israeli conflict in different ways and means over the course of the period from 1970 to 2000. During some periods, they played a vitally effective role that contributed to the many regional and international challenges that they had to face. Those challenges in turn led the Arab

Gulf countries to adopt new policies, which mostly have been at the expense of their contributions to the Arab-Israeli conflict.

The seventies witnessed a growing role for, and involvement of, the Arab Gulf countries in the Arab-Israeli conflict. This increased involvement was due to many developments, including the growing financial capabilities of these countries, the increase of their political independence, and developments within the Arab-Israeli conflict itself. All those developments had essential impacts upon the increasing involvement of the Arab Gulf countries in the Arab-Israeli conflict especially at the economic and political levels.

During the eighties, regional and international developments in the Arabian Gulf played an important role in reforming the Arab Gulf countries' policies towards the Arab-Israeli conflict.

The decade was marked by the birth of the GCC in 1981, which was established as a result of wide-ranging regional and international challenges facing the Arab Gulf countries. The formation of the GCC symbolized the increasing regional concerns of the Arab Gulf states that came at the expense of collective Arab national concerns towards the Arab-Israeli conflict.

Under the shadow of the repercussions of the Second Gulf War in 1991, the nineties witnessed a further lessening of the Arab Gulf countries involvement in the Arab-Israeli conflict. The security concerns in the region rose to occupy most of the interest and concerns of their agenda. This period witnessed the virtual absence of the Arab Gulf countries' role regarding the Arab-Israeli conflict; their only participation being in support of a peace process that the US pressured them into supporting as shown in chapter three.

So, the thesis showed that from 1970-2000, the international competition over the Gulf as well as the level of security concerns that came about as a result of the perceived threat posed by Israeli ambitions in the Gulf region formed effective factors in developing the different policies of the Arab Gulf countries' towards the Arab-Israeli conflict. Such policies were mostly in line with Arab and Palestinian interests but the level to which they were in tandem with those larger interests was sometimes tempered by their own security concerns and what was needed to meet those concerns. The degree of their involvement was constrained and affected by some limits as shown earlier. The emergence of security in the Gulf, the halt of peace process initiatives, the decrease of oil revenues and the increase of correlations and dependence on the US impeded the

effectiveness of their involvement. They behaved in accordance with their Arabic and Islamic loyalty towards the conflict in the seventies, while the emergence of their security concerns and economic interests were mostly the frame of their involvement in the eighties and nineties.

In regard of fields of involvement it was diminishing through the three decades that best shown in the dynamics analysis in chapter three.

At the economic level it changed from the generous pledges in 1970s to the minimum duty for public relations in 1980s to the response to US pressure and for peace process and its outcome only in 1990s.

At the political level it changed from considering themselves part of the conflict on different levels in 1970s, to advocates for peaceful resolution based on full withdrawal in 1980s, to participate in the interim settlements in 1990s totally depending on the US.

At the military level it changed from direct participation and aid in 1970s to occasional contributions in 1980s to denouncing the military choice to resolve the conflict in 1990s.

Thus the thesis has provided the analysis, evidences and knowledge that the reciprocity between Arab-Israeli conflict and Arab Gulf countries security is potentially exists with different degrees and levels throughout the period of the study i.e. 1970-2000.

This thesis has contributed to filling a gap concerning the literature on the Arabian Gulf. There is a necessity for future researchers to consider the deeper study of the dynamics created through each chapter of the thesis. The role of the Arab Gulf countries with its variable effectiveness might also be studied independently. The GCC as an institution was not the focus of this thesis. Further studies looking at the institutional aspects of the GCC would be another good contribution to the literature. Other researchers have discussed the international and the Israeli ambitions in the Gulf region. But there is a need for future studies to look closer at the implications these ambitions have on the interests of the Arab Gulf countries. Such a study could look into the hypothesis that the security of the Arab Gulf countries is best served by their active engagement in the Arab-Israeli conflict. A related area of study that has emerged through this thesis is the impact that the Arab-Israeli conflict and later the peace process, have had on the security, stability, social and economic development of the Arab Gulf countries.

Based on the difficulties encountered in this thesis, I would suggest that each of these implications and areas of suggested studies be studied decade by decade, rather than attempting to cover the entire historical period.

APPENDIX

:

TABLES

Table (1)*
The Cost of Oil Imports to the US
(The effect of Oil Prices Rise)
1973-1981

YEAR	OIL CONSUMPTION (MBPD)	OIL PRICE (\$ PB)	COST PER DAY (\$M)	ANNUAL COST (\$M)
1973	6.50	2.59	11835.00	6144.80
1974	6.30	10.40	6532.00	23914.80
1979	8.50	24.00	204.20	74460.00
1981	7.00	34.00	238.00	86870.00

^{*}Source: Prepared by the researcher depending on Energy Information Administration www.eia.doe.gov, figure 5 for the oil consumption per day; and the Oil Prices rise from Mh'd Khawajkeh, The Saudi Economic Development Experience in "Independent Development in the Arab World', Nader Ferjani et al, Center for Arab Unity Studies, 1987, pp. 567-568.

Table (2)*
World oil consumption according to regions, during 1990-1996, and projections for (2000-2020)

(Numbers By : mbpd)

Region / country	Real consumption			consumption Expected consumption change	7			Annual change in rates
	1990	1996	2000	2005	2010	2015	2020	1996- 2020
Industrial countries (total)	39	42.7	44.9	47.4	50.1	52.3	54.5	1.0
North America (total)	20.4	22.0	23.6	20.5	27.4	28.8	30.2	1.3
USA	17.0	18.3	19.5	21.2	22.7	23.7	24.7	1.2
Western Europe	12.5	13.7	14.4	14.8	15.3	15.6	16.0	0.7
Industrial Asian countries (total)	6.2	7.1	6.8	7.1	7.5	7.9	8.3	0.7
Japan	5.1	5.9	5.6	5.7	6.0	6.3	6.6	0.5
Eastern Europe & former Soviet Union	10	5.7	6	6.1	6.4	6.6	6.9	0.8
Developing countries (total)	17	23.1	26.2	31.4	37	42.9	48.7	3,2
Developing Asia (total)	7.6	11.9	13.6	15.5	18.5	21.8	24.3	3
China	2.3	3.5	4.6	5.6	6.4	8.1	8.8	3.8
India	1.2	1.7	1.9	2.6	3.1	3.5	4.11	3.8
Middle East	3.9	4.8	5.2	6.5	7.5	8.5	9.8	3
Africa	2.1	2.4	2.7	3.0	3.5	4.1	4.7	2.8
South & Central America	3.4	4	4.8	6.3	7.4	8.5	10	3
The world / total	66	71.5	77.1	84.8	93.5	101. 8	110.1	1.8

^{*} Source: US Department of Energy, International Energy Outlook, 1999, Table A4.

Table (3)*
World Oil Imports from the Gulf Region in (1997& 2020)

(by m bpd)

Importing region /country	Real imports 1997	Estimated imports 2020
North America**	2	4.1
Western Europe	3.5	3.7
Japan, New Zealand, Australia	4.8	5.5
China	0.5	5.3
Developing East and South West Asia	4.2	9
All other countries	1.3	8.8
Total	16.3	36.4

*Source: US Department of Energy, International Energy Outlook, 1999, Table A 13.

** North America includes: the US, Canada & Mexico

Table (4)*

Trade balance between the US and the Arab Gulf countries (1994-2000)

(by m. dollars)

Year	US exports	US imports
1994	9,630	11,133
1995	10,191	11,419
1996	12,467	12,498
1997	13,559	4,871
1998	15,326	9,985
1999	12,747	11,811
2000	10,833	19,450
Total	84,726	81,167
Annual rate	12,103	11,595

^{*} Source: Prepared by the researcher, derived from IMF, Direction of Trade, Statistics Yearbook, IMF, Washington D.C., 2001, P. 477

Table (5)*

Trade balance between the Arab Gulf countries and the EC (1973-1990)

(by b. dollars)

Year	EC exports	EC imports
1973	1.2	5.8
1982	23	28.6
1983	21.2	17.2
1990	18.1	13.2

^{*} Source: Adapted by the researcher, quoting Hollis, R., Europe and Gulf Security: Economic Competition, Security of the Arab Gulf in the 21st Century, Emirate centre for Strategic Studies and Researches, Abu Dhabi, 1998 pp 110-111

Table (6)*

Trade balance between the Arab Gulf countries

And the European Union (1994-2000)

(Numbers By: m. Dollars)

Year	EU exports	EU imports	
1994	20,153	12,035	
1995	22,195	11,151	
1996	22,614	14,482	
1997	22,653	14,976	
1998	24,164	10,716	
1999	26,164	12,046	
2000	29,912	18,451	
Total	167,855	93,857	
Annual rate	23,979	13,408	

*Source: Adapted by the researcher, derived from IMF, Direction of Trade, Statistics Yearbook, IMF, Washington D.C., 2001, Ps 120, 289, 364, 404, 47

Table (7)*
Israeli Exports to Iran (1972-1978)
(In m. dollars)

(21, 111, 113, 113, 113, 113, 113, 113, 1				
1972	1974	1977	1978	
23	63	195	225	

^{*} Source: Adapted by the researcher, from: Halhami, Benjamin Beit The Israeli Octopus, Translation by Barhoum, M and Abu Layla, Y, Dar al-Karmel, Samid, Amman 1989 P. 21

Table (8)*
Palestinians in Arab Gulf Countries (1980-1990)

	1980	1981	1982	1984	1985	1990
Kuwait	264,500	229,710	308,177	341,521	350,000	400,000
S. Arabia	47,400	136,779	147,549	171,146	250,000	262,821
UAE	34,000	36,504	59,037	42,720		47,374
Qatar	22,000	24,233	59,037	33,975		30,995
Bahrain	1,800	2,000	59,037	1.600	(66-6)	2,174
Oman	5,100	5,800	5,000	5,700		6,636
Total	450,000	505,026	519,763	596,662		750,000

Source: Abu Al-Qaraya, B S., The Expelled Palestinians in the Arabian Gulf, a paper submitted to the "Future of Dispelled Palestinians Conference", 11-13 September 2000, Middle East Studies Centre, Amman

Table (9)*

Country	1980	<u>1981</u>	1982	1984	1985	1990
Kuwait	6348317.4	5513315.652	7396617.812	8196913.825	8400420	9600480
KSA	2841156	8198533.26	8844087.006	10258491.24	14985000	15753490.74
UAE	1468800	1576972.8	2550398.4	1845504		2046556.8
Qatar	990000	1090485	265665	1528815		1394775
Bahrain	81000	90000	265665	72000		97830
Oman	260100	295800	255000	290700		338436
Totals	11989373	16765106.71	19577433.22	22192424.07	23385420	29231568.54

*Annual deduction from the Palestinians salaries in the GCC countries; selected years. Based on the 2,5%-5% deductions it was prepared by the author. The author assumed the mean salary for the governmental employees only out of the total Palestinian community. The statistics of the community was based on that shown in table (8) in the appendix. The increase of the deduction was due to the increase of Palestinian Labor as well as their income.

Table (10)* Arms Purchases by Arab Gulf countries (1989-2003)

(Million dollars)

Period/ Country	1989-1993	1993-2003	
Saudi Arabia	8039 Third world importer	8762.5	
Kuwait	2308 twenty first importer	12000	
Emirates	2491 seventeenth importer	(AREA)	

*Source: Jawdat Bahjet and Hassan Jawher, "The peace and Stability Factors in the Gulf in the nineties: Internal Indications and external Pressures", <u>Al-MustaqbalAl-Arab</u>i, (1996), p. 41

FIGURES

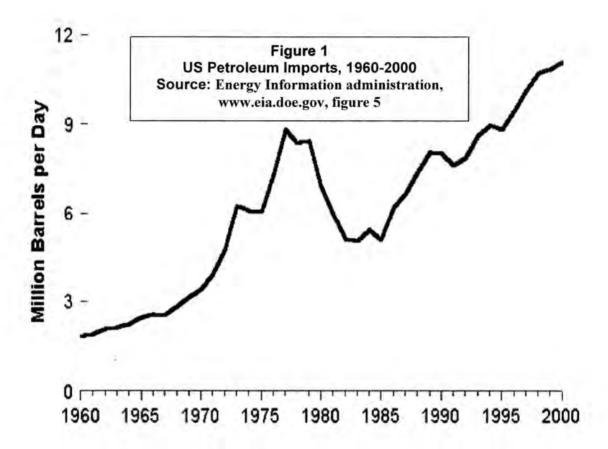
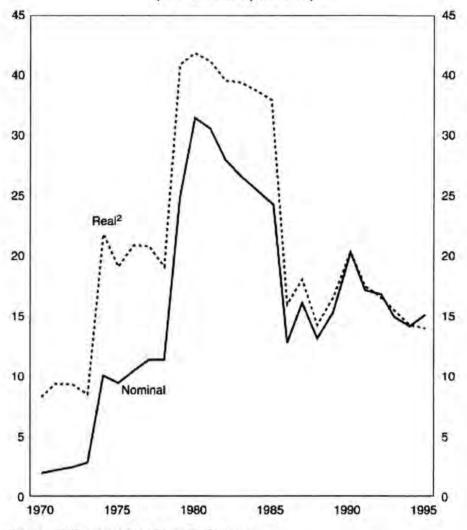


Figure (2)

Chart 2
Real and Nominal Price of Oil, 1970–95¹
(In U.S. dollars per barrel)



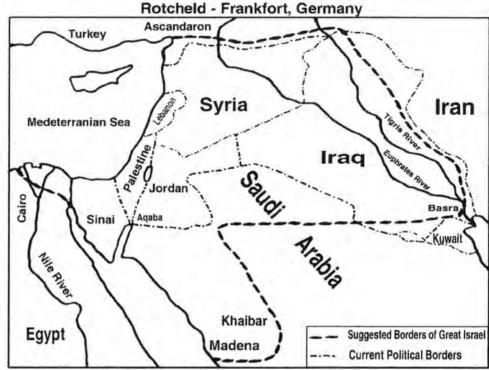
Sources: IMF, International Financial Statistics.

- 1. Average spot price for Dubai Fateh, U.K.Brent, and Alaskan north slope.
- 2. Deflated by the industrial countries index of export unit values, 1990=100.

MAPS

Map (1)

"Great Israel", Map found in the safebox of

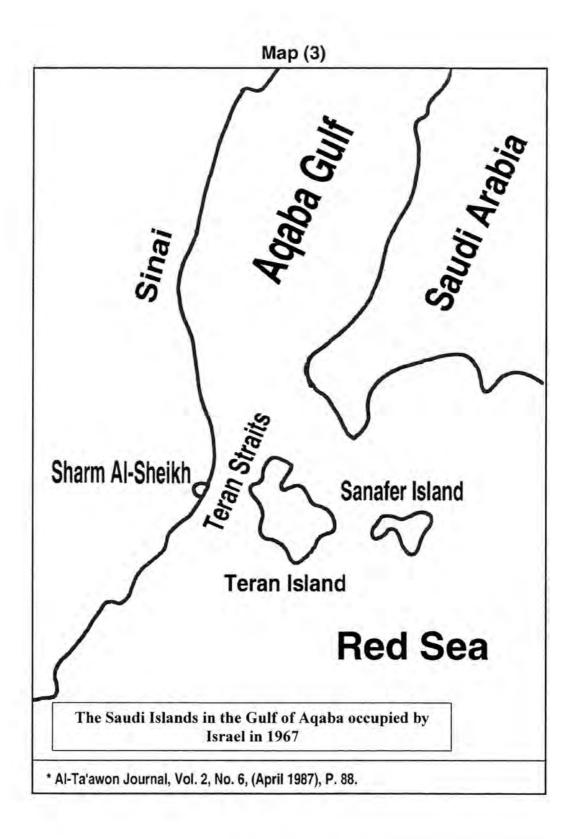


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Map (2)



* Source: Ibid.



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