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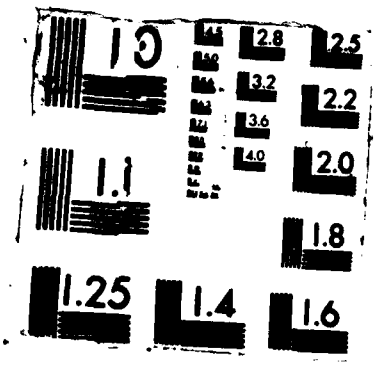
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STUDENT ESSAY

THE IRAN ARMS SCANDAL: WHAT IS ITS IMPACT ON THE PERSIAN GULF?

BY

ROBERT J. NEMETH

23 MARCH 1987

US ARMY WAR COLLEGE, CARLISLE BARRACKS, PENNSYLVANIA

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Persian Gulf oil is vital to the West, and any attempt by an outside force to gain control of the Persian Gulf is viewed as an assault on the vital interests of the U.S. and will be met by military force, if necessary. Our interests in the region, however, are faced with many challenges, including Soviet expansionism, Iranian theological radicalism, the destabilizing effect of the Iran-Iraq War on our Arab allies, and international terrosim sponsored by Iran, Syria, and Libya. These problems were magnified in November 1986 by the revelation that the U.S. government had secretly sent

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USAWC MILITARY STUDIES PROGRAM PAPER

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An Individual Essay

by

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ABSTRACT

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INTRODUCTION:

The purposes of this paper are to examine why the Persian Gulf is important to the United States and the West; sketch in the political dynamics of the region; look at the regional and global impact of the overthrow of the Shah, the Soviet invasion of Afghanistan, and the Iran-Iraq War; discuss the evolution of U.S. foreign policy toward the region since 1971, and finally discuss how the revelations of the Tower Commission may affect U.S. policy toward that area of the world in the future.

"Irangate" or the sale of U.S. arms to Iran in exchange for the release of American hostages in Lebanon was a source of amazement and controversy when the story first broke in early November 1986. This shock was further increased on November 25 with the announcement that profits from the arms sales had been channeled to aid Nicaraguan contras. Americans were distressed by this revelation because it showed that the White House had violated the long-term U.S. policy against trafficking with terrorists, and that the operation had been run by the National Security Council without participation by the nation's foreign affairs agencies. Reaction from overseas was also negative, but, as

we shall see, foreign leaders quickly recovered from their shock and began to look for ways to take advantage of the situation.

The major findings of the Tower Commission are as follows:

--In 1985 Israel delivered U.S. TOW anti-tank missiles and Hawk ground-to-air missiles to Iran. The Commission concluded that Israel participated in the undertaking "to distance the United States from the Arab world and ultimately to establish Israel as the only real strategic partner of the United States in the region."

--In 1986 the U.S. delivered, out of its own inventory, 1,500 TOW missiles and spare parts for Hawk missiles directly to Iran.

--Israel charged Iran about 3 million dollars more for the TOW missiles than it cost to replace the weapons, and the U.S. charged Tehran 20 million dollars more than the cost of the weapons it transferred to Iran. Most of this money is unaccounted for, but there is evidence to suggest that some of the cash was diverted to the contras. (1)

U.S. POLICY TOWARDS THE PERSIAN GULF:

The United Kingdom protected U.S. national interests in the Persian Gulf until 1971, when Britain's Prime Minister Harold Wilson withdrew British forces from the Gulf. The U.S. was greatly

disturbed by this decision because it created a vacuum which the Soviet Union might attempt to fill. The U.S., however, was faced with a dilemma. Vietnam had already proved the limits of American power and President Nixon felt he was unable to commit the men and resources needed to protect U.S. interests in the Persian Gulf. To meet this challenge, he formulated the "Nixon Doctrine" in which he called for "a more responsible participation by our foreign friends in their own defense...." (2) In the Gulf, this meant increased weapons transfers and support for Saudi Arabia and Iran so that they could defend their own countries and the region as a whole. This was the so-called twin-pillar approach to maintaining the stability and security of the Persian Gulf.

This policy collapsed with the overthrow of the Shah and the Soviet invasion of Afghanistan and was replaced by the "Carter Doctrine" which President Carter proclaimed in his January 23, 1980, State of the Union Address: "Let our positon be absolutely clear: An attempt by any outside force to gain control of the Persian Gulf region will 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." (3) The immediate impact of this new policy was the creation of the Rapid Deployment Force and increased weapons transfers and aid to Saudi Arabia and the smaller Gulf Arab states, which would agree to form the Gulf Cooperation Council (GCC) in the spring of 1981.

The Reagan Administration has continually reaffirmed its commitment to the region. Speaking before the Senate Armed Services Committee in April 1981, Secretary of Defense Caspar Weinberger asserted that the U.S. "will confront, by military force if necessary, any Soviet or Soviet inspired threat to the Gulf oil basin." (4) In practical terms, the Reagan Administration substantially upgraded the capabilities of the Rapid Deployment Force by converting it into the U.S. Central Command, the first new unified command in twenty years, and expanding U.S. support to Saudi Arabia and the GCC.

THE IMPORTANCE OF THE PERSIAN GULF:

In a January 27, 1987, statement before the Senate Foreign Relations Committee, Secretary of State George P. Shultz gave three reasons why stability in the Persian Gulf is of crucial importance to the U.S.: "First, it is critical to the economic health of the west. An interruption in the flow of oil or control of these energy resources by an unfriendly power could have devastating effects on the pattern of world trade and our economy. Second, our interests would suffer greatly if Iranian expansionism were to subvert friendly states or otherwise boost anti-American forces within the region. Third, as part of the strategic crossroads of the Middle East, this area must not come under the domination of a power hostile to the United States and its allies." (5) Although these factors are interrelated, for ease of discusion we will look at each

factor separately.

Oil:

Oil is the cornerstone of the economies of the states bordering the Persian Gulf. Iran, Iraq, and the members of the Gulf Cooperation Council (Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emerates, and Oman) all depend on oil revenues or foreign assistance based on oil revenues to sustain their economies. In addition, the Persian Gulf area holds over fifty-five percent of the world's oil reserves. While the U.S. receives only two to four percent of its oil from the region, Persian Gulf oil sustains the economies of Europe and Japan. Our allies in Europe receive over twenty percent of their oil from the region, while over sixty percent of Japan's oil passes through the Strait of Hormuz.

Iranian Expansionism:

The Iran-Iraq war has destabilized the Persian Gulf Region as a whole. The Ayatollah Khomeini's call for the establishment of Shia fundamentalist governments throughout the Gulf directly threatens the conservative leaders of the GCC, all of whom have substantial Shia populations within their borders. With the exception of Oman, Sunni regimes rule Shia throughout the Gulf. In Iraq, Bahrain, and Dubai (one of the United Arab Emirates) Shia actually form a majority of the population. Shia constitute about twenty percent of

the population in Saudi Arabia and Kuwait. (6)

GCC leaders fear Iran at two levels. First, they are frightened of Iran because its resources and population make it the most powerful nation in the Persian Gulf. If Iran were to defeat Iraq, there would be nothing to stop it from moving militarily against the GCC states. Because of this possibility, GCC leaders have donated billions of dollars to the Iraqi war effort and have thus propped up President Saddam Hussein's Ba'athist regime, whose support of "Arab socialism" would in ordinary times make it a mortal enemy of conservative GCC leaders.

The second reason GCC governments are fearful of Iran is that they are afraid of Iranian subversion of their local Shia populations. Again with the exception of Oman, Shia are treated as second class citizens throughout the Gulf. Under the autocratic Sunni regimes, they have no voice in government and generally form a economic underclass in the region. Their impact is especially significant in the oil producing regions of Saudi Arabia and in Bahrain, where they form a majority of the population. Although the Gulf Shia do not necessarily support Iranian territorial ambitions on the Arab side of the Gulf, they do look to Iran for religious inspiration and as champion of their political rights. Iranian supplied arms caches have been found in the Shia communities of Saudi Arabia, Bahrain, Kuwait, and the Emirates, and Iran sponsored a coup plot against the ruling family of Bahrain in December 1981.

In reponse to this threat, the Saudis have turned their eastern provinces, where the majority of their Shia population resides, into an armed camp, with large numbers of police, national guard, and army units available to strike at the first sign of Shia dissent. In Bahrain, where Shia compose over seventy-five percent of the population, there are no Shia in the police force or the armed forces. In fact, Bahrain, for a local population in the neighborhood of 300,000 persons, has a police force of over 9,000 men, most of whom are Bedouins from Saudi Arabia and Jordan, Pathans from Pakistan, and Yemenis from North Yemen. This is the highest per capita number of police in any nation in the world. It is interesting to note that the new causeway linking Saudi Arabia to Bahrain was built at the exorbitant cost of over one billion dollars, in part due to over-construction of the supporting pylons so that M60A3 tanks can pass freely over the structure. This was done to allow quick passage of the Saudi National Guard across the causeway in case of a Shia revolt in Bahrain.

Soviet Interests:

For over three hundred years the Russians have moved south toward the Persian Gulf. As early as 1689, Peter the Great captured the southern Caspian Sea littoral. In 1916 and 1917 Czarist troops occupied northern Iran, as did Soviet troops in 1941, only

withdrawing in 1946 after vigorous protests from the U.S., the U.K., and the U.N. Historically, there have been two major reasons why the Russians are interested in the Gulf region. First, they desire to control a warm-water port on their southern flank. Second, they want access to the richest oil area in the world. The overthrow of the Shah and the expulsion of American influence in Iran provided the Soviets with a great foreign policy victory. However, subsequent events have made the Soviet position vis-a-vis Iran more difficult. Iran vehemently opposes the Soviet occupation of Afghanistan and the Soviet tilt toward Baghdad in the ongoing Iran-Iraq war is deeply resented by Tehran. To an extent, the Soviets are backing both sides in the war by allowing Soviet weaponry to be retransferred to Iran through North Korea, Czechoslovakia, Syria, and Libya. The Soviets may hope that such a policy would allow them to influence the eventual victor in the war, but their assistance to both sides in the conflict could just as well result in their being shut out of any post war settlement.

CHALLENGES TO U.S. REGIONAL INTERESTS:

Three major challenges to U.S. foreign policy formulation emit from the Persian Gulf: Iranian hostility to U.S. interests, Iranian support of international terrorism, and possible Soviet intervention in the area.

--Iranian hostility: On a regional level, Iran is important to the

U.S. for three reasons. First, it blocks the Soviet Union from the Persian Gulf oil fields and it dominates the vitally important Strait of Hormuz. Second, its meddling makes the search for Arab-Israeli peace more difficult. As President Reagan stated in his November 13, 1986, address to the nation, which revealed the U.S.-Iran arms connection, "Without Iran's concurrence there can be no enduring peace in the Middle East." (7) Third, Iran's war against Iraq, now in its seventh year, has contributed to regional instability which threatens not only U.S. interests but those of friendly Gulf states as well.

--Iranian Support of Terrorism: Despite the abberation of the attempted arms for hostages trade, it has always been official U.S. policy not to deal with terrorists. State supported terrorism originating in the Middle East and sustained by Iran, Libya, and Syria continues to pose a significant threat to U.S. interests in the region. Iran is deeply implicated in the kidnapping of American citizens in Lebanon by the pro-Iranian Shia organization Hezbollah, which has announced it will trade the hostages for the seventeen Shia extremists imprisoned in Kuwait for the December 1983 bombings in Kuwait City, including the blast that damaged the American embassy.

--Possible Soviet Intervention: Soviet power in the region has been growing since the late 1960s when the U.S.S.R. established a naval presence in the Indian Ocean. Since that time they have secured

anchorage rights at Socotra Island, off the South Yemen coast, and at Ethiopia's Dahlac Island. Their invasion of Afghanistan has placed Soviet forces much closer to the Persian Gulf and has opened up a possible new invasion route across the Afghanistan- Pakistan border into Iran. The building of new fighter airfields in Afghanistan has extended the range of fighter protection for BACKFIRE bombers to the Strait of Hormuz and the shores of the Arabian Sea. (8) In 1982, the Soviets created the Southern Theater of Military Operations with headquarters at Baku on the Caspian Sea. The headquarters commands thirty-two army divisions and approximately one thousand tactical aircraft, including all Soviet forces in Afghanistan. (9) This buildup in itself does not mean that the Soviets are preparing to intervene in the Persian Gulf, but it does position them to support an intervention if they deem it necessary and it gives them leverage to intimidate the pro-Western regimes of the region.

U.S. MILITARY PRESENCE IN THE REGION:

The U.S. has a modest military presence in the Persian Gulf under the control of the U.S. Central Command (USCENTCOM). The Central Command's primary responsibilities are "to ensure continued Western access to Persian Gulf oil, to deter Soviet aggression and preserve regional stability, and to reduce Soviet regional influence." (10) Since October 1980 and as a direct result of the Iran-Iraq war, U.S. Air Force E-3 Airborn Warning and Control System

(AWACS) aircraft and crews have been flying regularly scheduled surveillance missions over the eastern approaches to Saudi Arabia.

USCENTCOM also maintains a naval presence in the Persian Gulf. Under the command of a rear admiral, Middle East Force (MIDEASTFOR) is normally composed of four destroyers and/or frigates and the command ship U.S.S. LaSalle. MIDEASTFOR has been on station since 1948 and operates out of Bahrain. In return for a nominal fee, MIDEASTFOR maintains a small logistics facility ashore and has use of the country's deep-water pier for two hundred port days a year. MIDEASTFOR's missions are to show the flag and maintain open sea lanes in the Persian Gulf. In order to accomplish these responsibilities, MIDEASTFOR patrols the Gulf and escorts all U.S. flag vessels either entering or leaving the Strait of Hormuz; schedules port calls throughout the region, and conducts maritime surveillance and intelligence interchanges with local naval forces. A USCENTCOM forward headquarters element afloat is attached to MIDEASTFOR and assigned to the U.S.S. LaSalle.

Since the early 1950s, the U.S. has been the primary supplier of weaponry to the Persian Gulf. During the period 1950 to 1984, Saudi Arabia alone accounted for twenty-two percent of worldwide Foreign Military Sales. (11) Even the smaller Gulf states have benefited from U.S. military assistance. Bahrain, for example, has purchased five hundred TOW missiles, a battery of M-198, 155mm howitzers, fifty M60A3 tanks, and a squadron of F-5 aircraft; Kuwait

has purchased Hawk ground-to-air missiles and thirty six A-4M Skyhawk ground support aircraft. In addition, the Reagan Administration has recently announced plans to sell twelve F-16 aircraft to Bahrain. This would be the first sale of F-16s to a Gulf state. The sale would cost Bahrain four hundred million dollars and include Sparrow and Sidewinder air-to-air missiles, Maverick air-to-ground missiles, and electronic countermeasure pods. Other recently announced sales include forty F-16s, costing 1.3 billion dollars to Egypt; thirteen Blackhawk and fifteen Scout helicopters and two hundred Bradley Fighting Vehicles to Saudi Arabia; and equipment to convert Jordan's present Hawk ground-to-air missiles from stationary to mobile units. (12)

Despite this long and fruitful security assistance relationship, Arab leaders are doubtful of the administration's ability to push through major new weapons sales in the face of Congressional opposition. Congressional supporters of Israel blocked the administration's May 1986 proposal to sell Stinger anti-aircraft missiles to Saudi Arabia. They also forced the administration to withdraw its 1985 proposal to sell forty F-16s to Saudi Arabia by adding a restriction that the aircraft could not be based in northwestern Saudi Arabia, or in other words within easy flying distance of Israel. Opponents of such sales argue that diplomacy instead of security assistance should be our principal instrument of Mid-East policy, while proponents of weapons sales maintain that such sales increase our ability to expand our regional

influence.

There is no doubt, however, that the U.S. commitment to Israel and our refusal to grant Arab countries carte blanche to purchase the latest U.S. military equipment has made the CENTCOM commander's job more difficult. CENTCOM has limited ability to project power into the Persian Gulf. The closest American base is 2,100 miles away from the Gulf at Diego Garcia. Materiel and equipment has been prepositioned in Somalia and Oman, but not inside the Gulf itself. No Gulf state has been willing to engage in constructive coalition warfare planning with CENTCOM and even intelligence sharing tends to flow one way, from the U.S. to the Gulf states but not in reverse. Without land-based tactical fighters, CENTCOM would have a difficult if not impossible time supporting combat operations within the Gulf region. A carrier task force operating in the Gulf of Oman could provide a fighter cap over the Persian Gulf for a few days, but normal attrition would soon reduce its effectiveness.

The leaders of the Gulf states understand these problems and say privately that they would allow U.S. tactical air to operate out of their countries in an emergency. They will not, however, sign agreements to this effect for two reasons: Domestic political considerations do not allow them to become publically linked to the U.S., Israel's most important supporter, and the Koranic tradition of the power of the written word makes them reluctant to sign an agreement based upon a contingency they would rather not face.

REGIONAL DYNAMICS:

Now in its seventh year, the Iran-Iraq War has destabilized the Persian Gulf region. Coupled with the Soviet invasion of Afghanistan, and the general deterioration of Arab relations over such issues as the Camp David Accords, conflict in Lebanon, and the Palestinian problem, the War has fragmented Arab unity and has made strange bedfellows of a number of regional actors.

The Gulf Cooperation Council:

The GCC was formed in the spring of 1981 in reaction to Iran's policy of actively exporting its fundamentalist brand of Islam. Fearful of an Iranian victory in its war with Iraq, the GCC has thrown its full support to Baghdad, whose radical, Ba'athist leadership would normally be anathema to the conservative GCC leadership. The GCC, however, has not shut off dialogue with Iran, perhaps remembering that prior to the overthrow of the Shah radical Arab socialism, propagated and supported by Iraq, was seen as the major threat to the continued existence of the Gulf state monarchies. Bahrain still permits an Iranian mission under a charge d'affairs, even after the Iranian sponsored coup plot of December 1981, and Saudi Arabia is still selling oil at exorbitant cost to Tehran under one subterfuge or another.

The Persian Gulf states have attempted to use the GCC as a regional security framework. Billions of dollars have been spent on upgrading weaponry and establishing a GCC rapid deployment force. However, the GCC does not have the manpower nor the infrastructure to stop a determined aggressor. Even the Saudis, with the GCC's largest armed force, have found it necessary to station two divisions of Pakistani troops on their soil.

Egypt:

Egyptian President Husni Mubarak sees in his support of Iraq a chance to bring about a rapprochment with the rest of the Arab world, which still has not forgiven Egypt and Anwar Sadat for making a separate peace with Israel. Egypt also earns valuable foreign exchange by selling weapons to Iraq and by the remittances of tens of thousands of Egyptian guest workers in Iraq who supply the raw manpower that keeps the Iraqi economy still functioning after seven years of war. Egypt, however, would not like to see Iraq achieve a decisive victory over Iran because that would propel Baghdad into a position of regional leadership, a pretension that Egypt still clings to for itself.

Libya and Syria:

Libya and Syria are Iran's foremost Arab allies. Both countries have supplied Soviet weaponry to Tehran and join Iran in

its support of international terrorism, antipathy toward U.S. influence in the Middle East, and firm opposition to any settlement with Israel. Libya and Syria, however, also appear to be having second thougnts about the consequences of an Iranian victory. Neither country likes to be put in the position of supporting Iranian occupation of Arab territory and both Libyan leader Muammar Qadcafi and Syrian President Hafez Assad fear the spread of Islamic fundamentalism to their own countries. Assad especially is in a prickly situation. Although an Iranian victory would topple his mortal enemy Saddam Hussein in Iraq, it could also result in the establishment of an Islamic republic in Baghdad and lead to the ascendancy of pro-Islamic Shia militants in Lebanon, thus sandwiching Assad's secular Arab nationalist regime between two groups of revolutionary Shia extremists. (13)

Israel:

While Israel treats Iraq as an intractable foe and ships arms to Iran, Tel Aviv can only hope that the war continues as a protracted stalemate. An Iraqi victory would make Baghdad the strongest Arab power in the region and would place Saddam Hussein in a preeminent position to espouse his radical Pan-Arabism, an ideology unyieldingly hostile to Israel. An Iranian victory, on the other hand, could well result in the establishment of an Islamic fundamentalist regime in Baghdad and make Hezbollah the paramount power in Lebanon. It is noteworthy, that Khomeini continues to

exhort his followers onward to Jerusalem.

IMPACT OF THE U.S. ARMS SALE TO IRAN:

The immediate fallout of the U.S.-Iran arms sale has been hand-wringing, teeth-gnashing, and wails of protest from our friends and allies in the Arab world. In their heart of hearts, however, Arab leaders must secretly be enjoying America's discomfiture and already planning ways to profit from U.S. guilt over the incident. Libya and Syria are undoubtedly happy because they can claim vindication of their often stated belief that America is the enemy of the Arabs; Iran should be pleased that they received weaponry and spare parts at a time that their military desperately required them, while at the same time publically embarrassing the U.S. Only Iraq should become permanently embittered with the U.S. over the incident. They believe that American arms were responsible for Iran's successful capture of the Faw Peninsula in February 1986 and that they made it possible for Iran to push closer to Basra earlier this year. They also believe that fake intelligence data supplied by the U.S. has contributed to the high number of casualties they have taken along their southern front. Iraqi displeasure with the U.S., however, should not make a major difference in U.S. policy toward the region. Both sides must view the American tilt toward Iraq in the war as artificial and a matter of convenience, much as is Baghdad's rapprochement with the conservative Gulf Arab states. Iraq remains an implacable foe of both Israel and the U.S. sponsored

Mid-East Peace Process, our major foreign policy initiative for the region.

While revelling in U.S. embarrassment over the arms scandal, the Soviet Union will not benefit greatly in the region because of the incident. Libya and Syria are already in their pocket and there will be no change there. The Gulf states will remain opposed to any substantial increase of Soviet influence in the region and Iraq, despite being a long-time customer of Soviet arms, has never subordinated itself to Soviet demands or interests. Iran, with a long history of enmity toward Russia, is displeased with the U.S.S.R. for shipping arms directly to Iraq. In this regard, Iranian Majlis Speaker Hojatolislam Rafsanjani has publically charged the Soviet Union with prolonging the war by shipping "advanced aircraft, missiles, tanks et cetera..." to Iraq. (14)

The Gulf States argue that in light of the U.S. arms sale to Iran they must reassess their security relationship with the U.S., depending more on themselves for military self-sufficiency and less on Washington. This is errant nonsence and Gulf leaders know it. The GCC by itself will never have the ability to defend itself against a determined aggressor and, not withstanding a certain amount of rhetorical posturing aimed at Washington, the conservative Gulf state monarchies are not going to give the Soviet Union an opportunity to substantially expand its influence within the GCC. Instead, the Gulf states are using the fallout over the arms sale to

pressure the U.S. for more modern weaponry and technical assistance. They are striking while the iron is hot, so to speak, and as we shall see they have been successful.

Israel and Egypt also appear to be using the arms scandal for their own purposes. During his recent visit to the U.S., Israeli Prime Minister Yitzhak Shamir hinted that the U.S. and Israel ought to formalize their close ties. "If we want to have an alliance with the United States, it is reasonable to say that if it would be formalized, it would be better," he said. (15) Whether Shamir had Israeli-U.S. cooperation during the Iranian arms transfer in mind when he made the proposal is unclear, but he is out of step with the Reagan Administration on this issue. The U.S. is already morally and politically committed to Israel's defense and a formal alliance with Israel would only serve to antagonize our Arab allies and friends and put an overall Mid-East settlement further out of reach. Egyptian President Hosni Mubarak reportedly turned down an invitation to visit Washington in anger over the administration's sale of arms to Iran. It is abundantly clear, however, that his anger could be assuaged by a new, more favorable, U.S. proposal for relief of Egypt's 4.5 billion dollar military debt.

As has been indicated, the long-term fallout of the Iranian arms scandal will be negligible. There will be no regional realignments, the Soviets will not increase their influence in the Gulf because of it, and Iran will not march triumphantly into

Baghdad on the force of American arms traded for hostages. In the short run, however, the scandal will bring many benefits to our friends and allies in the region, as the administration searches for ways to repair the damage it believes was done to its reputation in the Arab world by the Iran affair. Already, the administration has announced the sale of F-16s to Bahrain and Egypt, missile-carrying helicopters and Bradley fighting vehicles to Saudi Arabia, and has said it is considering a proposal to provide Jordan with equipment to convert its fixed Hawk anti-aircraft missiles to mobile units. According to recent press reports, the U.S. now has eighteen warships in or near the Persian Gulf to serve as a warning to Iran not to step up the Gulf shipping war. All of these measures are being pursued by the Administration in an attempt to mute the criticism from our allies in the region, but only time will tell if these actions, taken in haste with little time for reflection or study, will contribute to the accomplishment of our long-range goals for the region. The danger, of course, is that in the long run we may find that the quick fix hurts more than the original injury.

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