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INTELLIGENCE NOTE

BUREAU OF INTELLIGENCE AND RESEARCH

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IRAQ-PERSIAN GULF: IRAQ LOOKS AT THE GULF

The planned withdrawal of the British from the Persian Gulf region by the end of 1971 provides Iraq with an opportunity to expand its present role in Gulf politics. This expanded role, however, may be restricted by Iraqi preoccupation with the Israeli problem. The recent easing of tensions between Iraq and its Kurdish minority has, on the other hand, enabled the government to turn its attention to the Gulf.

Increased activities noted. Iraq has greatly increased its activities in the Gulf during the past two years, including numerous exchanges of official visits. In April 1969 Iraqi Vice President Hardan Tikriti visited Kuwait and the nine Gulf amirates and several Gulf leaders visited Iraq in that year. Tikriti visited Kuwait again in 1970. Both the Crown Prince and the Ruler of Bahrain have made several visits to Baghdad.

Iraq has also endeavored to establish branches of Iraqi banks, insurance companies and trade offices, and to obtain airline landing rights in various Gulf states. In Bahrain, a new Iraqi trade office, branch of the Iraqi Rafidain Bank, and an office of the Iraqi Insurance Company have all been opened in the past year.

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Of greater potential significance, the Iraqi government is attempting to strengthen its ties with radical elements in the Arab Gulf states, and possibly in Iran as well. For example, the radical Ba'thist party faction that dominates the Iraqi government has set up a commercial center in Kuwait that appears to be the control center for Iraqi subversion in the Gulf. In Kuwait, the Iraqi Embassy has pressured young Iraqi residents to return to Iraq for training in subversive activities, and Iraqi agents have been recruiting Bahrainis and Omanis for similar training in Iraq. Iraq has also attempted, without notable success, to encourage subversive elements in Iran's Arab-speaking province of Khuzistan through the formation of the Arabistan Liberation Organization.

Iraq - Iran: Mutual competition and antipathy. Iraq views Iran as the principal source of competition for leadership in the Gulf in the wake of the UK withdrawal, and the major opponent to the spread of Iraqi radicalism in the Gulf. Of particular concern to Iraq are Iran's intentions to establish hegemony in the Gulf after the British withdrawal. Iranian predominance would be opposed by Iraq not only on political and ideological grounds--Iranian conservatism vs. Iraqi radicalism--but also on nationalistic grounds--Arabism vs. Iranianism. Iranian nationalism is in conflict with the Arab concept of the "Arab nature of the Gulf," a recurring theme in Iraqi propaganda. Iraq has attempted to exploit the fears of the smaller Arab Gulf states about Iranian intentions in the Gulf. For instance, Iraq has made an issue

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of the disputed sovereignty over the Tunbs and Abu Musa, small islands in the Gulf that are claimed by Iran and by two Gulf shaykhdoms, and has stated publicly that it would oppose the transfer of these islands to Iran. It has also privately attempted to persuade the two Arab shaykhs involved not to give up their claims.

Iran's friendly relations with Israel and the transit of Iranian oil through the Israeli pipeline are a further source of Iraqi hostility to Iran. A key element in Iraqi strategy in influencing the Gulf Arab rulers is a campaign of intimidation against Arab leaders who collaborate with a friend of Israel.

Iraq-Saudi Arabia: The major Arab competition. Iraq's attempt to play a major role in the Gulf also places it in competition with Saudi Arabia. Like the Shah, the conservative Saudi regime is strongly opposed to the spread of Arab radicalism in the lower Gulf. Even though, as an Arab state, it is suspicious of Iranian intentions in the Gulf, Saudi Arabia is willing to cooperate with Iran to keep radicalism out of the Gulf. If, however, the issue developed into one of Arabism vs. Iranian hegemony, it would be difficult for the Arab shaykhdoms and for Saudi Arabia to refrain from a forthright stance against Iranian "imperialism."

Iraq-Kuwait: Target of special attention. When the Ba'thists came to power in 1963 Iraq agreed to drop its claim to Kuwait and to demarcate the Iraq-Kuwait border. Iraq, however, has not carried through on border demarcation, and it has continued to use the threat of pressing

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its claim to intimidate the Kuwaiti regime. In May 1970 Iraq cautioned Kuwait against becoming too cooperative with Iran or concerting with Iran and Saudi Arabia on the issue of the Tunbs and Abu Musa. Duly intimidated, the Kuwait government ordered two Kuwaiti newspapers to publish a series of articles derogatory to Iran and Saudi Arabia, thereby souring Kuwaiti relations with the two most powerful states in the area. Despite increased pressure, however, it remains unlikely that Iraq would attempt to back up its efforts with force as this would prompt Kuwait to appeal for help from the conservative Arab regimes, the UK, the US, or the UN, and would undercut Iraqi efforts to woo the other Arab Gulf leaders.

Caution: The Iraqi watchword. Iraq will probably move carefully in developing its policy toward the Gulf States. On the one hand, it will probably continue to woo the present traditional leaders of the states through diplomatic and economic means. On the other hand, it will continue to use political intimidation to influence the rulers if the carrot does not work. At the same time it can be expected to support subversive groups in each of these states. These techniques have realized modest success in Bahrain, for example, where Iraqi support for Ba'thist elements there has secured the allegiance of most of them at the expense of Iraq's arch-rivals, the Syrian Bathists. More important, this pro-Iraqi majority among the Ba'thists is likely to give Iraqi-oriented elements a significant role in Bahraini politics after the British withdraw from the Gulf.

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If the new British Government ultimately decides to delay the UK's departure from the Gulf, the Iraqis can be expected to launch a strong anti-British, anti-imperialist campaign to encourage the ruling shaykhs to pressure the British to leave as rapidly as possible. The US, as the alleged leader of "western imperialism," will also be a major target of this "anti" campaign. In addition, Iraq could step up its subversive activities aimed primarily at the British and pro-British Arab governments. In the meantime, given the uncertainties about British intentions, Iraq will probably continue to pursue a cautious "wait and see" policy. Once the British depart, however, Iraqi activity can be expected to accelerate considerably, reflecting Iraqi confidence that it can exert a major influence on future Gulf politics.

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