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THE WHITE HOUSE

WASHINGTON

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INFORMATION

AT

JUL 2 1 1970

MEMORANDUM FOR MR. KISSINGER

FROM:

Helmut Sonnenfeldt

SUBJECT: Your Luncheon with John Freeman

Attached at Tab A is a paper on the Persian Gulf which Hal Saunders did.

I would make three general points:

- a. Labor or Conservative, Britain is a waning power; we will be deluding ourselves if we depend on the UK to play a stabilizing role in the Persian Gulf for any length of time. Moreover, the Iranians don't like it, unless the messy island issue is solved.
- b. Any extensive prolongation of UK military presence -- probably not in the cards, anyway -- is going to run into budgetary binds and affect UK commitments to Europe, where they are a lot more important to us.
- c. We and the UK have differing interests on the opening of the Suez Canal. (This is not raised in Hal's memo or in the Secretary's talk with Alex Douglas-Home but is worth keeping in mind.) They want the Canal for commercial reasons; for <u>us</u> the Canal gives our principal international adversary a short route into the Indian Ocean and the Pacific.

On other matters you might raise with John, you might ask him very personally just why we should continue with the Berlin negotiations when there is almost no prospect for success and the only likely outcome is that we will be blamed by the Germans for torpedoing their Ostpolitik.

Incidentally, you might also broach the Bermuda weapons question in view of the change of Government in London.

On meeting Heath, while I take it this has already been generally discussed, I would think this should be steered in the San Clemente direction where there would be most time to talk and least need for pomp and circumstance.

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British presence in Persian Gulf. The issue is not whether the British should stay on in the Persian Gulf after 1971 but in what form. Even the Labor Government planned a substantial residual presence in the form of continuing political residents and military advisers. What they did plan to end was British treaty--and therefore military--responsibility for the shaikhdoms. It appears that even the conservative government is not likely to reverse that plan.

The U.S. argued against the original British decision and has consistently urged the British to play as large a role as possible in the Gulf after 1971. We certainly welcome experienced help. In addition, any buffer between the Iranians and Arabs seems an advantage. We have staked our policy on Saudi-Iranian cooperation, but Iranian power and ambition may make that a weak reed. The British between have helped prevent Iranian-Arab frictions from getting to the point of confrontation.

But the U.S. has also recognized--as have many members of Mr. Heath's own party apparently including Douglas-Home--that the Labor announcement of withdrawal, once made, was in some ways irreversible. Principally, the Iranians have been given hope of becoming the big power in the Gulf and have made clear that they will not react kindly to any reversal of that trend. Even the shaikhdoms--although anxious to retain as much British help and protection as possible--have set their minds on building their own federation. A change in direction could make them the targets of Arab radical attack.

The net judgment in State has been that—apart from a small stretchout in the timetable—it would probably create an unwanted new anti-Western issue on which even Iran would be on the other side if the new UK Government reversed the Labor Government's decision. That is not to say the British should not be active in maximizing their presence after the end of their formal treaty responsibilities. There are a lot of things in the intelligence, anti-subversion and political fields that we are not equipped to do.

The question, therefore, is not so much whether the new British Government should think in terms of reversing Labor's decision as it is what the British can do to build a substantial residual presence, strengthen indigenous forces as much as possible and remove as many causes of friction as possible before the end of 1971. [Having settled Bahrain, they are now working on Iranian claims to Arab islands and a dispute over the Buraimi oasis.]

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Talking Points

- 1. The U.S. hopes the UK will play the maximum possible political role in the Gulf. We recognize that the form of the British presence may have to change as a result of the course already set in motion, but we recognize there is much that the British are uniquely qualified to do.
- 2. You are glad to note that the Foreign Secretary in his talk with Secretary Rogers seemed to be working in this direction and concentrating on solving problems that could become future causes of friction. [Report of that conversation is attached.]
- 3. We have had our own policy review over recent months. We recognize the necessity of leaning heavily on Saudi-Iranian cooperation, but know full well that may turn out to be a weak reed. Therefore, we have wanted to look at what kind of small presence we might have alongside the British to provide some outside balance.
- [FYI. You will recall that following your Review Group meeting on the Gulf, you requested a blueprint for an American presence in the Gulf. That has been over once and sent back for improvement. It is due back at the end of the week.]

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FYI ONLY. SUBJECT TO REVISION ON REVIEW. UNCLEARED:

SUBJ: SEC VISIT: DISCUSSION WITH FOREIGN SECRETARY --PERSIAN GULF

1. SIR ALEC SAID THAT THE SITUATION IN THE GULF PRESENTED A COMPLICATED PROBLEM. THE BASIC UK PURPOSE WAS TO CONTRI-BUTE TO STABILITY IN THE AREA. THE PREVIOUS GOVERNMENT HAD TRIED TO EMPLOY SHOCK TACTICS IN THE HOPE THAT THE GULF RULERS WOULD BE OBLIGED TO WORK OUT THEIR DIFFERENCES AND MOVE TOWARD SOME EFFECTIVE ARRANGEMENT. SIR ALEC THOUGHT THE LABOR GOVERNMENT'S MAIN MISTAKE HAD BEEN THAT THEY SET TOO SHORT A TIME FRAME.

2. SIR ALEC SAID THE GENERAL AIMS WERE TO GET LOCAL DISPUTES SETTLED, TO ASSIST IN THE FORMATION OF A FEDERA-TION OR CONFEDERATION AND TO PROVIDE FOR THE ESTABLISHMENT OF A SECURITY FORCE OF SOME KIND.

3. SIR ALEC HAD SEEN THE SHAH ON THE PREVIOUS DAY. THE SHAH WAS ADAMANT THAT IRAN SHOULD HAVE CONTROL OVER THE THREE DISPUTED ISLANDS IN THE GULF: (THE TUNBS AND ABU MUSA). IF DIPLOMATIC EFFORTS DID NOT RESULT IN GIVING SATISFACTION TO IRAN, THE SHAH WOULD TAKE THE ISLANDS BY FORCE. SUCH A SITUATION WOULD MEAN THAT BRITAIN WOULD BE BOUND TO RE-SIST THE IRANIANS: CONSEQUENTLY, THE UK INTENDED TO MAKE MAXIMUM DIPLOMATIC EFFORTS: TO INFLUENCE THE GULF RULERS

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CONCERNED AND SAUDI ARABIA TO AGREE TO SOME ARRANGEMENT TO SATISFY THE IRANIAN DEMAND ON THE ISLANDS. IF THE ISLAND QUESTION COULD BE SETTLED, THE SHAH WOULD THEN COOPERATE WITH BRITISH EFFORTS TO PROMOTE STABILITY IN THE AREA. THE SHAH WOULD SUPPORT SOME FORM OF UNION OF THE EMIRATES AND BRITISH PLANS FOR PROVIDING A SECURITY FORCE FOR THE UNION. SIR ALEC THOUGHT BRITISH OFFICERS COULD BE SECONDED TO SUCH A FORCE AND THAT BRITISH TRAINING MISSIONS MIGHT ALSO BE PROVIDED. IT WAS HOPED THAT THE TRUCIAL OMAN SCOUTS COULD BE INSTALLED AS THE SECURITY FORCE FOR AN FAA. THE SHAH ALSO SUGGESTED THAT A CONTINEUED BRITISH NAVAL PRESENCE IN THE GULF BE EFFECTED THROUGH EXPANDED BRITISH PARTICIPATION IN CENTO. THIS COULD PROVIDE FOR MORE FREQUENT VISITS BY BRITISH NAVAL UNITS AND PARTICIPATION IN COLLECTIVE TRAINING EXERCISES.

4. SIR ALEC SAID THAT ONE OF THE PRINCIPAL OBSTACLES TO ACHIEVING THIS RATHER COMPLICATED DESIGN WAS THE HOPE LESS INCOMPETENCE OF THE ARABS. THIS WAS PARTICULARLY TRUE WITH THE SAUDIS. FAISAL WAS GETTING OLD AND WAS INCLINED TO DO THINGS WITHOUT FELLING HIS SUBORDINATES! FURTHERMORE. HE DID NOT HAVE PEOPLE AROUND HIM CAPABLE OF GIVING GOOD ADVICE. THE UK INTENDED TO MAKE AN INTENSIVE DIPLOMATIC EFFORT WITH THE ARBAS. THERE WOULD SOON BE AVEW BRITISH POLITICAL ADVISER IN THE GULF AND SIR ALEC ALSO INTENDED TO SEND A PERSONAL REPRESENTATIVE TO THE AREA.

5. THE SECRETARY INQUIRED WHAT THE PUBLICLY ANNOUNCED BRITISH POLICY WOULD BE IN THE CIRCUMSTANCES DESCRIBED. SIR ALEC RESPONDED THAT THE BRITISH PRESENCE WOULD BE INDIRECT AND THAT THE MAIN VISIBLE PRESENCE WOULD BE NAVAL. SIR ALEC WENT ON TO INDICATE HIS CONVICTION THAT THE GULF RULERS CONCERNED, AS WELL AS THE OTHER ARAB NATIONS, WOULD NOT PUBLICLY STATE THAT THEY WANTED THE BRITISH PRESENCE TO REMAIN, ALTHOUGH SOME OF THE GULF RULERS WOULD SAY SO PRIVATELY. SIR ALEC THOUGHT IT UNLIKELY THAT THE BRITISH PRESENCE COULD REMAIN MUCH LONGER THAN ABOUT SIX MONTHS: LATER THAN THE WITHDRAWALL DATE GRIGINALLY SET BY THE PREVIOUS GOVERNMENT.

6. THE QUESTION WAS RAISED WHETHER A TREATY ARRANGEMENT

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UNDER WHICH: A UNION OF EMIRATES WOULD EXPRESS THEIR DESIRE TO RECEIVE A BRITISH FORCE MIGHT BE FEASIBLE. SIR ALEC THOUGHT IT MIGHT BE WORTH TRYING BUT THAT IT WOULD BE DIFFICULT TO INSERT A BRITISH PRESENCE ANEW. HE THOUGHT HE COULD BEGIN TO SEE THE OUTLINES OF AN ARRANGE MENT WHICH WOULD INVOLVE MAINLY THE TRUCIAL OMAN SCOUTS SERVING AS AN ORGAN OF THE EMIRATES AND A BRITISH NAVAL PRESENCE UNDER THE UMBRELLA OF CENTO.

7. THE SECRETARY SAID THE U.S. WOULD LIKE TO SEE AS MUCH BRITISH PRESENCE IN THE AREA AS POSSIBLE. HE THOUGHT THAT IF A NAVAL PRESENCE WERE TO BE MAINTAINED UNDER CENTO. IT SHOULD BE DONE IN A REGULAR WAY AND NOT INTERMITTENTLY. IN RESPONSE TO SIR ALEC'S REQUEST, THE SECRETARY INDICATED THAT THE U.S. WOULD BE PREPARED TO HELP WITH THE SHAH.

8. DEPARTMENT REPEAT OTHER POSTS AS DESIRED.

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