CHAPTER - I

PERSIAN GULF: STRATEGIC SIGNIFICANCE

The inland water of the Arabian Sea known as the Persian Gulf covers an area of about 97,000 square miles. The Gulf of Oman lies between the Gulf and open sea. The length of the Gulf from the coast of Oman to northern head is 500 miles, and of the Gulf of Oman to the southeast, another 300 miles. The former is 180 miles at its widest but narrows down to 28 miles at the strait of Hormuz. The Gulf is remarkable shallow for so large an area of water. From about 80 fathoms at the Strait of Hormuz. The floor of the Gulf at its deepest is 1800 fathoms off Musqat. On the whole, it is deeper near the Iranian coast than on the southern and northern shores.¹

From the Gulf to its source in the north, the Shatt-al-Arab is composed of the confluence of the Tigris and Euphrates which for the greater part of the waterway is joined by Kerun river originating in Iran. In the days of European rivalry in the Gulf, Shatt-al-Arab assumed strategic importance. The British occupies the Iraqi ports of Fao and Basrah maintained their supply line for the Mesopotamian campaign through Shatt-al-Arab during the first world war.²
The countries situated on the shore of the Gulf are Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. These eight states having largest oil reserves of the region are the major oil exporters to the countries of Western Europe and Japan.³

Control of the Persian Gulf will be a key factor in global balance of power between the West and former Soviet Union.⁴ No other region of the world has been as much strategically significant to the US. and former Soviet Union as the Persian Gulf. President Eisenhower of US described it in 1951 no more strategically important area in the world⁵ Later President Carter said that as oil imports to the United States were rapidly growing the Gulf had become vitally important for the country and in Reagan's geostrategy the area was given "first priority".⁶

Gulf region is an important Strategic Middle East - cross road of the world commanding the strategic approaches to Asia, Africa and Europe.⁷ The Gulf served as a major route for trade through which goods passed from India to China to Kuwait and to Shatt-al-Arab. The Gulf has been coveted by all major powers of the world including former Soviet Union for its geo-political importance and significance for the world trade.⁸

Western countries have lost great political economic and military leverage over the local countries of the Gulf
after the revolution in Iran. The impact upon the security of the rest of the Gulf and ultimately the western alliance system would be extremely grave of Russia, by direct or indirect means, able to outmanoeuver the West and gain strategic control.

In this context it will be said (a) that the major threat to Western interests in the Gulf has been the potential for Russia control; (b) that only a coherent and will orchestrated policy by the US could deter the Soviet Union from adventurism in the region; (c) that without a coherent Western strategy the temptation for the Russians to interfere in the Gulf affairs will grow.9

Oil is not vital to the war-fighting in military term. Strategic importance of Persian Gulf Oil Stems from its relationship (a) to the peace-time economies of Western world (b) the oil could fall under former Soviet political and military control under certain circumstances.10

The Persian Gulf has assumed important strategic and economic dimensions in recent years. It has long been labelled as strategically important for elementary reasons of geography. Geographical factors play important role in transforming the Gulf into a dynamic region. The Gulf's geo-strategic location made it an area of great commercial and economic importance. It has been a channel of trade and communication between the centres of ancient civilization and the outer world from times immemorial.
The Gulf littoral states have truly become the world's centre of economic activity because of their immense oil resources. The increasing demand of oil as source of energy in the developed and third world countries has made the Gulf region prominent from economic point of view. The huge oil wealth encouraged the Gulf States to launch massive development programmes. They have also started investing in industrial and financial venture in other parts of the world. Hence, the capability to invest in various projects at home and abroad have greatly enhanced the economic significance of the Gulf region. That is why the interest of many nations are converged on the events and their out come in the Persian Gulf.

The most important geographical factor which makes the as one of the strategic region of the world is its location. Its geographical location in contemporary global setting is geo-politically significant and worthwhile. It is today one of the great channels of international air communication between Europe and South Asia, and between the Russia and the Indian Ocean. The region enjoys overflying rights on anyone using these routes. Europe was connected with Asia by the Persian Gulf during the ancient and medieval periods. In the first phase, the bone of contention was control of the East-West trade routes; in the second, it was the British possession in India.
In the Persian Gulf, British activity was increasingly directed towards the establishment, maintenance and policing of a "Zone of influence covering the western land and sea approach to and for the protection of the British possession in India.  

It was one of the important and most prosperous routes of the mediterranean trade. With the advent of modern times, the importance of the Persian Gulf route did not decline. This route, during the 17th, 18th and 19th centuries, also referred to as direct route, was well organized and sometimes described as usual route of the East. The direct route in the history of the British East India Company passed via Marseilles, Tyre (Sidon), Aleppa, Basra and Surat played commendable role.  

The Persian Gulf region has acquired geo-strategic importance not only because it is on the cross roads of the east and the west and the north and south but also because its dominates an important sector of the Indian Ocean which become a major arena of super power (US and former Soviet Union) rivalry. The Gulf region is also important in the context of its vast oil resources and the dependence of the West on the Gulf oil and other natural resources. The security of the Gulf is also affected by political factors like regional and global rivalries and the relation between Gulf States and foreign powers.
Capt. JNR Campbell, the charged Affairs of the Persian mission also preferred the direct route. He wrote that the direct route would give the prospects of establishing political influence, which may at some further period serve as a counter poise to any design entertained by Russia towards Baghdad. The direct route to India via the northern Persian Gulf was in constant use and had never been entirely superseded by other land routes to Europe. Till the opening of the Suez Canal the direct route, remained in regular and constant use as the most dependable of all the channel for overland communication with the East.

In recent times the geo-strategic significance of the Gulf region has increased due to the fact that it dominates an important sector of the Indian Ocean which has become a major arena of the US and former Soviet Union rivalry. Moreover, the Gulf basin is a midway point between the Mediterranean Sea and the Indian Ocean. This accords strategic advantages to the powers dominating in the Indian Ocean and the Mediterranean Sea. The Gulf is situated at a geostrategic position providing a safe anchor to the fleets which operate in the Indian Ocean. Accordingly, the contending powers do not want to risk an unfavourable shift of the balance in time of peace.

The Gulf region also attains strategic significance because of its proximity to the former Soviet Union. It may
be used as a possible launching point for hostile action against the former Soviet Union or a vital prime target of the latter's expansion the control or domination of a particular part of the Gulf region would give one power a decisive military advantage at time of crisis.

In the Gulf region some useful and strategic air and naval ports viz. Bandar Abbas and Busherh (Iran), Basra and Umm Qasr (Iraq), Dhahran (Saudi Arabia), Manama (Bahrain) and Masirah (Oman) are located which could be used as possible launching points during emergency. The Gulf possess vast oil fields and many oil loading terminals which may be taken as strategic and economic assets of the region. The oil trade has transformed the Gulf into an important geo-strategic region of the world. It is today, a vital channel for the export of oil. The Gulf is connected with the Indian ocean through a narrow opening known as Strait of Hormuz . It is considered as a strategic choke point for the varied external oil and non-oil sea-borne trade of all the Gulf countries. It connects the world's largest known site of oil reserves and production i.e. the Gulf region to the world's highest consumption regions - Western Europe, Japan and US. It is estimated that oil tankers are passing through the Strait of Hormuz at the rate of one every eleven minutes. Oil trade statistics explain that about 46 per cent of the world total
oil and oil product pass through Hormuz Strait to world markets. Similarly about 75 per cent of the total Gulf oil passes through Strait. It may be predicted that an interruption or interdiction in the traffic through the strait would lead to economic disaster of the oil importing countries of the world.

The Strait of Hormuz is vital to the major oil consuming nations of the world. Japan Western Europe except Britain and Norway - and the US receive nearly 68 per cent 53 per cent and 11 per cent respectively of their oil requirements from the Gulf. The US being largest producer as well as the largest consumer of oil in the world is, fast becoming a major consumer of the Gulf's oil.

The Strait of Hormuz is even more vital to the less developed countries (LDC) as they are critically dependent on oil traffic. They have launched many development programmes which require oil in the form of energy. Thus any interruption in the smooth flow of oil through the strait would adversely affect their development programmes.

Presently the former Soviet Union and the countries of COMECON (Council for Mutual Assistance) or eastern block states are not much dependent on oil traffic through the Strait of Hormuz. The main supplier of oil to the eastern block states is the former Soviet Union. It is expected and hoped that in near future the former Soviet Union may
become major customer of the Gulf oil because of shortfalls in its planned oil production.\footnote{19}

Likewise, the Strait of Hormuz is not less significant to the Gulf States themselves. They earn substantial revenues through oil export which in turn constitute backbone of their economies. Besides, the Gulf States are also dependent on non-oil seaborne trade. They import foodstuff, consumable articles, industrial equipments, capital goods, arms etc., from outside the Gulf region to fulfill the growing needs of the population and for country's economic development and defence.\footnote{20}

Looking into the commodity break-up of the foreign trade of the Gulf Arab States it appears that the imports of machinery and transport equipment remain on top. As this provides basic infrastructure for the economic development to which the Gulf Arab States accord high priority. The second important category of the imports of the Gulf Arab States is the manufactured and consumer goods. To meet the growing demands of the society, the Gulf States are dependent on the imports of this category. The livestock food, vegetables and its products occupy third place in the list of imports of the Gulf Arab Countries. The indigenous production of the aforesaid items is not catering to their requirements. The agriculture sector's share in the GDP of the Gulf Arab States ranges between 0.2 per cent in Kuwait
to 2.1 per cent in Bahrain. The imports of agricultural products specially cereals have greatly increased in the Gulf Arab States over the last few years. Mineral fuels, lubricant, chemicals and allied industrial products, textiles and textile products etc., are of immense value for the Gulf Arab States embarking upon rapid economic development. It may be argued that the denial of the capital goods, infrastructural development equipments and other essential commodities would adversely affect the development programmes of the Gulf Arab States.

**Economic Significance:**

The Gulf's economic significance lies in the fact that it has become the world's most important centre of economic activity because of its immense oil resources and oil revenues. It holds highest percentage of world's known oil reserves and occupies top place on the world's reserves map.

The contribution of oil as the primary source of energy is highest among the all other existing source of energy. Untill the development of an economically viable alternative source of energy, oil will remain an indispensable source of energy. And the development of an economically viable alternative is not likely or possible in the near future. This makes the Gulf's oil reserves
important rather essential to the industrial nations of the world.\textsuperscript{22}

The huge oil reserves and very low costs of production made the Gulf oil industry the most outstanding economic zone of the world. In terms of proven oil reserves, Gulf's share is significant. In 1981 Gulf region accounted for 55 per cent of the world's proven oil reserves and, of the total OPEC's proven oil reserves about 71.50 per cent were located in this region. Similarly about 90.6 per cent of the regional subtotal were found in the Gulf region.\textsuperscript{23}

The terms of daily production of oil, the share of the Gulf countries in the total world production was quite substantial and imperative to the oil importing nations. The Gulf States constituted 68.2 per cent of the total OPEC's daily oil production in 1980. On the eve of the emergence of the Cooperation Council, the Gulf nations held 35 per cent share of the world daily oil production. The total daily oil production of the Gulf region was 21.45 mb/d in 1976 which declined to 17.85 mb/d in 1980.\textsuperscript{24} However, the share of the Gulf region in the total world production decline due to the disturbances in the Iran and outbreak of the Iran-Iraq War. Nevertheless, the importance of the Gulf could not decline to the importing nations of the world.
A brief survey of the proven oil reserve and, crude oil and gas production of the six Gulf Arab States will not be out of context here. Since they are the members of the Gulf Cooperation Council, the study of the production of oil and gas of these states separately becomes relevant. The most prominent resources of the Gulf are undoubtedly oil and gas. The six states viz. Kuwait, Saudi Arabia, Bahrain, Qatar, The UAE and Oman have a substantial share of the world's crude oil supply. Their collective share in 1980 was very large and accounted for 42 per cent of the world's proven reserves or 275 billion barrels and about 63 per cent of the corresponding OPEC's total. These reserves may be considered as huge and at the 1980 rate, as calculated were equivalent to 53 years of production. Likewise the hydrocarbon reserves of the six states of the Gulf were equivalent to 44 years of production in comparison with OPEC's reserves and 30 years for total world reserves. Nevertheless, the crude oil production of the six states is not as high as their share of proven hydrocarbon reserves, they are considered the largest crude oil producers collectively. In 1980 the combined daily crude oil production of the six states averaged 14.1 mn barrels - accounting for 23.5 per cent of the world total and 52.3 per cent of OPEC's total. In the subsequent years crude oil production of these states declined progressively due to
By 1982 their combined daily production of crude oil went down substantially to 9.2 mn barrels and of the world total daily production their share rose to 16.3 per cent in 1982. Indeed, there is substantial reduction in production of the crude oil of the six states. In view of the present low world demand their production still constitutes a major part of world trade in crude oil. At present their combined refining capacity is 14 per cent of the total production, they have capacity to export refined products at a rate 948.7 thousand of barrels per day. Moreover, petro-chemical industry in these countries are fast comingup and in near future they would become the largest producer as well as exporters of petrochemical products.

The vast reserves of natural and associated gases of the Gulf States are too significant from the energy point of view. On a average about 500 cubic feet of gases are associated with every barrel. The six Gulf Arab States at the 1980 production rate contributed 32 per cent in OPEC's gas production and 5.6 per cent of the world total production.

Japan being the second most powerful industrial nation of the world after the US, is highly dependent on the Gulf oil. Oil is by far the most important source of energy for the Japanese economy providing 70 per cent of
primary energy unit. Japan has very limited indigenous energy resources. This had made Japan one of the largest markets for imported energy. The Gulf States are by far the largest source of imported crude oil, reflecting their predominant position amongst oil exporting countries of the world. As a major industrial nation with every limited indigenous energy resources Japan fulfills 68 per cent of its oil requirements from the Gulf. Japan received 18.08 per cent of the total oil export of Gulf States in 1980.28

Western Europe being highly industrialized is largest oil consumer, where rate of energy consumption is very high. The annual consumption of energy in western Europe is equivalent to nearly 1240 million tonnes of oil. With a generally high level of industrialization, Western Europe imports about 55 per cent of its total energy requirements. The sources of imported energy are various and the Gulf region is of predominant importance. The contribution of the Gulf in the total energy requirements of Western Europe is approximately 34.3 per cent. Similarly the Gulf States export high percentage of oil to the Western Europe ranging between 41.45 per cent of the total oil trade.29 This indicates the vital dependence of Western Europe on the Gulf oil.

The US despite being the largest producer of oil in the world, is fast becoming the major consumer of foreign
oil particularly that of the Gulf. Oil is by far the most important source of energy in US constituting 37 per cent of the net imports. Energy consumption in US is five times that of Japan and fifty per cent greater than the whole of Western Europe. It is the single most important energy market in the world and, its oil needs has increased substantially specially after the Arab oil embargo of 1973. In 1976 US imported about 1028 thousand b/d from the Gulf which rose to 4738 thousand b/d in 1980 representing 5.6 per cent and 32 per cent of the Gulf exports. Saudi Arabia alone constituted 11.3 per cent of the total oil import of the USA.\textsuperscript{30} It is worth mentioning that the Gulf oil has become vital for the American forces operating in South East Asia and also adds to the war fighting capability of NATO.\textsuperscript{31}

The Gulf is also the main source of petroleum for Australia, Newzealand and the countries of South East Asia, South Asia and, Africa.

On the basis of the above survey it may be said without exaggeration that oil is predominantly the major source of energy in the world. Its assured availability is not only desirable but essential for the economic development of a country or region.

Despite fall in oil production, exportation and revenues after 1980, the Gulf is still considered as most
preferable region for the establishment of economic exchanges by the Western Europe, Japan and, the U.S. The Gulf region since the last decade has been important economic trade partner of the Western Europe and Japan. The Gulf countries specially, the members of the Gulf Cooperation Council have deposited huge amount in financial institutions of the west.\textsuperscript{32} They have also invested substantial amounts in joint ventures in Japan and the Western Europe.

The oil-producing Arab States in the Gulf have gradually emerged as important markets for Japanese, Western Europe and American goods and services. Following the quadrupling of oil prices in 1973, these countries have been acquiring foreign exchanges to mobilize it for rapid economic development. It has also been possible for them to finance massive imports. The Gulf has since been turned out to be a good market for the West.\textsuperscript{33}

The Gulf countries may become prospective partners for joint ventures with multinational and other firms of the US, Japan and the Western Europe. Above all, due to the lack of stability, the Gulf region is a lucrative consumer market for arms transfer. The variables like regional and super powers rivalries in the Gulf, the security of oil supplies and sea lanes and, the geo-strategic location of the region have accelerated arms acquisition programme of the Gulf States.
The Gulf oil is no less significant to the less developed countries (LDC). Most of the newly independent less developed countries are determined to attain rapid economic development. They have launched many development programmes including large industrialization. The development programmes in these countries are generally energy intensive (based on oil). A disruption of the oil flow from the Gulf would adversely affect their industrialization and development programmes. The world Bank programme of technically aiding the LDC to produce their own oil might make self-sufficient in a decade although at the moment that is more a matter of hope than of prediction.\(^{34}\)

The brief appraisal of the strategic and economic variables, reveals that the Gulf has become an important geopolitical region of the globe in recent years and cannot be ignored by the advanced countries as well as the countries of the third world. The Gulf is highly susceptible and vulnerable to the Developments and events in the region. The interests of the advanced and third world countries converge here. Therefore, they are concerned with the events and their outcome in the region.

In the basin of the Gulf region lies the world's largest oil reserves. About 58.60 per cent oil deposits are located around the Gulf.\(^{35}\) The significance of the Gulf oil, in turn, derives from three factors - its abundance,
its growing demand in the world market, and the enormous economic and financial power through its commercial exploitation to the Gulf States.\textsuperscript{36} Saudi Arabia is the giant among Gulf States in oil production subsequently followed by Kuwait and Iran.

The Gulf area is the largest oil exporter to the world market and hence, in no other region of the world, there exists a politics, economic and strategic relationship between arms and any other commodity as oil. Oil was the only reason that brought US into the Persian Gulf and its present and future interests may solely in the exploitation of oil from this region.

Oil is most and most important commodity that makes the vulnerability of the region to the west. It shows the interdependency and mutual cooperation in socio-political and economic field on each other. Thus, the destination of oil supply rather than the commodity itself has given a strategic dimension to oil.\textsuperscript{37} Thus the importance of the Persian Gulf area is bound to speed up despite the lessened quantity of oil exports from the region in comparison to 1970s and 1980s.

Besides, the above mentioned quantitative aspect the qualitative aspect of Gulf oil puts the region on top of other oil producing regions.\textsuperscript{38} The low sulphur content in Gulf oil is least harmful to the environment. This factor
led US, West European States and Japan to prefer Gulf oil over the oil of other region.  

Gulf oil adorns West Asia with an added Strategic significance because oil supply is intermingly linked with politics. Oil embargo associated with Arab-Israeli conflict or the Palestinian issue. In the other words, West Asia is the "grey area" endowed with abundance of oil and "political vaccumes".

Arms Trade:

The most important economic significance of Gulf is related with the arms trade. The enormous oil wealth, instability in the region and the resultant level of threat perceptions of the Gulf States have progressively increased the inflow of arms in the region. As a result, the region witnessed an unparalleled military build up due to the arms race and became lucrative consumer market for the arms supplier nations of the world. High oil revenues enabled the Gulf States to purchase arms at any cost.

The main participants of this military build up were Iran-Iraq and Saudi Arabia. The break-up of the military spending in the Gulf region indicates that the defence expenditure in the region has increased manifold. During the period 1972-73 defence expenditure of the region was $1704 million which rose to $23084 million in 1978-79,
representing more than thirteen times increase in defence expenditure. The GNP of the Gulf States was approximately $23 billion of which about $1.7 billion was spent on defence in 1972-73. In 1978-79 total GNP increased to $158.7 billion and the annual defence budget expenditure to $23 billion. The annual defence expenditure of the Gulf States exhibited fourteen times increase in contrast to seven times increase in the GNP during this short period. Defence spending in Oman in percentage terms was the highest in the region - representing 30 per cent of its GNP in 1978-79. On the contrary, Kuwait witnessed lowest expenditure on the defence i.e. 26 per cent of the GNP. In the same way per capita defence expenditure during 1978-79 was maximum in Saudi Arabia ($1200) followed by Oman, the UAE, Qatar, Kuwait, Iran, Iraq and Bahrain. The per capita defence expenditure in the Gulf as a whole during the same period increased ten times i.e. from $ 33 to $ 383. In general, the pattern of defence expenditure in the Gulf has shown an increasing trend. This corroborates the view that the Gulf region is a lucrative consumer market for the arms exporters. The major supplier of the arms to the Gulf States are the US, former Soviet Union, France, UK and Federal Republic of Germany. The US being the largest exporter of arms, supplies about $8775 million worth of arms between 1975-1979. During the same period, former Soviet Union
supplied about $5600 million worth of arms to the Gulf States. France, UK and FRG are also the important arms suppliers to the Gulf countries. Between 1975-79 the cumulative value of arms sale by France, UK, and FRG stood as $1460 million, $1810 and $680 millions respectively.\textsuperscript{42}

Iran became the largest buyer of military equipment in the developing world during the 1970s. During that period over one third of US foreign military purchases were made by Iran.\textsuperscript{43} Iran's GNP increased to $79513 million and the amount set apart for defence expenditure for 1977 came to $9242 million, on the eve of the Khomeini revolution. Iran purchased US weapons costing $3.8 billion in 1974 and it contract for $1.7 billion worth of arms supplies, chiefly 80 navy F-14 Jet fighter.\textsuperscript{44} As regards the navy, Iran had developed the largest navy in the Gulf. Persian Gulf was an extremely important arena in the cold war competition between US and former Soviet Union. In their competition for influence in Gulf both side frequently employed military assistance. Persian Gulf was the key feature of cold war in the fierce competition between the super powers for allies. Each superpower actively sought to maintain its existing allies and to covert the other sides allies into its own.

The cold war is now over Russian influence in the Gulf has essentially vanished. Soviet-American competition
in the Gulf has completely ended. There is no longer a global Soviet threat to US interest after the collapse of the Soviet Union. In August 1990 the Iraqi conquest of Kuwait was reversed within a few months by an enormous U.N.-sanctioned and US-led military effort to expel Iraqi forces from that country.

Persian Gulf oil is a vital interest to the west. To supply them with a significant quantity of their current oil consumption the Western countries depend on the Persian Gulf. It is generally thought that Western dependence on Persian Gulf oil is likely to increase in time. In the world only four countries have proven oil reserves which will last over a century at current rates of production. All of them are Persian Gulf States; Iran, Iraq, Saudi Arabia and the UAE. Most other countries reserves will be exhausted within ten to twenty years at current rates of production. More oil is being and will be found in other countries. New discoveries outside the Persian Gulf region rapidly outpace the west's oil consumption, the west will become increasingly dependent on the Persian Gulf.

Russia as an independent political actor appeared at the international arena after the total collapse of Soviet Union. The Soviet interests in the area had never been properly formulated. Geostrategic considerations dominated Moscow's political thinking. During the Gulf crisis of
1990-91 the Soviet government staked on close collaboration with the west in the West Asia. 47

A geostrategic situation is going through profound changes the Russian leaders are trying to consolidate relations with the West. Now a days Russia faces a problem of finding a proper balance between its Western and Oriental policies, while the West Asia is getting even closer to her borders. 48 Whilst Central Asia had been an internal domestic issue in Soviet Union, there had been a long history of foreign diplomatic relations with the countries of the Persian Gulf. Yet the disintegration of Soviet Union altered the nature of these relations in important respects. Russian policy makers had take into account that Russia no longer shared a border with Iran and that there were important new geostrategic connections between the newly independent Central Asian States and their neighbour from the Persian Gulf region. Russian policy in the Persian Gulf would, at least to a certain extent, have to be constructed with the Central Asian political equation in mind.

In the aftermath of the August 1991 Coup it appeared to be accepted in Moscow that Russia had ceased to be a significant regional power in the Persian Gulf. Kozyrev attempted to reverse this perception by heading a Russian delegation to GCC Countries in the Persian Gulf in May 1992. But the trip gain little, either in securing Arab investment or in opening GCC markets for Russian arms. 49
Russian relations with Iran had advanced to the stage where Yeltsin was considering making an official visit to Tehran by the second half of 1993. Russia is determined to follow a pragmatic policy towards Tehran which would reward Iranian concessions to Russian interests in Central Asia and the Caucasus and would advance Russian economic penetration of the Persian Gulf region.\(^5\)

In the traditionally pro-western GCC States, Russia has been keen to ensure that its rapprochement with Iran was not gained at the expense of its political and economic interests in the Arab Gulf States. Since the Gulf war when Gorbachev's support for the anti-Iraq coalition had secured major loans from Saudi Arabia and Kuwait, Russian relations with these states had been gradually improving.\(^5\)

There was a major Russian push to try to entice the Gulf State to make more extensive arms purchases in early 1993. In January, Russian Defence Minister Pavel Grachev travelled to the UAE, promoting Russian arms through the somewhat disingenuous argument that 'our T-72 tank proved itself brilliantly during the war against Iraq as part of the Syrian troops arsenal', conveniently forgetting the fate of the T-72 tanks in the Iraqi army.\(^5\)

American foreign policy makers were animated by the fear during the cold war that the Soviet Union would gain control of the Persian Gulf region and would then either
deny the West access to the region's oil or would drive the price of oil up dramatically. In either case, US foreign policy makers feared that the West would suffer extraordinary economic damage which would also drastically affect their defence capabilities.\textsuperscript{53}

The threat of USSR gaining control over the Persian Gulf has ended. US and the West, though, continue to fear the possibility that any one power might gain control of the entire region and its oil resources, thereby being in a position to threaten the strength of western economies.\textsuperscript{54}

There is no other part of the Third World which is as vital to the west as the Persian Gulf region because of its unique economic importance. Would the US undertake direct intervention in the Persian Gulf region again? If any state outside the GCC invaded or threatened to invaded any of the GCC States, the question can be answered in the affirmative with a high degree of confidence. External threat however might not be the only threat to the GCC countries.

This would be difficult case for the US policy to decide. Saudi Arabia is seen as vitally important to America Saudi Arabia more important than the other GCC State. Internal uprising in any of the other GCC States could be probably be crushed with Saudi forces. The preservation of the existing pro-American regimes in the Persian Gulf as being vital to American interests.
The enormous political transformation that has occurred in the USSR will result in the West becoming less dependent on Persian Gulf oil. The former USSR currently has proven oil reserves of 57 billion barrels - 5.6 per cent of the world's total - which are expected to last only 13.6 years at current rates of production. By contrast Saudi Arabia possesses 257.6 billion barrels of proven oil reserves - 25.5 per cent of the world's total - which will last well over a century at current rates of production. 55

The Gulf war has left the United States with the problem of protecting its security interests in the Persian Gulf for long term. These interests include the continued supply of oil at reasonable prices, the security of the Gulf Co-operation Council (GCC) states and the prevention of a single power from gaining control over the bulk of the Gulf oil reserves and using the revenue to undermine the regional order.

In the aftermath of the Gulf War, the United States has suggested that several step be taken to promote stability in region (1) The GCC states should improve their overall defensive capabilities and accelerate the integration of their plans and programmes for the defence of their territory (ii) the United States should strengthen its military ties with GCC states and maintain a limited
military presence on the peninsula third the United States should work with the GCC in developing a greater role for regional and extra regional actors, principally Egypt, Britain and France. 56

The Gulf war proximate economic cause as well; the simultaneous demands of Iraq's military procurement programme, debt service, economic reconstruction and high levels of civilian consumption in a period of falling oil prices.

US policy makers believed that the presence of an outside power is needed to maintain a stable balance of power in the region. By virtue of its vital interest in the area, long-standing ties to the GCC States, clear disinclination to interfere in the domestic politics of regional states and military power, the United States, in conjunction with its Western allies, is best placed to play the balancing role in the region.

The US moreover, will have completed agreement in the near future will all the GCC States, under which it will be able to store military equipment, stage aircraft, bunkership and exercise with GCC military forces.

The reluctance of Congress to sanction US involvement in Desert Storm, the Strategic importance of the Persian Gulf will likely ensure that the requisite forces are available for use in a future crisis. Britain
and France will also continue to view the region as vitally important, although differences are likely to emerge about how best to secure Western interests there. The fact that both countries may not have heavy forces to spare in the future could hamper a Western response to a severe crisis in the Gulf. United States thinking in terms of converting the Persian Gulf into an American lake. It therefore started building the military power of the Shah of Iran while still considerably depending on Britain to maintain "order" in Persian Gulf region.

Both the Truman doctrine of 1947 and Eisenhower doctrine of 1957 aimed at consolidating America's position in the so-called "northern tier" which is also the southern tier of the former Soviet Union. Nixon doctrine of 1969 though not specifically designed for the area was implemented there "in the arming of the Shah and the Saudis. Of course, the Carter doctrine of 1980 is specifically related to the Persian Gulf.57

The alarmist American perceptions of former 'Soviet threat' to Gulf security of which the Carter doctrine and Reagan's statement that the former Soviet Union "underlies all the unrest that is going on" are the high water mark, eminently suit the munition makers of the US-Increased US arms to the Persian Gulf countries is an effective method of siphoning back the petro-dollars earned by the oil producing countries of the Gulf.58
Iran-Iraq war is being evaluated by American publicists like Peter Duignan and L.H. Gann of the Hoover Institution on War, Revolution and Peace at Stanford University, as "valuable in splitting the steadfast front" and creating conditions conducive enough for "American military buildup". The Iran-Iraq war is being looked upon as "a chance to rebuild its power and prestige in the West Asia". The reported provision for $30 billion by the six member states of the Gulf Cooperation Council to sustain Iraq in its war against Iran must have cheered up the US munition makers and their patron in the Pentagon.

American interests in the Gulf region related on the one hand to oil reserves in the Gulf and on the other hand to Gulf's geo-strategic position on the south-western flank of the Soviet Union. The oil deliveries from the Gulf States today meet a substantial percentage of energy requirement of Western Europe, Japan and even the US. From gaining control of the region the significance of the Gulf the world's oil supplies points to the geo-strategic necessity of preventing the former Soviet Union.

The Truman Doctrine (1947) and the formation of Baghdad Pact including Turkey, Iran and Iraq (besides Britain and Pakistan) had all been the part of American strategy to 'defend' its oil interests in the Gulf region.
US developed a vasted interest in the protection of Iran and Saudi Arabia in the process of building a strong hold over the Gulf region which between them accounted for about 2/3 of West Asia oil production Iran's geographic proximity with the former Soviet Union, its geo-strategic importance in the protection of the oil rich states of the Gulf and its being free from the anti-Zionist obsessions were considered useful in the advancement of US economic and military interests in the region.

The third dimension to US military strategy in the Gulf is provided by Israel. Its linkage with the economic and strategic objectives of US in the Gulf region.

In the US strategic calculations Palestine prior to the World War II was considered as an area of British interests and domination. US strategic interests in the region began to grow in the wake of World War II. Since then it maintains very very strategic relations with Israel as almost from the birth of Israel (1948). The US administrations have provided all kind of assistance, political, economic and military to Israel.61

Israel has become the dominant military power in the West Asia' Israeli requirements and interests and of guaranteeing survival, this capability has also been instrumental in furthering the military and security interest of the West in the region.
Israel's extensive military capabilities, combined with its political stability, makes the country an important regional ally. It has been perceived by some analysts and officials as a deterrent to former Soviet expansion south toward the Gulf and into the Mediterranean. In Alexander Haig's view, israel is a strategic asset whose "very existence serves to deter Soviet aggression".  

Major US foreign policy objectives in the West Asia appear to be to avoid direct military confrontation with the former Soviet Union to minimize former Soviet influence and maintain the balance of power to protect US oil interests and to maintain the existence of the State of Israel.

Israel has made a great contribution to US political and military interests in the Persian Gulf because of its geographical location. It can be easily be reached by shorter sealanes through Mediterranean (a much shorter supply route than the one around the Cape), it has two modern ports that can handle any loads in a short period of time, and it can offer excellent land connections from the Mediterranean to the Red Sea if and when the Suez Canal should be closed to US shipping.  

Israeli military power and invaluable military experience make it one of the strongest countries in the world today. To protect the interests of the Western world
it could be expected Israel to fight besides the United States. Since the end of IIInd World War Israel's military strength may be one of the best long-range, security investment, the US has made anywhere in the world.64

The United States in cognizance of former Soviet military presence in Afghanistan and its having relations with Israel stepped up the American arms buildup in the region.

When Israel came into being on 14 May 1948 US immediately recognized it. The American commitment to the Zionist aroused widespread resentment in the Arab capital and many oil states threatened to cut off oil exports to the which supported Israel.

in the after maths of the 1967 Arab-Israeli war almost the entire politically expressive Arab World opted for a pro Soviet Orientation israel came to be regarded along with Iran and Saudi Arabia as a most important pillar of the US power in West Asia since the June 1967 war,

The 1973 Arab-Israel war to a dramatic expansion of American influence in the Arab World and the Gulf region. The more support the US gives to Israel the better is the climate for Russians in the region, Israel is the opening through which the Russian slip into the Arab World.

"Israel is a strategic asset for the US" Ronald Reagan told the American Jewish Press Association during the presidential campaign of 1980." Strategically speaking,
the Gulf War raised important question for Israeli strategists and defense planners felt the need to reassess their security doctrine. First and foremost, strategists wondered whether or not Israel's deterrence was adversely affected as a result of the government decision not react to Iraq's provocation. Some Israeli insist that the Gulf War has proved that this argument had lost much of its validity since the Scud missiles reached the heart of Israel. Peres for example, has always argues that strategic depth is meaningless without a peace treaty.

The availability of large oil deposits had turned the Arab boycott of Israel into a far less effective weapon. Iraq was in no position to impose oil embargo on the west during the war. Japan's decision to become freeradlier with Israel was largely dictated by her determination to improve her relations with the US, however the Gulf war increased the tension between the US and Japan. Anxious to improve their relations with the US Japanese leaders understood that expanding lies with Israel would be an important step in that direction.

The decline of pan-Arabian accelerated by the Gulf War has resulted in better relation between Israel and Asian countries. obviously the end of the Cold War is partially responsible for this turn of events, however, the Gulf War accelerated the process.
Iran's geographical location has always been a bridge between East and West between Asia and Europe and for that matter between Asia and Africa, and the Gulf, the main trade between Europe and the Indies and the far East, has always been the scene of simmering conflicts gripping numerous old and new, small and middle great and super powers (US and former Soviet Union). 68

Prior to 1971, Great Britain had maintained the peace and security of the region. British influence in the area now declined, the United States moved in as the principal defender of Western interests in Iran as well as in the Gulf region in general. These interests were as follows: 69

1. the maintenance of peace and stability in the region;
2. free access to and transit through the entire area;
3. the development of oil resources;
4. the preservation of the area from unfriendly foreign influence and domination; and
5. the case of bases in the event of war.

US in much better position to counter former Soviet pressure on Iran. Since Britain's departure from the region in 1971 the security of the Persian Gulf has been problematics. In the past two decades have pressures ended
with Britain's withdrawal from the Persian Gulf in 1971 and the collapse of the Soviet Union 20 years later.

What is Iran's strategy in the area, and is it likely to lead to, or accommodate, collective security? It can be reduced to a few principles (1) get in on the ground floor of any regional security structure. Steer the organization away from too close a Western alliance and minimize the possibility that it will be configured as an alliance against Iran (2) emphasize the littoral states as the appropriate members for regional cooperation and attempt to exclude other regional powers (such as Syria and Egypt) that might dilute Iran's power (3) convert the regional organization into an interest group for asserting its rights in the West Asia and Islamic World, in oil and world politics and in assisting other states or areas in their Liberation (4) minimize the US role as the balancer in the region (5) build up leverage over Saudi Arabia so as to influence oil questions finally await that Iranian leaders see as the inevitable revolution on the Arabian Peninsula.

Following two wars and two interventions by external states in the Persian Gulf, there is still no consensus on the nature of the security threats, whether external or internal. Both Iran and Iraq have been threatening in the past two decades. Saudi Arabia considers both Iran and Iraq to be rivals.
Iranian-Arab relations in the Persian Gulf carry a heavy burden, in part the legacy of distrust shown by relations with the Iranian government in the 1980s. As the Iran-Iraq war, the Mecca episode of 1987 and the Kuwait episode of 1990-91 have all shown, the 'axis of Islam' is an inadequate organizing principle when Islam itself is divided.

The end of the Cold War has ushered in a new more fluid period of international politics. Iraq's annexation of Kuwait may not typify the kind of behaviour to be expected in the region in the future.70

Iran felt deprived of 'natural status' and stymied by Great Britain's presence and its mission of 'protection' of the Arab Sheikhdoms in the Persian Gulf. According to its own interest Britain resisted Iran's claims and secured or created 'frontiers' and Iran therefore, shares with many states the view that West Asian frontiers were essentially product of colonialism. From 1930 to 1970s Iran's claims in the Gulf to Bahrain and the Abu Musa and Tunb Island. In 1970-71 by contrast, Abu Musa and the Tunbs appeared to be strategically important and Iran insisted on a settlement before its recognition of the United Arab Emirates (UAE).71

In the post Cold War era, Iran is more preoccupied by the possible unravelling of neighbouring states such as
Afghanistan and Iraq and of changes to the map that might see the emergence of new states. The Iranian government has tended to see the international community's interest in limitations on state sovereignty, minority rights and 'failed' states as a possible new strategy aimed at weakening Iran.

The fundamental shift in political geography of the lands beyond Iran's northern flank, from former USSR to a number of new and independent Muslim Republics, is bound to stimulate considerable adjustments in Iran's regional political behaviour. The new Muslim states of Transcaucasus and Central Asia and landlocked with no prospect of an easy access to the free waters of the world. Their need, in this respect, has hitherto been met through interactions with in the former Union of Soviets.

geographically, it is worth observing that all independent Muslim republics of the former Soviet Union are landlocked with little prospect of easy access to the open sea of the world. Kazakhstan, Turkmenistan and Azerbaijan have access to the Caspian Sea together with Iran and Russia. Though the Caspian is but a closed sea, it can encourage maritime trade among the littoral nations. In early December 1997 an agreement was signed between Iran and Turkmenistan and the neighbouring republics allowing these republics to extend their railway network to the Persian Gulf via Iran.
The Persian Gulf presents a unique model for a geopolitical region. It includes nations varying culturally, but with similarities of political and economic preoccupations. This region includes, Iran, Iraq, Saudi Arabia, Oman, Kuwait, UAE, Qatar and Bahrain. Apart from these countries, littoral to the Persian Gulf, Pakistan, geographically situated near the strait of Hormuz and the mouth of the Persian Gulf, has substantial trade and labour exchange interests in the region. In order to facilitate the expansion of its cooperation in the Persian Gulf, Pakistan has for many years sought closer ties with Iran.

Iran as an ally of the West and used the U.S. - former Soviet rivalry to its strategic advantage in political and economic spheres, for most of the Cold War period.

As Iran focuses on reconstruction of its economic base in the post-Khomeini and post-Cold War era. Since 1990 the trade with US has expanded. Iran's choice of economic partners, given its huge market of the foreign powers with the best opportunity to emerge as leading actors in the Persian Gulf arena.

Moscow has expressed its desire to maintain a prominent role in West Asian affairs. Russia also seems intent on exchanging its strategic leverage in the Persian Gulf. Russia has developed cordial relations with the Gulf
Cooperation Council (GCC) States including Saudi Arabia which never established full diplomatic relations with the former Soviet Union. The Persian Gulf crisis (1991) was a turning point. The GCC States awarded the then Soviet Union large loans and other types of financial assistance for its support of the anti-Iraqi coalition. In 1989 with Iran they signed a multi-billion dollar economic and military pact.

During the recent war with Iraq as witnessed the US-European relations with respect to the Persian Gulf has been oscillating between cooperation, and lively competition, as in arms sales to the Gulf States. The United States remains the most prominent and influential foreign power in the Persian Gulf.

The US led coalition's victory against the Iraq the ensuing series of bilateral defence arrangements, with Saudi Arabia, Kuwait and Bahrain the monopoly of arms sales to the GCC States and the dominance in Kuwaiti reconstruction contracts have guaranteed US active presence in the region for the future.

In the 1990s Iran remains skeptical of the American involvement in the region. Relations between the two nations have been tainted with misperceptions of each other's, intentions, mutual distrust and at times even hostility since the Revolution in 1979.
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