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Price
\$4.00



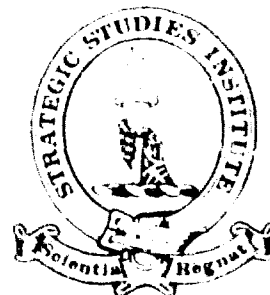
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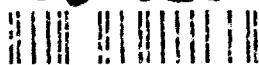
OIL AND THE NEW WORLD SYSTEM: CENTCOM RETHINKS ITS MISSION

Feb 11, 1993

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93-02551



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REPORT DOCUMENTATION PAGE				Form Approved OMB No. 0704-0188	
1a. REPORT SECURITY CLASSIFICATION Unclassified			1b. RESTRICTIVE MARKINGS		
2a. SECURITY CLASSIFICATION AUTHORITY			3. DISTRIBUTION / AVAILABILITY OF REPORT		
2b. DECLASSIFICATION / DOWNGRADING SCHEDULE			Approved for public release; distribution unlimited		
4. PERFORMING ORGANIZATION REPORT NUMBER(S) ACN 92054			5. MONITORING ORGANIZATION REPORT NUMBER(S)		
6a. NAME OF PERFORMING ORGANIZATION Strategic Studies Institute		6b. OFFICE SYMBOL (if applicable) AWCI	7a. NAME OF MONITORING ORGANIZATION		
6c. ADDRESS (City, State, and ZIP Code) U.S. Army War College, Carlisle Bks Carlisle, PA 17013-5050			7b. ADDRESS (City, State, and ZIP Code)		
8a. NAME OF FUNDING / SPONSORING ORGANIZATION		8b. OFFICE SYMBOL (if applicable)	9. PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER		
8c. ADDRESS (City, State, and ZIP Code)			10. SOURCE OF FUNDING NUMBERS		
			PROGRAM ELEMENT NO.	PROJECT NO.	TASK NO.
11. TITLE (Include Security Classification) Oil and the New World System: CENTCOM Rethinks Its Mission (U)					
12. PERSONAL AUTHOR(S) Johnson, Douglas V., and Pelletiere, Stephen C.					
13a. TYPE OF REPORT Final		13b. TIME COVERED FROM _____ TO _____	14. DATE OF REPORT (Year, Month, Day) 92/12/08		15. PAGE COUNT 38
16. SUPPLEMENTARY NOTATION					
17. COSATI CODES			18. SUBJECT TERMS (Continue on reverse if necessary and identify by block number)		
FIELD	GROUP	SUB-GROUP	U.S. Central Command (CENTCOM); Persian Gulf; Iraq, Iran, Saudi Arabia; Gulf Cooperation Council (GCC); cold war; Somalia; international		
19. ABSTRACT (Continue on reverse if necessary and identify by block number) The authors attempt to define the role of the U.S. Central Command (CENTCOM) in the 1990s now that the United States remains as the single superpower. The authors argue that the loss of the Soviet Union as a foe of the United States has not diminished CENTCOM's role as the guardian of the Persian Gulf. The new international system that has replaced bipolarity cannot survive without oil from Saudi Arabia. The industrialized West not only must be assured of dependable supplies but also of acceptable prices. As long as Iran and Iraq remain recalcitrant enemies of the Gulf monarchs and the West, a constant threat is posed to U.S. interests. The argument is rejected that Saudi Arabia and the other Gulf Cooperation Council (GCC) states can defend themselves; only CENTCOM can do that. However, at a time of shrinking financial resources, economies must be made. The solution is to focus all of CENTCOM's efforts on the Gulf, abandoning practically all other					
20. DISTRIBUTION / AVAILABILITY OF ABSTRACT <input checked="" type="checkbox"/> UNCLASSIFIED/UNLIMITED <input type="checkbox"/> SAME AS RPT. <input type="checkbox"/> DTIC USERS			21. ABSTRACT SECURITY CLASSIFICATION Unclassified		
22a. NAME OF RESPONSIBLE INDIVIDUAL Marianne P. Cowling		22b. TELEPHONE (Include Area Code) (717) 245-3234		22c. OFFICE SYMBOL AWCI	

UNCLASSIFIED

18. SUBJECT TERMS (Continued)

system, bipolar system

19. ABSTRACT (Continued)

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UNCLASSIFIED

**OIL AND THE NEW WORLD SYSTEM:
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December 8, 1992

Accession For	
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Unannounced	<input type="checkbox"/>
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Distribution /	
Availability Codes	
Dist	Avail and/or Special
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DISCLAIMER

This study was commissioned and funded by U.S. Central Command, Office of the CCJ-5, as one part of the CENTCOM 2000 Project.

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OF THE AUTHORS

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SUMMARY

This study argues the thesis that the loss of the Soviet Union as a foe of the United States has not diminished the role of the U.S. Central Command (CENTCOM) as the guardian of the Persian Gulf. The new international system that has replaced bipolarity cannot survive without oil from Saudi Arabia. The industrialized West not only must be assured of dependable supplies but the price also must be acceptable.

As long as Iraq and Iran remain recalcitrant enemies of the Gulf monarchs and the West, a constant threat is posed to America's interests.

The study rejects the argument that Saudi Arabia and the other Gulf Cooperation Council (GCC) states can defend themselves. Only CENTCOM can do that. However, at a time of shrinking financial resources, things cannot go on as before--economies must be made. The solution, the study finds, is to focus all of CENTCOM's efforts on the Gulf, abandoning practically all other responsibilities, which now are relics of the cold war.

In effect, CENTCOM must become the Gulf's policeman, a function it will perform by mounting constant patrols. As for crises, CENTCOM will respond to these from a new doctrinal perspective, one that takes into account the revolutionary changes in the international system.

The study concludes with a warning about missions like Somalia--they conflict with CENTCOM's main mission which is guarding Gulf oil. Thus, Somalia type operations should be approached with extreme caution, and under no circumstances should they be allowed to escalate because they have the potential to wreck the system.

OIL AND THE NEW WORLD SYSTEM:
CENTCOM RETHINKS ITS MISSION

Introduction.

This study attempts to define CENTCOM's role in the 1990s, now that only a single superpower, namely the United States, remains. What is the significance of this? What does America do differently now than under a bipolar system? And is the United States, as some contend, all-powerful? Is it the unrivalled world leader? The Hegemon?

There is no doubt that, in purely military terms, America's position is unassailable. No state--or even a combination of them--can defy it militarily. It does not follow from this, however, that Washington can do as it wishes, that it can unilaterally manage the affairs of the world. America is subject to constraints which have come into play with the recent system change.¹ The United States as a world leader must observe these constraints. Otherwise its interests--and those of the whole international community--will be jeopardized.

CENTCOM commanders need to understand how relations among states have been transformed, and also how the concept of threat has changed. Behavior formerly viewed as threatening (in the days of the cold war) is now virtually of no consequence. At the same time, new and dangerous threats have arisen that must be met.

This study seeks to guide CENTCOM commanders through an era of great uncertainty by uncovering the forces driving the system that is coming into being. Understanding the new system should enable CENTCOM to perform its mission more effectively.

Organization.

The study is divided into two parts. In the first, we look at how the international system is ordered, comparing the situation of the cold war to conditions today. We discuss the heightened importance of economics under the new world order, and the role of Saudi Arabia in this regard. We argue that destabilization of Riyadh would wreck the world economy, and thus CENTCOM's mission is more vital now than ever. In the study's second half we consider specific threats to the Gulf, and ways of countering these. Here, we discuss military applications.

We begin by examining the phenomenon of power balancing, the mechanism whereby stability was maintained in the days of the cold war. Then we look at the mechanism that has replaced balancing.

The Old and the New.

The Old System of "Balance." Earlier this year, CENTCOM sponsored a symposium at which several speakers discussed "balance of power under the new world order."² This, of course, was a contradiction in terms. How can there be a military balance in a world where power is overwhelmingly possessed by one party? Whom could the United States find to balance with? And indeed, why would it want to balance with any one?

In the new age, military balances are dead; they are things of the past. Balancing is what states did when power was defused throughout the system; today, power (and we are referring here specifically to military power) resides predominantly with the United States.

This is the first changed reality to which CENTCOM planners must adapt--the old balance of power style of politics is phasing out, to be replaced by something new. To understand this new "something," we need to be clear what constituted the old system.

Under the old system of balance, states were all more or less equal, in power terms.³ Thus, their main preoccupation lay in insuring that no one could threaten the others' survival by becoming, in effect, a superpower.⁴

To ensure that this did not happen, states engaged in a form of behavior that essentially was negative, i.e., balancing. They formed alliances against each other; they armed themselves to offset each other's strength. This constant maneuvering to score an advantage over one another is what made for the anarchical condition of international politics, and this anarchy, in turn, colored all of international relations--the major preoccupation of states was with security.

Now everything has changed. Through an extraordinary combination of circumstances, one state has achieved a preponderance of military power, and this has halted the competition.⁵ No state need vie with the United States for military supremacy--Washington's power advantage is too great; indeed the gap cannot be closed--at least not in the near term, and probably not for some time.

The result is that the system no longer is anarchical--it is not quite hierarchical either (for reasons that we will go into below), but, it is more than anything else.⁶

In fact, the system is in a state of transition, and how it will shake down is anybody's guess. This much is certain, however--something has replaced balancing as the mechanism whereby stability is achieved. We need to know what that new mechanism might be.

The Consensus System. To see how stability is maintained in the post-balance of power world, we must look at the recent Gulf crisis. Having determined that Iraq should be expelled from Kuwait, the United States lobbied the other great and powerful states--and some small, crucial ones as well--for a military response to aggression.⁷

With some states it did not need to do much convincing--they already agreed with its proposals.⁸ With others, some arm twisting was necessary, and with a few it is probable that actual threats were conveyed.⁹ In this last instance, some of the holdouts were Iraq's allies, who could not be expected to go along unprotestingly.

In the case of others, however, something much more fundamental made them withhold support--they feared the precedent that would be set were the United States to get its way. The United States was seeking to use force, which meant--ultimately--that Iraq's sovereignty would be violated.¹⁰ It did not matter that Iraq had trampled on Kuwait's sovereignty by its invasion. The belief was, if the United States were given authority to invade, a precedent would be set which, at a later date, might be used against other parties closer to home.

In overcoming the holdouts' objections, the United States advanced a counterargument of its own, that survival of the existing international system outweighed every other concern. This was a revolutionary departure for the United States to have taken, and it was only able to succeed because of the extraordinary economic interdependence of today's world.

The great and powerful states that dominate international politics share common values and outlook; they do so largely because all have a substantial stake in the capitalist system. Under it, the world economy is integrated, or, as frequently described, it has become global. Consequently any shock to the world's financial markets affects all of the major industrialized states, giving them an interest in seeing that shocks do not occur.¹¹

In the Kuwait crisis, the industrialized states perceived that Iraq's aggression gave Baghdad what amounted to a stranglehold on the world's oil line. Were it to retain control, it would become practically an oil czar, displacing Saudi Arabia as leader of OPEC. This fear caused the coalition states to form a consensus against the Iraqis.

This type of operation, namely consensus-forming, is the new mechanism that has replaced balancing. Recall--we said earlier that balancing was a means whereby states sought to protect themselves. Consensus-forming, too, is a means of ensuring protection, but, since it is done through cooperation, it is a positive, not negative thing.¹²

A great deal of confusion has arisen over the term "hegemon," which came into use with the original consensus.¹³ The claim was made that America forced the coalition to make war on Iraq. By so doing, Washington exhibited its hegemony, a term equated with domination.

To be sure, the United States did take the lead in all of the activity that went on. But this was only natural considering it had the largest stake in the world economy, and therefore the most to lose by Iraq's action. In addition, it was the state with the most powerful military, thus the logical candidate to lead operations on the peninsula.

But while taking notice of what the United States did, let us also be aware of what it did not do. Once the mission of the coalition was accomplished--i.e., the ejection of Iraq from Kuwait--the United States did not occupy Iraqi territory; it ordered an immediate pullout of its forces to the Arabian peninsula. It did this because occupying Iraq was not part of the consensus, and Washington did not feel justified to supersede the terms of that original agreement.

President Bush subsequently absorbed much criticism from segments of the American media and various partisan politicians for having withdrawn. The claim was made that Saddam should have been toppled, that the coalition should have gone "all the way to Baghdad." But had it done so, this would have undercut the principle by which it had been empowered to act--that of maintaining system stability. System stability is not upheld by eliminating a system member, even such an obvious renegade as Iraq.¹⁴

In addition, going all the way (to Baghdad) would have confirmed the fears of those states that initially refused to join the consensus--the fear that the United States sought to aggrandize itself, and that the whole DESERT STORM operation was a setup to secure American control of Iraq's rich oil resources.

Anyone who cannot see the virtue of our having withdrawn from Iraq does not understand what the new consensus system is all about.

What Is Done, and What Not. The foregoing addresses the argument that Washington must now guard the peace of the world. According to this view, America has become the ultimate arbiter of disputes, which will require it to commit forces wherever international stability is disturbed.¹⁵

A moment's reflection will show this is not the case. For example, consider the current crisis in Yugoslavia. There, numerous voices have been calling for military action; this has not happened. Indeed, U.S. policymakers have resolutely resisted military involvement, arguing that Serbia is not an instance of the system's survival being jeopardized.¹⁶

Another recent case was Libya. Here, it was the United States that wanted to move against Qadhafi, but some other important states refused to go along. Again, the argument was that nothing Qadhafi had done put the system at risk.¹⁷

It would appear, then, that there are brakes on the U.S. ability to take large-scale military action. It must either form a consensus before it does so, or allow itself to be drawn into a consensus that others have shaped. Put simply--no military action without consensus; no consensus without a clear and compelling threat to the system. (See Figure 1.)

But why should this be? If the United States is so powerful militarily, why can it not do whatever it pleases? Because, for the world economy to function smoothly the important states must trust each other. In a situation where the strongest power claims the right to act unilaterally, such trust cannot function. To be sure, the other states could not possibly retaliate militarily against the United States, however they could hurt us in other ways.¹⁸

Why do not the economically strong states, like Japan and Germany, simply take over from the United States? Why do they simply not push the United States aside, and run things themselves? In the first place there is no guarantee they could do this. Being economically strong says nothing about one's ability to act militarily. And, as for destroying the United States economically--what would be the point of that? We have just said the world is economically integrated. To wreck America's economy would be to hurt themselves.

But putting this aspect aside, what would persuade them to act this way in the first place? They are benefiting from the present setup. They may not be deriving as much benefit as the United States, but they are doing well. There is no percentage in mobilizing the immense resources it would take to supplant us.

In addition, someone would still have to provide the military means to undertake operations like DESERT STORM. Neither Germany or Japan have this capability. Why should they take on themselves the cost of raising a huge military establishment when they have the United States to do it for them?

But then why should the United States do it? Essentially, because it has no choice. As the unit with the largest stake in the system, i.e., the one most dependent on it, America must do everything necessary to see that the system survives.

This is a way of saying that today economics rules. Whereas during the old balance-of-power days everything was subordinated to security, now states mainly are interested in escaping a worldwide depression. To do this all the great states must cooperate. As a consequence, today there is less mistrust among



without
CONSENSUS



without
THREAT

Figure 1.

nations--or at least, there is a compulsion among states to talk things over before resorting to force.

At the same time, the range of issues states will go to war over has been sharply reduced; only certain types of threats fit this category. Having raised this topic of special threats, we are ready to discuss CENTCOM's role in protecting Saudi Arabia.

The Importance of Saudi Arabia. We have been describing a new system that is coming into being, one that is more hierarchical than it is anarchical and where the system is sustained through consensus. A small group of states, who share the same norms and values--as well as respect for authority--coordinate their efforts to maintain the status quo.

The question arises, who are these states that share in running the system? Or put another way, who belongs to the inner circle? It has been suggested that membership is the exclusive privilege of just seven powers--the so-called Group of Seven--who meet regularly at world summits to discuss common concerns. Membership by other states--particularly non-Western ones--is problematical.¹⁹

This is obviously not true. In the first place, a state like the Netherlands, with its vast holdings in oil and real estate, is as integrated into the system as any one of the seven. But there is an even more outstanding, non-Western member, i.e., Saudi Arabia²⁰ which could be described as the ultimate insider. It owns--or at least controls--the resource on which the Western economy is run. Until the mid-1980s it did so in conjunction with the seven Western companies of the Arabian American Oil Company. However, in 1984, the Saudis bought out the four remaining ARAMCO partners. The four kept their affiliation with the new company, Saudi-Aramco, providing managerial expertise that enabled operations to run smoothly. However, actual control is now in Saudi hands.

Subsequent to takeover, the Saudis for awhile continued operations as before. However, gradually they began expanding into the downstream sector. Besides production at the well-head they developed a refining capacity which put them into the marketing end of the industry. Today, the Saudis are into all aspects of the oil business, and everywhere they cooperate closely with Western interests. The United States does not have to fear shocks from anything the Saudis might do. This was shown by their behavior during Iraq's invasion of Kuwait. Though pressured not to cooperate with us, they did so, extensively.²¹ That the Saudis should ally themselves with the West is understandable--their interests and ours are nearly identical. Indeed, the Saudis are so closely tied into the world economy that any dislocation that the West experiences, they feel as well.

Moreover, in the Saudis' case, cooperation took a quite substantial form--they virtually bankrolled the DESERT STORM operation, contributing an estimated \$61 billion--\$17 billion directly to the United States. The remainder was spent on subventions to states like the Soviet Union, and for incidental expenses like sheltering exiled Kuwaitis for over a year. Without the full cooperation of Saudi Arabia, DESERT STORM could not have succeeded. Having in effect bankrolled this extraordinary operation, Saudi Arabia must be considered a system member. However, we believe Saudi Arabia's role is much more crucial than is generally supposed--where capitalism is concerned, Riyadh is on a par with Wall Street. As long as the Saudis control two-thirds of the world's proven oil reserves it could not be otherwise. In any situation where one unit owns that which all units depend upon for survival, the controlling member may determine the others' fate.²²

By adjusting its production, Saudi Arabia can drive up the oil price--as it did in 1973--or make it plummet, which it did in 1985. Or it can keep the price level, as now, hovering around \$20 a barrel. What happens to the oil price affects all aspects of our economy. For example, a precipitous rise during DESERT STORM would have triggered a ruinous recession in the United States.²³ Serious dislocation was avoided only because the Saudis increased production--to compensate for Iraqi and Kuwaiti oil that had come off market.

Moreover the Saudis are now in the process of making their control permanent. They are gradually increasing their capacity to produce, raising it to 10 million barrels a day, an extraordinary feat considering that throughout the 1980s their maximum production was six million barrels. By expanding their oil production capacity, the Saudis aim to clip the wings of OPEC hawks--states like Iran and Algeria, who would like to inflate the price to finance costly development programs.

In line with this, the Saudis also are increasing their storage capacity in-area; they are proposing to build a strategic reserve on the peninsula. This, too, would serve, in the event of a crisis, to keep the world economy running smoothly. They are building up their refining capacity in the peninsula, as well. Ultimately, this could reduce the problem of pollution in the West, and also increase oil marketing efficiency, making all important operations of the industry centrally located.

So far we have been concentrating on the Saudis' exploitation of their oil wealth, but their handling of their wealth period affects the world economy. After the 1973 oil embargo, they invested their so-called petro-dollars in Western banks. Our economy ran on that money for quite awhile, and indeed petro-dollars still circulate within our financial system.²⁴

It does not seem an exaggeration to say that Saudi Arabia plays a pivotal role in smoothing operations of the world economy. Were Riyadh to be destabilized, or were it--for any reason--to turn its back on the West, all the major financial centers would be thrown into panic.

It comes down to this--of all the areas of the world, CENTCOM's Area of Responsibility (AOR) has the greatest potential to disrupt the "new world order." Indeed, we would argue that it is the only area where, at present, such danger exists.

In a time of shrinking financial resources, when the United States must proceed prudently, only areas that are vital are worth defending militarily. We need therefore to know--are the vital interests of the United States, and of the system, currently at risk in the Gulf, and if so, from whom?

Protecting Saudi Arabia. Protecting Saudi Arabia was not an issue until recently, largely because the Saudi peninsula was safely compartmented from the rest of the world. During the years Britain maintained the Gulf as its sphere of interest, Iraq and Iran were excluded from the southern portion.

Britain endeavored without letup to maintain this buffer. (See Figure 2.) At first it was Iran that pressed to enter the strategic waterway--initially under Reza Khan, the father of the late Shah of Iran; then, later, the Shah himself tried to turn the Gulf into an Iranian lake.²⁵

As for Iraq, it did not focus on the Gulf until the Ba'th Party came to power there in 1968. Once Saddam Husayn took over, Iraq faced southward, probably for all time.

Britain pulled out of the Gulf in 1969, with the announcement that it could no longer afford a military presence there. Nonetheless, the vulnerability of the southern Gulf did not become apparent until later. For awhile the Shah professed to protect Western interests (as President Nixon's surrogate). Then the Iran-Iraq War intervened, and the northern Gulf powers were too busy fighting each other to bother with their southern neighbors. (See Figure 3.) When--against all odds--Iraq emerged victorious in the Iran-Iraq War, becoming, in effect, a regional superpower, it became immediately clear that Western interests were greatly at risk.

Today, there are three effective enemies of the House of Saud, and of the West--Iraq, Iran, and Yemen.²⁶ All three, for different reasons, do not want a Western military presence in the area. We will discuss this situation in greater detail below.

Assuming that these threats exist, why cannot the Saudis handle them themselves? To be sure, the United States could supply them the weapons and training. But it is doubtful the

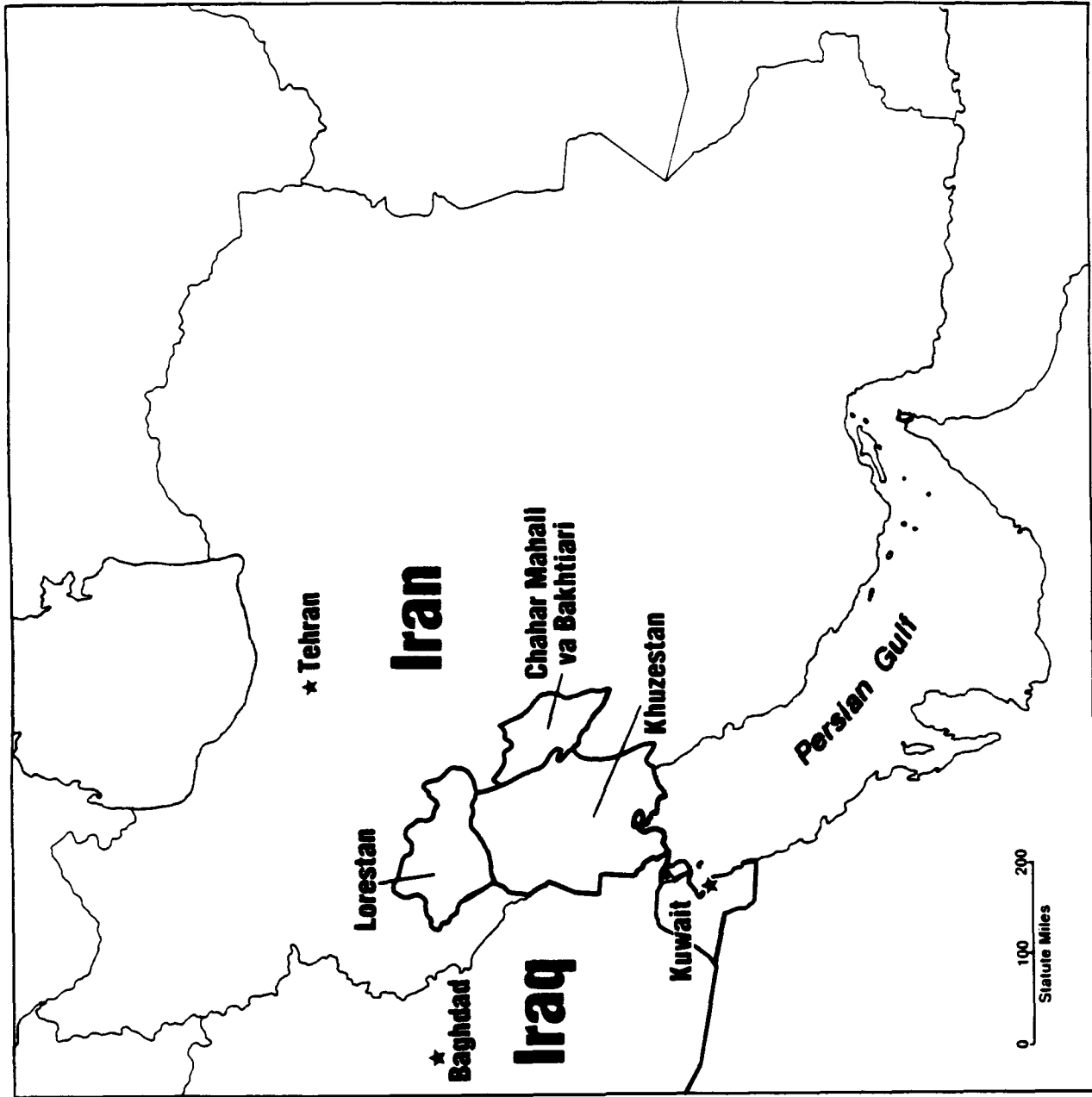


Figure 2. The Buffer - Pre World War II.

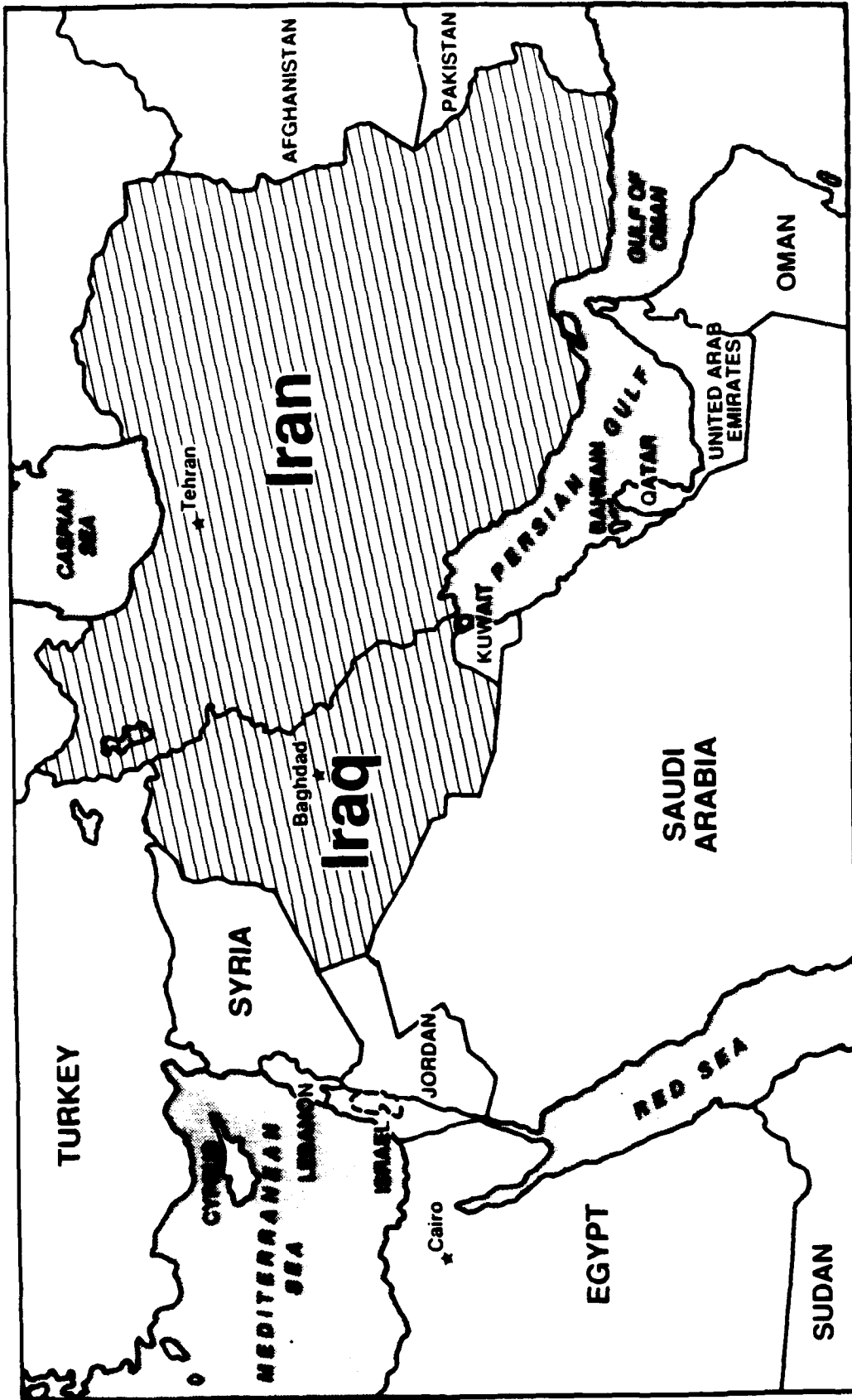


Figure 3. The Buffer - During the Iran-Iraq War.

Saudis--with the most sophisticated weapons and best training in the world--could ever field an army capable of standing up to any one of their enemies. (Yemen, perhaps, but even that is problematical.) The basic lack is manpower.²⁷ We think the Saudis recognize this and have determined, on their own, that they cannot perform this role. The United States should not push them where they do not want to go.

After all, we went through this once already with the Shah. When Nixon made him America's surrogate, he failed to take into account the Shah's unpopular status at home. The latter's efforts to perform as surrogate overtaxed his resources, and, in the end, he was deposed. We do not want to repeat this fiasco with the Saudis.

What about a coalition of Saudi Arabia and the rest of the Gulf Cooperation Council (GCC) states, working together under U.S. direction to protect the Gulf? The GCC states are the residue of the old British Empire. Qatar, Bahrain, the United Arab Emirates (UAE)--all were created by Great Britain in the late 1960s as it prepared to depart the Gulf region. These countries are little more than collections of tribes; they are true Potemkin villages. We do not think that making them the "shield of the Gulf" is a good idea.

Why could not the United States protect the Gulf on the cheap, as it were? Patrol it with ships; stage regular flyovers by U.S. planes--but no land forces. The enemies we oppose will not be impressed by a force that lacks a land component. They saw what happened in Beirut where effectively the United States had no such force, and what happened in Kuwait where it did. The United States is trying to intimidate them and they will not be coerced if we lack a force which, ultimately, can engage them on the ground.

Effectively, what we are saying is that only CENTCOM can guard the Gulf. Very well, but then where does the money come from? The U.S. commitment in the Middle East is way over blown; we can cut it back. During the cold war we feared a Soviet incursion into the area, with the likelihood of World War III. Thus we maintained a high level of readiness. We involved ourselves in the affairs of every petty state--a necessity, as long as the United States and the Soviets were playing a zero sum game.

Basically, CENTCOM's mission will not change--it was always a reactive one and such it will remain. However, it will be much more chary now about where and under what conditions it reacts. That is the major change that will be occurring.

The command has no brief to involve itself in hole-in-the-corner disputes. Neither the United States, nor any other major state, is vitally interested--or even strategically any more--in

countries like Somalia.²⁸ Pakistan and India may clash anew, but this is not a U.S. concern--as long as they do not resort to nuclear weapons. And as for Jordan, it is tied into the Arab-Israeli problem, and CENTCOM can do nothing about that. (We will deal with Afghanistan in the last section.)

CENTCOM should narrow its focus within the AOR. (See Figures 4 and 5.) Its only useful--indeed vital mission is to keep oil moving from the Gulf to the West. This does not require projection of force outside the Gulf proper, except in extraordinary circumstances, which we will consider below.

Even this curtailed mission will be expensive, given the current budget cuts. In the last section we will propose holding regular exercises in the Gulf, something that will require a lot of money--sea and air lift will have to be funded and, along with this, countries like Egypt, which provides the United States with facilities, will need to be compensated. There will not be cash for much besides defending the Gulf.

This brings up an additional matter, related to our proposal to hold maneuvers. Where are these to be held, since Saudi Arabia refuses, for religious reasons, to allow the establishment of a land base on the peninsula?

We will take up this later in the study. Now we want to look more closely at the nature of the threats we are likely to face; this will enable us to specify the sorts of operations that CENTCOM will have to undertake.

The Nature of the Threat. We expect that in any serious threat to Saudi Arabia, the coalition states will reassemble and work out a consensus of how to respond. This will define the particulars of what is to be done, and what is to be avoided, which is in many ways more crucial.

At the same time it is highly unlikely any such serious threat will develop in the near term. Iraq is too traumatized by the recent mauling it took in DESERT STORM, and Iran too weakened after having lost the Iran-Iraq War. Therefore, CENTCOM will not be confronted with full scale invasions, or anything on this order. Rather the command likely will confront a continual series of minor crises.

As Iran and Iraq view the matter they are justified to pursue what they perceive to be their national destiny.²⁹ They have a right, they feel, to open up to the Gulf. America's claims to be regulating the area's affairs for the greater good of mankind do not resonate in Baghdad and Tehran. Moreover, weak as they currently are, the Ba'thists and the Iranian clerics feel they have an advantage over the United States--they are situated in the Gulf, whereas we are located thousands of miles away. Their hope is that the American people will tire of subsidizing

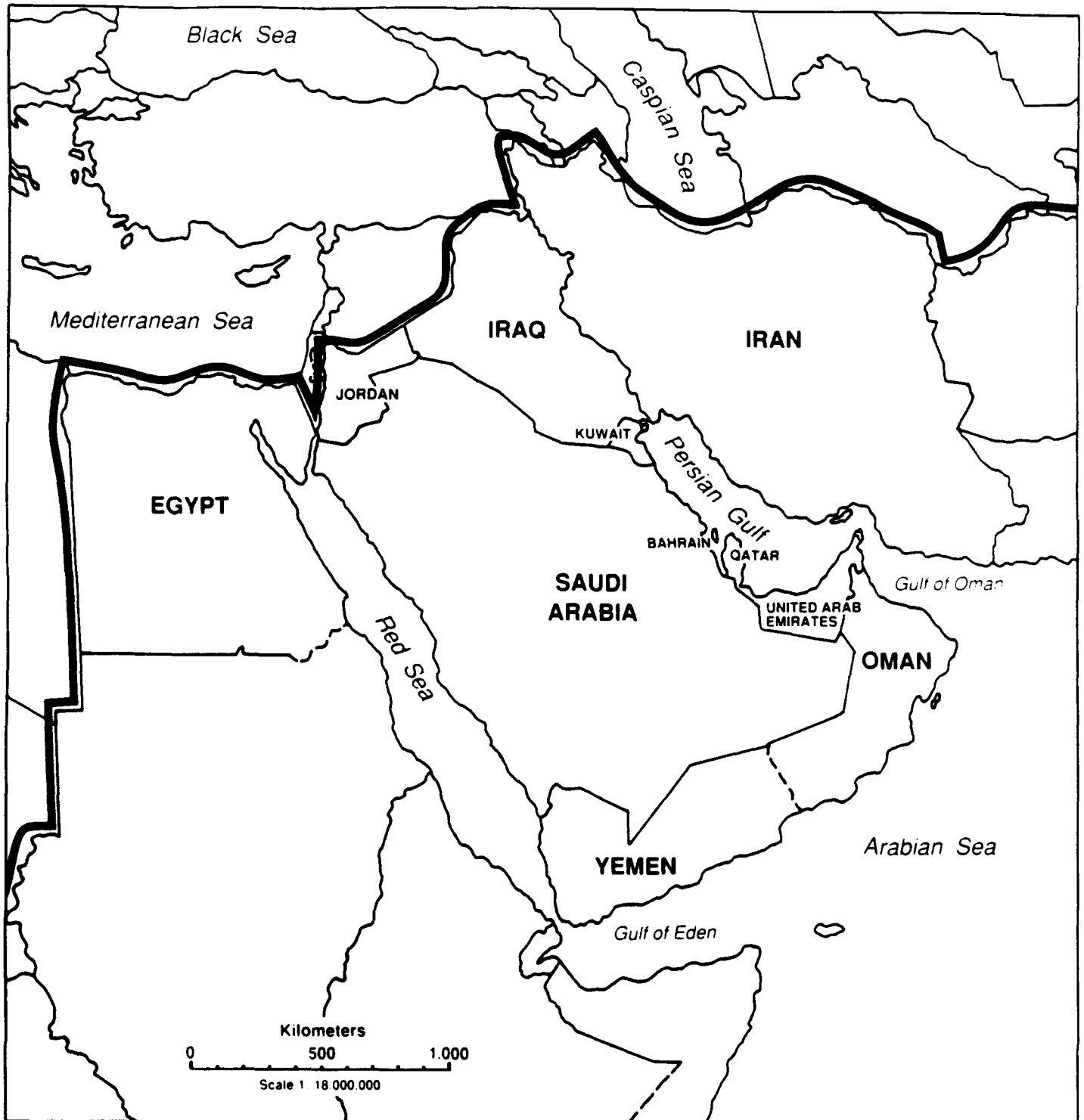


Figure 4. CENTCOM's Area of Responsibility (AOR).

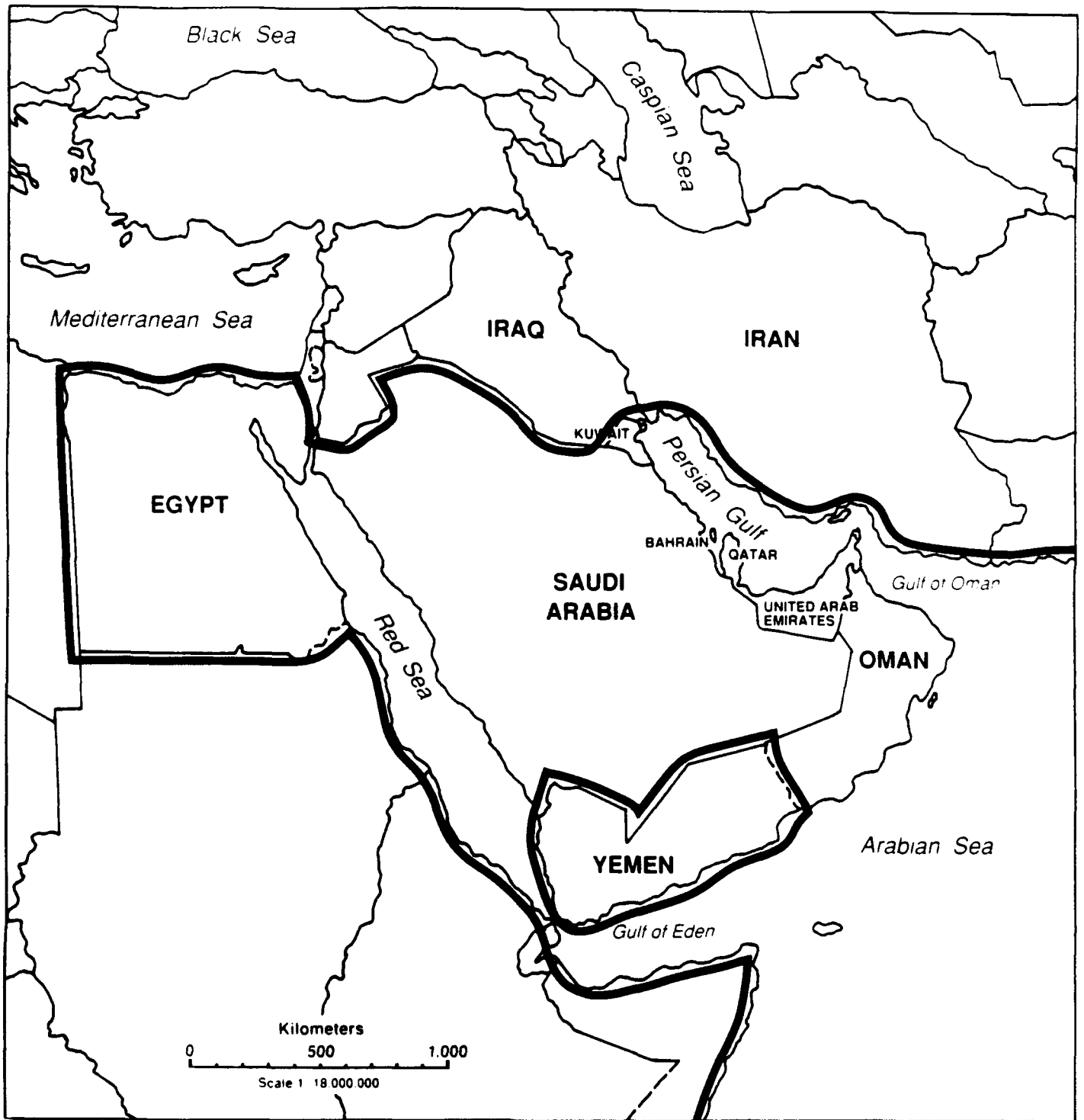


Figure 5. CENTCOM's Area of Concentration (AOC).

the defense of so remote a region, especially if America's economic difficulties persist.

They will, therefore, not hesitate to assert their national prerogatives, as they see them. And this will force the United States, correspondingly, to respond. This constant give and take could over time prove a serious drain on U.S. resources, not to mention will.³⁰ To cite a hypothetical case--Iran may decide to seize the island kingdom of Bahrain--as it recently did three small islands owned by the UAE in the mouth of the Gulf. What does the United States do about this?³¹ If we let the seizure stand, others of the Gulf monarchies may feel themselves imperiled. Consequently, we are obliged to overturn this aggression.

Effectively, we have to oppose our determination not to countenance certain types of behavior in the Gulf against the northern states' view that--since the Gulf is part of their sphere of influence--they are justified to promote their interests in the region.

In the next section we will discuss specific methods of dealing with such eventualities. But first we must make clear what the United States cannot do, because there are some quite strong constraints that hold it in check. For example, it has been suggested that, in the case of Iraq, the United States could simply overthrow the regime of Saddam Husayn and install a government more to U.S. liking.³² We will not do that. Why? Because any government we set up, we must pay for, and economic conditions will not permit us to bankroll yet another Middle Eastern government when we already are contributing substantially to the support of the Israelis and the Egyptians.

What about Saudi Arabia and Kuwait? Would they not be willing to shoulder this expense? First of all, these two states are presently bearing enormous financial burdens.³³ Saudi Arabia laid out \$61 billion for the Gulf War and in the process incurred many onerous obligations--for example, it must subsidize Egypt, Syria and Turkey for their participation in the DESERT STORM coalition.

Saudi Arabia and Kuwait may not want the additional expense of maintaining a puppet regime in Baghdad. Also they probably do not view this as something they ought to do. As long as Israel is hovering on the fringes of the Gulf, they may not wish to do the Israelis a favor by destabilizing one of their most recalcitrant foes.

Why then do we not further the efforts of the Kurds to subvert Baghdad? Let them destroy the Ba'thists from within. A common misconception about Iraq is that it is made up of just two ethnic groups, Arabs and Kurds. In fact, all sorts of ethnic, tribal and religious groups exist there.³⁴ If we promote the

dissolution of Iraq, we risk turning it into another Lebanon. Iran, Syria, Israel, Turkey--all will rush into the power vacuum, making it impossible for the United States to exert control. Recall--the name of the game here is control. We are trying to control what goes on in the Gulf in order to maintain the status quo in the region.

The Europeans, the Japanese and Canadians--would they not help the United States out? The original consensus specifically forbade the destabilization of the Iraqi government, or the occupation of any part of its territory. U.S. partners have given no indication they have changed their thinking on this.

What does the United States do, then, if none of the approaches will suffice? There is a solution, one which plays to our strong suit. We have stressed that the world today is economically integrated. Thus it is a relatively simple matter to monitor--and to a certain degree control--cash flows anywhere in the world.

The United States and the other rich and powerful states can coerce Iraq and Iran by manipulating various economic levers. We can mount embargoes against them; we can prevent them from conducting normal commercial transactions and, wherever necessary, can prevent them from selling their oil.³⁵ If, at some later date we decide to let up on them--as a reward for good behavior--we can do that, too. But what is it that we are asking of them? Basically, that they stay out of the lower Gulf, and that they agree to let us look out for that area's security.

And where does CENTCOM come in? What the United States is asking the Iraqis and Iranians to do is not at all palatable to them; they are unlikely to go along, easily. Whenever nonviolent coercion fails, CENTCOM will have to apply more forceful means; it will be up to CENTCOM to compel compliance.

The advantage of operating thus is that it saves the United States money. We already have the sophisticated means to track financial exchanges, and our close ties with other major powers ensure that they will cooperate with us. Thus, Iran and Iraq will be hard put to resist a campaign of this nature. Moreover, the longer they hold out, the more their economies will suffer.

The mission of CENTCOM should by now be clear. It cooperates with various civilian agencies (of the United Nations, the World Bank, and the U.S. Government) to coerce the states of Iraq and Iran into preserving the stability of the Gulf. CENTCOM's specific role is to take over the coercion process whenever a crisis arises (we define a crisis as the condition that develops when peaceful coercion methods fail).

But, does not this put CENTCOM in the position of acting like another Israel in southern Lebanon--constantly conducting

cross border raids, and bombing "terrorists bases?" No, because Israel wants to physically possess the Lebanese territory. We want nothing from either Iraq or Iran, and therefore no reason exists why we should become bogged down there. We have all the oil that we need in the southern Gulf.

We said earlier that CENTCOM's role was reactive. The command does not initiate hostilities against any state unless it is provoked to do so, and then it strikes hard and fast and once the check has been administered withdraws to the peninsula. Occupation of foreign territory is out of the question. Administering force in response to specific provocations is a policing function. And this, we feel, is a perfect way to describe what CENTCOM will be doing throughout the decade--it will be policing the Gulf.

For years the Gulf was a British sphere of interest. When they left, they handed the job of protection over to the Shah. Now, the United States is doing the job. And the first thing we must do--if we are to perform effectively--is establish a visible presence in the region. We will begin our study of military applications with a discussion of forward presence in the Gulf.

Military Applications.

Forward Presence. The United States has only sought forward presence in the Gulf since the Soviet invasion of Afghanistan and the enunciation of the Carter Doctrine.³⁶ There have been a few agreements allowing forward positioning of some types of supplies and equipment, and a U.S. naval contingent has been based in Bahrain since about 1948, but the greatest need has been the option of forward positioning heavy ground forces or prepositioning major portions of their heavy equipment.

With the current exception of some equipment positioned in Kuwait (enough for about a brigade task force), no significant U.S. ground forces are likely ever to be stationed in the region --at least not in Saudi Arabia, for reasons explained above.³⁷

The problem could be alleviated by holding frequent large scale exercises, which would promote the main aims of our policy in the area--to deter potential aggressors, reassure our allies, and assist them to defend themselves. However, funding for these will not be forthcoming for some time, and there is nowhere in the Gulf to conduct the necessary size maneuvers other than Saudi Arabia. The other states simply lack the space; or if they are sufficiently large, they lack infrastructure.

An argument can be made that there is no need to station large forces or preposition heavy equipment in the region since air power will be the primary instrument of intimidation. That never has proved a satisfactory argument, and even today holds

only for selected scenarios. If it were possible for the Saudis to field the ten divisions of their post-war plan, there might be some validity to the air power only argument.³⁸ Since it is unlikely the Saudis will ever achieve that goal, even in a symbolic sense--and even with hired surrogates, e.g., the Pakistanis--there is a continuing requirement for the United States to be able to place large forces on the ground, quickly.

This may appear at odds with the earlier statement that our commitment in this area is overblown, and that CENTCOM will primarily be involved in raids or other limited operations. However, we are taking a long-term perspective here. By the year 2000, we anticipate Iran and Iraq will have recouped from their present low state. They will then be in a position to oppose us forcibly, and at that point we must be able to respond. In any event, Iran has already started to rearm, and we regard Tehran as a much more serious threat to U.S. interests in the Gulf than Iraq.

This, then, sets up the requirement for the existence, and exercising of substantial ground forces--ideally the five division contingency corps advocated by General Vuono during his final year as Chief of Staff, Army. Further, for this force to function as it originally was meant to, it should comprise predominately the Active Component.³⁹

Unfortunately, the costs of maintaining a contingency force of the proposed size are substantial. Thus, the combination of shrinking force structure and reduced budget make it almost certain that, by 2000, it will be very difficult and perhaps impossible to maintain an active force sufficient to meet CENTCOM's worst case requirements. Inescapably we are going to be driven to depend, to a significant degree, on the Reserve Component.⁴⁰ And, if the reserves are to be a viable part of CENTCOM's force structure, they must be exercised. There is no way around this problem--exercises of a scale to include reserve elements are going to have to be conducted.

Exercises. Forward presence operations are roughly analogous to the normal policing that CENTCOM conducts as a deterrent presence. For any deterrent to achieve credibility in the eyes of the deterree, the deterrer must demonstrate his capability to perform. Of the elements of deterrence over which CENTCOM has control, the ability to project real combat power is the most important. Exercises fulfill the dual purpose of providing training for the force and demonstrating, to friend and potential foe, America's commitment to the region.

CENTCOM currently has an ambitious program involving exercises in Kuwait, and several other GCC states--under the noses of the Iranians and Iraqis.⁴¹ The chief drawback of these, however, is that they are small in scope and do not involve all the players. (In terms of cost effectiveness, however, the

Kuwaiti setup is ideal--the Kuwaitis pay all the bills for exercises on their territory, and provide the training area as well.)⁴² Indeed, the force exercised is so small, many important elements that should be included are not, specifically the reserve logistical elements. One of the great lessons of DESERT STORM was that precisely these elements, because they had not been involved in joint exercises, were not immediately effective. Given these shortcomings, it is essential to have some expanded exercise program that will supplement what is already being undertaken in Kuwait.

Naval exercises have the benefit of a long history in the region and of posing a multidimensional threat. They have the principal drawback that "over the horizon" may equate to "out of sight, out of mind." While the Navy certainly demonstrated the fallacy of this view (with its Tomahawk missiles during DESERT STORM), battle hardened opponents like the Iraqis and Iranians may feel they can counter these systems, and thus will be somewhat less intimidated by forces that cannot occupy ground.

On the other hand, it will be some time before either the Iranians or the Iraqis lose their respect for air power. Not only did it hammer them soundly, it blinded them electronically in a way that no army previously had been disabled. No matter what else they may choose to ignore, they will pay attention to air power. At the same time, some Iraqi units and commanders evaded much devastation wrought by air power, and, for these, nothing but ground forces will suffice to intimidate or deter.

At present, the only ground exercise option other than Kuwait is BRIGHT STAR in Egypt. While Egypt offers somewhat more in the way of maneuver space, it has never involved significant forces of other nations. It would be useful if the present BRIGHT STAR exercises could include the Saudis. (Especially since they could fund their own participation, should they decide to do so.)

Another option would be to allow the Saudis to participate in command post exercises through electronically linked video-teleconferencing. This would have the obvious benefit of exercising the staffs, and would allow examination of OPLANS that could not be exercised on the ground (such as a response to a Yemeni threat). Also, electronic maneuvers could not be observed by extremist elements in Saudi Arabia--another plus. On the other hand, they are also invisible to those who are to be deterred.

It will soon be possible to create exercises in the United States that allow participation by many units in dispersed locations. For example, the Marines could practice amphibious landings on America's east coast, the Air Force perform exercises in the California desert, and Army special operations forces maneuver in Yakima, Washington. All these actions could be

linked electronically to replicate one large comprehensive operation. The greatest drawback here is the inability to drill the logistics system, which, as stated, is one of our weakest links. In the end, therefore, nothing will substitute for full scale division size exercises that draw from a corps support command structure, at the minimum.

This leads us to conclude that we must conduct two separate sets of exercises; BRIGHT STAR in Egypt, and limited exercises in Kuwait. The Kuwait exercises will be largely tactical and symbolic, a way of showing the flag in the Gulf; an expanded BRIGHT STAR would allow us to exercise the reserves, and might also be expanded to include the Saudis.

Crisis Management. Although we foresee that the bulk of CENTCOM's activity will be routine patrolling in the Gulf, inevitably crises will develop to which the command may have to respond. Its first requirement, therefore, will be to secure adequate sea and airlift. To date, the Congress has allocated sufficient funds to enhance strategic sealift, and it may ultimately agree to do the same for strategic airlift.

But power projection is much more than ships and airframes. Currently, CENTCOM's power projection capability is a relatively blunt tool because, even though strategic lift is improving slowly, it still takes months to position anything more than a token force on the ground in the Middle East.

This should not be of immediate concern, because at present we do not foresee a major attack on the peninsula. Nonetheless, if the United States is to have any deterrent credibility, we must be able to undertake operations of whatever scale necessary. Moreover, we do not know at what point--and due to what combination of circumstances--events will get out of control. We must not undertake operations we cannot adequately support.

By and large, however, we do not expect to be dealing with anything on the scale of an actual invasion of the peninsula, but something more limited. For example, Iraq activates an air defense missile site that begins to "paint" U.S./U.N. reconnaissance aircraft with missile acquisition radars, as if threatening to engage. This site would have to be shut down or destroyed. A crisis of this order would have to be handled deftly. Operations would have to be initiated quickly, and strikes carried out against specified targets precisely, and with unambiguous results.

To achieve such results the United States must continue to develop proficiency in a number of key areas. For example, we must have satellite coverage of the AOR that is continually up to date in order to monitor changes as they occur. Along with this we need to continue to develop so-called Lo-Risk, Hi-Pk weapons, which will give us the option of making relatively sure kills, with impunity.

Much has been written about the need to keep casualties down because Americans will not tolerate substantial losses, particularly in ambiguous undertakings; we do not believe the alleged squeamishness of the public is the operative factor here. Rather, what we fear is the reaction to casualties inflicted by what is perceived to be a second-rate state. It would be a simple matter, for example, for partisan groups in the United States to demand revenge, which would compel us to escalate our involvement, and this above all else ought to be avoided.⁴³

The aim of any operation CENTCOM undertakes must be to get it over with quickly, with no complications--at least none that could cause us to become bogged down. The necessity of this should be readily apparent--any action that roils the waters of the Gulf causes extraordinary commotion to world financial centers (and along with this there is not going to be a lot of funding in the future for protracted military operations). Were any operation to go on overlong--or worse appear to have gotten out of control--this could cause major disruptions, which neither the United States nor its system partners could easily accommodate.

Ideally, therefore, U.S. forces should be able to go straight to the target and destroy it using accurate weapons of sufficient range to keep U.S. personnel out of harm's way. Weapons of this type will also enable us to limit civilian casualties. As we learned in DESERT STORM, the line between public acceptance of military operations that may target civilians and public outcry is thin. Once we cross this line, we inevitably face all sorts of unwanted complications.

Ultimately, the solution to a lot of our problems may lie with such technologies as advanced target acquisition, seeker head, and other fire-and-forget weapons. Generally speaking, the more sophisticated the weapon, the more subject it is to having its computer/electronic subsystems disabled. Iraq, during the Iran-Iraq War acquired many such sophisticated systems, which makes it vulnerable to this type of attack. Iran, for a long time, scorned sophisticated weapons, but toward the end of the war with Iraq it began to acquire them, and so it, too, is now vulnerable in this area.

The United States already has a wide lead where disabling is concerned, but this capability must be improved since at present the cost of actually fielding these systems is almost prohibitive. One example of a relatively inexpensive step would be to develop the ability to encode the transmissions of Global Positioning Satellites. Friends could be provided the codes, in order to operate, but they would be denied potential enemies. Better still would be the ability to slightly distort the information transmitted to an enemy, which would delay his taking compensatory measures.

In an age when satellite communications are crucial, the United States must be able to seize control of those of the enemy, either blocking them out or, better yet, turning them to our own account through insertion of psychological warfare material. Weapons like these could permit us to move away from our present focus on destruction, toward a new focus on disabling, or soft-kill.

We cannot attack satellites directly, as this contravenes international treaties (and probably we would not want to do this, since the satellites are owned and operated primarily by friends and allies). However, we can institute preemptive purchase of services. A standing agreement with France and its commercial owners of SPOT would effectively preclude unwanted satellite photography falling into the wrong hands.⁴⁴ In any event, the United States must maintain its technological edge, and this particularly is the case with technologies that give us control of the electronic spectrum.

It might be useful to think of the future in these terms-- picture two lines on a graph that are moving in opposite directions. The size of the forces available to us will inevitably appear on a negative slope. To maintain our present technological advantage, the line depicting combat power per thousand must steadily ascend.

We understand that, in stating the problem in this way, we seem to be laying emphasis on lethal weapons. However, we are aware that nonlethal technologies also play a role. Concentration in both the nonlethal and lethal areas will enable U.S. forces to maximize effect, with due regard to the concept of proportionality.

Arms Control. Arms control in the Middle East is an exercise in chasing rainbows. The concentration of wealth, the widespread hostility throughout the region, and the multiplying interests that have a stake in perpetuating this trade (we are thinking mainly of the new states of the former Soviet Union), practically guarantee that arms will not be controlled to any significant extent.⁴⁵ At best, CENTCOM can monitor the flow of weapons and identify their sources.

Since it is certain weapons will flow throughout the region, CENTCOM must base its calculations on this assumption. The command should operate as an "arms counter-controller." For example, as tactical missiles proliferate CENTCOM must insist on having forces adequately trained and equipped to handle this threat.⁴⁶

Any serious attempt to control arms in the region will have to be made in the forum of the United Nations. There, the biggest block to effective action will be Washington's unwillingness to behave even-handedly. This particularly is the

case in regard to atomic weapons. Until the Israelis are pressured to open the Dimona nuclear facility to inspection, nothing will be accomplished. It makes no sense for us to go on about the threat of an "Islamic bomb," when Israel has hundreds of these weapons and the missiles to deliver them across the region.

CENTCOM must be prepared to deal with any category of weapons, no matter who is fielding it. In effect, this underscores the necessity for expanding the concept of air superiority.

Collective Security. Collective security in the Gulf has more substance for CENTCOM than does arms control, but even by 2000 it is unlikely that anything more than nominal security arrangements will evolve.⁴⁷ The fact is that none of the smaller Gulf states is now, or can ever be, capable of self-defense. The larger nations, Iran and Iraq, are simply too powerful. Collective security is the smaller states' only hope, but without U.S. participation it is a vain one.

For CENTCOM, the utility of pursuing collective security arrangements lies in securing contingency basing arrangements, harmonizing air traffic control procedures, host nation support plans, and whatever service-to-service and person-to-person contacts can be developed. At the same time, because collective security in the Gulf is a low return activity for the foreseeable future, CENTCOM should limit its investments in this area.

Insurgencies. One last area we want to mention, primarily because there seems to be a great deal of confusion about it, is insurgencies. Apparently, Americans are convinced that low intensity conflict is the war-fighting trend of the future (mainly because it is perceived to be cheap). To the extent that low-intensity conflict involves support for insurgencies, it is not an option for CENTCOM.

Insurgencies tend to be long, drawn out affairs and they act as quagmires. The distinctive feature of a quagmire is, the more one struggles to escape, the more deeply one is drawn in. As we have been repeatedly stressing, CENTCOM must never get bogged down, anywhere. Therefore, low-intensity conflict, where support for insurgents is involved, is out.

This does not mean that we should reduce the Special Operations Forces or Ranger establishments--but simply keep them away from the insurgent groups in the Gulf. Most of past American involvement in insurgency situations was driven by the cold war zero-sum equation. Now that that paradigm is broken, the United States has to view insurgencies from a broader perspective.

Another Vietnam/Afghanistan type situation could destroy us and the system. It is too much of a drain on resources; and it cannot be defended to the American people. CENTCOM's role in such activities should be limited to noncombatant evacuation operations, such as occurred in Liberia and Somalia during the Gulf War. (Humanitarian operations such as Sea Angel will also continue to be a contingency requirement.)

At the same time, however, there may be a requirement to conduct a combined military/humanitarian operation, such as OPERATION PROVIDE COMFORT. In involvements of this nature, we have to exercise especial care. People like the Kurds have developed relationships with neighboring communities over the course of centuries. For example, the Kurds are traditional enemies of the Azeris, who in turn are currently warring with the Armenians. It is conceivable that a U.S. force assisting the Kurds could be sucked into the ethnic wars of the Commonwealth of Independent States.

CENTCOM must thus be sure that whatever aid it gives the Kurds, and others like them, is limited as far as possible to humanitarian assistance. The command should maintain a combat support/combat service support force structure. It will also need trained civil affairs units, perhaps in the reserve force, but under somewhat more flexible legal limitations than now exist.

Further, whenever a PROVIDE COMFORT-type mission develops, the Commander in Chief, Central Command (CINCCENT) should insist on knowing--from the National Command Authority--what constitutes successful mission accomplishment. If the reply is vague, or appears not to be well considered, the CINCCENT should not hesitate to spell out what the unwanted alternatives of the contemplated action might be.

As the apparent failure of United Nations' efforts in Bosnia--and incipiently in Cambodia--demonstrate, unwillingness or inability of the National Command Authority to place overwhelming combat forces on the ground constitutes mission failure, and ultimately, if there are too many failures of this sort, the system that we are striving to preserve will break down.

Conclusion. In a time of mounting economic difficulty at home, Americans are turning away from involvement in foreign crises. At the same time, CENTCOM is urged to intervene on behalf of the Kurds, the Somalis, the Iraqi Shias. The command needs to know when military intervention is justified, that is, when is it likely to be supported by the American public--not for just a limited operation, but a for something more substantial.

Earlier in the study we proposed a formula we feel is applicable here. We said that, under the new world order, no large scale military action should be considered, unless there is a clear and compelling threat to the system. This being the case, it seemed to us a consensus could be reached, one that would assure support for military action. This essentially is what happened in the case of DESERT STORM.

On the other hand, if there is no "system threat," consensus will not be possible and support is therefore unlikely. There may be token support at the outset of the crisis, but this will dissipate quickly, as happened with PROVIDE COMFORT. Outside of Britain and France, no great outpouring for the Kurds has materialized (and, indeed, recently key allies Britain and France abandoned the United States in a confrontation with the United Nations over this issue).⁴⁸

We regard the consensus test as a particularly useful one for CENTCOM, inasmuch as the command badly needs to conserve its resources. It has a crucial mission to perform--guarding the flow of oil. It cannot waste itself in non-essential operations, especially where it could at any time become bogged down, as happened with the French army in Algeria.

Hence we repeat our earlier injunction, that the command adopt the role of policeman. A policeman keeps the peace by applying a minimum of force. He does not seek to expose himself unnecessarily. In a word, he is not pro-active. It is enough that he regulates matters so community affairs can be carried on normally.

In the Gulf one does not have to go looking for trouble. The area is volatile as it is; simply keeping it at a low boil will occupy all of the command's energies.

ENDNOTES

1. Kenneth Waltz in his last book Theory of International Politics, New York: Random House, 1979, p.70, has this to say about system changes. "A structural change (and this essentially is what we are talking about) is a revolution, whether or not violently produced, and it is so because it gives rise to new expectations about the outcomes that will be produced by the acts and the interactions of units whose placement in the system varies with changes in the structure." This study is heavily influenced by Waltz, as the reader will discover.

2. Defense Academic Research Support Program (DARSP) Conference at the United States Central Command, "The Balance of Power in Central and SouthWest Asia," February 26-27, 1992, Tampa, FL.

3. Of course, the authors do not mean to suggest that all states in the world were equally powerful. In most systems a few states dominated and they were the ones who counted because they actually ran things. They also were the ones who played the balance of power game.

4. Waltz, op.cit., p. 118. Speaking to this point Waltz says,

. . .most of the confusions in balance-of-power theory, and criticisms of it, derive from misunderstanding these three points. A balance-of-power theory, properly stated, begins with assumptions about states: they are unitary actors who, at a minimum, seek their own preservation and, at a maximum, drive for universal domination. States, or those who act for them, try in more or less sensible ways to use the means available in order to achieve the ends in view. Those means fall into two categories: internal efforts (moves to increase economic capability, to increase military strength, to develop clever strategies) and external efforts (moves to strengthen and enlarge one's own alliance or to weaken and shrink an opposing one).

5. The point that Washington did not anticipate becoming all-powerful needs to be stressed. America fell into this position after the Soviet Union collapsed. It did not break up the Soviet empire after a war. Indeed, when the empire disintegrated, Washington was as surprised as any. One reason policymakers are having such difficulty now, trying to decide how to behave under this new setup, is that they did not anticipate this in the cards.

6. We define a hierarchical system as one that is run along the lines of super- and sub-ordination. Affairs would be

regulated by a global authority, its manifold agencies being empowered to act in this capacity. Some have claimed the United Nations is already fulfilling this role, but we have problems with this. In our view, a purely hierarchical U.N. would have to have an independent military arm. The proposal has been made (see below) to equip the U.N. with such, but we doubt this will come about.

7. We are referring mainly to the extraordinary performance of Secretary of State Baker at the United Nations, where, by personal diplomacy, cajolery and hard talking, he practically single-handedly forged the consensus.

8. One which obviously went along was Great Britain. In fact, Britain's Margaret Thatcher may have been responsible for getting Bush to act. Just as the crisis was unfolding, she met with him in Aspen, Colorado, where she could have put fire in his belly, so to speak.

9. There appeared to have been some strong pressure on France, and on some of the smaller South American states. Yemen, also, may have been pressured. See "U.S. Takeover At the U.N.," The Nation, October 12, 1992.

10. If there is a single building block on which international politics could be said to be based it is the concept of "sovereignty." Transgressing the principle of sovereignty for nations is like transgressing the principle of motherhood for the Catholic Church. Waltz (op. cit., p. 96)-- "What then is sovereignty? To say that a state is sovereign means that it decides for itself how it will cope with its internal and external problems, including whether or not to seek assistance from others and in doing so to limit its freedom by making commitments to them."

11. There have been three such shocks including the institution of the Arab oil embargo in 1973. A second shock occurred after the fall of the Shah, and finally there was Saddam's invasion of Kuwait. Each caused long-term, apparently irremediable damage to the world economy, and obviously to that of the United States as well.

12. Waltz says, (op. cit. p. 107) "In anarchic realms, like units coact. In hierarchic realms, unlike units interact."

13. And even before the consensus came about. See Saddam Husayn's discussion of the danger posed to Arab lands by America's becoming the sole surviving superpower. "President on Relations With U.S., Iran, France," Paris Le Figaro, July 11, 1990, p.6, quoted in Foreign Broadcast Information Service (FBIS-NES-90135, July 13, 1990; also Saddam's interview with The Wall Street Journal in which he also discusses this (quoted in FBIS-NES-90-128, July 3, 1990). Of course, the great controversy over

the term did not develop until later, with publication of the Pentagon's Defense Planning Guidance, 1994-99. In reporting on the Guidance, the press claimed the United States would now, in effect, try to dominate the globe. See "Pentagon Drops Goal of Blocking New Superpowers," The New York Times, May 24, 1992; also "U.S. Strategy Plan Calls For Insuring No Rivals Develop," The New York Times, March 8, 1992. Also "Pentagon's 6-Year Plan Drops Controversial Goal," The New York Times, May 24, 1992.

14. This should be obvious. Failure to take this into account, however, leads to all sorts of difficulties. For example, policymakers who seek to destabilize Iraq should ask themselves what is going to happen to the state system in the Gulf if they succeed? Quite obviously, it is going to boost the power of Iran, and make it more of a troublemaker than ever. This speaks to Waltz's claim that the way a realm is ordered affects the operations of the units within the realm. For his discussion of this see Theory of International Politics, p. 97-99.

15. For the view that the new world order ought to stand for rectifying world ills, see Oscar Arias, "Forgotten World," The Washington Post, April 8, 1992; Doug Bandow, "U.S. Should Turn In Its World Policeman Badge," The Wall Street Journal, June 25, 1992; Anthony Lewis, "The New World Order," The New York Times, May 17, 1992; James Hoagland, "It's All or Nothing in the New World Order," The Washington Post, June 23, 1992.

16. The case of Serbia underscores another problem with this emergent system, i.e., does the United Nations direct collective action, or is it merely being manipulated by a few powerful states? For reportage on this controversy see "Hurd tries to defuse EC-UN row on Bosnia," The London Financial Times, July 27, 1992; "U.N. Seeks Permanent Armed Force," The Washington Post, June 19, 1992; "Armed Forces Plan Offered To U.N. Council," The San Francisco Chronicle, June 19, 1992; and "U.N. Secretary-General Criticized for Abrasive Style," The Washington Post, July 29, 1992. For U.S. "takeover" of the United Nations see "Why the Right Loves the U.N.," The Nation, April 13, 1992, and "Slanted U.S. Agenda Transforms U.N.," In These Times, April 1-7, 1992.

17. See "Libya accuses West of engaging in Anti-Arab crusade," The Philadelphia Inquirer, April 2, 1992; also "U.N. Votes to Put Embargo on Libya," The Washington Post, March 30, 1992.

18. We are thinking here of sudden, massive shifts of bond holdings. The foreign holders of U.S. Treasury bonds might feel compelled to unload them in response to moves, on the part of Washington, which they deemed to be unwise. In order to manage the interest on its current trillion dollar debt, the United States must sell bonds regularly. Anything that would serve to drive customers out of the auctions would have a devastating effect on our economy. Moreover, this would be felt

instantaneously, given the computerized nature of today's financial operations. For an example of how the bond holders can affect U.S. policy see "World's Bond Holders Gain Huge Influence Over U.S. Fiscal Plans," The Wall Street Journal November 6, 1992.

19. Third World writers make the point--not without some justice--that the lesser states, and in particular the "have-not" Arab states, receive few benefits from this system. We discuss this question later in the study. Our basic assumption is that, in any system, the great and powerful units always order it to their liking. For discussion of the shortcomings experienced by the Third World, see Tom Cutler, "Petrodollars to the Third World: A Critique of the IMF Oil Facility," World Affairs, Vol. 139, No. 3, Winter 1976/77.

20. Practically all the information in this section on Saudi Arabia was obtained during a 3-week research trip in the country, during which the study director interviewed American diplomats and expatriates, U.S. military personnel, foreign diplomats and Saudi nationals.

21. The pressure came largely from Iraq, although there were also significant demonstrations by the "Arab masses." See "Saudi Rulers Are Confronting Challenge by Islamic Radicals," The New York Times, March 4, 1992.

22. The latest statistics show that the United States in 1991 imported over 93 million tons of oil from the Middle East. The exact breakdown--in 1000 metric tons of crude oil--was Bahrain, 0; Iran, 1,963; Iraq 0; Kuwait, 280; Oman, 614; Qatar, 0; Saudi Arabia, 86,413; UAE, 3,288, and others 720. Japan got 42,565 from Saudi Arabia; Canada 3,639; France, 1,599; Germany 7,768; Great Britain, 8,381, and Italy, 13,340. Statistics from the International Energy Agency, Paris, France.

23. Recent revelations tend to support the view that cooperation between the United States and Saudi Arabia is fairly well worked out. See "U.S. Tries to Influence Oil Prices, Papers Show," The Washington Post, July 21, 1992.

24. Altaf Gauhar, writing in The World Policy Journal, Vol. IV, No. 3, Summer 1987, ("Arab Petrodollars: Darkened Hope for a New Economic Order") says,

. . . (A)ccording to estimates by the Bank of England, OPEC earnings exceeded expenditures by \$345 billion in the 1973-83 period. . . . This income was supplemented by \$88 billion of loans from abroad, for a total of \$433 billion. As of 1983, these funds were invested in bank deposits (\$141 billion or 37 percent); government securities (\$50 billion or 13 percent); foreign exchange reserves

(\$21 billion or 6 percent), and property, equity, etc. (\$111 billion or 29 percent). Most of these investments were held in industrial countries.

25. Britain sealed the northern Gulf off from the waterway by adopting a tribal policy. Throughout the late 19th century it worked out agreements with various tribal chiefs along the northern littoral. For example, in Iran it backed the Shaykh of Muhammara (today Khuzistan) against the central government in Tehran. After the discovery of oil in the Khuzistan or Arabistan area, the British doubled their efforts to detach this region from Tehran's control. However, under the nationalist leader Reza Khan, Iran successfully reasserted its authority, essentially by breaking the power of the tribal chiefs. As for Iraq, the British almost literally sealed it off, by supporting the Emir of Kuwait's claim to a separate country; this left Iraq with virtually no coast line. Until the appearance of the Ba'th Party in 1968, Iraqi governments resigned themselves to this state of affairs, their policies being wholly oriented toward the Levant, and the problems of Palestine, Israel, and the formation of a union with Western Arab states. Under the Ba'th--more specifically, Saddam--that orientation shifted to making Iraq a Gulf power. However, almost immediately after Iraq took this step, it became embroiled in hostilities with Iran, which prevented it from ever effectively branching out into the Gulf. It was only with the end of the war between Iraq and the clerics that the West awoke to the fact that the buffer was gone. For a slightly different version of how the buffer functioned see George Lenczowski's Russia and the West in Iran, New York: Cornell University Press, 1949, p. 15.

26. Yemen is a special case. The rivalry between it and the Saudis goes back quite some time. In other words, it is not related to aims of nationalist expansion, as is the case with Iraq and Iran. See "Yemen Tries to Liberalize, Sell Oil--But Faces Saudi Anger," The Washington Post, July 12, 1992.

27. The Saudis claim they have between 12-14 million people. We doubt they have half that. This view was buttressed by interviews inside the country, and by visual impressions-- Saudi Arabia does not look like a very populace place. Also quite a few experts on Saudi Arabia give population statistics lower than those claimed by Riyadh. See Mark N. Katz, "Yemeni Unity and Saudi Security," Middle East Policy, Vol 1, No. 1, and "Peace Still In the Balance," Jane's Defense Weekly, March 28, 1992. There is also the problem what sort of soldiers the Saudis would make. Although living under a monarchy, they enjoy what amounts to cradle-to-grave socialism. They do not have to work, and indeed all of the menial labor there is done by expatriates, mainly Asians; until recently the Pakistanis fought for them as mercenaries. It is probable that the Saudis could produce a creditable Air Force--but an army or navy? We don't think so.

28. At the same time, Somalia would have enormous strategic value for the United States. Were U.S. forces to remain in that country indefinitely, Somalia would be the ideal base to use as a staging platform for operations in the Gulf. However, Bush has said U.S. troops will not remain, so apparently this is not an option.

29. It might be helpful at this point to review the recent history of these two countries. Iran nationalized its oil in 1951, and, in effect, threw the British out of the country. Under the Shah, Iran aspired to become the fifth strongest state in the world and extend its sphere of interest to the Persian Gulf and beyond to the Indian Ocean. Khomeini essentially pursued the same line by trying to export the Islamic Revolution to the Gulf. As for Iraq, it overthrew the monarchy in 1958, and kicked out British advisors who had been exercising significant power behind the scenes. In the process of doing this, the Iraqis scuttled the Baghdad Pact, which won them the enmity of the United States. In 1972, the Ba'th Party nationalized Iraqi oil, previously controlled by oil companies from Great Britain, France, the Netherlands and the United States. In 1980, Iraq went to war with Iran, and after 8 years of fighting, delivered a resounding military defeat to Tehran, emerging as a regional superpower. In 1990, rather than back down on its invasion of Kuwait, it fought a 30-member coalition of states. For further details see Stephen Pelletiere, The Iran-Iraq War: Chaos in a Vacuum, New York: Praeger, 1990.

30. They are inspired to holdout, knowing they have vast amounts of oil, and, if they ever do break out of their current isolation, can recoup relatively quickly by selling this.

31. Iran has an irredentist claim to Bahrain, and under the Shah tried to seize the island. In the same way, the Shah disputed the right of the various shaykhs whose territory now comprises the UAE to form themselves into a single nation. The islands of the Greater and Lesser Tumbs and Abu Musa were recently taken over by Iran from the UAE.

32. See Jim Hoagland, "Is It Time To Strike Saddam Again?" The Washington Post, March 12, 1992.

33. The Kuwaitis difficulties are manifest. The Iraqis virtually trashed the country before pulling out. The expense of putting out the fires in the oil fields was immense, but, perhaps even more destructive, was the flight of numerous Kuwaitis overseas, many of whom have subsequently refused to return. The Saudis' economy certainly is sound (no one is going to deny Riyadh credit), still the fact they have been running a deficit since 1982 is troubling. See "Saudis may back out of billions worth of wartime weapons buys," Aerospace Daily, July 15, 1992; "Saudi rejects US basing move," Jane's Defense Weekly, April 4, 1992; also, Tony Banks, et. al., "Picking Up The Pieces," Jane's Defense Weekly, March 28, 1992, p. 531, in which are detailed

many of the Kuwaiti woes of reforming an army which began the war at 21,000. So far only 10,000 have signed up again.

34. To name a few--Turkomen, Armenians, Yazdis, Sabaeans, Chaldeans, and Assyrians.

35. The International Monetary Fund (IMF) has been active in this way for a long time. As far back as 1978, it attempted to pressure Egypt into cutting subsidies for basics, which triggered terrible riots in Cairo. In the same way, the U.S. Government frequently seeks to compel behavior by manipulating economic levers. For example, just before Iraq invaded Kuwait, the U.S. Congress authorized the cutoff of subsidized wheat sales to Baghdad, in response to the alleged gassing of the Kurds. Even some seemingly uneconomic measures have a coercive effect, such as placing a nation on the State Department's list of human rights violators--this has the effect of denying it essential technology from the United States. After the Tienanmen Square riots, China almost lost its most favored nation status, which would have cost it many lucrative trading privileges. See "World Bank Plans to Watch Aid Seekers Arms Budgets," The New York Times, May 10, 1992; "Veto row may delay Russia's IFC entry," The London Financial Times, May 12, 1992. For activities of private groups along this line see "Human Rights Group Accuses Egypt of Torture and Illegal Detentions," The Washington Post, July 28, 1992; also "Arab States Challenged by Emboldened Human Rights Groups," The Washington Post, June 1, 1992.

36. Michael A. Palmer, Guardians of the Gulf: A History of America's Expanding Role in the Persian Gulf, 1833-1992, New York: The Free Press, 1992. This is an excellent account of America's progressive involvement in the Gulf, reflecting our reluctance to be physically present except in a business sense. It should be recommended reading for any officer assigned to CENTCOM.

37. Barbara Starr, "Saudi Rejects US Basing Move," Jane's Defense Weekly, April 4, 1992, p. 549; also, Sean Naylor, "Deja Vu: Kuwait Training May Become Regular Rotation," Army Times, October 12, 1992, pp. 12-13, 24.

38. Abdulaziz Bashir and Stephen Wright, "Saudi Arabia: Foreign Policy After the Gulf War," American-Arab Affairs, Vol. 1, No. 1, 1992, p. 110; also Tony Banks, et. al., "Peace Still in the Balance," Jane's Defense Weekly, March 28, 1992, p. 530. It may be argued that Saudi Arabia, in addition to having too small a manpower base to field the self-defense force structure of the size necessary, would put itself at internal risk by attempting to create so large a modern force. For a discussion of the impact of creating Western style armed forces in non-Western societies, see David B. Ralston, Importing the European Armies: The Introduction of European Military Techniques and Institutions Into the Extra European World, 1600-1914, Chicago: University of Chicago Press, 1990.

39. Interview, Lieutenant General Gary E. Luck, August 7, 1991, U.S. Army War College, Carlisle Barracks, PA.

40. Colonel Philip A Brehm, Restructuring the Army: The Road to A Total Force, Carlisle Barracks, PA: Strategic Studies Institute, 1992, pp. 2-3, 6-7.

41. Don Oberdorfer, "U.S. Saudis Agree to Use Old Military Pact for Expanding Cooperation," The Washington Post, May 31, 1992, p. A-10; "U.S., Qatar to Sign Pact," The Washington Post, June 5, 1992, p. A-43; also "Buying Security From the West," Jane's Defense Weekly, March 28, 1992, p. 534.

42. Philip Finnegan, "Kuwait to Pay \$215 Million for U.S. Presence," Defense News, June 15-26, 1992, p. 26.

43. This propensity of partisan political groups to politicize issues affecting the economic health of our system may be the Achilles Heel of the new world order. That the President of the United States might feel compelled--because of partisan political pressures--to initiate actions harmful to the Gulf, is an obvious example of this. Ideally, the system should be able to develop safeguards against such eventualities, but it is too early to tell whether this will occur.

44. During World War II, the United States resorted to preemptive purchases of raw materials from Latin America to forestall their purchase by Germany or Japan. R. Elberton Smith, U.S. Army in World War II, The War Department: The Army and Economic Mobilization, Washington, DC: Office of the Chief of Military History, Department of the Army, 1959, p. 602.

45. Gerald F. Seib, "Missile Race in Middle East Continues Despite U.S. Efforts to Stall Buildup," Wall Street Journal, June 8, 1992, p. 6; also Steven Simon, "U.S. Strategy in the Persian Gulf," Survival, Autumn, 1992, pp. 81-84, 89; also Charles Tripp "The Gulf States and Iraq," Survival, Autumn, 1992, pp. 46-48.

46. This particular problem gives rise to a new interpretation of the concept of air superiority. Air superiority in its conventional sense loses meaning unless it incorporates counter-retaliatory measures. In short, air superiority/supremacy cannot exist without suppression of tactical ballistic missiles. It is, therefore, probable that any air campaign must become joint and incorporate action by ground Special Operations forces, if DESERT STORM is any indicator.

47. Oberdorfer, p. A-10; also Bashir and Wright, p. 110.

48. In a striking about face, Britain and France both recently refused to back a U.S. protest to the U.N. over a deal worked out with Iraq to distribute aid inside the country. "U.S., Allies Split Over Relief to Iraq," The Washington Post, October 21, 1992.