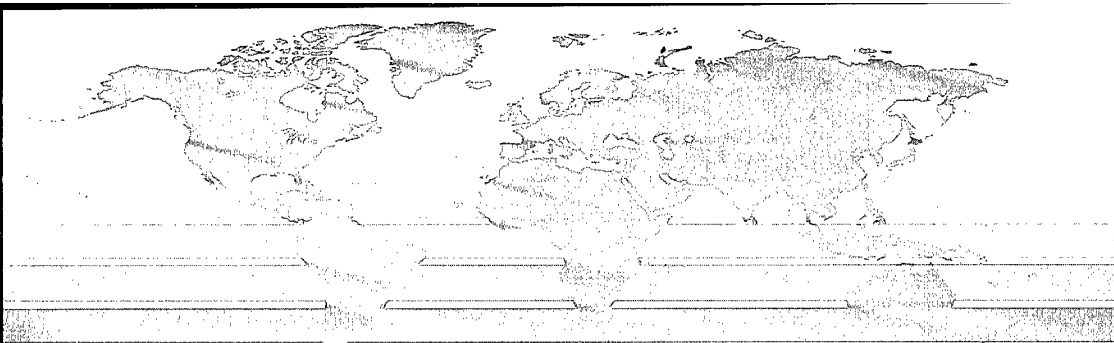




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Stephen C. Pelletiere

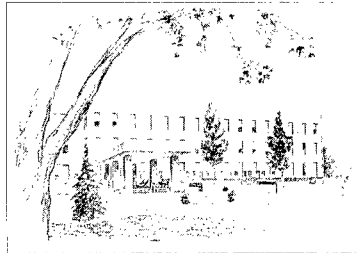
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**LANDPOWER AND DUAL CONTAINMENT:
RETHINKING AMERICA'S POLICY
IN THE GULF**

Stephen C. Pelletiere

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Strategic Studies Institute

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FOREWORD

Since 1971, when Great Britain formally pulled out of the Persian Gulf, the United States has struggled to maintain stability in this strategic part of the world. In 1973, with the Organization of Petroleum Exporting Countries (OPEC) revolution, control of oil shifted away from the West and a few giant oil companies and became the exclusive charge of a handful of oil producing states, the most important of which were located in the Gulf.

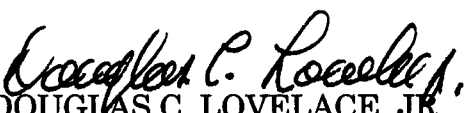
In an attempt to regain some control of this strategic commodity, Washington developed special relationships with the two foremost oil producers, Iran (under the Shah) and Saudi Arabia. In 1979 the Shah was overthrown and, with the rise of the Ayatollah Khomeini, America became—in the eyes of Iranians—the Great Satan.

By 1991, with the defeat of Iraq in the Gulf War, America was once again the dominant power in the region. But, as this study shows, America's position is hardly secure. Much of the difficulty Washington is experiencing derives from what the author regards as a poorly conceived policy.

Dual Containment, promulgated in 1993, was supposed to constrain the two most powerful area states, Iran and Iraq, by imposing harsh economic sanctions on them. But, the author contends, the policy has only antagonized America's allies, while Baghdad and Tehran continue to defy Washington and threaten the oil sheikhdoms Washington is trying to protect.

The Dual Containment policy must be changed, the author believes. And foremost, the practice of trying to police Iraq by aerial bombing should be abandoned. This tactic is counterproductive, according to the author; it is driving the Iraqis to rally behind the regime of Saddam Hussein, the very outcome Washington is seeking to discourage.

The Strategic Studies Institute offers this report to contribute further to the analysis of the critical issues associated with U.S. Middle East policy.


DOUGLAS C. LOVELACE, JR.
Interim Director
Strategic Studies Institute

BIOGRAPHICAL SKETCH OF THE AUTHOR

DR. STEPHEN C. PELLETIERE has served as the Strategic Studies Institute's Middle East expert since 1988 and travels frequently to the region. Prior to this appointment, he was an intelligence officer in Washington monitoring the Iran-Iraq war. He has also held positions in journalism and taught at the University of California-Berkeley, Ripon College, and Union College. He is the author of *The Kurds—An Unstable Element in the Gulf* and *The Iran-Iraq War—Chaos in a Vacuum*, and is currently writing a book on Iraq and the international oil system. Dr. Pelletiere's current research deals with America's Dual Containment policy. He holds a B.A. in English from the University of Vermont, and a Ph.D. in Political Science from the University of California-Berkeley.

LANDPOWER AND DUAL CONTAINMENT: RETHINKING AMERICA'S POLICY IN THE GULF

The author of this study contends that America's Dual Containment policy has failed. He outlines in what way he thinks that it has, and suggests alternative policies, which he believes might prove successful, and which would not destabilize the Gulf—the risk that (in the author's view) we are now running.

By a combination of economic sanctions and more forcible methods, America has sought, through Dual Containment, to make Iran and Iraq amend behavior that the United States believes it cannot tolerate.¹ In the case of Iraq, America finds actions of the leadership so abhorrent that nothing less than a complete regime change is demanded. The United States wants Iran to give up its alleged support for terrorism.

The policy of Dual Containment was promulgated on February 24, 1994 at a symposium of the Middle East Policy Council by Martin Indyk, then the senior director for Middle East Affairs of the National Security Council (NSC).² This means that the policy is over 5 years old. This is too long for America to be focused on two states that really should not be of such great importance to it.

Dual Containment failed, the study will argue, because, unlike its namesake—the famous containment policy of George Kennan—it does not respect the principle of power-balancing.³ When Kennan devised his containment policy, he deferred absolutely to the notion of balance.⁴

Kennan argued that the Soviet Union and the United States, inasmuch as both were superpowers, had everything to lose and nothing to gain by going to war with

each other. On the other hand, both states had global interests which they clearly felt they must maintain.

According to Kennan, the United States and Russia should respect each other's spheres of interest. That way the two could get along, building themselves up and developing their societies. However, they must, under no circumstances, go to war with each other. To be sure, with two such diametrically opposed systems, relations would never be warm, or even, in some instances, cooperative. However, as long as the two did not try to destroy each other, catastrophe could be avoided.

What Kennan was expressing was the concept of balancing—the idea that, in the world of international politics, a proper balance could be struck between potential adversaries and this would produce a stable situation which could be prolonged for an indefinite period.⁵

In regard to the Gulf, the author of this study believes, U.S. policymakers erred in not following Kennan's lead. They confronted hostile states Iran and Iraq with what amounted to a *dictat*—the two either gave in completely to America's desires—remaking themselves as the United States required—or Washington would simply keep up the sanctions until they did.⁶

Kennan would have regarded such behavior as outlandish. Such a course of action risks creating the very situation the policymakers should to be striving to avoid—namely, destabilization of the Persian Gulf. This study will show how the United States got itself into this untenable situation. In the author's view, it was done out of ignorance. The policymakers seem not to have understood the nature of the societies they were setting themselves up to oppose. Nor did they, seemingly, understand the context in which the societies operate.

What Is the Balance in the Gulf?

In political terms, the Persian Gulf has been split into a northern and a southern sector for many years. Starting right after World War I, the West, in the form of several large oil corporations, moved decisively into the southern Gulf. The companies developed fields in, respectively, Bahrain, Kuwait, Saudi Arabia, and, in the 1970s, Qatar and the United Arab Emirates (UAE).⁷

For years the northern Gulf—even though there were significant deposits of oil there also—was off limits to the western oil companies. In the north were the two large states, Iran and Iraq.⁸ Much more powerful than the comparatively insignificant sheikhdoms of the southern Gulf, the northern duo constantly were brawling.

Fortunately for the southerners, Iran and Iraq most often fought with each other.⁹ This meant they had scant opportunity to interfere in their southern neighbors' affairs. As a result, relationships in the south were more or less pacific, while in the north there was constant turmoil.

It was this convenient (for the southerners) state of affairs which, the author maintains, Dual Containment sabotaged. The innovators of the policy decided to commit American resources to repressing Iran and Iraq when the two were already accomplishing that task on their own. Veteran observers of the Gulf could not fathom the sense of the policy, which did seem to be a supererogatory exercise.

In any event, the United States, once it determined to intervene, immediately got itself into difficulty—not with the Iranians and Iraqis, both of whom were too weak at this stage to offer much resistance. No, the trouble came from a number of industrialized states, which resented America's interfering with their trade policies.

Extraterritoriality.

Both Iran and Iraq are potentially quite rich countries. They both have oil, to which the Europeans, among others, would like to gain access.¹⁰ As it turned out, the Europeans were amenable to boycotting Iraq, but they would, under no circumstances, cooperate where Iran was concerned. The Europeans accused the Americans of engaging in extraterritoriality, i.e., trying to meddle in their internal affairs.¹¹

For a time, the United States maintained the pressure on the Europeans, threatening them with various punishments if they broke either of the embargoes. Evidently, Washington assumed the Europeans eventually would come around; they did not. In fact, one state, France, was so determined to have its way on the issue, it took extraordinary measures. Anticipating Washington's adverse reaction to a contemplated oil deal with Iran, Paris shut down a number of commercial ventures in the United States, making it difficult for Washington to retaliate against it.¹²

Had it been France alone that America had to confront, it probably would not have yielded. But Washington found itself simultaneously assailed on several fronts. Even such a long-standing ally as Canada showed itself to be disaffected.¹³ Consequently, by mid-1998, Washington began to back away from the Iranian fight; but no sooner had it done so than trouble erupted from another, most unexpected quarter.

The Balance Again.

America's plan to let up on Iran while keeping pressure on Iraq proved unsettling to the oil sheikhs.¹⁴ The Arab states of the Gulf long have suffered the expansionist ambitions of the Iranians. First the Shah sought to turn the Gulf into an Iranian lake; later Khomeini tried to export the

Islamic Revolution there.¹⁵ In both prior confrontations, it was Iraq that stepped in to block Iranian moves.¹⁶

Now, the sheikhs were upset. For, as they reasoned, why allow the clerics to consolidate their position, while Iraq—Iran's traditional enemy—is suppressed? Despite America's insistence on enforcing what it considered a sound policy, the sheikhs either gave support grudgingly, or balked at so doing.¹⁷ This complicated matters, since up to this time much of America's military expenses in the Gulf had been subsidized by the sheikhs.

Then, in late 1998, America appeared to have found a way out of its dilemma. The Iranians held elections in which the liberal cleric Mohammad Khatemi became president. The elections were seen as an opening by Iran to the west, and also could have been viewed as repudiation of the anti-western radical clerics by the Iranians.¹⁸

Washington embraced the poll result as a way of finessing objections to its Dual Containment policy. The idea was that if Iran, under Khatemi, moved into the western camp, effective checks on its behavior could be developed, and Iraq could continue to be constrained.

Evidently, the sheikhs went along with this, because when, shortly afterward, Washington resumed pressuring Iraq, the sheikhs raised no objections. Along with that, the Saudis and Americans both began making overt gestures of reconciliation towards Khatemi.¹⁹

This was the drift of events until earlier this year. Then, in April, Israel leaked information that 13 Iranian Jews had been arrested in the Iranian city of Qum and charged with espionage for the "Zionists." Immediately, Israel, supported by the United States, registered strong objections, demanding the release of the prisoners.²⁰

This perhaps precipitous move caused resentment in Iran, where the leadership (Khatemi included) pointed out that charges barely had been filed against the 13; there was not even an enquiry as yet. To abort the process would imply

inadequacies in Iran's judiciary which the clerics refused to concede.²¹

In July, the second shoe dropped, so to speak. After a demonstration by Iranian students protesting press censorship, Iranian police—accompanied by para-military elements tied to the conservative clerics—entered Tehran University to restore order. In the course of doing so, the militiamen apparently killed a student by throwing him out of a dormitory window.²²

After this, the demonstrations escalated and went on for several days. It appeared that the situation was out of control. At least the western media saw it so. Journalists began to speculate on the possibility of an overthrow of Iran's conservative government; in other words, perhaps a "pro-democracy revolution" was about to take place.²³

Then, on July 13 the leading conservative cleric, Ayatollah Ali Khamenei, announced a counter demonstration in support of the government (and by implication to protest against the actions of the pro-Khatemi forces). That demonstration drew upwards of 100 thousand people. It was not, however, the sheer number of participants that was so impressive; it was the composition of the crowd. Whereas the pro-Khatemi activity was conducted mostly by students, the pro-Khamenei one involved sizeable numbers of workers and peasants. This could be seen as a vote of confidence in the radical—anti-Western—wing of Iran's government.²⁴

Shortly thereafter, order was restored. But the anti-western forces clearly had come out on top in the showdown. To demonstrate their strength, they promptly conducted a roundup of students, and placed a number in jail, three of whom they subsequently condemned to death. Meanwhile, Khamenei charged that "hidden hands" (i.e., the Central Intelligence Agency [CIA]) were involved in the outbreaks. Anti-American sentiment in Iran, which had seemed on the wane, reerupted, and is as virulent as ever.²⁵

Going Nowhere.

From the standpoint of American interests, the current situation in the Gulf is clearly not optimal. Tehran has renewed its anti-American stance. Iraq, which was under extraordinary pressure, has now obtained some relief. As for the sheikhs, they are not reassured. Short of a direct American attempt to overthrow the Iraqi leadership, there is scant hope that it will be changed any time soon.

Under the circumstances, Washington might be expected to entertain a policy shift. Evidently, this is not its intent. Asked recently about America's future course of action, a high official of the government claimed that Washington would keep on doing what it was doing. In particular, it would continue patrolling the skies over Iraq, and targeting its defense installations. Asked if the embargo would not be eased, since it appears to be causing great distress among the Iraqis, the official answered, no.²⁶

This attitude is hard to comprehend, because the current U.S. policy does not seem to be working, the proof being that the targeted regimes are surviving. Moreover, it is likely they will continue to do so for some time. Those who know the two regimes are aware that there are constraints built into both that make them extremely resilient.

The Structural Constraints.

The regimes in Iran and Iraq came to power following great national upheavals, and in a large part they have been able to preserve themselves because of this.²⁷ Both regimes have strong constituencies among the lowest elements of the population, and it is to these that they turn to during times of crisis.

Iraq's was a classic revolution in the mold of the French, one in which the *ancien regime* was completely destroyed. Then, (as occurred in the case of the French Revolution) the revolutionary forces fought each other for over a decade. Thus the revolution passed through numerous bloody

phases, until in 1968 it was completed by Iraq's present rulers, the Ba'th Party.²⁸

The Ba'th succeeded where others had failed because it proved itself to be more ruthless. Comprising mainly lower class elements, the party did not heed much beyond power—getting and holding on to it was the only concern.²⁹

Moreover, because of the intense intracommunal struggle that had gone on in Iraq, when the Ba'th finally took control most Iraqis were relieved—if only because the anarchy ceased. Westerners have a difficult time comprehending that the Ba'th initially presented itself to Iraqis as the party of order.

Further, again as had occurred with the French Revolution, once the anarchy had ceased the middle class emerged as the most powerful element in the society. Prior to 1968 there had not been much middle class in Iraq. The Ba'thists promoted its emergence by, among other things, nationalizing the Iraq Petroleum Co. (IPC).³⁰ This put enormous revenues into the government's hands which it dispensed, initially to private Iraqi contractors.³¹ The contractors formed the nucleus of the new middle class.

Ultimately, under the Ba'th party, Iraqis experienced a spectacular rise in their standards of living. National income doubled in the space of a single year, and tripled within the next two years. Gross domestic product (GDP) and per capita income increased at a comparable rate, implying a similar rapid rise in demand for consumer goods and the expansion of the home market.³²

This upsurge in wealth, of and by itself, might have ensured the Ba'th's hold on power. However, the party took no chances. It began an extensive overhaul of Iraq's security services. Under the guidance of the present ruler, Saddam Hussein, Iraq developed the most efficient policing setup in the Middle East.

Saddam did this by inviting the East German STASI to remake the *Mukhabarat* (Iraq's premier security force) into

an image of itself.³³ In East Germany, the STASI commanded respect because, with agents spotted everywhere in the community, little went on in East Germany that passed official notice. In the same way in Iraq, the security forces soon became omnipresent.

Statistics on the security *apparat* are unobtainable, but Slugglett has pointed out that in 1977 Iraq's Interior Ministry employed 151,000 people, some 22.8 percent of the total bureaucracy.³⁴ From this it would appear that a considerable percentage of Iraqis were involved in conducting internal surveillance for the security side.³⁵

Under Saddam, Iraq became a totalitarian state, really the only effective such entity in the Middle East. The distinguishing mark of such systems is their obsessive concern with elite recruitment, and that certainly was the way in Iraq. Anyone who is anyone there belongs to the Ba'th Party and is probably—in one way or other—involved with the *Mukhabarat*.

The fact of so many being complicit with the regime bears on America's design of overthrowing the leadership.³⁶ It is a safe bet that no coup can succeed in Iraq that does not attract support from the army. At the same time, however, since all military officers of the grade of colonel and above are Ba'thists, all must fear retribution at the hands of the United States.

Washington's publicly stated policy of punishing the regime leaders as criminals is an effective inhibitor of internal revolt. The military will not cooperate with American-sponsored coup attempts, fearing that this will place them personally at risk.

That is one structural constraint operating against the overthrow of the government. Another involves the composition of the regime the United States would like to install, should the coup prove successful. Washington has tapped Ahmed Chalabi, a member of the *ancien regime*, as the new head of state to replace Saddam Hussein.³⁷

Chalabi is viewed by the mass of Iraqis with suspicion. He was out of the country during the Iran-Iraq War, which creates an immense gulf between him and the public. The war was the defining experience for Iraqis; anyone who missed it has very little standing in the participants' eyes. Moreover, the old elite, of which Chalabi is a part, intrigued against successive republican regimes. Since the Iraqis are nothing if not republicans, this is another count against him.

Along with Chalabi, Washington would like to see two Kurdish parties in the new government—the Kurdish Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK). These two fought on the side of Iran in the “great” war, and hence are viewed as quislings to the Iraqis.³⁸

The Iraqi army officers are particularly hostile to the Kurdish groups, having fought against them in campaigns going back to 1961.³⁹ Washington's insistence that, in any replacement government, the army officers share power with the KDP and PUK sets the officers' teeth on edge.

Finally, a new adherent to the opposition front is the so-called Supreme Council of the Islamic Revolution in Iraq (SCIRI). This group also fought on Iran's side in the war. In fact, the leadership of SCIRI, which is entirely composed of clerics, would like to convert Iraq into a theocracy on the Iranian model.⁴⁰

Washington seems not to know, or care, that the SCIRI group claims as its spiritual mentor the Iranian cleric, Ali Akbar Montashemi, who while serving as Iran's ambassador in Damascus in the 1980s, directed terrorist operations against the American Embassy and the Marine Corps barracks in Beirut where 243 U.S. servicemen were killed.⁴¹

And finally the American-sponsored opposition also claims the Iraqi Communist Party as a member. It is difficult to comprehend why the U.S. Congress would

contemplate turning over power in Iraq to two such organizations as SCIRI and the Communists.⁴²

To be fair to the administration, it appears to have qualms about this, as it has been extremely chary about operationalizing the opposition; and the United States Central Command (CENTCOM) has publicly stated it will not work with the group, as it does not consider it to be reliable.⁴³

The Case of Iran.

Iran's situation is similar to that of Iraq. Here, too, popular forces made the revolution. In Iran, however, there was no party to direct the revolt, rather a popular mass movement developed which rallied behind Ayatollah Ruhollah Khomeini.

Although he had little organized support when he took power, the ayatollah overcame this circumstance once he became established. He created a number of powerful institutions, among the most important of which were the so-called foundations. Agencies like the Foundation of the Oppressed formed the ayatollah's powerbase.

These foundations were/are welfare systems. Through them, the clerical regime looks out for the people's most basic requirements. If an Iranian needs medical treatment or a job, let us say, he goes to the foundations. Assuming that he is in good standing with the regime, he is taken care of. In this, the foundations are little different from political machines in the United States.

It does not take much effort of imagination to see how the foundations keep control of the populace. Indeed, this was shown by the recent clashes at Tehran University. After the students had rioted, the anti-Western forces (as indicated above) called for demonstrations of support. The call was answered by an enormous outpouring, as was only to be expected—not to have turned out, for many Iranians, would have meant jeopardizing their stipends.

Another way in which the clerics preserve themselves is through paramilitary organizations like the Revolutionary Guard and *baseej*.⁴⁴ These outfits go back to the original revolution; they were among the first to support Khomeini. Such groups always spring up when revolutions take place, but they usually disappear soon after. Not so in Iran.

The Guards hung on because they perform a real service. They constitute the shock troops of the clerics, good for controlling subversive elements, such as, for example, university students.⁴⁵

One of the salient characteristics of the Guards and related outfits is that they are all assertively lower class (in this respect they ape the Iraqi Ba'th Party). In today's Iran, class antagonism is exploited to constrain middle and upper class elements (what few of the latter are still present).

The Revolutionary Guards, the *baseej*, the militiamen who belong to *Hizbollah*, and a goodly proportion of the petty officials serving in Iran's bureaucracy have no love for middle-class Iranians, and most certainly not if they are disposed to the West. Moreover, they are extremely hostile to Iranians who fled the country after the Islamic Revolution.

Enormous numbers of middle- and upper-class Iranians left because they could not accommodate themselves to the *dirigiste* economic system the clerics imposed.⁴⁶ Were the Khatami forces to gain power, they would almost certainly try to bring back these people, seeing them as a potential resource. After all, they have skills which the Khatami supporters will need if they try to modernize the state.

The expatriates, then, would gain by having Khatami defeat the conservatives; the Guards, and their ilk, could only lose by it. Knowing that this is the case, all those who oppose modernization will do everything in their power to maintain the *status quo*. The surest way of doing this is by frustrating the reforms that Khatami is trying to institute.

Thus we see there are strong pressures operating in Iran to keep the present leadership in place. In the author's view, this practically guarantees that nothing much will change there—Iran will go on regarding the United States with suspicion, if not outright hostility.

In fact, the author would go so far as to say that, among the leadership, a moderate party does not exist. All the leadership is anti-American. There are some clerics who want to strengthen the state, and others who want to spread the revolution. But statist and revolutionaries alike support the line of Khomeini, and thus hate the West in general and the United States in particular.

The two sides will not allow a break between them, because that would provide openings for the hated secularists. Indeed, if one examines Khatemi's behavior in the recent student riots, this one fact comes out sharply.⁴⁷

The Surrogates.

Given the facts as stated above, it is hard to see how U.S. policymakers can justify sustaining Dual Containment. By adhering to it, they condemn the United States to a drawn out test of strength with parties, neither of which is as weak as they are being made out to be, and both of which can deploy assets little appreciated in the United States.

One could argue that none of this matters; that since the United States is the world's only superpower, it can overcome any sort of opposition. To be sure, it probably can. But that is not what is important here. We must be sensitive to the position of our friends in the area. The longer this standoff in the Gulf continues, the more the credibility of allies like Egypt, Saudi Arabia and Kuwait is undermined, for the following reasons.

Dual Containment cannot operate without the support of surrogates Egypt, Saudi Arabia, and Kuwait. The Saudis and Kuwaitis have for some time been helping to defray the costs of U.S. operations in the Gulf. They also provide bases

from which the operations are launched. As for Egypt, it carries enormous moral authority among the Arab states. It practically single-handedly keeps the others on track with our policy. At the same time, however, the surrogates are vulnerable to pressures from within the region, pressures to which, ironically, we have subjected them.

America has for some time been trying to involve the surrogates in the peace process. Egypt needed no encouragement for this, but the Saudis and Kuwaitis were only brought into play reluctantly. America's feeling has been that the surrogates, with their enormous wealth and prestige, could facilitate the process. Whenever it has gotten into difficulty, Washington has called on the surrogates to intervene.

One of Washington's standard arguments (as to why Middle Easterners should support the process) is that the region's economy will revive, once peace is established. Washington has indicated it will help out in this area, and during the tenure of the former Labor Party leader Itzak Rabin it promoted an agenda for economic revival. Washington proposed a kind of Marshall Plan for the region. Meetings were held involving, not just the Arabs and Israelis, but potential donors from Europe, the United States and Japan. This generated a lot of optimism in the region. But once Rabin was assassinated the project died, and nothing has come forth to replace it.

The Deteriorating Economy.

It is a fact that for a number of years the economic situation of the Arab Middle East has been deteriorating. In the past 10 years, *per capita* income in the region has fallen 2 percent a year—the largest decline of any developing area (this is from a 1995 study of the World Bank). For oil exporting countries, the fall in output per capita is 4 percent, which parallels the drop in oil prices. Non-oil exporters grew less than one percent, because oil revenues have a ripple effect. Investment in the area declined

throughout the 1980s, but output declined more, implying that productivity is falling.⁴⁸

As long as America's approach of uplifting the economy through getting the war over with seemed achievable, the Arabs were willing to work for a peaceable—and just—solution to the conflict. But after Rabin's death, and the rise of Netanyahu and the Likud to power in Israel, all hope died. The Arabs are by now fairly cynical about the whole business.

Thus, the surrogates are on the firing line, so to speak. They invested their prestige in the peace process; they promised that once the process had succeeded, good things would start to flow. What now? No Arab leader seems to have an answer to that question, and so the cynicism of the natives is growing.

If it were simply a case of the Arabs giving up and washing their hands of further involvement in peace making, that would be bad enough. But there is a greater concern. If peace fails, a number of outstanding issues will be left hanging, as it were. For example, there is the matter of Jerusalem.

Jerusalem.

The Arabs expect that, as a part of any peace deal, Jerusalem, or a portion of it, will be turned over to Muslim control. This almost certainly is not about to happen. It is hard to envision the Israelis giving way on this point. Thus, the Arabs are going to either have to adapt to the city's irrevocable loss, or—what?

There are well over 200 million Muslims in the Middle East. They have until now left it to their leaders to resolve this problem; that is, the disposition of the third holiest city of Islam. If the leaders, because they feel they have no alternative, opt to abandon the city, there is no telling what the popular reaction will be.⁴⁹

This much is certain, however; Iraq and Iran will try to exploit the situation. Iraq, being an avowedly secular state, has no real interest in Jerusalem (although Saddam Hussein has kept up a pretense lately of being a devout Muslim). But Iran is certainly concerned with the city's fate—it is, after all, a theocracy.

Both states, then, can be counted on to agitate about this, and, in the author's view, both will take the same tack of blaming Saudi Arabia. The Saudis, starting in 1979—after the Grand Mosque seizure—began styling themselves as the Guardians of the Holy Places, and claiming legitimacy on the basis that they would defend the faith, using among other things their immense oil riches.⁵⁰

Three places are of special importance for Muslims—Mecca, Medina, and Jerusalem. The first two are in no danger, but Jerusalem almost certainly is going to be lost—at least if its recovery is up to the peace process. The Israelis hold far too many cards to give way on this issue, which they have indicated over and over is not negotiable.

Popular Unrest.

This means that germinating away among the Middle Eastern masses is this potentially quite explosive issue. Not just the Arab Muslims, but Iranians and Turks as well, are vitally interested in the city's fate. They suspect, because of their leaders' performance to date, that they are going to be let down in this department, and, although there is not much unrest at present, it could break out at any time.

It is the author's view that if the peace process concludes without resolving the Jerusalem issue, hostility will erupt, enflamed by agitators from the fundamentalist community. Once that occurs, America's surrogates—Egypt, Saudi Arabia, Kuwait—will certainly abandon us. They will put themselves on guard against unwanted association with the West.

Thus Washington will have to go it alone in the Gulf. Dual Containment is difficult enough to implement as it is. Without active support from the surrogates, it will be impossible.

Back to Kennan.

Dual Containment should be scrapped, and a completely different policy adopted for the Gulf. Remove the sanctions on Iraq and Iran, discontinue the no-fly zones over the former, and allow the balance of power to come into play. In so doing, we will be acting in the spirit of Kennan's original containment policy.

Kennan recognized that, in America's contest with the Soviet Union, it was inappropriate for the United States to seek the Soviets' total defeat (as American policymakers now appear to be doing with Iraq).⁵¹ Rather, Kennan argued that Moscow had space to which it was entitled. And thus it made sense to concentrate on Russia's *periphery*. Those areas which were vital to U.S. interests—those, and only those, should be defended, Kennan believed.

America should make a similar determination in regard to the northern Gulf region. Do we need the oil of either Iran and Iraq? Obviously not—when we have access to the prodigious fields in the lower portion. Then, by all means, we should cut our losses in this troublesome space; withdraw to the south, while the conditions there remain congenial.

A withdrawal need not disturb us overly. Almost certainly our enemies in the north, Iran and Iraq, will revert to their mutual hostility once we have departed. If there is any doubt of this, consider their behavior of late.

One would have expected, since Iran and Iraq both hate the United States, that they would long ago have composed their differences and turned to face their common foe. But that has not happened.

Iraq only recently has accused the Iranians of colluding with Washington to provide a launching ground for an armed aggression against it.⁵² Iran just prior to that fired rockets into Iraqi territory, claiming that Baghdad had established a camp there for the People's Muhajadin, an anti-Iranian guerrilla group.⁵³

Does it make sense that America has intervened in this feud? If these two states are seeking to destroy each other, why not let them do it? Under Dual Containment, America must commit resources to what is, essentially, as stated above, a supererogatory exercise.

One more point needs to be addressed, and that involves the military component of America's Dual Containment policy.

Bombs Away.

At present, the United States is using bases in Saudi Arabia, Kuwait, and Turkey to stage air attacks against targets inside Iraq. Washington has imposed two security zones, one in the north of that country, one in the south, where, according to U.S. *dictat*, no Iraqi planes can fly; Iraqi aircraft caught in either of the two zones are shot down. Moreover, if Iraqi air defenses attempt to protect the planes, they are targeted.

Obviously, in the process of doing this, some destruction is wrought, not only to military sites but to civilians as well.⁵⁴ This, in some measure is due to the Iraqis' refusal to respect the zones. They regard them as violations of their sovereignty, and provoke engagements which produce the destruction.

For the United States, the air campaign is not a high priority; Washington is barely preoccupied with keeping it going. Indeed, the campaign has been going on for so long now, it practically runs itself. As long as there are no American casualties (i.e., planes shot down), Washington is unlikely to alter its present stance of harrassing the Iraqis.

This is a mistake. The policy is having an extraordinary effect on the Iraqi people. Indeed, it is engendering intense hatred of the United States; not simply because the bombing has gone on for so long, but because it was ever undertaken in the first place.

Of all the tactics America could have chosen to use against Iraq, this one was by the far the most ill-conceived. To understand why, one must know something of the history of the country.

It was against the Iraqis that the first known use of air power as a policing instrument was recorded.⁵⁵ The British introduced the practice there in the 1920s when they had the mandate over the country. (This was before the Italians employed aerial attacks against the Ethiopians in Abyssinia, or the Germans against the Spanish at Guernica.)

At the time, bombing civilians was regarded—even among upper class Englishmen—as a “barbaric practice.”⁵⁶ Not only did the British strafe and bomb Iraqi tribesmen, they deliberately burnt their crops using incendiary devices dropped from planes.⁵⁷

Such was the international outcry over this that Churchill, then Britain’s Foreign secretary, was forced to defend the bombing policy. He said,

Aerial action is a legitimate means of quelling disturbances and of enforcing the maintenance of order but it should under no circumstances be employed in support of purely administrative measures such as the collection of revenue . . . (A reference to the fact that the R.A.F. was bombing Iraqis as a way of softening them up before the tax collectors appeared.)⁵⁸

Over the years (and the British did not leave Iraq until 1958), thousands of Iraqis quit their farms in the southeast, the area hardest hit by the bombing, to gather in shanty towns in the capital of Baghdad and in other large cities.⁵⁹

These *shurugis* (easterners) constituted a rabble, which in time became a menace to public order. At the slightest provocation, the *shurugis* would erupt. Any demonstration in the capital—by students, labor unions, or whomever—would draw out the *shurugis*, who would then indulge in an orgy of violent destruction.⁶⁰

When, in 1958, the Iraqi army pulled a coup, the *shurugis* erupted and effectively took it over; that precipitated the horrendous revolution (as mentioned earlier). As specialists on Iraq can testify, the country's history from 1958 to 1968 is replete with instances of mob violence, perpetrated by the lower class elements in Baghdad, Mosul, and Kirkuk.⁶¹

The descendents of the *shurugis* (and indeed many of the original members of the class are still living) remember the British imposed air campaign with loathing. It is probably not an exaggeration to say that it has become part of Iraq's national myth—the heroic defiance by the Iraqis of the inhuman British aerial attacks.

The United States, by replicating this precise method of control, has transferred all of that hostility to itself. Indeed, the author would argue that this has converted Dual Containment from a static to a dynamic policy—the dynamism of breakdown and, ultimately, of violent confrontation.

It is the author's view that, if this tactic is continued, the hatred against us will grow to such a degree that, even were we to succeed in overthrowing the regime, we would never be able to influence the Iraqis, even were we to occupy the country.

The Oil Factor.

We are now ready to relook at our Iraq involvement in light of the arguments cited above. It seems a safe prediction that, in 2 years, the situation in the Middle East will have

further deteriorated. If there is a peace, it will not be one of which the mass of Arabs can approve, or even live with.

In the Gulf, neither the Ba'thists nor the anti-Western clerics will have departed the scene. Both in the Gulf and out of it, the condition of the poorest Arabs and Iranians will not have improved economically. And most dangerous, the incompetence (or incapacity) of the surrogate Arab regimes will have become a rallying cry for extremists.

On top of everything else, America will find itself more—not less—dependent on Persian Gulf oil. This oil dependency will be critical. It was not too long ago that, in the minds of many, the Gulf was assumed to be only marginally important.⁶² New oil fields were in the process of being opened up in the Caucasus and Central Asia. In time, it was predicted, these would take precedence over the Gulf; the latter would become, if not a backwater, then certainly a region of secondary importance.

But how have things turned out? Last year the world experienced the Asia meltdown, which caused a precipitous decrease in demand for oil, and that in turn sent the price plummeting.⁶³ Companies that were on the point of investing in exploration in the lands of the former Soviet Union backed away.⁶⁴ (Development when oil was selling at \$18 a barrel makes sense; not when it is going for \$12 and lower.)

Moreover, a related problem developed—much of the area in which the Russian fields are located is disturbed. There are active rebellions going on by Islamic tribesmen, among others.⁶⁵ Given this extraordinary instability, successful oil extraction is hardly feasible.

Contrast that with the situation in the Gulf. The fields there were developed almost a century ago. The Saudi oil facilities are the most sophisticated in the world. They can easily produce up to 10 million barrels a day; and, along with that, production can be calibrated, moving it quickly up and down at will.⁶⁶

Additionally, oil from the Persian Gulf is extraordinarily easy to extract, and therefore costs are negligible. Indeed, oil from there is cheaper than anywhere else.

One further statistic of importance. Since roughly the 1970s, U.S. oil production has been on the decline. Since the 1980s, the production in Russia seems to have peaked as well. These two countries accounted for 40 percent of world oil production in the post-World War II period.⁶⁷

Thus it seems inevitable that, for the foreseeable future (and perhaps well into the 21st century), the world will get its oil from the Gulf. America will not, under such circumstances, be able to ignore the region. More than likely we will be intensely involved there for quite some time.⁶⁸

Going It Alone.

Ever since the time of Nixon, the United States has fostered its interests in the Middle East through surrogates. Initially, this was Israel and Iran (under the Shah), then Saudi Arabia and Egypt. And, for a time, Iraq functioned as a U.S. surrogate.⁶⁹

As long as the Cold War was in full flood, using surrogates probably made sense. The United States and the Soviet Union viewed their relations as a zero sum game, a plus for one was a debit for the other. Thus, it could be argued that, by recruiting allies, Washington reduced the threat of states going communist. But once the Cold War ended, depending on surrogates ceased to be productive. After all, who were the surrogates protecting us against?

Surrogates Israel and Egypt, and to a lesser degree the Palestinian National Authority (PNA), are totally involved with the peace process. This, of course, is necessary until a final settlement is reached. But, being consumed by the process, America's surrogates cannot help out in the Gulf, and the Gulf involvement, in the author's view, is by far the most important for America's security.

America's primary reason to be in the Middle East is oil; it was so in 1973, and it remains the case today. And, given the fact that the world is unlikely to power itself without oil for as far into the future as anyone would care to project, now is the time to confront this basic proposition.

According to Kennan, it is sensible to take care of what is truly important, letting everything else go by the boards. If, as the author believes, the really important thing in the Middle East is oil, then we should be devoting all of our planning to safeguarding the area where it is to be found in abundance, *viz.* the Gulf.

It would be ideal were we to be able to have a permanent base in the area. Almost certainly this is not possible, given the hostility that this would engender. Lacking this option, we should undertake a robust program of military exercises and other contacts in the lower Gulf, the aim being to assure ourselves of many of the advantages of forward presence, without much of the risk.

Moreover, in addition to military maneuvers, we should seek military-to-military contacts, stepped up foreign military sales, and we should try to engage in military activities that complement diplomatic initiatives. We might even want to engage in the sharing of military technology or licensing of lower Gulf states to produce U.S.-designed military equipment.

The idea of all this would be to accustom the northern states, Iran and Iraq, to an American presence; however, one which was not immediately confrontational.

Further, in the exercise field, we should stress land units. In the Middle East, over the centuries, nothing but land forces have ever been able to keep order—not air power, not sea power; just land units. Armies have been the tool for pressing as well as containing regional aggression.

In addition, as the author has tried to show, continued use of air power as a policing agent is wrecking whatever standing we have left in the region. Recently Arab

governments friendly to the United States—such as Jordan and the UAE—have begun speaking out against the continued bombing of Iraqi targets.

This protest by Iraq's neighbors was occasioned by a step-up in America's air campaign. We are now, apparently, hitting targets outside the exclusion zones in Iraq. This would never have been done had our strategy been working.⁷⁰ We cannot escalate this air battle much further, other than to deliberately target Baghdad, which in the author's view would be completely counter-productive.

One could object that the states of the lower Gulf will not cooperate on a program of land exercises. The author does not accept that. If the maneuvers were presented as an alternative to the current bombing campaign, I think they would jump at it. Moreover, we do not have to restrict ourselves to only working with Saudi Arabia and Kuwait; there is also Oman, Yemen, or the UAE.⁷¹ It would be ideal if we could exercise in Saudi Arabia, but again this is not feasible, because of religious sensibilities.

In fact, America need only be concerned with establishing itself *in situ*—in other words, it is enough to be physically present in the Gulf. Call it a tripwire, call it a demonstration of resolve, call it whatever one wishes. The idea should be that American troops in the area signify America's continuing interest in the region.

Effectively what the author is suggesting is that, one way or the other, America will enter the Gulf with a significant land force. It will either do so in the manner suggested above, or it will go in in strength, having been forced once again to wage a large land war to restore stability to the region once the surrogate relationships have broken down.

ENDNOTES

1. Among the forcible methods are routine overflights of Iraqi territory to prevent Iraqi planes from flying in certain corridors. The

latter prohibition, however, is not sanctioned by the United Nations but has been imposed unilaterally by Britain and the United States.

2. Indyk has since become the State Department's Assistant Secretary for Middle East Affairs.

3. Kennan originally laid out his containment policy in the famous "long telegram" from Moscow, where he was then serving as number two in the U.S. embassy. This was in early 1946. He later expanded on some of the ideas in the policy in a Council on Foreign Relations publication, *On Dealing With the Communist World*, New York, NY: Harper & Row, 1964. For a discussion of the telegram and excerpts from it, see Ernest May, ed., *American Cold War Strategy: Interpreting NSC 68*, Boston: MA, Bedford Books, 1993; further material on Kennan and containment can be found in John Lewis Gaddis, *Strategies of Containment*, Oxford: Oxford University Press, 1982, and David Horowitz, ed., *Containment and Revolution*, Boston, MA: Beacon, 1967; and Stephen Ambrose, *Rise to Globalism*, London: Penguin, 1984.

4. For a discussion of balance of power theory, see Kenneth Waltz, *Man, the State and War*, New York, NY: Columbia University Press, 1959.

5. The era of balance was prior to World War I and immediately after. With World War II and the emergence of two superpowers, balancing was thought to have ended. Kenneth Waltz (see endnote 4), argued fairly successfully that two states could balance as well as several. Thus was born the concept of *balance a deux*.

6. The whole basis of balancing theory is that nations must be allowed to compromise, and must never—as has occurred with Dual Containment in respect to Iraq—be presented with an ultimatum—change or perish.

7. For the history of this movement, see the staff report to the Federal Trade Commission of the Subcommittee on Monopoly of the Select Committee on Small Business of the United States Senate, titled *The International Petroleum Cartel*, Washington, DC: U.S. Government Printing Office, 1952.

8. The oil deposits of these two originally were developed by the British, who retained the countries as part of their sphere of influence.

9. In the modern period, these fights start in the 1950s, when Iraq became a republic and accepted arms from Russia. Iran, which was then ruled by the Shah, found this objectionable and throughout the 1960s

and 1970s Tehran supported Kurdish rebels fighting in the north of Iraq, with the intent of destabilizing the regime in Baghdad. Then, of course, in the 1980s came the Iran-Iraq War, which ended with Iraqi victory.

10. France, in particular, has been keen to acquire oil concessions from either of the two countries for a period of years going back to just after World War I.

11. See "Trade Boycott of Iran by U.S. Appears Unlikely to Succeed," *The New York Times*, May 2, 1995; "Trade Ban Is Seen to Affect Oil Services and Farmers Most," *The New York Times*, May 2, 1995; "Conoco Signs Contract With Iran To Develop Persian Gulf Oilfield," *The New York Times*, March 7, 1995; "Avoiding total war," *The Financial Times*, October 3, 1997; "US pressed on Helms-Burton," *The Financial Times*, October 20, 1997; "US Rethinking Stance on Economic Sanctions," *The Washington Post*, January 26, 1998; "Demands for Oil Influence Policy in the Gulf," *The Wall Street Journal*, February 23, 1998.

12. See "U.S. Fails to Enlist European Allies in Iranian Trade Embargo," *The New York Times*, May 3, 1995; also "Demands for Oil Influence Policy in Gulf," *op cit*.

13. "Canadians in Iraq Oil Deal," *The Financial Times*, December 16, 1997.

14. By the sheikhs, I refer to the six countries of the lower Gulf—Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE), and Oman. All are monarchies, all have small populations, and at least three—Saudi Arabia, Kuwait, and the UAE—have substantial oil reserves.

15. The Shah's period of expansionist advance into the Gulf came between the late 1960s, when he intervened in civil war in Oman, and 1977, when he had lodged irridentist claims to Bahrain, the Trucial States (later the United Arab Emirates), and had actually seized three small islands in the Strait of Hormuz from one of the Trucial States' emirates. Khomeini, of course, began his push into the Gulf almost as soon as he took power. His most flagrant act was an attempt to overthrow the government in Bahrain in 1981.

16. The Iraqis opposed the Shah in Oman; as part of a proposed peace settlement with Khomeini, they stipulated Iran must return the three small islands in the Strait, and in 1980, Baghdad issued an Arab Charter, under which the security of the Gulf would be safeguarded by the littoral states. All the sheikhdoms, with the exception of Saudi

Arabia, signed; however the Saudis let it be known they supported the Charter, even though they did not feel they could sign.

17. For strains in the sheikhs' relations with the United States over the Gulf, see Stephen C. Pelletiere, "Regional State Competitors: The Case of Iraq," in *Challenging the United States Symmetrically and Asymmetrically*, Carlisle, PA: Strategic Studies Institute, 1998.

18. Khatami pulled both the youth and women's vote with promises to open Iranian society.

19. See "Saudi Paper Denounces Saddam Husayn's Iran Threats," *Mecca Al Nadwah*, August 9, 1999, *Foreign Broadcast Information Service*, FTS199990811001200.

20. "Editor Discusses US-Saudi-Iranian 'Scheme'," *Baghdad Al Thawrah*, May 23, 1999, *Foreign Broadcast Information Service*, FTS19990528001262; "Overtures From Iran Ignite a Bitter Debate Among Arab States," *The New York Times*, June 9, 1999, and "State Department Drops Iran as Terrorist Leader," *The New York Times*, May 1, 1999.

21. See "US Said to Reject Requested UN Debate on Iranian Jews," *Jerusalem Qol Yisra'el*, July 22, 1999, *Foreign Broadcasting Information Service*, FTS19990722000027; "Story of Arrested Jews," *Tel Aviv Ha'aretz*, August 19, 1999, *Foreign Broadcast Information Service*, FTS199908119000927.

22. "Iran Protests Spread to 18 Cities, Police Crack Down at University," *The New York Times*, July 13, 1999.

23. See "Reform's genie escapes," *The Financial Times*, July 15, 1999.

24. See "Turning Tables In Iran, Crowds Back Old Line," *The New York Times*, July 15, 1999.

25. See "Iran's secret police . . .," *The Wall Street Journal*, p.1, July 20, 1999.

26. See "Iran: US Role Charged in Unrest," *The New York Times*, July 31, 1999, and "Ayatollah cites U.S. meddling," *The Philadelphia Inquirer*, July 31, 1999.

27. Iraq's revolution came in 1958 with the destruction of the British-backed Hashemite regime; Iran's Islamic Republic was formed in 1979 after America's ally, the Shah of Iran, was overthrown.

28. For the best account of the revolution in Iraq, see Hanna Batatu, *The Old Social Classes and the Revolutionary Movements of Iraq*, Princeton, NJ: Princeton University Press, 1978.

29. The best account of the composition of the early Ba'th is Amazia Baram, "The Ruling Political Elite in Ba'thi Iraq, 1968-1986," *International Journal of Middle East Studies*, No. 21, 1989, pp. 447-493.

30. See Daniel Yergin, *The Prize*, New York: Simon & Schuster, 1991.

31. See Peter Sluglett and Marion Farouk Sluglett, *Iraq Since 1958*, London: I.B. Tauris, 1990, p. 227 f.

32. Sluglett, *Iraq Since 1958*, p. 231.

33. *Ibid.*

34. *Ibid.*

35. Slugletts, *Iraq Since 1958*, p. 248.

36. See "U.S. to Start Flow of Aid to Iraqi Opposition," *The Washington Post*, May 25, 1999.

37. See "Congress's Candidate to Overthrow Saddam Hussein," *The Washington Post*, April 21, 1999.

38. The Kurds are not a semitic people, which, of course, sets them even farther apart from the bulk of the population.

39. For an account of this, see Stephen C. Pelletiere, *The Iran-Iraq War: Chaos in a Vacuum*, Westport, CT: Praeger, 1994.

40. SCIRI was led by the Hakim family, one of whose members had been an ayatollah in Iraq before the war.

41. For recent contacts between Sciri and Hizbullah, see "Iraqi Delegation Meets Hizballah's Nasrallah," *Beirut Al-Mustaqbal*, November 10, 1999, *Foreign Broadcast Information Service*, FTS 1999111000352.

42. Khatemi rebuked his student supporters for attacking his putative enemy, Khamanei, claiming this would only weaken the revolution.

43. The administration originally resisted employing the opposition forces backed by the Congress, and, when called on by Congress to commit funds to the groups, held back. The head of the Central Command (CENTCOM) General Anthony Zinni has also said that he could not rely on this outfit. See "Iran: Mohtashami on 'Unjust' Middle East Peace Plan," *Qazvin Velayat-e Qazvin*, May 25, 1999, *Foreign Broadcast Information Service*, FTS199908050000661.

44. The *baseej* were originally 21-man units, mobilized from among the people during the hostage crisis. The clerics, fearing an American invasion after the U.S. Embassy hostages were seized at the outset of the Islamic Revolution, mobilized these local defense forces and later incorporated them into the military.

45. Mohsen Reza'i is the former Defense Minister of Iran, and head of the Revolutionary Guards. Today he is secretary of the powerful Expediency Council. See "Reza'i Says 'Zionists' To Stop Iran's Progress," *Tehran IRNA*, June 25 1999, *Foreign Broadcast Information Service*, FTS19990625001241.

46. Interestingly, many settled in the United States, most notably in Los Angeles.

47. Even though the students came out into the streets in support of his government, Khatemi refused to endorse the protests, and urged the students to call them off.

48. See *Claiming the Future*, publication of the World Bank, 1995.

49. One day after Mubarak presided as Arafat and Barak signed an interim accord, an Egyptian tried to assassinate the President. To many Arabs, the accord was viewed as a sell out of the Palestinians, and Mubarak was faulted for having played such a conspicuous role in bringing it about. See "Egyptian Leader Is Assaulted But Unhurt," *The Washington Post*, September 7, 1999.

50. Large numbers of Muslims stormed the Grand Mosque in Mecca in 1979 and held it for several days, until they were finally rooted out by French commandos. This incident badly shook the Saudi leadership, and caused it to try to improve its image with the Muslim religious community.

51. This seems a reasonable assumption, since Washington has consistently refused to reward Iraq for any compliance with the U.N. imposed restrictions.

52. See "Iraq Blames Iran for Failure of Talks on POWs," *Baghdad Republic of Iraq Radio Network*, August 16, 1999, *Foreign Broadcast Information Service*, FTS199990816000545, also "Iraqi Writer Questions Iranian 'Hostile' Policy," *Baghdad Babil*, August 9, 1999, *Foreign Broadcast Information Service*, FTS19990812001219.

53. See "MKO on 'Sporadic' Clashes between Muhajadin, Guards," *Iran-e-Azad WWW*, August 4, 1999, *Foreign Broadcast Information Service*, FTS19990806001140.

54. See "In Intense but Little-Noticed Fight, Allies Have Bombed Iraq All Year," *The New York Times*, August 13, 1999; "Eight Iraqis Killed in 19 Jul Air Raids," *Baghdad Republic of Iraq Radio Network*, July 29, 1999, *Foreign Broadcast Information Service*, FTS19990729001058.

55. The best treatment of this episode is found in Peter Sluglett, *Britain in Iraq, 1914-1932*, London: Ithaca Press, 1976, p. 259 f.

56. See Sluglett, *Britain in Iraq*.

57. Sluglett cites as a typical raid one which was carried out over a 2-week period in 1923 and which resulted in 144 people being killed and an unspecified number wounded. Sluglett, *Britain in Iraq*.

58. Sluglett, *Britain in Iraq*, p. 264.

59. For details on this period, see Hanna Batatu, *The Old Social Classes and the Revolutionary Movements of Iraq, 1900-1963*, Princeton, NJ: Princeton University Press, 1978.

60. *Ibid.*

61. *Ibid.*

62. Evidence of this is the latest iteration of the National Security Strategy, (*A National Security Strategy For a New Century*, October, 1998) which makes a point of saying that America is decreasing its dependence on Middle East oil. America was never dependent on it. It was always its allies—the Europeans and Japanese—who were heavily dependent on oil both from the Gulf and the Maghreb. The new strategy, however, argues that, even this dependence of the Europeans on Gulf oil will decrease as new fields open in the Caspian and southern Russia. The author disputes that this will ever occur.

63. See "Falling price of oil spotlights perils of Caspian investments in the pipeline," *The Financial Times*, September 7, 1998, and "Caspian oil bonanza dreams turn sour as persistently low prices sap profits," *The Financial Times*, February 24, 1999.

64. *The Financial Times*, "Caspian oil bonanza dreams turn sour as persistently low prices sap profits."

65. The most recent area of disturbance being Daghestan.

66. This means that production from Saudi fields can be adjusted to compensate for oil gluts and shortages. This is the means whereby the price can be stabilized, and no other oil area—not the North Sea, nowhere—has this capability.

67. J.E. Hartshorn, *Oil Trade: Politics and Prospects*, Cambridge: Cambridge University Press, 1993, p. 14.

68. The bulk of Gulf oil flows to Europe and Asia, but, still, it is America's ability to safeguard the region that enhances its world power position.

69. While it was holding the Islamic Revolution at bay in the 1980s.

70. "In Intense but Little Noticed Fight, Allies Have Bombed Iraq All Year," *op. cit.*

71. Each of these would present a problem. Oman has very close ties to the British, Yemen is an object of mistrust for the Saudis, and the UAE has, of all the sheikhdoms, the closest ties to Iran. Still, one does not know what anyone of them would do if the United States made an offer, meaningfully, to develop a base there. One also tends to forget that, although the Saudis are extremely opposed to having a base on their territory, this mainly relates to Washington's closeness to Israel. America built the Dhahran base in Saudi Arabia during World War II, and there were no religious scruples expressed at the time.

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