

RACE & CLASS

Volume XVII Winter 1976 Number 3

Special issue:
the US and the Arab World

EQBAL AHMAD

'A World Restored' revisited: American
diplomacy in the Middle East

M.H. HEIKAL, M. RAZZAZ,
A. YUSUF and
A. AL-ASHTAL

Reaction and revolution
in the Middle East:
Arab perspectives

JOE STORK

Oil revenues and industrialization

MICHAEL KLARE

Gunboat diplomacy

EQBAL AHMAD
DAVID CAPLOE

The logic of
military intervention

ELAINE FULLER

Everything that rises must
converge: a review article

EDITORIAL WORKING COMMITTEE

| | |
|------------------|-----------------|
| Eqbal Ahmad | Chris Farley |
| Hamza Alavi | Hermione Harris |
| Lee Bridges | Thomas Hodgkin |
| Tony Bunyan | Ken Jordaan |
| Malcolm Caldwell | Sam Mhlongo |
| Basil Davidson | Colin Prescod |

EDITOR

A. Sivanandan

EDITORIAL STAFF

Hilary Arnott
Jenny Bourne
Hazel Waters

CONTRIBUTIONS

Contributions, correspondence and books for review should be sent to the Editor at the Institute of Race Relations, 247-9 Pentonville Road, London N1. The Institute of Race Relations and the Transnational Institute are precluded from expressing a corporate view: the opinions expressed are therefore those of the contributors.

While welcoming contributions, particularly on Third World problems and realities, we would like to remind our contributors that manuscripts should be short (ideally 5,000 words), clear (as opposed to obscure) and free of jargon. Typescripts should be double-spaced.

SUBSCRIPTIONS

RACE & CLASS is published quarterly (in July, October, January and April) and subscriptions are payable in advance to any bookseller or to the Institute of Race Relations, 247-9 Pentonville Road, London N1. Subscriptions can be entered at any point in the volume. Current subscription rate £5.50 (US \$15) per four issues. Single issues (Library edition) £1.50 (US \$4). Special rates for booksellers are available on request. Back copies of Volumes 1-15 can be obtained from Wm. Dawson and Sons Limited, Cannon House, Folkestone, Kent. Volumes 1-4 available in reprint, at £2.50 per issue; Volumes 5-15 available in original, at current subscription and single copy prices (Volume 16 available at the IRR).

RACE & CLASS

THE JOURNAL OF THE INSTITUTE OF RACE RELATIONS
AND THE TRANSNATIONAL INSTITUTE

Volume XVII

Winter 1976

Number 3

| | |
|--|-----|
| Editorial | 221 |
| 'A World Restored' revisited: American diplomacy in the Middle East EQBAL AHMAD | 223 |
| Reaction and revolution in the Middle East: Arab perspectives MOHAMMED HASSANEIN HEIKAL, MUNIF RAZZAZ, A. YUSUF and ABDALLA AL-ASHTAL | 253 |
| Oil revenues and industrialization JOE STORK | 281 |
| Gunboat diplomacy, lightning war and the Nixon doctrine: US military strategy in the Arabian Gulf MICHAEL KLARE | 303 |
| The logic of military intervention EQBAL AHMAD and DAVID CAPLOE | 319 |
| Everything that rises must converge: a review article ELAINE FULLER | 333 |
| Books received | 343 |

© Institute of Race Relations 1976
ISSN 0306-3968

Photosetting by Red Lion Setters,
27 Red Lion Street, Holborn, London
Printed by Goodwin Press
Finsbury Park, London

Digitized by Noolaham Foundation.
noolaham.org | aavanaham.org

Editorial

Unlike the Jewish and Black diasporas before it, the Palestinian diaspora — by the very nature of its history, locale and time — carries with it the contagion of revolution. In the Arab countries into which it has dispersed, the Palestinian resistance has become the spearhead of revolutionary Arab nationalism, portending socialist change. Its very existence is a constant threat to the ruling elites of the region who, once the dust of battle has settled and dignity regained, find a more natural identity of interests with their Israeli counterparts than with their own revolutionary rabble. All the urging they need is imperialism's whisper: we are all capitalists under the skin.

Hence any accord between Israel and the Arab states pre-supposes the de-fusion of revolutionary Arab nationalism in general and the Palestinian resistance in particular. The Sinai accord is a reflection of that tendency.

On a global level, however, the moves toward a 'peaceful settlement' in the Middle East — or, in the alternative, a military intervention — signify a shift in the centrality of imperialism's focus from the Pacific and Atlantic to the Mediterranean and Indian Ocean regions — areas on whose resources of raw material is predicated the very fabric of industrial society. But to gain effective control over the production and distribution of these resources America needs to prise the indigenous bourgeoisie from their allegiance to the other super-power, the Soviet Union, and help them defeat at the same time those liberation movements which spell danger to imperial hegemony.

And it is in order to keep abreast of imperialism's moves and shifts and changes in the subjugation of Third World peoples that *Race & Class* moves, in this issue, to the most significant theatre of struggle: the Middle East.

★ ★ ★ ★ ★

In the first article "'A World Restored" revisited', Eqbal Ahmad analyses Kissinger's peace moves in the Middle East, both in terms of

its specifics and in the context of America's global strategy. In another — with David Caploe — he deals more concretely with America's alternative to 'peaceful settlement': military intervention. In the course of both, he throws up and unifies the themes of oil and arms, diplomacy and threats of war, detente and hegemony, the suppression of Third World liberation movements and the resurgence of the right wing — and the emergence of accord.

More importantly for European analysts, who have still not come out of the cold war, Ahmad shows quite clearly that the conflict between the super-powers is no longer one of ideology but of geo-politics. The world has moved on since the 1950s and both Russia and China, according to Kissinger, respect 'the framework of the international order' — and that calls not for the crude rattling of sabres but for 'antagonistic collaboration': 'co-optation and selective cooperation in some areas, confrontation and containment in others' (Ahmad).

And it is in this context of 'a global political economy' that Joe Stork investigates the issue of 'Oil and Industrialization' in the Middle East — leaving it to Elaine Fuller, in a review article of his book on *Middle East Oil and the Energy Crisis*, to discuss the larger implications of the politics of oil.

Michael Klare, author of *War without End*, outlines the scenarios for the imperial wars to come and details the American military build up in the Mediterranean, the Indian Ocean and the Arabian Gulf.

To one or other of these questions of peace and power, Heikal, Razzaz, Yusuf and Al-Ashtal — themselves protagonists in the Arab struggle — bring their own vantage points to bear in 'Reaction and Revolution in the Middle East'.

A. Sivanandan

'A World Restored' revisited: American diplomacy in the Middle East

The Arabs believe in persons, not in institutions. They saw in me a free agent of the British government, and demanded from me an endorsement of its written promises. So I had to join the conspiracy, and, for what my word was worth, assured the men of their reward. In our two years' partnership under fire they grew accustomed to believing me and to think my government, like myself, sincere.

T.E. Lawrence, *Seven Pillars of Wisdom*

Kissinger is a man of his word. I trust him completely. He is the first U.S. official who dealt with our problems who has proved himself to be a man of integrity — direct, frank and far-sighted.... Kissinger, under the guidance of President Nixon — and you cannot separate the two — has revolutionized the thrust of U.S. policy in our area and before that in the rest of the world.... They are now doing the unthinkable in the Mideast. Kissinger is a man of vision, imagination, and perhaps most important of all, trust.

Anwar Sadat, Interview with de Borchgrave in
Newsweek 25 March, 1974.

We are trying to get a [Middle East] settlement in such a way that the moderate regimes are strengthened, and not the radical regimes. We are trying to expel the Soviet military presence....

Henry Kissinger, Background briefing at
San Clemente 26 June, 1970.

It is the dilemma of conservation that it must fight revolution anonymously, by what it is not, not by what it says.

Henry Kissinger, *A World Restored*

EQBAL AHMAD — writer, lecturer, activist — is Director of the Transnational Institute. An earlier and longer version of this article will appear in Naseer Aruri (ed.), *The October War* (Evanston, Medina University Press, forthcoming).

Race and Class, XVII, 3 (1976).

A quarter of peace in Vietnam for which he received half a Nobel Prize is another matter, but with respect to the Middle East it is hard to deny Golda Meir's description of Henry Kissinger as a 'miracle worker'. One may use a phrase less divine, but the accomplishment certainly establishes Dr Kissinger as the confidence man of modern diplomacy.

It is difficult to imagine a more unlikely mediator between Israel and the Arabs. As a special assistant at the White House, and later as Secretary of State, he was a party to the conflict — on Israel's side. To say this is not to accuse Kissinger of inventing either US imperialism or its support for Israel. The two have been linked since before the Zionist state became a reality. Yet Kissinger has made unique contributions to that relationship. The promotion of Israel from a protected state to becoming the best armed primate of *pax americana* in the Eastern Mediterranean is due entirely to Kissinger's strategy. Understandably, he helped sabotage the Rogers Plan after it had gained, through the promulgation of cease-fire, the tactical objectives of achieving a stalemate along the Suez Canal and of isolating the Palestinians from the support of Egypt in the battle with King Hussein.

During the October War, he played the decisive role in the massive re-supply of Israel (to date history's biggest operation of this kind involving an estimated \$1.5 billion of military supplies in less than two weeks) without which Israel could not have launched the offensive to cross the Suez Canal and reconquer the Golan Heights. Thanks also to Kissinger's manipulations and Arab ineptitude the cease-fire was achieved only after the Israelis had crossed the canal, secured a bridgehead, and created an enclave on the western side. Then it was violated until Israel had isolated Egypt's Third Army. These violations had the cover of a global nuclear alert initiated by Kissinger — the first since the Cuban missile crisis of 1962. A few weeks later he appeared before the world in the arms of Anwar Sadat who proclaimed him a 'friend' and a 'brother'. Stunned, people spoke of him as the miracle man, the magician, the untier of knots. This extraordinary development appears to support T. E. Lawrence's statement that 'Arabs believe in persons, not in institutions'. However, evidence suggests that President Sadat and the Sultan of Arabia are wise men, no less dedicated to their class and dynastic interests than were the Sharif of Mecca and his sons. They had compelling reasons to welcome Henry Kissinger at the centre of the stage.

The Egyptian-Israeli interim agreement of January 1974 and the Sinai accord of September 1975 are the landmarks in Kissinger's 'step-by-step' road to peace in the Middle East. Both agreements were generally acclaimed as historic achievements. Despite the unusual commitments Kissinger made to win Israeli acceptance of the Sinai accord, it obtained overwhelming Congressional ratification. In western Europe no government has voiced objection to it. Even in the Middle East opposition was initially cautious and muted, although it is

likely to become increasingly open and intense as the full impact of the accord is felt.

Two assumptions underlie the broad support for Kissinger's Middle East diplomacy from people the western press like to describe as 'moderates'. The first assumption is that his step-by-step approach has been bringing Israel and the Arabs closer to a settlement, and provides the best chance for averting another war. Secondly, it is assumed that in view of the Middle East's enhanced economic importance and the Arab leaders' demonstrated will to use the 'oil weapon', the US has begun to play a positive role as an honest and even-handed arbiter.

Both assumptions are inaccurate. Far from constituting the best chance for peace, the two accords squandered the opportunities for a negotiated settlement which had been created by the October War. Like the Paris agreement on Vietnam, the Sinai accord (which has superceded the January agreement) is distinguished by its vulnerability to violations. Far from constituting a step towards peace, it is likely to yield an interregnum for the accumulation of violence. And far from being an honest arbiter, the US government has progressively become a party to the Middle East conflict — on the side of entrenched interests, and to the detriment of the Jewish, Arab and American people.

A squandering of opportunities: the accord at Kilometer 101

Of the two Egyptian-Israeli agreements, the second, involving Israeli 'withdrawal' from the Giddi and Mitla passes and from the Abu-Rudeis oil fields in the Sinai, is generally regarded as the more significant and substantive step. One might argue for the opposite conclusion: the disengagement accord of January 1973 entailed the squandering of the opportunities for peace after the October War, and locked the Egyptian government in a compromising and dependent relationship with the United States. The Sinai accord followed logically from the January disengagement.

The agreement at Kilometer 101 satisfied Kissinger's requirements of a meaningful accord: it had the appearance of being a compromise by both sides, and of rendering satisfaction to both. Egypt gained its entrapped Third Army, the withdrawal of Israeli forces from both sides of the canal and the possibility of augmenting state revenues by opening it. Israel obtained an arrangement which permitted military demobilization, granted it a cease-fire line along the most favourable strategic formation in the Sinai, left for two more years the depleting Egyptian oil fields under its occupation and interposed a UN buffer zone between the contending armies.

Far from being equitable the January disengagement yielded Israel primary gains and conceded Egypt benefits of secondary importance. If President Sadat's objective is to obtain the total evacuation of occupied territories, then he is further from it as a result of the accord.

Not since 1945 had the belligerents and their backers in the Middle East been confronted with as much incentive to reach a negotiated settlement (e.g., Israeli need for demobilization, Egyptian concern for the Third Army, the risk of superpower confrontation, and the effects on Europe and Japan of the oil boycott disposed all parties toward a settlement). The January disengagement removed those incentives and restored the equation of occupation and war.

In explaining Egypt's acceptance of the agreement, many commentators stressed its military predicament and Sadaat's need to rescue the Third Army Corps. It undoubtedly played a part; but Cairo's predicament was less serious and one-sided than American and Israeli propagandists would admit. True, in a brilliant display of bold manoeuvre and fast movement, aided by incredibly slow and disjointed Egyptian reaction, the Israelis crossed the Suez Canal and trapped some 20,000 well-equipped Egyptian soldiers. But in the process they also trapped themselves. Tactically Israel enjoyed an advantage because its forces held an offensive position at the edge of Egypt's interior and to the rear of advance Egyptian columns. Strategically, however, the situation favoured Egypt. The haphazard cease-fire line, with its interlocking pattern of territorial control, rendered the Israeli enclave on the West Bank extremely vulnerable to surprise attack. The mettle of Egyptian soldiers having been tested, the Israelis could not afford to underestimate the risk. To stay on the West Bank they would have had to remain on alert — allowing at best only partial demobilization of their reserve units. This, Israel could not afford.

In the event of another outbreak of war, the 30,000 Israelis on the west side would have been subject to pounding by some 200,000 well-equipped and easily-supplied First and Second Egyptian Armies to the west and north. Even if the latter failed to improve on their past performance and fought in their usually sturdy, conventional manner, the Israelis would have needed more than ingenuity and boldness to meet them. They might have had to bring reinforcements. Reinforcing and supplying these troops would at best have been difficult, for Israel's supply lines were extended, and it held only about eight miles of the bridgehead on the eastern bank. That could easily be lost to a determined enemy willing to make sacrifices, as the Arabs obviously were. In that event, the Israelis could have found themselves in a situation worse than that of the Egyptian Third Army. Given the smallness of Israel's population and the needed skills of its reservists, the entrapment of so large a force — a setback for Egypt — would have been a disaster for Israel.

The isolation of Egypt's Third Army, while serious, was by no means as hopeless as the western press and analysts portrayed. It had access to sweet water, and some supplies were reaching it clandestinely from the mainland. Above all, the entrappers were subject to attacks from

the north and west while commanding only a narrow bridgehead connecting them with their forces in the rear. In warfare psychological factors are of crucial value. The Israelis were likely to encounter their toughest adversary in the Third Army because the latter was confronted with that rare combination of risk and hope which has historically produced heroic breakthroughs.

Most importantly, the October cease-fire line was intolerably costly for Israel. It required a state of mobilization which reduced the Israeli work force by an estimated 20 per cent. According to Itzhak Ben Aharon, former General Secretary of the Histadrut (Israel's trade union confederation), the defence mobilization since October 1973 deprived the Israeli economy of 30-40 per cent of its skilled technical workers, reduced production by 30 per cent (comparative base being September 1973), and cancelled out the equivalent of two years of economic growth. [1] These realities were beginning to be reflected in the daily lives of people. The cost of basic staples — like bread, milk and butter — were up 30-70 per cent; transportation by 50 per cent; and dislocations in the servicing sector — mail, phones, deliveries — were reported to be widespread. [2] The political and social costs of stalemate along the post-October line were incalculable.

Israel could probably have maintained the required level of mobilization with massive amounts of economic and military aid and a large influx of skilled people from abroad. The US is the only source of both. One doubts that Washington would have been meaningfully forthcoming. Rushing \$1.5 billion in arms to save an ally from defeat was one thing; keeping it in a precarious military posture at the cost of \$8 or \$10 billions a year was another, especially for a Watergated president and a troubled economy. Similarly, American Zionists who live vicariously off the Jewish state were unlikely to leave the comforts of the US in large numbers in order to serve in the Middle East. On the contrary, had the situation been prolonged, Israel would have had to contend with growing pressure to modify its negotiating position.

Israel's options: an appraisal

For these reasons, the Egyptian-Israeli cease-fire line of October 1973, unlike those after the wars of 1948, 1956 and 1967, was untenable. It could not be frozen. Israel had three options: (a) start another war; (b) negotiate agreement on separation of forces based on a commitment of withdrawal from occupied territories, and a negotiating timetable towards a peace settlement (at the beginning of the Kissinger rounds this was stated to be the minimum Egyptian condition for disengagement); or (c) withdraw unilaterally from the area west of Suez to a more rational and defensible line which most Israeli and American strategists had designated, since 1968, to be the Giddi and Mitla passes.

Israel was unlikely to start a full-scale war. It had no rational political or military target left in Egypt. The rhetoric of Israeli generals notwithstanding, the 'destruction' of the Egyptian army was not a practical proposition either militarily or politically. On the contrary, the chances were that even in the event of full-scale war it would suffer a major setback. Secondly, without massive support from the US Israel could not wage the war. It is doubtful that Washington would have sanctioned a project so fraught with the risk of a superpower confrontation, and potentially so costly to US interests. Thirdly, a flexible but firm Arab posture, favouring a negotiated settlement but continuing the oil boycott, would have isolated Israel and the US and made the resumption of war difficult to justify.

The second option (Egyptian-Israeli military disengagement as a first stage in the fulfilment of a commitment to relinquish the conquests of 1967) represented the test of Israeli and US intentions. If Israel were at all willing to make peace with the neighbouring states on the basis of complete withdrawal it would have accepted this option. It had the obvious virtues of assuring the Arab governments of peaceable Israeli intentions, of making the accord with Egypt a model attractive to Syria and Jordan and of linking military disengagement to the process of peace-making. It would have permitted Israel the time to negotiate the terms of its security and freedom of navigation — the time to test and be assured of the intentions of the Arab states. Finally, since it was obviously attractive to the Arab governments involved, this option might have served a primary Israeli purpose: the isolation and abandonment of the Palestinian peoples' demand for the restoration of their national rights.

Similarly, if Kissinger were disposed to promote peace on the basis of complete Israeli withdrawal he would have exerted the considerable influence of his government on behalf of an accord which definitively linked military disengagement with a peace settlement. For someone who has consistently emphasized the necessity of linking negative military and economic pressures with positive diplomatic initiative, Dr Kissinger performed rather strangely in the Middle East; he violated his own norms of negotiation, acting more as an adversary than a mediator.

Given their annexationist position (even the 'doves' have declared Jerusalem, Sharm el-Sheikh and the Golan Heights to be non-negotiable), Israeli leaders needed special inducements to admit the necessity of complete withdrawal. In the wake of the October War, which shook their presumption of invincibility, underlined their isolation and emphasized their utter dependence on the US, they might have been more amenable to reason, in particular because their national interest demanded early demobilization. Had Egypt

held, and Kissinger assisted with friendly advice and firm warnings, Israel might have been induced to accept completely withdrawal as a basis for disengagement and negotiation. If it had refused, the third option (unilateral withdrawal from the west of Suez Canal) might have proved to be the only feasible course for Israel. Its one-sided character may have been disguised by an escalation of clashes resulting in an agreement allowing for a new cease-fire line along the Giddi and Mitla passes. The predicament of the Third Army was serious and the recovery of the canal was important enough to make such an arrangement attractive to Egypt. But then Egypt would have gained what it did from the disengagement accord without setting the precedents which paved the way for Israel to become Egypt's co-sovereign in the Sinai.

Reason and rules of diplomacy led one to assume that while maintaining a posture of moderation Egypt would reject a fourth option (disengagement from the post-October cease-fire lines to a new military frontier which Israel could hold without full mobilization) unless it were tied to a commitment and a negotiating timetable for complete Israeli withdrawal. In the Israeli-American game-plan this option must have figured as a good counter but a bad bet. Eventually Israel would have had to choose from the other three options. But, as Dr Kissinger told newsmen, Anwar Sadat pulled a pleasant surprise on him. The US and Israeli governments were spared the necessity of choice. In accepting the terms of the January disengagement, President Sadat relinquished his strategic and political advantages in a gamble which could, at best, yield limited gains to Egypt — and Egypt alone. The Sinai accord underlined the limits of those gains.

The Sinai accord

Like the January 1973 disengagement, the Sinai accord has the appearance of being a compromise by both sides, and of rendering satisfaction to both, while conferring upon the US the special privilege of policing the peace. Egypt gained formal Israeli withdrawal from territories (the Giddi and Mitla passes and the Abu Rudeis oil field) which were symbolically and economically important. Israel obtained from the US the assurance of long-term economic aid and oil supplies which will more than compensate it for Egypt's drying oil wells, and a promise of advanced, offensive weapons which will significantly augment its military superiority in the Middle East. Egypt was also offered a package, though miniscule in comparison with Israel's, of US aid. Israel gained for its cargoes the right of passage through the Suez Canal even before the state of belligerence between it and Egypt had ended — a privilege without precedent in international law — and a renunciation by Egypt of its right to blockade the Red Sea. Finally, the US was accorded the sole

responsibility for monitoring and supervising the agreement and the exclusive opportunity to penetrate the Middle East politically and economically. Since each side is being viewed as having gained from the accord and the world's 'number one' power has assumed the role of overseer, their interest in respecting its terms is presumed. In fact, though, the accord is likely to put unbearable long-range strains on Egypt, stimulate Israeli quest of a permanent stalemate, augment the arms race in the Middle East and accentuate divisions within the Arab world.

By 'withdrawing' from the Giddi and Mitla passes Israel undoubtedly relinquished an advantage. However, US and Zionist propaganda notwithstanding, Israel's 'loss' is limited and minor, for the 'withdrawal' did not include the key Israeli air base in Rifidim. That is a significant exception. Since the 1967 War, the Israeli Defence Force has relied primarily on its air superiority over Egypt; the Rifidim base in the Giddi-Mitla region has been the westernmost anchor of this superiority. Israeli fighters and bombers based there can strike at any target along the entire Suez Canal front, and beyond at the bases and stockpiles in the rear. Furthermore, the most important observation post (Umm Khisheib) in the passes has also stayed under Israeli occupation. The accord obviously strains to minimize Israel's strategic losses in the Sinai.

Egypt, on the other hand, has not gained militarily from Israeli withdrawal. It does not even have the right to build an air strip in the evacuated territories. Rather, it has accepted severe limits on its sovereignty. For example, it is forbidden to place any military personnel in the strip along the Suez including the Abu-Rudeis oil fields and, under UN supervision, Israel and Egypt share the road along the strip. Entry to the area is only through UN check-points. Similarly, Israel and Egypt are treated as equals in the passes; each is allowed a surveillance post manned by no more than 250 persons and monitored by the presumably neutral Americans. In effect, Israel has achieved the status of *primus inter pares* in the Sinai, with the United States and the UN overseeing the unequal terms of co-sovereignty.

If the Middle East conflict had primarily concerned Israel and Egypt, one might have just managed to view this agreement as a step towards peace. But Egyptian-Israeli hostility has been a reflection of the fundamental conflict over the national rights of Jews and Arabs in Palestine, a conflict with its origins in the Middle East's colonial past, and which continues to be exacerbated by foreign interests. No peace is possible until this basic issue is resolved, and its resolution is unlikely to be aided by augmented foreign presence and increased militarization of the belligerent countries — the two most tangible results of the Sinai accord.

Dr Kissinger seeks to manipulate Middle East realities. His negotiating strategy is intended to produce a durable stalemate by

further dividing the Arabs, by separating Egypt — the largest and historically an important Arab State — from the mainstream of radical Arab nationalism and by isolating the Palestinians. In a fundamental sense his quest for peace in the Middle East suffers from the same problem which marked American pursuit of pacification in Vietnam — the failure to come to grips with the nature of a nationalist movement and a people's aspirations. There is no hint in the Sinai accord of confronting the real issues which evoke anxieties and anger in the Middle East — of Jewish security and Palestinian rights, of Israeli frontiers and Arab sovereignty.

In effect, these issues have been bypassed in a manner that stimulates contradictory expectations. The Israeli leaders share Kissinger's presumption that once Egypt's primary grievances are removed it will shun another war. The Palestinians, Syria and even Jordan will then be isolated and accept a dictated peace. Israeli officials believe that except for minor territorial adjustments they can hold on to the territories they have declared as being basic to either Israeli security or the Zionist mission. These include Sharm el-Sheikh, the Golan Heights, the lands constituted by the collines of Latroun and Judea, and Jerusalem — that monument of ecumenism over which the Zionists have declared their messianic monopoly.

The Sinai accord as well as the US-Israeli agreement accompanying it have reinforced Israeli expectations. There is a noteworthy absence in the accord of a commitment or even a promise by Israel to enter into negotiations over the Golan, the West Bank or Palestinian rights. Furthermore, Clause 12 of the US-Israeli agreement contradicts the claim that the Sinai accord is only a step towards peace linked to overall settlement. It reads:

It is the United States Government's position that Egyptian commitments under the Egypt-Israeli agreement, its implementation, validity and duration are not conditional upon any acts or developments between the other Arab states and Israel. The United States Government regards the agreement as standing on its own.

Let us suppose that two years from now lack of meaningful progress towards a settlement leads the Egyptian government (under pressure from the Syrians, Palestinians and its own Arab nationalist elements in the army and bureaucracy) to close the Suez Canal to Israeli cargoes as a means of pressuring it to withdraw from the occupied lands. The situation would then parallel the events of June 1967. Israel would undoubtedly describe it as a violation of the Sinai accord and probably launch a 'pre-emptive' attack. In such an event, the US is clearly committed to supporting Israel, notwithstanding its avowedly neutral presence in the Sinai.

Israel is not the only country to have been given 'understandings' and 'assurances' — by now familiar illusions in Dr Kissinger's magic

bag. President Sadat and the Saudi king have been assuring Arab leaders of private US commitments to bring about a speedy peace settlement on the basis of Israeli withdrawal and a modicum of justice for the Palestinians. A leaked memo of 'assurances' to Egypt makes no mention of Palestinians or of Jordan but promises 'serious' US efforts to bring about 'further negotiations between Syria and Israel'. That may occur during this next year, for the credibility of Sadaat and the sheikhs requires the tranquilizing of Syria. Arms supplies will be used as the incentive for Israel to make adjustments on the Golan. In addition, its leaders are assured of further augmentation in Israel's role as a Mediterranean power allied to the US — a prize much greater than the Golan Heights. In anticipation of American pressure, Israeli leaders have been preparing for what Prime Minister Rabin has termed 'cosmetic surgery' in the Heights. More facts (i.e., more Zionist settlements) have been created in the Golan. The Israeli position has hardened. 'Israel will not go down from the Golan', says Rabin. 'None of the Zionist settlements shall be dismantled as a result of interim talks with Syria', pledges Defence Minister Shimon Peres. Then a softening is indicated; 'cosmetic' adjustments are possible. They mean the outlying fields around Quneitra and a few minor border corrections. If Washington were to insist, which is unlikely until after the 1976 presidential elections, Israel may also withdraw from the strategically unimportant southern part of the Heights.

Neutralize Cambodia, cut off North Vietnam, and the NLF will go away. Disengage Egypt, tranquilize Syria, restore a bit of King Hussein on the western bank, and the Palestinians will not matter. It is a typically Kissingerian construct: logical and wrong, likely to crumble after an impressive opening. In seeking to manipulate realities Kissinger misinterprets, underestimates and distorts them. His game-plan is destined to fail with possibly disastrous consequences for the Jewish, the Arab and, perhaps, the American people. He confuses peace with US predominance, and in his eagerness to maintain the latter he ignores local realities. For example, since neither he nor Israel are offering much to Syria, one wonders why Damascus will be tranquilized by minor concessions. Similarly, the thrust of US policy in the Middle East has been provocatively anti-Russian; Kissinger has sought to exclude the USSR from the process of negotiations. Hence Moscow is unlikely to aid him in a region where its leverages are still strong. Of the anguish and aspirations of the Palestinian people and the moral force they represent in the Arab world, no one in Washington appears to have a clue. Above all, the US government evinces as little understanding of Arab nationalism as it did of the Vietnamese. Otherwise, it would not still assume — as it did earlier in creating the Baghdad Pact — that its efforts at isolating 'radicals' and strengthening 'moderates' will yield

'stability'. In fact, they will have the contrary effect of accentuating inter-Arab differences and subjecting the moderates to mounting radical pressures. Nor would Washington expect, as it has done since 1967, that Arabs will ultimately acquiesce in a peace settlement which would leave the Palestinian question unresolved, and at least Jerusalem, parts of the Golan Heights and Sharm el-Sheikh under Israeli occupation.

Since Kissinger has shuttled around the basic issues, the prospects of a negotiated settlement in the Middle East are slim. A hardening by both sides is likely; and bitterness will be increased by the resulting disappointments. Having offered to reach a negotiated settlement, the Arabs will become more convinced of Israeli expansionism. And having relinquished some conquests in the Sinai, the Israelis will be convinced of Arab treachery when Egypt joins the dissatisfied eastern states in putting tangible pressures on Israel. Another war may become unavoidable.

When the fifth Arab-Israeli war starts

The next war is likely to be more widespread, for a number of states which have previously stood on the sidelines will probably become direct participants. Historically Israel's enemies have multiplied in direct proportion to the increase in its military strength. A major difference between the Arab-Israeli war of June 1967 and that of October 1973 was that in the latter the Arab countries which do not border on Israel played a more substantive economic and military role than they had in 1967. Nadav Safran, Harvard's pro-Zionist Middle East expert, has pointed out that this phenomenon was 'the consequence of the vast growth of Israeli power in the years since 1967'. 'As the military capabilities of Israel multiplied in these years', Safran wrote, 'the radiation of that power began to be felt directly by these countries for the first time.... Their concern began to rest no longer solely on pan-Arab considerations but also on the considerations of precaution; and their support for countries of the "first circle" became an investment in their own security.' [3] Weapons such as Pershing Missiles or the F-16, which range over Saudi Arabia, Kuwait and Iraq, can only expand the military coalition of Arab states against Israel.

The fifth Arab-Israeli war is bound to be more destructive and might involve nuclear weapons, for the Sinai accord will vastly accelerate the vicious arms race in the Middle East. Over the next four years Israel is to receive from the US an estimated \$10 billion worth of armaments, much of them the most advanced and lethal offensive weapons — such as the long-range Pershing missile (with its range of 450 miles and designed to carry a nuclear payload of 10,000 pounds), the F-16 fighter bombers, and the Lance surface-to-surface missile (also equipped to fire nuclear warheads). The Arabs will

undoubtedly catch up — a few with Russian help, while others will spend oil money on western weapons. After all, it is the dialectic of imperialism that the sheikhs should subsidize the Pentagon and the armaments industry which together maintain the military 'balance' in Israel's favour.

When the next war comes the Arab governments will, nevertheless, find in Israel an adversary more aggressive, intensively mobilized, and better equipped than in October 1973. The advantages they enjoyed in the last war cannot be duplicated. In conventional wars one can rarely achieve surprise more than once; in any case, the UN buffer zone in the Sinai guarantees against it on the Egyptian front. Moreover, next time Israel is likely to strike first, especially if the Arabs supply (as in 1967) a credible rationale for it. Israeli armed forces are better prepared today than at any time before. US supplies have more than compensated for the losses suffered in the October War so that both the quality and quantity of Israeli armaments have vastly improved.

Nor would the Arabs have the advantage of wielding superior weapons unknown to the enemy, as was largely the case in October 1973 with the SAM 6 anti-aircraft missiles, the Sagger anti-tank missiles and the Sukhoi 7 close-support fighter planes. Since the USSR did not make these sophisticated weapons available to the Vietnamese, the US had no chance to crack their electronic secrets. However, during the October War the US devised counter-measures within weeks of Israeli capture of these weapons.

In addition to the counter-measures and jamming devices, Israel is now equipped with new weapons of comparable or superior quality. For example, massive US supply of Maverick and Tow anti-tank missiles is designed to offset Arab possession of Saggers (the Tow, especially designed against Russian T-62 tanks, was first rushed to Israel during the October War and was used in the Israeli thrust across the Suez). Similarly the deployment by Israel of the latest Standard surface-to-air missiles (developed by the US Navy) will make it harder for the Sukhoi 7s to support the ground forces. It can be safely predicted that Washington will continue to supply Israel with more and newer weapons. If the past (in Vietnam and Middle East) is a guide these supplies will be justified in terms of a leverage, an inducement for peace.

Strategically Egypt's position is hardly better. Its one weapon against Israeli effort at normalizing the situation was the threat of resuming what was grandiosely described as a 'war of attrition' — heat up the front lines, force a degree of mobilization on Israel and arouse enough global concern to induce a measure of diplomatic movement towards a negotiated peace. However, the October War was, in effect, the last of the genre — a war of 'limited objectives' (although in the process of succeeding beyond their own

expectations the Egyptian leaders appear to have forgotten first the limitation and then the objective). The terms of disengagement have removed that possibility.

Those who know him testify to the shrewdness of President Anwar Sadat. His diplomacy and military planning preceding the October War also suggest an astute and cautious man not prone to eccentric behaviour. How then can one explain his bold, rather reckless investment of the Arab world's political and military assets in the goodwill of the United States? It is as unhelpful to credit it to Kissinger's manipulative genius as it is incorrect to ascribe the January disengagement to the plight of the Third Army. Nor is it particularly valuable to explain it in unilinear terms of Saudi Arabia's influence, or ARAMCO's assurances, or Egypt's unremitting if unrequited love affair with the US or everybody's ill-founded fear of the Palestinians serving as a catalyst of an Arab revolution. All these are realities but only as parts of a complex mosaic of neo-colonialism and counter-revolution in the Middle East. A meaningful answer to the question demands an inquiry into the nature and aspirations of the Arab ruling elites; into the corrupt colonial components of Arab nationalist ideology; into the consequent degeneration of radical nationalist grouping such as the Nasserites; and into the remarkable resurgence of reactionary forces in the Middle East. It also requires an inquiry into US global strategy, i.e., the 'structure for peace' in which Arab governments are seeking integration. To discuss the first set of problems is beyond the scope of this article. In the second part we examine the outlines of the US global strategy.

II

US foreign policy in the 1970s: an outline

With the defeat of US power in Vietnam, Washington has launched a new strategy designed to restore the position of global paramountcy it had enjoyed in the 1950s and appears to be losing in the 1970s. As such, the Kissinger-Nixon doctrine represents neither a redistribution of power nor a retreat from imperialism's forward position. Its aims are restorative, conservative and aggressive.

Since the end of the Second World War the emergence and acceptance of the US as the paramount world power had been predicated upon five factors:

- (a) the overwhelming superiority of the US in strategic weaponry;
- (b) the decline of western European countries and Japan as centres of power;
- (c) successful US military interventions against real or imaginary social revolutions in the Third World;
- (d) the dominance of US capital over the world economy; and
- (e) the existence of a national consensus on behalf of a bipartisan foreign policy.

Throughout this period certain ghosts have haunted Henry Kissinger as he has groped for a stable international system under US hegemony. Three of them are of long standing: the existence of a powerful USSR, national liberation movements in the Third World and the possible loss of a domestic consensus for a forward foreign policy. Time has diminished but little of his apprehensions regarding the Soviet Union; the US defeat in Indo-China has increased those regarding the liberation movements; and the spectre of a broken-down consensus has become a reality. To these has been added a fourth problem: that of restoring America's leverage over western Europe and Japan.

In order to understand a policy, one must inquire into the assumptions of its makers. And for Henry Kissinger, as for most other makers of America's postwar foreign policy, power is above all a question of who controls the land. His geopolitical assumptions, so much a part of the *realpolitik* tradition to which Kissinger subscribes, have led him to direct his focus not on Southeast Asia but on the Middle East as the most appropriate field on which to combat his ghosts.

Detente: the politics of antagonistic collaboration

More than any other US strategist, Henry Kissinger has been obsessed with the challenge of the Soviet Union. The USSR, being the largest, richest and politically the most integrated land mass in 'Eurasia', represents the only power capable of competing successfully with the United States. As such, it is the natural enemy and permanent threat to the US, which Kissinger views as inferior in resources and therefore in need of access to those of the Eurasian land mass.

This geopolitical view of the US's strategic predicament also defines Kissinger's concern with preventing the emergence of western Europe as an independent and cohesive centre of power. Given the strategic importance of the Middle East and the primacy of its resources to industrialized states, Washington gives the highest priority to preventing an expansion of Russian influence in the area, as well as to controlling the character of Europe's ties to it.

Compared with the 1950s, however, the contemporary US view of the USSR is more rational and discerning. Then, even Kissinger had regarded it as a threat not only in geopolitical but also in ideological terms. The Soviet Union and China were viewed by him equally, as 'revolutionary powers' who 'do not accept the framework of the international order or the domestic structure of other states or both'. Today he views both as potentially *status quo* powers, i.e., those who can be induced to respect the 'framework of the international order' and leave the policing of 'disorder' to the US and its clients. Hence, US policy towards the Soviet Union is best described as one of antagonistic collaboration. It combines elements of co-optation and

selective cooperation in some areas; of confrontation and containment in others. In the Middle East the Americans put relations with the Soviet Union squarely in the antagonistic half of the detente.

In order to fully comprehend and predict the parallelisms of antagonistic collaboration, it is necessary to remember that Kissinger attaches high value to the concept of 'linkages'. This defines Washington's view of the links between confrontation and collaboration, war and negotiations and, above all, between show of force and retention of power. For Kissinger all international crises exist on a single continuum in that their resolution is ultimately determined by the balance of power between the US and the Soviet Union. Hence the resolution of each issue in America's favour depends not so much on the individual merits of the case ('we committed blunders in Vietnam'), but on the overall balance of power. A demonstration of will and strength in one area, of flexibility in another, is expected to contribute to a favourable outcome in the third. Here is how Kissinger described the connection between the US invasion of Cambodia and his objective in the Middle East in 1970:

It is of course nonsense to say that we did what we did in Cambodia in order to impress the Russians in the Middle East. But we certainly have to keep in mind that the Russians will judge us by the general purposefulness of our performance everywhere. What they are doing in the Middle East, whatever their intentions, poses the gravest threats in the long term for Western Europe and Japan and therefore for the U.S.[4]

The US and the Third World: in quest of a 'legitimizing principle of social repression'

A fundamental objective behind detente with the Soviet Union and China has been to isolate the revolutionary movements from the support of socialist powers. There was little or no military logic to the dramatic increase in the bombings in Indo-China (37 per cent) immediately preceding Nixon's journey to China, and the mining of Hanoi and Haiphong just before his visit to the USSR. Their targets were psychological and political. The objective was to establish a link between detente (acknowledgement of the legitimacy of 'revolutionary' power) and counter-revolution (violent denial of it to revolutionary movements). The intent was to reaffirm the presumption of paramountcy and the premises of 'limited war', which concede to the superpower the right to intervene with unlimited inhumanity — against social revolutions.

The forces for liberation in the Third World continue to be regarded in Washington as primary and the least manageable — hence ultimately the most serious — menace to American interests.

For good reasons: all revolutionary — and in some respects radical nationalist — movements seek to overthrow the existing system of power, production and distribution. When victorious, they tend to replace the old order with new, sovereign, popular or national institutions of power and socialist modes of production and distribution. In other words, they challenge the legitimacy and threaten the existence of the three basic and interlinked elements that support and perpetuate the structure of imperialism: the international corporations, the pro-western and pro-capitalist indigenous bourgeoisie and the state's apparatus of coercion and control (such as the bureaucracy). The accession of a revolutionary movement to power normally results — as it did in China, North Vietnam and Cuba — in the severance of the ties of dependence on the dominant centres of western industrial power.

Washington regards maintaining the 'stability' of the 'international system' as the primary goal of policy. International stability depends, according to Kissinger, on there being a 'generally accepted legitimacy', which he defines as an international consensus, 'about the permissible aims and methods of foreign policy ... the acceptance of the framework of international order by all major powers'. Revolutionaries, who threaten the *status quo*, are not amenable to the dictates of diplomacy because, he says, 'it is the essence of revolutionary power that it possesses the courage of its convictions'. [5]

Whence comes the unsettling characteristic of revolutionary movements and leaders? Unlike established socialist powers, they evince stubborn indifference to material incentives. 'Revolutionaries are rarely motivated by material conditions,' remarks Kissinger, 'though the illusion that they are persists in the West. If Castro or Sukarno had been principally interested in economics, their talents would have guaranteed them a brilliant career in the societies they overthrew.' [6] (Henry A. Kissinger, *American Foreign Policy*. N.Y.

According to Kissinger, the revolutionaries of 'pre-Newtonian' cultures such as Vietnam, Cuba and Oman enjoy unusual advantage over the statesmen of the western world. The 'real world being almost completely internal to them', they can be impervious to 'empirical' realities in starting a revolution, immune to 'external' stimuli (such as torture, saturated bombings and pacification programmes) in stopping it. 'To revolutionaries', says Kissinger, 'the significant reality is the world they are striving to bring about, not the world they are fighting to overcome.' This enables them to 'override conditions that had seemed overwhelmingly hostile.' [7] Thus Kissinger perceives the Third World liberation movements as threatening the 'psychological balance of power', which in another of his crucial analytical distinctions he regards as being equal, if not greater, in importance to the 'physical balance of power'. [8] 'The deepest problem of

equilibrium', he explains, 'are not physical but psychological or moral. The shape of the future will depend ultimately on connections which far transcend the physical balance of power.'[9]

Finally, insofar as the revolutionary forces question the justness of the present system of power, they accentuate the already critical problem of 'legitimacy'. And, as Kissinger has rightly insisted throughout his writing, without legitimacy no stability, no orderly change, is possible. Of the Third World in this context he wrote some time before he came to power:

The problem of political legitimacy is the key to political stability in the regions containing two-thirds of the world's population. A stable domestic system in the new countries will not automatically produce international order, but international order is impossible without it. An American agenda must include some conception of what we understand by political legitimacy.[10]

The above truism might have been worthwhile had Kissinger attempted to offer a conception of political legitimacy — how it is gained and why it is lost. Such an exercise might have helped him to recognize that the matter is not susceptible to political engineering, that it concerns fundamental problems — of authority not administration, of consent not obedience, of morality not management — which belong in the realm of political processes rather than diplomatic or military manipulation.

The tendency to recoil from facing an admittedly fundamental problem is necessary to the search for managerial solutions. The cumulative effect of Dr Kissinger's discursive references is logical: if stability is the goal of policy and revolutions the main threats to stability, then these latter must be contained, confronted and destroyed. And this he knows requires international acquiescence to a 'legitimizing principle of social repression'. [11] The war in Vietnam wrecked the one 'principle of social repression' — the unilateral American doctrine of limited wars — to which the world had acquiesced through two decades of military intervention in the Third World. 'Every war in which we have been engaged in the Western Hemisphere', wrote Henry Kissinger, 'was a limited war.' [12] And he called them 'productive'. No one would ever make that statement on Vietnam. What was supposed to be a 'limited war' — i.e., limited in terms of its impact on the aggressor, not in its consequences for the invaded people — cost more than a quarter of a million American casualties, and an estimated \$200 billion. The 'invisible' war — so visible to the beleaguered populace — became manifest to the world. The 'forgotten' war — so remembered by its victims — impressed itself on the consciousness of the American people. The touchstone of contemporary revolutions — Vietnam — defeated the collective presumptions of modern technology and put into question the

impregnability of US power. An exponent of 'limited war' — wars not of 'conquest', as he would say, but of 'conservation' — Kissinger understood the meaning of Vietnam. 'Whatever the outcome of the war in Vietnam', he wrote just prior to his accession to power, 'it is clear that it has greatly diminished American willingness to become involved in this form of warfare elsewhere. *Its utility as a precedent has therefore been importantly undermined*' (emphasis added). [13]

The 'low-profile, low-cost' strategy of the 1970s seeks to overcome the constraints of domestic opposition to interventionism, while attempting to exploit the expanding riches of allies and clients. It entails the promotion of regional constellations of power in strategically important areas of the world; the reorganization of US armed forces into, in Admiral Zumwalt's phrase, 'high technology capital-intensive services ... to support the indigenous armies of threatened allies'; and a lowering of the threshold on the use of nuclear weapons in order to make its threat credible in situations of 'limited wars'.

New leverages, old allies

For two decades after the Second World War Europe and Japan were America's pliable allies because the United States enjoyed the leverage of economic dominance over them, and provided an umbrella of security. But by the mid-1960s it was in the process of losing both. Today, detente has reduced the value of America's security umbrella, and subservience to the US now offers but little economic benefit to Europe or Japan. On the contrary, they are now America's competitors as sellers of finished products and buyers of raw materials. Hence one of Washington's primary aims is to acquire new leverages over old allies, who, Kissinger explained to a group of congressmen's wives (on 11 March 1974), are a bigger problem for the US than its enemies. The long-range goal is to prevent the emergence of western Europe as a unified and independent power in world politics.

In Kissinger's strategic design NATO was destined to be depreciated from a glorified system of global alliance to a regional constellation of pro-American power. Hence his declaration on 23 April 1973: 'The U.S. has global interests and responsibilities. Our European allies have regional interests.' Bipolarity is better suited to Kissinger's balance of power approach; it also simplifies the task of staying number one. Hence he has been an early and consistent proponent of denying Europe a global role in world politics.

As stated earlier, Dr Kissinger's estimation of America's geopolitical predicament as an 'island power' does not centre on the USSR alone. 'If Eurasia were to fall under the control of a single power or group of powers and if this hostile power were given sufficient time to exploit its resources, we should confront an over-

powering threat'. [14] As geo-politicians see it, nowhere in the world is such a threat more apparent than in Europe's potential relationship with the countries south of the Mediterranean where some 70 per cent of the world's energy reserves and much of its mineral resources are to be found.

Since Phoenician times the Mediterranean has served as the imperial seaway to the riches of Africa and Asia. Its hinterlands provided the human and material resources of the Roman, the Byzantine, the Arab and the Ottoman Empires, and allowed their outreach to the French and the British. In recent years the actual and potential shortages of those raw materials (such as oil, gas, phosphates, copper, etc.) which are essential to industrial economies have enormously enhanced the strategic importance of the countries bounded by the Mediterranean and Indian Oceans. Control over the production and distribution of these raw materials can only be viewed as a decisive factor by a major power straining to maintain its position of predominance. Hence the focus of the world struggle for power has shifted in the 1970s from the Atlantic and the Pacific to the Mediterranean and Indian Oceans.

Three of the four ghosts we have mentioned as haunting Henry Kissinger — the USSR, national liberationist forces and loss of leverage over Europe and Japan — converge to the south of the Mediterranean. According to his admiring biographers (Marvin and Bernard Kalb) Dr Kissinger has an 'apocalyptic vision' of a possible 'change in the strategic balance of power' in that region.[15] Washington views with extreme apprehension an enhancement of Russian influence there. Thus in June 1970, when the presence in Egypt of Russian pilots and missiles was reported, Kissinger blew his whistle on detente, and in two successive background briefings threatened to 'expel' them. He considers the existence of radical and revolutionary forces in the area as being equally reprehensible. Washington threatened to intervene directly in the Middle East and put on its most elaborate arms-rattling in September 1970 during King Hussein's war with the Palestinians. Its most dramatic displays of brinkmanship, including a world-wide nuclear alert, occurred in the region where America's strategic interest (and potential military involvement) was expanding.

In relation to Europe the lands bounded by the Mediterranean and Indian Oceans hold both a promise and a threat to the devotees of US paramountcy. If the US can preserve its dominance in that region, and assume the role of guardian over the production and distribution of oil and other raw materials essential to European and Japanese economies, then it would have maintained an effective leverage over its allies. In addition, it would have been assured of the energy supplies needed for American consumption. On the other hand, potential association of Middle Eastern countries with the European

Economic Community is likely to be at the expense of American capital. Besides, it raises the spectre of another 'continental power'.

Historical and economic forces favour such a development. European governments have compelling reasons to seek close ties with the producing countries of the Middle East and Africa. They fear the effects on their monetary system of the vast outflow of cash to other regions; and they cannot feel assured of stable supplies of raw materials until their economies are fully interdependent with those of the producing countries, and until the Arab-African elites have acquired vested interests in the European Economic Community. The Lomé Trade Convention represents an important step in that direction.

The emerging Euro-Arab and Euro-African economic cooperation is viewed by the leaders of the 'island power' as a serious threat. In his policy-setting speech of 23 April 1973 Kissinger candidly stated that: 'The prospects of a closed trading system embracing the European Community and a growing number of other nations in Europe, Mediterranean and Africa appears to be at the expense of the United States and other nations which are excluded.' The concern is understandable, for a Common Market comprising some 600 million people, Europe's advanced industrial base, a large pool of labour and the world's richest deposits of energy and mineral resources will inevitably become a formidable locus of power. In order to remain paramount Washington must somehow maintain a controlling role in the Mediterranean and Indian Ocean regions.

As one would expect, the most serious Euro-American differences have been over matters of trade, investment and monetary relations. These divergences surfaced dramatically in the year of Europe during the Arab-Israeli war when such close allies as West Germany publicly protested the use of its ports for US arms supplies to Israel, and the British government barred the use of its base in Cyprus for reconnaissance. With the exception of fascist Portugal they all acted, Kissinger bitterly complained to a group of European parliamentarians, 'as though the alliance did not exist'. His policy of employing the strategic advantage of the US to ensure European conformity had its limits. So did invocations of western fraternity.

Throughout its first term and in the second, at least until the Arab-Israeli war of October 1973, the Nixon Administration pursued a policy of ensuring Europe's and Japan's subordination. It sought to exclude them from the rank of world powers by focussing its quest for a stable balance on the primary military powers — the United States, Russia, and the Peoples' Republic of China. The choice allowed, in the words of Professor Stanley Hoffman, a former colleague and friend and now a critic of Kissinger, 'for the neo-Bismarckian *tour de force* of manipulating all relationships — a feat neither Moscow nor Peking can perform due to their own antagonism'. Detente, then,

serves as an instrument for perpetuating a situation of 'bipolarity' in which the US remains strategically ahead of the USSR.[16] In this there exists a conjunction of Russo-American interests, for bipolarity is congenial to both. Moreover, Russia is also wary of European association with the countries south of the Mediterranean. Hence it may be expected that while seeking to expand its own influence in the Middle East Moscow will cooperate with Washington in frustrating an independent European role there.

Nor should one overestimate Europe's will to act independently of the US. Alfred Grosser of France calls Europe a 'Community of malaise' vis à vis the United States because its yearning for independence is genuine but its military dependence on the US is fundamental.[17] Europe's security needs, as perceived by its policy-makers, require continued military alliance with the United States. A Europe without strategic defence is unacceptable to them because they fear it will lead to dominance by Russia. Yet a European defence policy is inconceivable because it can neither exclude nor admit Germany's nuclear participation. This Kissinger knows and is determined to exploit as his carrot and stick in Europe. Detente may have enhanced America's security leverage over Europe because, says Stanley Hoffman: 'The direction of the "linkage" can now be reversed; as long as our security dilemma was as acute as our allies' we had to accept certain economic disadvantages in return for their military subordination; now we can exploit their security needs for economic redress.' [18] It should be noted that since his speech on a new Atlantic charter Kissinger has been unambiguous in linking the issues of security with those of economic relations with Europe, and European complicity in America's Middle Eastern and Southern African policy.

Kissinger's 'southern strategy'

Kissinger's strategic design aimed not only at containing the USSR, and creating effective instruments of 'social repression' in the Third World, but also at outflanking US European allies. One of its primary thrusts was the creation of an informal yet cohesive military alliance in the Mediterranean and Indian Ocean regions to supercede the role in that area previously assigned to NATO and to the ill-fated Baghdad Pact (CENTO). Spain, Portugal, Turkey, Greece, Israel, Iran and Saudi Arabia were chosen as the primates of *pax Americana*. The weaker clients, such as Ethiopia, Jordan and Pakistan, were to serve as secondary surrogates. It was the Mediterranean version of Nixon's 'southern strategy' which, at home, implied the realignment of the Republican Party with the forces of the right and exclusion from it of centrist elements.

The basic elements of Kissinger's design became clear by the autumn of 1970 during Nixon's visit to the Mediterranean, and were

also discernible in the seemingly contradictory developments associated with the 1969 cease-fire along the Suez Canal. The Rogers Plan (which in fact was drafted by Joseph Sisco working with Kissinger's staff in the White House, not by Rogers' men in the State Department) was promoted to obtain some tactical gains rather than to achieve a Middle East settlement. Evidence also suggests that as Secretary of State Rogers became serious about the Plan, he was sabotaged by Henry Kissinger whose intimate working relations with the Israeli government had remained, until recently, a closely-guarded secret.*

Nixon's 1970 visit to the Sixth Fleet underscored the importance he attached to the Mediterranean — especially as the presidential visit concentrated on the aircraft carrier *Saratoga* which had been poised, in a well-coordinated plan with Israel, for possible intervention in Jordan. Meanwhile, Defense Secretary Laird was the guest of the junta in Athens, giving what he called 'high priority' to the 'modernization' of Greek forces. Subsequently US-Greek military relations grew closer, and the American navy acquired 'home' ports in Greece. Similar developments occurred in relation to Turkey and Spain. With Portugal the US reached over the Azores one of its most comprehensive defence deals.

If these states were being prepared to act as sentinels, Israel and Iran were allotted the role of chief marshals. Israel fitted all the specifications of an ideal surrogate. Its military performance in 1967 had been a matter of unabashed envy to the Vietnam-frustrated Chiefs of General Staff. Its air force was regarded as an effective deterrent against Syrian, Iraqi or Libyan attacks on America's allies. Between France and India it was the only power to enjoy the nuclear option. Its technological sophistication reassured American officials who, despite Vietnam, retained deep faith in the decisive power of machines. Above all, its economic and military dependence on the US was viewed as being permanent; hence, its durability as an ally was presumed. The image was of Sparta in the service of Rome — an irresistible opportunity.

The military build-up of Israel was also viewed at the White House as an asset in assuring the complicity of Congress, where Israel commands virtually unanimous support, in the Indo-China war and its consent for the ever-increasing defence appropriations. In relation to Israel itself Congress gave the President in September 1970 what the *New York Times* described as the 'most open-ended arms buying program in the world'. (September 29, 1970.) The Honorable John McCormack, the Speaker of the House, sounded a little amazed: 'I

*For examples of the then Israeli Ambassador Yitzhak Rabin's secret planning sessions with Kissinger, see Bernard & Marvin Kalb, *Kissinger*, op. cit, pp. 186-209. The Kalbs write that Rabin would 'joke rather proudly that he knew more secret ways in and out of the Executive Mansion [of the White House] than the secret service'.

have never seen in my forty-two years as a member of the body Congress language of this kind used in an authorization or an appropriation bill.' In its first five years the Nixon Administration provided Israel with nearly twenty times as much military aid as did its predecessors in twenty years.[19] Armed with the most advanced offensive weapons in the conventional arsenal of the US, Israel seemingly became the great power of the Middle East. The efficacy of its US-backed threat to intervene in the Jordanian civil war confirmed this status, and consecrated the US-Israel strategic alliance.

Iran emerged swiftly on the eastern flank to equal Israel as a major regional power in Southwest Asia. Since the CIA's overthrow of Prime Minister Mossadeq's nationalist government in August 1953, the Shah had been an exemplary ally. In the 1950s and early 1960s he used US military and security assistance effectively to consolidate power. Then, while remaining hospitable to international corporations, he combined totalitarian methods for maintaining 'stability' with what McNamara's men in the World Bank call a 'successful' programme of economic development. Motivated by a strong sense of 'regional responsibility' he has developed excellent relations with Israel while maintaining meaningful links with Saudi Arabia, and the sheikhs in the oil-soaked Gulf. He has filled the 'security gap' allegedly created by British withdrawal from the Persian Gulf, and deploys his armed forces to suppress the liberation struggle of Arab peoples in Dhofar and Oman. His armaments expenditure has soared annually from some \$10 million in 1950 to \$5 billion in 1974. The self-styled 'light of the Aryans' has, by a large margin, displaced West Germany as the biggest buyer of US arms. With his annual oil earnings now totalling some \$20 billion he is able to pay for the weapons and the US advisers who teach how to use them. For the US it is good diplomacy and excellent business.

Kissinger's design had an impressive 'conceptual' coherence — an imaginative and logical scheme based on classical balance-of-power precepts. But beneath the brilliance of Kissinger's construct there were pitfalls which a managerial mind could not perceive, for such a perception (or the admission of it) would cost it its *raison d'être*. A conservative outlook is necessarily closed to the future. The policy suffered from the same fundamental defects which contributed to US failures in Southeast Asia, and to the early demise of the Baghdad Pact in the Middle East: it ran counter to the ongoing course of history, underestimated the power of emerging social forces, sought stability in times of change and looked for client states in a century of national liberation. Its future was linked to the dying *status quo* of injustice, which had developed mainly in the direction of tyranny. Fascist Spain and Portugal, militarist Greece, monarchical Iran and Ethiopia, and Zionist Israel — in the second half of the twentieth century these are falling dominoes.

By mid-1974, as the pro-American regimes of Portugal, Ethiopia, and Greece fell, the backbone of Kissinger's structure for peace, already strained by the October War, had broken. Its restoration would require a great deal of subversion, violence and diplomatic manipulation — and a shift in US policy towards Europe, in the direction of seeking greater European participation in the Mediterranean and Indian Ocean regions.

Egypt on the road to 'moderation'

Kissinger's design had one obvious flaw which, in the opinion of many power-brokers in Washington (e.g., the oil lobby, some banking and investment establishments like the Chase Manhattan Bank, and prestigious law firms representing oil interests), needed correcting: its linkages with America's Arab allies were extremely weak. Even Saudi Arabia, the world's largest oil producer and the Arab state most intimately tied to American capitalism, was imperfectly integrated in the new 'regional grouping'. Thus, the primary objects of this strategy were inhibited from full participation in it.

For the Nixon Doctrine to work in this region the integration of some Arab states in the Mediterranean constellation of power was a necessity — or rather, it was a part of the design which had not yet been fully realized. 'What we decided', Joseph Sisco testified in 1973, 'was that we would try to stimulate and be helpful to two key countries in the area of the Persian Gulf — namely Iran and Saudi Arabia — that to the degree that we could stimulate cooperation between these two countries, they could become the major elements of stability as the British were getting out.' [20] Washington's Arab friends understood this well. They repeatedly emphasized to US officials that only continued Israeli occupation of Arab territories stood in the way of an uninhibited Arab-US embrace. Facts supported their contention. The Saudis, for example, extremely generous with gifts to the Nixon family and other officials, were nevertheless linking their arms buying to Washington's role in promoting a peace settlement. The Zionists also opposed large-scale arms sales to Arab countries fearing that some might reach the belligerents.

The Peninsular rulers played the key role in persuading President Sadaat to satisfy American demands for demonstrations of good faith and moderation. 'We think that Saudi Arabia has been a voice of moderation in the area', Joseph Sisco, Assistant Secretary of State and Kissinger's chief aide on the Middle East told the congressional sub-committee in 1973. 'We believe that it is in the mutual interest of the United States and Saudi Arabia for the forces of moderation to retain the upper hand in this area.' [21] Sadaat did the utmost to prove his pliability and pro-western disposition. On the day of Abdul Nasser's funeral, while Nixon and Kissinger, fresh from the triumph of

their brinkmanship over Jordan, were provocatively flexing their muscles aboard the *Saratoga*, Sadat assured Elliot Richardson, the official American mourner, of Egypt's eagerness to resume negotiations under the Rogers Plan. To no avail! Undeterred, the Egyptian leader started openly to snub the USSR. In May 1971, two days before Rogers' visit to Cairo, Ali Sabri and other high officials publicly identified in the West as being pro-Moscow were purged. That same summer Sadaat actively aided Numeiry's bloody repression of the left in Sudan (including the execution of the Secretary General of the Sudanese Communist Party). A year later Russian military advisers were precipitously asked to leave Egypt, thus fulfilling the White House's wish.

'We are trying to get a Middle East settlement', Kissinger explained at the beginning of this process to his special coterie of journalists, 'in such a way that the moderate regimes are strengthened and not the radical regimes. We are trying to expel the Soviet military presence.'^[22] In a sense he succeeded. By the end of 1972 neither the ascendancy of 'moderation' in the Arab world nor the elimination of Russian military presence was in doubt. Yet the arming of Israel continued at an accelerated pace, no effort was made to induce a negotiated settlement, not even after Nixon's second term had begun, and neither Jewish money nor Jewish votes (in reactionary Arab belief the determinants of US foreign policy) stood in the way of his being 'even-handed'.

In Egypt, however, 'moderation' had acquired momentum. Washington noted with satisfaction the repression of the leftist student movement, the purging of radical writers and journalists from the Arab Socialist Union and from their jobs and the steps towards economic 'liberalization' — the granting of exploration contracts to Exxon and Mobil Oil, and a multi-million dollar pipe-line deal with the Bechtel Corporation. Egypt, the most populous and influential of Arab states, was obviously offering itself as a pro-western 'export-platform' country in the oil-rich region, asking in return an end to occupation.

During the three years preceding October 1973 the White House received Egyptian entreaties through Arab emissaries. One of these was Hafez Ismail, President Sadaat's special envoy, who came in February 1973 to convey Cairo's sense of desperation for a negotiated settlement, only to be followed at the White House by Golda Meir and news-leaks of more Phantoms for Israel. Kissinger would call the slap a 'signal'. The US wanted the terms of negotiation to be more 'realistic', i.e., more acceptable to Israel than was the Rogers Plan. In March 1973 Sadat is reliably reported to have indicated his willingness to accept an 'interim solution' involving the international control of Sharm-el-Sheikh. The White House showed interest, but did not move. Six months later the Arabs went to war — essentially to

get Washington moving. The 'limited objective' (Sadat's phrase) of the October War was not so much the armed liberation of occupied lands as to end the stalemate and start negotiations. Under the circumstances Kissinger's appearance at the centre of the stage was hardly a feat of diplomacy.

Why did the US procrastinate for more than three years despite the entreaties of its Arab friends and President Sadat's signal of a pro-western shift in Egypt? One answer is Kissinger's faith in the stability of stalemate. In his view the cease-fire produced by the Rogers Plan, plus the ascendance of a 'moderate' regime in Cairo, rendered the Israeli-Arab stalemate more durable than it was before Abdul Nasser's death. Kissinger and Nixon understood power more than the human urge for intangibles such as the liberation of one's land. They were convinced of the efficacy of their *force de frappe* in the Middle East, of Israel's overwhelming superiority and its converse — Arab incompetence. They did not expect that Egypt under the pragmatic Sadat would be suicidal enough to start a war, and Syria could not do it alone. And after Hussein's impressive victory in Jordan, the PLO hardly counted in Washington except as an occasional airborne nuisance.

Nor was there much fear of losing allies like Saudi Arabia whose rulers hate socialists and radicals with a passion few can match, even in Washington. They had not only increased their investments in the US, but by 1971 were also ordering costly US weapons (the Zionist lobby had also relaxed its opposition to US arms sales to Saudi Arabia and Kuwait). Kissinger obviously believed that Israel could get a settlement on its terms (which he believes ought to be generous) by holding out a bit longer. Realism favoured such a settlement, not war. And if the Arabs went to war, another Arab defeat would open an opportunity for Israel and the US to be magnanimous (a Kissinger favourite) in victory.

Arab eggs, American basket

The October War ended the complacency with which Washington had regarded the stalemate. It destroyed the assumption of Arab equanimity in accepting protracted occupation and of their incompetence in war. It demonstrated Israel's power as too derivative to be totally dependable. The oil embargo underscored the dependence of Japanese and European (and to a lesser extent American) economies on Arab oil, dramatized the contradictions in Atlantic relations and underlined the importance of the Middle East in perpetuating America's global predominance. It also confirmed the argument of Washington's Arabists that Egypt is the pivot of the Arab world. Without it no war can be fought, and no political arrangement can be stable. Under the circumstances Kissinger's bid to act as the mediator was inevitable. Given the objectives which

motivated Egyptian recourse to war and conservative Arab support for it, President Sadat's capitulation to Kissinger's blue-print for peace-making was equally predictable.

The mutuality of perceived Arab-American interests and a common vision of the future, rather than the Arab's alleged belief in individuals — a T.E. Lawrence or a Henry Kissinger — explain the latter's remarkable rise as the magician of the Middle East. President Sadat and his advisers, much like the rulers of Saudi Arabia and the sheikhs in the Gulf, believe that their interests will be best served if they can develop close ties with the US and the international corporations. For Sadat it is a vision of Egypt becoming the industrial and commercial centre of the Arab world. A combination of Egyptian manpower, American corporate and technological skills and Arab petro-dollars could yield Egypt the kind of prosperity and power its bourgeoisie has long craved for. This hope has been stimulated skilfully by men like Sheikh Yamani, Richard Nixon, David Rockefeller and Henry Kissinger, for, it entails a shift in Egypt's role from the vanguard of radical Arab nationalism to becoming an ally with the Arabia of the Sultans. In Washington it is believed that Egypt's defection will emaciate the radical and progressive elements in the Arab world, and bring about the restoration of a neo-colonial order there.

The paradoxes of post-October diplomacy underline Egyptian and Saudi obsession with the corporate, neo-colonial vision of an Arab future. One need mention only a few examples, some banal, others of greater importance: the adoption by President Sadat as a brother and friend of the one cousin who bore the primary responsibility for over-arming Israel before, during and after the October War; or the acceptance of a disengagement plan which removed the immediate incentives towards a negotiated settlement; or the decision to apply the oil embargo in a manner that hurt countries (like France) friendly to the Arabs, alienated potential allies (such as Germany which in a remarkable assertion of independence had refused the use of its port facilities for US supplies to Israel), and aided the one country it had pretended to punish (the dollar as well as the US balance of payments was strengthened in the wake of the oil embargo which severely affected the European economy). Thanks mainly to official Arab ingratiation a major contribution of the October War was to affirm, however temporarily, the paramountcy of the United States as the world's number one power — the 'untier of knots'.

The Arab leaders who decided to put their eggs in the American basket assumed that the 'energy crisis' had increased their importance in Washington. That is correct. They also thought that their enhanced importance had correspondingly diminished US commitment to maintaining Israel as a regional gendarme. That is incorrect. The extent of the US arms build-up in Israel since the

October War is a measure of US commitment to maintaining Israel as a major power in the region. The setbacks which the US policy has suffered in Cyprus and Greece may have increased, in Kissinger's view, the importance of Israel as the guardian of the 'western flank'. Nevertheless, he would wish Saudi Arabia and Egypt to become full partners with the Shah in securing the 'eastern flank', and stabilizing the Arab world.

In the aftermath of October 1973 Washington's notion of a just peace is different from that of Israel. But not much. Israel wants to keep Sharm-el-Sheikh. The US is expected to advise a compromise, e.g., a formula involving Egyptian sovereignty and Israeli occupation. Israel will not withdraw from Jerusalem but is willing to concede Muslim and Christian sovereignty over their holy places (which is not much more than a euphemism for your right to pray in *al-Aqsa* and the Church of the Holy Sepulchre). Dr Kissinger is likely to counsel a further concession — a thin corridor (a cadillac path!) to the *Harem al-Sharif* so that Emir Feisal may reach there without treading on Jewish soil. Israel wishes to annex the pockets constituted by the collines of Latroun and Judea. Washington may induce it to be content with demilitarization there. As for the Palestinians, the PLO's official elevation as their sole representative is unlikely to constitute a lasting hindrance to the creation of a Palestinian state in the Gaza and a truncated West Bank. Officials in Washington believe — and once their guilt-ridden hysteria is allayed Israelis may share the belief — that as it is constituted today the PLO commands neither a revolutionary ideology nor a mass organization, hence its leaders are likely to be as corrupt and cooptable as the many nationalist regimes which came to power on formal decolonization.

If the belligerents can be induced to accept a settlement along these lines, a negotiated peace may be possible, or at least the expectation of it could be prolonged. Kissinger's game-plan promises Egypt the most, and would prefer to deliver there first. Syria will then be isolated. Negotiations over the West Bank of Jordan may be protracted and, as the ultimate arbiter, the United States will remain at the centre of the stage.

The prospects of a negotiated settlement being slim, another war may be unavoidable. The fifth round, however, is likely to be initiated by Israel, not by the Arabs. For obvious reasons: the costly and inconclusive character of the October War has put a psychological burden on Israel. A clear-cut victory over the Arabs must appear as a necessity to a leadership which sincerely believes that Israel's national security lies in keeping the Arabs permanently defeated.

Secondly, Israelis understand, if most Arabs do not, that ultimately American interests (as the ruling class perceives them), rather than humanitarian considerations or the Zionist lobby, determine the size

and quality of US aid to Israel. The October War has shaken the faith of some in the United States, including senior generals in what used to be described as Israel's 'swift sword'. Israelis may want to reassure Washington of its effectiveness as a *force de frappe*.

Thirdly, time does not favour Israel. Unless Arab leaders succeed in snatching failure from the jaws of success, they will be in a very favourable position. Oil is now a primary element in defining power. If the Arabs use it wisely this decade will witness their emergence as a centre of world power. Israel, on the other hand, is likely to suffer from increasing international isolation, and diminishing US interest in satisfying its massive economic and military requirements. A stalemate, therefore, is not as attractive for Israel as it was before. New developments, accentuating its domestic and international difficulties and strengthening the Arab position, may tempt Israel to strike out while it still has the means to do so, and attempt to impose a settlement with Syria.

Yet Israel cannot initiate a war unless it is assured of US support. Washington is unlikely to let Israel loose unless it plans to use a second oil embargo as an excuse for military intervention. Its aim will be to establish undisputed US control over the production and distribution of oil — the one privilege expected to ensure the paramountcy of American power. This is considered a serious option in Washington. President Ford and Dr Kissinger have already issued warnings, but vaguely. The Pentagon's planning indicates rather clearly that the US defence forces have been preparing for possible intervention in the Middle East. The Arabs will be wise to develop a strategy to discourage and, in case of necessity, defeat this kind of adventurism.

REFERENCES

1. *Le Monde* (19 January 1974).
2. *Time* (4 March 1974).
3. *Foreign Affairs* (January 1974).
4. Background briefing (San Clemente, 26 June 1970).
5. Henry A. Kissinger, *A World Restored. Europe After Napoleon: The Politics of Conservatism in a Revolutionary Age* (New York, 1964), pp. 1, 3.
6. Henry A. Kissinger, *American Foreign Policy* (New York, 1969), p. 39.
7. *Ibid.*, pp. 47-9, 39.
8. See, for example, *ibid.*, pp. 80, 81, 84, 85.
9. *Ibid.*, p. 80.
10. *Ibid.*, p. 85.
11. Kissinger, *A World Restored*, op. cit., p. 318.
12. Henry A. Kissinger, *Nuclear Weapons and Foreign Policy*, pp. 136-7.
13. Henry Kissinger, 'Central Issues of American Foreign Policy', in *Agenda for a Nation* (Washington, DC, 1969).
14. Henry Kissinger, 'Defense of the "Grey Areas" '.
15. Marvin Kalb and Bernard Kalb, *Kissinger* (Boston, 1974), p. 192.
16. Stanley Hoffman, 'Choices', *Foreign Policy* (Fall 1973), pp. 3-42, 13.

17. Alfred Grosser, 'Europe: Community of Malaise', *Foreign Policy* (Summer 1974).
18. Henry Kissinger, *American Foreign Policy*, op. cit.
19. See *MERIP Reports* (No. 31, October 1974; No. 30, August 1974, and No. 8, March-April 1972).
20. US Congress, *Persian Gulf Hearings*, p. 6.
21. *Ibid.*, p. 12.
22. Background briefing (San Clemente, 26 June 1970).

SPOKESMAN BOOKS

The Kissinger Study of Southern Africa

Cloth £3.00 Paperback £1.25

The full text of Dr Kissinger's secret policy study

Ten Years' Military Terror in Indonesia

Edited by Malcolm Caldwell

Cloth £7.00 Paperback £3.00

Contributors include Michael Klare, Peter Dale Scott, Ernst Utrecht, Ingrid Palmer, Michael Morrow, Lenny Siegel, Richard W. Franke, Carmel Budiardjo, W.F. Wertheim, Oey Hong Lee, G.W. Satyajit, Adil Rakindo

Full list available on request

Spokesman Books

**Bertrand Russell House, Gamble Street, Nottingham
NG7 4ET, UK**

Carriage and handling:

On all foreign orders, and on orders from UK under £5, Add 10% or
15p (whichever is greater)

Reaction and revolution in the Middle East: Arab perspectives

The excerpts that follow are taken from addresses given to the Annual Convention of Arab-American University Graduates, held in Chicago, 17-19 October 1975. The contributors are Mohammed Hassanein Heikal, the former chief editor of Al-Ahram and confidant of President Nasser; Dr Munif Razzaz, who is a founding member and long-time leader of the Ba'ath Socialist Party; A. Yusuf, a member of the Popular Front for the Liberation of Palestine; Abdalla Al-Ashtal, Ambassador of the People's Democratic Republic of Yemen to the United Nations.

The October War and the new realities

New realities?

What are the 'new realities'? Three, everyone would agree. The impact of detente on the Middle East. The impact of the oil weapon. And the impact of the new Arab fighting man. Detente — to preserve which, the United States was forced by the October War to start urgent peace-making efforts. Oil — which seemed to give the Arabs a new global power. And the new Arab — the man who altered the balance of forces in the area by showing that he could fight not just bravely but also effectively.

That is a dangerous list. Dangerous because we distort what happened in October, and we misjudge what is happening now if we think that any of those new realities is in fact new. We saw detente in action in Europe, even in Vietnam, well before October. I remember discussing the plans for the war with President Sadat. We talked of the importance that detente, and the superpowers' need to preserve detente, had in our calculations. I remember the President saying: 'I

think we may just catch the tip of the tail of detente.' So it was foreseen.

The so-called 'oil weapon' is harder to analyse because two things have been confused, and we must separate them: the Arab-Israeli crisis, and the energy crisis. The first needs no explanation, the second developed into a crisis with the first shortages in the United States in the winter of 1972 — a crisis because those shortages revealed that now the United States also was crucially dependent on a free flow of world oil. In the Arab world, the potential that this crisis could forge a weapon in Arab hands had been seen long before. But now Washington woke up — so the two separate crises of the Middle East were there, waiting: the Arab-Israeli crisis was looking for a catalyst, and the energy crisis was looking for a detonator. The October war supplied both.

Let us look at the true impact of these new realities. What has it been? What is our real situation? Take detente. October showed that detente imposes limits upon the abilities of local powers to take action in local conflicts. That is the necessity of detente, an intrinsic part of it. The limitation applies especially to military action. Local powers can pursue military objectives as far as stalemate. They are not allowed to achieve victory. At that point, a wider balance of forces is affected. And the superpowers step in. So what does detente tell us? It tells us that the Middle East crisis is trapped. Trapped between local powers who cannot seem to solve their problems in peace, and two superpowers who cannot afford to solve their problems by war. The Arabs are caught in the spider's web. That is the new reality of detente as we see it in action.

Take the oil weapon. I talked of two crises. It is beyond dispute that the energy crisis has used the Arab-Israeli crisis more successfully than that dispute has used the energy crisis. We had a war. Oil prices went up. Then the embargo came down. A few people are getting rich beyond their wildest imaginings. But the West had adjusted to the financial shock, and the Arabs' legitimate demands upon Israel remain quite unfulfilled. And where is this new oil wealth going? Most of it is being handled by three banks. Where? Manhattan.

Old realities reasserted

The October War accelerated certain forces. It crystallized certain contradictions. But these were already present in the area. And if we look at what is happening in the Middle East now, we will see the truth of this. If we look at how the parties in the conflict have moved since October, what do we see? The old realities asserting themselves once more.

At the heart of what is happening is one fundamental objective by the United States. Fundamental, and I think very dangerous. The United States seeks to persuade the Arab world that it alone holds all

the cards in the search for a Middle East settlement. To quote Henry Kissinger: 'The Soviet Union can give you weapons, but the United States can give you a fair and just solution whereby your lands can come back to you.'

The truth is that the Arabs have always seen the futility of isolating the United States from the Arab world. The American isolation over the past decade has been largely self-imposed — because the United States refused to accept the forces for change in the area, and refused to accept that the Arabs had a right to economic and social and political independence. So the United States made political gestures. Ambassador Goldberg was deeply involved in the drafting of Resolution 242. Then we had the Rogers' Plan and the Rogers' initiative. Gestures, all of them. Gestures because the truth is that 242 failed when the superpowers chose not to implement it. And Rogers' ideas failed because they revealed no real overall basis for a solution.

First, and most important, do not forget the United States entered the crisis with the aim of pacifying it, not of solving it. The American objective, then and now, has been to prevent the crisis from growing into a confrontation of superpowers. The interests of the local parties are purely secondary.

The United States' longer-term objectives are equally clear. It wishes, in Kissinger's own phrases to expel Soviet influence from the Middle East. We may also suppose that it wishes to consolidate American influence in the area. But Washington believes that the reason behind the Soviet entry into the Middle East was the Arab-Israeli struggle. So Washington is trying to defuse that struggle. Defuse it, not solve it. How? By trying to revive an old idea — that the struggle is a series of separate conflicts. Israel and Egypt alone. Israel and Syria alone. Israel and Jordan alone. Separate conflicts with separate solutions.

This policy of separating the Arab parties has two objectives: to hinder Arab unity and to neutralize the Palestinians. So long as the Arab-Israeli struggle is seen as an all-Arab struggle, then the Palestinians take their rightful place at the heart of the cause. But reduce the struggle to local conflicts between nation states and, by definition, the Palestinians and their rights are removed to the sidelines. More, the Palestinians cease even to be a political issue; they become simply a humanitarian problem.

Meanwhile, the other strand of American policy is to neutralize the one Arab power that Washington does fear, the power of the oil weapon, by playing on the fears of some oil producers, by encouraging the prejudices of others. Once again, by working against Arab unity. Oil wealth is another weapon. So that too is neutralized. Tied up in American banks or on the European money markets. Recycled by the western governments without reference to the Arabs. Or safely wasted on arms, billions of dollars spent on weapons systems to guard tiny

patches of desert.

In effect, Washington has invited the Arab world to judge American policy by one criterion — the success of America's search for a just solution to the Arab-Israeli crisis. But that is a solution which Washington shows no signs of even contemplating. So when the search fails — and it will — and when the Arab world sees that it has failed — and it will — what happens to American policy then? I cannot believe that such a fragile strategy is sensible for a superpower. What I am quite sure of is that it is not sensible for the Arabs to believe it.

Take the response of the other superpower, the Soviet Union. In the face of the Washington policy, what has Moscow done? During October, Soviet policy was plain. They wanted to regain position after the debacle in Egypt. Hence the airlift. Hence the ultimatum to President Nixon. When the Arabs responded by opening the door not to them, but to the Americans, the Russians were astounded. The immediate Soviet response was to regain a role. They pushed for Geneva. They continued arms supplies to the area. They cultivated the Arab states still afraid of the American relationship — without result. The Russians had lost the initiative.

So they stepped back and reassessed the situation — and, I think, reached two main conclusions. The first was that if the Arabs did not want the Soviet Union to participate in the next phase, the Soviet Union had in practice little choice but to accept that. In public, its attitude became one of more or less benign neglect. In private, of course, the Russians are working as hard as ever. But — and this is the second conclusion — I think the Russians have also reassessed where to look in the Middle East for friends. I would not be surprised if they were disillusioned with relations simply with governments. I would not be surprised if they turn more towards political allies in whatever country they find them. And American policy presents the Soviet Union with another opportunity too. If Washington does succeed in forcing the Palestinians to the edge of the conflict, then I would expect the Russians to look in that direction as well.

In the meantime, the Soviet Union is concentrating upon the Arab nations at the periphery of the conflict. And its navy prepares to use the Suez Canal once again as the route to the Indian Ocean. So Russian policy too is reasserting old realities.

The new 'new realities'

Both strategies, American and Russian, depend upon the United States' ability to persuade the Arab nation that Washington holds all the cards — that a solution can only come from America. But how can this be true? Of course, the United States has taken action — the question is why? The answer is clear. Washington stepped in because the Arabs showed that they could now make war. But it is equally clear that only the continuing threat of war will persuade Washington to go

on taking action. That has been the whole basis of the Arab strategy. The only way in which the Arabs can struggle against detente is to re-fuse to be de-fused.

The strategy of October was to threaten detente, to force the superpowers to intervene. October was never planned as a single act. The threat of another October if the first did not achieve all we wanted was always part of the strategy. Detente may prevent one single decisive act. But it cannot prevent a series of smaller moves. And the accumulation of those actions will in the end tilt the balance. That is how we must use detente. But we can only keep that option if we refuse to accept the claim of one superpower that it alone has all the answers.

What did make October possible? To my mind it was coalition of two elements. First was the human element — the new Arab. October showed that the Arabs are a living nation. They can develop. They can acquire the education and culture needed to handle modern technology. They can forge the social coherence, the trust in one another that alone enables men to go to war together and win. October showed that the Arabs can face the challenge of modern times. It showed that, to their quantity, the Arabs have begun to add quality. Quality is an abstract word. But we are talking of individuals, of men. The Syrians, the Saudis, the Iraqis, the Kuwaitis, the Maghrebis who fought together on Golan. The Egyptian, the Moroccan, the Algerian, the Libyan, the Sudanese, the Palestinian, who fought across Suez. That man is a new Arab man. He, if you like, is the truly new reality. But he too has taken a generation of turmoil to evolve. He too we have seen emerging for the past decade. And it is this man, this new Arab, who profoundly alters the prospects in the Middle East.

The second element was an alliance of forces — of Arab armed power, of Arab oil, of public opinion throughout the Third World which saw the justice of the Arab cause. And those forces were backed by Soviet support and, in the end, by the exercise of a legitimate American interest.

But if I am right, if those are the forces that together made October possible, it is not enough just to identify them. We must preserve the coalition, safeguard the alliance. That is as important in the search for a solution as it was in facing the challenge. The logic of the American strategy, on the other hand — the objective behind Washington's claim that it holds all the cards — is the break-up of this alliance.

At the heart of Kissinger's concept of diplomacy is the idea that parties negotiate not because they want to but because they have to. The credible threat of force is the foundation of his analysis of international relations. So, we reach the paradox. If the Arabs allow the United States to destroy the alliance that made October possible, the Arabs lose also their capacity to enforce progress towards peace.

The credible threat of force means modern armies, sophisticated

weapons. To build modern forces you cannot just buy a consignment of planes from here, a few squadrons of tanks from there. The modern war machine is a system. It has to be acquired as a system, and used as a system. The ancillary parts you can build up from anywhere. But the core of the system, unfortunately, can only come from a superpower. For all practical and political purposes, only one superpower can provide what the Arabs need.

So we see that while the other parties in the area are adjusting themselves to the United States' strategy, the Arabs are in danger. For if they accept the logic of the American position, they undermine their ability to make war and their ability to talk peace.

Yet the real battle for the Middle East is only just starting. I believe that. And I think that Israeli policy shows that Israel believes that. After the war of 1948, Israel said it would accept partition — but in return it demanded non-belligerency. After 1956, Israel again demanded non-belligerency — threatening this time that it would not budge from Sinai or Gaza without it. But the balance of power at that time, plus the Arabs' own will to fight on, forced Israel to withdraw. After 1967, what happened? Once again, Israeli demanded non-belligerency. What was it offering this time. Most of Sinai. But not the Golan. Not Jerusalem. Come to the present. After the October War another plan was floated, suggested in Washington but with Israeli backing. This time, Israel wanted to keep one third of Sinai. Plus Golan. Plus Jerusalem. Plus most of the West Bank. And even for this the Israelis still demanded non-belligerency. Now, the Arabs have not even been able to move into the passes in Sinai. For this the Israelis have still demanded effective non-belligerency.

That is not diplomacy. That is devaluation. How can Israel be serious? Or, if Israel is serious, how can anyone believe the Israelis are also serious about peace? And look at the price that the United States has been forced to pay by Israel to buy this last agreement. Because it has been bought. Bought with money and with weapons — hundreds of dollars worth of weapons for every man, woman and child in Israel. And for what? To build the world's smallest superpower? Washington has not even succeeded in what ought to be its main strategic military objective in its relations with Israel: it has failed to prevent Israel from becoming a nuclear power.

For a generation, the balance of power has been completely to the Arabs' disadvantage. Now, it is shifting. The Arabs themselves — if they follow the correct policies — can shift it further. The slow growth of Arab quality. The potential that oil money — wisely used — brings to the Arab world. The gradual acceptance of the need for unified action, not just military action, but economic, social and political unity. Above all, the dawning awareness among the Arabs themselves of their potential power and potential importance. All these factors — some revealed fully, some partially, by October — will in time tilt the

balance of forces in the area. And then Israel will face the ultimate strategic realities of its situation. So far, these have been shrouded.

The Arabs have talked of 'cancelling the effects of aggression'. But the real issues go deeper. The first is that, to an Arab nation conscious of its unity, the idea of a land barrier cutting the Arab world clean in half will seem increasingly unacceptable. People do not see that if the Arabs regard Israel as a central problem, that is because Israel is indeed at the centre of the Arab world. As the balance of forces in the area shifts, the Israelis should consider the implications of this. The second real issue is that the Palestinians are a people. They have proved that they exist. They cannot be wished away, and nor can their recent history. Ancient writings, revered myths and folk-tales are a necessary part of any people's culture. But you cannot uproot a people in the name of those myths and then pretend that the people will just go away. The Palestinians will not go away. You cannot impose myths upon history. And this leads me to my third real issue: the nature of Israel itself. It cannot integrate. How many times have its leaders said that Israel will not be 'levantinized' — even their word reveals their attitude. If whatever Israel calls 'peace' were to come tomorrow, how could Israel tolerate the free intermingling of people and ideas that is the very foundation of the history of that area? To preserve their state, the Israelis must erect permanent barriers — ideological, cultural, educational, even economic barriers — against the Arab sea around it.

In the meantime, we must concentrate our efforts, our policies. We must reconstruct the alliance that produced October and still remains our best hope of future progress to peace. We must remember in our social policies, as much as in our military ones, that out of October marched a new Arab man. And he will demand development — social, economic and political development — more sweeping and more rapid than anything the Arab world has yet contemplated.

Mohammed Hassanein Heikal

The beginning of the end of imperialism

In May 1967, just before the June War, I was staying in London where I sent a letter to the editor of the *Economist*. It was published in the next issue. After the war I sent another letter. It was not published, so I wrote a letter to the editor of *The Times* of London. It was also not published. MP Michael Foot asked me to write an article for the *Tribune*, the weekly magazine which he edited. That article, also, was never published.

My experiences were not unique. Every Arab met the same treatment after the 1967 war. And every Arab felt the same feelings of humiliation, whether he was abroad among foreigners, or at home among his people. The whole West, if not the whole world, regarded

the Arabs as a finished nation. They had lost their third war with the Israelis, and lost it so badly and so clumsily, that they likewise lost any respect they could have had in the eyes of the world.

In October 1973, the fourth Arab-Israeli war took place. Those seventeen days changed the whole picture of the Arabs, both in the West and in the rest of the world. Since then, no respectable newspaper or magazine in the world has gone to press without saying something about the Arabs, or the Arab-Israeli war, or the peace talks, or the preparation for the next war, or the price of oil, or the energy crisis, or the Arab responsibility for the world's inflation or recession.

Local effects of the War

All this, however, is only a side effect of the October War. What is its real historical significance?

From the start, let us recognize that this war was fought locally and internally, and that it had its military and its economic aspects. Measured by military parameters alone it was a small war, notwithstanding the huge amounts of arms used in its short course. It can also be argued that neither side lost or won decisively. But we cannot say that this war was locally indecisive, for it had far-reaching effects. And not the least of these effects was the destruction of two very important myths.

The first myth was the invincibility of Israel, and its indispensability as an advanced outpost of the West to guard its interests in the Middle East. Since the war, instead of guarding these interests, she herself has to be guarded by the owners of these interests. The second myth was the everlasting backwardness, disorganization and disunity of the Arabs, whose only worldly interests were their camels and harems.

Objective observers realized from the start that these were merely myths created for accomplishing certain historical aims. Israel never had the internal potential to be whatever it became. She was a piece of developed Europe implanted by imperialist sponsors, in the midst of a backward, under-developed society aspiring to be a modern nation. It was very easy for these European immigrants to show that they were stronger, more advanced, better organized, and had more technical know-how than their neighbours. And they had the opportunity to prove it in three successive wars.

On the other hand, the potentials of the Arabs were completely overlooked. They have to their advantage the vast territory extending from the Atlantic to the Indian oceans, a population of more than 130 million, a legacy of an old and living civilization, a bond of language, history, culture and religion, a recently emerging sense of nationalist consciousness triggered and augmented by the continued challenge of western dominance and Zionism — and, on top of all that, the newly-discovered wealth that represents the vital need of all advanced industrial countries.

All these facts were overlooked as the West sought to quench its insatiable thirst for dominance of the East, and to satisfy European Christianity's old hatreds that started with Islamic conquests fourteen centuries ago. True, when the Zionists started the colonization of Palestine, they were part of advanced Europe and the Arabs were at the ebb of their history. The difference between them was enormous.

But nations have no everlasting characteristics. They receive their characters from their historical roles and from the facts of their geopolitics. Israel, in spite of its European origin, was not Europe. And the Arabs, in spite of their backwardness, were not the aboriginals of a distant island.

The October War shattered both myths and uncovered both realities. The Arabs might have gained only a psychological victory, but a victory with a very deep historical significance. Israel was doomed, even if she were to succeed in another war. No Israeli success could ever exceed their victory in 1967, and no Arab defeat could be harder than their defeat in 1967. Israel needed more nourishment after its 1967 victory, not less. And the Arabs advanced in those six years more than they had since they got their political independence.

These introductory remarks illuminate some of the local effects of the October War. But its real significance cannot be measured by what it has done to the warring parties, but by what it has done to the world at large.

Third World economic independence

If the Second World War ended with the dissolution of the old colonialist system and the political emancipation of the Third World, the October War marked the beginning of the economic emancipation of the Third World. For the first time in recent history the Arab countries could save themselves from the dictates of the laws of the world market and produce new economic conditions that would end a long era of exploitation. The October War gave the Arabs this opportunity because of the close association between their bitterest political enemy, Zionism, and their bitterest economic enemy, western imperialism. The military part of the war was significant in destroying the myth of the invincibility of Israel. But the economic part of the war dramatically transformed it from a small war into a one of great historical significance — one which marks the beginning of the end of imperialism.

For centuries the peoples of the Third World were the victims of western cartels. For the first time the West learned what it means to be a target of a cartel not dominated by it. The Arab countries forced an embargo on the US and reduced oil production. More importantly, they took two decisive and historical steps: the nationalization of oil companies; and the power of price fixing. These two steps marked the beginning of a new era in which the rights and demands of the

newly-emerging nations of the world had to be taken into consideration. The laws of the free market became obsolete and no longer inviolable — not that they are laws, or represent a free market: they were created and applied at a time when only the industrial countries monopolized the wealth and the power of the world. 'Equity' and not 'dominance' now became the catchword of international relations.

Up to now, power was always associated with military power alone. Military power in turn was associated with technological development and wealth. But in the 'peace of terror' forced upon the world by a nuclear age, money, not arms, emerged as the ultimate weapon. By emancipating their sources of wealth, their 'weapon', the Arabs became their own masters and an important world power in their own right.

Third World repercussions

The Third World stood solidly behind the Arabs in their war against Israel — a solidarity which was very evident in the fourth Conference of Non-Aligned Countries held in Algeria in September 1973. The impact of the sudden rise in oil prices was very severe in the non-oil-producing countries of the Third World. The sudden drop in their already deficient balances of payments strained their slight hopes of building up their shattered economies. Voices were heard in Africa and in Asia protesting that their solidarity with the Arabs brought them only more poverty.

Much shriller voices on the same line arose in Europe and in America, so suddenly that one would have thought that the main concern of these advanced countries was how to advance their poor, less-developed brothers. It was, of course, evident that these voices aimed at creating a rift in Third World solidarity. But they soon began to lose their effectiveness as Arab countries advanced aid and loans, created bilateral and multinational development projects, increased their participation in the International Monetary Fund and its subsidiaries, and created their own foreign development funds. The short crisis was overcome, especially after the realization that the recession and inflation of the advanced countries was the real cause of Third World economic difficulties.

But, in the October War, the Arabs provided the less developed countries with something far more important than temporary aid. They provided the war for economic emancipation. Third World countries are not producers of oil alone. They produce copper, bauxite, phosphate, uranium, cocoa, tea, coffee, cotton, timber and all sorts of raw materials. If, by their unity, the producers of one commodity could break up the forces of the 'free market', then the producers of other commodities could do the same. The time had come for them to regain their sources of wealth, not by selling their produces for

ever-shrinking money, and not by buying the products of technology at towering prices, but by exchanging them for the technology itself.

For the first time in history the Third World could feel its ability to deal with the industrial world on an equal footing, but only if it stood united, not as oil-producing countries, or copper-producing countries, or tea-producing countries, but as the world that produces the raw materials *vis-à-vis* the world that owns the technology. This is what President Boumedienne stood for, representing the whole Third World in the extraordinary session of the UN, in the non-aligned conference in Algiers in 1973, in the summit conference of the OPEC countries in March 1975, and in the negotiations with the advanced countries in Paris.

Europe and the Third World

If the October War signalled a new era for the Third World, it ended an era for Europe — the era of economic expansion dependent on the exploitation of other people's resources.

In the first place, Europe, unlike the US and the USSR, has no raw materials except coal and iron and must import the vast majority of these vital materials from the Third World. Secondly, the happy days of retaining their high productivity, standard of living and improved welfare services at the expense of the formerly colonized have come to an end. The monopolized freedom of pricing its own products, as well as the products of the world, has received a severe blow. Thirdly, Europe's real and only source of wealth is its culture and technology. Since technology is a scarce commodity in the Third World, while raw materials are scarce in Europe, it is in the interest of both worlds to exchange what they have for what they lack. And finally, Europe has realized that the mutuality of her interests with those of the US is not sacred. The interests of both sides can clash, close ties can be strained. This was evidenced during the war when the threat of American-Soviet confrontation arose and the US needed European bases to supply Israel with military aid. It was evidenced after the war as the US and Europe competed for the Arab surplus capital and adopted different political attitudes toward the Arab-Israeli conflict and the energy crisis.

Europe has had to build new bridges with the Third World, based on equitable relations and fair deals rather than the old colonialist methods kept alive by the power of the US. Europe is in urgent need of Third World resources, particularly Middle East oil. Unlike America, it does not import about 17 per cent of its oil requirements from Arab countries, but more than 80 per cent. It does not live on the consumption of more than 90 per cent of its own national product, like the US, but on its exports to the world.

The Third World has the potential of being a large consumer of European products. But if the terms of trade are not improved, Europe could head for an economic and social catastrophe. The signs of

disruption are already evident. The class struggle is being revived. The faith in traditional establishments is being eroded. Separatist parties are gaining in strength. And the extreme right and the extreme left are polarizing again.

The US and the Third World

As a rich and strong country, the US might not face the same problems confronting Europe, but its imperialist policy is undoubtedly destined for a major change. The US emerged from the Second World War as the strongest power in the world, militarily, economically and technologically. It remained the most productive and the most consumerist society on earth, the only state in the world with surplus capital to export. With the decline of the old colonialist powers the burden of the leadership of imperialism was automatically transferred to the shoulders of the US. The US, however, was not a colonialist power. And so it carried the burden in a different, more advanced, more civilized, more technological, more sophisticated and more idealistic guise.

The US was not against liberation movements and nationalist struggles. In fact, it played the role of anti-colonialist champion in many parts of the world, sometimes discreetly, sometimes openly. Its role during the Franco-Vietnamese War and the Tripartite invasion of Egypt in 1956 provides only two examples of this stand. But this role only lasted as long as colonialist powers continued to cling to their colonies, and as long as the new liberation movements did not overstep the boundaries between political independence and economic emancipation, or between the capitalist free trade system and a liberated socialist society.

Until 1968 the US was successful in forcing its policy everywhere in the world outside the communist bloc. But it inherited two hot spots from the old colonial powers: Southeast Asia and the Arab world. The extensive and expensive Vietnam War shook the moral basis of American imperialism and proved its futility. The first signs of its failure appeared inside the US itself: the anti-war, anti-establishment protest movements and the inflation-recession-devaluation spiral. Then came the October War which hit the US in the most sensitive part of its policy: its dominance of the world economy.

The 'Palestine problem' was created by the British Empire to establish an additional stable base along the route to India, thus preventing the rise of a strong Middle East power in the vacuum left by the defeat of the Ottoman Empire. It was inherited by the US as soon as Israel was created. Israel served as a reliable ally, the guardian of western, particularly American, interests in the oil-rich region. Because of that close association any confrontation between the Arabs and the Israelis meant a confrontation with the US as well.

So it was no accident that the military action against Israel on the

fields of Sinai and the Golan Heights was extended into economic action against the US in particular and the West in general. And because the time was ripe, the small war between the Arabs and the Israelis blew up into a major confrontation between the Third World and imperialism. For the first time in history a major economic battle was won by the victims of imperialism in a region of the world most precious to the imperialists.

As the richest country of the world, the US should not have been affected by this economic war as much as it was. But because of its overextended commitments as the main global police force, the balance between its needs and its resources had reached a critical point. A tilt on one side would have upset the balance. This was provided by the October War.

But imperialist powers are rarely defeated militarily by national liberation movements. They are usually defeated by the high price they have to pay in order to uphold their imperialist aims. When the price is so high as to defeat the aims, war becomes utterly illogical, and the signs of defeat arise inside the imperialist power itself before they arise in the battlefield.

In the October War no American life was threatened. But every American citizen felt what it means to be deprived of oil. Before the war, Americans paid Israel less than \$2 billion a year, or about \$10 from each American citizen to keep oil flowing. But to pay that, and to be deprived of oil, or to pay four times what it had cost before, is a new, shocking experience. Before the war very few Americans thought of any connection between Israel and oil. Now the connection is at least recognized.

The US might have been persuaded that the way to Middle East oil is not through an aggressive policy and an artificially implanted foreign body, but rather through mutual understanding and equitable relations with the oil-producing countries and the Arabs. However it still resists the historical significance of the October War and its effect on relations between the Third World and the advanced countries, between the dominated and the dominant, as well as its effect on the role of Israel in the Middle East.

We have seen several attempts by the US to dwarf the results of the October War: the attempt to include Europe and Japan in an exclusive alliance of energy consumers. The attempt to resist the inclusion of other raw materials and other Third World countries in the discussions. The attempt to create a schism between the oil-producing and the non-oil-producing countries of the Third World. The attempt to divide the OPEC countries by forcing some of them into reducing their prices. The attempt to grab as much as possible from oil money surplus while resisting its intrusion into their stock markets. The attempt to cling to the idea of keeping Israel as an aggressive and fortified stronghold in the Middle East. And last, but not least, the attempt to threaten the

Arabs with outright military invasion. In time US policy-makers will realize that all these attempts will fail to stop the tide of history. To sum up, we can say that in the Middle East the October War might have brought the moment of truth nearer, but the core of the problem is still as alive as it ever was. Unless Israel sheds its Zionist essence and agrees to live as an integrated part of the Middle East, i.e., the Arab world, and unless the Palestinians regain their historical and national rights, the real problem will go on brewing.

Dr Munif Razzaz

Resurgence of the Arab right wing and the liberation movements

If the June War of 1967 marked the historical defeat of the petit-bourgeois military bureaucracies, the October War of 1973 has marked the resurgence of the Unholy Alliance: Egypt-Saudi Arabia-the US and its local client Israel. The prevailing trend in the Arab Middle East points to a redrawing of the map of the Arab East so as to place it conclusively within the American orbit.

Sadat has placed his wager on the US, in a way that rulers such as Farouk and Nouri Al-Said did not dare do, yet they were removed from their position as a result of the rising anti-colonial sentiment on the part of the Arab masses.

Since 1967 the historical arch-rivals Egypt and Saudi Arabia have joined hands, and in the process there has emerged a new alliance which combines Egypt's political, intellectual and historical authority with Saudi Arabia's vast oil wealth — an alliance in which Iran's wealth and military strength are finding a role.

This right-wing axis is predicated on the dissolution of Arab progressivism. Since the October War, this new reactionary axis has sought to resolve the Middle East conflict by overtly identifying national policy with imperialist interests in the region. To this end, all necessary measures have been taken and are being taken to stem the tide of revolution and forge the capitalist road of development. But to thwart radical developments in the Arab East and the Arab Gulf effectively requires — so the axis believes — a settlement with Israel.

In sum, an attempt is being made to reverse half a century of Arab anti-colonialism and to install a new order in the Middle East. Its implementation requires the abortion of the 'national democratic' phase of the revolution, the sanctification of regionalism in the Arab world, the abandonment of the vision of one Arab socialist state, and the rejuvenation of religious fundamentalism based on upper-class populist perspectives, underpinned by an alliance of the possessing classes and their clients within each state. This new order is to be

externally endorsed and safeguarded by the continued presence of Israel and the increasing penetration and domination of the US in the region.

Whereas the promotion of the Arab national interest in the past took place within three spheres — Arab, African and Islamic — that world is being supplanted by a world-view predicated on Islam, capitalism and the West. The class alliance upon which state power was based has evolved into a new alliance of military bureaucrats, restored feudalists and a nascent bourgeoisie who depend on the infusion of oil capital and the penetration of imperialist capital into the Middle East. The spiralling arms sales to Saudi Arabia, Kuwait, Iran and, expectedly, Egypt is an aspect of that penetration.

'Open door' policy and peaceful settlement

Since the June War, when the US finally accomplished the defeat of Nasserism, American strategy has been based on the consolidation of Israel and Iran as regional powers, the de-Nasserization of the Arab world in collaboration with the regionalists (Faisal), the elimination of the Palestine liberation movement and other Arab nationalist forces, and the promotion of Saudi Arabia as the peninsular power. Sadat's increasing adoption of these policies — an 'open door' policy — is itself an essential aspect of the 'peaceful settlement'.

The significance of the 'open door' policy is in the internal changes it seeks to accomplish. In addition to the ideological turn to the right, two major features of this policy are (i) the encouragement and development of the private sector; and (ii) the importation and penetration of imperialist capital. As regards the first, the People's Assembly of Egypt on 23 July 1975 included in its report the following points:[1]

- (a) before an external open door policy is entered into an internal one must result in the freeing of the private sector;
- (b) public capital must be infused into the private sector;
- (c) investment firms which are established must be exempt from taxation;
- (d) laws must be enacted to prevent the nationalization of local capital.

Another session of the People's Assembly enacted a minimum increase of 25 per cent in land rent (land rented by the middle and poor farmers) and granted the landowners the right to evict renters when payment was delayed.[2] On the 15 June 1975, the conference for the investment of capital in Egypt agreed to reconsider the inclusion of workers in the workers' councils, since they had not produced the desired goals.[3] In addition, the system of profit sharing among the workers has been eliminated.

Such encouragement to the private sector, however, has only helped to worsen conditions for the majority of the population.

Whereas 10 per cent of the population consumes 45 per cent of total production, the remaining 90 per cent consume 55 per cent. The bottom 34 per cent of the population acquire 11 per cent of the national income, while the top 5 per cent receives 22 per cent.[4] Meanwhile, former feudalists and large landowners are finding their way into key positions in the state apparatus.[5] The class composition of the Egyptian regime is changing and progressive elements are being systematically purged from it.

The second feature of the 'open door' policy, besides advancing substantial support to the western economies via the great expansion in the importation of capital and consumer goods, of modern technology and of defence requirements (which in itself serves to bolster the western economies and to relieve the strain on their balance of payments),[6] predicated a framework of dependent development for the domestic economy. Such a framework imposes a division of labour whereby the advanced capitalist countries continue to expropriate the wealth of the Third World country. Most trading agreements and loans, for example, have specific conditions attached to them. The latest US-Egyptian deal involving \$144 million dictates that half of the amount is to be used in the purchase of wheat and the other half for the purchase of US-made goods and commodities?[7]

More generally, on a broader Arab level, the 'open door' policy does not signify a plan for industrialization. On the contrary, Arab leaders (of both oil- and non-oil-producing nations) are content to import technological assistance but are too short sighted to establish the economic-material basis of a long-range programme that would insure development-industrialization — reinforcing thereby the development of underdevelopment.

This process in turn promotes the resurgence of the right wing whose alliance and compliance with imperial strategy requires that reliance on the Soviet Union now be shifted to a dependence on the US. This has ended the peculiar policy that Nasser effectively put to use. The 'balancing off' of the great powers is no longer possible. The turn to the right in the Middle East has not only been predicated on the dissolution of the progressive forces, but also has been achieved at the expense of the Soviet presence in the Middle East.

And it is in this context that the 'peaceful settlement' has been posited. The imperialist 'peace' offensive is an attempt to resolve the contradiction or conflict between Israel and the 'confrontation' Arab states (Egypt, Syria and Jordan) via Kissinger's step-by-step approach. Sadat, with strong backing from Saudi Arabia, has been the most cooperative with the US, as indicated in the latest Sinai accords. Even before the latest agreement, Edward R.F. Sheehan of the Harvard Center of International Affairs wrote: 'Indeed it may not be too much to say that in large measure, King Faisal is financing the method that Secretary of State Kissinger has chosen to achieve peace.'[8]

Part of the 'peaceful' settlement is the attempt to resolve the Palestinian question. However, before the PLO is recognized as a negotiating partner it must be stripped of all its revolutionary content — since the success of the imperialist strategy depends on the dissolution of the progressive forces. Hence, with each step towards the In the anti-Zionist struggle prior to 1948, the Palestinian people the Palestinian resistance and the Lebanese progressive forces.

The democratic phase of Palestinian liberation

In the anti-Zionist struggle prior to 1948, the Palestinian people were struggling from within their homeland against a movement supported by imperialism. With the establishment of the Zionist state of Israel, which caused the dispersal of the Palestinian people, the nature of the struggle was complicated. First, the Palestinian people were dispersed in various parts of the Arab world; secondly, a number of the people remained under direct colonial rule, i.e., under Israeli occupation. It became evident that the liberation of Palestine by virtue of the historical conditions imposed on the Palestinian masses would not be an exclusively Palestinian affair.

After the defeat of the June 1967 war, a larger segment of the people were brought under Zionist colonial rule (administration), and an even larger number of people were convinced of the need of liberation through people's war rather than reliance on classical warfare waged by the petit-bourgeois Arab military regimes. But since, from the very outset, the Palestinians were exiled into an Arab context *par excellence*, the politics and political development of the Palestinian people were essentially microcosms of the larger Arab picture. The Palestinian presence in the Arab world indicated that, without a proper dialectical link between the particularity of the Palestinian movement and the Arab movement in general, the true proportions of liberation would neither be identified nor realized. Hence as the struggle for Arab liberation progressed and the struggle against Arab reaction developed, it became clear that the national movement was organically linked to a general social (class) struggle.

In the national liberation phase of the struggle, the people as a whole form an ensemble, *vis-à-vis* the oppressor: Zionism and imperialism. The masses are denied the right of self-determination and the working class is not permitted its own free development — for its development is peripheral to that of its Israeli counterpart. Even the Palestinian bourgeoisie, whose capital compared with its Israeli counterpart is quite diminutive, enjoys no more than peripheral development. 'In the colonial period', as Cabral has said, 'it is the colonial state which commands history.'

Under Zionist occupation, by virtue of the new structural and historical forces imposed on them, the Palestinians were ushered out of certain underdeveloped capitalist and pre-capitalist social relations

and jolted into the rising advanced capitalist relations that are an essential part of the dynamics of Israeli society. Having been deprived of his old ways and methods of subsistence the Palestinian worker and peasant under occupation has begun a process of social transformation that could roughly be equated with that of proletarianization. This change in the individual Palestinian worker's relationship to the means of production is accompanied by a slower yet inevitable change in his consciousness... Within such a delicate predicament, the forces of the new agents of history are in the making.

Under colonial conditions, all sectors of society (with some exceptions like spies, agents, mercenaries and a sector of the bourgeoisie whose interests are fully dependent on imperialism and Israel) form a common unit to face the enemy. Hence, though class struggle exists, the primary focus is the national contradiction, i.e., the negation of Zionist colonialism. As we approach nearer to this goal, the class contradiction will take different forms. Internal class conflicts will rise to the surface and will take the form of the contradiction between capital and labour.

The extent to which the internal class contradiction will prevail depends on the degree of success the revolutionary forces obtain in introducing and operating new structures, new socio-economic units capable of replacing the exploitative Zionist-colonialist structure. Will the political leadership pursue the petit-bourgeois approach to revolution which in the name of nationalism also nationalizes political participation on the part of the masses? Or will the petit-bourgeois leadership in fact commit class suicide, negate the capitalist road of development and postulate socialist revolution?

The democratic solution and Lebanon

The idea of the 'democratic solution' has been proposed by the Palestinian resistance movement, yet its application must be on a much broader scale. The Arab Middle East is a unity of diversification. It is a heterogeneous society. Many ethnic and national groups inhabit the region. With the existence of a majority and numerous minorities — Kurds, Armenians, Assyrians, Turkmans, African tribes, etc. — a solution is required so as to weave unity on a proper basis. The past year, for example, witnessed the defeat of the Kurdish movement in Iraq. Why? The basic reason lies in the fact that the leadership of the movement did not establish frontal alliances with the Arab progressive movement. On the contrary, it relied on the forces of reaction and on conservative non-anti-imperialist ideology. The 'democratic solution' on a regional level must be based on the existence of a dialectical relationship between the various progressive forces and, of course, ethnic, national and religious sects.

But before we forward certain criteria or essential components of the desired democratic solution it would be useful to take a look at

Lebanon. The present battles date back to 13 April 1975, Lebanon's Black Sunday, during which the fascist Phalangist party ambushed a bus of Palestinian and Lebanese, cold-bloodedly killing twenty-seven people. However, it could be a mistake to identify the conflict as one between Lebanese and Palestinian. Essentially the past few years have witnessed increasing violence, which is an expression of the internal contradictions of Lebanon. A brief review of events in Lebanon over the past year would indicate and point out an increasing number of workers' strikes — peasants, fishermen, etc. The state employed its coercive instruments to quell each strike. These developments indicate that Lebanon's social contradictions are reaching a new height.

Israeli officials have been pointing out that a 'democratic solution' such as the one existing in Lebanon is what the Palestinian resistance desires. And since 1943 Lebanon has been heralded by the colonial powers as the showpiece of democracy that must be emulated by all Arab states. The question is: how democratic is Lebanon?

The socio-economic and political structures of Lebanon are anti-democratic and essentially an outcome of colonial machinations. Since the independence of Lebanon, the national charter has accorded effective political power to the Maronite Christians. In addition, it is from amongst them that a comprador class was created by the French 'in order specially to strengthen the imperialist and capitalist camp', as Cabral writes in *The Weapon of Theory*. In turn, such favouritism acquired broader structural and institutional dimensions.[9] Superficial democratic institutions such as a parliament were set up, but the economic structure remained under feudal and comprador domination. Lebanon's 'democracy' was and remains a combination of political feudalism and theocracy.

Since 1943 many changes in the social composition have taken place. However, no census has been taken to measure the demographic change in the population. The same elite which ruled in 1943 dominates political life. In the meantime the Christian population, which constituted the majority, today represents no more than 35 per cent of the total population. The Muslims, and in particular the Shi'a sect, have a monopoly on poverty — hence their 'Movement of the Deprived'.

The oppressed majority's assertion of their rights coincided with the development of the Palestinian resistance movement. The latter has had a positive impact on the development of the Lebanese progressive forces. In fact, whereas the state and the Maronite leaders viewed the army as their protector, the poor and the Muslims viewed the Palestinian gun as their potential redeemer. The disparity between the rural areas and the urban centres is revealed in a comparison of average incomes in the trade and agricultural sectors which indicates that the latter's per capita income is one-fifth that of the former. The

general price index between 1972 and 1974 has increased by at least 18 per cent whereas, it only increased by 14.8 per cent during the six year period of 1966 to 1972.[10] And if the present trend of price increases continues, the average rate of increase will reach 8-10 per cent by the end of 1975.

These developments are accelerating the class divisions in Lebanon. During the hey-day of its mercantile development, there existed a large middle class (service sector), but as the result of the widening disparity between rich and poor, large sectors of this middle class are entering the ranks of the working class. The number of industrial workers in Lebanon between 1964 and 1974 has doubled, much of it through downward mobility. In addition, the number of agricultural workers (agricultural proletariat) has also doubled and they presently number more than 100,000.

The changing class composition of Lebanon is causing the class struggle to intensify within a rigid economic and political structure. Hence the fascist elements of the country (i.e., the Phalangist party, etc.) are in fact attempting to negate the present historical trend.

Basic principles of the democratic solution

The democratic solution we seek is linked with the movement to build socialism. As such, a conscious decision has to be made between capitalist and socialist roads of development. The former can only create 'democracies' like Lebanon, whereas the latter is armed with the ability to free the productive forces from a peripheral development that depends on imperialist capital. Broadly speaking it means justice and equality predicated on a socialist base. It means respect for the rights of the various ethnic and religious groups, and the guarantee for each group of the development of their respective cultural dimensions. It encompasses the basic interests of the exploited classes.

As regards the Jewish question and the Palestine question, the democratic solution is a long-range goal. For the progressive Jews, the task of developing a critique of Zionist ideology and practice remains important. Such endeavours ought to lead to the development of an anti-imperialist consciousness through which Zionism is negated and replaced by a liberating ideology. Anti-Zionism among Jews must ultimately reach the conclusions that the resolution of the Jewish question can only be attained through a proletarian world perspective that recognizes Zionism as one of the sources of the oppression of the Jews. Through such a recognition the battle to eliminate anti-Semitism becomes a unifying factor of Palestinian and Jewish struggle.

In turn, the Palestinian people who have been victimized by Zionism must have their efforts channelled to combat the proper enemy. They must lead a struggle against narrow nationalism,

chauvinism and racism. In so doing they would help construct the bridge that could enjoin the Palestinian people's struggle with that of the anti-Zionist Jews — keeping in mind the fact that, due to the dispersal and colonization of the Palestinians, some of them have developed a subjective anti-Jewish attitude. The implication of the democratic solution is that the Palestinian leadership will prepare its people to recognize that, even after liberation, Palestine will never be what it was before 1948.

Through the intensification of the respective struggles of the Palestinians and the Jews, the only redeeming factor will be the emergence of Arab-Jewish working-class unity. The intensification of the class struggle is the key.

The recent Sinai agreement indicates that the Arab bourgeoisie views Zionism and the Zionist state as a *fait-accomplis*. Hence the Israeli bourgeoisie and the Arab bourgeoisie have finally arrived at the conclusion that in order to prevent their extinction, they must view each other's state as a 'fact'. This particular point sets a trap for many self-styled progressives. They argue that the Israeli state is here to stay, hence they have no choice but to support a state that practices apartheid against the Arabs. They might condemn the creation of Israel, but now they demand that the Arab people support its right to exist regardless of how it came into existence. They overlook the fact that the state as an instrument has certain specific aims to achieve, whereas social reality resides in the people. Thieu's Vietnam no longer exists, yet the people of Vietnam, both its northern and southern sectors, are on the threshold of a new beginning — the building of a socialist state. Pinochet's Chile is not a fixed matter. On the contrary the consciousness of the people of Chile, as it translates itself in practice, will negate the basis of the existing state.

The only way to a democratic solution in occupied Palestine is the rejection of the idea of a Zionist or exclusively Jewish state. Contrary to Chomsky's claims, the present problem is not one of two rights, two competing nationalisms. Bi-nationalism is an acceptance of partial apartheid. Our solution relies on the development of the internal contradictions of Israeli society and the development of the Palestinian resistance movement. The 'democratic solution' is still a new idea which will be concretized through the unfolding dialectic of 'revolutionizing practice'.

The expectations of the Arab liberation movement

The Arab liberation forces expect their allies — Arab immigrants, intellectuals and the forces of the left — to render them solidarity. The first condition for such solidarity is the correct understanding and identification of the dialectic of the historical process in the Middle East. Secondly, incorrect generalizations and inferences should be avoided. For example, it is true that imperialist hegemony is

weakening when viewed in a general framework, but due to the large concentration of oil reserves in the Middle East, imperialism's commitment to Israel and the resurgence of the Arab right wing, imperialist hegemony in the Middle East has received new life. The Arab progressive forces are in a state of general weakness. In addition, the Palestinian movement has chosen a specific strategy derived from the particularities of the Palestinian case.

To develop a proper movement of solidarity the following points must be taken into account: (1) the emergence of a right-wing alliance and the relative weakness of the progressive national forces; (2) increasing imperialist penetration; (3) imperialist strategy of liquidating Arab progressivism in Palestine, Lebanon, Oman, etc.; (4) the Arab movement's historical and dialectical unity — hence the oneness of the Palestinian and Omani front; (5) the dependence of the present phase of the struggle on the accentuation of the national dimensions; (6) the formation of a wide anti-imperialist front incorporating all classes or elements of classes conducting anti-imperialist struggle; (7) a minimum political programme is required as the basis of unity; and (8) resolution of the Jewish question and the Palestine question through the attainment of the 'democratic solution', and not through the various schemes such as a West-Bank state or a binational solution.

A. Yusuf

REFERENCES

1. Khalil Abou-Rahsed, 'The Speeding up of the "open door" Policy after the Formation of the New Government', *Kitabat Masriya* (No. 3, July 1975), p. 34
2. *Al-Akhbar*, 6 June, 1975
3. Khalil Abou-Rashed, op. cit., p. 45
4. See, Yousef Abou Hajjaj, 'The Economic Open Door Policy — Whom Does It Serve?' *Kitabat Masriya* (No. 3, July 1975), pp. 89-126
5. Khalil Abou-Rashed, op. cit., pp. 33-54
6. Yousef Sayegh, 'Arab Oil Policies: Self-Interest Versus International Responsibility', *Journal of Palestine Studies* (Vol. IV, no. 3, Spring 1975), p. 70
7. *Al-Safir* (9 June, 1975)
8. *New York Times* (Sunday Magazine), (26 January 1975)
9. Wadah Sharar, *The Origins of Lebanese Confessionalism — The Populist Right*, c. March 1975 Dar-Al Taliaa, Beirut, 128 pages. See also Mohammad Kishli, 'The Origins of the Lebanese Crisis — Before the Rise of a Palestinian-Lebanese Crisis', *Palestine Affairs* (No. 46, June 1975), pp. 5-13, and Rashid Hamid, 'The Lebanese Phalangist: Historically, its Beliefs and Organisation', *Palestine Affairs*, op. cit., pp. 218-31.
10. *Al-Nahar*, Economic Report (21 June 1975)

PDRY: politics in command

This paper addresses itself to the question of economic development from a political perspective. We are sometimes led to believe that political change and economic transformation are only remotely related. Proponents of academic specialization in the social sciences, especially in the United States, have insistently tried to divorce the study of politics from that of economics, and thus, political economy is shunned as mere socialist nomenclature. While it is understandable that such an academic orientation only serves to blur the intimate relationship between politics and economics, thus promoting a capitalist method of analysis, there is a growing awareness of the futility of such a proposition.

For the purposes of this discussion let us define the term 'development' as progressive political and economic change. Such a definition underlines the fact that economic and political changes are not only interrelated but closely interdependent. In other words, a certain structural economic change in a given society will, eventually, lead to a concomitant political change, and vice versa. Hence the process of development can be influenced by either political or economic change, whether it is evolutionary or revolutionary.

The purpose of this paper is to shed light on the processes of development in what is commonly known as the developing countries, with special reference to the experiment of the People's Democratic Republic of Yemen. That experiment has taken place in a country whose economy was totally oriented to serve colonial interests; and one which, after independence, opted for a popular democratic political system, finally leading to a socialist state. It is politically, economically and socially the antithesis of its colonial legacy and the defunct traditional system.

The post-independence experiment of the People's Democratic Republic of Yemen can truly be seen as a unique political choice for total emancipation and genuine independence, which introduced a radical change in the ownership of the means of production and social relations. At least within the Arab world, that experiment is unique in a number of ways. First, the PDRY completely broke away from British colonialism in every possible field. Secondly, the governing party, the National Front, opted for a Marxist-Leninist ideology and a popular democratic system of government which is vehemently anti-imperialist, anti-colonialist, anti-feudalist and anti-capitalist. Thirdly, the National Front almost completely destroyed the colonial state-apparatus, notably the armed forces, the police and the bureaucracy — that apparatus, which served the interests of colonialism, feudal landlords and the urban bourgeoisie, was supplanted by a coalition of workers, peasants and fishermen under the leadership of the National Front, and with the participation of

other marxist parties. Finally, the NLF pursued a foreign policy of independent militant internationalism, thus aligning itself with the national liberation movements, the socialist countries and the parties of the working class in the capitalist countries.

The course of economic development which the PDRY pursued was in line with its over-all progressive policies. The end of foreign control of the economy, the rural transformation programme and the complete re-orientation of the economy from services to agricultural and industrial production were all on the priority list of the newly-independent country. Maximum effort was exerted to achieve self-reliance through the participation and involvement of the masses in economic reconstruction. After seven years of determined resistance to foreign interference and economic sabotage, the PDRY is today one of the most politically stable states in the whole region.

To grasp the profound political and economic developments since independence, one has to analyse the position on 30 November 1967, when the last British military contingent left Aden under the fire of the NLF. By the end of November 1967, the National Liberation Front of Occupied South Yemen had liberated twenty-two sultanates and sheikhdoms from local chieftains, and had united the country under one central government. But the new regime faced very critical economic and political problems which could have endangered its very existence. Six months earlier, in June, the Suez Canal was closed, depriving the country of its main source of internal revenue. The number of ships calling at the port of Aden fell from 600 to around sixty a month, thus crippling tourism, bunkering and trade. In fact, the free port status imposed on Aden tied it by its prosperity to the outside world. Because there were no import duties, it was difficult for local industry to develop. This dependence was reinforced by the fact that trade and finance were controlled by foreign capital, much of whose profits were repatriated. It is important to recall that most of the British economic activity was centred around Aden. The countryside was therefore as primitive as it had been for centuries. By hiding behind the myths of indirect rule the British had an excuse for doing nothing to alter the oppressive social relations that prevailed in the mountains, or to assist the population in any form of economic development. While actively preserving the sultans' regimes in the hinterland, they pretended that they could not intervene to develop the area as this would prejudice the autonomy of the sheikhs.

Since the armed struggle started against British colonialism on 14 October 1967, the British authorities deliberately increased their annual budgetary assistance to Aden in order to win the bureaucracy to their side, and to make it difficult for any new regime to rule the country without their approval. In 1965, out of an annual £33m only £8m represented real domestic income — the rest was balanced by direct British budgetary assistance. In the last five years ending 1967,

they increased their budgetary assistance fourfold — an increase of nearly 330 per cent. The direct and indirect British assistance which was 20 per cent of the gross national income and 75 per cent of the state budget was totally spent on salaries and wages for the civil and military state machinery. That generous increase in the net income of the army and bureaucracy was not a haphazard British policy. It was a move, scrupulously calculated, to bring any government after independence under the thumb of Britain; for no government can drastically cut back the payroll of the army and civil service without facing the possibility of collapse. Having failed to establish a viable conservative government in the face of the growing strength of the NLF, the British left behind an economic time-bomb in the form of a 75 per cent budget deficit and a decaying economy.

The dismantling of British bases and the withdrawal of British forces caused the direct unemployment of 25,000 workers, and an annual loss of nearly £10m which was infused into the economy by British personnel. Almost 17,000 domestic servants, mostly hired by the British, were to lose their jobs.

On the political level the new regime had to maintain order in the whole country. The police force under British colonialism was restricted to the city of Aden. In the countryside the sultans and sheikhs were charged with keeping order. But even before independence most of them had either been detained by the forces of the NLF or they had fled to Saudi Arabia where they were armed and organized to harass the new republic. The threat of foreign intervention was also real because the PDRY was not even recognized by its neighbours. In general, since the first days of its independence the PDRY was the victim of continued pressure and political harassment by neighbouring reactionary governments and world imperialism.

The People's Democratic Republic of Yemen therefore emerged into a world where danger threatened it from every direction. Faced with that critical economic and political situation the NLF had but two choices. It had either to give in to British pressure and reinstate the authority of the feudalists, thus dispensing with its political and social programme and actually committing political suicide; or it had to implement a revolutionary programme and withstand the immediate economic hardships and the alienation of a large segment of the army and the bureaucracy. In short, it had to yield to neo-colonialism or to pursue a line of permanent revolution against all the legacies of a semi-feudalist, underdeveloped social and economic system.

Despite all odds, the NLF opted for the policy of genuine independence. The first six years of the PDRY were therefore marked by continued struggle on all levels to consolidate the power of the radical factions within the National Front, to mobilize the masses of workers, peasants and fishermen, to smash the state machinery and to embark on a new phase of the popular democratic revolution. In his

opening address to the Fifth Congress of the NLF which met in March 1973, Abdul-Fatah Ismail, the Secretary-General of the Front, stressed the difficulties which the NLF faced in changing from a guerrilla organization to an agent of social transformation. He said:

The NLF is changing its status from being a mass organization destroying every thing set up by the feudalist and colonial regimes and leading the broad masses through the national liberation stage into being a leading force in society directly responsible for authority, and drawing up programmes for the broad masses.

But what are the factors that enabled the National Front to transform a colonial system into a people's democracy? After all the National Front was not as militarily strong as the army, although a large number of nationalist soldiers and officers supported it, and some were secret members. And how could the National Front handle a dying economy, when it was from the beginning opposed by the urban bourgeoisie and its political arm — the rival Front for Liberation of Occupied South Yemen, which was mainly active in Aden? And how could the National Front defend the territorial integrity of the new republic, when armies of mercenaries launched daily attacks on it? And finally, how could the National Front survive when it was itself divided, between radicals who from the first day of independence struggled against the establishment of a Bonapartist state under the guise of Arab socialism, and rightists who collaborated with the reactionary factions of the army in an attempt to liquidate the people's militia and accommodate neo-colonialism?

To say it briefly, the most important element in the success of the revolution in the PDRY was its people — the masses of exploited workers, peasants and fishermen who proved to be formidably strong when organized and politicized. For the National Front the euphoria of independence was only a beginning to a long journey of mass mobilization and politicization — which continues to this day. When the Fifth Congress of the National Front was held to institutionalize finally the political programme of the Left, *Le Monde* correspondent Eric Rouleau attending the congress described the scene as follows:

Aden had been filled for days with demonstrating workers and peasants; crowds of militants chanting 'long live Marxism-Leninism' greeted the delegates. The average age of the delegates was between twenty and thirty — most of them from poor backgrounds — and many were hardly able to read or write; but despite the difficulties involved the sessions were long, serious and highly politicized.

It is the continued politicization of the masses which drew firm popular support for the radical programme of the Left. The guerrilla organizations, and the militia of the National Front did not throw away

their arms to settle for bureaucratic civilian life. They extended the organization of the National Front to all parts of the country and won the masses to their side. It was then possible for the National Front to purge the large majority of high ranking officers in the army, and to cleanse the bureaucracy of the anti-revolutionary elements. As early as August 1967, the left-wing militants who liberated Hadramout, even before independence, wrote the following in their weekly journal *Ash-Sharara*: 'making the socialist revolution means transforming existing social relations and installing revolutionary social relations, in other words destroying the old state apparatus and building an entirely new one in its place.'

The revolutionary process of economic development thus began with the complete restructuring of the state. The army was gradually transformed into a productive political force, which was organized to work on projects related to the people, building schools, roads and irrigation projects. On the other hand, workers and peasants were organized in militia units. Defence committees were also organized in the localities through election. These committees are playing a very important role in various social, economic, educational and other activities related to the development plans. A mass movement for the eradication of illiteracy is already under way. Voluntary work became part of the new revolutionary tradition. A new family law outlawed polygamy and gave women equal social, political and economic rights.

The total change in the ownership of the means of production was carried out mainly through the *intifadhat* — popular uprisings and revolts led by the National Front Organization. Laws were usually passed to legalize the new *status quo* — and even before that the important laws were discussed by the people through their defence committees. Speaking about the popular uprisings, Salim Robaye Ali, the Chairman of the Presidential Council, said,

the land does not give itself away. It has to be taken. The National Front encouraged the *intifadhat* and other popular revolts, because revolutionary violence is the only way to produce a definite break with the large landlords and the workers... this policy also had some major consequences: the peasants, fishermen and workers have set up militia to defend, arms in their hands, both their social gains and the power that made them possible.

By March 1972 twenty-one cooperative and twenty-four state farms had been set up. Revolution in the hinterland became a strategic imperative. The distorted colonial economy has been restructured to serve the interests of the broad masses. The first steps had to be austerity measures. In February 1968 salaries of all employees, civil and military, were cut by amounts ranging from 60 per cent for those earning over £200 a month to 6 per cent for those earning between £23.5

and £25 a month. In June 1968 a comparable measure was applied to the private sector: a special tax was levied on all wages and salaries in the private sector ranging from 47.5 per cent for those earning over £250 a month to 5 per cent for those earning £25 a month. In both the private and public sectors those earning under £23.5 were not affected. Further measures to increase government revenues followed: in December 1970, as part of the drive to establish national control of the economy, Aden's free port status was abolished. In 1971-2, as the uprisings spread to Aden, the National Front encouraged calls for wage cuts in addition to those of 1968. In August 1972, after seven days of popular demonstrations that demanded wage cuts to withstand external political and economic pressures and to pursue a policy of self-reliance, all wages in state enterprises were cut by one-third. It is noteworthy that wage cuts were effected in an atmosphere of total political mobilization. A Japanese tourist who was in Aden during the seven-day mass demonstrations remarked that it was the first time that he had seen workers demanding wage cuts rather than increases. This deflation of the artificial economic affluence in the urban centres caused workers migration to the rural areas — a trend which is quite unique in the developing countries.

Recently another historical event took place in Aden. The NLF merged with the marxist Baathists and the small communist party in a new political party called the United National Front. For four years representatives of the other two marxist organizations had been serving in cabinet posts in the NLF Government, and an extensive dialogue for political unity among the three parties had been under way. With the complete merger of these parties, the People's Democratic Republic of Yemen is setting an example for all other revolutionary groups and parties in the Arab world as a whole.

Abdalla Al-Ashtal

Oil revenues and industrialization

One consequence of the changes in the world oil industry over the last several years has been renewed focus on the question of industrial development in the oil-producing countries. By conventional wisdom, one main impediment to industrialization among Third World countries has been a severe lack of capital in the form of foreign exchange reserves. For the oil producers, the rush of revenue to their national accounts appears to remove this constraint. The Shah boasts of Iran becoming a major industrial power within a few decades. Saudi Arabia announces a five-year development plan that will cost \$142 billion. Every regime talks confidently of a bountiful future based on extensive industrialization plans fuelled by the increase in oil revenues. In the industrial countries, notably the United States, these prospects are hailed unequivocally as the start of a new era that promises more productive economies and better living standards for the oil-producing countries and outstanding opportunities for expanding corporate sales and investments in the process. The 'tidal wave of oil money' that was such a threat to the existing world order just a year ago is now hailed as a constructive force, making the Middle East 'one of the few places in the world where private enterprise is making a comeback.'^[1]

The question of an American-arranged 'peaceful solution' to the Israeli-Palestinian and Israeli-Arab conflicts is intimately linked to the economic benefits the United States sees in such an arrangement. Without the stability of a settlement, or at least a well-grounded stalemate, the accelerated US penetration of Middle Eastern economies is threatened by the spectre of war and political upheaval. The close link between the Nixon-Ford Administration's efforts on the political front and US corporate interests in the region was

JOE STORK is a fellow of the Transnational Institute, and a staff member of MERIP (Middle East Research and Information Project).

underscored at the time of Nixon's visit to those countries by the then Commerce Secretary Frederick Dent, who urged US businessmen to take advantage of the predicted \$300 billion in oil revenues in the area over the coming decade. 'For American business, that means a staggering proliferation of marketing opportunities, for everything from consumer goods to whole industrial systems and massive infrastructure projects.' Dent acknowledges fierce competition for these opportunities by the industrialized countries, but asserts that US business:

has this unbeatable advantage — the President of the United States has already opened the door to these markets and has created the most receptive possible climate for American goods.... Let me assure you that your government is not going to leave you at the door. We are going through the door with you and we will be on hand to support your commercial efforts where possible.[2]

The notion that oil revenues should be used to develop and diversify a producing country's economy is not new especially among radical nationalist political forces in the oil-producing states and the Arab world as a whole. Yet by the mid-1960s no country in the Middle East, and no OPEC country, met the minimum quantitative criteria of industrialization: at least 25 per cent of gross domestic product arising in the industrial sector, with 60 per cent of that arising from manufacturing, and at least 10 per cent of the total population employed in industry.[3] Since then, Algeria has led the way in attempting to develop an integrated industrially based economy, with yearly gains of more than 10 per cent in industrial production between 1966 and 1973, and more than 6 per cent in industrial employment over the same period. For the more reactionary producing countries the issue of industrial development was raised only in conjunction with the oil price hikes of 1973. One only has to recall Saudi oil minister Yamani's 'special relationship' proposal in Washington in September 1972, or the first 'participation' agreement with Aramco unveiled a few months later in New York. In both cases the stress was on 'facilitating' Saudi investments in the US. There was no mention of investments in expanding the base of the Saudi economy to enable it to produce more of its needed goods internally and expand its export capacity. This was a policy completely at odds with that of industrial development, no matter how loosely defined. A year later, though, in September 1973, Hisham Nazer, Saudi Minister of Planning and Development and one of Yamani's proteges, told an audience of corporate executives in San Francisco that henceforth Saudi oil production would be linked to a policy of foreign private investment in Saudi industrialization projects.

After the shock of the price explosion and the oil embargo that accompanied the October War had worn off, industrialization was

indeed a main issue, but in a new setting. No longer was it a question of the oil producers applying collective political leverage to secure industrial 'cooperation' from reticent western capital. Rather, the flood of petro-dollars into OPEC country coffers, along with the efforts of the more vulnerable industrial consumer states to secure long-term access to crude supplies, brought a wave of western corporate executives and government ministers to the hotel suites and reception rooms of Riyadh, Teheran, Kuwait and Cairo, eager to make deals. Certainly many of the proposals were get-richer-quicker schemes for sucking princely riches into resort and casino schemes in the West. At the same time, however, proposals for industrial projects were developed and letters of intent were signed. Now the question of oil country industrialization was viewed from the West as part of the solution for 'soaking up' the 'surplus' oil revenues and channelling them back to the West as payment for imports ranging from essential foods to luxury items, consumer and industrial goods, armaments and military advisers, and often overlooked 'invisible exports' like financial, insurance and civil engineering services.

It is not too early to take a critical look at what is being said and done about industrialization in the Middle East. The questions that we pose here include the following: Will oil revenues be translated into productive investments? If the transfer of money wealth in the form of foreign exchange can be translated into a transfer of real productive resources, can those transferred resources provide the basis for real economic growth not dominated by the international corporations and not tied to the crisis/recession character of the global corporate economy? Does the increase in revenues to the oil-producing countries in the Middle East provide the opportunity for altering the pattern of neo-colonialist exploitation that has characterized the region's relationship to the West? To what extent is this a new process or an important period of transition? Are we witnessing an alteration in the form rather than the substance of the links of dependency and domination that have characterized the Middle Eastern countries in the modern era? What are the specific political and economic reasons for the current emphasis on industrialization as the key component in the process of economic development? What are the consequences of these developments for the revolutionary potential of the people of the area?

Historical context of industrialization

'This industrial revolution is a goal which is urgently and pressingly imposing itself on every country in the Third World,' said Algerian President Houari Boumedienne in his opening address at the special session of the United Nations General Assembly in April 1974. 'Industrialization' meaning a process and set of policies related to the

transformation of the means and relations of production, is necessarily the 'centrepiece' in any systematic effort to revolutionize human capacity through the development of productive forces. The dimensions of industrialization include: the utilization of machines and fossil fuel energy to increase productivity; the socialization and centralization of production through the factory system; the development of social divisions of labour; and, under capitalism, the separation of labour from direct ownership and control of the means of production. The concept of industrialization has become practically synonymous with the more basic notion of balanced economic growth, even though industry — that is, mining and manufacturing — is only one sector of an economy whose development also requires greater productivity in agriculture and services. No country can be considered developed without some significant degree of industrialization, but no degree of industrialization alone can make a country developed.

The equation of industrialization with power and wealth is related to the existing pattern of the global political economy, largely set in the last half of the nineteenth century with the industrialization of Europe and North America and the concomitant subjugation of the rest of the globe. The concentration of industrial capacity in those countries (since then only Japan can be said to have carried out capitalist industrialization) was accompanied by ideological rationalizations regarding 'optimum division of labour' and 'comparative advantage' to justify the status of the rest of the world as producers of raw materials. This 'natural' division of the world was accomplished by the forceful expropriation of wealth from and destruction of indigenous economies in those areas, and by the establishment of mechanisms to facilitate continued expropriation. The resulting trade relationship entailed the transformation of Middle Eastern economies into the suppliers of raw material in exchange for finished western products. The gross inequities inherent in the trading system, which accorded preferential treatment to the paramount western power and denied protection to indigenous industries, were often consecrated and stabilized by 'capitulations' and 'treaties' such as the Anglo-Turkish Convention of 1838. These facts should be remembered when one hears today of the lack of capital and skills as impediments to development.

However, this division of the world did not go without challenge at the time. The most serious and sustained effort in the Middle East in the nineteenth century was made in Egypt under the reign of Muhammad Ali. He endeavoured to transform Egypt from a subsistence peasant economy to a 'modern' industrialized one under state control, independent of the Ottoman Empire, emphasizing the development of an indigenous infrastructure, and largely closed off from the expanding European economies. Virtually all of this effort

was directly or indirectly linked to Muhammad Ali's intent to develop and equip an Egyptian military that could defend and extend his rule in the face of opposition from the Ottoman regime and the European powers. The threat posed by such autonomous development was perceived by the Europeans and the Ottomans and it was militarily and politically crushed in 1841. There followed 'a process, consummated only after the British occupation, integrating Egypt as an agricultural unit in the international politico-economic system'.[4]

Although the threat of Muhammad Ali did not arise elsewhere in the Middle East, his efforts were not solitary. In the decade after 1827, in the Ottoman Empire itself, Sultan Mahmoud II sponsored the establishment of a tannery and boot works, a spinning mill, wool-spinning and weaving facilities, a saw mill, a copper-sheet rolling mill and the conversion of a cannon foundry and musket works to steam power. Almost without exception, 'these early attempts to introduce European industrial methods were devoted exclusively to the manufacture of goods intended for governmental and military use ... They concentrated on the final stages of manufacture and ignored or only partly solved associated problems such as internal sources of raw materials, transportation, and other economic infrastructure.'[5] Recognition of the need for a more ambitious programme of 'defensive industrialization' by Ottoman authorities reached a peak in the years of the *Tanzimat* reform period that lasted from the early 1840s to the eve of the Crimean War. What amounted to an 'industrial park' was set up near Istanbul and included a foundry and machine works, a cloth factory and a technical school. Nearby was a boatyard for the construction of small steamships, and a model farm. Another major state factory complex was set up near Izmit: 'The building itself incorporated significant advances in European construction techniques, the machinery was the finest available, and the factory soon turned out woollen cloth equal to the best in Europe.'[6]

The ultimate failure of these Ottoman efforts resulted not only from competitive hostility of the European powers (the Anglo-Turkish Commercial Convention was forced on the Ottomans in 1838) but from the 'hothouse' nature of the efforts. Nearly all the machinery was imported from Europe, and 'most if not all foremen, master craftsmen, and skilled workers of necessity came from abroad to assemble, operate and repair factories and equipment'.[7] Both input (investment) and output (consumption) were confined solely to the state sector. This proved fatal when the regimes' poor financial condition led to cutbacks on both fronts. 'With the Crimean War came the first European loans and Ottoman indebtedness, and the Porte was forced to abandon the greater part of its industrialization program.'[8]

The resemblance between the early efforts at industrialization in

the Middle East and many of the industrial projects being promoted there today in the wake of the 'tidal wave of oil money' is more than coincidental, and should give pause to those who think that industrialization is some mere agglomeration of capital and technique, a machine that can be transplanted from abroad with all its component parts. It must be related to local needs and resources, and especially to the availability of a 'free' labour force, a body of human beings who must work for wages to survive. Industrialization involves a set of social relations necessarily different from those of a subsistence peasant economy; it brings social conditions that for many people, especially workers, may be worse than the conditions of their pre-capitalist existence. But it also provides an opening to a future which meets basic human needs if control of the process and ownership of the means of production does not stay restricted to a narrow ruling class.

The development of industrialization under capitalism is dependent not only on the local setting, but on the global context. These early attempts in the Middle East were made at the same time the industrial revolution was on the rise in Europe. The needs created by the industrialization process in Europe — raw materials and cheap labour — led directly to the penetration of today's Third World. The natural wealth that could have formed part of the basis for local development was forcefully expropriated by the European powers and companies. The forced accumulation of capital necessary for industrialization took place in the Middle East under foreign direction rather than that of local capitalists, or of local state authorities, and was then used to finance the development of European industry. Land and mines were seized and labour conscripted; production was determined by and for European markets. Local handicrafts and small crafts were destroyed by the flooding of local markets with European factory goods. This stage of imperial expansion was characterized by the export of capital to the colonized world precisely to consolidate the raw material export orientation of those economies and the penetration of those markets. After the stage of attempted 'defensive modernization' had ended, new attempts at industrialization in the Middle East did not come for nearly a century, until the period before, during and after the Second World War.

The forced accumulation of capital from the Middle East and other Third World areas was accomplished ultimately through the occupation and direct rule of the colonial powers. Britain occupied Egypt in 1882, in effect ratifying a take-over that had been accomplished indirectly in the decades following Muhammad Ali's defeat. French settler colonialism pillaged North Africa and decimated local populations. The French expropriated the best land for export crops and developed extractive mining for iron ore,

phosphate, manganese and non-ferrous metals. Other local industries that were established were almost exclusively oriented to providing the needs of the settler population.

The Arabian Peninsula was largely untouched by the expansion of European capitalism until the emergence of the oil industry there after the First World War. The penetration of Iraq and Iran developed in relation to the strategic needs of British imperialism in India. In the second half of the nineteenth century, Iraq, under Ottoman rule, experienced the expansion of its foreign trade and its reorientation from Middle Eastern markets to those of India and Europe.

Thus the expansion of European demand for Iraq's produce of wool, dates and grain was satisfied by the utilization of Iraq's surplus productive capacity of land and labor. The economic process whereby the surplus productive capacity was used for the satisfaction of the rising European demand took the form of a decline in subsistence agriculture and pasture, and an expansion of commercial production for exports.[9]

This shift included the change-over from tribal to private land ownership and the local expropriation of surplus value by the sheikhs and urban merchants. This was used for the consumption of European imports. No significant share was devoted to investment, not even to improving the cultivation of export-oriented cash-crops. The consequence was a steady deterioration in the agricultural infrastructure, particularly irrigation works, and in the living standards of most Iraqi peasants.

In most of the Ottoman empire the process was similarly indirect. Merchant and investment bankers financed the purchase of European industrial and commercial goods by Middle Eastern rulers, and then refinanced their debts at usurious rates. Colonization of the Arab East was accomplished under the mantle of the League of Nations mandate system following the First World War. An American economic historian described the basic terms of this relationship of domination and dependence as follows:

Inside the countries of Western Europe more and more of the population was drawn close to the walls of the office buildings, foundries, machine shops, power plants, and coal mines by which were made the equipment that Western capital was providing. Elsewhere peoples were turned to supply the expanded wants of that machine-equipped civilization by planting wheat or sugar, tending sheep or cattle, mining tin or copper in lands made newly transversable. All the economic histories document the shift with batteries of statistics.[10]

The emergence of the oil industry in the Middle East had limited positive impact on the local economies, owing to the enclave nature

of the industry and its capital-intensive character. In 1959 A.J. Meyer wrote that 'until very recently, neither oil company tax-royalty payments nor employee wage bills and local purchasing have had much effect on economic development'. [11] Following the great expansion of production and exports to Europe and Japan after the Second World War, tax-royalty payments to the various regimes increased substantially, and those monies came to be the main component of the producing countries' foreign exchange receipts, gross national products and governmental budgets. Oil installations were frequently isolated from the main population and traditional economic centres. Of the relatively few workers, many were foreigners. Basic supplies, including food, were purchased from the West. One reason for the relatively low employment was the industry's decision to construct refinery plants in the capitalist consuming countries. Refinery operations use 3.5 times as many workers per ton of crude oil processed as simple crude extraction. As late as the mid-1950s, total petroleum industry employment in the Middle East was 140,000, compared with textile factory employment in Egypt alone of 114,000. [12] Attempts at 'integration' into the local economies were not seriously made until after the Iranian nationalization, which 'galvanized the oil industry into self-appraisal and a search for operating practices which would permit continued existence'. [13]

Basically, the nature of the relationship between foreign companies and governments and the local society was no different than that which had prevailed prior to the discovery of oil. The rental income from the concessions was largely expropriated by the ruling families. Development boards, with funds from the concession royalties and taxes, were established to invest in productive enterprises. The funds were wasted, in fact, by the ruling families on lavish personal expenditures or, at best, were diverted to cover the regular operating expenditures of the state, which were mainly for the armed forces and internal security.

Thus in almost every country in the Middle East, there was no industrial development outside of the extractive industries until the 1930s. With the emergence of state capitalist regimes in Turkey, Iran, and Zionist Palestine and the acquisition of a measure of political autonomy by the Egyptian bourgeoisie there was a certain growth of light consumer manufacturing. These nascent industries were for the most part devoted to import substitution, to consumer rather than capital goods, and to the needs of the small European and local ruling classes and small middle class, rather than those of the masses of the people. This new phase of light consumer manufacturing was initially aided by the Second World War, when foreign imports diminished and Allied armed forces depended on locally supplied commodities. But that impetus was largely dissipated and shortly after the war

British Foreign Secretary Ernest Bevin remarked that:

The present economic situation in many of the Middle Eastern countries is certainly not healthy. Countries like Egypt, Iraq and the Levant states are at present living to a large extent on the profits which they made during the war from the presence of Allied forces. Huge fortunes have been made and the gap between rich and poor has been increased while inflation has made the lot of the poorer people more difficult.[14]

The lack of momentum towards further industrial development and economic expansion was noted in a UN study published in the middle of the decade:

It appears that industry in the Middle East has reached a state of temporary and precarious equilibrium. On the whole, the advances made during the war have been maintained ... Pent up demand and world-wide shortages of goods maintained the domestic market. But in 1951 and 1952 there were signs of increasing pressure, owing to intensified foreign competition, and export prospects, except for a few items, were distinctly unfavourable. [15]

Once again the political and economic developments in the Middle East were not separated from imperialism's political and economic context. Specifically, the perspective and policies of the dominant industrialized countries, particularly the United States, helped to set the limits of industrial development in the Third World. One typical formulation of that perspective can be found in William Elliott's *Political Economy of American Foreign Policy*.^{*} In the chapter, 'What Kind of World Economic Order', Elliott wrote that a major western interest in the 'underdeveloped countries' is its 'concern for expanding the sources of primary products and increasing the markets for industrial exports.'

A proper Western strategy would deploy the major instruments and measures available to the industrial countries — e.g., public and private capital exports, technical assistance, stockpiling, etc. — in ways which maximize their effectiveness in helping independent underdeveloped countries to adopt policies that are in their own longer-term interest and are conducive to expansion of primary

^{*}Elliott was Henry Kissinger's professorial mentor at Harvard in the 1950s and this book is the result of a study group headed by Elliott and sponsored by the Woodrow Wilson Foundation and the National Planning Association. Elliott is perfectly wistful of nineteenth century European imperialism as a true international system. 'The task today,' he wrote, 'is to find new institutions consistent with contemporary attitudes and political realities which can perform in different ways the same integrating functions of those of the past.' (p. 8)

production for export to Western Europe, Japan and North America.[16]

In a similar vein but closer to the level of specific policy was the recommendation of the President's Commission on Materials Policy (Paley Commission) in 1954: 'US representatives should encourage a wider use of United Nations technical assistance in geological surveying and minerals exploration in the underdeveloped countries.' It also recommended that the World Bank be used as an instrument for inducing the production of raw materials.

The Commission feels it is especially important, both from the standpoint of the earning capacity and the economic welfare of the borrowing country and of the international interest in an abundant supply of raw materials, that proper attention is paid to materials production in the economic programs of the countries seeking loans from the International Bank.[17]

Although the two decades since 1955 have been ones of important political and economic changes in the Middle East, these changes have not included a substantial expansion of industrial activity beyond the import-substitution level of the immediately preceding period. Primary commodities made up 96 per cent of the exports of Middle Eastern countries* in the 1960-63 period. For the non-oil producers, these were mainly agricultural products. Moreover, 45 per cent of the imports of these countries were primary commodities, mainly food items, the value of which exceeded the value of machinery and transport equipment imports together. Sixty-five per cent of these countries' exports went to the capitalist industrial countries; 64 per cent of their imports came from those same countries. The other 'export' not covered in these statistics is the outflow of capital, including foreign profits, which exceeded capital imports (investments, aid, etc.) by \$1 billion annually.[18] The UN authors consider that the low level of economic development in the region, as specifically reflected in trade among the countries of the Middle East, is attributable to the low level of industrial development:

Where oil extraction does not predominate overwhelmingly, economies are still dependent on agricultural and non-agricultural primary products which find their markets in the industrial countries. Moreover, whatever manufacturing industries have been established within the region have been largely based on domestic raw materials and have generated little demand for primary commodities from neighboring countries. Also these

*This survey covers Iraq, Jordan, Kuwait, Lebanon, Saudi Arabia, Syria and Egypt, but it is not likely that any of the countries omitted would effect the broad conclusions of this UN study.

Third world-wide industrialization in the 1960s

The 1960s has been a period of expansion and greater integration for international capital under the aegis of the multinational corporations, dominated by American capital and subject recently to sharp competition from Europe and Japan. This was the period dubbed to be the 'First Development Decade' by the United Nations, but by a number of indicators, the overall position of the Third World had not improved much by the beginning of the 'Second Development Decade'. The share of the Third World in world manufacturing output in 1960 was 6.7 per cent, and in 1972 this had climbed hardly at all to 6.9 per cent. Over the same period, though, the population of these countries had increased from 56.8 to 61.5 per cent of the world total, so that on a per capita basis the Third World share of manufacturing output had declined over the 'First Development Decade'.

Source for statistics: United Nations Industrial Development Organization (UNIDO), 'Industrial Development Survey', Special Issue for the Second General Conference of UNIDO in Lima, Peru, in March 1975.

industries consist mainly of consumer goods industries, and the fact that very few capital goods are produced in the region makes the accumulation of physical capital and, in particular, the procurement of machinery dependent upon supplies from developed countries. In the Middle East, as elsewhere in the developing world, economic structures are such that the composition and direction of trade are determined less by the complementarity which exists among neighboring countries than by the continuing dependence of primary producing countries on industrial ones as a result of the development gap.[19]

A new stage? Some considerations

The 'development gap' of the UN authors is nothing but a euphemism for imperialism. The end of formal colonialism in the Middle East did not bring an end to the subordination of the region's economy to meeting the needs of the industrialized West rather than the needs of its own peoples. Still, we are dealing with a dynamic relationship, not a static one, and the ferment and turmoil that was manifest in Middle East and Third World politics and rhetoric in the 1950s and 1960s may be seen as a prelude to structural changes in the political economy of the region in the decades ahead. We can discern, for example, that the stage characterized by light manufacturing and import substitution industries is giving way, in some countries, to an emphasis on

heavy, capital goods industries in the framework of the development of integrated autonomous national economic development.

Among the Middle East oil producers, Algeria has been in the forefront of this effort, beginning in the mid-1960s. At the base of its plans is the iron and steel complex at Al Hadjar, which now has two blast furnaces, a seamless pipe mill, cold rolling plate and tin plating facilities. At the next level of priority is a set of mechanical industries to produce tractors and other machines and tools for production and transportation. At a third level is the series of plans to develop the country's petrochemical potential, with an emphasis on the production of fertilizers and basic petrochemicals like ethylene which are then used to manufacture plastics and other finished products. The electrical industry and construction round off Algeria's blueprinted priorities. Production of capital goods over consumer durables (cars, appliances, etc.) is emphasized, along with the greater provision of basic needs, like food and clothing. Algeria has made the most serious effort among the major Middle Eastern countries to develop a well-integrated national economy relatively less open to the conditions and shifts imposed by absorption into the international capitalist economy. This is in sharp contrast to Iran, for example, whose manifest political links to imperialism are mirrored by its economic links to western capital. The Algerian programme too has been subjected to sharp criticism, most notably from Algerian dissidents who assert that its industrialization is being accomplished on the basis of an exchange with international capital, that it is highly dependent on the importation of western equipment and technology, and that to date it has tended to reinforce the hydrocarbon export orientation of the economy left over from colonial rule.

We will not examine the character of the Algerian development effort here,[20] but simply note that the existence of this debate is a reflection of the fact that the highly integrated and pervasive nature of the international capitalist economy calls into question the possibility of development outside of that system except along the path of Vietnam, China and Korea: the path of socialist revolution. It should be remembered that we are speaking about a system which has undergone qualitative changes in the last decade. The power of the United States, which a decade ago appeared invincible, has been challenged and beaten on the battlefield of Indochina and sharp rivalry has developed between it and the other capitalist powers. The severe and already prolonged economic crisis in the capitalist world in the mid-1970s on the one hand is a consequence of the anti-imperialist challenge of Indochina and on the other provides a new set of opportunities for challenge in the years ahead.

Better to appreciate the character and potential of this new stage we will look briefly at some particulars. Two of the specific industries which have figured prominently among the projects being

discussed currently are steel and petrochemicals. It may be helpful to survey these developments from the point of view of what structural changes they may prefigure in how the world uses its resources, distributes its products and divides its rewards.

Steel. Steel is a key element for industrial growth in any country. In the Middle East, the first steel plant was set up in the 1930s in Karabuk, Turkey, under the auspices of Kemal Atatürk's state capitalist regime. Egypt's Helwan complex, also established by the state rather than private capitalists, began production in 1958. Along with Algeria, Tunisia in North Africa also built a steel plant in the 1960s. The limited construction of steel works outside of the industrialized countries was due in large part to the implacable hostility of countries like the United States, which publicly derided such efforts as uneconomic and as wasteful prestige projects, refused credits for such projects, and led attacks against them in the World Bank. The US, of course, counts steel products among its exports to Third World countries.[21] US refusal to assist Iran in the construction of its first steel venture in the 1960s led the Shah of Iran to turn to the Soviet Union for help. This is only one example of many in which the existence of a socialist bloc has directly interfered with the schemes of the United States and its allies. It is against this backdrop that *Business Week* recently wrote that 'for the steel industry, a shift from expansion at home to expansion abroad is revolutionary'.[22]

Business Week failed to distinguish, as one must, between those projects in the Middle East and elsewhere in the Third World which are being set up on contract for various state regimes and those which represent direct investment by the western companies. In the former case, the benefit for the company is the profits on the construction of the plant and provision of fixed capital, although this may also involve barter for oil and even for a fixed level of steel plant output. The expansion in both cases has been largely confined to European and Japanese steelmakers who are on the periphery of the international steel cartel dominated by the American giants and who 'have found that the only way to insure supplies of materials and fuel is to move the plant to the resources'. The need for iron ore brings them to Brazil, Indonesia and Australia. The need for fuel brings them to the Middle East. The steel industry in 1972 accounted for about 12 per cent of the world's consumption of energy that year, according to the International Iron and Steel Institute in Brussels, and half of this was in countries running 'energy deficits'.

One factor facilitating this expansion of steel projects in the Middle East is a whole new technology in steel making which is being pushed by the newcomers in the industry, the direct-reduction method. Both the hydrogen and the carbon monoxide needed for the process are derived from natural gas. Middle East oil countries

currently flare off billions of cubic feet of natural gas each day, since utilization of this non-renewable resource never fits into the profit picture of the giant oil companies. The direct reduction method also lends itself to modest capacities suitable to local and regional markets of small, industrializing countries, while the older blast furnace technique required huge capacity and output to be cost-efficient.

Since it is the newcomers in the steel industry who are seeking direct reduction plant contracts around the world, US companies have been noticeably absent, concentrating on protecting their monopoly status in the US markets. But one American firm not among the giants, Marcona Corporation (a subsidiary of Utah International), is the leader and designer of one of the most ambitious projects: an \$800 million complex at Al Jubayl, in eastern Saudi Arabia. Besides getting the steel mill construction contract, Marcona will provide the ore from its mining concessions in Brazil, and the ore carriers and tankers necessary for an oil-ore exchange with Brazil and the shipment of steel products to various markets.*

The two main impediments for this and other Middle East steel projects are a lack of fresh water and the absence of an industrial working class. Saudi Arabia plans to deal with the first impediment by opening bids shortly for \$15 billion of water desalination plant projects to be undertaken in the next five years. Top US firms like General Electric and Combustion Engineering are forming a consortium to win these contracts.

The problem of needing a skilled work force while fearing the emergence of an industrial proletariat has not yet been dealt with. The need for 'guest workers' in Saudi Arabia raises very sticky political problems for the regime, although the problems that come with the emergence of a domestic working class are even more intractable. In Saudi Arabia, Iran, Iraq, Libya and Kuwait workers in the oil industry have caused serious political problems at various times, problems which were, at least temporarily, alleviated by augmenting wages in this sector and by increasing repression of dissidents and trade union activists. The Saudi regime has survived largely due to the degree of isolation and ignorance they could impose on the population, a task made infinitely more difficult by the development plans afoot.

But these problems — water and workers — are not impeding the plans of Marcona and its partners in this venture: the Saudi state oil company Petromin, the Dutch-German combine Estel, and two Japanese companies. They are dealing with an industry where fuel costs now take up 25 per cent of a firm's budget, and the main

*Marcona president Charles Robinson was recently appointed by President Ford to be Undersecretary of State for Economic Affairs, and the chief American negotiator of the 'new economic order' talks with Europe, OPEC and the Third World.

attraction for all is the easy availability of energy resources which could, according to one US steel expert quoted in London's *Middle East Economic Digest*, make Saudi Arabia the world's lowest-cost steel producer.[23] Then the problem for the existing industry will be to establish markets in a way that does not infringe on the shares of existing enterprises. Steel production is down about 10 per cent in the industrialized countries this year, and there is acrimonious talk between European and American firms about 'unfair competition' for shrinking markets. Amidst all the chatter about the OPEC cartel, public attention and media ire has not focused on the efforts of the big US steel manufacturers to impose sharp price hikes domestically and simultaneously apply protectionist pressure to force agreement by foreign firms to what the *Journal of Commerce* called 'an international controls pact on world steel trade'.[24]

Petrochemicals has long been recognized by Middle Easterners as a natural and important sector in any development plan. It was one of the most dynamic growth industries in the capitalist countries in the decades after the Second World War. As such, its development in the Middle East was not encouraged by those countries. The petrochemicals industry is dependent on hydrocarbon resources not only for fuel, but for feedstocks, the basic raw material of production. As with developments in the steel industry, petrochemical projects take the shape of simple construction contracts for a fee or direct equity investment in the plant. In the case of petrochemicals, direct investment is more characteristic. The multinational petrochemical companies, this time led by the Americans, 'have been beating the bushes in an attempt to get more direct interest in fuel and feedstock procurement and refining', according to the industry trade journal *Chemical Week*. [25] Over the last two years Dow Chemical has formed six joint ventures for oil and gas exploration with US firms and the company now meets 15 to 20 per cent of its domestic fuel and feedstock needs through such captive and joint venture operations. Following a similar strategy abroad, Dow is promoting a \$500 million joint venture petrochemical project in Iran and a \$400 million venture in Saudi Arabia. 'As part of both agreements', says the *Financial Times*, 'Dow would obtain hydrocarbon raw material for both its Middle East expansion and its other worldwide activities'. [26]

Union Carbide, another American chemical giant, is also involved in Iran, carrying out feasibility studies for a \$700 million jointly-owned petrochemical complex. According to the letter of intent, Union Carbide is offering the Iranian National Petrochemical Company 20 per cent participation in Union Carbide Caribe, a subsidiary which operates a large petrochemical plant in Puerto Rico. Under the terms of the agreement, Iran would guarantee the supply

of 40-50,000 barrels of hydrocarbon feedstock a day. *Chemical Week* notes that Union Carbide's Iran project should provide 'a strong base for serving European, Asian and African markets'.

German and Japanese petrochemical firms are also offering such packages to Iran, and there is no indication at this date of how much or with whom Iran will decide to do business. An interesting feature of the proposed Saudi 100 per cent take-over of Aramco is that the huge Ras Tanura refinery will be exempted and become a 50-50 joint venture between the Saudi government and the Aramco parents: Exxon, Texaco, Socal and Mobil. According to *Petroleum Intelligence Weekly*, Ras Tanura will be a nucleus for petrochemical and related industrial ventures, 'thus broadening the scope of the joint enterprises between Saudi Arabia and the former [sic] Aramco owners'. [27] Since then Mobil has won a \$3 billion joint venture contract for a refinery-petrochemical complex to be established on Saudi Arabia's Red Sea coast. The major oil companies, it should not be forgotten, already account for some 20 per cent of petrochemical sales and, according to a recent industry survey by Arthur D. Little, Inc., they 'are in a natural position to continue to add to their market share because of their access to both raw materials and markets'. [28]

Chemical Week estimates that there are at least 150 refining, liquefaction and petrochemical ventures now in some state of planning for the Middle East. Sceptics assert that only 20 to 25 per cent of these will ever get past the discussion stage. The main obstacles, as in the case of steel, are a lack of fresh water (modern chemical plants use 50 million gallons a day) and a lack of local workers with the necessary skills. These impediments boost plant construction costs by as much as 50 per cent. Despite these problems, industry sources expect investments of \$15 to \$30 billion in Middle Eastern petrochemical plants over the next decade. Secure supplies of feedstock and fuel are apparently providing sufficient incentive. In the current economic 'slow down' petrochemicals have not suffered as much as other basic industries, but ethylene plants are operating well below capacity and planned construction has been cut back considerably in Europe. According to one Dow planner, 'part of the European petrochemical industry's growth factor is bound to shift to the Middle East. That is where the long term oil is.' [29] Both France and Japan have been active on behalf of their companies in lining up deals guaranteeing supplies of crude oil and first-stage petrochemical products in return for technology and assistance for building plants.

The most important dimension to this trend towards industrialization and resource transfer is the kind of structural shift that is likely to result in the pattern of economic activity and industrial power that has characterized the modern era. It is manifestly clear that the bulk of the oil revenues are being spent or invested in ways that strengthen

rather than weaken the prevailing system dominated by a handful of giant corporations. The level of military sales to the oil-producing regimes is well known, but many of the 'economic development' projects are equally wasteful and serve only the accelerated accumulation of capital by these giant firms. One British construction engineer working in the Gulf area told the *Wall Street Journal*:

A lot of money is being poured down drains. This whole area is becoming a boondoggle belt. Thank God for that. These countries are developing their own systems for recycling petrodollars — spend, spend and spend some more. The oil money is coming back to people like myself and companies like ours.[30]

The accuracy of this observation is reflected in the existing and projected trade figures between the US and other industrial countries and the Middle East. Peter Peterson, former US Commerce Secretary and now head of the investment banking firm of Lehman Brothers, told an audience of US chemical industrialists in June 1974:

Many of our firms are going to have to rethink their relationship with this part of the world and figure out ways in which they can build the kind of relationship [needed] so that some of these billions of dollars will be made available to you ... I think anybody that seriously thinks of themselves as a multinational corporation cannot ignore any longer this new capital market.[31]

We have seen how the capitalist countries are planning to expand their markets into the Middle East and line up secure supplies of raw materials and profits as well. Behind this bonanza, though, there is another consideration. In April 1973 *Foreign Affairs* published an article by John Diebold, an American international management consultant and technocratic strategist. He asserted that the world is moving into a 'third stage' of the industrial revolution, and that continued United States dominance of the world economy in the coming era was dependent on understanding and taking advantage of the basic forces at work. One characteristic of this new age, Diebold postulates, is the rapid 'southward transfer of manufacturing industry', of which he specifically mentions steel and automobile assembly. The impetus for the move, he says, has already come from Europe and Japan:

Northern Europe in the last ten years has kept up its rate of manufacturing only by importing ten million workers from the south ... Because there are increasing social awkwardnesses [*sic*] with immigrant workers and concern about pollution from new manufacturing plants, EEC countries in the next decade will move industries to the poor south or east instead of importing workers from there.

Oil revenues fuel US trade boom

Another dimension of the question of resource transfers and industrialization is reflected in the balance of trade and balance of payments statistics of the industrialized countries, especially the US. A recent report by Tokyo's corporate-funded Economic Research Bureau calculates that imports by Middle East countries were up 76% in 1974 over the previous year, after successive rises of 10%, 17%, 24% and 40% from 1970 on. The five-year gain adds up to 260%. The biggest hikes were, of course, among the oil producers, led by the United Arab Emirates (527%) and Iraq (526%). Of total Middle East imports in 1974 of \$42.8 billion, Iran took the biggest share at 14%, followed by Israel (12.5%), Turkey (8.8%), Algeria (8.7%), Saudi Arabia (8.1%) and Iraq (7.4%).

74% of total imports came from 14 industrialized countries, up from 70% in 1970. This reflects the increasingly greater composition of industrial goods and US agricultural commodities in total trade. 62% of the total came from six countries, headed by the United States (13.7%), West Germany (12.4%), France (10.5%), Japan (10.3%), Great Britain (8.1%) and Italy (7.6%). The US share has been holding steady; West Germany and Japan show gains, while Britain has been the chief loser among the big six in terms of market shares.

The overall US trade surplus has scored big gains this year. US exports in August totalled nearly \$9 billion, and the commerce department expects exports to the Middle East to top \$10 billion for the year, which coincidentally is the size of the expected US trade surplus for 1975. The treasury department issued a report in early September predicting that the oil-producing countries would be importing \$133 billion of goods a year by 1985 (in 1974 dollars) and warned that 'governments must guard against a tendency toward a competitive race among them for OPEC markets and investment capital. We would like to conclude that the appropriate policy framework in the OECD [industrialized] countries for the transfer of real resources to OPEC governments would be one which would maximize the play of market forces.' In 1974, American exports to the whole Middle East area were up 75%, and up 90.7% to the Arab world alone. Iran overtook Israel as the most lucrative market for US sales. Saudi Arabia holds third place for the US, but this share will surely increase as the Saudi five-year \$142 billion spending bonanza gears up. Egypt is the next most important US market in the Middle East, much of it financed by the Saudis.

The American hand is heaviest in the 'development' schemes of its two favourite 'pillars of stability' in the region, Iran and Saudi Arabia. Iran is at least astute enough to play more than the American card. Not so with the Saudis, whose future is getting cradle-to-grave treatment from Uncle Sam. The gargantuan \$142 billion five-year plan was drawn up on contract by 'experts' at the Stanford Research Institute, who assigned themselves a \$6.4 million contract to provide 'research and advisory services' to the Saudi Central Planning Organization during the plan's duration. American firms dominate the contracts let out so far. Mobil has an estimated \$3 billion contract to develop a refinery-petrochemical complex on the Red Sea, with a pipeline connecting it to the oil fields in the East. US defence contractors like Northrop are pleased to see that military spending tops all individual allocations in the five-year plan, with \$22.3 billion, to guarantee one of the plan's main goals: 'Maintaining the religious and moral values of Islam' (MEED, 22 August 1975). Bechtel Corporation did the planning for the new industrial city of Al Jubayl, where Marcona and Aramco have major interests. The Saudi Arabian Monetary Agency, which handles all that country's investments, is advised by White Weld of New York and deposits Saudi money in three US banks (Chase, First National City, and Morgan Guaranty). Chase is expected to be a junior partner in the Saudi Arabian Industrial Finance Corporation now being drawn up (MEED, 12 September 1975).

Diebold writes to warn against the dangers of US protectionism in trying to stem this inexorable tide, and that 'the transition out of the Henry Ford age into the system-designer's age' might be marked by American failure to spend its material and human resources most effectively on a global scale by concentrating on technologically innovative export lines, particularly 'know-how' and information control systems. His vision is outrageous:

We shall be able to telecommunicate instantly, from computer to computer across the world, the best training programs, logistics policies, and production processes, to be followed by some plant which exports widgets from Pakistan, while its white-collar work can most profitably be centered in Osaka or San Francisco or Paris or maybe some tropical island holiday resort.

Diebold is describing a process that to some extent has already come to pass and is well developed in certain industries like textiles and electronics. What we may be witnessing now is an export of heavy or primary industries to regions where labour is 'controlled' by regimes whose most modern sector is the police and armed forces, and where pollution can be pointed at proudly as a measure of modernization. In October 1974 the European Economic Community Commissioner for Development and Co-operation, Claude Cheysson, outlined EEC rationale in the same way as Diebold. He told the Confederation of British Industry that EEC proposals would focus on providing technical 'know-how', skilled manpower like administrators and engineers, and some investment funds and market guarantees. Within Europe, he explained, there was a consensus that 'we have reached if not surpassed the maximum limits on imported labour'. He pointed to North Africa as a place where 'we can find space, water and air and can build industries in rural areas without the added cost of pollution-control devices'. In order to head off 'over-investment' in certain industries such as steel, he said, Europe 'would insist on overall agreements with the Arab countries, by industrial sector, to set up timetables and agreements on the lines and limits of development' (emphasis added).

In its survey of iron and steel plants in the area, *Middle East Economic Digest* wrote that the industry in the West 'has to pay greater attention to avoiding pollution, and it would also like to cut its labor costs and have better security against work stoppages. All these factors point to some kind of "farming out" of the early, costly stages of iron and steel production'. *Business Week* cites the specific case of the decision by the Dutch-German combine, Estel, to scrap plans for a huge integrated steelworks near Rotterdam due to 'the combination of environmental objections, rising labor and transportation costs, and uncertainties about raw materials'. Estel, as mentioned above, is now in the Marcona-led project planned for

Saudi Arabia.

As with the steel industry, the movement of petrochemical plant investments abroad will be done in such a way that mainly the early stages of production will be carried out in the developing countries. Ethylene and ammonia, for example, will be exported to European and American factories, where, in the *Financial Times*' words, 'emphasis may be placed on the production of specialized chemicals using upstream materials flowing from the Middle East. Ironically, this trend may help [the industry] ... If ... strict attitudes towards the environment are adopted by other European countries, chemical groups may be thankful that the Middle East is there to turn out primary materials.'

The strategy is put forth earnestly and with increasing frequency in various forms. In a recent issue of *Foreign Policy* James Theberge* suggested that in addition to promoting investment in resource-rich countries like South Africa, 'which have a tradition of political stability and respect for the law', bilateral trade and investment in the developing countries 'can be strengthened by more active US cooperation in the installation of first-phase raw material processing'. [32] Even a discussion paper prepared by the secretariats of the UN Conference on Trade and Development and the UN Industrial Development Organization for the UNIDO conference in Lima, Peru, March 1975, contained much the same pitch:

The increase in the share of developing countries in world industrial capacity to 25% would result in more gains than losses for the developed world through conservation and access to natural resources. The lessening of world-wide health hazards; diminished pressure for migrant labor; and the control of inflation through the greater use of cheaper inputs.

There is a good deal of evidence which shows that the multinational corporations are precisely interested in furthering the internationalization of capital and the global accumulation process in the manner sketched out above. While this would definitely effect significant structural changes in the economies and societies of the countries in the Middle East and elsewhere in the Third World, they will, if things go as planned, not result in any significant shift in world power.

In many ways the similarity of the emerging pattern with those patterns of the past is more striking than the uniquely new elements of the relationship, not the least being the focus on Egypt with its pivotal political and economic role in the region. Egypt has the largest market and largest potential labour force in the area. The

*Theberge was a Georgetown University professor moonlighting as director of the Latin America Project of Nelson Rockefeller's Commission on Critical Choices for Americans until he was recently appointed by President Ford as US ambassador to Nicaragua.

country's very impoverishment and instability makes it a central piece in the construction of a new order of imperial dependence. In this light Kissinger's tireless efforts to cajole and bribe Egypt and Israel into a new 'no peace — no war' stalemate take on a new dimension of importance. At the same time, these developments reflect the underlying instability of political forces in the region. The October War and its aftermath represent an attempt to strike a new balance of those forces, reflecting the enhanced power of the Arab oil producers and the diminished role of Israel, and the ascendancy of right-wing state forces within the Arab world.

REFERENCES

1. *Business Week* (26 May 1975)
2. *Journal of Commerce* (17 June 1974)
3. R.B. Sutcliffe, *Industry and Underdevelopment* (London, 1972), pp. 16-26
4. Charles Issawi, *Egypt in Revolution* (London, 1963), p. 19
5. Edward C. Clark, 'The Ottoman Industrial Revolution', *International Journal of Middle East Studies* (Vol. V, 1974), pp. 6-7
6. *Ibid.*, p. 68
7. *Ibid.*, p. 69
8. *Ibid.*, p. 73
9. M.S. Hasan 'The Role of Foreign Trade in the Economic Development of Iraq, 1864-1964', in M.A. Cook, ed., *Studies in the Economic History of the Middle East* (London, 1970), p. 349
10. Herbert Feis, *Europe, The World's Banker* (New York, 1964), p. 465
11. A.J. Meyer, *Middle Eastern Capitalism* (Cambridge, Mass., 1959), p. 80
12. Charles Issawi and Mohammed Yeganeh, *The Economics of Middle Eastern Oil* (New York, 1962), pp. 150-1
13. Meyer, *op. cit.*, p. 82
14. *Foreign Relations of the United States, 1947*, Vol. V, p. 504
15. United Nations, Department of Economic Affairs, *World Economic Report: Middle East Supplement 1949-55*, p. 51
16. W.Y. Elliott, *The Political Economy of American Foreign Policy* (New York, 1965), pp. 226-8
17. President's Materials Policy Commission (Paley Commission), *Resources for Freedom* (Washington, D.C., 1954), Vol. 1, pp. 74-5
18. United Nations Economic and Social Office in Beirut, *Studies on Selected Development Problems in Various Countries in the Middle East* (New York, 1967) pp. 14-15
19. *Ibid.*, p. 19
20. See Karen Farsoun, 'State Capitalism in Algeria', *Merip Reports* No. 35 (February 1975)
21. See Feroz Ahmed's article in *Merip Reports* (November, 1975)
22. *Business Week* (3 August, 1974). Other quotes in these paragraphs are from this source except where noted.
23. *Middle East Economic Digest* (27 September, 1974)
24. 26 September 1975
25. 18 December 1974
26. 4 November 1974
27. 16 December 1974
28. *Journal of Commerce* (23 September 1975)
29. *Business Week* (8 September 1975)

30. 17 October 1975
31. *Chemical Week* (24 July 1974)
32. *Foreign Policy* (Winter 1974), pp. 77-8

Southern Black Utterances Today

a special issue of
**Southern
Exposure**

INCLUDING:
37 pages of Southern Black Poetry
The Effects of Migration North
Mississippi Black Folk Artists
Agribusiness Gonna Getcha . . .
Chemical Torture at Parchman Prison
The RNA 11: Brothers Jailed Again
Black Music: how it does what it does
Images of Black Women
The Rhythm of Black Personality
Pan Africanism: A Re-evaluation
Lessons from China and Cuba
Lists of Southern Resources
. . . and more!



\$2.50

**Southern
Exposure**

P.O. Box 230
Chapel Hill, N.C. 27514

NAME _____

ADDRESS _____

CITY/STATE _____ ZIP _____

Enclosed is \$_____ for:

_____ copies of *Southern Black
Utterances Today* @ \$2.50

_____ annual subscriptions @ \$8.00

_____ catalogue of previous issues -
FREE

Gunboat diplomacy, lightning war and the Nixon doctrine: US military strategy in the Arabian Gulf

In August 1973, 9,000 heavily-armed US marines from Camp Lejeune, NC, were flown to the desert kingdom of Argos to help repel an invasion by the Soviet-armed Yarmonians. After five days of intense combat in peak summer heat of 110°F, the US 'Leathernecks' forced the last invaders across the border into Yermo, thus permitting the Argosians to return to their normal peacetime work of pumping oil into a never-ending stream of Jumbo tankers.

'Argos' and 'Yermo' are, of course, mythical countries, and this 'battle' was only a training exercise contrived by Pentagon officials to familiarize US servicemen with desert warfare conditions. Both the Argosians and Yarmonians were played by marine personnel, and Argos was a strip of sand carved out of California's vast Mojave desert. Yet for its participants, this exercise — code named 'Operation Alkali Canyon 73' — suggested a very real scenario for future US interventions in the Middle East. 'The Pentagon has a computer plan for the invasion of every civilized country in the world', Col. Jerry O'Leary of the Mojave training force explained. 'The Middle East is the obvious powder keg, and we'd be fools if we didn't prepare.' Although the Defense Department refused to draw any parallels to specific Middle East contingencies, an observant journalist noted that the Yarmonian uniforms appeared to be patterned on those of the Libyan army.[1]

In mid-1973, a US invasion of Libya or other Middle East countries was not considered particularly likely, and Alkali Canyon 73 was regarded more as a 'human interest' story than as a prophetic military manoeuvre. Sixteen months later, however, *U.S. News & World Report* indicated that Pentagon planners were taking a close look at the Mojave desert exercise in order to develop invasion plans for a US

MICHAEL KLARE is a fellow of the Transnational Institute, and a staff member of NACLA (North American Congress on Latin America).

Race and Class, XVII, 3 (1976).

take-over of Arab oil fields. 'Top-level Administration policymakers', the magazine reported in December 1974, 'are not holding back from candid discussions of the possibility of armed action by the US if the oil crisis becomes unmanageable.' [2]

In charting US interests in this area, one must naturally begin with oil: the Arabian Gulf kingdoms possess two-thirds of the world's known petroleum reserves and supply most of the oil consumed by America's allies in western Europe and Asia. American imports of Middle Eastern oil, while still only a small fraction of total US consumption, are rising rapidly and constitute a major source of profits for the giant US oil companies. And despite the Administration's calls for accelerated development of alternative energy sources, there is no real prospect for a western 'declaration of independence' from Middle Eastern oil. As noted by *Business Week* magazine during the October War: 'The world will buy more Arab oil, whatever the outcome of the fighting, because there are no alternative energy sources at present to meet soaring demand.' [3]

But equally important is the question of the area's strategic significance in the overall world balance-of-power equation. By building up its naval forces in the Mediterranean and the Indian Ocean and by developing close ties with the radical Arab states, the Soviet Union has succeeded in 'leap-frogging' the solid line of anti-Communist garrison states erected by the Truman and Eisenhower Administrations to 'contain' Communist expansion in Eurasia. Some analysts warn that Soviet naval expansion, coupled with the Arab's use of oil as a political weapon, threatens the continued viability of the NATO alliance. 'The primary importance of the Mediterranean today', according to Robert A. Kilmarx and Alvin J. Cottrell of Georgetown University, 'is that the Soviet Union has chosen to make it the major arena for contemporary political advance against the interests of the West, in order to forge new correlations of power in the world.' [4] On the basis of this evaluation American strategists believe that the United States must take decisive action to prevent further Soviet advances in the area, or suffer the degradation of its pole position in the world balance-of-power equation. 'Should the Russians succeed in incorporating the Middle East into their sphere of influence,' Wynfred Joshua of the Stanford Research Institute warned in 1971, 'the balance-of-power in the world would be seriously upset. For Washington, it would mean a major political and psychological defeat, which would have grave repercussions on America's posture throughout the world.' [5]

In order to ensure continued US access to Middle Eastern oil supplies and to safeguard western hegemony in the region, the Nixon/Ford Administrations have launched a major build-up of US military power in the Mediterranean-Indian Ocean-Arabian Gulf area and accelerated the militarization of selected local powers, particularly Iran and Saudi Arabia.

The US military build-up in the Middle East

In order to ensure US control of the key oil routes and diminish the political impact of Soviet naval deployments, Washington has ordered a major expansion of the US military infrastructure in the Eastern Mediterranean and introduced a permanent military presence into the Indian Ocean. In what can only be called a classical 'pincer' movement, US forces have gradually been shifted eastwards from the Atlantic and westwards from the Pacific to enclasp the OPEC heartland. A brief summary of these movements follows:

Mediterranean: Although the overall level of US forces in the 'Med' has not changed much over the past decade, the 'centre of gravity' of these forces have been moving steadily eastwards. In 1973, the Navy shifted its 24th Fleet Tactical Support Squadron from Rota in Spain to Sigonella in Sicily, thus establishing a major logistical beachhead on the edge of the conflict zone.[6] At the same time Washington announced plans to establish a major submarine docking facility at Maddalena Island, off the coast of Sardinia.[7] Then, one year later, US warships docked at Port Said (in the first US port visit to Egypt for twelve years) as part of the international effort to clear the Suez Canal of mines and other hazardous debris.[8] (Although the docking arrangement is only temporary, it follows the departure of most Soviet forces in Egypt and bodes well for future US-Egyptian cooperation.) These moves have been accompanied by a steady improvement in the 'war fighting' capabilities of America's Mediterranean fleet. The Sixth Fleet now has up to six nuclear attack submarines on patrol at any one time to track Soviet submarines and will soon receive a squadron of S-3A Viking carrier-based anti-submarine warfare planes.[9] In addition new US warships, including the missile-armed hydrofoil patrol boat (PHM), the Marine's LHA assault ship, and the ultramodern Spruance-class destroyer, will be deployed in the Mediterranean when completed.

Indian Ocean: After the fighting between India and Pakistan in East Bengal (now Bangladesh), the United States announced that it would rotate surface squadrons through the Indian Ocean on a regular basis to 'show the flag' and demonstrate Washington's intention to defend vital US interests. (US underwater forces, primarily Polaris ballistic missile submarines, had been deployed in the area since the early 1960s.) Three years later, following the imposition of an oil embargo by the Arabian Gulf kingdoms, Defense Secretary Schlesinger announced that US naval deployments in the area 'will be more frequent and more regular than in the past'. [10] The growing US naval presence was highlighted one year later when a dozen US warships participated in 'Operation Midlink 1974', a CENTO training exercise involving vessels from Iran, Pakistan, Great Britain, Turkey and the United States that was billed as the largest naval manoeuvre ever held in the Indian Ocean. [11] In order to facilitate all the added naval

activity in this area the Pentagon has expanded its naval communications facility at North West Cape, Australia, and constructed a new base on Diego Garcia Island in the Chagos Archipelago. The Diego Garcia facility — located in the exact centre of the Indian Ocean — houses a communications station, an airstrip and naval docking facilities. In January 1974 the Navy asked for \$20 million to expand the facilities on Diego Garcia and, after overcoming substantial opposition in the Congress, is proceeding with plans to add docking facilities for a carrier task force.[12] Other US moves in the area include the opening of negotiations with Singapore for access to the abandoned British bases there and the initiation of contacts with South Africa for the exchange of military intelligence in the Indian Ocean. Senior South African military officials have met recently with their American counterparts in Washington, and *Sea Power* magazine predicted in December 1974 that the White House will soon work out a *modus operandi* with the Pretoria regime for joint US-South African naval operations.[13]

Arabian Gulf: The US Navy has long based its Middle East Force (MEF) — a small naval squadron consisting of a flagship and two destroyers — at Bahrain in the south-central Gulf. The Bahrain docking facilities were originally rented from Great Britain, which ruled the island as a protectorate, but when Bahrain became independent in 1971 the White House signed an agreement with the island's new government permitting continued US occupation of the base. However, American access to Bahrain has not gone unchallenged: some Congressional leaders have charged that the 1971 White House agreement violates the Constitutional requirement for Senate approval of all treaties,[14] and Bahrain's Arab rulers once threatened to revoke the agreement as punishment for continued US military aid to Israel. Despite such harassment, the Navy intends to proceed with plans to upgrade the Middle East Force and is expected to replace existing vessels with new missile-armed warships. Furthermore, the Pentagon has periodically augmented the MEF squadron with additional warships from the Pacific-based Seventh Fleet and has sent other vessels into the Gulf on 'familiarization' voyages.[15]

Although this build-up in naval capabilities is designed to enhance US military effectiveness in the event of a future conflict in the area, it is also clear that Washington has expanded the *political* role of the Navy as well. For, as demonstrated by the *Constellation's* voyage into the Arabian Gulf, the United States has begun using naval forces to coerce and influence the littoral states of the Middle East. Indeed, the Navy has received a particularly central role under the Nixon Doctrine because only maritime forces can employ force — or threaten the use of force — without physical intervention by US troops. This unique characteristic of naval forces has a double

advantage for US 'crisis managers': first, by employing or *threatening* intervention, such forces can be used to dissuade hostile governments from embarking upon actions that are deemed unfavourable to US interests; and secondly, if military intervention is required, the Navy can launch punishing attacks from an offshore position (through air attack or coastal bombardment) or can launch a swift, surgical marine attack that falls short of a full-scale military occupation.[16] 'In the absence of significant forward deployed land forces,' Major Robert C. McFarlane of the Marine Corps explains:

...Navy and Marine forces stand as the only forces capable of demonstrating US resolve to support its defense commitments. The ability to maintain a constant presence of ready, seaborne forces, whether hull down on the horizon or coming ashore against opposition, typifies the Navy/Marine Corps team as the most logical force for providing visible evidence of U.S. support. This support can be provided *without physical intervention* and can provide an immediate reaction to contingency situations of any level of intensity.[17]

Such 'show of force' type operations, in the view of US strategists, are most effective in the ex-colonial countries which had previously been subjected to seaborne assaults. 'To the citizen of a less technologically oriented society,' Admiral Elmo Zumwalt Jr explained in all apparent innocence, 'nothing is quite like a shipshape destroyer making a call.'[18] And while operations of this sort can sometimes prove effective in eliciting behaviour deemed beneficial to US interests, the long-term effects of such actions may not prove so favourable. Each time Washington resorts to 'show-of-force' operations to compel obedience to American priorities, it is certain to produce a residue of bitterness and suspicion that will not disappear quickly. Needless to say, such alienation will be most pronounced in the case of nations which have previously experienced the punitive intrusion of imperial warships. Clearly the United States cannot employ naval forces in a political mode abroad without creating antagonisms which may ultimately erupt in conflict or rebellion.

'Rapid deployment' and the 'automated battlefield': the new US intervention scenarios

As suggested by Operation Alkali Canyon 73, the US naval build-up in the Mediterranean-Indian Ocean area has been accompanied by the development of new strategies and techniques for direct US military intervention in the Middle East. The new defence posture favoured by top Administration officials calls for the formation of elite brigades and divisions based in the United States and at key overseas

bases (Okinawa, Germany) capable of being transported to distant trouble-spots at a few hours' notice, and armed with the most advanced guns, missiles and precision-guided munitions ('smart' bombs). Such forces will have to seize the initiative rapidly before the enemy can muster superior manpower if America is to avoid involvement in another protracted war. 'In the troubled world, I have postulated,' Taylor wrote in *Foreign Affairs*, 'we shall need mobile, ready forces to deter, or in some cases, suppress such conflicts before they expand into something greater. This task is the primary justification for an uncommitted central reserve in the United States ready for presidential use as an instrument of national security.' [19]

The new Pentagon strategy of using elite shock troops in future interventions can only work, however, if US troops and equipment can be transported to a distant battlefield *quickly*, within hours of the onset of the crisis. In the new intervention scenarios being devised at the Pentagon, US-based units — such as the famed 82nd Airborne Division — will be loaded on to giant transport jets, flown non-stop to the combat zone and then rushed into battle. Once the conflict is contained and friendly control re-established, the US troops will be recalled to the airfield and flown back to their bases in the United States. This 'rapid deployment' scenario was set in motion in October 1973 when the 82nd Airborne was readied for intervention in the Middle East during the world-wide military alert ordered by Henry Kissinger.

Although the rapid deployment strategy was first developed in the late 1960s, it did not really come of age until the introduction of jumbo jets such as the Boeing 747 and the Lockheed C-5A. The C-5A Galaxy jet transport is the world's largest and most powerful airplane — with a full payload of 265,000 pounds, it can fly a total distance of 2,875 nautical miles without refuelling. To provide civilians with some sense of the plane's enormous capacity, Senator Barry Goldwater told the Senate in 1969 that the 'C-5A could easily accommodate 67 Cadillacs, or six Greyhound buses, or 1,000 people, or 88 Volkswagens'. [20]

Unfortunately, the furor over the C-5A's massive cost overrun has diverted public attention from issues raised by the actual *function* of the plane. Only a handful of the plane's backers have in fact understood that the C-5A is nothing more nor less than a machine for intervention, and that even the eighty-one Galaxies now in service provide the United States with a significant capability for rapid force deployment abroad. Thus former Senator George Murphy explained in 1970 that the C-5A 'was designed to satisfy the requirement rapidly to deploy fully equipped Army troops anywhere in the world, without the need for intermediate servicing stops, or without the need for sophisticated airport facilities when they arrived at their destination. We can carry an army, fully equipped and ready for operation, with

great speed to any place in the world' (emphasis added).[21]

This assessment was vindicated, according to Pentagon officials, during the 1973 October War in the Middle East when C-5A transports carried over 10,000 tons of weapons and ammunition to the hard-pressed Israeli army, thus enabling the Israelis to assume the offensive in the Sinai and finally to break through the Egyptian lines along the Suez Canal.[22] This C-5A 'success story' is now being celebrated by Air Force officials who seek Congressional approval for additional C-5A squadrons or for acquisition of militarized 747 jumbo jets.

Although the C-5A and carrier-based aircraft will invest US intervention forces with an unprecedented degree of mobility and airpower, they cannot ensure the success of an invasion once troops land on the ground. With a smaller army, and political constraints on the employment of ground forces in protracted campaigns, the Pentagon must ensure that any troops sent abroad possess a sufficient advantage in combat effectiveness to overcome superior enemy forces in a relatively brief period of time. This requires, in the view of most defence analysts, the utilization of America's advanced technology to overcome its deficiency in manpower.

In order to ensure that future army forces will be adequately equipped for the challenges of the 1970s and 1980s, Army Chief of Staff General William C. Westmoreland proposed development of an 'automated battlefield' utilizing all the latest developments in military technology. 'On the battlefield of the future', Westmoreland told the Association of the United States Army in 1969, 'enemy forces will be located, tracked and targeted almost instantaneously through the use of data links, computer-assisted intelligence evaluation and automated fire control. With first-round kill probabilities approaching certainty, and with surveillance devices that can continuously track the enemy, the need for large forces to fix the opposition physically will be less important.'[23]

Various components of the machine-oriented 'new action army' are now undergoing operational testing and evaluation at selected army laboratories. At Fort Monmouth, NJ, for instance, the Army Electronics Command is testing the use of sensor-equipped 'remotely-piloted vehicles', or drones, to scan the battlefield for enemy positions. The Pentagon is also intent upon increasing the 'kill probability' of existing weapons systems. The objective here is to achieve 'first round kill certainty' — i.e., a 100 per cent probability that every bullet, shell or missile fired will hit its target and do a thorough job of incapacitation. In the area of small arms, for instance, army scientists are working on the development of ammunition that will produce certain death no matter what part of an enemy's body is hit. And in the area of artillery and missiles the emphasis is on the design of 'terminal homing' devices that can steer

a shell to its intended target with pinpoint accuracy. Such projectiles — the Army calls them ‘smart rounds’ after the ‘smart bombs’ used in the air war against North Vietnam — carry a sensor device (infra-red or electromagnetic) which ‘locks on’ to a target by ‘reading’ its ‘signature’, and corrects the flight of a shell so that it lands directly on target.[24]

Although the rapid tempo of technological advance suggests that development of Westmoreland’s ‘automated battlefield’ is just around the corner, it is less certain that it will bring all the benefits he attributed to it in 1969. As long as US forces possess an effective monopoly in such systems it is safe to assume that America will dominate future battlefields; if however *both* sides possess such weapons, the level of destruction of each side will be very great no matter who ‘wins’ the engagement. Thus Israel clearly triumphed on the Sinai battlefield during the October 1973 fighting — yet Israel’s losses in manpower and material were so great as to call into question its capacity to survive another such ‘victory’.

Perhaps the greatest innovation of the October War was the massive use of lightweight Soviet precision-guided missiles like the SA-7 heat-seeking missile and the Snapper, Swatter and Sagger wire-guided anti-tank missiles. These weapons, which can be carried into the front lines by small infantry units, proved effective against even the most advanced and powerful offensive weapons.[25] And such weapons do not require prolonged training or special skills, and thus can be used effectively by regular as well as irregular forces in the Third World. According to Col. John T. Burke, the early Egyptian successes of 1973 were achieved ‘by what was supposed to be an “unsophisticated” army, and by what probably were, for the most part, green troops’.[26] The proliferation of such weapons in Third World armies thus threatens to neutralize the superior fire-power and ‘professionalization’ of America’s machine-oriented ‘new action army’.

US arms sales to the Persian Gulf: the new gendarmes

Although Washington is prepared to intervene directly in the Middle East to protect vital US interests, its preferred course has been to convert selected countries into regional ‘police powers’ that can maintain stability and assure continued western access to the area’s petroleum wealth. This approach, known since 1969 as the ‘Nixon Doctrine’, is designed to neutralize domestic opposition to US foreign policy by shifting the primary ‘forward defense’ burden to local armies. In order to ensure that these forces can successfully carry out their broadened responsibilities, Nixon ordered a sharp increase in military aid and technical assistance to favoured Third World regimes. As then Secretary of Defense Melvin Laird explained in 1970:

The basic policy of decreasing direct U.S. military involvement cannot be successful unless we provide our friends and allies ... with the material assistance necessary to assure the most effective possible contribution by the manpower they are willing and able to commit to their own and the common defense.... The most challenging aspects of our new policy can, therefore, best be achieved when each partner does its share and contributes what it best can to the common effort. In the majority of cases, this means indigenous manpower organized into properly equipped and well-trained armed forces with the help of material, training, technology and specialized skills furnished by the United States through the Military Assistance Program or as Foreign Military Sales.[27]

Although Congress has generally supported this scheme, it has been loth to vote higher military aid grants as requested by the Administration. To ensure the success of its strategic plans, therefore, the White House has ordered a sharp increase in arms sales under the Foreign Military Sales (FMS) programme. Total US weapons sales to the Third World rose from an average of \$140 million per year during fiscal years 1950-69 to \$2 billion in fiscal 1972, and double that amount in fiscal 1974 and 1975. And, as is now well known, most of these sales have gone to the Arabian Gulf kingdoms.

The American public became aware of the sharp increase in military sales to the Gulf area in 1973, as it learned of these remarkable events:

- First, on 21 February 1973, Defense Department officials acknowledged that Iran had contracted to buy over \$2.5 billion worth of US weapons in what government officials termed the biggest single arms deal ever negotiated by the Pentagon. Included in the deal are 175 modern jet fighters, 500 helicopters, air-to-surface missiles and other advanced weapons.
- Next, on 26 May the Pentagon confirmed that the White House had agreed to sell advanced military aircraft — including F-4 Phantom fighter-bombers and F-5E supersonic fighters — to Saudi Arabia and Kuwait. Although both countries later joined the oil embargo and provided substantial economic support to the nations battling Israel, these offers were not withdrawn.
- Finally, in the last week of August, Shah Muhammed Reza Pahlevi of Iran became the first foreign leader to be invited to place orders for America's newest jet aircraft — the Grumman F-14 Tomcat — in the first instance of a Third World country being permitted to purchase a major new US weapon ahead of its principal allies in NATO.[28]

These decisions constituted a radical shift in American policy on weapons exports to the troubled Gulf area: whereas during most of the post-Second World War era US policy-makers favoured a policy of

restraint in arms sales to the region, under the Nixon Administration the United States has become the principal arms supplier to the Persian Gulf kingdoms and has authorized deliveries of highly-sophisticated and potent weapons.[29] According to one American official, the United States is selling Iran 'most everything short of atomic weapons'.[30] The sharp upturn of US military exports is further indicated by the fact that Saudi and Iranian arms orders jointly totalled \$11.6 billion during 1970-5, or *fourteen* times the amount ordered during the preceding twenty years.[31]

The choice of Iran as a regional police power is entirely logical from the State Department's point of view: Iran has long constituted a key link in the cold war chain of alliances designed to 'contain' Soviet influence in Eurasia, and the Shah has consistently opposed an increased Soviet role in Gulf affairs. When Washington sought to extend Iran's military role to include policing of the entire Gulf area, it found a ready reception in Teheran, where the king of kings, Shah Pahlavi, has entertained grandiose schemes of resurrecting 'the great Persian Empire of the past'. In 1972 the Shah seized several small islands (Abu Musa and the two Tunbs) in the Strait of Hormuz which had been claimed by the United Arab Emirates, and Iranian commandos have been deployed in Oman to help overcome the Dhofari rebels. Iran now has the strongest naval force in the Gulf, and the Shah has announced plans to extend Iran's 'defense perimeter' to the western Indian Ocean (already, he has negotiated a basing arrangement with the government of Mauritius).[32] When the advanced weapons now on order from the United States are delivered, Iran will possess the strongest military force between the Mediterranean and the Indian Ocean and will rank among the world's top ten military powers.

Saudi Arabia has emerged as a major regional power only within the past few years, but already the United States has striven to provide that country with a modern military apparatus. At present some 2,500 US military and civilian technicians are stationed in the country to help train Saudi soldiers to operate the new US weapons being supplied under the Pentagon's Foreign Military Sales programme. Saudi Arabia is expected to spend a billion dollars on US arms in the next few years, and the total sum could go much higher. Although the present emphasis is on developing the country's defensive posture, the delivery of naval vessels and F-4 fighter-bombers will invest Saudi Arabia with the capacity to help police the entire Gulf region — a task that is energetically being advanced by Washington. 'We think that Saudi Arabia has been a voice of moderation in the area', Sisco told a Congressional subcommittee in 1973. 'We believe that it is in the mutual interests of the United States and Saudi Arabia for the forces of moderation to retain the upper hand in this area.'[33]

For this strategy to succeed, however, it is obvious that both Iran and Saudi Arabia must continue to be governed by authoritarian, pro-western regimes. To this end, the United States is assisting the internal security forces of both countries. In Saudi Arabia, a team of 1,000 civilian US advisers recruited by the Vinnell Corporation is providing technical assistance to the Saudi Arabian National Guard, which, according to Rep. Les Aspin, 'is simply a private army of Bedouins under the control of one of the sheiks'.^[34] Similarly, the United States has long provided arms and training to the Imperial Iranian Gendarmerie, a paramilitary security force.

Although the policy of converting Saudi Arabia and Iran into regional police powers has certain undeniable advantages for the United States, it is also clear that it presents many risks. For, in the final analysis, the United States cannot control events in the Gulf but must depend on the loyalty and self-discipline of its deputies. In particular, the new policy assumes that America's clients can be discouraged from pursuing national interests that conflict with the overall scheme designed in Washington — a highly risky proposition. Indeed, it is only all too likely that Teheran's ambition to be the dominant power in the Arabian Gulf area will someday provoke a conflict with neighbouring Arab countries. Already, Iran has used military force to seize some islands belonging to the United Arab Emirates, and the deployment of Iranian troops in Oman must cause apprehension in the minds of those who fear a permanent Iranian presence on the Arabian Peninsula. Representative Lee Hamilton has in fact charged that US arms policies contribute to instability in the area because they encourage the imperial ambitions of Shah Pahlevi. In a 1973 report to Congress Hamilton wrote:

The ambitions and policies of the Shah of Iran ... do not necessarily parallel our desires and policies nor do they necessarily help create a dialogue between Iran and Saudi Arabia based on sovereign equality. The Shah speaks of the Gulf as 'his lake,' of a defense perimeter in the Indian Ocean, and of his intention to intervene militarily on the Arab side of the Gulf should any change in the political environment be detrimental to his country's interests. Regional cooperation for the Iranians seems to be based on a major or dominant role for Iran in Gulf affairs.^[35]

Administration strategists are undoubtedly aware of the danger of an intra-Gulf conflict and we can be certain that they have taken steps to provide US policy-makers with some control over the war-making capacity of its principal deputies. Indeed, while government spokesmen insist that US military exports and technical aid are intended solely to enhance the defensive capabilities of America's friends and allies, it is clear that another important motivation is involved: because of the strategic importance of this

area and the possibility of insurrection and internecine warfare, Washington is using the arms sales programme to gain control over the military effectiveness of its chief clients. Specifically, US arms agreements are designed to place US technicians in control of key sectors of the Saudi and Iranian armed forces — particularly the communications, logistics, intelligence and aircraft-maintenance services. Grumman, for instance, will deploy some 2,000 engineers and technicians at the home base of Iran's F-14 fighters, and Bell Helicopter has some 1,500 'retired' US Army officers serving with the Iranian Sky Cavalry Brigade.[36] And while no one can predict their behaviour in some future crisis, it is clear that these 'white-collar mercenaries' owe their primary loyalty to Washington rather than Teheran or Riyadh, and so could be ordered to remain passive in the event of a future conflict — thus crippling the armed forces of their respective employers.

Needless to say, the US government has never acknowledged a secondary role for the US technicians deployed in the Persian Gulf. But the importance it attaches to the placement of US personnel in such strategic locations is attested to by the fact that Washington has had to shift key specialists from important posts in Europe and Asia in order to fulfill its contracts in the Gulf. In a secret 1974 study, made public by Rep. Clarence D. Long, the General Accounting Office warned that the sale of specialized military skills to Teheran 'could adversely affect the readiness status of United States forces' because 'many of the technical skills sold to Iran' were 'in critically short supply in United States military units'.[37] Equally striking is the fact that as part of a multi-million dollar contract to develop an electronic intelligence system for Iran, Rockwell International will recruit many former employees of the super-secret National Security Agency to serve with the Iranian armed forces.[38] Obviously this transfer of critical military skills to a foreign country could not take place without the approval of the nation's top security officials.

Whether or not Washington has secret contingency plans involving these civilian warriors, it is clear that such arrangements constitute a form of insurance policy that provides some US leverage in the event of a situation deemed disadvantageous to the United States. In fact, the relationship between arms transfers and political influence is well known: such leverage accrues from the fact that most modern armaments require spare parts, training aids and maintenance that can only be obtained from the producer. The more sophisticated the weapon, moreover, the more dependent the buyer becomes on technical services furnished by the supplier. And since such services are required throughout the lifetime of the product (15-20 years for most aircraft), an arms agreement normally 'tends to tie the recipient politically to the donor for this period of time if any continuity [in military effectiveness] is to be maintained'.[39] US aerospace

officials have consistently emphasized this factor in interviews. Thus William D. Perreault, Vice-President of Lockheed (which has sold dozens of its C-130 Hercules transports to the Gulf states) told me: 'When you buy an airplane, you also buy a supplier and a supply line — in other words, *you buy a political partner*.' Because of the complexity of modern aircraft, he explained, 'it only takes one little piece to go wrong' and the plane must be grounded until it is replaced; if Washington says 'no' to its replacement, 'that's the end', the plane is rendered useless.[40] US policy implicitly incorporates such sanctions: when some Congress people complained that US jets sold to Saudi Arabia will ultimately be used by other Arab nations in attacks on Israel, Secretary of State William P. Rogers affirmed that such action was not likely because 'if the planes were transferred it would only be a short time before they have problems because the planes require spare parts and maintenance that can only be done by our experts'.[41]

Although Washington's control over the delivery of spare parts and specialized technical skills undoubtedly constitutes some form of hedge over the behaviour of recipient states, experience has shown that such leverage is notoriously unreliable and impermanent. Lack of spare parts has never deterred a country from going to war if it felt its vital interests were at stake, and the efforts of some superpowers to control a conflict through arms embargoes has often prompted the affected country to switch suppliers. Egypt, for instance, turned to the Socialist bloc for its weapons in 1954 when the West objected to Cairo's policies, and later switched back to the West when Moscow refused to supply certain sophisticated arms after the October 1973 War. And Washington's efforts to influence military policy in Latin America by denying access to high-technology weapons in the mid-1960s only resulted in a decision by the leading hemispheric powers to purchase French arms. Thus, even though America's leverage appears greater in the case of Iran and Saudi Arabia (because of those countries' greater dependence on US technicians and specialists), it is not at all clear that such constraints will prove as effective as is hoped in Washington.

Conclusion

American strategy in the Arabian Gulf is designed, as we have seen, to ensure regional stability without requiring the introduction of a permanent US military presence. Obviously this plan involves many risks and uncertainties, most of which stem from the fact that Washington seeks to remain the hegemonic authority without directly performing the policing functions of a traditional imperial power. Many of the problems which arise from this contradiction have already been noted. Undoubtedly the greatest flaw in the new

strategy, however, is its dependence on the survival of an alliance structure composed of inherently unstable and mutually antagonistic elements. In the Arabian Gulf, for instance, the Administration's scheme calls for military cooperation between Saudi Arabia and Iran — two countries whose interests and ambitions may some day clash head-on. In the Sinai, Henry Kissinger's mediation efforts have produced a temporary respite from the unremitting tension of the past few years, but there is no assurance of a lasting peace, and any future conflict may involve other US clients. Most of these states, moreover, are ruled by authoritarian rightist monarchies with little claim to popular support, and the danger of insurrection is ever-present. And, as the Cyprus crisis of 1975 demonstrated, the fact that both parties in a dispute are armed and advised by the United States is no guarantee that they will not make war upon each other or that their governments will survive internal challenges to their continued rule.

Similar problems beset the Pentagon's intervention plans. The new scenarios, as we have seen, call for small US forces to seize the battlefield initiative quickly and to employ every advantage in firepower, mobility and communications to overcome more numerous enemy forces. This strategy has many dangers, but surely the gravest is the desperately narrow margin of safety that has been built into the manpower/fire-power equation. If in some future crisis an American intervention force encounters overwhelming enemy resistance, the US command will have no alternatives but withdrawal or escalation. And with such limited manpower resources the most likely form of escalation is in the area of fire-power. For, unlike the situation in Vietnam, the Pentagon cannot raise or lower troop levels in response to enemy initiatives, but must employ increasingly potent and lethal weaponry. Such a course could only lead to widespread civilian destruction (as witnessed in the December 1972 B-52 raids on Hanoi) while threatening to precipitate a nuclear conflict.

This dangerous situation is further complicated by the Administration's policy of trying to ease US balance-of-payments difficulties through the sale of advanced military equipment to the OPEC countries and other Third World nations. The United States has already sold Iran 'everything short of the atomic bomb', and negotiations now underway with Saudi Arabia and Kuwait will lead to multi-billion dollar sales of sophisticated arms to those countries. Clearly, we are headed to a 'point of no return' where no US advantage in technology will prevent a major military conflagration.

REFERENCES

1. 'The Marines Battle for Argos', *Time* (27 August 1973), p. 24. See also, 'Why Marines are Training in Desert', *U.S. News & World Report* (27 August 1973), pp. 28-30.

2. 'Will U.S. Seize Mideast Oil?', *U.S. News & World Report* (2 December 1974), pp. 18-20.
3. 'The New Economics in the Middle East', *Business Week* (20 October 1973), p. 78.
4. Robert A. Kilmarx and Alvin J. Cottrell, 'The USSR in the Middle East', *Air Force* (August 1970), p. 41.
5. Wynfred Joshua, *Soviet Penetration into the Middle East* (New York, National Strategy Information Center, 1972), p. 5.
6. US Congress, *Joint Military Construction Authorizations, Fiscal Year 1973* (Hearings, 92d Cong., 2d Sess., 1972), p. 264.
7. *New York Times* (2 October 1972).
8. *New York Times* (24 April 1974). See also, 'About-Face in Egypt: U.S. Navy Welcomed', *Sea Power* (August 1974), pp. 36-7.
9. 'Startling Proposals and Forty-Tube Showdowns', *Sea Power* (August 1974), pp. 39-40.
10. Quoted in *Sea Power* (December 1973-January 1974), p. 35.
11. *New York Times* (21 November 1974).
12. On North West Cape, see, *New York Times* (12 April 1969); on Diego Garcia, see, *New York Times* (22 January 1974 and 29 July 1975); also *Washington Post* (26 January 1974), and *Wall Street Journal* (4 April 1974).
13. See *Christian Science Monitor* (10 May 1974), and *Sea Power* (December 1974), p. 9.
14. See *New York Times* (6 January 1972), and US Congress, Senate, Committee on Foreign Relations, *Executive Agreements with Bahrain and Portugal* (Hearings, 92d Cong., 2d Sess., 1972).
15. See *New York Times* (30 October 1973 and 26 November 1974).
16. For discussion, see, Michael T. Klare, 'Defense Puts Out to Sea', *The Nation* (2 July 1973), pp. 7-10.
17. Robert C. McFarlane, 'At Sea — Where We Belong', *U.S. Naval Institute Proceedings* (November 1971), p. 38.
18. Admiral Elmo R. Zumwalt, Jr., Address Before the World Affairs Council of Boston (US Department of the Navy Press Release, 13 December 1972).
19. Taylor, op. cit., p. 587.
20. *Congressional Record* (16 December 1969), p. S16804.
21. *Congressional Record* (18 August 1970), p. S13577.
22. See *Christian Science Monitor* (28 December 1973).
23. *Congressional Record* (16 October 1969), p. S12729.
24. See, John S. Wood, Jr., 'Future Infantry Arms', *Ordnance* (July-August 1969), pp. 74-7; John T. Burke, '"Smart" Weapons: A Coming Revolution in Tactics', *Army* (February 1973), pp. 10-15; and John T. Burke, 'Precision Weaponry: The Changing Nature of Modern Warfare', *Army* (March 1974), pp. 12-16.
25. International Institute for Strategic Studies, *The Strategic Survey, 1973* (London, author, 1974), pp. 53-5.
26. Burke, 'Precision Weaponry', p. 14.
27. US Congress, House, Committee on Appropriations, Subcommittee, *Foreign Assistance and Related Agencies Appropriations for 1971* (Hearings, 91st Cong., 2d Sess., 1970), p. 307.
28. *New York Times* (22 February 1973); *Aviation Week & Space Technology* (11 June 1973), p. 30, and (27 August 1973), pp. 12-13.
29. For discussion, see, Michael T. Klare, 'The Political Economy of Arms Sales', *Society* (September-October 1974), pp. 41-9.
30. Quoted in *New York Times* (20 May 1973). For comprehensive listings of US arms transfers to Iran, see, Stockholm International Peace Research Institute, *Arms Trade Registers* (Stockholm, Almqvist & Wiksell, 1975), pp. 46-50.
31. Statistics from US Department of Defense data sheets. See also, US Department of Defense, *Military Assistance and Foreign Military Sales Facts* (Washington, D.C., author, 1975).

32. See the statements of Marvin Zonis and Richard Cottam in US Congress, House, Committee on Foreign Affairs, Subcommittee on the Near East and South Asia, *New Perspectives in the Persian Gulf* (Hearing, 93rd Cong., 1st Sess., 1973), pp. 65-70 and 113-18, respectively. See also, Simon Head, 'The Monarchs of the Persian Gulf', *New York Review of Books* (21 March 1974), pp. 30-34.
33. *New Perspectives on the Persian Gulf*, p. 12. For more on US arms sales, see *New York Times* (6 April, 11 September and 2 November 1974).
34. Press Release (19 February 1974). For more on the Vinnell contract, see, *New York Times* (9 and 11 February 1975).
35. *New Perspectives on the Persian Gulf*, p. vi.
36. On Grumman, see *New York Times* (21 January 1975); on Bell, *Washington Post* (12 February 1975).
37. *New York Times* (2 January 1975).
38. *New York Times* (1 June 1975).
39. J.N.Chaudhuri, 'The International Arms Trade: The Recipient's Problems', *Political Quarterly* (Vol. 43, July-September 1972), p. 246. General Chaudhuri was once Chief of Staff of the Indian Army.
40. Interview, Burbank (Calif., 27 August 1974).
41. US Congress, House, Committee on Foreign Affairs, *Mutual Development and Cooperation Act of 1973* (Hearings, 93rd Cong., 1st Sess., 1973), p. 262.

MONTHLY REVIEW

Special sub rates to students: \$9 (foreign \$10; £4.58)

☐ 1 year \$11 (foreign \$13; £5.96)

☐ 2 years \$20 (foreign \$23; £10.55)

Libraries and institutions \$16 (foreign \$18; £8.25)

Monthly Review Press
62 West 14th Street
New York, N.Y. 10011

Monthly Review Press
21, Theobalds Road
London WC1X 8SL,
England

I enclose \$.....

I enclose £.....

Please send me MONTHLY REVIEW for ☐ two years ☐ one year

Name

Address

The logic of military intervention

The advocates

Since the autumn of 1974, the American and international public have been treated to a spate of articles advocating US military intervention in the Middle East. They have appeared in such influential journals as *Harper's*, the *New Leader*, *US News and World Report*, the *Wall Street Journal*, and above all *Commentary*, the monthly organ of the American Jewish Committee.

The latter has taken the lead in advancing the notion that the survival of western civilization is threatened by the recent insistence of the raw material producing countries on western capitalism's long-cherished rules of marketing and exchange, and that only force is likely to avert the otherwise inevitable decline of the West.

The writers who have advocated American military intervention in the Middle East are a varied lot: Robert Tucker, a professor of international relations at Johns Hopkins, is a left-of-centre liberal who commanded some respect for his early opposition to US intervention in Vietnam and for his advocacy of reduced American presence abroad; Paul Seabury, a professor of political science at Berkeley, is a conservative liberal not known either for his opposition to or intimacy with Washington policy-makers; and 'Miles Ignotus' (Latin for 'the unknown soldier'), described by *Harper's* as a 'Washington-based professor and defense consultant with intimate links to high-level US policy-makers', is rumoured to be a pseudonym for Edward Luttwak, a well-known conservative 'defense' intellectual close to Washington's defence and 'intelligence community'.

Each writer stresses the gravity of the current crisis afflicting the western world. The postwar global order, dominated by US military and economic power, is viewed as being severely shaken by the Arab oil boycott and the OPEC price hikes which followed it. More

DAVID CAPLOE is a fellow of the Transnational Institute.

Race and Class, XVII, 3 (1976).

importantly, these events indicate a quest by the formerly colonized producing countries for equality, and this trend threatens the inequitable balance of power which the advocates of intervention view as being necessary to the survival of civilization. For the first time, producer states demanded and received the price they wanted, instead of accepting the dictates of western companies backed up by the power of western states. As such they are believed to have demonstrated that the global economic system created by imperialism could be used against the will and interests of its creators. The advocates of US intervention in the Middle East emphasize this as the primary lesson of 1973, notwithstanding the fact that the petrodollars found their way back into the western economies (in particular America's), that the oil price hikes heightened the profits of corporations and that the US profited more from the oil boycott than did the Arabs.

The traditional Third World dependence on the West was perceived as being reversed, if admittedly only partially. Until alternative energy sources are developed, the West will remain dependent on exported OPEC oil. And if alternative sources of energy can ever become economically competitive, the disappearance of cheap energy for the western economic machinery throws into question the likelihood of maintaining a continual-growth economy. In that case, with all the potential political and social dislocation it implies, the price of social peace in the metropolitan countries is likely to become a great deal higher. For the West, at least, Robert Tucker's assessment appears correct: the OPEC revolt represents 'the latest manifestations of an egalitarianism which, if permitted to run its logical course, is likely to result first in chaos and then in an international system far harsher than today's or even yesterday's system'. [1]

These writers also perceive an immediate danger in the political implications of this break-up of the postwar global order. They make an unconditional link between Soviet and Arab policies, arguing that to be at the mercy of the OPEC governments is equivalent to being at the mercy of the Soviet Union. Thus the shift in global balance to the 'OPEC extortionists' and 'Arab blackmailers' [2] means a shift towards the Soviet Union as well. According to Paul Seabury this crisis of the West could 'decisively tilt the balance of power eastward, possibly irreparably'. [3]

Given the clear and present danger presented by the producer countries asserting their rights, what remedies are possible? The interventionists question the validity of the economic plans for interlocking ties with the oil-producing countries favoured by some Democratic party leaders in the US, by European governments and by some corporations with expanding interests in the Middle East. The primary objection of the 'hawks' to such liberal advocacy of

increasing the oil producer's interest in the global capitalist system is that it does not envisage reinforcing economic incentives with military muscle. They argue that liberal economists make the fundamental mistake of assuming a world of rational men acting within the framework of well-defined social and political assumptions. In the situation created by the energy crisis such assumptions simply cannot be made. When so much is at stake and the old assumptions about the international order no longer hold, 'the only feasible countervailing power to OPEC's control of oil power is power itself — military power'.[4]

The question then becomes how best to apply military force in this situation to achieve the desired political and economic ends. Because the political aim of any intervention is to break OPEC, the target must be one substantial enough to force all the other OPEC countries to change their policies along the desired lines. While Libya, whose government is anyway particularly obnoxious to the US, would be a fairly easy military target, its share of OPEC production would not be sufficient to upset the whole system were it to be taken over by force. Rather, the vast reserves and first place in the global export system make Saudi Arabia the locale best suited for an intervention designed to break OPEC.

Miles Ignotus outlines the following strategy for an intervention against the OPEC mainstay:

Flown out of the US without fanfare, briefly staged and refueled in Israel, the 82nd's [82nd Airborne Division of the US Army] heavy C-5 and C-141 jet transports would fly straight across Saudi Arabia to Dharan, escorted all the way by air-refueled Phantom fighters, also based on Israeli fields or aboard carriers in the Arabian Sea. One or two paratroops battallions would jump to seize the Dharan airfield, and to take up positions around the US residents' housing a few miles away. Once the airfield was secured the paratroopers would signal other aircraft waiting overhead to fly in the rest of the troops ...

Immediate targets of the advance force would include the Ras Tanura jetties as well as storage tanks ... The air cavalry battallions powerful and highly mobile, could secure some of the installations of the Ghawar oil field (the largest by far) which is seventy miles at its northern extremity from Dharan. They could also seize the entire nearby Abqaiq field.[5]

Both Tucker and Ignotus discount the impact of sabotage, and argue that any damage to oil-producing facilities could be easily repaired. Assuming 'the thoroughness of the destruction wrought by German forces during World War II as they withdrew from the East' — an assumption Tucker finds ludicrous — 'we would be deprived of oil from the occupied area not for eight or nine months, but for three

or four months and possibly less'.[6]

Both discount the danger of post-invasion sabotage and envisage simple solutions, e.g., 'If the oil workers cannot be trusted to work reliably — at higher post-invasion wages — they should be replaced.'[7] Ignatus suggests a ruthless regimen of surveillance:

Initially, squads will patrol the installations in constant crisscross patterns, covering every wellhead every few minutes, protecting repair squads from those who might try to stop them. Given the vast stretches of open desert around the heavily guarded oil fields, infiltration will be utterly impossible during the day and perhaps no less so at night, since the clear desert sky allows almost perfect visibility with modern night-vision devices. Pipelines, highly vulnerable in theory, can be kept under total surveillance by helicopters and small ground-support teams.[8]

With the resolution of these and other technical problems, there remains the question of results. Here it is argued that a successful intervention will break the back of the Arab oil monopoly, slash oil prices and thereby put an end to the current depression ravaging the world economy. Sanctimonious protests notwithstanding, both the developed and Third World countries will accept this result with great — if covert — gratitude. Because, argues Tucker,

it defies belief that the developing nations, like the developed nations, would view with anything but relief, however disguised, a break in the petroleum price structure that followed a successful military intervention on the Persian Gulf ... developed and underdeveloped would deplore the action — though in considerably varying degree — while accepting with alacrity the benefits flowing from it.[9]

US public opinion would likewise accept such a result. Unlike Vietnam, where 'the American people instinctively felt that the national interest was not at stake',[10] the national gain here would be clear. In addition, a surgically-neat military operation would avoid the quagmire feeling which bogged down the US venture in Indochina. And while a long-term military and political presence is certainly likely after an intervention, the short-term success will keep the nation united. Thus the world will be saved from economic and political chaos and US hegemony will be re-established, dissolving once and for all the bitter aftertaste of the defeat in Vietnam.

★ ★ ★ ★ ★

The above are not the spokesmen of the American military or diplomatic establishment, and one would normally dismiss their proposals as insignificant. There are, however, compelling reasons to

take them seriously. First, there is the evidence (see Michael Klare in this issue pp.303-18) that in recent years the Pentagon has been emphasizing preparations for intervention in the Mediterranean and Indian Ocean regions. Secondly, the US's highest officials have been regularly invoking the option of intervention in terms that are obviously aimed at legitimizing it.

The military planners

Those familiar with the Pentagon's planning will find in the US defence 'exercises' an ominous shift from the Pacific to the Mediterranean region. The 1950s scenarios of 'jungle warfare', which preceded the massive intervention in Indo-China, have been replaced in the 1970s by training exercises in 'desert warfare', 'mountain drops' and amphibious landings. First-line combat outfits have been in the process of preparing for desert warfare for some time. In the summer of 1973 there was public admission of at least a run-through for a desert-style intervention.[11] Operation Alkali Canyon 73 was more recently supplemented by Operation Petrolandia, involving the First Infantry and the Fourth Cavalry Divisions as well as the First Air Force Squadron. [12] And unlike the limited press reports which had marked the first exercise, Petrolandia was fully described in the *Soldier*, the journal of the US armed forces.[13] And according to *US News and World Report*, the 'Army's crack 82nd Airborne Division ... spearhead of any such [Middle East] operation ... regularly practices parachute drops over the desert around Fort Bliss, Texas, and annually trains for long distance operations with troop drops in Greece, Turkey, and South Korea'.[14]

Recent American moves in the Gulf confirm the extent to which America's military planners view this option seriously. On 25 November 1974 the American aircraft carrier *Constellation* sailed into the Persian Gulf on what was officially described as a 'familiarization' mission. This journey marked a definitive break with the Navy's 26-year-old convention of keeping warships out of the Gulf proper. The *Christian Science Monitor* noted that the voyage was designed to show that Washington 'will not accept any threat to, or interruption of, the supply of oil from Persian Gulf States'.[15] Two weeks later when 2,000 marines from the US Sixth Fleet landed in Sardinia in a mock invasion of Arab oil lands, Vice Admiral Turner told reporters: 'We don't want to invade [the Middle East] but we are prepared.'[16]

On 19 January 1975, the *Sunday Times* reported from London that the Pentagon had asked Sultan Qaboos bin Said of Oman — a trusted friend and ally of the British and of the Shah of Iran — for full rights at the British air base on the island of Nasirah which had been leased to them in 1958 by Oman, a request subsequently granted. Four hundred miles south-east of the Straits of Hormuz, the entrance to the Gulf, Nasirah sits right on the main sea lanes joining the Persian

Gulf to the industrialized world — a perfect take-off and refuelling point only a few minutes by jet from the heart of the Gulf. A month later, *The Times* of London reported that the US had expressed an interest in some kind of presence on the Mosendam Peninsula at the extreme northern tip of Omani territory.[17] This strategically located peninsula forms one side of the Straits of Hormuz.

The decision makers

On a different front, and even more ominously, the intervention arguments have been invested with legitimacy by statements of the highest officials in the US government: President Gerald Ford, Secretary of State Henry Kissinger, and Secretary of Defense James Schlesinger. With almost ballet-like precision, they have raised the issue of American intervention in a fashion seemingly calculated to legitimize it as an option to the public at home while posing it as a threat to adversaries abroad. Since intervention was first hinted at by President Ford in late September 1974, the same pattern has recurred: one of the triumvirate raises the issue, supported (openly or covertly) by another, while the third submerges it with equivocal denials.

Ford began the process by noting in a speech that 'throughout history, nations have gone to war over natural resources'[18] — a hint quickly perceived by the Arab states as a thinly-veiled threat to intervene in case of another boycott or substantial price increase. The same day, Kissinger sounded the same theme in tones later described to newsmen as 'Doomsday language'. [19] A few days later, Schlesinger appeared to calm these fears, noting that the US was 'not contemplating' any military action against the oil-producing states,[20] and claiming that it was 'not anticipated that there was going to be military conflict'. [21] Ford then assumed Schlesinger's tone when asked by *US News and World Report* if military action in the oil fields was possible. He replied equivocally, 'I know of no plan in that regard.' When asked about the irresponsibility of suggesting a military intervention in the Gulf, he called it 'speculation that is not predicated on any plans with which I'm familiar'. [22] Like President Ford, other officials have refrained, even when denying their intent to intervene, from condemning such 'speculations' as irresponsible or jingoistic.

In early January 1975 the merry-go-round of assertions and qualified denials started once again. This time Kissinger took the lead. In a *Business Week* interview, he stated that the US 'would consider using military force in the Middle East under circumstances of grave emergency — if say, the industrialized world became threatened with economic strangulation'. [23] *US News and World Report* later noted that 'to make clear that this [Kissinger] statement was neither accidental nor casual but rather a deliberate declaration of American policy, the State Department distributed the interview in

advance under its own imprimatur. And the White House subsequently announced that Mr. Kissinger was reflecting the views of Mr. Ford.[24]

True to form, a week or so later, Ford reversed his view and stated: 'the US will almost certainly not be tempted to invade the Arab oilfields if the Middle East oil producers impose another embargo similar to that of 1973'[25] — hardly an outright rejection of the intervention option. Schlesinger 'downplayed' the option, but with yet another twist. While there was 'no truth at all in press reports that three American Marine and infantry divisions were being prepared for a possible invasion', Schlesinger did assert that 'such action... was "within the power of the US" — an assessment, he stressed, that was "a statement of fact"'. [26]

The third round came in the middle of May 1975, when Schlesinger warned that 'America would be "less tolerant" of a new oil embargo and is reserving military force as one possible response'. [27] The Arab states once again protested and the usual ritual disclaimers were issued — this time by Ford and Kissinger, the proponents of intervention in the first place. But by this time, the word-bending denials were largely ignored, and the pros and cons of intervention were being openly discussed, by large portions of the American press and public, as technical problems of a legitimate and rational option of US foreign policy.



What then does all this talk and all these preparations portend? To a certain extent they could be viewed as the crude muscle-flexing of a military establishment anxious to preserve both its tarnished self-image as the world's best fighting force and its massively oversized budget. With the defeat of America's colossal intervention in Indo-China, and the consequent stirring of anti-imperialist sentiment all over the world, the US foreign policy establishment is obviously interested in rattling swords in the general direction of those who might forget that the US is still the world's strongest nation.

Another possible motive lies in Kissinger's notion of 'linkage', which links diplomacy with the threat and use of force. It is argued that Kissinger's negotiating strategy requires a convincing threat of force in order to extract from the Arab states the desired concessions to Israel. By raising the spectre of a US military intervention against the Arab oil states, Kissinger hopes to impress upon the confrontation states the desirability of diplomatic movement in the direction America desires. A variation on this theme explains the intervention scenarios as economically-motivated and officially-inspired, low-cost jawboning, designed to bring about a reduction in oil prices. While not seriously intended, the threat of intervention serves in this

case to warn OPEC — especially the Arab Gulf states — of the possible long-term consequences of continued intransigence on the price issue. The US thereby hopes to create divisions in OPEC where previously none existed and widen those which already do.

The logic of intervention

Each of these explanations contains elements of truth. Yet, there are compelling reasons to believe that an American intervention in the Middle East is possible and is treated by Washington as a serious option. In fact, there are deep compulsions within the basic structure of US foreign policy which could lead to a Persian Gulf intervention. As outlined in a preceding article (pp.223-52), US policy-makers view the main threats to their hegemony as converging. They perceive Russian influence as expanding in the region from Mozambique and Guinea-Bissau to Somalia and Iraq. Similarly, the growth of independent economic ties between western Europe and the region which holds the world's largest reserves of mineral and energy resources is regarded with apprehension in Washington. Finally, here more than South Asia, West Africa or Latin America, the national liberation movements are seen as making progress and winning victories — from Angola and Eritrea to Oman and Palestine. If the US contained the expanding Russian influence in that region then the USSR would remain second to the US in a basically bipolar balance of power. If Washington could ensure its paramountcy in that region, control the access to its raw materials and be the watchman of its waterways, then it would have maintained a powerful leverage over western Europe and Japan. Finally, the 'stability' of the international order depends on the containment of the liberation movements and the preservation of pro-US regimes in this strategic area more than in any other. A development which is officially perceived as being decisively unfavourable to US interests may produce a military intervention; and the prospects of such a development occurring are fair.

Kissinger's diplomatic offensive in the Middle East, which aims at correcting the weaknesses of his Southern strategy, is likely to fail for reasons outlined in an earlier article (pp.223-52). This failure will certainly renew and probably enhance Russia's eclipsed role in the Middle East. The leftist forces may also emerge stronger from the diplomatic debacle, especially if the radical Arab groups and governments can help discredit Sadat's and Saud's policy while avoiding the appearance of being responsible for its failure. When confronted with such development US officials may be attracted to military intervention. In so far as the presence of US military advisers and technicians in Saudi Arabia and Kuwait will facilitate a swift, surgical operation, the option may become irresistible.

Since the Middle East belongs in the antagonistic half of detente, a

successful intervention there holds obvious advantages in relation to the USSR. In the game of escalating stakes, which Henry Kissinger so clearly relishes (as do others in the American foreign policy establishment), an oil take-over would present the Soviets with a *fait accompli* difficult to undo or even challenge without bringing the world to the brink of nuclear war. Politically, Russian credibility would take a severe beating. Not only would Russian allies, Syria and Iraq, be sandwiched by the Israelis on the one side and the Americans on the other, but the value of a Russian connection would be thrown into serious doubt throughout the region. According to this view, a decisive show of force in the Persian Gulf would go a long way towards undercutting Soviet prestige, and thus keep the Soviet penetration into the Middle East tentative and unsure.

An intervention would also give the US the power to regulate the pricing and marketing of oil to its restive allies. And while this crude power is not to be overestimated — after all, it is not very likely that America will threaten to turn off the taps to Japan, or even France — the indirect political and economic benefits, according to this way of thinking, could be incalculable. For the point would be underlined that American leadership of the capitalist world cannot be questioned without serious hardship for the questioner. Implicit though it may remain, the message would be impossible to misread.

To a military establishment anxious to restore its credibility after its astounding failure in Indo-China, a Persian Gulf intervention would appear to offer a unique opportunity to redeem past failures — for the same reasons which earlier led the French defence establishment, frustrated in Vietnam and Algeria, to participate in the 1956 invasion of Egypt. It would satisfy the compulsions to find and fight a conventional enemy according to conventional ground rules.

Furthermore, in the arid desert terrain surrounding the Dharan oil fields, all the *military* excuses for the Vietnam disaster are missing: there is no jungle for the enemy to hide in; no demographic sea for the 'guerrilla' fish to swim in; and no safe sanctuaries protected from destruction by fear of world opinion. Instead of a long, protracted war fought for no clear reason, the planning here calls for a quick, surgical operation with minimal loss of American life against a popularly-understood threat to the 'American way of life' — a swift and decisive move which will unite the nation, rather than divide it with unending shame and recrimination.

A successful Persian Gulf intervention, finally, appears as the master stroke that can reconstitute the Vietnam-torn fabric of the bipartisan domestic consensus on foreign policy.

A new demonology

Constructing a new domestic consensus for an old and discredited policy is the principal domestic challenge for the architects of US

foreign policy; and a Persian Gulf intervention may appear as a valuable tool for doing so. The restoration of the consensus necessitates what Kissinger has aptly termed a 'legitimizing principle of social repression' and ideological explanation which would ensure the support of the American people and Congress for an aggressive policy abroad. The language of *realpolitik* offers a poor basis for popular support for a corporate ideology. Hence, modern imperialism has needed myths to legitimize itself; typically, these myths have been a mixture of destiny and demonology. A policy which responds to the interests of the few but needs the support of the many must invoke the people's sense of mission and of fear. The British carried the 'white man's burden'; the French had their '*Mission Civilisatrice*'; and America stood watch over the world's freedom. Each, in its mission, was threatened by the forces of evil — the yellow, the black and the red perils. Take the myth away, and domestic support for imperial policies will begin to disintegrate, unless a new set of myths replaces the old.

The Vietnam War put an end to the simple, powerful imperatives of the cold war. By their suffering and perseverance the Indo-Chinese exposed the hollowness of Washington's claim to be the 'watchman on the ramparts of world freedom'. The essential loneliness of their resistance (dramatized by escalated US bombings of North Vietnam just before Nixon's visits to Peking and Moscow) helped destroy the demon of international Communist conspiracy. Detente accelerated the end of the old consensus. By juxtaposing enmity and alliance, confrontation and camaraderie, diplomatic sell-outs and revolutionary solidarity, the policy of detente ended the certainties which had defined the cold war consensus in the US. Hence a new mission and a new demon have to be invented as a substitute for the old. Both are in the process of being found in the Middle East and Africa; intervention may be part of that process.

The demon, of course, is the fat, rapacious Arab sheikh whose grossly extravagant pleasures are financed by the hard-earned money of the western people. In editorial cartoons, he whizzes across a barren desert in a Cadillac, burning for pennies the gasoline so dear in the West. Riding in a Rolls-Royce to the stock-brokerage firm he has just purchased with his ill-gotten gains, he commands the doorman to inform the firm's Jewish partner that he has been fired.

Ignotus is quite explicit in this context, including in his definition not only the Arabs, but other Third World peoples as well: 'military dictators and megalomaniacal kings of OPEC', 'narrow self-appointed ruling groups (elections have become a rarity in Asia and Africa) fond of shiny black cars and numbered Swiss accounts', not to mention the by-now infamous 'OPEC extortionists' and 'Arab blackmailers'. While Tucker eschews obvious racism, his assumptions about the basic moral legitimacy not simply of economic exploitation but of military

occupation and seizure of another country's mineral wealth as a means of saving civilization is shot through with the profound if silent racism of imperialism. The imagery of these rich greasy Arabs (oil is of their very essence) with voracious sexual and sensual appetites, indulged at the expense of the sweat and toil of others, is calculated to set off a series of racist associations, all of which points to one conclusion repeatedly hammered home: the threat posed to western civilization by the profligates of OPEC.

With this new demonology is born a new American mission: the saving of western civilization from the clutches of the sheikhs through the destruction of OPEC. The whole question of a military intervention in the Persian Gulf becomes not a desperate act of a declining imperial power, but a courageous and disinterested gesture by the American people, undertaken in order to save the West from its otherwise imminent demise at the hands of the 'extortionists' and 'blackmailers'.

Consequences and deterrents

One can only speculate on the consequences of US intervention in the Middle East. One consideration is whether or not the course advocated by Tucker, Ignatus et al., prepared for by the Pentagon and legitimized by Kissinger and Ford, is likely to succeed. Militarily, a successful US intervention in Saudi Arabia or Kuwait (or both) is possible. Whether oil will continue to flow after such an intervention is more problematic. Tucker, Ignatus, and even some military sources not favourable to intervention, minimize the problem, claiming that it would take from three to nine months at the outset to get the oil moving again.[28]

While little has been written even in petroleum journals about the extent of damage which may be inflicted by local forces, experts in oil technology argue that two categories of destruction are likely. The first is easy to inflict and relatively easy to repair, such as tampering with tap-lines and blowing up pipes. Taplines and valves which are not destroyed can be opened if shut, or patched up if broken. Pipes can also be fairly easily replaced given sufficient quantities of the right-size pipe, which could easily be produced as part of an intervention operation.

The second category of destruction is that which is easy to inflict and extremely difficult to repair. It may include destruction of valves, starting fires in the wells and the sabotage of terminals. Bart Collins, a British oil expert, says that while oil fires can be put out — by blasting the underground fields with heavy explosives — the process is expensive and the full effects of underground explosions are by no means clear. But it is clear that fires destroy the reserves in which they are started. While local forces might later regret such a tactic,

in the midst of an invasion cool heads are unlikely to prevail. In addition, oil fires can be started with relative ease by those familiar with oil technology. In the case of an invasion and occupation the US forces would thus be required to maintain a level of security precautions comparable only to those in atomic installations.

The more serious problem is repairing devastated oil terminals. 'You don't have to go as far as the Gulf. You can look at the terminals here at the mouth of the Thames', Collins says. 'Three hand grenades and it's all over. A well-placed high-speed bullet can blow a tanker and all its cargo sky-high. It would take nine months at least to get anything substantial out of Ras Tanura if it were blown up — and two years to reconstruct it. And two seconds to blow it up all over again.' To the extent that countries like Saudi Arabia, Kuwait and Libya manifest their preparedness to inflict lasting damage to the oil installations, it will serve to deter intervention.

The final technical problem is that of stockpiling. Before the October War the Common Market countries stockpiled only six weeks' of oil reserves. With much debate (chiefly over the increased cost of keeping large reserves) the limit is now 99 days' supply. For the US the problem is less serious because it depends on exports for only a small percentage of its energy needs — in a pinch the government could exploit the naval reserves at Elk Hills, California, and if necessary it could nationalize for a brief time other privately-owned domestic reserves, although that step is unlikely. The rest of the world, however, could not face with the same equanimity as the US the six months' minimum between the time when their oil ran out and when the Gulf terminals could begin to operate at pre-invasion capacities. The US could very well destroy the Japanese and European economies in order to save them. For this reason western European countries have been warning the US against intervention. The oil-producing governments of the Gulf will do well to help separate the interests of Europe from those of the US, i.e., if their objective is really to safeguard their national sovereignty rather than serve their class or dynastic interests. For example, in the event of a fifth Arab-Israeli war (the likely occasion of US intervention), it will make no sense to declare an oil-boycott against Europe. Such an act, notwithstanding its popularity, would only strengthen the support for intervention.

US relations with the Soviet Union would be severely strained whether an intervention succeeded or not — even assuming that the Russians show their characteristic conservatism and do not posit a substantive and prompt challenge to US intervention. The USSR accepts US support of Israel because it defines the Arab governments' admission of an active Russian presence in the region. An intervention, however, would be a radical challenge which they would be unable to countenance passively. Within the Kremlin, the

advocates of detente would undoubtedly be discredited. Such a development would also be a severe blow for the American liberal corporate elite which has embarked on 'detente' for very specific economic reasons: the need to open previously closed markets, i.e., Russia and the Soviet-dominated Comecon bloc, as Third World markets and raw material depositories formerly open to the US become less and less accessible. Faced with the prospect of a non-expanding US economy, it has dangled superior US technology before the Soviet leadership in the hope of opening these new markets to US penetration. A military intervention in the Persian Gulf would make such an expansion a good deal more difficult to sustain. Hence it can be assumed that a section of the American liberal establishment will remain opposed to a direct intervention which might cost the US an expanding Comecon market and augment popular resistance to US corporations throughout the world.

The main deterrent to a US intervention, however, lies in the Middle East itself. A perverse way to deter a military intervention is to invite a 'peaceful' US occupation of the Gulf. The level of Arab arms trade with the US, the accompanying advisers and technicians (the major portion of the total 'sales' actually support US personnel in the purchasing countries) and the hospitality being offered to the US naval and air forces in the area suggest that this is the option preferred by the sultans of Arabia. In effect US military occupation of the Gulf has already begun and is being financed by Arab rulers. True patriots, however, would try to deter intervention by removing from the Gulf the vested interests which lie at the heart of imperial schemes — by nationalizing national resources and adopting a just and progressive policy of supplying oil to other nations. Diplomatically they would pursue a policy of winning multiple allies, of exploiting the conflict between the superpowers, of isolating the US from its European and Japanese allies and of exposing the intransigence of Israel while denying the opportunity and pretext for initiating a war. Militarily they would follow a defence strategy aimed at rendering an intervention costly to the US. But a close look at the arms purchases of Saudi Arabia betrays a preoccupation with prestige, not with defence. The Gulf should be turned into a graveyard for the ships and air planes of an aggressor. Its coastlines should be studded with ground-to-sea missiles of the kind (styx) which sank the Israeli Elath, rather than be crowded with sophisticated tanks and armoured carriers; similarly, as the Vietnamese have demonstrated (and the Syrians and Egyptians experienced in the October War), easy-to-operate anti-aircraft missiles are, for a people defending their homeland, more valuable weapons than supersonic jet fighters. As they are constituted today, the defence forces of the sultans are not much more than expensively-armed levées, dependent on foreign

technicians and good for little more than domestic tyranny and ceremonial parades.

1. *Commentary* (January 1975), p. 31.
2. Miles Igotus, in *Harper's* (March 1975), pp. 48-50.
3. *New Leader* (11 November 1974), p. 8.
4. Igotus, op. cit., p. 48.
5. *Ibid.*, p. 52.
6. Tucker, op. cit., p. 26.
7. Igotus, op. cit., p. 57.
8. *Ibid.*
9. Tucker, op. cit., pp. 27-8.
10. Igotus, op. cit., p. 62.
11. See *Time* and *US News and World Report* (*US N&WR* hereafter) (27 August 1973), p. 24 and pp. 28-30, respectively.
12. *Daily Telegraph* (16 December 1974).
13. *Soldier* (Winter 1974).
14. *US N&WR* (2 December 1974), p. 19.
15. *Christian Science Monitor* (26 November 1974).
16. *Washington Evening Star News* (10 January 1975); see also I.F.Stone, 'War for Oil?', *New York Review of Books* (6 February 1975), pp. 7-10.
17. *The Times* (7 December 1975).
18. *International Herald Tribune* (26 September 1974).
19. *The Times* (26 September 1974).
20. *Ibid.*
21. *International Herald Tribune* (26 September 1974).
22. *US N&WR* (25 November 1974).
23. *Guardian* (5 January 1975).
24. *US N&WR* (20 January 1975).
25. *Guardian* (22 January 1975).
26. *Guardian* (25 January 1975).
27. *Daily Telegraph* (20 May 1975).
28. *International Herald Tribune* (13 January 1975), p. 2.

Everything that rises must converge: a review article*

In a 14 July speech Henry Kissinger noted that 'History haunts us all'. And so it does — much to Kissinger's dismay. The occasion was not a celebration of Bastille Day but a lecture to Milwaukee citizens on American problems with the United Nations. Not so long ago the Secretary was haunted largely by Vietnamese history; now he must brood over the whole globe.

There are constant reminders that many crises are presently converging on the world. Severe inflation and unemployment plague every industrialized or industrializing country without a planned economy. The international monetary system is having such a hard time making a go of it that its directors keep having to change the rules of the game. There is the 'energy crisis' and the 'food crisis'. And the United Nations is now a problem for the United States because it is no longer the club of the rich and powerful. The non-aligned nations are effectively using it as a forum for their demands, sometimes forcing it to serve their needs. The debate initiated by the non-aligned in the United Nations about a new international economic order reflects a history of which Kissinger is aware. In his Milwaukee speech he admits that: 'The major powers have hardly always set a consistent example of altruistic or benevolent behaviour. The nations which would seek to coerce the industrialized countries have themselves been coerced in the past.'

The post-Second World War years saw the development of two other major changes in terms of global economy. The non-capitalist areas, to a greater or lesser degree outside the economic system dominated by the United States, grew substantially. Within the

*A review of *Middle East Oil and the Energy Crisis* by Joe Stork (New York and London, Monthly Review Press, 1975), 326pp. \$12.95/£5.75.

ELAINE FULLER is a researcher for NARMIC (North American Research on the Military Industrial Complex).

Race and Class, XVII, 3 (1976).

capitalist world these years saw the culmination of a trend away from a more competitive world market place towards markets controlled by fewer and larger conglomerates operating as monopolies.

In today's world economic order the principal tension is between rich and poor nations over control of raw materials. Within this context there are several competing centres of power among the rich nations, although the United States remains economically and militarily dominant. Among the poor nations, there is great economic and political diversity, but the nature of their relationship to the industrialized world welds them together into an increasingly solid block. Finally, in most countries, rich and poor, we find enormous gaps between a wealthy national elite and the vast majority of the people.

Oil is the focal point of confrontation. It is now the single most important raw material in the economic life of the industrialized and industrializing world. The seven major oil companies in the world, five of them US corporations, were not only the pioneers of multinational corporations but are among the largest and most diversified. They are confronted by the Organization of Petroleum Exporting Countries (OPEC) representing politically and economically diverse countries who have learned the importance of united action against a common force.

Joe Stork's *Middle East Oil and the Energy Crisis* is an excellent study of the development of this conflict: While the American public grows more suspicious of the power and control that transnational corporations have over peoples' lives, few studies have explained how this power works. *Middle East Oil and the Energy Crisis* is especially helpful for its explanation of the structure of the oil industry. In brief, major companies are not only vertically integrated (within a company) — controlling exploration, production of crude, refining, transport and marketing — but also horizontally integrated (between companies) through joint ventures, long-term supply contracts, division of markets and profit-sharing.

Profits on Middle East crude oil, concentrated at the production stage, were astounding especially during the years 1948-60. Stork explains that:

The basis for fantastic profits is the incredibly low cost of producing Middle East oil, combined with the artificially high price structure of the world oil industry.... A Chase Manhattan Bank study in the early 1960s concluded that the average cost of maintaining production in the Middle East is 16c per barrel, while average Venezuelan costs per barrel are 51c and U.S. costs are \$1.73.

The pricing system previously used by the international companies is a good illustration of monopoly control. Until the Second World

War the United States was still the major supplier of crude oil and petroleum products on the world market. The oil companies, therefore, based the world price on the price in the United States, which was kept high by means of prorating or restrictions in production. The minimum price or base point was the high price of Texas crude. Even though Middle East production costs were extremely low, the market price was set at the Texas base point plus the fictional cost of transportation from the Gulf of Mexico to the purchaser, usually Europe or Japan. There was no relationship between the price of Middle East crude and production costs. With no market-place competition, the companies and not the consumers enjoyed all the benefits of lower production and transportation costs.

Stork's descriptions of early challenges to the control of the major oil companies illustrates quite well the complete power they held, power based on total control. Against such power one country alone had little chance of success, as was illustrated by the fate of Mossadeq's government after it nationalized Iranian oil in 1951. Referring to the CIA-supported coup against Mossadeq, a *New York Times* article of 6 August 1954 expressed the rich countries' and oil companies' point of view: 'underdeveloped countries with rich resources now have an object lesson in the heavy cost that must be paid by one of their number which goes berserk with fanatical nationalism.'

The formation of OPEC in 1960 was the first attempt by the producing countries to gain more strength through unity. It grew out of the response of the major companies to problems within the industry itself. With monopoly control of the industry, the major oil companies could raise prices even as production costs declined. Higher prices encouraged surplus production without increased demand. The majors increased profits by importing Middle East crude into the high-priced US market until pressure, largely from independent domestic producers, brought about mandatory import controls in 1959. These import quotas increased the supply-seeking markets in Europe and elsewhere.

High prices and oversupply, plus slight competition from Soviet oil, finally weakened the market. By cutting official or posted prices in the Persian Gulf, company executives passed the loss on to the producing countries whose 50-50 profit split was based on posted prices, not market prices. Writes Stork:

Enraged at this arrogant action that severely disrupted their national budgets, representatives of the Arab producing states met in Baghdad with their colleagues from Iran and Venezuela after the second price cut to attempt collective action in defense of their countries' economic interests.

Thus OPEC was formed.

Unity among the OPEC countries was very weak for many years, and Stork describes the limited but significant financial advantages it secured in the light of their high political cost. Instead of taking unilateral price action, OPEC accepted the principle of negotiation which meant companies could drag out proceedings while hindering and influencing decision-making. As it was not negotiations between equals, this supposed fair-play could only operate in favour of the stronger. In addition, OPEC had agreed to individual country-company negotiations allowing 'the companies to pressure any producing country to come to terms by simply cutting back production in that country, and thus tax revenues, in favor of a more compliant or "realistic" producer'.

Stork further explains:

It was OPEC's basically conservative character which allowed these compromises. The conservative regimes used OPEC as a means of curbing radical Arab nationalist opposition. An example of this was the isolation of Iraq which had limited the companies' area of exploitation to little more than their existing facilities, or 0.5 per cent of the original concessions. While this did not affect existing production possibilities by the majors, it aimed to cut down on their control and market. They retaliated by holding down production in Iraq; expanding it in Iran, Saudi Arabia and Kuwait.

The question of OPEC's basic political character is a crucial one in determining its consequences for the world economic order as a whole and the direction of the growing struggle for control of natural resources. True, most of the OPEC countries are not pursuing internal social change. Furthermore, rather than nationalize their oil industry they are willing to follow a policy of collaboration with the major companies in a system still oriented to the benefit of the industrialized world at the expense of the Third World. Nevertheless, even as the conservative countries, notably Iran and Saudi Arabia, force compromise within OPEC, they are not willing to commit political suicide by completely breaking the unity which has won for them certain very real transfers of power and wealth. While the oil companies, strongly supported by the US government, can take advantage of the conflict between conservative and radical forces within OPEC, they cannot destroy the organization. Its reason for existence is too basic to all its members. Moreover, when opportunities arise, the radical nationalist countries, notably Algeria, Libya and Iraq, are able to gain ground. Indeed, Stork argues that, 'In every case, whether it be prices or participation, the direction and the pace of change has been set largely by the radicals.'

Stork explains the development of these opportunities for change in all their complexity. To a great extent, they had to do with the combination of high prices and overproduction. Beginning in the late

50s some producing countries had gained from the major oil companies some control over small amounts of oil. Either the companies paid taxes in oil which the countries could then market themselves or the countries were able to claim some oil fields as the domain of their national oil corporations. In this way the producing countries were able to take advantage of competition between the majors and the many smaller independent companies who were eager to break into the lucrative Middle East oil trade. The smaller companies willingly accepted arrangements with very reduced profit margins. That they did so is only an indication of the enormity of the profits being made in the Middle East.

At the same time the majors' strategy to protect themselves against political and economic crises in one area was to diversify into others. As Stork explains:

Throughout the 1960s, with a situation of increasing supplies and weakening prices, the companies continued to spend millions looking for oil in Indonesia, West Africa, Alaska, and the North Sea, in what *Business Week* (in 1969) called, 'the wildest — and most widespread — oil rush in history ... in face of an oversupply of crude so massive that if not one additional barrel of oil were found the world could maintain its current consumption for more than 30 years'.

The oil rush led to the discovery of vast reserves of high quality oil in Libya and good deals from the Libyan government, especially for some of the independent companies. Even with the weaker market prices of the 1960s, profits from Libyan oil zoomed. All this backfired, however, with the Libyan *coup d'état* of 1969. As early as January 1970 the national oil companies of Algeria, Libya, Iraq and Egypt met together to try to counter the conservative Arab nations dominated by Saudi Arabia. The time was ripe for change; when Algeria unilaterally increased posted prices for exports to France from \$2.08 to \$2.85 a barrel, Libya cut production in solidarity. Access to Libyan oil was crucial — the oil companies soon came to some agreement over price increases. There were repercussions throughout the oil-producing world as other producers realized the possibilities. Even Saudi Arabia announced the beginning of renegotiations with Aramco.

The October War of 1973 provided another advantage for the radical governments. Between 1970 and the war there had been significant changes in the oil industry: surplus production had disappeared, producer governments had increased control over production and the United States, using more energy than ever before, looked to Middle East oil to meet its inflated needs. The radical governments had continued to press for revised pricing in face of growing inflation, currency revaluations and rising market prices

for crude oil and petroleum products. Saudi Arabia and Iran dominated the opposition but against the background of the war they lost out. Greatly increased US military aid to Israel finally forged further unity in initiating an oil embargo by the Organization of Arab Petroleum Exporting Countries (OAPEC).

The embargo had some effect but did not last long. Saudi Arabia, the largest producer of crude, was, as usual, more than willing to compromise with the companies. Nevertheless, the consumer countries, trying to secure supplies against another such crisis, began in some cases to bypass the major oil companies in bilateral deals with the producers. Thus the pattern was set for continued price increases by the producers in their own interests.

OPEC's relationship to the growing struggle for control of natural resources is an issue Stork refers to but does not pursue. It is, perhaps, the subject of another book. The confrontation between OPEC and the industrialized nations has already had important consequences in both rich and poor worlds. For one thing, the success of OPEC has inspired the creation of other producers' associations. The International Bauxite Association, for example, is gathering strength precisely because aluminium, like oil, is so vital to the industrialized world, especially in the aerospace industries. IBA's leading country, Jamaica, has forced a renegotiation of its contracts with the aluminum companies which recognizes the value of bauxite as a percentage of the value of the end products. For years Algeria struggled for just this principle within OPEC.

The question is not whether other producers' associations can succeed. They are the expression of a struggle that will continue one way or another. The question is how the industrialized countries react to them. The level of unity among the non-aligned countries is still fragile, and the strategies of divide and rule devised by the United States and other industrialized countries may bring about major setbacks.

Nevertheless, it is important to understand the direction in which the non-aligned group of nations is moving and why. The Declaration from the Lima Conference of Ministers for Foreign Affairs of Non-Aligned Countries states:

The success of liberation movements in Africa and of revolutionary forces in Kampuchea (Cambodia), Vietnam and Laos, the strengthening of nationalism and of structural changes in Latin America, and positive changes which have taken place in some European countries constitute a favourable feature of present international developments.... The Conference declares that the victory won by the Vietnamese people is also a triumph of the Non-Aligned Countries, of socialist countries and of other people in the world who have efficiently supported this just struggle.

How does one interpret the fact that countries such as Indonesia and Saudi Arabia signed this statement? One may rest assured that they do not advertise the fact to the people at home. But internationally they find it more in their interests not to be seen as total puppets of the United States. This says something of the growing importance of the Group of Non-Aligned which now includes Cuba, North Korea, Vietnam and Cambodia. Another point little understood by people in the West is the degree of resentment towards the industrialized world held even by those very elites in Third World countries who have sold their souls to it.

Similarly, the urgency of the non-aligned nations is little appreciated by most Americans. The Algerians, a leading ideological influence within the Group of Non-Aligned and the movement of producers' associations, are aware that some day Algeria's oil will run out. Therefore the Algerian government must gain control over its main resource as soon as possible. Only oil has the potential of generating sufficient amounts of capital necessary to begin industrialization in Algeria. Socialism, the Algerians feel, can only begin to develop once the economic autonomy of the country has been assured. We find the same sentiment in a Jamaican Embassy publication:

Jamaica needs to get more from bauxite to meet the pressing social and economic needs of the country. The country must get a substantially higher return from each ton of bauxite mined. This is a 'wasting asset' which, once dug out of the ground, is gone forever. The country must exercise considerably more control over the manner and rate at which the industry develops and it must be restructured to better serve the social and economic interests of the country.

As the conflict intensifies it also increases competition between the industrialized countries for economic advantage. As a means to diminish United States power in the Middle East, the more radical countries — Algeria, Iraq and Libya — began to ally themselves more to Europe. (On the other hand, in trying to break France's hold on its economic life, Algeria found it useful to make offers to US corporations to do business there.) Whether in their competition with Europe or their penetration of the Third World, US oil companies have had the active support of the US government, according to the history told in *Middle East Oil and the Energy Crisis*. One of the major tools of US intervention is military and economic aid. Stork cites case after case of the uses of aid to influence or threaten.

The companies, because they are transnational, have many ways to try to deal with challenges such as OPEC. As they do so, the arena of conflict is expanded to the United States itself. Stork's study shows us concretely how this takes place and should be required reading for

everyone who thinks we pay higher and higher prices for our oil because the greedy Arabs are piling up fortunes.

In anticipation of lower Middle East profits the oil companies began in the early 1960s to obtain controlling interests in all other competing energy sources in the United States. The result 'was a greater ability to manipulate and extort higher prices and profits from the public.... The chairman of the board of TVA, a major coal consumer, has testified that one oil company executive told him that they would provide new supplies, but only at a price that would yield the same profit that they were accustomed to receiving on oil.'

With such a monopoly already established it is no wonder that, as *Business Week* tells us: 'When the Arabs started oil prices on their upward spiral in late 1973, U.S. oilmen could hardly contain their enthusiasm.' Stork's account of oil company negotiations in regard to the price increases bears out this statement. By claiming a sudden energy crisis the companies could raise prices on *all* energy sources even higher than the percentage of profits lost in the Middle East — and with the perfect opportunity to put the blame on another party. The public then accepts more easily the higher prices following so-called shortages of fuel, gasoline and natural gas. It does not blame the oil companies when schools and other institutions are forced to close down at times in the winter. The industry even seizes the opportunity to call for the elimination of the few inadequate air pollution requirements now in existence. Proclaiming an energy crisis is an old oil company tactic when dealing with threats to their control or profits, Stork notes. There were 'energy crisis' after both World Wars.

Now that the oil companies have been able to increase prices so much, the strip mining of low-grade coal or oil-bearing rock has become highly profitable. This destructive activity is one of the biggest threats to the environment and people's lives today. In conjunction, it comes as no surprise that the oil companies are among the largest owners and leasers of land in the United States. Oil company policy is seen in the development of transportation in the country — the largest consuming sector of petroleum and a major cause of pollution. Yet for the majority, it is impossible to decide not to use an automobile but rather a safer, cleaner means of transportation that will cut energy use. It does not exist.

All this is not to say that there is not a growing crisis in the use of energy. But it does not arise from either manipulated shortages or temporarily real shortages caused by problems at the distribution or refining stages. It is a long-term problem growing out of the enormous and wasteful use of energy by the industrialized countries, especially the United States, which with 6 per cent of the world's population consumes one-third of the world's energy.

The largest customer of the US oil companies is, of course, the

military, purchasing billions of dollars of petroleum products each year. The vast amounts of energy wasted in ways that do not even pretend to meet the needs of people is sustained by the oil corporations and other multinationals whose profits are based on that waste. Energy sources are finite and some day someone will have to pay.

Algeria makes this very clear in its memorandum to the April 1974 Special Session of the United Nations on *Petroleum, Raw Materials and Development*:

The Western countries, which have certainly been able to come up with 80 billion dollars to go to the moon, and have swallowed up several hundred billion dollars in war, continue to spend more than 120 billion dollars a year on the accumulation of weapons, over 20 billion dollars a year on large-scale political projects, billions more on prestige expenditures, in the 'gadgetization' of their economies and in wastage of all forms. When at the same time they say that their economies cannot afford to pay the additional \$50-odd billion to meet the increase in the price of petroleum ... one can only understand that, according to their way of seeing things, the conquest of space, the armaments race and the countless expenditures for purposes purely of prestige come higher on the scale of human priorities than the needs of development....

While it is not the American people who make the decisions regarding such priorities, they do participate in a society and culture formed by such decisions. The economic changes contemplated by the Third World will mean great changes in the 'American way of life'. From the evidence marshalled in *Middle East Oil and the Energy Crisis* we can anticipate that these changes will be fought by the American government and the oil companies. But Stork's account of oil also holds another equally troubling message for American citizens: the demands of the OPEC countries, given their histories and future prospects, are just. Both American consumers and the inhabitants of the OPEC countries are dominated by the tremendous power of the oil companies. If Americans have been slow to understand their position, in Stork's *Middle East Oil and the Energy Crisis* they now have a serious and timely contribution to their education.

What are we to expect if the demands of the Third World on the developed countries are not met? Again the Algerians tell us that if the answer to the call for cooperation in development should be negative, then the Third World countries will realize that their development.

will be accomplished only through struggle. The world will then experience a period of conflict, in the course of which the

countries of the Third World will be forced, whatever the cost, to use every possibility at their disposal.... In these conflicts the countries of the Third World do not perhaps have much to win. But they have almost nothing to lose, since they will soon have lost everything due to the perpetuation of the present system of imperialist domination.

THE REVIEW OF RADICAL POLITICAL ECONOMICS

Published by the Union for
Radical Political Economics

**UR
PE**

Volume 7, No. 2

Summer, 1975

Michel De Vroey

The Separation of Ownership and Control in Large Corporations

William Wycko

The Work Shortage: Class Struggle and Capital Reproduction

Bryan Palmer

Class, Conception and Conflict: The Thrust for Efficiency,
Managerial Views of Labor and the Working Class Rebellion,
1903-1922

Andrew Zimbalist

The Limits of Work Humanization

____ Enclosed is \$25 for a 1-year Contributing Subscription.
Here's _____ \$20.00 for a 1-year regular subscription;
_____ \$7.50—\$20.00 for a 1-year subsidized subscription; _____ \$30.00 for a
1-year institutional subscription.

Name _____

Address _____

Zip Code _____

send to:

URPE

41 Union Square West, Rm 201
New York, NY 10003

Books received

This listing does not preclude subsequent publication of reviews.

- Adopting a Black Child.* By Barbara Jackson. Cambridge, The Association of British Adoption Agencies, 1975. Paper 40p.
- And Bid Him Sing.* By David Graham DuBois. Palo Alto, California, Ramparts Press, 1975. Cloth
- The Beeches Road Area Study: A Potential Housing Action Area.* By Pat Niner, Valerie Karn, Alan Murie and C.J. Watson. Birmingham, Centre for Urban and Regional Studies, 1975. Paper £2.00
- Black Americans and the White Man's Burden 1898-1903.* By Willard B. Gatewood, Jr. London, American University Publishers Group Ltd., 1975. Cloth £7.80
- Children and Race.* By David Milner. Harmondsworth, Penguin Books Ltd., 1975. Paper £1.00
- Chile: The Struggle for Dignity.* By Gary MacEoin. London, Coventure Ltd., 1975. Cloth £3.75
- Conditions of Work and Life of Migrant and Seasonal Workers Employed in Hotels, Restaurants and Similar Establishments.* By International Labour Organization. Geneva, The International Labour Office, 1975. Paper Swiss Fr.9
- Economics of Racism U.S.A.* By Victor Perlo. New York, International Publishers, 1975. Paper \$4.25
- Les Enfants de Travailleurs Migrants en Europe.* By Centre International De L'Enfance. Paris, Les Editions ESF, 1974. Paper
- Ethiopia: From Autocracy to Revolution.* By Addis Hiwet. London, Merlin Press for Review of African Political Economy, 1975. Paper
- Ethnicity and Suburban Local Politics.* By David J. Schnall. London, Martin Robertson and Co. Ltd., 1975. Cloth £8.25
- Exclusion, Exploitation and Extermination: Race Relations in Colonial Queensland.* By Raymond Evans, Kay Saunders, Kathryn Cronin. Sydney, Australia and New Zealand Book Co., 1975. Paper
- Found Guilty: The Verdict of The Russell Tribunal Session in Brussels.* Spokesman Pamphlet No. 51. Nottingham, The Russell Press Ltd., 1975. paper 40p
- Guerrillas.* By V.S. Naipaul. London, Andre Deutsch Ltd., 1975. Paper £3.25

- How to Read Donald Duck: Imperialist Ideology in the Disney Comic.* By Ariel Dorfman and Armand Mattelart. New York, International General, 1975. Paper £1.35
- Kipling: The Glass, The Shadow and The Fire.* By Philip Mason. London, Jonathan Cape Ltd., 1975. Cloth £6.00
- Man and Development.* By Julius K. Nyerere. London, Oxford University Press, 1974. Paper
- The Morning Breaks: The Trial of Angela Davis.* By Bettina Aptheker. New York, International Publishers Co., 1975. Paper \$3.75
- Moses Ascending.* By Sam Selvon. London, Davis-Poynter Ltd., 1975. Cloth £3.00
- Penelope Hall's Social Services of England and Wales.* Edited by John Mays, Anthony Forder and Olive Keidan. London, Routledge and Kegan Paul, 1975. Paper £2.95
- Plantation Societies, Race Relations, and the South: The Regimentation of Populations.* By Edgar T. Thomson. Durham, Duke University Press, 1975. Cloth \$12.75
- The Political Status of the Negro in the Age of FDR.* By Ralph J. Bunche. London, The University of Chicago Press, 1975. Cloth £4.50
- Portugal: The Last Empire.* By Neil Bruce. London, David and Charles (Holdings) Ltd., 1975. paper £1.95
- The Quality of Hurt: The Autobiography of Chester Himes, Volume I.* By Chester Himes. London, Michael Joseph, 1973. Cloth £3.00
- Race and Education Across Cultures.* By Gajendra K. Verma and Christopher Bagley. London, Heinemann Educational Books Ltd., 1975. Cloth £8.25
- Race, Science and Society.* Edited by Leo Kuper. London, George Allen and Unwin Ltd., 1975. Cloth £5.95
- Research Strategies for Social Welfare.* By Ray Lees. London, Routledge and Kegan Paul, 1975. Paper £1.80
- Revolutionary Tracings in World Politics and Black Liberation.* By James E. Jackson. New York, International Publishers, 1974. Paper \$3.50
- Slavery and Race Relations in Latin America.* Edited by Robert Brent Toplin. London, Westport Publications Ltd., 1975. Cloth £10.75
- The Shaping of Black America.* By Lerone Bennett, Jr. Chicago, Johnson Publishing Company, 1975. Cloth
- South Africa: Black Labour-Swedish Capital. A Report by the LO/TCO Study Delegation to South Africa 1975.* Stockholm, TCO, 1975. Paper
- The South Since 1865.* By John Samuel Ezell. London, Collier-Macmillan, 1975. Cloth £7.75
- Still a Dream: The Changing Status of Blacks Since 1960.* By A. Levitan, William B. Johnston and Robert Taggart. London, Harvard University Press, 1975. Cloth £9.00
- Studies in African Social Anthropology.* Edited by Meyer Fortes and Sheila Patterson. London Academic Press, 1975. Cloth £7.50

- A Survey of Puerto Ricans on the U.S. Mainland in the 1970s.* By Kal Wagenheim. London, Martin Robertson and Co. Ltd., 1975. Cloth £7.45
- The Time of Anger.* By Thelma Nurenberg. New York, Abelard-Schuman, 1975. Cloth \$6.95
- Timor: Freedom Caught Between The Powers.* By Dennis Freney. Nottingham, The Russell Press. 1975. Paper 75p
- To Wash an Aethiop White: British Ideas About Black African Educability 1530-1960.* By Charles H. Lyons. New York, Teachers College Press, 1975. Cloth \$7.50
- Toward an Anthropology of Women.* Edited by Rayna R. Reiter. London, Monthly Review Press, 1975. Cloth £6.60
- Working Papers in Haitian Society and Culture.* Edited by Sidney W. Mintz. Yale University, Connecticut, Antilles Research Program, 1975. Paper
- Xenophobia and Immigration 1820-1930.* By Thomas J. Curran. Boston, Twayne Publishers, 1975. Cloth \$7.95
- Yanqui Dollar: The Contribution of U.S. Private Investment to Underdevelopment in Latin America.* New York, North American Congress in Latin America, 1975. paper \$1.50

THE GULF COMMITTEE
6, ENDSLEIGH ST LONDON WC1

Gulf Studies : 1

Spring 1976

Introduces and encourages discussion of a wide range of issues concerning the Arabian Peninsular and Iran, including the future development of society, ideology and class struggle; as well as translations of significant articles from Arabic and Persian.

SUBS: £1.10 p.a. (U.K.); £2.00 p.a. (Overseas)
HALF-YEARLY

Write for further information and publications lists.

Japan-Asia Quarterly Review

Subscribe now!

It need hardly be emphasized that developments in Japan in coming years will be of profound significance for Asia, for the U.S. and for the international system as a whole. Some of the most informed and thought-provoking analysis of Japan and its emerging international role have appeared in AMPO. The Review has published extensive and enlightening commentary on U.S.-Japan imperialism, on Japanese political, economic and cultural developments, and on popular struggles within Japan and Asia--the women's, labor, anti-pollution, student and anti-war movements. For anyone who is concerned with the role of Japan in world affairs or the prospects for Japanese Asian society, the Review is essential reading.

Noam Chomsky

*Subscription rate

One-year subscription
(four issues)
individual US\$6.00
institutions US\$15.00

*Back issues of AMPO
9-issue bound volume
US\$15.00

AMPO editorial office
P.O.Box 5250
Tokyo International

The Journal of Modern African Studies

Edited by: DAVID KIMBLE

Volume 13, Number 4, December 1975

MICHAEL F. LOFCHIE: Political and Economic Origins of African Hunger

SURENDRA J. PATEL: Collective Self-Reliance of Developing Countries

MILES D. WOLPIN: Dependency and Conservative Militarism in Mali

HERIBERT ADAM: Conquest and Conflict in South Africa

ROBERT B. SEIDMAN: Law and Development: the Interface between
Policy and Implementation

OPOKU AGYEMAN: The Osagyefo, the Mwalimu, and Pan-Africanism: a
Study in the Growth of a Dynamic Concept

A.F. EWING: Some Recent Literature on the United Nations
Reviews

Volume 14 (1976) £14.00 (\$37.50 U.S.A. and Canada) Single Parts £4.50
(\$12.50 U.S.A. and Canada)

CAMBRIDGE UNIVERSITY PRESS

Bentley House, 200 Euston Road, London NW1 2DB

32 East 57th Street, New York, N.Y. 10022

The following recent back issues of *Race and Class* are available from the Institute of Race Relations, 247-9 Pentonville Road, London N1.

JANUARY 1975 VOLUME XVI NO 3

- | | |
|----------------|---|
| THOMAS HODGKIN | The Vietnamese revolution and some lessons |
| JOHN BERGER | The seventh man |
| SAM MHLONGO | An analysis of the classes in South Africa |
| IAN MACDONALD | Some thoughts on fascism today |
| KWESI PRAH | The northern minorities in the Gold Coast and Ghana |

APRIL 1975 VOLUME XVI NO 4

- | | |
|---------------|---|
| EKALAVYA | Political repression, political prisoners: class war in India |
| MICHAEL KLARE | From Yokosuka to Diego Garcia: US naval/island strategy |
| LEE BRIDGES | 'The ministry of internal security': British urban social policy, 1968-74 |
| ERNST UTRECHT | The separatist movement in the Southern Philippines |

JULY 1975 VOLUME XVII NO 1

- | | |
|--------------------|--|
| MARIOS NIKOLINAKOS | Notes towards a general theory of migration in late capitalism |
| BASIL DAVIDSON | Somalia: towards socialism |
| MAHFOUD BENNOUNE | Maghribin migrant workers in France |
| ANDRE GUNDER FRANK | Anthropology = ideology applied anthropology = politics |

AUTUMN 1975 VOLUME XVII NO 2

- | | |
|--------------|---|
| GAIL OMVEDT | The political economy of starvation |
| PETER GIBBON | Colonialism and the Great Starvation in Ireland 1845-9 |
| KEN JORDAAN | The Bushmen of Southern Africa: anthropology and historical materialism |
| ANDREW MACK | Sharpening the contradictions: guerrilla strategy in imperialist wars |
| ROD AYA | The present as 'jumbo history' |

Institute of Race Relations
Transnational Institute