Seizing Arab Oil

How the U.S. can break the oil cartel's stranglehold on the world

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After more than a year of extraordinary passivity, the United States and the other oil-consuming nations of the West have slowly-very slowly-begun debating ways to break the oil cartel's power. So far, they have pursued a futile policy of appeasement. Instead of mounting an economic counteroffensive against the price-rigging of the Organization of Petroleum Exporting Countries (OPEC), the victims have talked only of accommodation. Instead of a forcible reaction to protect national interests—vital national interests—they have talked about cooperation. In response, the oil cartel has predictably raised prices again, twice.

Meanwhile, economic growth in formerly developing countries, from Brazil to Taiwan, has stopped. India and the rest of the hopelessly poor have been driven into even deeper poverty. Virtually every industrialized oil importer is in deep recession, with its threat of social instability and, in turn, political disarray. Although the price of oil is not the sole cause of these troubles, it is by far the single major factor propelling inflation, unbalancing the balance of payments, and disrupting capital markets. The policy of appeasement has failed, again.

In the 1930s the craven men of Munich displayed not only an almost complacent defeatism, but also a constant need to justify German demands. Similarly, the modern appeasers have constantly tried to justify Arab oil extortion. When OPEC members began accumulating billions of dollars in unearned reserves, we were told that this was merely fair compensation for past "exploitation"—as if men who for years had been receiving huge royalties (for a product they had neither made nor found) could be said to have been exploited. When OPEC prices brought worldwide economic growth to an end, it was said that growth had been too rapid in any case—as if we had any other way to relieve poverty, and as if the military dictators and megalomaniac kings of OPEC had been chosen to oversee the ecological balance of the planet.

Many Western intellectuals have put forward an even sillier equation: OPEC = Third World = Good. To be sure, the oil cartel is bringing about a massive redistribution of the world's wealth, but it is a rather peculiar redistribution: Indian peasants buying kerosene are subsidizing the super-rich, while Americans are buying smaller cars because sheiks want bigger jets.

Just as men persisted in seeing moderation in Hitler's policies when there was none, so we have persisted in seeing painless solutions to the problem of OPEC. The first of these was private "recycling." The bankers said that the massive transfer of funds to OPEC, which most of the recipients could not possibly spend, would not drain the monetary system of its liquidity, nor would it destroy the equilibrium on which the world economy depends. The bankers assured us they would take care of the problem: surplus OPEC funds would flow into their banks as deposits, and the bankers would re-lend the money to the oil consumers, who would pay OPEC, which would deposit the money, thus closing the circle.

All this depended on the willingness of government bank regulators to overlook private bank practices that were essentially unsound—borrowing from the few to lend to the many, and borrowing short—term money to lend it long. And so the regulators overlooked, and the banks recycled, until the banking failures began. By then some of the world's largest banks had shouldered commitments (notably loans to Italy and Japan) that may yet destroy them.

The economists, with their trained inability to understand the real world, had an even simpler solution. Paper money (dollars, marks, et cetera) would flow to OPEC, whose members would have to spend it, lend it, or bury it in the sand. If they spent it, we would get the oil and pay for it with our exports, a workable exchange even if at unfair prices. If they lent the paper money we would borrow it and thereby get the oil in exchange for bonds and deposits, the sophisticated IOUs of modem finance. If they buried it in the sand, we would get the oil, and they would get slowly rotting and quickly depreciating paper.

Missing from this classroom version of the world were institutions such as the gold and Eurodollar markets, where vast infusions of Arab money could destabilize small currencies overnight, and undermine the credibility of even the largest. Above all, the economists overlooked a fourth alternative: Arabs who did not want to spend the money or lend it or bury it in the sand could simply avoid earning it—by reducing the output of oil. At present, the world is being denied more than 3 million barrels of oil per day, mainly owing to production cuts in Kuwait and Libya.

As to the political effects of all this, even the most informed pessimists may be too optimistic. For example, Italy's endemic unemployment of 5 to 7 percent represents the men who have failed to leave the rural South and are trapped in its decaying economy. Socially and politically, Italy could survive such unemployment for centuries. But when inflated oil prices increased Italy's unemployment, the extra percentage points forecast an ominous future. Behind those numbers are men who did have the initiative to seek work in the North, and who now have the initiative to destroy the fragile institutions of the Italian republic.

From Bad to Worse

Those who make it their business to understate the depredations of OPEC invariably point out that Italy and the rest were unstable anyway; if one speaks of global economic consequences they reply that the poor were starving already, and inflation did not begin with oil. All these arguments are valid, and they are all irrelevant. What matters is that OPEC's price-rigging has made all these troubles—from the malaise of Italian politics to the muddle of world economics—far graver than they were before October 1973. This alone is important.

The real enigma is the behavior of the poor countries that have no oil. After all, the tax that OPEC has imposed on all oil-consumers is hideously regressive and the incidence of suffering very different: Indian peasants are paying exactly as much for their oil as Swiss bankers are, and the man who will no longer be able to afford fertilizer and fuel to grow food for his family is suffering far more than the American who can no longer afford to visit Yellowstone in his eight-cylinder car. And yet, leaders of the poor countries have praised OPEC and given it their support at the United Nations.

There are two very different explanations for this anomaly. The first is that the actions of OPEC are only a prelude to a much broader rearrangement of the world economy. This vision is embodied in the proposals for a "new economic world order," recently blessed at the U.N. General Assembly by the usual automatic majority. Schemes are now circulating according to which raw materials produced by the poor would be indexed at 400 percent of present prices (almost matching that of oil), while all industrial goods would be indexed at present prices. In short, the high price of oil would be lanced by equally high prices for other raw materials produced by poor countries. Only industrialized nations would continue to pay high prices while selling their own products cheaply. Wheat and other cereals have been excluded 'from the magic circle, since they are exported primarily by rich, white countries. But this is not enough to make the scheme workable, let alone fair. If not the poorest of the poor, India is certainly the most important, and it is not primarily a raw-material exporter. No conceivable way could be found to make Indian tea and Bengali jute sufficiently expensive to balance the price of oil. In reality, the distribution of raw materials simply does not correspond with the distribution of poverty: rich Canada has a great deal, and Bangladesh has virtually none. Hence, no workable or just scheme of global redistribution can be hinged on raw-material cartels, and the argument that OPEC is merely leading the way is false, mere propaganda.

The second explanation suggests why the leaders of the poor should have acquiesced in peddling the first explanation, hollow as it is. The truth is that the voices praising OPEC do not belong to the poor but to those who control their lives-narrow, self-appointed ruling groups (elections have become a rarity in Africa and Asia) fond of shiny black cars and numbered Swiss accounts. Westernizing, yet fiercely anti-Western, these dictatorial elites see in OPEC a force that can humiliate the West, and perhaps even destroy its prosperity. Those who eat three ample meals a day in Dacca or Bamako instruct their nephews serving as delegates to the U.N. to applaud when the Kuwaitis say that the price of oil is low, and that the recent 500 percent increase was only fair. It is doubtful whether those who are starving because of the shortage of oil-based fertilizer have been asked for their opinions. Their rulers value the license of unfettered sovereignty and anti-Westernism far more than mere food for hungry people.

With the oil-price crisis compounding every human misery, the time for action has surely come. For in the end it does not matter whether the latest solution, Dr. Kissinger's government "recycling," would actually work or not. If the OPEC countries lend back a portion of their huge unearned revenues to those they deem credit-worthy, such as the United States and Western Germany, and if the countries so privileged re-lend funds to other countries which are denied direct loans, such as Italy, the only result would be a massive and ruinous transfer of capital[1] and, of course, of power.

If we do make Dr. Kissinger's recycling scheme work, we will have created the engine of our own impoverishment. Oil payments to the Arab members of OPEC amounted to $8.5 billion in 1972, and are projected at $65.4 billion for 1975, and $101 billion for 1980—an increase of just under 200 percent in eight years. And the transfers to OPEC are not just a matter of paper money. Right now, the Kuwaitis could easily buy British Leyland Motors, the largest industrial combine in Britain. Built up through the work of tens of thousands of English workers over a period of more than seventy years, BLM would then be acquired by a single family in Kuwait with only six days' worth of oil production.

Why should we countenance the transfer of hundreds of billions of dollars worth of real estate and industry to the ownership of reverse colonialists? In the West such property may be owned by the rich, but at least our rich are taxed and regulated. And even the top 5 percent of our home-grown rich cannot be compared to the handful of families that control such a large portion of OPEC revenues.

If at last we resolve that OPEC must be broken, the question remains: how? The nonviolent methods have been discussed so much that mere mention suffices:

◦ Financial denial: Western nations in solidarity refuse OPEC deposits unless they are long-term, evenly distributed, and at low interest—or possibly under any circumstances.

◦ Ownership denial: OPEC money is forced to remain paper money since no transfer of real assets is allowed.

◦ Market manipulation: Conservation and substitution are used to cut the demand for oil, thus depressing prices once a surplus develops.

Some of these nonviolent strategies are more plausible than others, but all would in fact be utterly ineffectual. As long as OPEC controls oil supply, it will prevail: it can deny supply in the face of financial denial; withhold supply so long as purchases of Western real estate and industry are forbidden; and cut supply pro rata to offset any contrived decline in demand. As the Saudi oil minister has already explained: "If you cut demand hoping to depress prices, we will cut supply even more so as to raise prices still further." In theory again, we could cut demand to the point where the market share of OPEC producers who do need the cash is affected. To do this we must cut demand by more than the low-population, cash-surplus OPEC producers can cut supply; by the time that demand level is reached, half our industry will be without fuel, and half our work force unemployed. Nor is there any hope that enough "new" oil will be found to solve the supply problem. The finds in the North Sea, Alaska, offshore Vietnam, offshore China, and the promising structures being explored elsewhere are all useful. But their combined output—when fully developed—will not amount to half of Saudi Arabia's. And this assumes high rates of output: when it comes to reserves, all the oil found worldwide since 1965 is equivalent to a tenth of the Saudi reserves already fully proven. Even if vast new oil fields were found, it would still take five to seven years to bring them into production and there is absolutely no reason to expect major new discoveries.

The fallacy of all the nonviolent strategies is fundamental: to break OPEC by economic means, we must break its power to control supply—and this power can always defeat the strategies first. Moreover, there are some minor practical difficulties. For the financial strategy: the Swiss would never play, but would instead launder all the money that OPEC would ever want to deposit. For the ownership-denial strategy: Japan and the gold market would never play, while OPEC investors might just want to buy all the gold in the world, plus every Japanese factory and scenic inn. Finally, for the market-manipulation strategy: for every producer willing to sell a few cargoes under the table, there is likely to be a consumer willing to buy two, in order to keep the factories running and the workers off the streets.

The Use of War

There remains only force. The only feasible countervailing power to OPEC's control of oil is power itself—military power. But the lack of any other alternative does not, of course, mean that the use of force is ipso facto feasible. First, the essential question: could we start a war on OPEC just because the price of oil is too high? Surely the answer is no. And it would probably remain so even if OPEC raises prices again, citing the rising prices of caviar, Cadillacs, and fighter-bombers.

That, however, is not the end of the story. Fortunately for us, while all members of OPEC are extortionists, some (the Arabs), are also blackmailers. Sooner or later, their demands on Israel will become excessive; the Israelis will then refuse to concede further territory without reciprocal concessions. Then there will be war, and then, at whatever cost, the Israelis will prevail again. The last Arab-Israeli war ended with the Arab armies in disarray and both Cairo and Damascus in danger. The next war is likely to end with the same result, but sooner. This time, the massive surprise of October 1973 cannot possibly be repeated, and the contest in the air will no longer feature a pre-Vietnam Israeli air force with dumb bombs and few electronic countermeasures facing post-Vietnam Arab air defenses. The Arabs may have more and better missiles, but the Israelis now have smart bombs. With Israeli fighter-bombers now making one pass instead of five or six to hit each target, Arab air defenses would have to improve by 500 to 600 percent to retain their power undiminished. Eventually the Russians will no doubt supply better guns and better missiles, but fivefold improvements would require totally new technologies, and many years to mature. Meantime, it is back to 1967 for the Israeli air force. The Arabs know this, otherwise Syrians would have opened fire in 1974. But the Israelis know this also, and they will resist Arab demands: hence war, and an embargo.

When the price problem did not exist, and Persian Gulf crude was changing hands at $1.80 per barrel or less, an Arab oil embargo was a danger to be feared, and Israel was pressured to make concessions. Now an embargo is no longer a threat but an opportunity. Some, captive to the old politics, fail to make the connection, repeating endlessly that war in the Middle East must be averted at all costs, for if Israel loses, then catastrophe, and if Israel wins, an embargo follows. There they stop. Their advice, of course, is to comply with blackmail by blackmailing Israel into further concessions. But if this dishonorable deed is done, the result will only ensure the continuation of supply at present prices, and the damage these prices are causing is altogether more fundamental than any short-term embargo could inflict. This, then, is the scenario: an Arab embargo or supply cut, an atmosphere of crisis, most probably in the aftermath of a short but bloody war. Then we go in.

The first question is where. The goal is not just to seize some oil (say, in accessible Nigeria or Venezuela) but to break OPEC. Thus force must be used selectively to occupy large and concentrated oil reserves, which can be produced rapidly in order to end the artificial scarcity of oil and thus cut the price. Faced with armed consumers occupying vast oil fields whose full output can eventually bring the price down to 50 cents per barrel, most of the producers would see virtue in agreeing to a price four or five times as high, but still six times lower than present prices. This being the ultimate goal, there is only one feasible target: Saudi Arabia.

Oddly enough, some have suggested that Libya would make an ideal target. It is true that Libya is a good deal more open to attack, but in fact an invasion of Libya would be worse than useless. Far from having enough oil to make OPEC vulnerable to market pressures, Libya's oil would not even suffice to cover current needs. Hence the rest of OPEC could defeat any invasion of Libya by simply cutting off oil production for as long as it would take to force a withdrawal.

With roughly 200 billion barrels of published, proven reserves (they could be substantially higher), Saudi oil fields are now being worked at a rate of just over 8.5 million barrels a day, for an annual output of just over 3 billion barrels. In other words, at present rates of production Saudi oil would last for more than sixty years. By contrast, oil fields in most other parts of the world are developed much faster, with output/reserve ratios of 1: 10, or at most 1:20. Producing Saudi oil fields at Texan rates would mean producing almost 55 million barrels of oil a day, enough to supply current worldwide needs almost twice over. It would take huge investments and several years to install the required capacity, but in order to break OPEC we need not go to such heroic lengths. It would suffice to increase output by a little, and then by a little more, each time eroding the remaining market shares, until a compromise is reached. If none is forthcoming, then the time will have come for large output increases to flood the market.

In short, if the use of military force is to be limited and therefore efficient, the real leverage must come from market pressures, and only the Saudi oil fields can provide the means. Fortunately, those fields are not only prolific but are also concentrated in a small area, a fraction of Saudi territory. Even better, the areas involved are scarcely settled except for the oil workers, some 20,000 in all, American technicians included. If Vietnam was full of trees and brave men, and the national interest was almost invisible, here there are no trees, very few men, and a clear objective. There could be serious risks in the operation, but at least there would be no sense of futility with 200 billion barrels of oil underfoot—oil that would restore jobs to the unemployed and supply the wherewithal for a gradual program of substitution.

Now for the problems. There are many, starting with the pure logistics. For one thing, the region is remote and not open to the oceans. Except for staging and refueling points in Israel itself almost 1,000 miles away (Hatserim to Dbahran) there would be no friendly bases within easy reach. The Israelis owe a great deal to the United States, and it is inconceivable that they would deny airfield facilities, even if the operation entailed serious risks for them. It would have to be a long-distance operation and a large one. The Saudi forces that could resist an occupation are small and deficient in training. For all the best efforts of our own advisers and weapons salesmen, the Saudis do not yet have a serious military force: 36,000 soldiers scattered over a vast land. But the scale of the operation is set by the nature of the target itself: some hundreds of wellheads, dozens of miles of pipeline, several loading jetties, and much else besides will have to be secured, reactivated, and thereafter patrolled. Moreover, to deter sabotage and counterintervention (of which more below), it will be necessary to have a sizable force, diversified in composition.

The first wave should include the combat echelons of one Marine division: 14,000 men, with one or two battalions amphibious-landed and the rest simply to be unloaded from aboard ship. The Marines could be gathered quietly in the Pacific, but by the time their shipping sailed past Singapore across the Straits of Malacca, the threat would become pretty obvious, even to the New York Times. At twenty knots, the passage from the straits to the gulf would take almost a week, too long. Though some resistance and sabotage are unavoidable, the less of it the better. An effort must therefore be made to minimize warning time.

Hence the need for a preliminary airlift wave: the combat echelons of the 82nd Airborne Division, sent with its nine infantry battalions but without its too-heavy armor or armored cavalry battalion. Instead, the division should be equipped with two additional battalions of helicopter-borne "air cavalry" detached from other divisions, as well as extra antitank missiles and many Jeeps fitted with recoil-less rifles. If the Marines of the first wave are due to arrive in and around Dhahran on the shores of the gulf at day D, and if warning is given by their transit at Singapore by D-79 the 82nd Airborne must arrive on D-3, to restore surprise by arriving three days before the Marines are expected. Flown out of the U.S. without fanfare, briefly staged and refueled in Israel, the 82nd's heavy C-5 and C -141 jet transports would fly straight across Saudi Arabia to Dhahran, escorted all the way by air-refueled Phantom fighters, also based on Israeli fields or aboard carriers in the Arabian Sea. One or two paratroop battalions would jump to seize the Dhahran airfield, and to take up positions around the U.S. 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. As the troops landed and began to spread out, the empty aircraft would be reloaded with the families of American and other foreign oil technicians who would be evacuated to Israel and the U.S.

Immediate targets of the advance force would include the

Ras Tanura jetties as well as storage tanks: it would be ridiculous to have to airlift oil into Saudi Arabia. The air cavalry battalions, 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 Dhahran. They could also seize the entire nearby Abqaiq field.

The Marines would arrive seventy-two hours later to consolidate the base and expand the coverage. Having vehicles including some armor, they would complete the occupation of Ghawar and other Saudi oil fields. Having small boats and more helicopters, they could also occupy the non-Saudi offshore oil fields near Doha, Adma, and Dubai, as well as patrol to the north toward oil-rich Kuwait, and dangerous Iraq beyond it. Very soon after the Marines landed, on D + 1 at most, a second Army division would arrive, the First Cavalry, with its infantry, armor, and helicopter-cavalry. This too would come by air, staged by way of Israel, except for its battle tanks, for which air transport is inefficient. The tanks would be loaded aboard fast landing ships and fast freighters, and offloaded with heavy derricks. Finally, on D + 3 or D + 4, the expedition would be reinforced with more Marines, the combat echelons of a second division. This would arrive entirely logistic-loaded, for an "administrative" landing—no storming of beaches here.

By then the occupation force would have its own air power. Some fighters would be flown into Dhahran from Israel as soon as the airfield was seized; the two Marine divisions would come with their organic air "wings," no mean force: eight Phantom fighter squadrons, two reconnaissance squadrons, and another eight "attack" squadrons, with light and not-so-light bombers. Not that any bombing, is planned; the mission is to deter others. At this point, the basic force would be in place, with resupply coming by air or by ship, depending on bulk, weight, and urgency. With some 40,000 men by now mobile on the ground and in the air, the physical occupation of all th major oil fields on and off-shore would be complete.

Tactics

So much for logistics. Now the strategy and tactics, starting with "industrial" tactics. Much has been said about the dangers of pre-emptive sabotage. Alarmists have conjured up visions of oil fields burning till the year 2000. Not so. The world's supply of oil field firefighting talent is to be found in Texas. Given all the other resources available in the U.S., the chances are that fire and damage could be handled quickly. Assuming fairly extensive but unsystematic sabotage, preinvasion output levels could be resumed in one to two months so long as certain essential items (e.g., segments of scarce large-diameter pipe) are sea-lifted with the first Marine convoys and plenty of skilled manpower.

The difference between the operating cost of the Saudi oil barrel and the OPEC price is the difference between 10 to 30 cents and $11. Multiplied by the output of more than 8.5 million a day, this means that one month's production could pay for $2.5 billion worth of skilled manpower and equipment: enough to repair or replace every damaged wellhead, every interrupted feeder line, and every sabotaged gas separator, as well as to replace as much large-diameter pipe as could possibly be needed.

Of course, if the Saudis did to their oil fields what the departing Germans did to the Romanian oil fields at Ploesti in August 1944, it could take longer to restore full production and begin adding to it. It took the Russians almost three months to restore production at Ploesti. Still, a well-organized rehabilitation task force would be better prepared than the chaotic hordes of Marshal Rodion Malinovsky, and the Saudis are not Germans. Even if they were, they would not have enough time to do a thorough job. In making advance preparations for sabotage, the Saudis face severe limits: there are too many underpaid and radical non-Saudi oil workers; if plastique charges were pre-set to demolish oil facilities, they would be apt to go off whether there was an invasion or not.

As for postinvasion sabotage, if the oil workers cannot be trusted to work reliably—at higher postinvasion wages—they should be replaced. No labor force is more mobile: from Texas and from Europe, all the labor that could possibly be needed would come, at the right pay. The local oil workers know this, and they also know that if they are expelled from Saudi fields, their next available employer is going to be hundreds of miles to the north, at much lower Iraqi wages.

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. Helicopter teams will circle overhead, ready to end at the first hint of trouble. 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. The Israeli experience has proven quite conclusively that guerrilla tactics are simply ineffectual in desert areas, there being no ground cover for concealment. The whole of the Negev and Sinai are secured by a few Bedouin guards and a handful of soldiers; once consolidated, the oil fields can be reliably secured by a handful of battalions, a fraction of the total force.

Even discounting the effect of sabotage, there would still be a problem of short-term oil supply. Aside from the temporary cutoff in Saudi production that must be expected between D + 7 and D + 60 (or at the very most D + 90) it is virtually certain that radical Arab oil producers (Iraq, Libya, possibly Algeria) would cut off production in sympathy. The shortfall could range from 3.5 million barrels a day to 4.5 million. It is probable that nonradical Arab oil producers would partially deny oil to the U.S. and other consumer countries that did not dissociate themselves from its deed; this could mean an additional shortfall of up to 2.5 million barrels a day. It is possible, but unlikely, that at least some non-Arab oil exporters would also reduce output in sympathy with a fellow OPEC member.

Nevertheless, the problem is manageable. Ninety-day stocks are being built up in all the industrialized countries, and oil shipped on D + 8 will still be at sea for many destinations on D + 90. By then, if not sooner, the smoke will have thoroughly cleared, and OPEC members will be faced with U.S. control of Saudi oil reserves, which, if worked to the full, could put all of them out of business for fifteen years. At this stage, reason is likely to prevail, and production is likely to be restored. But if the risk seems high, something can be done to reduce it: in Kuwait, Abu Dhabi, Dubai, and Qatar there is a production capacity of 6.6 million barrels a day, a good deal of it now shut in for "conservation" (read price-rigging). If Arab or even non-Arab oil solidarity strikes are in the cards, battalion-sized detachments can be sent to seize much of this capacity for the immediate purpose of short-term supply (rather than reserves for price leverage). The seizure of Kuwaiti capacity, however, would require a division and entail a serious strategic problem, of which more below.

Next, the minor tactics. One or perhaps two Saudi brigades and some U.S.-made Hawk missile batteries will be in the target area. Prior to getting there, the airlifted elements would have to cross 975 miles of unfriendly airspace in large, vulnerable transports. But opposition would be thin. The twenty-four-jet Jordanian air force can be grounded, and the Israel-Dhahran air route would be totally out of range for Egyptian, Iraqi, or Syrian fighters an important consideration, these being very large, if poorly trained, air forces. In the October war, the Israelis scored fifty dogfight kills for every one of their own shot down. But relative superiority is not enough: not a single transport must be exposed to risk.

Hence ample fighter cover will be needed against the six fighter squadrons of the Saudis, and any chance arrival of Egyptians, Jordanians, Iraqis, or Syrians. This will require perhaps six squadrons of air-refueled Phantoms and tankers out of Israel, readily supported, if necessary, by more Phantoms, this time Israeli (flying outer patrol tracks, to avoid misidentification and fratricide). Finally, for the Hawk missile batteries so shortsightedly supplied, there are different remedies, and prudence demands that all be used: active and passive electronic countermeasures. (Those who designed the missiles are not unfamiliar with their weak points.)

On the ground, the tactics must stress mobility and avoidance. In the first stages, every available truck—and Cadillac—found on the ground must be commandeered to give mobility. Otherwise troops that had crossed thousands of miles by air would be totally immobile on the ground. Speed is of the essence to secure the oil fields, as well as U.S. civilians for rapid evacuations. Lastly, avoidance: Saudi troops, if prudent, will avoid combat, and they must not be needlessly provoked. Very quickly it will become entirely obvious that the oil fields alone are to be occupied in one small corner of Saudi Arabia. Between them and most of the inhabited areas of the country, there are vast distances (except for Riyadh, only 400 miles away by road) and broad deserts, easily turned into buffer zones by air interdiction, here effective and totally unhampered since there are neither trees nor village targets: any military traffic would simply be stopped by air patrols.

Now for the real problems, the strategic. What options are open to the Russians? They could not hope to anticipate the first American move. Nor is it imaginable that the ruling Saudis would invite their presence: the Saudis know that with Americans some compromise might well be possible, but with Russians the Saudi leadership, fiercely Islamic and fiercely anti-Communist, would not last long. An invitation to the Russians would merely ensure the overthrow of the ruling family. And that is not a figure of speech. It would mean defenestration and mutilation by the mob, as when the Hashemites of Iraq were overthrown.

If the Russians landed forces in Iraq, Russian policy would thereafter be captive to Iraqi hyperactivism, or at least the landed troops would be. Still, the move would have a ready payoff. Even if their troops did nothing, the Russians would score a major political victory, since they could then claim to have deterred an imperialist attack on Iraq—an oil producer like Saudi Arabia, but one whose leaders (it could then be said) had been prudent enough to seek the friendship of the U.S.S.R and to sign a treaty of mutual defense.

If still more reckless, the Russians could encourage and support an Iraqi move south into Kuwait. This would deprive the West of Kuwait's 2.8 million barrels of oil a day, a serious loss if only in the short term. It would also make Iraq, Russia's chosen client, a more important client. But it would risk Iraqi-American armed clashes, entailing the further risk of direct U.S.-Soviet conflict.

Direct Russian counterintervention need barely be considered. The rules of nuclear parity, are no mere paper rules to be changed at will. They reflect the harsh and looming danger of annihilation. Americans may open fire on Saudis, and Russians may open fire on Czechs with near-impunity; at a much higher level of risk, each side can attack the clients of the other. If Iraq were attacked, for example, the Russians would be forced to react because there is a public Russian commitment to Iraqi defense, both in policy and on paper—the Treaty of Friendship and Cooperation of April 1972. But for the Russians to counterintervene directly, by blocking American forces or opening fire on them, is another matter altogether. Neither side could afford to lose the local battle, and the potential loser would then have to transform it into a regional war; neither side can afford to lose a regional war, and the potential loser would have to use tactical nuclear weapons—beyond that one need not go.

Some suggest that the Russians could use their naval forces for "interposition." This notion is fanciful. The U.S. Navy would send at least four aircraft carriers, twenty frigates and destroyers, and ten nuclear submarines into the area. Russian mining could only serve as a delaying tactic. Russian warships could not physically block the Strait of Hormuz at the entrance to the gulf. To prevent passage, they would have to shoot, and shooting at American warships would mean jumping on the escalator to destruction.

The essence of the Russian question is not technical but political. Before one considers the balance of superpower forces in place, one must consider the balance of interests between Americans and Russians. Under conditions of nuclear parity, it is primarily "resolve" that settles the issue, and resolve is not a matter of machismo but a reflection of the true value to each party of the interests in dispute. The control of Saudi oil is a vital national and all-Western interest for the United States. By contrast, its denial would merely be a desirable bonus for the Soviet Union. Hence the risks that each side can accept, and must anticipate that the other side will accept, are not evenly weighted. To seize the oil the United States must seize some tracts of desert. To deny the oil, the Russians must kill American troops. This, neither the collection of tired bureaucrats in the Kremlin (who agonized over the low-risk Czech invasion for months) nor even another Stalin could possibly do, for escalation to catastrophe could follow. As against this, there are the rewards of inaction, already high: even if the Russians do nothing at all, their prestige and influence would immediately increase all over the Middle-East, and beyond. Let the Russians have the influence, and let us have the oil.

So far no mention of Iran. With a large army of 175,000 men, well-equipped and heavy in tanks even if poorly trained and worse led, with an air force that includes 100 Phantoms, with more coming, and with a navy already not insignificant, Iran could in theory do a great deal to oppose intervention. The risk must not be discounted, but there are offsetting factors. At a minor level, there is the fact that Iranian aircraft fly by the grace of American technicians serving on contract, most of whom could depart on vacation just before D day. On a high political plane, there is another factor. Even though a sharp cut in oil prices would seriously damage the Shah's dreams of grandeur, Iran and the Shah would nevertheless remain dependent on the United States. With a common border to the north, with its client Iraq to the west and its semiclient Afghanistan to the east, the Soviet Union already embraces Iran far too closely for comfort. Reluctantly and privately, the Shah would most probably accept an American action he cannot prevent, for the alternative would be war with Iran's only protector.

One way to cope with the Iranian problem is to combine it with the planning dilemma of Kuwait. On the one hand, it might be wise to send a composite Marine/armor division (after wave two, D + 3) into Kuwait to deter Iraqi intervention. But if the Iraqis descended across Kuwait toward the main zone of operations some 300 miles to the south, real fighting could take place, entailing risk of Russian involvement in support of its junior partner. Also, the acquisition of Kuwaiti oil capacity—even if damaged—would alleviate the short-term supply problem. On the other hand, if Kuwait is left unoccupied, a buffer zone, it will be easier to avoid clashes with Iraqis and reduce the risk of direct conflict with Russians. There is also a severe tactical problem: while the Kuwaiti army of 10,200 men can be brushed aside, Kuwait does contain more than a million people in a small area. By contrast, the population in the main zone of operations, even if extended to Abu Dhabi, Dubai, and Qatar, amounts to less than 300,000, widely scattered.

Why not then discreetly ask whether the Iranians might be willing to "protect" Kuwait—and, incidentally, appropriate their oil. This oil would largely offset Iranians' loss of revenue on their own output as prices decline. To be sure, if the Iranians move into Kuwait the Russians may be tempted to invade northern Iran, but this would be a high-risk operation for the Russians, since Iran is already a protected area of the other superpower, the U.S. Still, this is a danger that cannot be dismissed, and that would be reduced by Iranian tranquility before, during, and after the occupation.

Afterward

Next, the problem of management, that is, politics. Clearly, the operation would not be conducted to serve the interests of ARAMCO, which is American-owned but has long been subservient to the Saudis. To maximize output and avoid commercial entanglement, we should throw open the oil fields to any and every operating company, American or not, large or small, so long as it is ready to come in quickly, repair, and lift the oil, fast. Each company would receive the acreage it could begin to work immediately. Each would be compensated at cost plus a generous fee for every barrel lifted, every well dug, and every facility repaired. Assuming maximum inefficiency and a great deal of petty graft, the oil would cost an average 30 cents per barrel—in other words, less than 3 percent of present prices.

But the oil should not be sold at cost, for many reasons. First, all measures of energy substitution being taken worldwide would be discouraged, and eventually stopped. Second, to reach a compromise with the uninvaded members of OPEC, some reasonable revenues must be left to them in bargaining for their early resumption of full output (the short-term supply problem again), in exchange for a guarantee that Saudi oil will not be used to bring the price down to near nullity. Finally, oil cannot be sold at cost because there is a wider political purpose to be pursued.

If oil raised at an average cost of 30 cents were sold, at say, $2 per barrel, each day of output would at first generate profits of $14 million. When output reached the OPEC-compromise level, profits could rise to as much as $30 million per day. Now these profits should not be appropriated by the world's richest country, whose compensation, in secure supplies at low cost, would already be ample. Instead, the profits should be handed out to the poor on conditions. An International Oil and Aid Organization would be created to lift the oil, allocate funds for investment, give some money for the Saudis et al. to pay for essential imports, and then distribute the rest of the money to those of its members whose a annual per capita income is less than, say $500. In other words, any poor country in the world would immediately be entitled to a share in the oil profits if it joined the IOAO, and so politically endorsed the fait accompli.

This would provide the poor with a vastly greater flow of aid funds than all current aid programs combined—in fact, almost five times as much, once full output is reached, even if all eligible recipients join. In view of what was said earlier about the regimes of the Third World, it can be safely assumed that the Indian government for one would prefer to let millions of its people starve rather than associate itself with the IOAO. But already for Bangladesh matters are less certain: throughout 1974, this poorest of the poor nations, which is fervently Muslim to boot, failed to extract more than $100 million from all the Arab oil producers combined—truly a case of crumbs to the starving. The IOAO, with $10 billion or so eventually available to it, would do much better than that and all for a symbolic association.

The IOAO would obviously use similar tactics with the oil workers. The Saudi regime, not exactly the most progressive in the world, did not allow ARAMCO to pay its workers lavishly, lest sheiks lose their low-paid servants. The IOAO would not have to defer to the Saudi version of the housemaid problem; it could announce a 50 percent wage increase.

Will the world condemn America? Some of it will, and will mean it. Others, including some Europeans and unfortunate Japanese will condemn, cry, and partake of lower oil prices with a sigh of relief. Certainly the image of the Soviet Union will improve in contrast and the United States will lose "influence and prestige in the Third World." But what influence? What prestige? And what would the spectacle of American acquiescence in the political blackmail of the kings and dictators of Araby do to American prestige? The weak respect power more than do the strong, who know its limitations.

The crucial factor, however, is domestic opinion. First, there is the why in the raison d'etat. The American people instinctively felt that in Indochina the national interest was not at stake and only the commitment itself made for further commitment. Not so here. All would understand, all those affected by inflation and unemployment, that is. Second, performance. All agree that had the U.S. done well militarily in Vietnam, public opposition would have been limited to the tiny minority of those who oppose war, or their own country, in all circumstances. The first group is certainly entitled to its elevated conceptions, but the vast majority of the people think otherwise. A neat and rapid operation is possible in Saudi Arabia owing to the terrain and the men, mostly absent. Moreover, the four required divisions are fit, trained, well-equipped, and battle-ready. On that score we need have no anxieties.

Third, duration. Americans were wearied by a war that was not only unsuccessful but also far too long. This operation will not be over in a day. It will last for years, though surely not until the last drop of Saudi oil is exhausted. Instead, the American-controlled distribution office of the IOAO would allocate oil to consumers at the new low prices, but demand that they finance serious substitution efforts with some appropriate share of the vast savings on cheaper oil. Given rigid controls pressure, diplomatic pressure, and their own caution, strong substitution policies are sure to follow in Europe, Japan, and wherever possible. And it is much easier to build nuclear power stations, hot rock generators, solar arrays, and windmills when the balance of payments is no longer in deficit, inflation has been curbed, and recession a memory—all of which $2 oil could ensure.

Hence an occupation of ten years and probably much less would suffice. Once the dust of the invasion settled, once every evidence of permanent intent became apparent, the remaining members of OPEC would see reason, and accept a binding commitment to maintain supplies at agreed prices in exchange for American withdrawal. From their point of view, the great danger is that Saudi oil could be used to bring the price down not to $2 but to $1.50, $1.40, then $1.30 ... and so on.

In a sober assessment, mindful of all political costs and all the strategic risks, it can be done. It must be done. For if we do not do it, Project Independence will in fact be Project Isolation, with a somewhat impoverished America surrounded by a world turned in a slum. Almost everywhere, this would be an authoritarian slum, the product of utter hopelessness among the poor and mass unemployment among the former rich, all of us being forced to finance the executive jets of the sheiks and the fighter bombers of the dictators.

If we will not do it, future generations will see through our protestations of moral restraint and recognize craven passivity. Many of those who took the United States into the jungles of Vietnam to look for the national interest are now saying that we need not do it, since we can comply with political blackmail (by blackmailing Israel in turn), and since we can afford to pay the economic extortion. True, we can do both. But the price—moral, political, and social—would be far too high. We would no longer be able to look each other in the face. Many who saw prudence and reason in bombing an ally of the Soviet Union and even blockading its ports, are now saying that we cannot do it, for behind the Arabs stand the Russians, and the Russians would not let us. That, it has been argued, is false. And since no one denies that the dependence of the Western world on Arab oil is absolute, if their analysis were correct, it would mean that we are living at the mercy of the Arabs, that is to say, as Prof. Robert W. Tucker has pointed out, of the Russians. And if that is true, we no longer need a foreign policy establishment, and we might as well disband the armed forces unless we double or triple their strength: there is no sense in paying $85 billion a year for impotence.

Notes

1. Internal World Bank estimates project the unexpended reserves of Saudi Arabia, the United Arab Emirates, Kuwait, Libya, and Qatar at $453 billion by 1980 and over $1,000 billion by 1985.

About the Author

Miles Ignotus is the pseudonym of a Washington-based professor and defense consultant with intimate links to high-level U.S. policy makers.

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