

# THE OIL WARS



## WHAT DOES AMERICA WANT...

The inconsistencies (and calamities) of American policy in the Middle East can obscure the underlying consistency of its interests:

Secure and stable supply of oil [~ market price, no strategic leverage allowed]

No terrorism [~ stronger governments]

No nuclear proliferation [~ conventional military balance / regional security system]

Contain the influence of regional disputes

Israel vs Palestinians

Iran vs Gulf Arabs

The requirement for strong governments cuts against democratization.

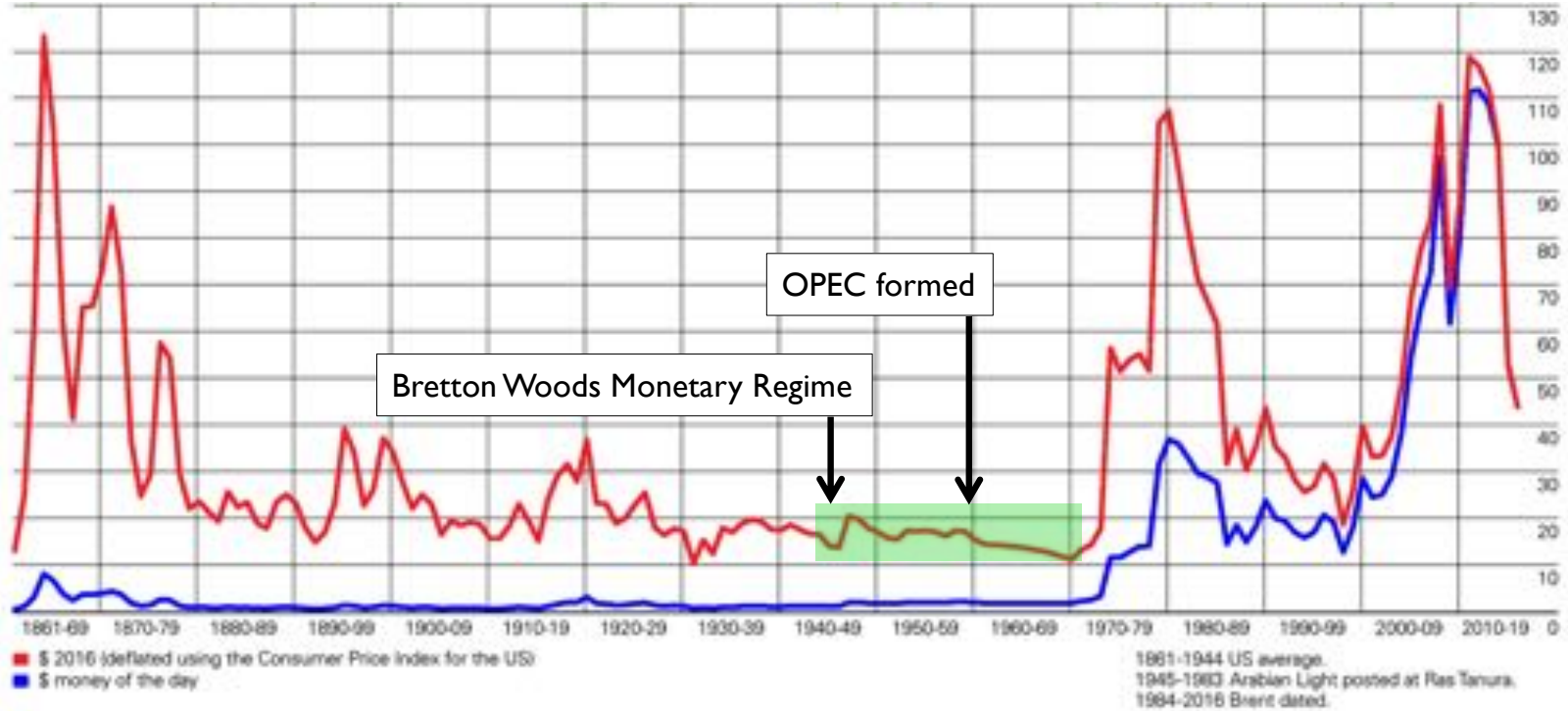
Deep-seated (partly religious) regional rivalries cut against regional balance / security system.

We like to use our economic position for strategic leverage.

ENERGY SECURITY

# WORLD OIL PRICES 1861-2016

Pennsylvania    Russia    Sumatra    Texas    Iran    Venezuela  
                          Mexico    Canada    Saudi Arabia  
    Italy    Japan    Iran  
    First US    Saudi    Suez  
    Oil Scare    Arabia  
    1973    Gulf Wars >>>  
    War



# SOURCES OF ENERGY INSECURITY

Market integration perceived as a risk

The “energy weapon” recognized since 1930s

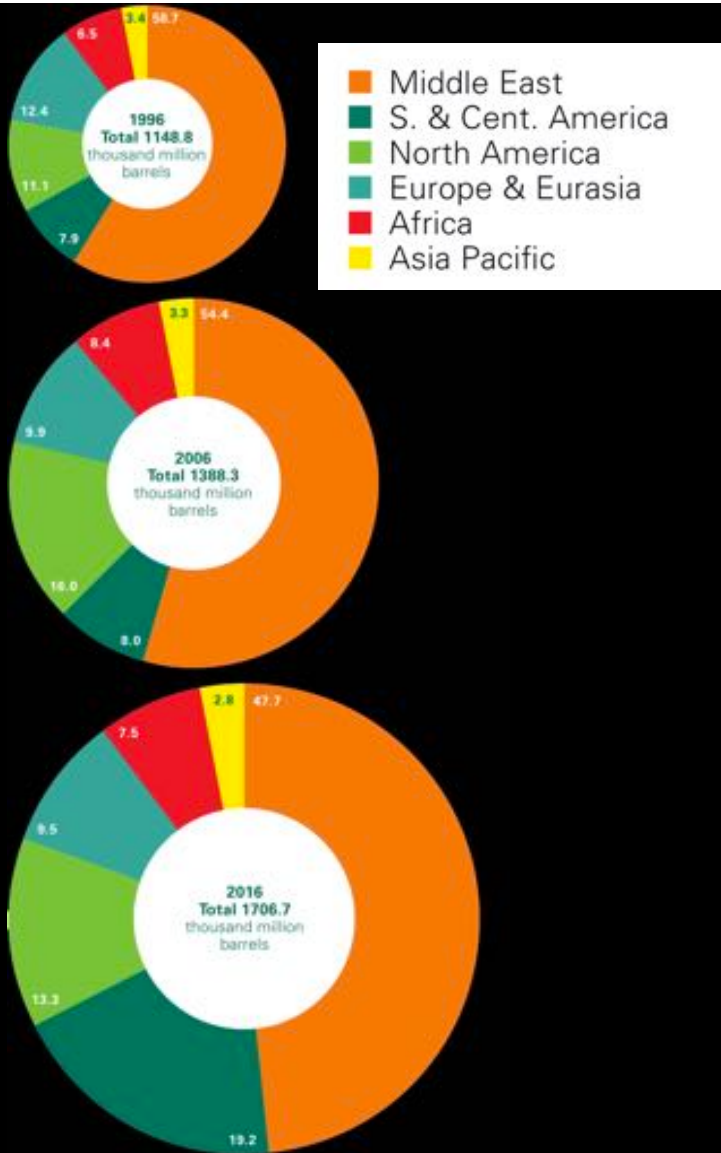
Potential Market Imbalance

Demand rising, supply leveling off

Cheap oil going fast, “Peak Oil” looming

Environmental externalities not priced in

Excess capacity is required to manage the price



# SOURCES OF ENERGY INSECURITY

## Market Architecture

Fossil fuels are consumed far from where they are produced

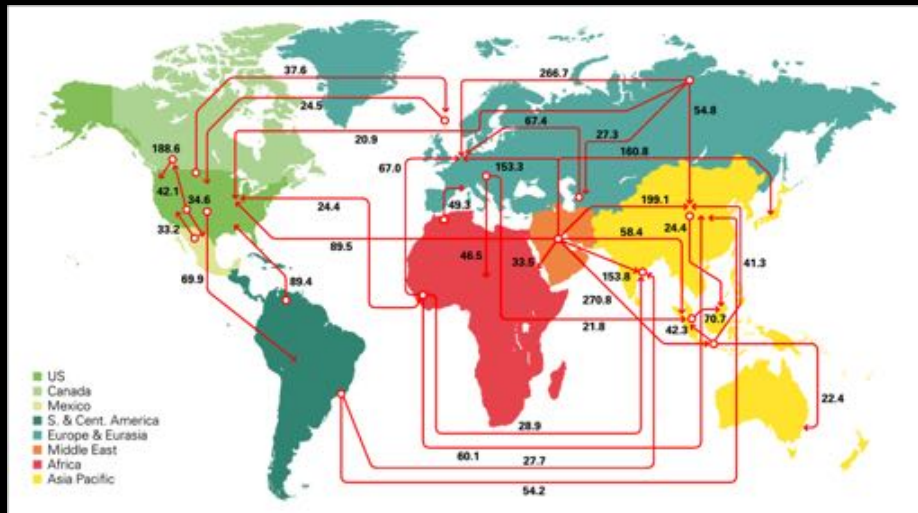
Narrow gates despite redundancy

Bad governments over-represented among producer states

Limited commitment to markets as such

Oil rents inhibit economic and political modernization

Price shocks pose risk to non-producer developing states



Above: Global oil trade (2016, Mtons). Below: Middle East Oil pipelines (left) and Gazprom natural gas pipelines (right)

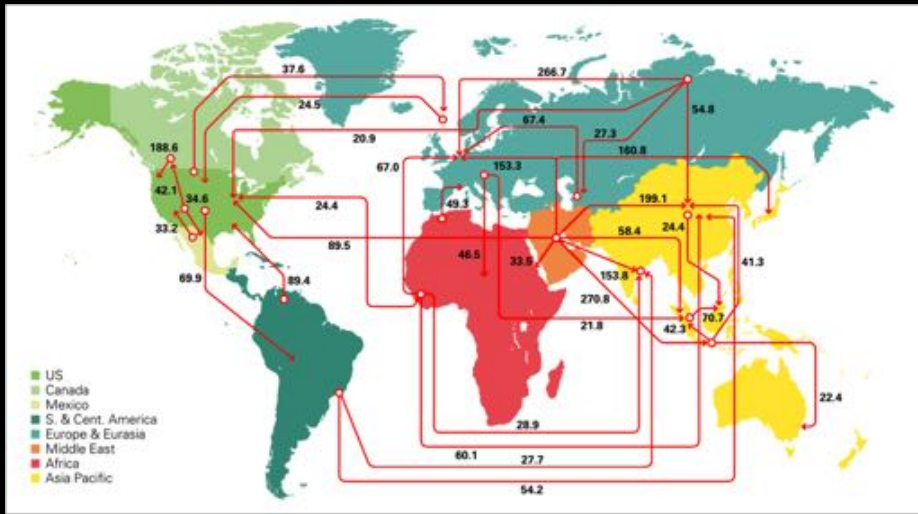
# SOURCES OF ENERGY INSECURITY

Second-order effects on global financial markets

Pools of oil and gas turn into pools of dollars

Downward pressure on value of the dollar

Since 1971 global reserve currency has been a tradable commodity



Above: Global oil trade (2016, millions of tons). Below: Middle East Oil pipelines (left) and Gazprom natural gas pipelines (right)

# SOURCES OF ENERGY INSECURITY

## US Interests

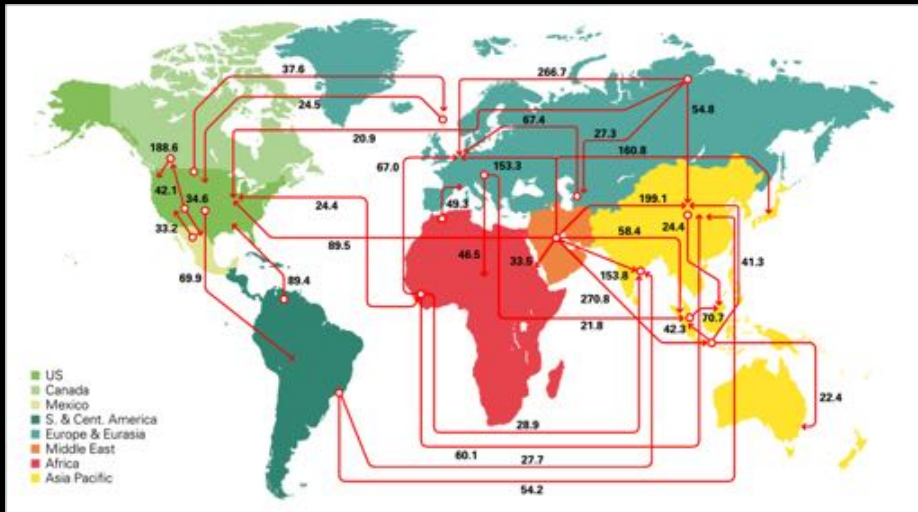
“Energy independence” is imaginary

Limit access for adversaries

Secure access for friends

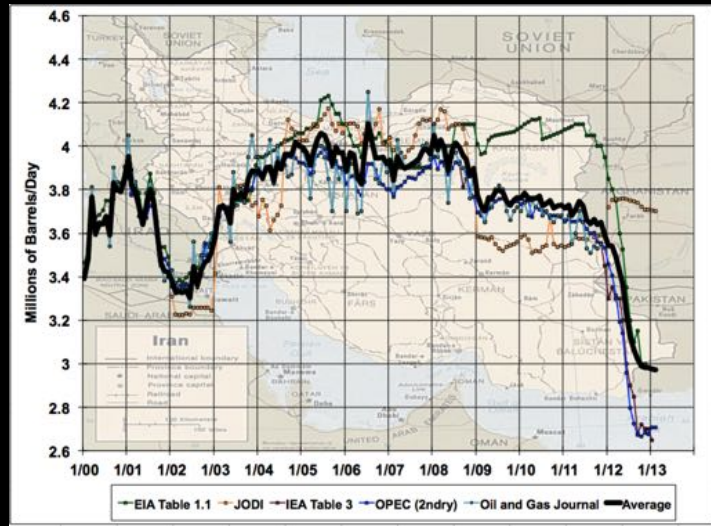
Maintain a market price (versus a cartelized or “strategic” price)

Democratization and reform in producer states are means to this end



Above: Global oil trade (2016, millions of tons). Below: Middle East Oil pipelines (left) and Gazprom natural gas pipelines (right)





# ECONOMIC SANCTIONS

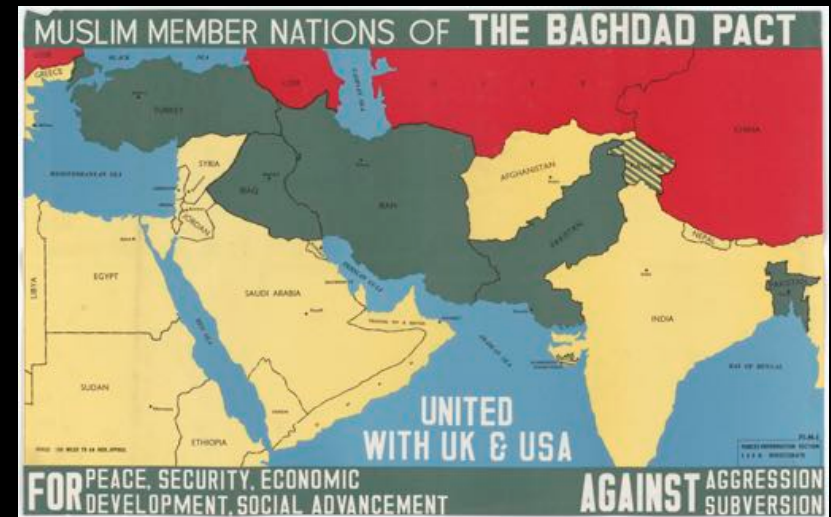
# THE EISENHOWER DOCTRINE

5 JAN 1957

... authorize the United States to cooperate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence.

... authorize the Executive to undertake programs of military assistance and cooperation with any nation or group of nations which desires such aid.

... authorize such assistance and cooperation to include the employment of the armed forces of the United States to secure and protect the territorial integrity and political independence of such nations, requesting such aid, against overt armed aggression from any nation controlled by International Communism.



The Baghdad Pact (1955)

# THE IRANIAN REVOLUTION

## PERSIA

Ancient empire (6th century BCE)

Overrun by Arabs and converted to Islam in 7th century

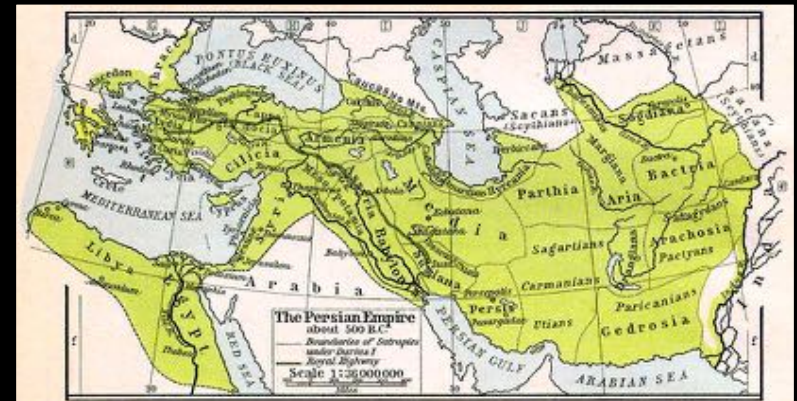
Persian culture defined itself in opposition to the Arabs

Shi'ism, like Lutheranism in Germany, about political self-determination

A secondary theater of the “Great Game”



*Alexander the Great Interrogating the Talking Tree.* Illustration from the *Shahnamah* by Firdawsi (d. 1020).



# THE FIRST IRANIAN REVOLUTION

1906



A movement for national revival and anti-colonial self-determination

Compare Young Turks, Guomindang, Hindu Congress Party, Mensheviks, etc.

Spurred by economic and financial crises brought on by exposure to world economy

United front of *ulema* and urban middle class

Demonstrations and riots force the granting of a constitution

Abrogated in 1911 following Russian intervention to protect Anglo-Russian spheres of influence and financial interests

## STATE-BUILDING REZA KHAN



Russian Revolution left Iran a de-facto British protectorate

Khan, leader of a Persian Cossack brigade, made his name by crushing a Soviet-style republic in Northern Iran

Coup d' état in 1921, backed by the British

Crowned Reza Shah Pahlavi in 1925

## STATE-BUILDING REZA KHAN



A top-down strongman / modernizer in the style of Atatürk, Nehru, Sukarno, Chiang Kai-shek

Educational and admin reform, women's rights

Banned trade unions and political parties

Muzzled press

Opposed by the *ulema* and urban middle class

Financed regime by selling oil concessions to Western firms

Abdicated in 1941 following Anglo-Soviet invasion to secure oil fields and logistics

## STATE-BUILDING MOHAMMAD MOSSADEGH

Post-war contest is between the politicized Shia *ulema* and the secular Persian heritage of the Pahlavi dynasty.

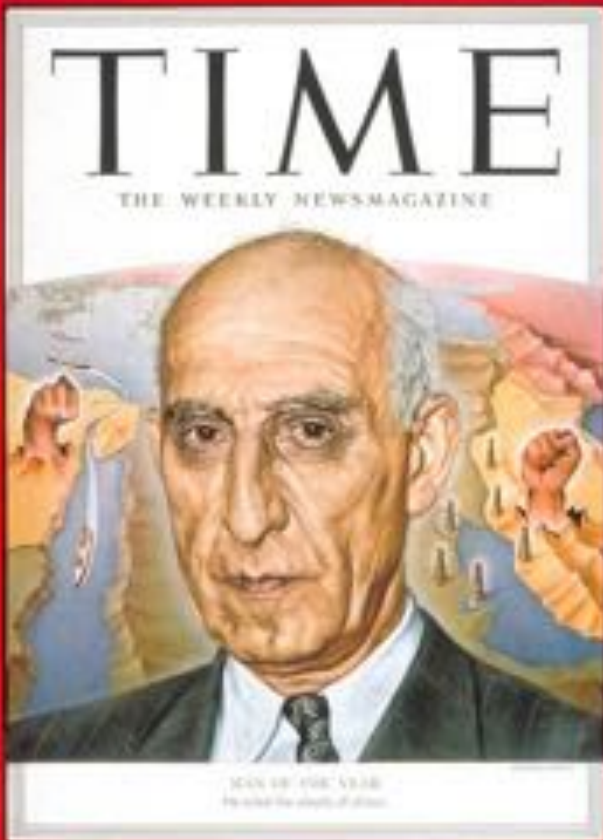
*Cause celebre*: Mohammad Mossadegh

Leader of coalition of moderate clerics, secular nationalist, and the non-communist left

Aimed to reduce the influence of the monarchy, the *ulema*, and foreigners

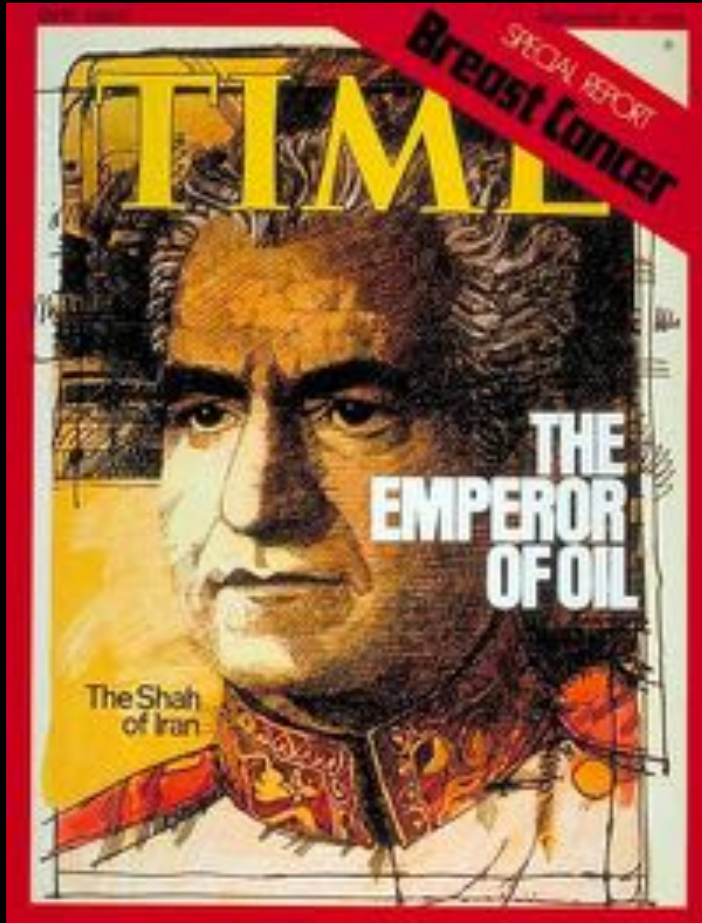
Nationalized Iranian oil in 1951

Deposed in coup d' état in 1953





## THE RESTORATION MOHAMMED REZA SHAH



Along with Saudi Arabia, America's ally in the Gulf

Dependence on U.S. undermines legitimacy

Resented by the educated urban groups that might otherwise have backed modernizing reform

Pervasively corrupt (like all police states)

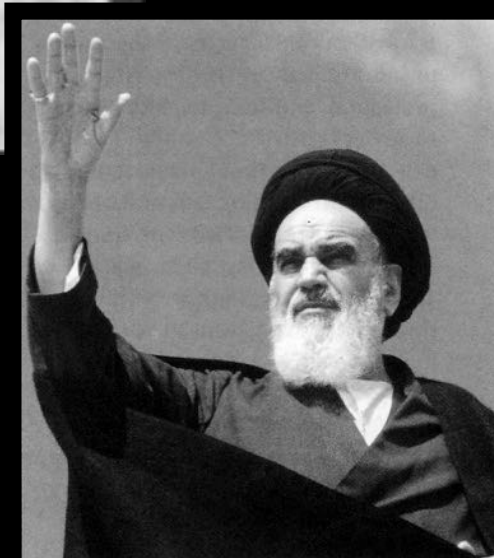
SAVAK founded 1957

Majlis dissolved 1961

Rapid growth, monetary instability, and rising oil prices (after 1973), rising unemployment, fuel domestic tension

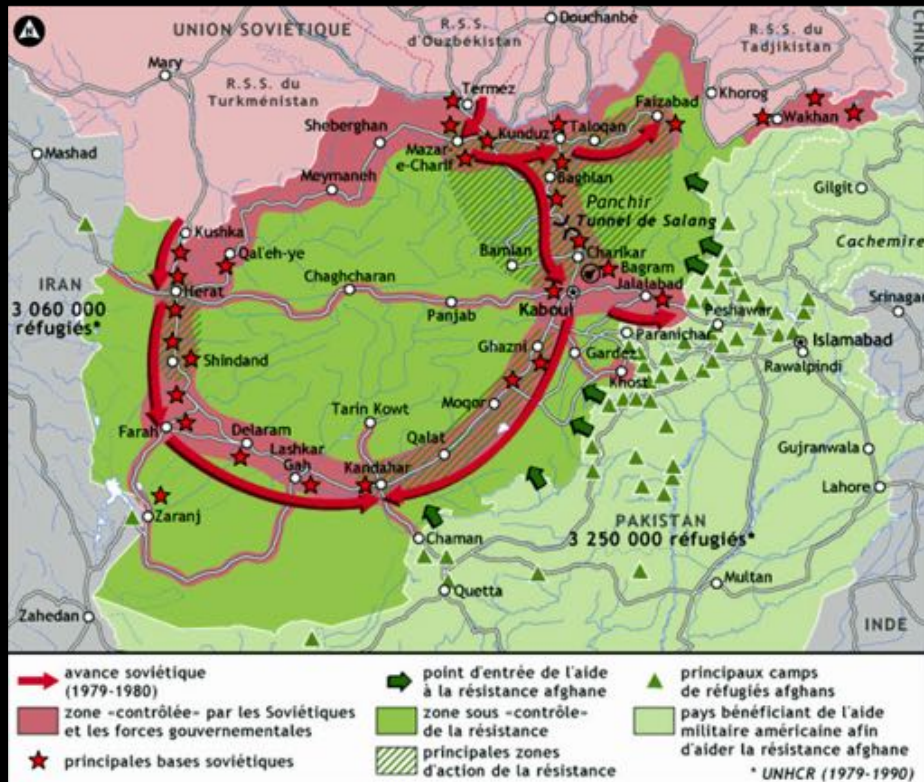
# THE TIPPING POINT

1979



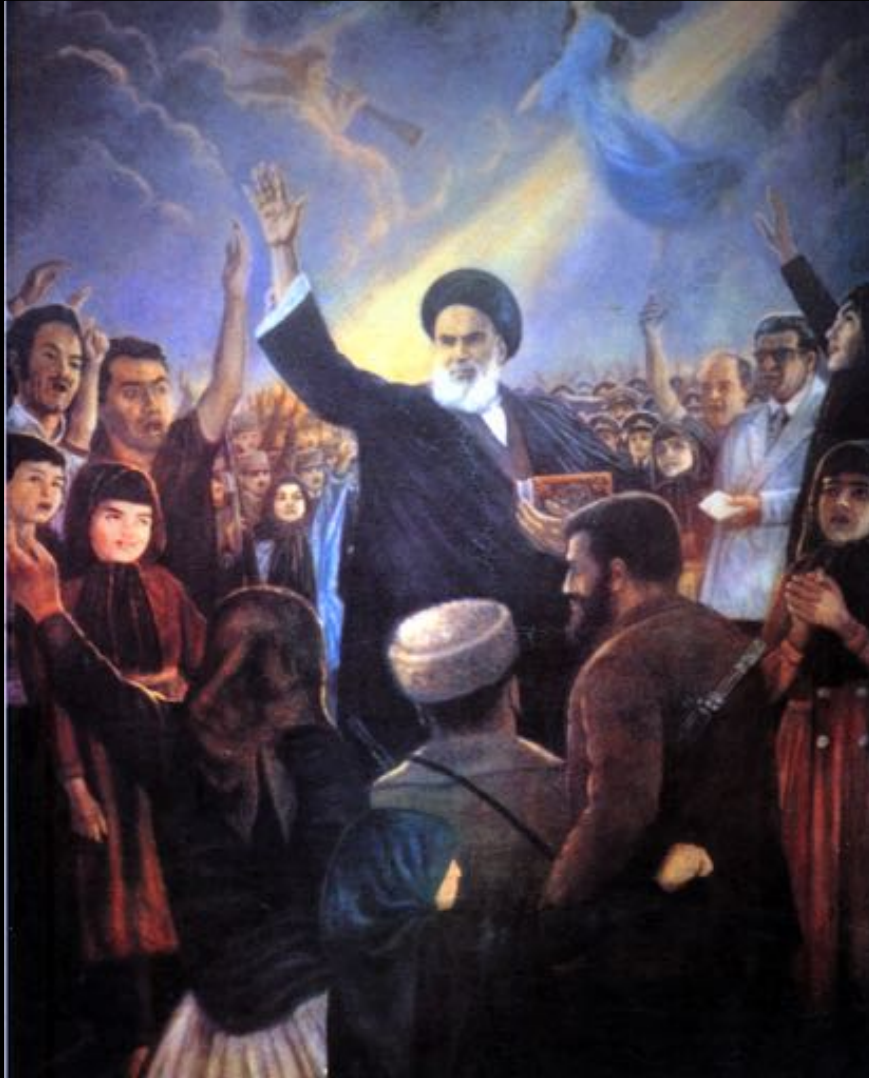
- Jan Shah of Iran goes on vacation
- Feb Ayatollah Khomeini returns to Iran
- Mar Egypt-Israel peace treaty  
Egypt expelled from Arab League
- Apr Islamic Republic of Iran
- May Iranian Revolutionary Guards formed
- July Saddam Hussein president of Iraq
- Aug Pakistan affirms status as Islamic State
- Sept Pro-Soviet Afghan regime dissolves
- Nov IRG seizes U.S. Embassy  
Islamists seize Grand Mosque of Mecca
- Dec Soviet invasion of Afghanistan

# THE CARTER DOCTRINE 1980



*An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.*

President Jimmy Carter  
State of the Union Address



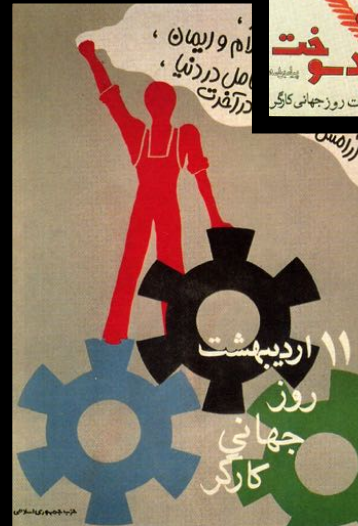
## REVOLUTION IMAGINED

*We will export our revolution throughout the world until the call “there is no god but God, and Muhammad is his messenger” echoes all over the world.*

# REVOLUTION CONTESTED



Abolhasan Bani-Sadr, left, and Mehdi Bazargan, center, with Khomeini. Bani-Sadr was a Muslim moderate, Bazargan a secular liberal, deputy prime minister under Mosaddeq.



# REVOLUTIONARY WAR



## Subversion

Rioting among Shia in Saudi Arabia and Bahrain  
Terrorism / revolutionary incitement in Kuwait

Principal target is Iraq

The only Arab state with a Shia majority

Largest of Arab Gulf states

Infidel Ba'ath regime a profound ideological rival

## Mobilization

Hostage crisis facilitated the purge of moderates

Wars help revolutions stick (up to a point... )



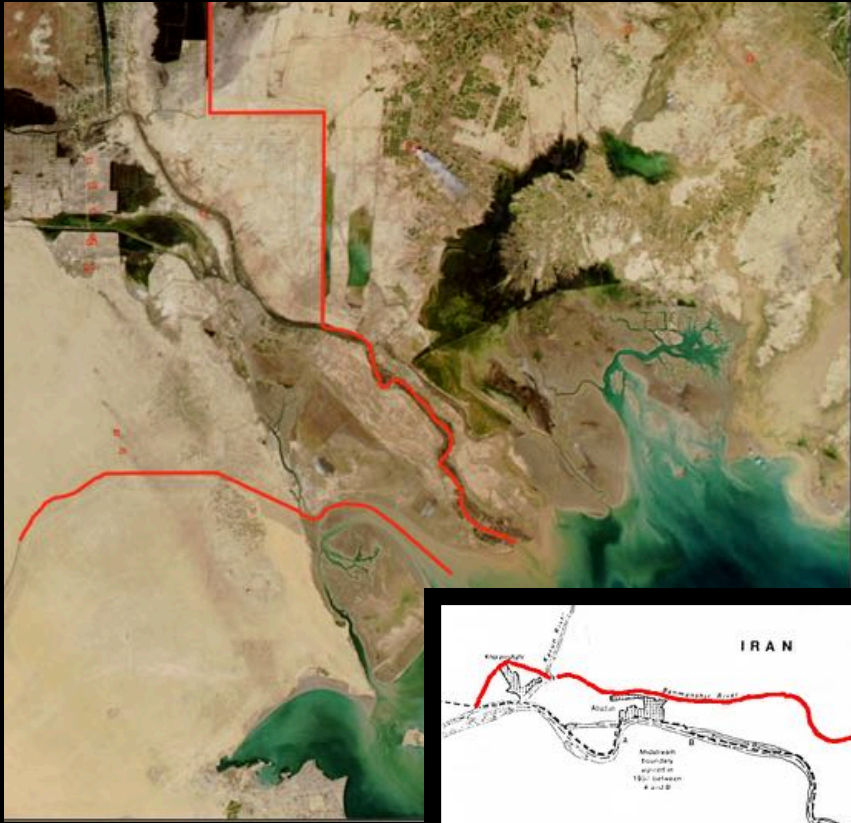
# THE FIRST GULF WAR

# COUNTER-REVOLUTIONARY WAR

1980

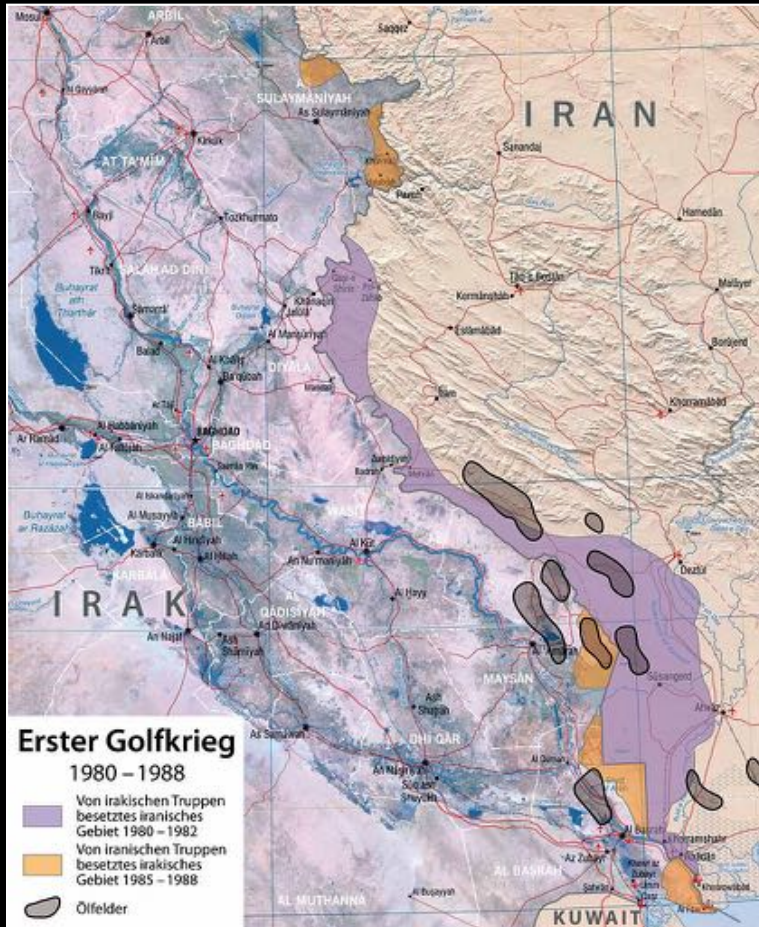


Saddam Hussein declaring that Iranian subversion had rendered border agreements null and void (Sept). War began on the 23rd, when Iraqi forces seized the Shatt al-Arab.





# LIMITED LIABILITY



*We wish to avoid any irrevocable step. (Tariq Aziz)*

*A war to destroy Islam. (Teheran Radio)*

Oct '80 - Cease-fire proposed

Nov '80 - Cease-fire proposed

Dec '80 - End of “offensive operations”

Apr '82 - Iraqi withdrawal proposed

June '82 - Iraqi withdrawal announced

June '83 - Cease-fire proposed

Feb '86 - UN cease-fire resolution

Aug '86 - Iraqi four-point peace plan

# STALEMATE



1980

Sept War begins; first UN cease-fire resolution

1981

Spr First high-level US meeting w Iraq since 1967

June Israelis destroy Osiraq reactor

1982

May Alexander Haig promises growing engagement  
Iraq no longer “state sponsor of terrorism”

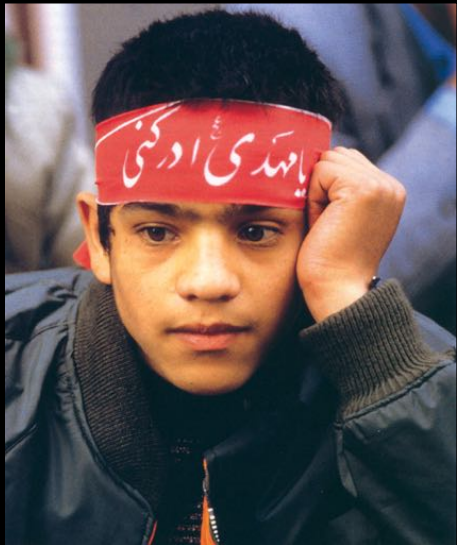
Fall Iraqis repel Iranian attacks w/ poison gas

# THE AYATOLAH-CLASS DESTROYERS

## USS CALLAHAN (DDG)



# STALEMATE



1983

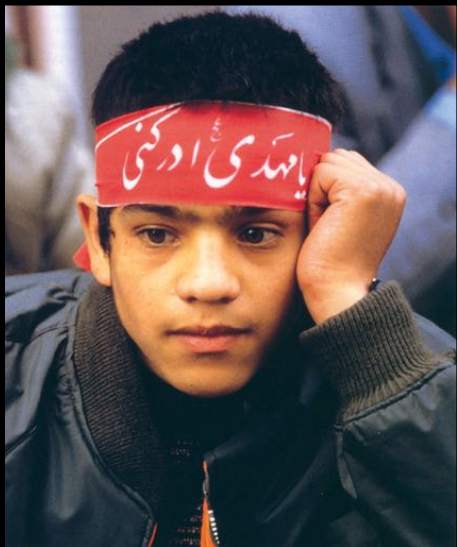
Apr Operation STAUNCH begins

July First Iraqi attacks on Iranian oil infrastructure (Kharg Island)

Oct US/French peacekeepers attacked

Dec First Rumsfeld visit to Iraq

# STALEMATE



1984

Feb “War of the Cities” begins

Mar Second Rumsfeld visit

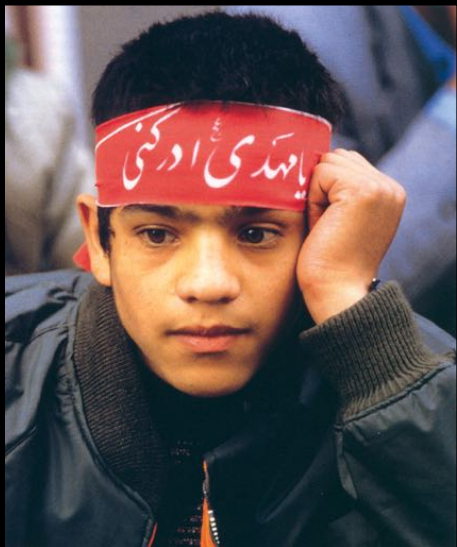
Nov “Weinberger Doctrine”

Diplomatic relations with Iraq restored

1985

Aug First American arms shipment reaches Iran 😊

# STALEMATE



1986

July NSC directive on “dual use” technology

Sept Saudis / Iran agree to oil production quotas

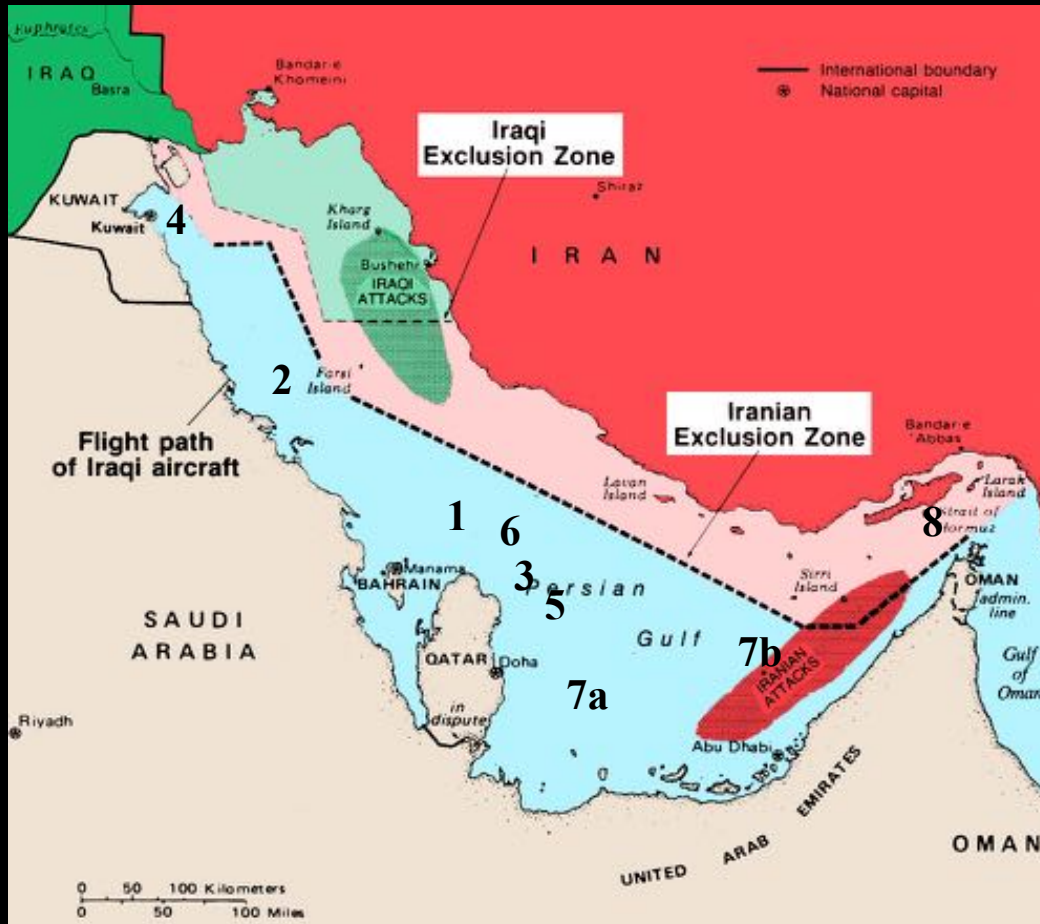
Nov Oliver North relieved of duty at NSC after Iranian moderates leak the arms deal

1987

Jan Kuwait requests American assistance in Gulf

Feb First test firing of Silkworm anti-ship missile

# THE TANKER WAR



1. USS Stark attacked (17 May 87)
  2. SS Bridgeton mined (24 July 87)
  3. Al Fajr boarded (21 Sept 87)
  4. Sea Isle City attacked (16 Oct 87)
  5. Operation Nimble Archer (19 Oct 87)
  6. USS Samuel B. Roberts mined (14 Apr 88)
  7. Operation Praying Mantis (18 Apr 88)
  8. USS Vincennes (3 July 88)
- Cease-fire concluded 20 Aug 88

## WAR FOR KUWAIT 1990



Apr Saddam warns he “will make fire eat half of Israel it if tries to do anything against Iraq.”

Robert Dole visits Iraq to discuss withholding of US agricultural credits

July *War is fought with soldiers, ... but it is also done by economic means. Therefore, we would ask our brothers who do not wish to wage war on Iraq: this is in fact a kind of war against Iraq.*

Arab governments report that Saddam is bluffing

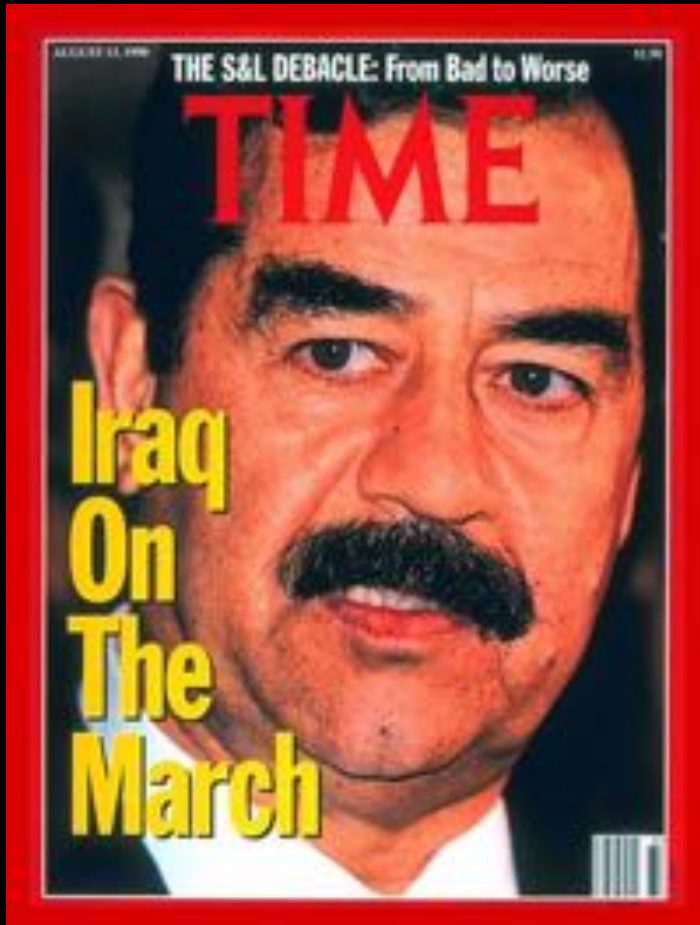


## WAR FOR KUWAIT 1990



- Aug Invasion of Kuwait (2<sup>nd</sup>)
- Operation Desert Shield begins / UN embargo (7<sup>th</sup>)
- Soviet-approved naval embargo begins (25<sup>th</sup>)
- Kuwait becomes 19<sup>th</sup> province of Iraq (28<sup>th</sup>)
- Sept *Out of these troubled times ...a new world order can emerge* (George W. H. Bush, 11 Sept 1990)

## WAR FOR KUWAIT 1990



Dec Saddam declares chance of peaceful solution 50-50

Iraq releases “foreign guests” (7<sup>th</sup>)

Public and (leaked) official casualty estimates run in the thousands

1991

Jan US threatens “revenge” for use of chemical or biological weapons, for terrorist attacks, or for destruction of oil infrastructure (9<sup>th</sup>)

Congressional authorization of the use of force passes the Senate 52-47 (12<sup>th</sup>)

# DESERT STORM

16 JAN – 28 FEB 1991



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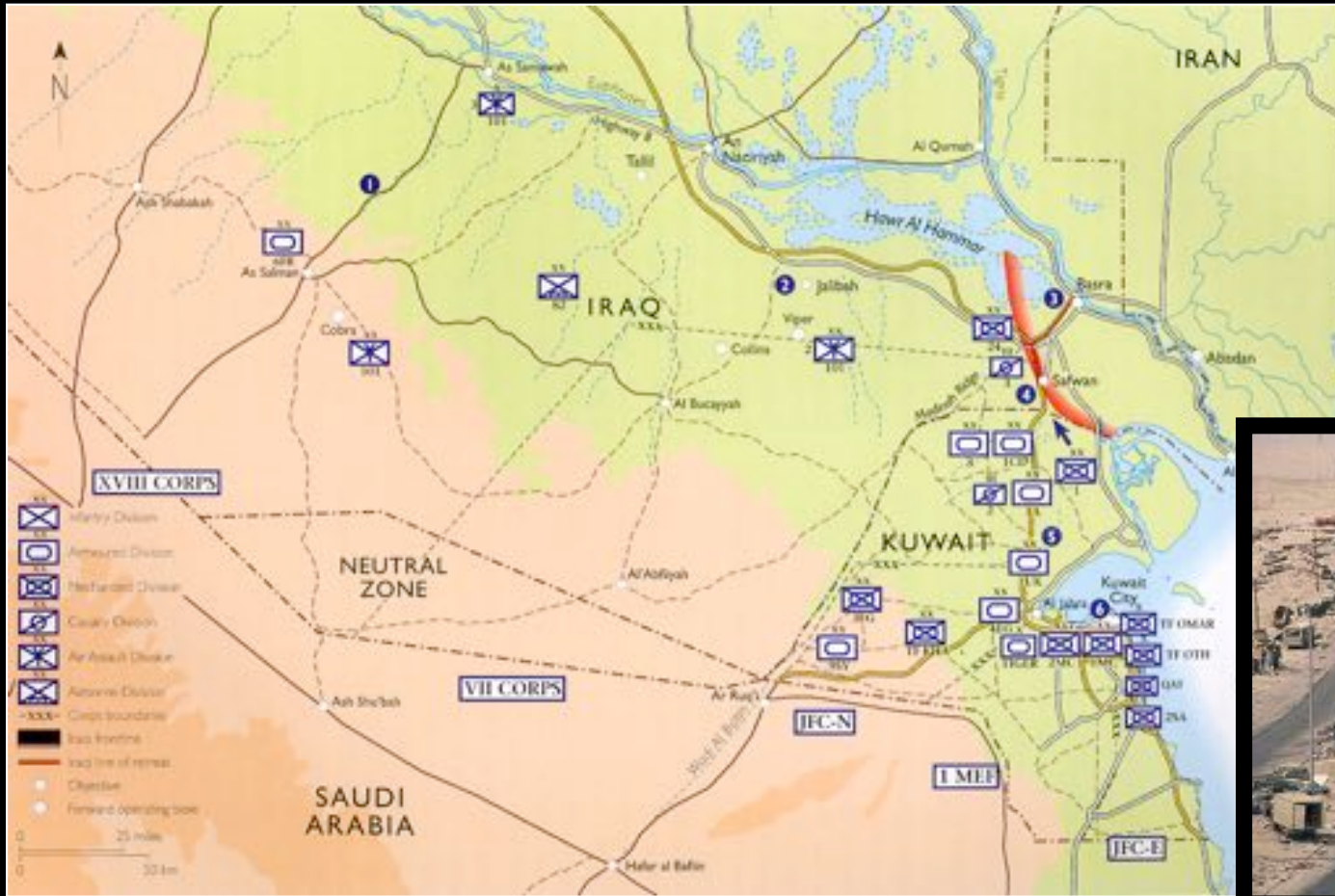
# DESERT STORM

16 JAN – 28 FEB 1991



# DESERT STORM

FEB 1991



## RISK ASSESSMENT



*... an unknown number of casualties and deaths, billions of dollars spent, a greatly disrupted oil supply and oil price increases, a war possibly widened to Israel, Turkey, or others, the possible long-term American occupation of Iraq, increased instability in the Persian Gulf region, long-lasting Arab enmity against the United States, a possible return to isolationism at home.*

George Mitchell, speech in the Senate, 10 June 1991