

Understanding the gulf crisis

After the peace dividend its war as usual

Joe White and Mike Gordon

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The Iraqi invasion of Kuwait on August 2nd 1990 has provoked a military response from the Western Imperialist powers unprecedented for over 20 years. The United Nations immediately condemned the invasion and imposed economic sanctions, By October 150,000 US troops were in the Arab Peninsula preparing for war. The Western propaganda machines went onto a war footing, portraying Saddam Hussein as a new Hitler and stirring up anti-Arab hysteria. Whilst Thatcher and Bush pontificate about opposing aggression and upholding the sovereignty of small nations, Pentagon officials speculate about “Surgical strikes” and “three day turkey-shoots”. In this article we examine the background to the conflict and explain why our priority in Britain must be unswerving opposition to Western intervention.

The hypocrisy of the Western propagandists is so outrageous that even the press have started asking questions about why no democracy exists in any Arab oil state, why the Palestinian question remains unresolved, and why the West bankrolled Saddam Hussein for so long. The United States who dumped napalm and the defoliant Agent Orange on Vietnam now piously denounce Iraq for possessing Western-supplied chemical weapons. Britain likewise has nothing to learn from Saddam about hostage-taking. Britain invented concentration camps in the Boer War; interned all German and Austrian ‘aliens’ during World War Two, including Jews and anti-Nazi refugees; and throughout the century internment has been used against Irish nationalists. Iraqi nerve gas attacks on Kurdish villages are now being publicised yet the Ozal dictatorship in Turkey, part of the Western NATO alliance, still wages war against its Kurdish minority. Kurds who have sought refuge in Britain have been ‘interned’ in immigration prisons like Harmondsworth, harassed by the Home Office and refused permission to enter Britain and join families already here.

When it comes to military aggression and propping up dictators the United States of course has no peers. For years Panama’s Noriega, to name but one, was on a CIA payroll only to be ousted by the US invasion in February 1990 which claimed 8,000 lives. In Iraq itself the CIA aided the 1963 coup which brought the Ba’athist-led coalition to power in Iraq and fingered thousands of Communists to the regime. The US again gave tacit support to Iraq’s invasion of Iran in 1980. Whenever Iran appeared to be getting the better of Iraq during the war the US took Iraq’s side to ensure the conflict continued for as long as possible. In 1984 Iraq was removed from the US list of countries sponsoring terrorism and diplomatic links were re-established. Moreover

the US provided Iraq with billions of dollars worth of trade credits. As the American magazine Newsweek pointed out:

“Only Mexico received more guaranteed food credits than Iraq. The tremendous Iraqi grain buys created a virtual Iraq lobby among American farmers and corporations who profited from the trade.”

(Newsweek, 20.8.90)

When an Iraqi Exocet missile hit the USS Stark killing 37 American sailors in May 1987, the US took retaliatory action against Iranian patrol boats. Britain too had its fingers in the Iraqi pie to the tune of £400 million a year in exports, while French arms sales to Iraq were worth \$16.6 billion. Saddam Hussein, like Noriega and Marcos before him is the latest Western-backed dictator to have fallen foul of his imperialist paymasters.

“Englishman with a hat on your head, we hope you die, tonight, in your bed”

(Traditional Kuwaiti street song of the 1920s and 30s)

The modern history of the Middle East is the history of colonial and imperialist interference, of borders being drawn and re drawn by Western powers, and of imperialist engineered coups and military action to ensure hegemony over the region. From 1820 onwards Britain established ‘trucial’ (i.e. by means of enforced truces or treaties) protectorates in the Arab peninsula to secure its vital trade routes to India. These increased in strategic importance when the Suez Canal was completed in 1869. After the First World War Britain and France carved up the old Ottoman Empire and imposed their rule over Palestine, Transjordan, Syria, Lebanon, and Iraq under a League of Nations mandate. As with the United Nations today, its predecessor provided a facade of neutrality for imperialist self-interest.

“It is quite a mistake to suppose that under the Covenant of the League or any other instrument the gift of mandate rests with the League of Nations. It rests with the Powers who have conquered the territories, which it then falls to them to distribute.”

(Lord Curzon, British Foreign Secretary, June 1920 quoted in G.E. Kirk: A Short History of the Middle East, p. 36)

Large scale oil production began in the Gulf during the 1930s, and as oil became more important to the Western economies so too did the strategic importance of the oil rich Middle East. After the 2nd World War the US emerged as the leading imperialist power and also the dominant force in the Middle East. This hegemony was achieved by the creation of the US-backed artificial state of Israel which served as a regional policeman in the area; by the domination of US oil companies such as the conglomerate Arabian American Oil Company (ARAMCO); and through financial and military aid to client regimes such as Saudi Arabia. The present political set-up in the Middle East was fashioned by imperialism and is to this day guaranteed by imperialism. Thus whenever the Western powers have perceived a threat to their interests they have responded with force. In 1951 Iran nationalised its oil fields. In retaliation the Anglo-Persian Oil Company (the fore-runner of BP) initiated a British trade embargo against Iran and in 1953 the

CIA staged a coup to topple the regime. In 1956 Britain, France and Israel invaded Egypt after Nasser had nationalised the Suez Canal. US opposition eventually forced their withdrawal.

Britain frequently deposed and installed sheikhs in the various gulf states to ensure the subjugation of its clients. However in the late 1950s and throughout the 1960s Britain faced a wave of nationalist uprisings which proved more formidable than previously. In 1957 there was a major uprising in the Sultanate of Oman. Britain responded by launching RAF bomb attacks on villages and irrigation works. Between 1963 and 1967 British forces fought a guerrilla war with the South Yemeni National Liberation Front. British warfare methods were once again ruthless. There was detention and torture in purpose-built interrogation centres and terrorist bomb attacks on civilian largess and crops. However, Britain was decisively defeated and had to abandon its strategic Port of Aden. In 1971 Britain was finally forced to yield its remaining protectorates, give up its last military bases and pull all its troops out of the Gulf. As with de colonisation in Africa the withdrawal of direct political rule or 'protection' left intact the economic domination of Western banks and corporations. The present Gulf conflict shows that the West is still prepared to protect its strategic interests in the region by force of arms.

The socio-economic nature of the Middle Eastern states reflects imperialism's need for a cheap and stable oil supply. The Gulf states are rentier economies administered by semi-feudal royal families. A rentier state derives its income not from production, but externally, from rent or revenue paid for its natural resources. Thus there is no significant independent bourgeoisie and revenue accrues directly to the state. Oil revenues which constitute the 'rent' paid to the Gulf statelets represents over 90% of their budget revenues and over 95% of their exports. The native citizens are in effect privileged rentier castes who enjoy social provision paid for not out of taxation but directly out of oil revenues. Below the citizens are large armies of migrant Asian and Arab guest workers who enjoy none of the social privileges of the citizens.

Kuwait is an ideal example of a rentier statelet. Britain drew its borders and ruled Kuwait until 1961 when it granted formal independence under the absolute rule of the pro-Western al-Sabah family. Kuwait was the leading oil producer until 1966 and as a result its citizens enjoy the highest per-capita incomes of any country in the world. The majority of the population however are not citizens but guest workers who comprise 85% of the workforce. While Kuwaiti citizens pay no income tax and receive free education, healthcare, social services and cheap petrol, the guest workers by contrast have to pay. Unlike the other oil sheikhdoms Kuwait even had, until 1986, a rubber-stamp Parliament; though only 60,000 propertied male Kuwaiti citizens, comprising 4% of the population were allowed to vote. In the final analysis, Kuwait's independence is not guaranteed by its Western-equipped and trained army but by the imperialist powers themselves.

The modern history of the Middle East is the history of colonial and imperialist interference, of borders being drawn and re drawn by western powers, and of imperialist coups and military action to ensure hegemony over the region.

Countries like Iraq, Syria and Egypt, which are run by nationalist dictatorships, are independent capitalist states. They have enjoyed relative independence from the orbit of US imperialism in the past due to large amounts of Soviet aid. The USSR was Iraq's biggest arms supplier, and even after the annexation of Kuwait, there were still Soviet military advisers in Baghdad. Unlike the Gulf emirates, these larger Arab nations have proved much more difficult for the West to control due to their relatively large and rebellious populations. Western policy is to play one Arab state off against another to ensure that no single nation becomes dominant in the region.

To its cost, the US found the danger of sponsoring regional superpowers when the pro Western Shah of Iran was overthrown in 1979. Thus, as Iraq discovered, as soon as the Gulf War ended the credit dried up. Although Iraq does have some non-oil industrial production and an agricultural sector, oil revenues provide the country with most of its income. Oil constitutes 97% of its exports; manufactured goods comprise only 10% of its economic output; and after oil, its second most important export is dates. Thus, while the Iraqi regime is not simply a puppet regime of the West, it is still economically dependant on imperialism for its income (i.e.. oil revenues). Thus we can characterise Iraq as a neo-colony which as we shall see has important implications when we formulate our position on the present conflict.

Western propaganda compares Iraq annexation of Kuwait with Hitler's expansionism. The two are incomparable. Germany in the 1930's was a major imperialist power. Iraq in 1990 is still an impoverished Third World nation which does not export capital, only raw materials. At the end of the Gulf War Iraq found itself with an 580 billion foreign debt and a million strong army to maintain at a cost of \$10 billion a year. In order to restore oil production to pre-war levels, to reconstruct its war-shattered economy and feed its 18 million people Iraq needed external help, However, Western loans were not forthcoming due to Iraq's record of payment default and its oil revenue was not even sufficient to pay for its vital food and engineering goods imports (Iraq imports 80% of its food). Iraqi foreign assets are nearly exhausted and are estimated to be \$3.5 billion. In 1989 oil revenue only brought in \$16 billion while Iraq paid out \$19 billion for imports and a further \$1 billion was funnelled out of the country via guest workers. This left a \$4 billion balance of trade defecits. Unsurprisingly. Iraq was one of the 'hawks' in the OPEC cartel who wanted to hike up the price of oil. Kuwait by contrast was an OPEC 'dove', exceeding its production quota and helping to keep oil prices down. Saddam Hussein clearly hoped to exploit the hatred fell for the billionaire 'Emirs of oil' in order to divert attention away from a chronic internal crisis. At a stroke, annexation gave Iraq control over 20% of the world's proven oil reserves and cancelled out its \$15 billion war debts owed to Kuwait. Revelations which have received wide media coverage in the United States, though nor in Britain, show that the US Ambassador in Baghdad was fully aware of Iraq problems and intentions but provided no warning of US opposition. In a meeting with Saddam Hussein four days before the invasion the Ambassador. April Glaspie, told the Iraqi leader:

“we have no opinion on the Arab – Arab conflicts like your border disagreements with Kuwait.”
(The Guardian, 12.9.90)

This indicates that sections on the US Establishment either consciously engineered the crisis, or at the very least did nothing to discourage an invasion. As we shall see, there is even a case for arguing that if the Gulf crisis didn't exist, the US would have had to invent it.

The reason for imperialist concern has little to do with 'democratic principles' and far more to do with ensuring that nothing upsets the supply of cheap oil from the region. The net effect has been to shatter liberal dreams of a 'peace dividend' and give us a glimpse of the emerging epoch of regional conflicts.

Oil explains the immense strategic importance of the Middle East which has 56% of the world's proven reserves. As one US official explained:

“We need oil .Its nice to talk about standing up for freedom, but Kuwait and Saudi Arabia are not exactly democracies and if their principal export were oranges, a mid-level State Department official would have issued a statement and we would have closed down Washington for August.”

(Time magazine, 20.8.90)

Faced with this choice; a Falklands Factor or a Post- Vietnam complex our primary concern in Britain must therefore be the defeat of the imperialist forces.

This latest threat to the stability of the oil supply has caused jitters in the world financial markets. This says far more about the underlying recessionary trends in the Western economies than it does about the actual power of Arab oil producers. In Britain, inflation topped 10% in the Autumn, compared to the European average of 4–5%, while interest rates remain high (over 14% in October). The US economy is on the brink of a recession. Growth has slowed down, corporate profits fell 12% in the first 6 months of 1990 and unemployment is rising. The recent Federal bail-out of the Savings and Loans industry which is likely to cost the government \$500 billion underlines the fragility of the economy. Economic analysts are openly discussing the return of stagflation: the combination of recession and high inflation. By waging war against Iraq, Bush may be able to blame Saddam Hussein for the coming recession. However, war in the Middle East would cause oil prices to soar and precipitate stagflation. Obviously the US is prepared to risk escalating its economic problems and wage a war it can scarcely afford to finance, because what is at stake is the struggle for hegemony in a new imperialist redivision of the globe.

As one senior White House official put it:

“The real significance of this crisis is that it is going to define the post-Cold War world.”

(Time magazine, 20.8.90)

Significantly, only Britain out of all the imperialist nations has responded with as much beligerence as the USA, demonstrating its decline within Europe to the status of a secondary economic power. Whilst Germany, Japan and the other EEC nations have supported sanctions due to their own dependence on the Gulf oil supply, they have been far more lukewarm in supporting the US-led war drive. Bush and Thatcher’s insistence that the imperialist forces don’t need UN backing for a military strike against Iraq further underlines the contradictions within the anti-Iraq imperialist alliance. Now that the Stalinist regimes of Eastern Europe have collapsed and the Cold War has ended, the world is once again up for grabs, and US leadership of the west is under threat. The US knows that it is only a matter of time before the increasingly powerful Japanese and German economies are equipped with full military capabilities. Thus the US is staking its claim early and asserting itself in the role of world policeman in regional conflicts. As Will Hutton, writing in *The Guardian*, explained about US foreign policy:

“It is happy for them (the Japanese) to be the regional power in East Asia and to recycle dollar surpluses. And it puts pressure on them to ‘burden-share’. But the Americans would not want a Japanese battle fleet sailing up the Gulf insisting ...that it would remain under Japanese command. Burden-sharing is fine, as long as it is under American leadership.”

(*The Guardian*, 14.8.90)

Now that Iraq controls almost as much oil production as Saudi Arabia the Western propagandists have resurrected the spectre of the 'Arab threat' to the West's oil supplies. Egypt's Colonel Nasser was the first modern Arab leader to be demonised for daring to:

“...defy the world, and lead the Middle East, where geological demons put 65%, of the world's oil.”

(The Economist, 18.8.90)

In the 1970s it was not pan-Arabism but the OPEC cartel which aroused imperialist fears. But Western concern over price fixing cartels only serves to mask the extent of real imperialist domination over the Middle East's oilfields. Up until the 1970s most of the Gulf oilfields were directly owned and run by US and British oil companies in return for financial concessions to the local regimes. In the 1970s OPEC Gulf states achieved participation and subsequently controlling interests in the oil production industry. The post-1973 price rises which were engineered by the cartel were simply designed to correct the oil price upwards to its proper world market level. Whilst this overall shift represented a partial redistribution of oil profits to the Arab states the actual oil supply to the West was unaffected. As the Middle East Economic Digest explained:

“...the oil producers of the Middle East are on the whole a force for economic stability once their interests and their paramount importance in today's world are recognised.”

(quoted in F.Halliday (1974), Arabia Without Sultans, p 10)

Significantly, Western oil company profits showed large increases at the end of 1973 and much of the unspent oil revenues were re-invested back into Western banks by Arab rulers. For example Kuwait's overseas investments including those privately owned by the al-Sabahs have been estimated at \$150 billion. Moreover, as Fred Halliday explains:

“The rise in Gulf incomes led to a rush of carpet-baggers and sharks of all kinds, hoping to siphon off the newly granted riches of the Gulf countries. The profits from oil went to construction firms, Lockheed and the British Aircraft Corporation, rather than uniquely to Shell and Standard Oil of New Jersey. ”

(F.Halliday, Arabia Without Sultans, p413)

Therefore OPEC's actual influence within the world economy as a whole remained marginal. The 1973 oil crisis illustrated their ability to temporarily influence the price of oil but after 1973 advanced capitalist economies stockpiled reserves, reduced oil consumption by 10%, and from 1973 to 1985, increased non-OPEC production by 50%. Thus from controlling over 70% of world production in 1973, OPEC's share was reduced to 38% in 1985 and today the cartel still controls less than half the world's oil production (about 45%). OPEC has also been continually riven with divisions between 'hawks' and 'doves' which may have finally reached breaking-point with the Gulf crisis. It is not so much unilateral producer action which has threatened the oil supply because OPEC has always been dominated by imperialism's clients. Instead it is political instability which has directly disrupted production and led to the three 'oil shocks' of the last 20 years: the 1973 Yom-Kippur War, the 1979 Iranian Revolution, and now the invasion of Kuwait. The imperialists will certainly attempt to scapegoat the Arab oil producers for their own economic crises

but the truth is that the problems of the Western economics are inherent in the capitalist system, while the power of Third World producers is largely mythical.

The Gulf crisis has predictably elicited a warmongering response from the British and American governments. As one senior White House aide delicately put it:

“...we will simply flatten Iraq. And I mean flatten. ”
(Sunday Times, 19.8.90)

In Britain there has been unanimity on both sides of the House of Commons. Labour Party conference overwhelmingly endorsed a unilateral military strike by Western forces outside UN auspices. Indeed when former Tory Prime Minister Edward Heath expressed his preference for a peaceful solution it was Labour’s shadow Foreign Secretary Gerald Kaufman who was first to condemn Heath for being “irresponsible”. Neil Kinnock, eager to portray himself as a statesman lit to administer imperialism’s interests, has been indistinguishable from the Tories on the issue:

“Saddam Hussein has challenged the whole of the world community. His defeat must be a victory for the whole of the world community.”
(Speech to the TUC, 4.9.90)

The consensus that Iraq must be punished extends well beyond Kinnock and embraces the anti-war left led by Tony Benn, CND, the Green Party and the Communist Party. Their Committee to Stop the War in the Gulf supports imperialist interference in the form of UN economic sanctions and concedes the right of Western troops to enforce those sanctions. The Morning Star perfectly articulated this ‘left’ imperialist position:

“...the establishment of a properly constituted UN force under UN control. This should be the key demand raised by the left and the entire peace movement in Britain... At this moment, it is important to put all efforts into this demand and not to be side-tracked by calls for withdrawal of US forces.”
(Morning Star, 21.8.90)

The left have long cultivated illusions in the United Nations, particularly by demanding UN sanctions against oppressive regimes such as South Africa and Israel. But the UN has never acted to prevent US aggression in Latin America or South-East Asia because without imperialist consensus it is toothless. Where the UN has acted it has merely served as a flag of convenience for imperialist interests. The UN backed the US war in Korea largely due to the fact that the Soviet Union was boycotting it and China was excluded from it at the time. Even then the UN exercised little control over the direction of the war as a former UN Information Officer explained:

“...we had no control or prior knowledge of press statements. All were issued by the Pentagon or General McArthur...including the politically explosive suggestion that he might consider moving against mainland China. ”
(G.I.Smith, The Guardian, letters 29.8.90)

By and large the US has bypassed the UN and pursued its interventionist policies with impunity. For example the deployment of troops to Vietnam was never referred to the UN. The limitations

of the UN were once again exposed in 1982 when the US used its veto to prevent the passage of resolutions against Israel's invasion of the Lebanon. In the present Gulf conflict to demand a UN solution therefore is to invite the exploiters and oppressors who dominate it to assert their interests.

In practise there is little to choose between starving Iraq and crippling its economy through UN sanctions on the one hand, or bombing it back to the Stone Age on the other. Both positions accept the right of the imperialists to continue their domination and exploitation of the Middle East. Furthermore by appealing to pacifism the left is simply looking for demonstration-fodder in the insignificant rump of the early-80s peace movement. Pacifism enjoys no mass working class support as is testified by the lack of workers opposition to the 21 year war in Ireland and the 1982 Malvinas/Falklands War. The real problem is nationalism: the idea that workers and bosses have something in common, and this cannot be challenged by accommodating to it but by confronting it head-on. In reality the only people who have made up the numbers on all the various anti-war marches so far have been the forces of the Trotskyist and revolutionary left. This indicates both the difficulty of building a genuine anti-imperialist current within the British working class and the political void which now exists between the Kinnockite 'new realists' and the small forces of the revolutionary left.

The Anarchist Workers Group stands alone on the libertarian left for concentrating our fire on Western imperialism. Most anarchist groups, inspired by either pacifist or left communist ideas, have refused to take sides and instead raised the slogan 'No War But The Class War!'. Although superficially radical, this position falls into the trap of taking slogans out of their political and historical context and repeating them abstractly, irrespective of the specific situation. Thus, 'No War But The Class War!' was appropriate for an inter-imperialist conflict such as the First World War, but when applied to a conflict between the leading imperialist powers on the one hand and a bankrupt, debt-ridden Third World nation on the other, this position has reactionary implications.

The 'plague on both your houses' approach is based on an assessment that there is no essential difference between Iraq and the US-led imperialist forces. This unwittingly makes a major concession to Western propaganda which also asserts that there is no real difference between the imperialist expansion of Nazi Germany and the military aggression of neo-colonial Iraq. A second problematic implication of the ultra-left position is that it fails to distinguish between a victory and a defeat for Western imperialism, both being equally bad. But a victory for the West would have a number of important consequences.

Firstly, US domination of the Middle East would be strengthened possibly with a new permanent military base in the Gulf. Such a victory would have been achieved at the expense of the Iraqi people, soldiers and civilians alike, who would pay in blood. This would send a clear message to all the oppressed and exploited masses of the Middle East that any threat to imperialism's client states in the region may also be met with Western intervention. This would objectively be a set-back to the Kurdish and Palestinian struggles for self determination, and to the prospects for a working class revolution.

Secondly, the authority of the US to intervene in other region conflicts would receive a major boost. The US capacity for military intervention was severely impaired as a result of the Vietnam experience. Washington was effectively forced to spectate as two important clients, the Shah of Iran and the Nicaraguan dictator Somoza succumbed to revolutions in 1979.

Finally, victory for the Western forces would strengthen the ability of our bosses to use nationalism to derail working class struggles. In Britain racism, aimed particularly against Arabs

and Asians, will undoubtedly intensify. Already there has been an arson attack on a Birmingham mosque named after Saddam Hussein. Faced with this choice (a Falklands factor or a post-Vietnam complex) our primary concern in Britain must therefore be the defeat of the imperialist forces.

The slogans which the Anarchist Workers Group has taken up are based on the tactical consideration that for the British working class the main enemy is not Saddam Hussein, but our own ruling class. If Iraq is attacked, then we would defend it because it is a neo colony in conflict with imperialism not because there is anything progressive about the Ba'athist regime. As revolutionaries in an imperialist heartland, our foremost task is to win the withdrawal of working class support for the West's war aims. Thus we are for workers' non-co-operation with economic sanctions and industrial action for the political end of sabotaging the war machine.

In the Middle East our tactics would change their emphasis, reflecting the different situation. When the original invasion of Kuwait took place we would have urged workers to support neither side. However, Western intervention showed that the class struggle in the Middle East must be waged not only against the local ruling classes but invariably against their imperialist backers. So, for Middle East workers, the enemy is at home and abroad. Thus, the class struggle is inseparable from the anti-imperialist struggle. This does not mean that if we are for the defeat of the imperialist forces then we would give any political support to the reactionary Ba'athist regime. Saddam Hussein has indeed tapped the considerable anti imperialist sentiment throughout the Middle East. There have been mass demonstrations and tens of thousands volunteering to fight in defence of Iraq.

Nonetheless, it does not follow that Saddam Hussein is temporarily on our side and workers should suspend their struggles to defend (sic) Iraq. Saddam is by no means an anti-imperialist despite his rhetoric. He has proved willing to collaborate with imperialism in the past and cannot be trusted with leading an anti-imperialist struggle. The best defence against imperialism is for the working class of the region to assert their own interests. This means ousting all the Emirs, Sheikhs and dictators who rule over them. It means making a break with pan-Arabism and Islamic Fundamentalism in favour of working class internationalism. And it also means waging a revolutionary war to end the century and a half of Western military and economic interference in the Middle East. Our task in the West is to assist the creation of such a movement by undermining the ability of our own rulers to conduct any form of intervention in the Gulf.

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