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# Oil, The Persian Gulf, and Grand Strategy

## Contemporary Issues in Historical Perspective

Ian O. Lesser

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Ian O. Lesser

Prepared for the  
Commander in Chief, U.S. Central Command  
Joint Staff

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## PREFACE

This report is part of a larger RAND project on U.S. interests in and strategies for Southwest Asia that is being sponsored by the U.S. Central Command (CENTCOM) and the Joint Staff. Other parts of the project address political-military issues in the Persian Gulf and assess military capabilities and strategies for Persian Gulf contingencies (an exploration of methods and concepts for political-military contingency planning is included). The purpose of this report is to place contemporary issues of oil supply security in historical perspective, with particular emphasis on the concept of grand strategy. Given that recent events in the Persian Gulf have thrust such issues to the forefront, it is hoped that this report will provide a useful background for policymakers, observers of international and strategic affairs, and others interested in the role of Persian Gulf oil in U.S. and allied strategy.

This research is being conducted in the International Security and Defense Strategy Program, which is part of RAND's National Defense Research Institute (NDRI), a federally funded research and development center sponsored by the Office of the Secretary of Defense and the Joint Staff.

## SUMMARY

This report explores the role of the Persian Gulf region and its oil in "grand strategic" thought and practice, and the development of this role during the twentieth century. The purpose of this exploration is to place contemporary issues in historical perspective in order to offer insights for U.S. policy.

### THE GRAND STRATEGIC APPROACH

The grand strategic approach seeks not only to relate the various elements of strategy (i.e., the political, economic, and military dimensions) to each other, but also to relate aims in various theaters to one another. The exercise is one of assessing strategy as a whole and, as such, is relevant to both *peacetime* and *wartime planning*. The history of modern grand strategy is to a remarkable extent the history of access to and denial of vital resources, including Middle East oil.

### COMPETING STRATEGIC TRADITIONS

Two distinct and competing traditions, the autarkic-continental and the liberal-maritime, have played a key role in shaping grand strategy toward economically vital regions such as the Persian Gulf. These two traditions have historically differed in three main ways: how they view the overseas supply of resources (liability vs. asset), their preferred strategy of access to vital regions (continental vs. maritime), and their impetus for action (geopolitics vs. vital interests). The experience of the two world wars and the advent of nuclear weapons have influenced these two traditions but have not eliminated their relevance; they continue to shape policy toward the Persian Gulf region. Indeed, the prevailing liberal-maritime approach, with its emphasis on safeguarding the system of international trade in resources through the *coalition* defense of vital interest spheres, strongly asserted itself in the 1990-1991 Persian Gulf crisis.

### OIL AND STRATEGIC PERCEPTIONS

The current focus on oil supply vulnerability is not new. It represents the latest episode in a sequence of *perceptions* about oil that have exerted a historically important influence on strategy. This sequence

can be traced from the rise of oil as a naval fuel prior to World War I, to the interwar period of intense speculation on resource access, to the oil-related campaigns of World War II, to the era of containment, and, finally, to the current regional threats to oil. Over this period, the most important trends influencing these perceptions have been 1) the evolution of oil from a militarily vital commodity to one that is also overwhelmingly important to civilian economies worldwide, and 2) the evolution of the strategic stakes in the Persian Gulf—from the outcome of great-power competition and world war, to postwar recovery and the containment of Soviet power, and, finally, to the promotion of international prosperity and world order.

## CONCLUSIONS AND IMPLICATIONS FOR U.S. POLICY

The conclusions reached in exploring the role of the Persian Gulf region and its oil in grand strategic thought and practice, and the relevance of these conclusions to the formation of U.S. policy toward the Persian Gulf in the post-Cold War era are as follows:

1. *Effective strategy toward the Persian Gulf and its oil resources has always been developed in the context of broader, grand strategic objectives.* Persian Gulf policy cannot be formulated in isolation; it must take into account the opportunities and constraints arising from interests elsewhere (most prominently, Europe).
2. *Ultimately, resource-related needs and objectives have tended to be determined by broader strategic aims, not vice versa.* Historically, oil has not been a cause of war in its own right, an observation relevant to the assessment of the motivations of current and potential adversaries in the Gulf region.
3. *The coalition approach to security in the Gulf that has characterized U.S. strategy from the Carter Doctrine through Operation Desert Storm is solidly within the Anglo-American liberal-maritime tradition regarding access to economically vital areas.* Over the long term, U.S. policy may need to account for the fact that this tradition is not shared by all U.S. allies (nor by the Soviet Union).
4. *The perception of the Persian Gulf as an area of vital interest has been remarkably constant over time and has never been solely the result of the region's oil production, although this factor's importance has steadily risen.* Taking British policy prior to World War I as a starting point, the elements of vital interest in the region have included a) the region's location astride critical lines

of communication, b) access to oil and denial of it to adversaries, c) the ability to forestall the extension of continental power into Southwest Asia, d) the need to demonstrate the pervasive and enduring nature of great- or superpower interests, and e) the identification of regional security with coalition objectives. U.S. policy toward the Persian Gulf since the Iraqi invasion of Kuwait has been and should continue to be based on more than just the need to protect access to oil. Regional stability and world-order interests play a role in policy toward the Gulf and will be even more important in periods of strategic flux, such as the current post-Cold War environment.

5. *While the rise of potent regional actors (e.g., Iraq, Iran) is a new element in the strategic environment, it does not necessarily mean that overwhelming constraints will be placed on U.S. freedom of action or that the utility of military power as a policy instrument will be reduced.* Indeed, the success of Operation Desert Storm suggests precisely the opposite.

## **ACKNOWLEDGMENTS**

I wish to thank my RAND colleagues John Arquilla, Carl Builder, Paul Davis, Zalmay Khalilzad, Mary Morris, and Jonathan Pollack for their valuable comments and suggestions, and Jeri O'Donnell for her editorial assistance. The content of this report does, however, remain my sole responsibility.



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## 1. INTRODUCTION

The purpose of this report is to assess the role of oil and the Persian Gulf region in grand strategy, and the manner in which this role has evolved in the twentieth century. The overall objective is to place contemporary issues in historical perspective to derive insights for present U.S. policy.

Access to Persian Gulf oil in war and peace cannot be divorced from the broader and prevailing political, military, and economic context. This fact is perhaps the strongest argument for the *grand strategic* approach. Regional stability and access to oil are part of a complex of strategic aims for the U.S. and its allies. At the same time, fears of oil supply vulnerability and the potential economic and military constraints connected with that vulnerability have played an important part in shaping wider strategic perceptions. The 1990–1991 crisis in the Persian Gulf demonstrates the continuity of these concerns.

When viewed against the background of continued worldwide dependence on Middle Eastern oil and budgetary pressures in the U.S. and elsewhere, the dramatic changes in the East-West relationship, the political revolution in Europe, and the recent confrontation in the Persian Gulf all signal the need to reassess U.S. interests in and approaches to Persian Gulf security. How should a superpower define its vital interests in the post-Cold War era, and what elements are vital in relation to the Persian Gulf? How might access to oil be affected by the need to promote regional stability generally, rather than to deter a single, well-defined adversary? What are the likely implications of Iraqi aggression and the coalition response to that aggression for future strategic perceptions?

More broadly, do nations go to war over oil, or are oil-related conflicts merely a reflection of wider strategic imperatives? How might the coalition dimension of oil security—a prominent feature of the historical experience—change as a consequence of developments in Europe (e.g., the decline of Soviet power and possibly a new strategic role for Germany)? In this post-Cold War period of strategic flux, it is useful to explore fundamental conceptual issues and historical experience in an effort to gain insight into such questions.

### **LIMITS OF THE ANALYSIS**

In assessing the role of perceptions in strategic thought and practice, this report concentrates on powerful Western countries, making the exercise inherently ethnocentric. Since a full discussion of ethnocentrism and strategy is beyond the scope of this study, it should be remembered that there are inherent risks and limitations in assuming that Western strategic perceptions are shared by leaders and observers elsewhere—for example, in the Middle East itself.<sup>1</sup> This report also does not examine the future role of oil in world energy supply or prospective changes in the importance of energy resources for the global economy.

### **STRUCTURE OF THE PAPER**

Section 2 of this report outlines the principal elements of grand strategy and discusses the role that access to vital resources plays in strategy formulation. Section 3 traces the evolution of the competing strategic traditions that shape national approaches to resource access and denial (i.e., economic security), regional policy, and grand strategy. Section 4 then explores the rise of oil and its influence on strategic perceptions and policy toward the Persian Gulf region. Finally, Section 5 offers overall observations and conclusions about the role of oil and the Persian Gulf in grand strategy—i.e., what has changed and what remains the same—and the implications for U.S. policy.

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<sup>1</sup>This problem is addressed in some detail in Ken Booth, *Strategy and Ethnocentrism* (London: Croom Helm, 1979).

## 2. THE GRAND STRATEGIC APPROACH

Lidell Hart described *strategy* as "the art of distributing and applying military means to fulfill the ends of policy." *Grand strategy* goes beyond this formulation to embrace the full range of political, economic, and military factors to be considered in relation to strategic thought and practice. The grand strategic approach not only seeks to incorporate the various dimensions of strategy, but to relate aims in various theaters to one another (i.e., it seeks to integrate policy both functionally and geographically). In peacetime, the primary concern is grand strategic planning rather than the conduct of grand strategy per se, making the exercise more intellectual than operational.

### CHARACTERISTICS

The principal characteristics of a grand strategic approach can be summarized as follows:

- *Strategic planning is not limited to the operational and logistical dimensions of the use of force; it involves the full range of political, economic, and military instruments.* These instruments form a continuum of options ranging from political suasion, to the use of economic sanctions or more active forms of economic warfare (blockade, interdiction), to the use of force. These instruments can also be used together to maximize their effect. For example, important advantages may be achieved by applying economic warfare in tandem with direct military action, forcing the opponent to consume increasingly scarce resources (raw materials, military equipment, foreign exchange, etc.) at a more rapid rate.<sup>1</sup>
- *Theaters of conflict (or potential conflict) are not considered in isolation. Even in geographically limited contingencies, the broader strategic milieu is critically important in determining what can and cannot be done.* The two world wars were characterized by the interdependence of strategy and outcomes in various theaters. This view of strategy as a relatively "seamless web" was also evident in the containment policy followed during the Cold War: the idea of linkage was given prominence, and the larger U.S.-Soviet competition was a major factor in formu-

<sup>1</sup>It is likely that this effect played an important role in Iraq's defeat in Operation Desert Storm.

lating policies on regional competition and conflict. In the 1990–1991 Persian Gulf crisis, the prospect of strategic disengagement in Europe (which eliminated the risk of superpower confrontation) and the shared perception of an existing threat to essential oil supplies and political order in the Middle East furnished the context for strategic action. Given these conditions, much was possible that could not have been entertained without great risk a few years earlier.

- *National (or coalition) objectives and, ultimately, national security itself are defined in comprehensive terms that reflect not only military factors, but economic, social, and political factors as well.* To be sustainable over the long term, strategic policy must reflect prevailing perceptions of what matters for national security (e.g., economic prosperity and nuclear deterrence, to suggest two prominent considerations) and judgments about the vulnerabilities of potential adversaries. Strategists have traditionally recognized that military power and potential are only partially determined by orders of battle and stocks of military materiel; political cohesion and economic strength also matter. To the extent that strategic thought becomes more conventional in character, the “forgotten” dimensions of strategy are likely to receive greater attention.<sup>2</sup> In areas of confrontation and conflict in the developing world, strategy never lost its traditional, comprehensive character. Indeed, this approach is likely to play an increasingly important role as the U.S. and its allies face potent regional adversaries (such as Iraq) whose strengths and vulnerabilities will largely be determined by their internal political, social, and economic cohesion.<sup>3</sup>
- *Interests and policies are articulated with a view toward continuity over time and relevance to a range of contingencies, rather than as a response to isolated and possibly transitory threats.* Maintaining reliable access to Persian Gulf oil at an acceptable price is an excellent example of an enduring strategic interest. A succession of policies designed to safeguard access to the region can be traced from Allied aims in the Persian Gulf in both world wars, to the experience of Suez, the Carter Doctrine, and the recent intervention in the Persian Gulf. Such policies—i.e.,

<sup>2</sup>In this vein, see Michael Howard, “The Forgotten Dimensions of Strategy,” *Foreign Affairs*, Summer 1979.

<sup>3</sup>See Eliot A. Cohen, “Distant Battles: Modern War in the Third World,” *International Security*, Spring 1986.

those designed to secure access to vital resources—are among the most traditional components of strategy.

### **GRAND STRATEGY IN THE MIDDLE EAST**

Any grand strategic approach adopted by the U.S. and its allies for the Persian Gulf and, more generally, the Middle East must define the importance of these regions in terms of 1) their role in assuring national security in the broadest sense, including economic prosperity (i.e., access to oil); 2) their place in the strategic perceptions and welfare of the U.S. and its allies and the ambitions of potential adversaries; and 3) their ability to hinder or promote U.S. objectives elsewhere, including those connected with the unique roles and responsibilities stemming from superpower status.

In British imperial strategy, the Persian Gulf region was perceived as vital primarily because of its location astride the lines of communication to India and beyond. As such, it was part of a complex of imperial communications—a strategic axis—running through the Mediterranean, the Suez Canal, the Red Sea and Persian Gulf, and the Indian Ocean. As the massive U.S. air and sea deployment of intervention forces to Saudi Arabia and the Persian Gulf of 1990 demonstrated, the importance of this traditional axis has not waned, even though oil has now replaced communications as the dominant factor in strategic perceptions about the region.

### **VITAL RESOURCES, ECONOMIC WARFARE, AND GRAND STRATEGY**

The history of grand strategy is to a remarkable extent the history of resource access and denial, which is a traditional corollary to the planning and conduct of direct military action. *Resources*, in this instance, can be defined as the totality of material means a state requires to assure its continued existence and prosperity.<sup>4</sup> While perceptions of what constitutes a *vital* resource have evolved with changes in military and civilian technology (e.g., the shift from coal to oil as a naval fuel, the development of synthetic rubber, and the more recent use of composite and ceramic materials in place of metal alloys), certain resources have proved extraordinarily long lived in terms of strategic interest. Oil is a prominent example, unique with regard to its pervasiveness in civilian economies and its continuing importance to military operations since its introduction as a naval

<sup>4</sup>Raymond Aron, *Peace and War* (London: Weidenfeld and Nicholson, 1966), p. 244.

fuel almost 80 years ago. Given that technical and economic considerations and strategic perceptions are not immutable, this importance may not be permanent. However, oil's durability as a vital resource currently shows no sign of waning and certainly will not wane within this decade.<sup>5</sup>

The wartime elements of grand strategy have steadily increased in scope and complexity. The most significant development, apart from the advent of nuclear weapons, has been the increased emphasis, particularly since the industrial revolution, on attacking and defending economic targets in major conflicts.<sup>6</sup>

*Mobilization warfare*, a phenomenon anticipated by close observers of the American Civil War and the Franco-Prussian War and demonstrated in both world wars, harnessed not only military establishments but entire societies to the war effort. Coupled with technologies that made possible the large-scale attack of economic potential behind the front, mobilization warfare gave new meaning to the concept of grand strategy.<sup>7</sup> Strategic planning became multidimensional and multitheater. If a direct military decision could not be achieved, as in the situation facing Britain in the early stages of World War II or the position of the belligerents for most of the Iran-Iraq War, attack of the enemy's war potential through economic warfare (i.e., strategic bombing, close or administrative blockade, or denial of vital resources or lines of communication) emerged as a ready alternative.

<sup>5</sup>The Department of Energy's newly released study acknowledges this fact. *National Energy Strategy: A Report to the American People* (U.S. Department of Energy, 1991).

<sup>6</sup>These elements were, of course, present in less sophisticated form in the trade wars, blockades, and counterblockades of the seventeenth and eighteenth centuries, as well as the "pre-history" of Roman, Byzantine, and Venetian imperial strategy. See, for example, Edward Luttwak, *The Grand Strategy of the Roman Empire from the First Century A.D. to the Third* (Baltimore: Johns Hopkins University Press, 1976); and E. F. Heckscher, *Mercantilism* (London: Allen and Unwin, 1955). For an overview of the subject, see John H. Maurer, "Economics, Strategy and War in Historical Perspective," in Gordon H. McCormick and Richard E. Bissell (eds.), *Strategic Dimensions of Economic Behavior* (New York: Praeger, 1984); and Ian Lesser, *Resources and Strategy: Vital Materials in International Conflict, 1600-Present* (New York: St. Martin's Press, 1989).

<sup>7</sup>One noted visionary in this area was Jean de Bloch, who recognized the vulnerabilities inherent in modern, resource-dependent economies. He was, however, quite incorrect in assuming that economic interdependence ruled out the possibility of large-scale war. European war economies demonstrated that armaments production could outstrip the mobility of armies in the field, resulting in the strategic stalemate that characterized much of World War I. See Jean de Bloch, *The Future of War in Its Technical, Economic and Political Relations* (New York: Doubleday and McClure, 1899). See also Martin van Creveld, "The Origins and Development of Mobilization Warfare," in McCormick and Bissell, *Strategic Dimensions of Economic Behavior*.



## OIL AND WAR CAUSATION

An essential question for this analysis concerns the role of resources as motivating factors in international behavior (i.e., stakes in rivalries, causes of conflict, and objectives of belligerents) and as *means of force* (i.e., components of national power and potential in peace and war, and determinants of what is strategically possible).<sup>8</sup> Resources such as oil have played all of these roles in past conflicts, except, perhaps, that of war causation itself.<sup>9</sup> Resource issues were not the primary cause of war in any of the modern conflicts in which resource access and denial played a significant part—the Napoleonic conflict, the two world wars, and the more recent conflicts in the Middle East. The Napoleonic conflict was not fought over access to naval timber or other materials; the Central and Axis powers did not go to war in 1914 and 1939, respectively, specifically to secure access to raw materials, even though the conquest of resource-producing regions played an important role in the formulation of strategy. For Germany, Japan, and Italy, the inadequacy of their available resources was perceived as a shortfall that had to be overcome if they were to play a greater international role or, indeed, embark on a course of expansion and war. In sum, resource issues have rarely, if ever, led to war in the absence of broader ambitions and fears.

Iraqi behavior in 1990 provides a useful example of this phenomenon. Control over the oil resources of Kuwait (and perhaps Saudi Arabia) was, arguably, not an objective in its own right for Saddam Hussein, but an essential action in a quest for broader political, military, and economic hegemony in the Middle East. Ultimately, it appears that resource-related needs and objectives have tended to be determined by broader strategic aims, not vice versa. The fact that Iraq's behavior in 1990 probably was not an exception to this tendency has significant implications for U.S. strategy toward the Gulf region over the long term.

Oil's role as a motivating factor applies to defensive as well as offensive strategic planning. Thus, although the U.S. and allied response to the 1990 Iraqi aggression in the Gulf was motivated primarily by the desire to secure access to oil, that was not the only rationale. The transcendent, grand strategic motivation was the desire to 1) prevent

<sup>8</sup>This typology is outlined by Raymond Aron in *Peace and War* (London: Weidenfeld and Nicholson, 1966), p. 244.

<sup>9</sup>That is, *causation* in the fundamental rather than the proximate sense. It can be argued that access to oil and other resource concerns played a *proximate* role in the Japanese decision for war in the Pacific. See, for example, Scott D. Sagan, "Origins of the Pacific War," *Journal of Interdisciplinary History*, No. 18, 1988.

the Iraqis from dominating a significant portion of the world oil supply, which is vital to sustaining Western prosperity and freedom of political and economic action; 2) forestall a serious threat to world order at a time when constraints on the behavior of regional powers may be waning; and 3) demonstrate the enduring capacity of the U.S. to mold a coalition response in support of regional stability—in short, to fulfill the role of a superpower. Access to oil played an important but not an exclusive role.

### 3. COMPETING STRATEGIC TRADITIONS

Two competing traditions, the autarkic-continental and the liberal-maritime, have been central to the shaping of grand strategic thought and practice. These two approaches to strategy differ from each other in that the former views the system of international trade and communications as a vulnerability, the latter views it as an asset; the former's strategy of access to resources is continental, the latter's is maritime; and the former's impetus for action is active geopolitics with revisionist aims, the latter's is the defense of vital interest spheres (see Figure 1). These traditions, whose origins lie variously in the trade and security policies of the early empires (Greek, Roman, Byzantine, and Venetian) and the liberal, mercantilist, and neomercantilist schools of political economy in seventeenth through nineteenth century Europe, emerged fully formed from the experience of the Napoleonic conflict and dominated coalition strategies in the two world wars and strategic planning between the wars. The advent of nuclear weapons altered but did not eliminate the relevance of these traditions; they continued to shape policy in relation to the containment of Soviet power and access to oil during the first and second oil crises. Moreover, these traditions—most notably the liberal-maritime—have asserted themselves very strongly in current approaches to oil and the Persian Gulf.

	Autarkic-Continental	Liberal-Maritime
Implication of supply dependence	Inherent vulnerability	Asset to be defended
Strategy of access	Continental	Maritime/coalition
Impetus for action	Geopolitics; revisionist aims	Vital interest; status quo

Fig. 1—Grand strategy toward resource-rich regions: two traditions

## ECONOMIC INTERDEPENDENCE: STRATEGIC ASSET OR VULNERABILITY?

The international system of trade in resources has been viewed either as a major source of strategic vulnerability to be mitigated or as a strategic asset, the elements of which must be protected and fully exploited in peace and war. The first view, typical of German, Japanese (and later Soviet) perceptions in the period 1900–1945, concerns the problem of economic encirclement and the pursuit of economic security and freedom of action through autarky, or at least the attempt at autarky, and territorial extension.<sup>1</sup>

The intellectual origins of this autarkist approach are contained in the nationalist and neomercantilist formulations of Friedrich List, Gottlieb Fichte, and other pan-German theorists. These strategists advocated national self-sufficiency and exploitation of continental resources as a counter to the threat of economic encirclement posed by the period's dominant maritime powers.<sup>2</sup> The quest for self-sufficiency and the adoption of aggressive policies toward resource-rich areas (e.g., the *Drang nach Osten*) grew between the mid-nineteenth century and 1914, and were pursued even more actively by German geopoliticians and advocates of *Lebensraum* in the years between the two world wars.

The economic blockades experienced by the Central Powers in World War I and the Soviet Union in the intervention period following the war reinforced the autarkist view. These experiences confirmed for the victims of economic blockade the imperative of maximum self-sufficiency in war economy through the mobilization of national resources and the creation of "larger economic spaces" from which vital resources could be drawn. World War II, however, demonstrated that

<sup>1</sup>This approach also characterized Napoleon's attempt to construct a Continental System—i.e., a greater European economic unit centered on France, together with the exclusion of British trade. See E. F. Heckscher, *The Continental System: An Economic Interpretation* (Oxford: Clarendon Press, 1922). The resulting war of blockade and counterblockade was an inevitable response to strategic stalemate. As Mahan observed, "England had no army wherewith to meet Napoleon; Napoleon had no Navy to cope with that of his enemy. As in the case of an impregnable fortress, the only alternative for either of these contestants was to reduce the other by starvation." See A. T. Mahan, *The Influence of Seapower Upon the French Revolution and Empire*, Vol. II (London: 1892), p. 289.

<sup>2</sup>This view was essentially an industrial era revival of seventeenth and eighteenth century mercantilist theory, which saw money as the basis of military power and potential and clearly linked the balance of trade to the balance of power. The mercantilist component of strategic policy is explored in Gordon H. McCormick, "Strategic Considerations in the Development of Economic Thought," in Gordon H. McCormick and Richard E. Bissell (eds.), *Strategic Dimensions of Economic Behavior* (New York: Praeger, 1984), and in Eli Heckscher, *Mercantilism* (London: Allen and Unwin, 1955).

captured resources are not easily harnessed and that strategic bombing can seriously hinder the use of domestic and contiguous resources.

The emergence of liberal economic ideas in the eighteenth century encouraged an opposing view. In this alternative perspective, the system of external trade, including the import of then vital raw materials such as naval timber, contributed to prosperity in peacetime and represented a potential strategic asset in wartime. These benefits would accrue only if access to resources could be secured at their source and the sea lines of communication protected from enemy action. Having the means to pay for such imports was also essential. This liberal-maritime approach to economic security and grand strategy has been central to British and U.S. policy in the industrial era.

The perception of economic vulnerability also plays a part in the liberal-maritime tradition, but here it is very much an *accepted* vulnerability. Continental naval strategists from Colbert to the *Jeune Ecole* of the 1880s and 1890s and, finally, the German submarine advocates of the two world wars saw in the vulnerability of Britain's maritime trade a basis for commerce raiding as an alternative to the construction of expensive capital ships, and through commerce raiding a way to bring a rapid decision in war.<sup>3</sup> The *Jeune Ecole*, for example, believed that the wartime objective would be to engage in brief, decisive torpedo-boat attacks on shipping in the English Channel so as to create panic in the financial markets and thus force a favorable peace. The assumption was that the effort involved in these attacks would be minor compared to the strategic results that could be achieved. The underlying perceptions about the vulnerability of industrial economies to interruptions in vital trade were not very different from those that might motivate a regional power in the Persian Gulf to threaten a closure of Hormuz or the destruction of critical oil facilities in a crisis. Indeed, for much of the Iran-Iraq War, Iraq relied on U.S. and European perceptions of oil vulnerability in pursuing a calculated strategy of escalation in the "tanker war" in the Gulf. The assumption that a conflict would cause damaging price surges in the oil market constituted one of Saddam Hussein's key sources of leverage in the early stages of the 1990-1991 Persian Gulf crisis. Clearly, the

<sup>3</sup>With regard to naval strategy, the distinction between continental and maritime schools is useful but should not be drawn too starkly. Expansion on land has often been aimed at improving maritime geography (Russia is a classic case), and the naval doctrines of continental powers have not been limited to the *guerre de course*. From Mazarin to Napoleon, France sought the means to achieve sea control, as did Japan in the 1930s. I am grateful to John Arquilla for his comments on this point.

perception of resource dependence as a vulnerability to be manipulated is not new.<sup>4</sup>

Adherence to the liberal-maritime tradition has not eliminated the desire for greater self-sufficiency, as is evident in the current debate over U.S. energy policy. The question of proper balance between international and domestic measures aimed at enhancing energy security (i.e., military and diplomatic instruments of intervention vs. stockpiling, increased domestic production, conservation, and the use of alternatives and synthetics) is a contemporary expression of a very old problem. While U.S. policy has incorporated elements of both traditional approaches, the perception that the system of overseas supply offers economic advantages that must be protected has, on the whole, prevailed over the desire to reduce dependence on foreign sources.

This view is strongly reinforced by the fact that many U.S. allies in Europe and Asia and the oil-importing countries of the developing world do not have the alternative of exploiting domestic resources. As the ultimate guarantor of international access to the oil resources of the Persian Gulf, the U.S. cannot avoid an active strategy of access that incorporates military and political instruments. The recent deployment of U.S. forces to the Persian Gulf region was solidly within the liberal-maritime tradition of defending overseas supply, as was the earlier Carter Doctrine and the reflagging and escort of Kuwaiti tankers during the Iran-Iraq War. In these instances, the grand strategic interest of the U.S. went beyond mitigating an accepted vulnerability through military presence to embracing the broader roles and responsibilities imposed by superpower status (e.g., the promotion of world order).

### **CONTINENTAL AND MARITIME STRATEGIES OF ACCESS**

The autarkic and liberal traditions have found practical expression in distinctive continental and maritime strategies of access to Middle Eastern resources. The German experience from 1870-1945 provides many examples of attempts to circumvent the vulnerabilities inherent

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<sup>4</sup>*Dependence* implies a significant degree of reliance on external sources of supply. This reliance may exist because a particular resource is absent or its availability is limited, or because the use of external sources offers economic, technical, or political advantages. *Vulnerability* implies that an interruption of the existing arrangements for resource supply will directly or indirectly affect security, and that these effects cannot be avoided through countervailing policies. Dependence does not necessarily imply vulnerability. The U.S. may be *dependent* on imported minerals; it is *vulnerable* to interruptions in the flow of Persian Gulf oil.

in the system of overseas supply through commercial, political, and military initiatives in Eurasia. One such attempt grew out of the expansion of the railways at the turn of the century and the difficulty of challenging British superiority at sea. These factors suggested to Germany the value of extending its continental lines of communication to areas possessing the resources needed to fuel a rapidly expanding industrial economy.<sup>5</sup>

The most ambitious element of this policy was the Berlin-Baghdad railway project which, together with associated oil and mineral concessions in Turkey and Mesopotamia, became the centerpiece of the pre-World War I German conception of a *Drang nach Osten* through the Balkans to Southwest Asia and the Middle East.<sup>6</sup> This railway scheme, completion of which was blocked by France and Britain prior to World War I, raised the specter of increased German influence in Turkey, posed a potential threat to Britain's lines of communication to India, and promised more active German competition for oil in the Middle East.

For Britain, the grand strategic thrust of policy was the preservation, based on seapower, of the existing system of Imperial communication and access to critical areas such as the Persian Gulf. The pre-1914 British system of maintaining secure bunkering facilities along these lines of communication greatly facilitated the redeployment of forces as needed. It also gave Britain great influence over the strategic mobility of other powers at critical junctures. The transit of the Russian fleet to Tsushima during the Russo-Japanese War was severely hindered by the denial of bunkering facilities. In contrast, U.S. naval movements during the Spanish-American War and the world voyage of the "White Fleet" in 1907-1909 were supported by the provision of British coal.<sup>7</sup> The problem of assuring access to resources was seen as acute in the face of growing economic requirements and the explicit adoption by the continental powers of the *guerre de course*

<sup>5</sup>The tremendous expansion of rail communications in Eurasia formed the basis for an active strategic debate in Britain and on the Continent at the turn of the century. The writings of H. J. Mackinder and others fueled speculation about the changing balance between maritime and continental power and the implications for force projection and access to regions of economic importance. Not incidentally, these writings also provided the groundwork for much geopolitical thought in the interwar years. See Mackinder, "The Geographical Pivot of History," *The Geographical Journal*, April 1904.

<sup>6</sup>See E. M. Earle, *Turkey, the Great Powers and the Baghdad Railway* (New York: Macmillan, 1924).

<sup>7</sup>See Bernard Brodie, *Sea Power in the Machine Age* (Princeton: Princeton University Press, 1943), p. 116. See also Geoffrey Kemp and John Maurer, "The Logistics of *Pax Britannica*," in Uri Ra'anan et al. (eds.), *Projection of Power: Perspectives, Perceptions and Problems* (Hamden: Archon, 1982).

(commerce raiding) as a guiding principle of naval strategy. Above all, there was a more general concern about the future of maritime vs. continental power. Strategists feared the confluence of mounting competition for overseas sources of supply and a relative decline in the ability to project forces in defense of distant resources.

The desire for continental access to oil and other resources in the east reasserted itself strongly in Germany's war aims in World Wars I and II. In both conflicts, but most explicitly in the second, Germany sought to create a "greater space economy" that would embrace the oil resources of the Caucasus and, if possible, Mesopotamia (or at least deny the latter to the Allies).<sup>8</sup> Such a strategy would help to insulate the German war economy from the effects of naval blockade while outflanking Allied communications to the Middle East and beyond.<sup>9</sup>

Allied grand strategy in both world wars (here, again, most explicitly in the second) was strongly influenced by the need to safeguard the Allied position in Southwest Asia and the Middle East. The significance of these areas lay not only, or even primarily, in their importance for oil supply, but in their critical position for communications with India and Asia (and to forestall the possibility of Germany establishing a direct link to the Pacific theater).<sup>10</sup>

The distinction between continental and maritime strategies of access persisted in the postwar period, and elements of these competing approaches can be seen in the East-West strategic competition as it related to Persian Gulf oil. The Soviet interest in the oil-producing re-

<sup>8</sup>For German war aims related to Southwest Asia and the Middle East, see Fritz Fischer, *Germany's Aims in the First World War* (New York: Norton, 1961); Fritz Steinberg, *Germany and a Lightning War* (London: Faber and Faber, 1938); and General Ludendorff, *The Nation at War* (London: Hutchinson, 1936). For strategy toward the region in World War II, see, for example, F. H. Hinsley, *Hitler's Strategy* (Cambridge: Cambridge University Press, 1951); and Barry Leach, *German Strategy Against Russia 1939-1941* (Oxford: Clarendon Press, 1973).

<sup>9</sup>The failure of the German offensive in the Caucasus and the decisive outcome at El Alamein (which made the redeployment of British forces to Iraq and the Persian Gulf possible if necessary) eliminated this threat to the Allies in the Middle East. See Michael Howard, *Grand Strategy, Vol. IV, April 1942-September 1943* (London: HMSO, 1972), pp. 54-55.

<sup>10</sup>As Lord Selborn, British Minister of Economic Warfare, stated in a key memorandum: "Practically all the supplies for the allied front which stretches from Libya to Afghanistan enter through two relatively narrow inlets—the Red Sea and the Persian Gulf—and almost all the oil on which that front, India and East Africa depend, comes out through the latter channel. Reverses which cut communications between Egypt and the Cape, or Egypt and the Persian Gulf, by endangering our position in the Middle East, would give the enemy the hope of opening the direct route from the Mediterranean and the Far East." See W. N. Medlicott, *The Economic Blockade, Vol. II* (London: HMSO, 1952), p. 13.



gions of Iran and the Gulf as a means of bolstering their own economic potential or as a form of leverage over the West was a subject of sporadic concern in the West from the Soviet delay in withdrawing from Iran in 1946 to the Soviet invasion of Afghanistan and its aftermath.<sup>11</sup> Leaving aside the many factors that might have influenced Soviet policy in this regard—the state of East-West relations, prospects for Soviet oil production, the danger of Islamic turmoil in the southern republics—the West has viewed the threat as an extension of direct, *continental* control over Gulf oil resources.

The most recent developments in the Gulf region show that the idea of a regional continental (e.g., Iraqi) threat to oil supply security, in which maritime power plays only a peripheral part, persists. When the problem of access goes beyond merely maintaining unimpeded passage through the Strait of Hormuz and instead involves a direct threat to supply at its source, it is unclear whether a purely maritime strategy of access can be effective. A regional coalition ashore may be necessary.<sup>12</sup> Current strategy for the Gulf depends on a coalition of powers upholding very traditional liberal-maritime interests in free access to overseas sources of supply. Over the long term, containment of Iraqi power (or possibly the regional ambitions of other powers in the Gulf) may also require the maintenance of a “continental coalition” ashore. Elements of such a coalition are already in place. The expansion of the overland pipeline network for oil transport to terminals on the Red Sea and the Mediterranean represents a continental alternative to the Hormuz/Cape route. The increased use of pipelines to the Levant has already placed Turkey in a critical strategic position, linking in this way as in other ways, European and Middle Eastern security.

<sup>11</sup>Needless to say, control over Persian Gulf oil was not seen in the West as the only potential motivation for Soviet policy. The Soviet Union's presumed interest in creating buffer states and gaining access to warm-water ports also played a role in Western concerns.

<sup>12</sup>Robert Komer has made this point clearly: “I will make two points about the Persian Gulf—first, you cannot defend the oil from behind. Second, this means that you cannot defend the oil from the sea. You can defend the oil access routes from the sea, but if we lose the oilfields, I do not want to defend the access routes, I want to close them.” See “Coalition Defense versus Maritime Strategies,” paper presented at National Security Issues Symposium, Mitre Corporation, Bedford, Massachusetts, 4–5 October 1982, p. 40. Although these comments were made in response to a perceived Soviet threat to Persian Gulf oil, they could well apply to Iraqi aims. See also Komer's *Maritime Strategy or Coalition Defense* (Cambridge: Abt, 1984).

## GEOPOLITICS VS. VITAL INTEREST SPHERES

Another way in which the two approaches to grand strategy and the Persian Gulf differ is their impetus—i.e., whether they are driven by geopolitical concepts or the idea of vital interest spheres.<sup>13</sup> *Geopolitics* in this instance is understood as the school of thought that arose in interwar Germany (and was imitated in Italy and Japan) in which geography was placed at the service of ideology and grand strategy. Geographic and resource factors were thought not only to explain developments in international affairs, but to also provide a guide to action for resource-poor states. This variant of the continental tradition, with a strong admixture of ideology, played a central role in the formulation of Axis grand strategy in Europe. In the Pacific, Japanese strategists adapted the concept of *Mitteleuropa* to a maritime environment, leading to the concept of a Greater East Asia Co-Prosperity Sphere. In both cases, a central objective was to acquire *direct* control over oil and other resources, whether in the Caucasus, the Middle East, or Indonesia. Actions directed toward that end were seen as an organic imperative, a sine qua non for the pursuit of broader, hegemonic aims. The interwar geopolitics and its wartime goals were shared by “have not” (i.e., economically encircled or resource-poor) states eager to revise the status quo.

The experience of World War II brought this brand of geopolitics into disrepute.<sup>14</sup> The dominant postwar approach, firmly rooted in the maritime strategic tradition, has involved the identification and defense of vital interest spheres. U.S. policy toward Southwest Asia and the Persian Gulf since the Carter Doctrine is very far from being motivated by the geopolitical views of the interwar period. Geopolitical

<sup>13</sup>On this distinction, see Frederick Tanner, “Energy and Alliance Tensions: The Impact of Energy Vulnerability Upon the Conduct of Foreign Policy,” doctoral thesis, The Fletcher School of Law and Diplomacy, 1984.

<sup>14</sup>The more general use of the term to describe the relationship between geography and international politics has, of course, survived, and has even thrived as a way of elaborating on developments in and around the Persian Gulf (e.g., “Iraqi geopolitical ambitions”). That usage bears little relation to the interwar geopolitics expounded by Karl Haushofer, Ewald Banse, and others. The American tradition of geopolitical thought dating from the interwar period, of which Nicholas Spykman was a leading theoretician, also lacks the virulent, prescriptive character of its European counterparts; it is much more in the tradition of Mahan and Mackinder. Spykman, for example, warned of the danger of “hemispheric encirclement,” in which the U.S. could be cut off from overseas sources of supply and denied the secure lines of communication required for intervention and forward defense in wartime—a strongly anti-isolationist argument. See Spykman, *America's Strategy in World Politics* (New York: Harcourt Brace and Co., 1942); and G. R. Sloan, *Geopolitics in United States Strategic Policy, 1890-1987* (Brighton: Wheatsheaf, 1988). Also in this tradition is Colin Gray's *The Geopolitics of the Nuclear Era* (New York: Crane Russak, 1977).

aims have been ascribed to others, however, most notably the Soviets with respect to their invasion of Afghanistan (was it a drive for warm-water ports, a desire to use control over oil exports as a strategic lever, or an extension of the Soviet position in Eurasia?).<sup>15</sup> They also played a part in the 1950s, when the problem of securing U.S. access to Persian Gulf oil was viewed almost exclusively in terms of U.S. needs in the event of a general war with the Soviet Union.

Outside of the two world wars, the vital interest spheres approach has been characterized by the desire to moderate regional antagonisms and promote favorable political outcomes at the local and regional levels. This approach is preeminently the strategy of status quo powers, in direct contrast to the revisionist quality of the interwar geopolitics. In relation to Persian Gulf oil, the U.S. objective is not to acquire control of, but to preserve access to, an economically vital resource. At the same time, it is in the vital interest of the U.S. and its allies to prevent this resource from falling under the control of either an outside or a regional power.<sup>16</sup> The fact that the Persian Gulf is both of enduring vital interest and physically distant makes it amenable to the application of a (conventional) trip-wire strategy: its perceived importance over time means that the stakes should be clear to potential aggressors; its distance makes permanent deployment of more than a limited presence impractical. This point is especially noteworthy when considering U.S. policy toward the region after the Gulf War.

British strategy in Africa and the Middle East prior to 1914 was largely of a trip-wire nature, aimed at deterring local instability. Still, British objectives vis-à-vis the other great powers were never far from the surface. Failure to intervene to safeguard remote interests would, it was feared, lead to a strategic vacuum that competing colonial powers would not hesitate to exploit. The result was an elaborate process of "signalling" coupled with frequent and extended campaigns of intervention in Afghanistan, Ethiopia, and the Sudan. While the technological inferiority of local actors usually left little doubt about the outcome of these campaigns, they nevertheless posed formidable logistical problems despite a system of imperial communications designed to facilitate deployments. British policy—and, indeed, the policies of the great colonial-era powers in general toward areas such as the Persian Gulf—operated at two levels:

<sup>15</sup>Such views are in complete contrast to the current situation, in which the dominant geopolitical aspect of Soviet behavior is imperial contraction.

<sup>16</sup>This is, in essence, the substance of the Carter Doctrine outlined in the January 1980 State of the Union speech.

preservation of local access and regional stability in areas of vital interest, and promotion of order in regions prominent in international perceptions and relevant to the broader balance of power.

Measuring the "vitalness" of regional interests is not always a clear-cut task. When the adversary is identifiable and presents a clear danger, as in the case of general war or in periods of pronounced tension and competition such as the Cold War, there will be a ready standard by which to measure the significance of regional interests. In a more fluid strategic environment, however, such as the one confronting the U.S. and its allies in the wake of the recent changes in Europe, the task is more complex. The international economy's continued dependence on Persian Gulf oil makes defense of the Gulf region a vital interest; however, as with British policy prior to 1914, there are also broader, milieu interests. These wider but no less essential interests include demonstrating a commitment to the maintenance of regional order, especially in a period of strategic flux in which new patterns of security are emerging, and fulfilling the roles of a superpower, not least of which is leading a coalition of powers with shared interests.<sup>17</sup> Fundamentally, these considerations are akin to those that guided British policy "East of Suez" and that were adopted by the U.S. when Britain abandoned its leading role in the area.

### ELEMENTS OF CONTINUITY AND CHANGE

The evolution of the two competing traditional approaches to grand strategy with regard to the Persian Gulf and its oil resources has witnessed elements of both continuity and change. These elements can be summarized as follows:

1. A strong tradition defined by its maritime and coalition components runs from the Napoleonic conflict (if not earlier), through the two world wars, to the present. Anglo-American policy has been firmly rooted in this approach, which regards the system of overseas supply of oil and other vital resources as an accepted vulnerability—i.e., as a system that confers economic advantages in war and peace, but also imposes significant defense requirements. *The policy could well be described as economic "forward defense."*

<sup>17</sup>The coalition aspects of strategy toward the Gulf region and its oil emerged strongly in the two world wars and continue to influence strategic perceptions.

2. The competing continental tradition has emphasized autarkic measures and territorial extension aimed at direct *control* over resource-rich areas in order to counter a perceived economic vulnerability. This approach, manifest in German strategic thought and practice from the mid-nineteenth century through World War II, and imitated elsewhere in the same period, has not been active since 1945. Elements of a strategy directed toward economic self-sufficiency have perhaps endured (until recently) in the Soviet Union and Eastern Europe, but they have not taken the form of conquest for economic purposes in the Middle East or elsewhere, despite Western concerns.
3. The liberal-maritime tradition has encouraged the identification of resource-rich regions, such as the Persian Gulf, as spheres of enduring and vital interest, access to which will be defended, most often by a coalition. U.S. policy, as evidenced by the Carter Doctrine and the current approach to resource security in the Gulf, is strongly within the vital interest *spheres tradition*, in which the definition of *vitalness* goes beyond the issue of resource access to include broader considerations of international order and superpower responsibility.

## 4. OIL AND STRATEGIC PERCEPTIONS

The current focus on the vulnerability of Persian Gulf resources is the latest episode in the evolution of strategic perceptions with regard to oil (see Figure 2). This progression can be traced from the rise of oil as a naval fuel prior to World War I, to the interwar period of intense speculation on resource access and geopolitics, the oil-intensive operations of World War II, and, finally, the more recent era of containment and regional threats to oil.

The period since 1945 has been characterized by changing perceptions of the relationship between oil and national security. In the immediate postwar years, the principal concern was the Soviet threat to the supply of oil in the event of a general war. Later, as strategy came to be dominated by notions of nuclear warfighting, concerns about access to oil for conventional operations and a traditional war economy waned. The successive "oil shocks" of 1973-1974 and 1980-1981 (or even earlier, the Suez crisis of 1956) brought the prospect of regional or supplier-led threats to the supply of oil to the forefront, and the Soviet invasion of Afghanistan in 1979 once again raised the specter

	Interest	Threat	Stake
1850-1914	Lines of communication and oil for defense <sup>a</sup>	Continental power	Outcome of great-power competition
1914-1945	Lines of communication and oil for defense	Continental power	Outcome of world war
1945-1973	Oil for civil economy	Soviet Union	Prosperity and containment
1973-1990	Oil for civil economy	Soviets and regional actors	Prosperity and East-West competition
1990-?	Oil for civil economy	Regional actors	International prosperity and world order

<sup>a</sup>Note that Mesopotamian oil began to play a role in strategic perceptions only in the final years of this period (specifically after 1911); and even then, the role was largely anticipatory. Imperial lines of communication remained the primary interest.

**Fig. 2—Evolution of the Persian Gulf in strategic perception**

of an external threat. Until the Iraqi invasion of Kuwait, however, the prevailing atmosphere of East-West detente, low oil prices, and confidence in the resiliency of the system of supply in the wake of the "tanker war" in the Gulf kept the perception of strategic vulnerability low with regard to Persian Gulf oil. The following discussion reviews the evolution of perceptions about oil, focusing on their role in the grand strategic thought and practice of Britain, Germany, and the U.S.

#### 1850-1914: FROM COAL TO OIL

Throughout the latter half of the nineteenth century, Britain was, to use a modern analogy, the "Saudi Arabia" of coal, having a virtual monopoly of the hard, smokeless coal that was the era's preferred maritime fuel. The influence that this position and, more important, the associated network of bunkering facilities gave Britain over the strategic mobility and commerce of other powers has already been mentioned. For Germany and Russia, the pre-1914 dependence on British coal bore a marked similarity to the oil dependence that was to emerge later.

What thrust oil into the position of a resource vital to national security was the Admiralty's 1911 decision to convert its battle fleet from coal to oil, a move that was rapidly followed by all the major naval powers and that had far-reaching strategic consequences. Britain had, at a stroke, exchanged the benefits of coal self-sufficiency for the substantial technical advantages of using oil as a naval fuel.<sup>1</sup> The loss of the logistical benefits Britain had enjoyed in the coal era made power projection increasingly costly at a time when great-power competition in the Middle East was expanding, partly *because of* the growing importance of oil.<sup>2</sup> The new perception of oil supply vulnerability gave rise to an active "anti-oil" school, but in reality the problem of economic vulnerability was much broader. That is, an enemy who could cut off the oil supply by attacking the sea lines of communication could also cut off other essential supplies of food, raw materials, and munitions. (The German submarine campaigns in World War I and II would come close to achieving this objective.) The fundamental problem was thus the growing vulnerability of industrial

<sup>1</sup>Winston Churchill described the perceived advantages and problems associated with the adoption of oil as a naval fuel from his perspective in the Admiralty in *The World Crisis, 1911-1918*, Vol. I (London: Odhams Press, 1939), pp. 100-102.

<sup>2</sup>See Geoffrey Kemp and John Maurer, "The Logistics of *Pax Britannica*," in Uri Ra'anan et al. (eds.), *Projection of Power: Perspectives, Perceptions and Problems* (Hamden: Archon, 1982).

economies, rather than the additional risk posed by the transition to oil as a naval fuel.<sup>3</sup>

In the period leading up to World War I, the Persian Gulf region was of interest for two main reasons: its role in the system of imperial communications and its significance as a *potentially* important source of oil for military use.<sup>4</sup> The dominant threat in the region arose from the growth of *continental* (German and Russian) power capable of reaching into Southwest Asia and the Middle East. What was at stake in terms of grand strategy was the outcome of the prevailing great-power competition.

#### 1914-1945: OIL, GRAND STRATEGY, AND WORLD WAR

Over the course of World War I, oil supplies played an increasingly important role, both in the conduct of the war on the western front and as a strategic objective in Romania, the Caucasus, and Mesopotamia (and as a target of the German submarine campaign in the Atlantic). In particular, the transition from static trench warfare with its limited reliance on mechanized transport to a more fluid operational environment in which tanks, aircraft, and motorized transport became prominent features led to growing concern about the supply of oil for military purposes. Here, the positions of the Allied and Central powers were markedly different. The Allies could, in theory, draw upon a vast system of supply embracing both American and Middle Eastern sources. Germany, however, having very limited access to petroleum, was compelled to turn its attention to potential sources to the east, in Romania and Transcaucasia.

The British campaign led by Allenby in the Middle East, leading to the defeat of the Turkish forces in Palestine, was motivated mainly by the need to protect the route to India. A secondary impetus was the desire to safeguard Persian Gulf oil, especially the facilities at Abadan, where supplies were threatened by local unrest as well as Turkish forces.<sup>5</sup> The comparative neglect of Middle Eastern oil as a

<sup>3</sup>See Michael Lewis, *The Navy of Britain: A Historical Portrait* (London: Allen and Unwin, 1948), p. 127.

<sup>4</sup>On the eve of World War I, Middle Eastern oil was largely undeveloped. As late as 1920, Middle Eastern oil made up only one percent of world production; the leading producers of the period were the U.S., Mexico, Russia, and Romania. See Aaron D. Miller, *Search for Security: Saudi Arabian Oil and American Foreign Policy, 1939-1949* (Chapel Hill: University of North Carolina Press, 1980), p. 10.

<sup>5</sup>To the extent that Middle Eastern oil was perceived as vital in the period 1914-1945, it was Persian and Mesopotamian production that was of concern (and even here, much of the interest was in the potential of these areas for providing future sup-



factor in strategic calculations until late in the war (when the need to include it strongly asserted itself) flowed in part from the operational considerations mentioned above, but also from the fact that the bulk of the Allied oil supply was drawn from the Western Hemisphere. The Allies may well have "floated to victory on a wave of oil," as Lord Curzon observed in his well-known remark, but it was American rather than Middle Eastern oil that played the key role.<sup>6</sup> By 1918, the U.S. provided over 80 percent of the Allied requirements for petroleum, together with the tanker capacity needed to bring these supplies to Europe in the face of an active German submarine campaign.

In the interwar years, a brief period of unease about the possibility of domestic shortages in the U.S. faded as U.S. and foreign production increased substantially. At the same time, strategists in Germany, Italy, and Japan began to discuss the issue of access to resources, not least oil, as a prerequisite for strategic ambitions in Eurasia and the Pacific. (This discussion was supported by the potent geopolitical ideas outlined earlier, in Section 3.) German and Japanese frustration over their lack of access to oil would strongly influence the conduct of Axis grand strategy over the course of World War II. In the case of Japan, the precarious oil situation influenced the timing of the decision to go to war, if not the decision itself. For leading German strategists, continental control over oil and other resources to the east acquired an almost mystical significance, shaping war aims toward the Soviet Union and the Balkans and dictating the offensive in the Caucasus.<sup>7</sup>

On the Allied side, the progress of the war firmly established the overwhelming importance of secure access to oil for the mobility of land, naval, and air forces. The German threat to Middle Eastern sources of supply (until the failure of the Caucasus offensive) and the occupation of important oil fields in the Pacific by Japan raised the

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plies). The first Arabian well was not drilled until 1935. Saudi crude was not exported in earnest until 1939, and continued to represent only a fraction of Middle Eastern production until well after the end of World War II.

<sup>6</sup>Address to the Inter-Allied Petroleum Council, cited in Ludwell Denny, *We Fight for Oil* (New York: Knopf, 1920), p. 28.

<sup>7</sup>Of course, these were not the only fields of action in the oil war. The Anglo-American campaign of economic warfare against Germany, particularly strategic bombing, had as one of its principal targets the supply and distribution of oil, especially the production of aviation fuel. This subject is treated extensively in Robert Goralski and Russell W. Freeburg, *Oil and War* (New York: William Morrow, 1987); Ronald Cooke and Roy C. Nesbit, *Target: Hitler's Oil* (London: William Kimber, 1985); and the British and U.S. official histories of the strategic air campaign and the reports of the U.S. Strategic Bombing Survey.

prospect of a war effort supported entirely by Western Hemisphere resources. As in World War I, the defeat of the German submarine campaign in the Atlantic was thus critical to the continued flow of American oil and other vital resources. Again, the problem of oil supply was not one of availability per se, as it was for the Axis powers, but one of adequate and secure transport. Coalition strategy with regard to oil, indeed grand strategy as a whole, was directed toward maintaining the system of maritime access upon which the Allied war economy depended. As oil consumption rose dramatically in response to wartime needs, American policymakers began to consider the potential significance of Middle Eastern resources, both for conduct of the war in its later stages and for postwar recovery and the balance of power.

The grand strategic importance of the Persian Gulf region through the period of the two world wars continued to turn on its position linking the European theater to areas of strategic importance beyond. Increasingly, it also included the role of Middle Eastern oil for the conduct of military operations. By 1945, civilian oil consumption, which was growing rapidly, also became relevant. The principal threat, from the perspective of the traditional maritime powers, was the extension of German continental control to the Middle East. The grand strategic stake was the continued conduct of an effective war economy and successful offensive operations, both of which were essential to the outcome of world war.

### **1945-1973: OIL AND CONTAINMENT**

The wartime legacy of planning for access to Middle Eastern oil provided the basis for early postwar thinking about the oil-related dimensions of strategy in a general war with the Soviet Union. The role of Persian Gulf oil in grand strategy through the 1950s focused on the need to 1) preserve access to supplies necessary for war, 2) deny the Soviets access to the region and its resources as a component of containment, and 3) assure the availability of adequate amounts of oil for European reconstruction, specifically in support of the Marshall Plan. As strategy as a whole became increasingly nuclear in character, concern about the adequacy of the supply of oil for the conduct of large-scale conventional war declined. The rapidly expanding worldwide demand for fuel and nonfuel raw materials, led by the economic recovery of Western Europe and Japan and by Korean War mobilization, stimulated a number of high-level U.S. studies exploring options in response to resource dependence. The most prominent of these, conducted by the President's Materials Policy

Commission in 1951, resulted in the "Paley Report." This report acknowledged the increasing degree of dependence on foreign sources of supply for oil and other resources as a fact that could not, and should not, be averted through autarkic policies. It asserted that the protection of resources in the Middle East or elsewhere, and the lines of communication associated with them, would remain a vital Western interest and would necessarily shape U.S. strategy and military deployments.<sup>8</sup> In the event of a nuclear war fought with forces in being, NATO's oil position would hardly be relevant to the outcome. However, given the possibility of limited war in the Middle East or elsewhere, the West's oil position could play a critical role in the prospects for escalation. It was thus argued that the availability of adequate amounts of oil "may be decisive not so much for victory or defeat as for the ability to limit a war."<sup>9</sup>

Perceived Soviet threats to the oil fields of the Persian Gulf were the principal force behind the West's strategic planning for the region until the Suez crisis. That event highlighted the rise of local and regional threats to oil supply and the potential fragility of the coalition approach to oil supply security. From 1956 onward, Western perceptions of Middle Eastern oil's role in grand strategy were formed against a background in which the Soviet Union did not represent the only, or even the most likely, threat to oil.

In sum, the postwar assessment of Persian Gulf oil in grand strategy turned first on its role in containing Soviet power, and secondly on the increasing importance of oil for economic prosperity. The two key elements of change during this period were the enormous expansion in the civilian use of oil worldwide, dwarfing the traditional significance of oil for military needs, and the growing awareness of local and regional threats to the oil supply in the Middle East. This latter perception was reinforced by the Suez experience, the 1967 Arab-Israeli War, and the growing assertiveness of supplier states in the early 1970s.

<sup>8</sup>See the President's Materials Policy Commission, *Resources for Freedom: A Report to the President* (Washington: GPO, June 1952). In this same vein, see U.S. Congress, Senate Committee on Interior and Insular Affairs, *Minerals, Materials, and Fuels, Accessibility of Strategic and Critical Materials to the United States in Time of War and for Our Expanding Economy* (Washington: GPO, 1954).

<sup>9</sup>Walter J. Levy, "Western Security and International Oil," lecture delivered at the Council on Foreign Relations, 11 June 1958, published in Melvin A. Conant (ed.), *Oil, Strategy and Politics, 1941-1981* (Boulder: Westview, 1982), pp. 125-128.

### 1973-PRESENT: OIL FOR PROSPERITY, AND CONTAINMENT REVISITED

Whereas the earlier periods were dominated by concerns related to great-power rivalry, the outcome of world war, and the stakes of superpower competition, the post-1973 era—with the important exception of the Soviet invasion of Afghanistan—has been dominated by the perceived threat to economic security arising from developments in the Middle East. The prospect of sudden price increases or interruptions in the supply of oil, a concern throughout the decade of the first and second oil crises (1973–1983), has been widely regarded as a fundamental threat to economic and political stability worldwide. The link between oil prices, Third World debt, and political order, with all that it implies for U.S. strategic interests and the possible need for intervention, is but one example.<sup>10</sup>

Since 1973, oil supply considerations have exerted at least a fourfold influence on peacetime strategy. These strands of influence include 1) the definition of vital regional interests (the Carter Doctrine and its reformulations), 2) the formation of alliance and arms transfer policies (coalition initiatives outside the NATO area), 3) the design of force structures (rapid deployment forces), and 4) the decision to deploy military forces (tanker escort during the Iran-Iraq War, and Operation Desert Shield).<sup>11</sup> The period has also experienced several changes in who is seen as the enemy: from OPEC in the wake of the 1973 embargo, to the Soviet Union (again) in the wake of Afghanistan, and, finally, to regional aggressors (first Iran, now Iraq). This experience underlines the fact that there can be no single standing and identifiable adversary with regard to oil in the Gulf. The principles of scenario uncertainty and maximum strategic flexibility must be emphasized.<sup>12</sup>

Two other trends in this period are worth noting. The first concerns the ongoing debate over the legitimacy of intervention—i.e., the use of U.S. or Western force in relation to Persian Gulf oil. Broadly stated,

<sup>10</sup>Analyses in this vein can be found in James E. Akins, "The Oil Crisis: This Time the Wolf is Here," *Foreign Affairs*, April 1973; Walter J. Levy, "Oil and the Decline of the West," *Foreign Affairs*, Summer 1980; Melvin A. Conant and Fern Racine Gold, *The Geopolitics of Energy* (Boulder: Westview, 1978); and John E. Gray, Henry Fowler, and Joseph Harned, *U.S. Energy Policy and U.S. Foreign Policy in the 1980's* (Cambridge: Ballinger, 1981).

<sup>11</sup>This typology is described in David A. Deese, "Oil, War and Grand Strategy," *Orbis*, Autumn 1981, pp. 525–526.

<sup>12</sup>See Thomas Schelling, *Thinking Through the Energy Problem* (New York: Committee for Economic Development, 1979), cited in Ray Dafter, "World Oil Production and Security of Supplies," *International Security*, Winter 1979–1980, p. 156.

the perceived legitimacy and credibility of military force in Persian Gulf contingencies have grown as Western concern has shifted from the question of how the world will pay for Middle Eastern oil to the more fundamental issue of continued access apart from price.<sup>13</sup> The coalition defense of shipping in the Gulf during the Iran-Iraq War and the deployments under Operation Desert Shield confirm this trend and support the idea that "there can be no reliable substitute for Western power [i.e., presence] in the Gulf." The use of regional surrogates, as with Iran under the Shah, while attractive, cannot easily serve as a replacement.<sup>14</sup>

The second trend, now less relevant because of the political revolutions in Europe and the continuing disengagement from the East-West military competition, but notable nonetheless, concerns the waxing and waning of perceptions regarding oil and conventional strategy. The concentration on the nuclear aspects of strategy in the 1950s and 1960s tended to push the issue of oil for the conduct of conventional war to the sidelines. With the Soviet invasion of Afghanistan, the rise of rough nuclear parity between the superpowers, and the consequent focus on conventional-defense improvement in NATO, the role of Persian Gulf oil in a possible conflict with the Soviet Union began to reassert itself in strategic speculation. In a protracted conventional war or a war against shipping conducted under a nuclear umbrella, access to Persian Gulf oil would take on a traditional form reminiscent of the two world wars.

Even in a period of active East-West competition in peacetime, there could be considerable interdependence between developments in Europe and the Middle East. Indeed, the Soviet threat to Persian Gulf oil after Afghanistan turned as much on the political leverage that might be achieved through proximity to the oil fields as it did on the possibility of a direct move southwards to Iran and beyond.<sup>15</sup> As

<sup>13</sup>An early argument in support of intervention to secure oil at predictable prices and in reasonable amounts can be found in Robert W. Tucker, "Oil: The Issue of American Intervention," *Commentary*, January 1975. See also Tucker's *The Purposes of American Power* (New York: Praeger, 1971). A more recent analysis of this theme is presented in Edward N. Luttwak, "Intervention and Access to Natural Resources," in Hedley Bull (ed.), *Intervention in World Politics* (Oxford: Clarendon Press, 1984).

<sup>14</sup>Tucker, *The Purposes of American Power*, pp. 251-252. The intervention during the Suez crisis left a legacy of pessimism as to the freedom of action that traditional coalition partners might possess in resource-related contingencies. See Urs Schwarz, "Great Power Intervention in the Modern World," in Alastair Buchan (ed.), *Problems of Modern Strategy* (New York: Praeger, 1970) p. 185.

<sup>15</sup>The prospect of Soviet leverage over Western Europe and Japan stemming from the threat to Middle Eastern oil was taken very seriously by prominent strategists. See, for example, James R. Schlesinger, "The Geopolitics of Energy," *The Washington*

Warsaw Pact imports of oil and other resources began to expand in the 1980s, it became clear that not all targets for economic warfare in the Persian Gulf and elsewhere would be Western (although the most prominent ones probably would).<sup>16</sup> With the Soviet oil and gas pipeline initiatives of the mid-1980s, which were opposed by the U.S. as a potential source of Soviet leverage over Europe but supported in Germany and elsewhere as a promising *continental* strategy for diversifying the supply of energy, oil's role in the East-West strategic relationship became even more complex.

To summarize, the dominant Western interest in the Persian Gulf since 1973 has been access to oil in reasonable amounts and at a predictable price. Apart from a period of renewed interest in the role of oil for the conduct of protracted conventional war, the energy needs of civilian economies worldwide have been central to the debate over oil and security. The perceived threats to access have come from various quarters: supplier-state actions, the possible extension of Soviet control, and, finally, regional conflicts. The West's grand strategic stake in Persian Gulf oil has also evolved, with the preservation of international economic and political stability emerging as a constant. The degree to which this imperative has been set against the background of containment has been driven by broader changes in East-West relations. The most recent trend, certainly since the Iran-Iraq War, has been a decrease in the relevance of the East-West competition in forming Persian Gulf strategy. Indeed, the Soviet Union now appears to share the West's stake in promoting regional order in economically vital regions.

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*Quarterly*, Summer 1979. For many observers, the threat to critical sea lines of communication for oil (especially at key "choke points") rather than to access at source was a concern. See, for example, Robert J. Hanks, *The Unnoticed Challenge: Soviet Maritime Strategy and the Global Choke Points* (Cambridge: IFPA, 1980); and Charles Perry, *The West, Japan, and Cape Route Imports: The Oil and Non-Fuel Mineral Trades* (Cambridge: IFPA, 1982).

<sup>16</sup>This point is made very clearly in Christopher Coker, "The Cape Route and the Persian Gulf: A Warsaw Pact Perspective," *RUSI/Brassey's Defence Yearbook* (London: Brassey's, 1985).

## 5. CONTEMPORARY ISSUES IN HISTORICAL PERSPECTIVE: CONCLUSIONS AND IMPLICATIONS FOR U.S. POLICY

*Effective strategy toward the Persian Gulf and its oil resources in war and peace has always incorporated broader, grand strategic objectives. Regardless of whether the stakes were the outcome of great-power competition, the pursuit of victory in world war, the containment of Soviet power, or the promotion of international economic and political stability, policy toward the Persian Gulf and its oil derives its form and significance from the broader strategic environment. An effective approach to the region cannot be developed in isolation; it must reflect the opportunities and constraints determined by interests elsewhere. During the recent crisis in the Gulf, it was, above all, the revolution in East-West relations and the elimination of the risk of a superpower conflict that made possible a prompt coalition response.*

The emerging grand strategic environment facing the U.S. may well have a great deal in common with that faced by Britain in the pre-1914 period, which was marked by the absence of sharp distinctions between core and peripheral interests. For Britain, this period was also one in which the maintenance of a logistical structure commensurate with global power projection needs was becoming increasingly costly and unwieldy, partly because of the transition from coal to oil.

The fear that attempts to forge a NATO approach to peripheral contingencies would prove corrosive to core security interests (e.g., forward defense in Europe and the doctrine of flexible response) has played a key role in the Alliance debate on policy toward the Persian Gulf. However, as these core issues, which dominated strategy in the Cold War era, decline in importance or disappear, the possibility for more active, and perhaps even formal, coalition approaches to security in the Persian Gulf region may increase and should be explored.

An alternative, less attractive assessment would see a return to a more traditional, balance-of-power system. This possible outcome of the current political and strategic changes in Europe would not necessarily alter the vital interests of key actors with regard to Persian Gulf oil, but might give rise to divisive, go-it-alone strategies for access. The risk of such a development, with its implications for broader political and economic relations, argues strongly for active

U.S. leadership and careful consultation with allies on Persian Gulf policy.<sup>1</sup>

*Oil is not a cause of conflict in its own right.* History provides many examples of strategies and war aims that were shaped by the need for access to resources, including oil. The conquest or protection of oil resources is not, however, an end in itself, but rather a means of carrying forward wider strategic aims. The Axis powers did not go to war to seize the oil resources of the Caucasus or Indonesia; the conquest of these areas was seen as a necessary precondition for broader political, military, and economic hegemony. This observation is highly relevant in considering the motivations of regional or outside powers in threatening the status quo in the Persian Gulf. It supports the assessment that Iraqi aims, if left unchecked, would not have been limited to the seizure of an additional increment of oil production.

*The coalition approach to oil supply security in the Gulf, which has characterized U.S. strategy from the Carter Doctrine through Operation Desert Storm, is solidly within the liberal-maritime tradition of safeguarding critical overseas sources of supply.* It is significant that the principal actors in the Gulf crisis were traditional maritime powers that have consistently regarded the burden of protecting distant resources as preferable to the pursuit of economic self-sufficiency. Over the long term, U.S. policy will need to take into account the fact that neither Germany nor the Soviet Union (and despite its maritime situation, Japan) share this predominantly Anglo-American tradition. The ability of the U.S. to pursue a coalition approach to the Persian Gulf will depend critically on the state of transatlantic and Pacific relations as a whole. Disagreement over the nature of the U.S. role in Europe, for example, will make pursuit of a multilateral strategy in the Middle East more difficult.

*The definition of the Persian Gulf as an area of vital interest has been remarkably constant and has never been limited to the Gulf's importance as an oil-producing area, although the relative weight assigned to the oil factor has increased over time.* Beginning with the pre-1914 period, the elements making the Persian Gulf an area of vital interest have included 1) the region's location astride critical lines of communication, 2) access to oil and denial of oil to adversaries, 3) the desire to forestall the extension of continental power to Southwest Asia (and

<sup>1</sup>Arms-for-oil policies, in particular, take on new meaning in light of nuclear, chemical, and ballistic missile proliferation. In this sense, the potential for dangerous bilateral excursions aimed at securing access to oil is certainly greater than it was in the aftermath of the 1973-1974 crisis.



thus preclude the outflanking of maritime power and communications), 4) the broader imperative of demonstrating the pervasive and enduring nature of great- or superpower interests, and 5) the identification of oil and regional security with coalition objectives.

Future U.S. policy toward the Persian Gulf will continue to be driven by these interests and thus will reflect more than the important consideration of protecting oil resources. It can be argued that the regional security and world-order interests at stake in the Gulf will be even more pronounced in periods of strategic flux, of which the current environment is an excellent example. Given the range of interests in the Gulf, the instruments of U.S. policy should be broad based and directed toward promoting regional political and economic development. This approach is essential to preserving or expanding the stable strategic relationships necessary to ensure the security of the supply of oil in extremis, which is a critical but narrower objective.

*The recent rise of potent regional actors represents a departure from the traditional strategic environment in the Gulf.* The proliferation of nuclear weapons, in addition to the existing ballistic missile and chemical technology, would lead to a further and enormous transformation in the region. At the conventional level, the existence of large and well-equipped regional forces alone introduces new constraints on the use of force. Prior to the recent campaign against Iraq, this trend would have suggested that the strategic freedom of action enjoyed by the U.S. and its allies would be significantly reduced relative to, for example, Britain in the colonial era. Yet, the physical capacity for prompt intervention has also increased enormously. With the recent changes in East-West relations, the escalatory risks associated with intervention in the Persian Gulf have clearly declined. On balance, reasonable freedom of action continues to exist and may well increase as regional powers find themselves, in turn, vulnerable to such traditional forms of economic warfare as blockade and interdiction.