

Gulf military stance doubted in hearings

The following are excerpts from the Dec. 4 congressional testimonies on Persian Gulf policy by Harvard Prof. John Kenneth Galbraith before the Senate Foreign Relations Committee, and by former U.S. Ambassador to Saudi Arabia James E. Akins before the House Armed Services Committee. Both call the question on certain lines being put out by the Bush administration to justify aggressive military action.

John Kenneth Galbraith

... With others I welcome the decision by the President to invite talks on the Middle East crisis. And with others I yearn to believe that this is not a design for justifying armed action next January. I shall speak in this connection of the economic aspects of the present situation. I will urge that these are most decisive, will not be centrally important unless we resort to armed conflict. They would then be extremely damaging.

This has not been the administration view. In a phrasing that he may regret, Secretary of State Baker recently said that "to bring it down to the level of the average American citizens," the issue in the Middle East is jobs; "if you want to sum it up in one word, it's jobs." The President, among his more diverse justifications and threats, has said that our policy is to protect "our jobs and our way of life." Let us be very clear. As matters now stand, economics and employment are not the issue, and with intelligent restraint in our policy they will not be the issue.

The American economy is presently weak, quite possibly in recession, whatever that may be taken to mean. This is not the result of anything that has happened in the Middle East. Nor, to repeat, does the continuation of the present policy there pose a serious economic threat.

The economy is presently showing depressive tendencies because we had through the 1980s a period of intense securities speculation which, in the manner of all such speculation, came suddenly to an end, and with adverse effects on investment and employment. And we have come also to the end of an era of financial excess—of mergers and acquisitions, leveraged buyouts and junk bonds, all with resulting heavy corporate debt accumulation and also with a strongly depressive effect. Some of our great department stores have had trouble finding the money to buy the goods they sell.

Most important, we have had a major episode of real estate speculation, which has now collapsed with strong, even devastating, consequences for the construction industry, extending on to the solvency and thus to the lending ability of the commercial banks. To all of this has been added the collapse of the savings and loan associations following an unprecedented period of manic lending and outright larceny. This, with much else, has left a large overhang of commercial and residential property to be disposed of by the government with a further adverse effect on property values. All of this happened before the takeover of Kuwait as, among others, Chairman Alan Greenspan surely knows.

Against this background the further effect of past developments in the Gulf has been slight. A modest increase, in the range of 2 to 2.5%, has been added to the consumer prices in general. This is at a time when the Congress has, I think wisely, concluded that our gasoline prices are too low, as indeed they are in comparison with those of other countries. They are not appreciably higher than in past years when corrected for general inflation.

Higher oil prices do divert substantial sums from Americans into foreign hands. However, some of this is offset by returned expenditure and investment and rather more by increased output and investment in our own oil-producing industry.

In sum, the effect of the oil price increases on the economy, we may safely conclude, has been minor. Any damage here, is not from what happened; it is from the warlike rhetoric telling of what might happen in the future.

In the past, let us all be aware, we have regularly used oil prices in a bipartisan way as a cover for errors and shortcomings in our economic policy and performance. Better when things go badly here to blame the Arabs rather than Americans. In this mentally reductive practice, the phrase "oil shock" came into play when things seemed to go wrong. It was always cover for other causes nearer home.

I do not, to repeat, regard the present economic outlook as especially bright. It is, however, not the higher oil prices, it is not an oil shock, that is responsible. It is the culmination of a decade of speculative excess here at home. Can anyone suppose that the S&L disaster or the ending of the real estate boom or the now perilous position of Donald Trump and his supporting banks was caused by Saddam Hussein? Most of the loss of Kuwaiti and Iraqi oil production under the embargo is being made up by Saudi Arabia, the Emirates, the other OPEC countries and by the oil-producing world at large.

The economic situation that would be serious is that which would come from full-scale conflict in the Middle East, conflict that would disrupt the flow of all or most of the oil from there. This would be to impose on ourselves the sanctions that we seek to place on Iraq. As far as oil is concerned, this is truly the economic danger. It is of this that the markets are cognizant; it is to hear of this that they must.

It will be held by some that an economically adverse

result is unlikely. The war would quickly be over. Oil installations and transport would escape. Let no one be fooled. Let all remember, from a world of past experience, that everything in war is uncertain. Those who speak with greatest certainty about a military action show only how little they are aware of their own limitations.

Like many others, I am reluctant, in any case, to trade blood (always that of other people) for jobs and economic advantage, even were the latter the present issue. But jobs and economic advantage will only be seriously at risk if, recklessly, we enlarge the conflict in the Middle East. . . .

James E. Akins

Conclusion

War is not inevitable. We are not living in a Greek tragedy where the gods have placed forces in motion which we cannot alter. Saddam Hussein has done a terrible thing and he must be allowed no profit. He will have none. I have said frequently here and elsewhere that he is not suicidal and I am sure that he is not seeking death. . . .

It would be gratifying to humiliate Saddam but I hope that is not the design of our policy. Equally, our policy should not be to save his face. I *hope* our policy is to avoid war, and if Saddam is able to leave Kuwait with a small measure of dignity, so be it.

Some of those who have testified recently in Congress and many who have spoken on television talk-shows oppose the current Bush initiative because they fear issues other than unconditional Iraqi withdrawal from Kuwait might be discussed in Baghdad. My main fear has been that these "other issues" might *not* be discussed. My fear, however, has been almost completely laid to rest. It appears that Secretary Baker in Baghdad will repeat the Security Council Resolution, will assure Saddam we do not have a hidden agenda which includes an attack on Iraq after he is safely out of Kuwait. The Arab consensus is that the combined threat of war and offer of regional peace *will* be made and that Saddam, dignity intact, will accept. . . .

Still, the Middle East being the Middle East, it is too early to relax. It is both uncustomary and unwise to end a discussion of the Middle East on a positive note. While we can be certain that no further provocation will come from Saddam, there is no guarantee that there will be no terrible incident somewhere in Israel or in Saudi Arabia in the next six weeks that will lead us or the Israelis to conclude we have been stabbed in the back. This incident, if it were sufficiently ghastly, could result in an immediate attack on Iraq. Several groups in the Middle East—as here—do not want a peaceful solution. They advocate war and the destruction of Iraq—by us, of course. Arranging an "incident" would not be beyond their technical abilities. This may not happen, but we should be prepared for it. And before we respond with a blistering attack on Baghdad, we should be completely sure that the crime originated there.

The ADL hawks war in the Gulf

by Jeffrey Steinberg

When syndicated columnist Pat Buchanan made his famous quip last August that only the state of Israel and its "amen corner" in the United States favor a Gulf war, he may have underestimated the extent to which British Prime Minister Margaret Thatcher and some senior Bush administration officials, including President Bush himself, were also chomping at the bit for a bloody clash. He certainly was not wrong in blasting such outfits as the Anti-Defamation League (ADL) of B'nai B'rith and the ADL-allied *New Republic* magazine, for hawking a showdown with Iraq.

A sampling of some of ADL's recent public comments on the Gulf crisis and U.S.-Israeli relations paints a blood-curdling picture.

Over Oct. 25-27, 1990, the ADL held its annual National Executive Committee session in San Francisco. According to an ADL press release dated Oct. 27, the meeting was addressed by Rear Adm. Abraham Ben-Shoshan, the defense attaché to the Israeli Embassy in Washington. Admiral Ben-Shoshan warned that if "pushed into a corner," Saddam Hussein would attack Israel, and that Israel would answer such an attack with "no hesitation at all, with everything we have," a not-so-veiled reference to Israel's formidable arsenal of nuclear weapons.

Admiral Ben-Shoshan openly attacked the United States for spreading advanced technologies among the Arab states, warning the ADL executives: "The best American technology is going to the Middle East and we have to prepare ourselves to compete—not only against the best Russian, French, and European technology—but against the best American technology."

Barry Rubin, of the American-Israel Public Affairs Committee's (AIPAC) Washington Institute for Near East Policy, told the same gathering that the Bush administration is trashing Israel in an effort to win a "popularity contest with the Arab world."

New Republic editor-in-chief Martin Peretz told the ADL gathering that President Bush is not doing enough for Israel and may back down from taking the necessary military action against Iraq. "These are trying times for friends of Zion and Zionism itself," Peretz lamented. "Bush and Baker tilted