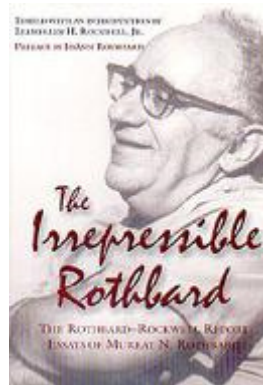


Why the War? The Kuwait Connection

by Murray N. Rothbard

Why, exactly, did we go to war in the Gulf? The answer remains murky, but perhaps we can find one explanation by examining the strong and ominous Kuwait Connection in our government. (I am indebted to an excellent article in an obscure New York tabloid, *Downtown*, by Bob Feldman, "The Kissinger Affair," March 27.) The *Sabahklatura* that runs the Kuwait government is immensely wealthy, to the tune of hundreds of billions of dollars, derived from tax/"royalty" loot extracted from oil producers simply because the Sabah tribe claims "sovereignty" over that valuable chunk of desert real estate. The Sabah tribe has no legitimate claim to the oil revenue; it did nothing to homestead or mix its labor or any other resource with the crude oil.



It is reasonable to assume that the Sabah family stands ready to use a modest portion of that ill-gotten wealth to purchase defenders and advocates in the powerful United States. We now focus our attention on the sinister but almost universally Beloved figure of Dr. Henry Kissinger, a lifelong spokesman, counselor, and servitor of the Rockefeller World Empire. Kissinger is so Beloved, in fact, that whenever he appears on *Nightline* or *Crossfire* he appears alone, since it seems to be *lese majesté* (or even blasphemy) for anyone to contradict the Great One's banal and ponderous Teutonic pronouncements. Only a handful of grumblers and malcontents on the extreme right and extreme left disturb this cozy consensus.

In 1954, the 31-year-old Kissinger, a Harvard political scientist and admirer of Metternich, was plucked out of his academic obscurity to become lifelong foreign policy advisor to New York Governor Nelson Aldrich Rockefeller. Doctor K continued in that august role until he assumed the mastery of foreign policy throughout the Nixon and Ford administrations. In that role, Kissinger played a major part in

prolonging and extending the Vietnam War, and in the mass murder of civilians entailed by the terror bombings of Vietnam, the secret bombing of Cambodia, and the invasion of Laos.

Since leaving office in 1977, Dr. Kissinger has continued to play a highly influential role in U.S. politics, in the U.S. media, and in the Rockefeller world empire. It was Kissinger, along with David Rockefeller, who was decisive in the disastrous decision of President Carter to admit the recently toppled Shah of Iran, old friend and ally of the Rockefellers, into the United States, a decision that led directly to the Iranian hostage crisis and to Carter's downfall. Today, Kissinger still continues to serve as a trustee of the powerful Rockefeller Brothers Fund, as a counselor to Rockefeller's Chase Manhattan Bank, and as a member of Chase's International Advisory Committee. Kissinger's media influence is evident from his having served on the board of CBS, Inc., and having been a paid consultant to both NBC News and ABC News. That takes care of all three networks.

But Kissinger's major, and most lucrative role, has come as head of Kissinger Associates in New York City, founded on a loan obtained in 1982 from the international banking firm of E.M. Warburg, Pincus and Company. Nominally, Kissinger Associates (KA) is an "international consulting firm" but "consultant" covers many sins, and in KA's case, this means international political influence-peddling for its two dozen or so important corporate clients. In the fullest report on KA, Leslie Gelb in the *New York Times Magazine* for April 20, 1986, reveals that, in that year, 25 to 30 corporations paid KA between \$150,000 and \$420,000 each per annum for political influence and access. As Gelb blandly puts it: "The superstar international consultants [at KA] were certainly people who would get their telephone calls returned from high American government officials and who would also be able to get executives in to see foreign leaders." I dare say a lot more than mere access could be gained thereby. KA's offices in New York and Washington are small, but they pack a powerful punch. (Is it mere coincidence that KA's Park Avenue headquarters is in the same building as the local office of Chase Manhattan Bank's subsidiary, the Commercial Bank of Kuwait?)

Who were these "superstar international consultants?" One of them, who in 1986 was the vice chairman of KA, is none other than General Brent Scowcroft, former national security advisor under President Ford, and, playing the exact same role under George Bush, serving as the chief architect of the Gulf War. One of the General's top clients was Kuwait's government-owned Kuwait Petroleum Corporation, who paid Scowcroft for his services at least from 1984 through 1986. In addition, Scowcroft became a director of Santa Fe International (SFI) in the early 1980s, not long after SFI was purchased by the Kuwait Petroleum Corporation in 1981. Joining Scowcroft on the SFI board was Scowcroft's old boss, Gerald Ford. One of SFI's activities is drilling oil wells in Kuwait, an operation

which, of course, had to be suspended after the Iraq invasion.

Brent Scowcroft, it is clear, has enjoyed a long-standing and lucrative Kuwait connection. Is it a coincidence that it was Scowcroft's National Security Council presentation on August 3, 1990, which according to the *New York Times* (February 21) "crystallized people's thinking and galvanized support" for a "strong response" to the Iraq invasion of Kuwait?

Scowcroft, by the way, does not exhaust the Republican administrations' revolving door among Kissinger Associates. Another top KA official, Lawrence Eagleburger, undersecretary of state under Reagan, has returned to high office after a stint at KA as deputy secretary of state under George Bush.

Also vitally important at KA are the members of its board of directors. One director is T. Jefferson Cunningham III, who is also a director of the Midland Bank of Britain, which has also been a KA client. The fascinating point here is that 10.5 percent of this \$4 billion bank is owned by the Kuwait government. And Kissinger, as head of KA, is of course concerned to advance the interests of his clients – which include the Midland Bank and therefore the government of Kuwait. Does this connection have anything to do with Kissinger's ultra-hawkish views on the Gulf War? In the meantime, Kissinger continues to serve on President Bush's Foreign Intelligence Advisory Board, which gives Kissinger not only a channel for giving advice but also gives him access to national security information which could prove useful to KA's corporate clients.

Another KA client is the Fluor Corporation, which has a special interest in Saudi Arabia. Shortly before the August 2 invasion, Saudi Arabia decided to launch a \$30 to \$40 billion project to expand oil production, and granted two huge oil contracts to the Parson and Fluor corporations. (*New York Times*, August 21)

One member of KA's board of directors is ARCO Chairman Robert O. Anderson; ARCO, also one of KA's clients, is engaged in joint oil-exploration and oil-drilling in offshore China with Santa Fe International, the subsidiary of the Kuwait government.

Other KA board members are William D. Rogers, undersecretary of state in the Eisenhower administration, and long-time leading Dewey-Rockefeller Republican in New York; former Citibank (Rockefeller) Chairman Edward Palmer; and Eric Lord Roll, economist and chairman of the board of the London international banking house of S.F. Warburg.

Perhaps the most interesting KA board member is one of the most Beloved figures in the conservative movement, William E. Simon, secretary of treasury in the Nixon and Ford administrations. When Simon left office in 1977, he became a consultant to the Bechtel Corporation, which has had the major massive construction contracts to build oil refineries and cities in Saudi Arabia. In addition, Simon

became a consultant to Suliman Olayan, one of the wealthiest and most powerful businessmen in Saudi Arabia. Long a close associate of the oil-rich Saudi royal family, Olayan had served Bechtel well by getting it the multi-billion contract to build the oil city of Jubail. In 1980, furthermore, Olayan hired William Simon to be chairman of two investment firms owned jointly by himself and the influential Saudi Prince Khaled al Saud.

Bechtel, the Rockefellers, and the Saudi royal family have long had an intimate connection. After the Saudis granted the Rockefeller-dominated Aramco oil consortium the monopoly of oil in Saudi Arabia, the Rockefellers brought their pals at Bechtel in on the construction contracts. The Bechtel Corporation, of course, has also contributed George Shultz and Cap Weinberger to high office in Republican administrations. To complete the circle, KA director Simon's former boss Suliman Olayan was, in 1988, the largest shareholder in the Chase Manhattan Bank after David Rockefeller himself.

The pattern is clear. An old New Left slogan held that "you don't need a weatherman to tell you how the wind is blowing." In the same way, you don't need to be a "conspiracy theorist" to see what's going on here. All you have to do is be willing to use your eyes.