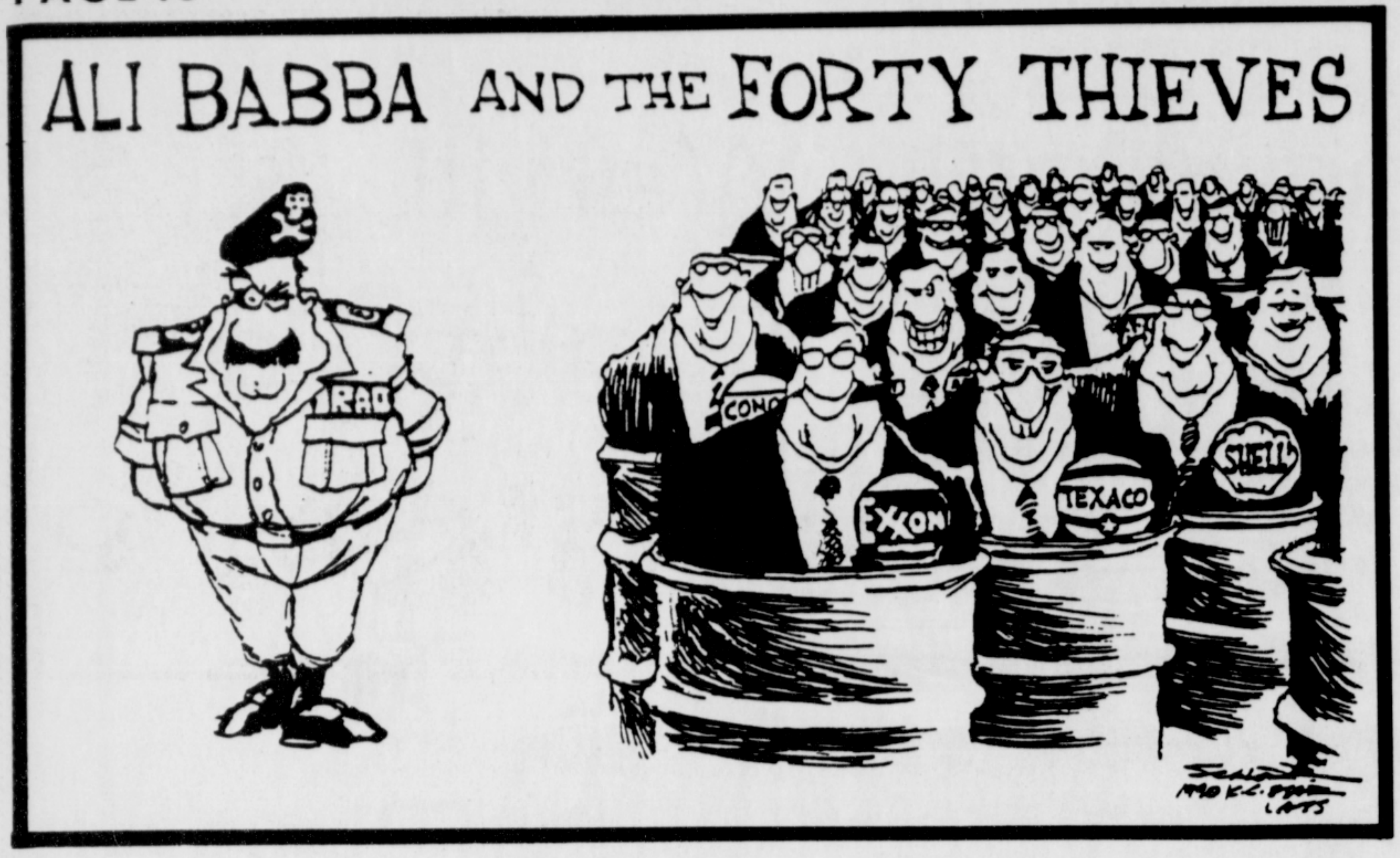

SCHORR (KANSAS CITY STAR, KANSAS CITY, USA)

Risking World War III

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supported rightwing dictatorships in Guatamala, El Salvador and elsewhere!). Lack of a reliable source of oil for the Axis powers was instrumental in their defeat in 1945.

It was in the immediate aftermath of World War II that the Middle East became the most important source of global oil and the U.S. superceded Britain as the most dominant power in the region. The oil industry boomed. Gasoline stations and automobile-dependent suburbia took over vast areas of the U.S. landscape, spreading out rapidly from its southern California birthplace. The last wilderness areas in Europe, northern Scandinavia and southern Italy, were linked by paved roads to the burgeoning car culture. Cities in the developing world, such as Mexico City and Cairo, followed the lead of Los Angeles in becoming almost completely automobile-dependent. The petrochemical industry exploded, fashioning everything from agricultural fertilizers to rock 'n roll "platters" from oil. Plastics, basically chewed-up oil, proliferated.

Exploding profits were an inducement for greater cooperation and centralization in Middle East oil exploitation. Abandoning the turf divisions which had been established by the "red line" agreement, Standard Oil of NJ (Exxon) and Standard Oil of New York (Mobil) joined Standard Oil of California (Chevron) and the Texas Oil Company (Texaco) in their Saudi Arabian joint venture, Aramco. The British induced the Soviets to withdraw from Iran and put the Shah's son on the throne — who naturally granted British Petroleum very favorable terms for exploitation. In 1952, when the Iranian nationalist Mossadeq was elected prime minister and attempted to nationalize the oil fields, British intelligence appealed to the U.S.'s newly formed Central Intelligence Agency (CIA) to help organize a coup d'etat which would oust Mossadeq and allow the Shah to consolidate dictatorial power. Then CIA Director Allen Dulles and then Secretary of State John Foster Dulles, his brother, were senior members of the New York law firm which represented Standard Oil of NJ. The CIA organized the coup with the British, and Standard Oil of NJ/Exxon subsequently joined British Petroleum in the lucrative Iranian oil fields.

The Japanese launched the Arabian Oil Company of Japan and established the emirate of Kuwait as its Middle East mainstay. Pipelines linking oilfields with tanker ports were built.

In the '50s and '60s, however, a backlash could be felt. In addition to resentment against the monarchial elites who allowed western corporations to exploit oil on such easy terms, there was also growing resentment against the fact that in 1948 Britain had finally been forced by the United Nations to cede Palestine to the Jewish Zionist settlers — over the strenuous objections of the Arab and Islamic nations. This situation led to war between the new Zionist state of Israel and its Arab neighbors in 1949, 1956, 1967 and 1973. Territories occupied by Israel, chiefly in 1967, have still not been ceded today despite both Arab pressure and resistance from the Arab Palestinians who inhabit the occupied territories. As more and more Arab states became less accomodating to western interests (chiefly oil interests), the United States increasingly bolstered Israel's formidable military prowess and kept its economy afloat with aid, until Israel was receiving more money from the U.S. than any other country on Earth. In a vicious cycle, this merely fueled Arab hostility.

Pro-West Arab monarchies started to fall in military coups d'etat to nationalist strongmen, such as Egypt's Nasser and Libya's Qaddafi. They had learned from the negative example of Iran's Mossadeq that military might was the key to being able to nationalize oil fields without fear of being ousted in retaliation. The coup which ousted Iraq's monarchy came in 1958, and the military regime nationalized the Iraq Petroleum Company in 1972. By then Saddam Hussein was a rapidly rising figure in the regime, well on his way to achieving undisputed power by killing off his rivals in suspiciously mysterious air accidents — or so it is widely speculated.

The very next year came the first global oil crunch. The Arab oil producers announced an embargo of exports to the U.S. in retaliation for U.S. military support for Israel in the 1973 war. The oil companies took the opportunity to jack up prices, and long lines formed outside U.S. gas stations coast to coast. This was the most dramatic development in a trend which had started in 1960 when many of the Arab states joined with Iran and Venezuela to form the Organization of Petroleum Exporting Countries (OPEC), to cooperate in controlling global supplies and prices — generally in ways less favorable to the west. The U.S. elites started to view the Arab nationalist regimes as a serious threat. Regimes such as that in Iraq were moving the political center of gravity in the Middle East, and even U.S.-supported monarchies in Iran and Saudi Arabia were no longer as compliant as they had once been.

The CIA went into action against Iraq, enlisting the cooperation of the Shah of Iran in arming the insurgency of the Kurds, a tribal people in Iraq's remote northern desert who had been overlooked in the post-World War I carve-up and were fighting for regional autonomy. The notion that the U.S. had any genuine concern for Kurdish autonomy is easily dispelled by the fact that barely a decade later, in Kurdish territory just across the Turkish border, a Kurdish rebellion would be brutally suppressed by a military regime which received massive U.S. support. The Kurds were, apparently, useful in nationalist Iraq but merely troublesome in U.S.-supported Turkey.

Furthermore, in 1975 the Shah of Iran, seeking to strengthen his position within OPEC, decided to patch things up with Iraq, and the CIA lost Iran as an arms conduit to the Kurdish rebels — the Iraqi regime had made selling out the Kurds a precondition for cooperation with Iran in OPEC talks in their mutual interest. The CIA dropped the Kurds as Iraq unleashed a bloody offensive and crushed the insurgency. Several thousand Kurds escaped Iraq's butchery by fleeing across the border to Iran — only to be forcibly repatriated. The U.S. refused to admit so much as one Kurdish refugee. The world hardly took note of this shameful episode, but then U.S. National Security Advisor Henry Kissinger did at one point respond to criticism with the comment, "Covert action should not be confused with missionary work."

The increasingly unfavorable balance of power in the Middle East was used by the oil companies as a justification for the rape of wilderness areas in Alaska and on the West Coast for oil development and for the massive expansion of the nuclear power industry in the '70s. Fortunately, however, other forces in the U.S. were finding more realistic responses to the crisis — such as energy conservation and development of renewable energy sources and alternative fuels. By the late '70s, energy demand had ceased growing in the U.S., contradicting predictions such as that of the Ford Foundation in 1974 that energy demand would only continue to be present in an ever-increasing rate. In 1975 Congress passed the Energy Policy and Conservation Act which mandated both automobile fuel efficiency standards and the creation of the Federal Strategic Petroleum Reserve, and underground emergency oil storehouse designed to cushion the U.S. from the impact of any future embargoes. In 1977, President Jimmy Carter established the Federal Solar Energy Research Institute.

Nonetheless, U.S. reliance on Middle East oil remained overwhelming. The principle U.S. sources now that the IPC had been taken over by Iraq were Aramco in Saudi Arabia and the Shah of Iran's dictatorship — which was having to resort to ever more brutal methods to maintain its grip on power in the face of growing unrest.

The nationalist regimes in the Arab world were basically modeled after that of Nasser's Egypt, the first — secular, socialist, supported by Soviet military and economic aid (despite the fact that these regimes frequently persecuted their own Communists). This Arab nationalist camp was not monolithic — it was, and is, divided by bitter rivalries such as that between Iraq's Hussein and Syria's Assad, who lead opposing factions in the Arab nationalist/socialist Baath Party. However, in 1979 the Shah of Iran fell to a revolution which brought a new kind of nationalist regime to power — the fundamentalist Islamic theocracy of Ayatollah Khomeini, equally hostile to both the U.S. and the U.S.S.R. The U.S. lost yet another Middle East oil mainstay, prompting a second petroleum squeeze almost as severe as the one of 1973-74. Pro-Khomeini students seized hostages at the U.S. embassy in Iran to press their demands for the life of the ousted Shah. Pro-Khomeini guerrillas briefly seized the Great Mosque in the Islamic holy city of Mecca in Saudi Arabia, in an effort to launch a second fundamentalist revolution in that country (they were shortly dislodged by Saudi forces). Skillful media manipulation of the hostage crisis created a wave of jingoism and xenophobia in the U.S. which swept Ronald Reagan to the presidency in the 1980 elections. President Reagan quickly reversed the progress toward conservation and energy efficiency. Yuppie extravagance and resurgent militarism became the order of the day.

It was also in 1980 that Iraq's army invaded Iran, sparking a war which would last eight years and cost over one million lives. Portraying himself as the defender of Arab nationalism from the threat posed by Iran's brand of Islamic theocracy, Iraq's Hussein succeeded in securing funding for his war effort from the oil-rich Persian Gulf ministates — especially Kuwait, which was awash in Japanese yen. Iraq purchased arms from the U.S.S.R. and France, while Iran relied on the massive military which had been built up by the U.S. under the Shah.