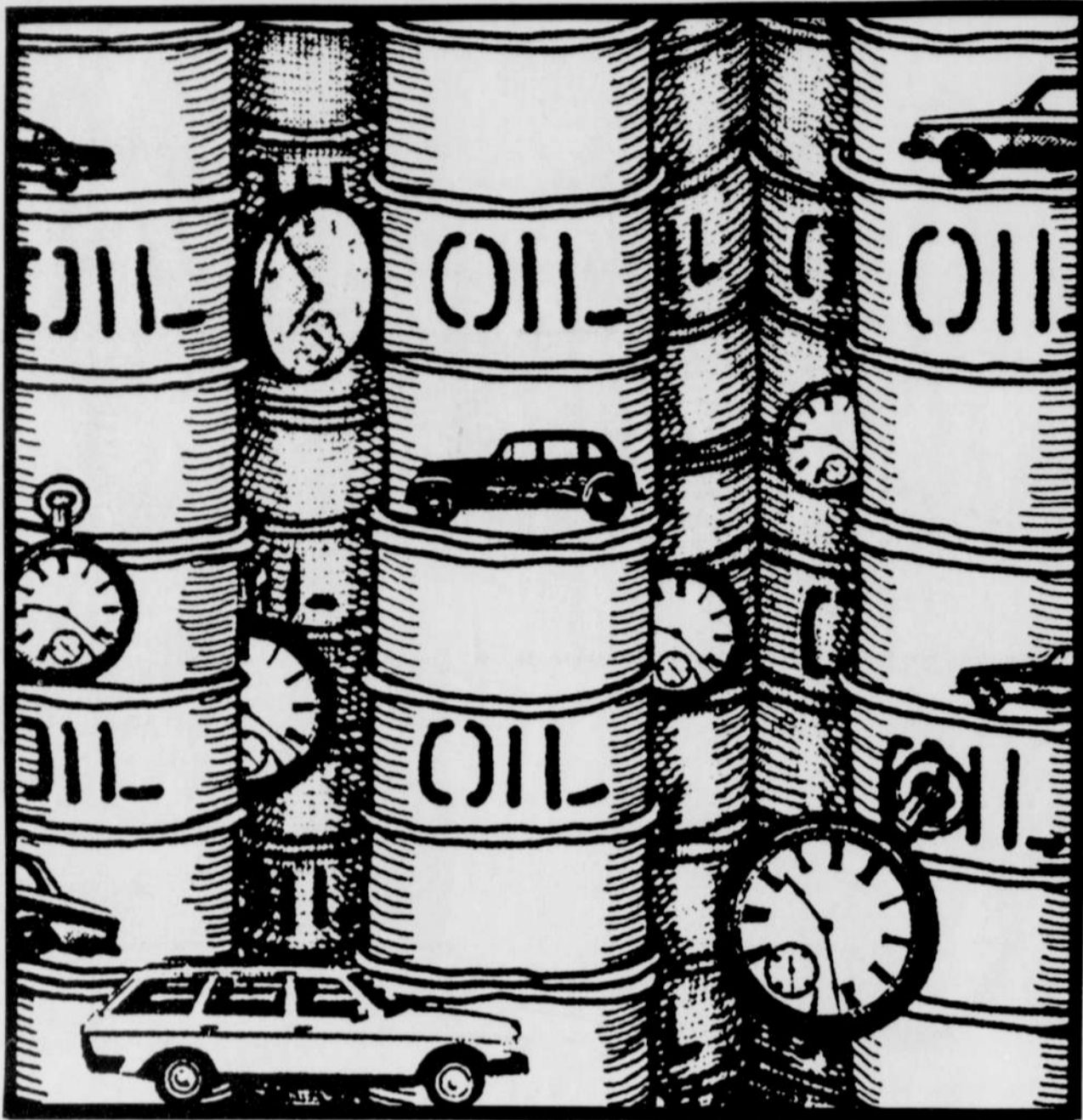


A SHORT HISTORY OF OIL



PAUL J. FISCH

"Who rules America?" the beloved reverend Billy Hults asked in an article he wrote last year for the NCTE: "Who rules the world? Those with power. Power comes from oil. Oil powers your car, powers the electric plants that run your television, lights and computer, the military planes, ships and tanks."

His article, aptly titled 'It's The Oil, Stupid!' also asked "What was Vietnam about? Iraq? Afghanistan? Colombia? Venezuela? Or, bring it all back home, ANWR, global warming, SUVs, The Clean Air Act? The Clean Water Act? It is about oil, and has been for the last three-quarters of a century."

Bill Weinberg asked the same type of questions in an article he wrote 13 years ago at the advent of the first Persian Gulf War. "Does the war which our country is preparing to fight in the Middle East have anything whatsoever to do with democracy? Or do the quickly escalating prices at the gasoline pumps say more about the real reason for the massive troop mobilization?"

To answer his own questions (which are uncannily pertinent in the wake of Gulf War 2), Weinberg provided "a little historical background," which is reprinted from the New York City weekly newspaper ("The One, The Only, The Original") DOWNTOWN.

BY BILL WEINBERG

At the turn of the 20th century, Iraq and most of the massive Arabian peninsula were under the control of the Turkish Ottoman Empire. One of the exceptions was Kuwait, which the British empire had secured as a protectorate to check Turkish and German consolidation of power in the Persian Gulf. (Germany owned the region's rail lines and was allied with Turkey.) The Ottomans had dominated this part of the world for centuries, but the British, French and United States were acceleratingly playing for power — especially as oil became an increasingly vital pillar of the world economy and scientists speculated that the geological structure of the Middle East deserts promised vast subterranean seas of the substance for those with money to invest in exploration and development.

With Turkey's defeat at the end of World War 1, the victorious allies went about carving up the Ottoman Empire and dividing it amongst themselves. Britain took Palestine and Iraq, France took Lebanon and Syria, while monarchies were established in the Arabian peninsula, mostly under British tutelage. By far the most powerful of these states was Saudi Arabia — the only country on Earth named after its ruling family. The royal Saud family still rules as a monarchy more than 80 years later. To the east of this massive but sparsely populated state, on the Arabian shores of the Persian Gulf, ministries such as Oman, Qatar and Bahrain joined Kuwait as British-protected monarchies.

This carve-up provided the roots for the contemporary shape of the Middle East. Britain had promised the Palestinians independence following World War 1 if they revolted against the Ottoman Turks. They had, but Britain had simultaneously promised the same territory to Jewish Zionist leaders in Europe. Breaking both promises, Britain simply kept Palestine for itself, eventually leading to waves of both Zionist and Palestinian nationalist violence and terrorism. By 1920, Iraqi nationalists were leading a popular armed uprising against the British occupation of Iraq. This prompted the British to withdraw, leaving still another pro-British monarchy to rule in their stead.

Simultaneously, the world's most powerful oil companies — many of them offsprings of John D. Rockefeller's monolithic Standard Oil, which had been broken up by an antitrust suit a few years earlier — were negotiating with the Allied governments for exploration and drilling rights in the former Ottoman Empire. In one famous 1928 session in Belgium, a notorious "Red Line" was drawn around the presumed extent of ill-defined borders of the dismantled empire within which the oilmen divided up the turf. Standard Oil of New Jersey (today's Exxon) and the Anglo/Persian Oil Company (British Petroleum) launched a joint venture in Iraq, the Iraq Petroleum Company (IPC). Standard Oil of California (Chevron) and the Texas Oil Company (Texaco) launched a joint venture in Saudi Arabia, the Arab/American Oil Company (Aramco). These conglomerates came to dominate the economies of, respectively, Iraq and Saudi Arabia.

The oil companies began to reshape American society in anticipation of the seas of petrol which were soon to emanate from the Middle East. In a joint venture with car and tire manufacturers such as General Motors and Firestone, they started creating dummy corporations and buying up the trolley systems in such cities as Los Angeles, New York and Boston — and having them dismantled, leaving these rapidly expanding urban areas almost completely dependent on automobile transportation (especially Los Angeles, which had no subway system).

Iran, which had not been part of the Ottoman Empire, had long been dominated economically by the Anglo/Persian Oil Company, and was ruled by the dictatorial monarchy of the Shah which the British had created as a means of checking Russian influence. With the outbreak of World War 2, the Shah demonstrated strong pro-Nazi sympathies, so the British quietly had him ousted and divided Iran between their own occupation forces and those of Russia, with whom Britain was allied again.

World War 2 was a setback for the development of the Middle East as a source of global oil. Military campaigns in North Africa were aimed at keeping the Axis powers away from Middle East oil — despite the facts that Standard Oil of New Jersey (Exxon) had recently given the Nazis an edge in industrial might through a power-sharing agreement with the German powerhouse I. G. Farben, that the Texas Oil Company (Texaco) had provided petroleum to the fascist dictatorship of Generalissimo Franco in Spain, and that Sir Henry Detering, the man who had built Royal Dutch Shell, had been eased out of power by his own board of directors for spouting pro-Nazi rhetoric long after it had started be embarrassingly inappropriate.

In World War 2 the Allies were supplied with oil from Venezuela (sparking a U.S. propaganda and espionage effort to check Fascist influence in Latin America, which had the paradoxical result of popular revolutions that toppled U.S.-supported dictatorships in Guatemala, El Salvador and elsewhere). Lack of a reliable source of oil for the Axis powers was instrumental in their defeat in 1945 (a result of intense bombing campaigns in Nazi-controlled Romanian oil fields and recapture of Japanese-held Indonesian fields).

It was in the immediate aftermath of World War 2 that the Middle East became the most important source of global oil and the United States superseded 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 American 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 auto-dependent. The petrochemical industry exploded, fashioning everything from agricultural fertilizers to rock/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 that had been established by the "Red Line" agreement of 1928, Standard Oil of NJ (Exxon) and Standard Oil of New York (Mobile) 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 Iranian nationalist Muhammad 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 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 his brother Secretary of State John Foster Dulles were senior members of the New York law firm that represented Standard Oil of New Jersey. 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 and established the emirate of Kuwait as its Middle East mainstay. Pipelines linking oil fields with tanker ports were built.

In the 1950s-'60s, however, a backlash could be felt. In addition to resentment against the monarchical elites who allowed western corporations to exploit oil on such easy terms, there was also growing animosity 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 1948, 1956, 1967 and 1973 (October 6 is the 30th anniversary of the beginning of the Yom Kippur War). 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 accommodating to western interests (primarily 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 began to fall in military coups to nationalist strongmen such as Egypt's Gamel Nasser and Libya's Moamar Qaddafi. They had learned from the negative example of Iran's Mossadeq that military might was the key to nationalizing oil fields without fear of being ousted in retaliation. The coup that 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 was 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 American 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 that 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 1 carve-up and were fighting for regional autonomy. The notion that the U.S. had any genuine concern for Kurdish autonomy was easily dispelled by the fact that barely a decade later, in Kurdish territory just across the Turkish border, a Kurdish rebellion was brutally suppressed by a military regime that received massive American 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 with OPEC, decided to patch up things 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 National Security advisor Henry Kissinger did at one point respond to criticism with the comment, "Covert action should not be confused with missionary work."

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