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Energy: Science, Policy, and the Pursuit of Sustainability
Oil Connections
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Matt Siegfried, a socialist, describes the relationship between politics and big oil, *“This is not a conspiracy, nor is it a coincidence – it is how American capitalism works. The government sees its primary role to defend and extend American corporate interests. There is a constant revolving door between government and business in the US. This of course, is not a uniquely American reality but one shared with all the capitalist governments of the world.”*

One of the FBI’s former heads of the counter-terrorism, John O’Neill, quit when he was prevented from investigating the Al Quaida network before the disastrous events of September 11. He said, *“the main obstacles to investigating Islamic terrorism were US corporate oil interests and the role played by Saudi Arabia,”* (Seddon/Bisard & Dasquié).

[An attention getter that makes the reader want to read on. A nice way to start off your article.]

“It would be foolish to underestimate the power of oil interests in shaping American policy. Competition among the imperialist powers over access to and control of oil has increased since the collapse of the Soviet Union,” (Siegfried). Today’s political leaders do not have the people’s interests at heart; they have the profit motive that capitalism promises us. Many of our most influential politicians have none other than the most precious world resource in their mind’s eye, the black gold. Oil has been a contributor in making important political decisions since the industrial revolution. Its influence has grown as industries have come to depend on it. Everything from the automobile industry, to military actions, to plastics is reliant on the steady supply of oil. There is a direct and undeniable connection between US foreign policy and US oil companies, made possible by politicians with private interests in oil profits. The implications of this relationship are indeed frightening.

The history of the oil agenda in Washington is evident when looked at from an objective perspective. History establishes a pattern for the transfer of the oil monopoly into the hands of corporate America. At the end of the Second World War, the US, by means of the war activities, managed to break British Petroleum’s oil monopoly. The new government in Iran transferred 40% of British concessions to North American companies. Iraq’s reserves went to Exxon and Mobil, while Chevron became a major player in Saudi Arabian oil.

The Carter Doctrine is also essential in understanding US foreign policy. Klare explains in his assessment of “Washington’s OilPolitik”, “In 1980, then

President Jimmy Carter made explicit what had long been stated informally: that any hostile effort to impede the flow of Persian Gulf oil would be regarded as an ‘assault on the vital interests of the United States...’ and, as such, would be ‘...repelled by any means necessary, including military force.’”

[It seems obvious that U.S. energy policy has become increasingly militarized in recent years. I didn't realize that this policy dated back to the Carter era.]

The extreme this statement implies demonstrates the degree of importance energy security has in today’s economy.

The recent “Cheney Report” is also typical of national energy policy. The report recommended, “Strengthening Global Alliances” and that Bush “make energy security a priority of our trade and foreign policy,” (Klare, War Machine). It also reiterates that the US is becoming increasingly reliant on foreign oil sources. The report concludes that the US should keep up relations with Saudi Arabia and other Middle Eastern countries, as well as “diversify” our suppliers from around the globe. This is typical of expansionist and imperialist attitudes.

US military involvement in oil-providing nations has included arms transfers, military training programs, as well as the deployment of US soldiers. “Securing control and ‘protecting’ the pipeline routes is paramount to the success of these multibillion dollar ventures: A successful international oil regime is a combination of economic, political, and military arrangements to support oil production and transportation to markets,” (Chassudovsky).

“US consumption is expected to rise by another five million barrels per day over the next 20 years,” (Klare Real Reasons).

[According to Betsy, the U.S. currently consumes 15 million barrels of crude oil per day (62% of it imported), so an increase of 5 million barrels per day corresponds to a 33% increase in 20 years, corresponding to 1.4% growth per year and a doubling time of $70/1.4 = 50$ years. This illustrates the insidious nature of exponential growth (constant percentage growth per year) – it starts out sounding small but sneaks up on you!]

Known reserves and current oil production are not enough to satiate this demand. This scarcity of oil coupled with rising consumer demand is why oil companies are urgently seeking to claim new deposits and stay ahead in the supply game. Not only do US oil companies want to supply the US demand, but they yearn to supply the growing demand in Europe and South America. This urgency can be compared to that of gold rushes, considering that today oil is the most lucrative natural resource coveted by man.

In the world of politics, getting elected is the first step in being involved in the making of laws and policies. This creates a significant correlation between the campaign contributors and whom the laws favor. Peter Waldman and Timothy Mapes of the Wall Street Journal take note of campaign donators and the state, “Among oil and gas companies, Exxon Mobile was the second-largest campaign donor in the 2000 election cycle –after Enron Corp. [a pipeline and power company] – 89% of its contributions going to Republicans.” Quite simply those in power have their own oil agenda if not by favors and campaign fund contributions, then by their own ties, histories and stocks.

The Bush clan is notorious for its connections to the Texas oil barons. It should come as no surprise that Bush owned his own oil company, until it was bought out as a favor, stricken by debt. He now owns stock in numerous large energy corporations such as BP, Exxon Mobil, Pennzoil, and GE to name a few. Bush's campaign received \$2.8 billion from energy companies, and another \$2.3 million from the automobile industry.

Vice President Dick Cheney, also has a great deal at stake. He was recently the CEO of "Halliburton – the largest oil supply company in the world," (Siegfried). Not only is Halliburton a major campaign contributor, it is inextricably interwoven in US governmental dealings. For example, it is the "leading construction contractor of the US military since the beginning of the Bush Administration." In seeming compensation for building the US's largest "foreign military base constructed since Vietnam", Halliburton was allowed to use US troops in the Balkans. This reciprocity is exemplary of the unscrupulous connections held between governmental affairs and politicians.

Condoleeza Rice is the National Security Advisor. Among other ties to big oil, she spent ten years in service to the Board of Chevron. They liked her so much they named a super-tanker after her, "The Condoleeza," (VS).

Other players in the administration are Don Evans, Secretary of Commerce and Spencer Abraham, Secretary of Energy. Evans has been the CEO and Chairman of the oil company Tom Brown Inc.. Abraham, whose home state is Michigan, has campaign contributors such as Daimler Chrysler, and Ford. "Abraham personally

fought to limit fuel-efficiency in SUV's, as well as to cut research into renewable energy and to wipe out the federal gasoline tax.”

The United States determines its interest in foreign policy by the locations of major US companies. Oil companies are among the highest regarded in US priorities. Since most “business interests are also government interests,” the US government has been known to involve military aid or action. “Thus, war becomes the mechanism for the control of strategic interests such as oil,” (Oil and War). According to a company's level of interest in a country's supply of oil and that company's influence in Washington, that company could invest in war or other military/political interference by the US. Oil companies use US foreign policy to further their control of and to profit from oil providing nations.

Colombia is an example of American military assistance given to an oil providing country with a rebellious faction threatening the supply of oil. Under the Clinton administration the US provided the Colombian government with \$1.6 billion in technology, military training and other forms of assistance. “US officials have stressed the need to go after leftist guerrillas said to provide protection for drug traffickers. Rarely mentioned, however, is the fact that the guerrillas are also attacking US oil interests in Colombia, especially pipelines.” Under the pretense of fighting the drug trade, the US is more honestly concerned about protecting its seventh largest supplier of oil from insurgents (The Real Reasons for US Aid). This is a prime example of US keeping a firm grip on what is theirs to keep.

Central Asian reserves are expected to be the world's third largest oil and

natural gas deposits. Since the fall of Soviet power in this area, the only question concerning oil companies was how to transport this wealth to refinement and then to market. The common solution was to build a pipeline. Plans for these pipelines started in the early nineties, and investments were in the billions even before construction. Two pipelines, in specific, have had suspicious connections to US military involvement: the Trans-Balkan pipeline, and the Unocal pipeline in Afghanistan.

The Trans-Balkan pipeline transports oil from the Caspian Sea to Albania's Port of Vlore via the coast of Kazakhstan, the Black Sea, and the port of Burgas. The pipeline's capacity is worth approximately \$7.2 billion annually. This "east-west corridor" was so essential to US foreign policy that stabilizing the Balkan region in Kosovo and Yugoslavia included troops being sent to Kosovo in 1999. Even Hitler saw this area's value, as it was one of his major targets during WWII. This pipeline is a product of the Caspian Pipelines Consortium led by the US company, Chevron. Then US Energy Secretary, Bill Richardson, states precisely the goal of monopolizing Central Asian oil to be sold to the emergent European markets. "We would like to see them reliant on Western commercial and political interests rather than going another way. We've made a substantial political investment in the Caspian, and it's very important to us that both the pipeline map and the politics come out right."

Unocal and Delta Oil signed an agreement with Turkmenistan to export 8 billion dollars worth of crude resources. However, this agreement was reliant on the Trans-Afghanistan pipeline. Fighting in Afghanistan between the Taliban and

opposing divisions delayed the building of the pipeline. The US war against terrorism in Afghanistan provided the solution Unocal needed. What did the US have to gain? If pleasing the oil companies was not enough, then allowing US oil companies to maneuver Caspian oil out of the control of Russia was a definite incentive.

The war against terrorism and the campaign to expand US access to foreign oil have become one and the same. “With the American public fixated on the threat of terrorism, however, the administration is understandably reluctant to portray its foreign policy as related primarily to the protection of oil supplies.” According to Klare, three factors exist that are “facilitating the merger of the anti-terror and oil-supply missions”: geography, dependency and imperialism. The Caspian Sea reserves, thought to be the largest unexplored reserves, are surrounded by unstable governments and rebelling factions. Growing US dependence and competition for the markets of developing nations emphasizes to oil companies the importance of maintaining the flow of oil. Any excuse to involve US military into nations who concern US energy policy is a good excuse for private companies to gain control of resources. Militarization of an area or regime allows the US to control and manipulate the appropriation of resources and allows US oil companies first ‘dibs’ on those resources. These motives for the war against terrorism can also be seen in Bush’s alarming war on Iraq.

The United States and Great Britain own four out of five of the world’s top oil companies. Both were offended when the Iraq Petrochemical Company (IPC)

did not allow either to invest in the company, and thus partly control the company. England and the US were the only two countries vying for war on Iraq, which “holds...the world’s second largest proven reserves,” (Country Analysis Briefs). Contrary to popular belief, the US receives nine percent of its imported oil from Iraq. The UN supervises this trade of oil under the oil-for-food program, as oil would never be traded from Iraq to the US if sanctions were not in place. Considering the US’s impending demand for oil, Iraq’s capacity to “accelerate production” to compensate for US consumer needs is rather important. Iraq’s reserves are only second to Saudi Arabia in their ability to cater to the United States’ automobile society. While Kuwait, Saudi Arabia and the UAE by themselves could satiate the US’s need for oil, “US policy is to diversify its dependency,” since any amount of disorder could disrupt supply. Many reasons are discussed as to why the Bush is threatening a controversial war on Iraq; Iraq’s ‘weapons of mass destruction,’ and even an effort to wipe away the embarrassment of his father’s failed attempts on Hussein’s life. However, a more illuminating assessment is that this war was an attempt at procuring access to Iraqi oil. To do this, a “regime change” was in order. Iraq had made agreements with non-US oil companies (ie. France) whom the US feared would sell Iraqi oil to the US and create unwanted competition. Coupling with this hypothesis was the theory that Iraq was “a potential trigger for the Carter Doctrine” in that Iraq “poses significant threat” to Kuwait and Saudi Arabia, who are two of the US’s main sources of oil. Bush may be seeking on the behalf of American oil companies to simply keep the oil industry a western monopoly. Whatever the goals and cause for the war on Iraq, it

is a safe bet that oil was a significant motivator.

The conflicts in the Balkans, Central Asia and the Middle East, all have one unifying element – oil. It is obvious that the White House administration has numerous connections to oil profits. It is through the protection of their foreign interests and investments in oil, that profit is made. While politicians use the power of the United States to protect their interests, Americans have been domesticated to burn oil and to be the consumer of that which fuels the fires of war. It is in our ignorance that this evil is perpetuated.

[It will be interesting to see how these issues play out in the democratic presidential campaigns and then in the general election campaigns. So far the "Oil Connection" hasn't been discussed openly very much.]

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