

Securing Strategic Access to Oil in the Gulf Region

The primary interest of the United States in the Middle East region is to assure American access to oil. These companies soon surveyed and developed large production fields that allowed them to harvest massive profits from low-cost oil that would be used to rebuild the economies of Europe and Japan that had been destroyed during World War II. The boom eventually brought this cheap oil to United States shores and stimulated the growth of the post-war American economy, which reiterated the desire for more United States companies to seek concessions in Kuwait, Iran, and other oil producers in the region (Diller, 1991). Meanwhile, as the development of the Middle Eastern concessions increased, the United States oil production began to decrease in ratio to its increased consumption. During World War I, major world powers began to prioritize oil as a vital military asset; modern warfare caused a constant need for oil and its subsidiary petroleum-based products which were a necessity for ships, airplanes, tanks, submarines, and the lubrication of modern rifles. In fact, more than 40 years later, even Europe gets more than a third of its oil from the Middle East, and Japan gets nearly 80% of its oil from Middle Eastern trade partners (Gelvin, 2005). Throughout the 1973 Arab-Israeli War, Arab members of the Organization of the Petroleum Exporting Countries (OPEC) led an embargo against the United States in response to the decision to re-supply the Israeli military. The Second Industrial Revolution was driven by the surge of readily available and comparatively cheap oil that became a growing necessity in the world's rapidly expanding petroleum-based economies. At the time, the main sources of oil were Russia, the United States, Mexico, and Romania (Gelvin, 2005). In this context, it should be noted that in the early twentieth century, the petroleum industries flourished all over the world, but most especially in Europe and North America. This heavy use of oil during World War I created a severe shortage in 1917-1918 (Paul, 2002). Following World War I, several Western companies gained mutual concession in the Middle East, especially in Iran, Bahrain, Kuwait, and Saudi Arabia. The Arabian American Oil Company (ARAMCO) was created by Esso (now Exxon), Texaco, Standard Oil of California (SoCal), and Mobil all came into existence to develop the Saudi concessions. In fact, Saudi Arabia, Iraq, Kuwait, and Abu Dhabi possessed more than 50% of the known reserves amongst themselves alone (Iskandar, 1974). This grew to as much as 30% of the world's total consumption of crude oil with only an estimated 6% of the world's reserves (Iskandar, 1974). Following World War II, the United States began looking for alternative sources of oil abroad to meet its own future demands. Petroleum exports were barred, and manufacturing reductions were made, straining the United States' economy that was extremely reliant on foreign oil.