

Yamani's oil-spill: energetic Arabs on America's energetic conflicts

By Emad El-Din Aysha

As you (should) know by now, I'm a big fan of the Nitzan-Bichler analysis of Middle East politics on the basis of the global political economy of oil, turning standard Marxist, neo-colonial accounts of petro-politics on their head. Here's my latest instalment based on information I'm more privy too as a Middle Easterner. (If there is such a thing to begin with, bearing in mind also that Nitzan and Bichler are both Israelis, so your guess is as good as mine if they count!)

I speak of the three interviews of Sheikh Ahmed Zaki al-Yamani on Al-Jazeera with all of the very interesting revelations he made, the general gist of which fits in with the Nitzan-Bichler thesis. While heavily involved in the mechanics of the 1973 October War 'oil weapon', he has to come to conclude thanks to subsequent events, that raising the price of oil was not in the interest of the Arabs but the US and the oil companies.

While Saudi Arabia's most controversial oil minister, handpicked by the late and very dearly departed Prince Faisal, he never really was an insider and therefore cannot say definitively if the Americans had been planning this all along – though he suspects this, and I've written on the topic documenting and confirming their intentions.

Octoberama

It could be that what happened was that the Yanks, and Henry Kissinger particularly, figured out what the Arabs were misguidedly up to and decided to make the best of it, for certain vested oil interests and US strategic interests. According to Yamani, Kissinger wanted to weaken the Arabs by removing the strategic value of their oil reserves, encouraging prices to go up to the point that consumers would switch to alternative sources of oil and energy-saving technologies.

This plan did work, as we all know, with OPEC going from controlling 70 per cent of oil production to a measly 30 per cent now, formerly producing 31 million barrels a day to 15 million. (Yamani's statistics; please see <http://www.aljazeera.net/NR/exeres/95B49C5F-E7AA-4CBF-B3B2-BC0CAE40072B.htm>). This way the Arabs would have to cower to American demands in the future because they'd lose their economic power otherwise. This would certainly explain why oil prices continue to go up despite the dimly weak state that OPEC is in.

I also suspect the hope was to embroil the Arabs in the temptation of further oil price hikes, that they had little control over, to make up for their economic shortfalls – bribing them with their own money, in effect. This would explain the trouble that Yamani got into in 1985-86 when he tried to convince the Saudi regime and OPEC to push prices down. President George Bush Sr at the time insisted that the price had to go up and that this was a matter of US national interest. In the case of the 1973-74 oil shock, the key to ensuring the momen-



SHEIKH Yamani bringing a reasoned Arab flair to conspiratorial accounts of Mideast petro-politics.

tum for higher prices, as the Arabs wanted, was the Shah of Iran, even when they wanted to pull prices down again.

The Shah had originally been steadfastly opposed to pushing up prices through coordinated OPEC oil production reductions. He changed his mind all of a sudden, as Yamani says, in 1973 when Kissinger convinced him that he would need the oil revenues to turn his country into a regional superpower, the 'policeman of the Gulf'. This makes perfect sense since Kissinger presided over the US withdrawal from Vietnam – the Nixon doctrine – and envisioned a scheme where regional allies would carry out imperial duties for the US.

But there's more to it than even that. His comments led one to suspect whether this was a truly 'American' initiative at all or just Kissinger's initiative as a government representative of the oil industry. The purpose of Yamani's trip to the US during the October War was to inform the Americans of the Saudi position, that oil production would continue to decline until something tangible was done by the US about Israel and Mideast peace. Turns out that, when he met Kissinger, Kissinger had a fit when he discovered that Yamani had talked to other administration members before he got to him. Yamani's impression was that Kissinger didn't want the information he was disseminating – it had also leaked out into the press – to get back to President Nixon!

Crude conspiracies

Yamani didn't comment further, but added elsewhere in his interviews that US endorsement of the oil shock was also meant to help out the oil industry. High prices would provide them with enough money to invest their oil revenues outside of the Arab world, making money for themselves that didn't come back to us. This sheds

some sinister light on the existence of what Nitzan and Bichler call the weapon-petrodollar coalition, an implicit and uneasy alliance between the main arms manufacturers in the US and the Western (particularly US) oil companies.

This has a lot in common with the more conventional military-industrial complex theory, which sees US foreign policy as militarised by these pressure groups, the arms manufacturers. Their theory but their account has a number of advantages. As you'll read in my coming articles, the military-industrial complex (MIC) was actually quite a benign entity since it was concerned with boosting the domestic economy through arms manufacturing and Cold War military expenditure – 'military Keynesianism'.

This is something very different, a sort of internationalised, post-Keynesian MIC that bolsters its position relative to other capitalist groups through making money off of 'energy conflicts', wars in the oil-rich Middle East. These conflicts have a double benefit, both pushing up the profits of arms manufacturers who sell their produce to these warring countries, with the oil companies making money from oil price rises brought on by fears over the supply of oil. This brings me back to a previous article – "Rewriting history: the oily ups and downs of Iraqi petro-politics" – and my secondary conclusions therewith.

Separate strings

This weapon-petrodollar coalition is certainly sinister, but it doesn't quite qualify as a Masonic-type conspiracy aimed at ruling the world, the Western democracies included. In that article I noted a parallel with Season 2 of the conspiracy series 24. What I wanted to say was that the 'model' of conspiracy in it frees us from over-paranoia. There is no boardroom meeting-like, insidious conspiracy that rules the world. There are conspiracies, no doubt, but they have no centre. It's just concerned parties and vested interests pulling separate stings in an attempt to make the best of things. (Hey, that rhymes!) It's all in the wind and nobody has ultimate control over anything and the whole reason there are such conspiracies is to impose such control.

There's even a line on Season 2 where one of the go-betweens for the oil consortium, Peter Kingsley (Tobin Bell), says that he's trying to police the chaos, discipline and re-order it to make some money from it. Not that that's the end of the story. There still is the 'greater' or 'broader' Middle East that is plagued by its own oil-armsaments conspiracies, stretching as it does from the Caspian Basin to Central Asia to, nominally, Iran. But that's a topic for another article, one I'll only get to after I first trash Israel and praise Hizbullah, from a political economy of oil perspective!

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