

Bush & Sharon: The Oil Connection

By Conn Hallinan | May 24, 2004

On its face, President George Bush's recent endorsement of Israeli Prime Minister Ariel Sharon's land grab in the occupied territories makes little sense. The plan, under which Israel would abandon Gaza while permanently annexing most of the West Bank, has met with almost universal condemnation.

- It has stirred rage in the Arab world, where, according to U.S. ally Egyptian President Hosni Mubarak, "there exists a hatred of Americans never equaled in the region."
- European Union (EU) foreign policy spokesperson, Brian Cowen, said that the "EU will not recognize any change to the pre-1967 borders other than those arrived at by agreement of the parties."
- A letter by 52 former senior British diplomats called Prime Minister Tony Blair's support for Washington on this issue, "one-sided and illegal," and predicted it "will cost yet more Israeli and Palestinian blood." A *Financial Times* editorial called the letter "the most stinging rebuke ever to a British government by its foreign policy establishment."

At a time when the U.S. is desperate for an international bailout in Iraq, why would the White House go out of its way to alienate allies?

The most popular explanations are:

- The influence of pro-Israeli lobbies, and a Republican strategy to woo Jewish voters and money away from the Democrats;
- A bow to the Bush Administration's Christian Evangelical wing, which is rabidly pro-Israel because it is convinced the Second Coming is upon us.

There is no question that pleasing evangelicals is an Administration priority, and certainly Republicans would like to cut into traditional Jewish support for the Democrats. But this explanation assumes that foreign policy is all about partisan politics and God.

Bush certainly has the inside track with evangelicals. However, there is virtually no difference between Republicans and Democrats on Israel. If anything, the latter are slightly more hawkish.

There is a simpler explanation for the White House's posture, one the Administration laid out four months after taking office. In May, 2001, Vice-President Dick Cheney's National Energy Policy Development Group recommended that the President "make energy security a priority of our trade and foreign policy."

U.S. Policy and Oil

The recommendation was hardly a bolt from the blue, and the Republicans didn't invent the idea. The recent move of oil companies and the U.S. military into Central Asia is a case in point. It was President Bill Clinton, not George W. Bush, who crafted that strategy. It was not the Republicans who brought Halliburton and Cheney into the Caspian region, but Clinton advisor Richard Morningstar, now a John Kerry point man.

A flood of future Bush Administration heavies followed in Cheney's wake. Condolezza Rice helped ChevronTexaco nail down drilling rights for Kazakhstan's Tenez oil fields. James Baker, who pulled off Bush's Great Florida Election steal, helped British Petroleum get into the area.

When it comes to oil, partisan politics stop at the U.S. coastline. And if it is about oil, it's about the Middle East.

Oil production in the US, Mexico, and the North Sea is declining, and a recent study by the University of Uppsala in Sweden suggests reserves may be far

Foreign Policy In Focus (FPIF)



smaller than the 18 trillion barrels the industry presently projects. If the new figure of 3.5 trillion barrels is correct, sometime between 2010 and 2020, worldwide production will begin to decline.

Given that most oil geologists think there are few, if any, undiscovered resources left, that decline is likely to be permanent.

So the price of oil—now \$41.65 a barrel, a jump of \$32 since 1997—may not be a temporary spike. World pumping capacity is going full throttle, but a combination of economic growth, coupled with cash shortages for investment, have kept supplies tight. Only during the Iranian revolution and the Iran-Iraq War did oil cost more.

With U.S. consumption projected to increase 1/3 over the next 20 years—two-thirds of which will be imported by 2020—the name of the game is reserves. The bulk of those reserves lie in the Middle East. Between Saudi Arabia, Iraq, the United Arab Emirates and Kuwait, the Gulf States control 65 percent of the world's reserves, or close to 600 billion barrels. In comparison, the U.S. reserves are a little under 23 billion.

Whoever controls these reserves essentially controls the world's economy. Consider for a moment if the U.S. were to use its power in the Middle East and its growing influence in Central Asia to tighten oil supplies to the exploding Chinese economy.

China presently uses only 8 percent of the world's oil, and accounts for 37 percent of consumption growth.

Lest anyone think this scenario is paranoid, try re-reading President Bush's June, 2002 West Point speech that clearly states the U.S. will not allow the development of any "peer competitors" in the world.

That is what Cheney's Energy Policy Group meant by making "energy security a corner stone of US trade and foreign policy."

Petro-politics and Israel

So, what does this have to do with Israel and the occupied territories? Israel may not have any oil, but it is the most powerful player in the Middle East. In

the great chess game that constitutes oil politics, there are only two pieces left on the board that might check U.S. plans to control the Middle East's oil reserves: Syria and Iran.

And that is where Ariel Sharon comes in. Sharon's ruling coalition has been spoiling for a fight with Syria and Iran. The Israelis bombed Syria late last year and leading members of the Sharon government have routinely taken to threatening Iran.

Cabinet Minister Gideon Ezra threatened to assassinate Damascus-based Hamas leader, Khaled Meshaal, and Sharon did the same to Hezbollah leader, Hassan Nasrallah. On May 11, the Bush Administration levied economic sanctions on Syria.

The Sharon government is just as belligerent about Iran. Israeli Chief of Staff, Lt. Gen. Moshe Ya'alon says that he hopes international pressure on Iran will halt its development of nuclear weapons, but adds ominously, "If that is not the case we would consider our options."

Neoconservatives in the Bush Administration have long targeted Iran. Richard Perle, former Defense Policy Board member, and David Frum, of the neocon *Weekly Standard*, co-authored *An End to Evil*, which calls for the overthrow of the "terrorist mullahs of Iran." Michael Ledeen of the influential American Enterprise Institute argues that "Tehran is a city just waiting for us."

According to Irish journalist, Gordon Thomas, the U.S. has already targeted missiles on Iranian power plants at Natanz and Arak, and one Israeli intelligence officer told the *Financial Times*, "It could be a race who pushes the button first—us or the Americans."

If Syria and/or Iran are removed from the board, the game is checkmate. The Americans can ill afford another war in the Middle East, but the Israelis might be persuaded to take the field. Is giving Sharon a free hand in the West Bank a quid pro quo for an eventual American-supported Israeli attack on the last two countries in the region with any semblance of independence? The world, of course, is not a chess game, and the pieces don't always do what they are told.

Sharon might indeed start a war with Syria or Iran, but not because the Israelis are spear-carriers for the Bush Administration. The “Greater Israel” bloc has its own strategic interests, which for the time-being, happen to coincide with American interests.

Sharon, however, is hardly a trusty ally. During the first Gulf War, he did his best to sabotage the coalition against Iraq, because he felt such a victory would eventually be used to pressure Israel for concessions in the Occupied Territories.

Nor are all Israelis on board. The recent round of assassinations has helped revitalize the peace movement, which put 120,000 people into the streets of Tel Aviv on May 17.

Some Israelis are unhappy about what they see the West Bank becoming. “Sharon has pushed Washington into embracing an accelerated process of forming the state of Israel as a bilateral state based on apartheid,” Meron Benvenisti, former deputy mayor of Jerusalem told the British *Guardian*.

Others are uncomfortable with the support of Christian evangelicals. According to Rabbi David Rosen, international director of Inter-Religious Affairs of the American Jewish Committee’s Jerusalem office, the evangelicals support “some of the most extreme political positions in Israeli society.”

One of those “extreme positions” is a plan to raze the Dome of the Rock Mosque in Jerusalem and rebuild the Jewish temple destroyed by the Romans—a precondition, Evangelicals believe, to the Second Coming.

For the time-being, the American drive to control the bulk of the world’s oil reserves, and the Sharon government’s push for a greater Israel and the elimination of regional rivals, finds common ground. On the other hand, if Israel crosses U.S. interests, watch how fast the lobbies and the born-again find themselves out in the cold.

The crisis in the Middle East is not a clash of civilizations, less so a hijacking of American foreign policy by the so-called “Jewish lobby” and Christian fundamentalists: It’s business as usual.

Conn Hallinan is an analyst for Foreign Policy in Focus (www.fpif.org) and a provost at the University of California at Santa Cruz.

Published by Foreign Policy In Focus (FPiF), a joint project of the Interhemispheric Resource Center (IRC, online at www.irc-online.org) and the Institute for Policy Studies (IPS, online at www.ips-dc.org). ©2004. All rights reserved.

Foreign Policy In Focus

“A Think Tank Without Walls”

Established in 1996, Foreign Policy In Focus is a network of policy analysts, advocates, and activists committed to “making the United States a more responsible global leader and global partner.” For more information, visit www.fpif.org.

Recommended citation:

Conn Hallinan, “Bush & Sharon: The Oil Connection,” (Silver City, NM & Washington, DC: Foreign Policy In Focus, May 26, 2004).

Web location:

<http://www.fpif.org/commentary/2004/0405bushsharonoil.html>

Production Information:

Writer: Conn Hallinan

Editor: John Gershman, IRC

Layout: Chellee Chase-Saiz, IRC

