

'US efforts to maintain access to foreign oil led the United States not only to try to contain Soviet influence but also to oppose revolutionary nationalism in the Third World'. (Painter, 2010)

How successfully can this argument be applied to the Middle East and North Africa?

Painter's argument can largely be applied to the Middle East and North Africa.¹ However, for the majority of the Cold War, US access to foreign oil was primarily motivated to stimulate economic growth in Europe in order to bolster its support against Soviet influence. Proceeding the 1973 oil crisis, however, US access to foreign oil became more domestically important. Firstly, I will discuss the containment of Soviet influence in the Middle East and North Africa and then the US opposition to revolutionary nationalism, through supporting authoritarian regimes like Iran. This will provide the context needed to explore the US relationship to oil and how it changed from protecting supply to Europe from the Middle East to domestically needing the supply from 1973. Overall, the phrase should instead read 'US efforts to contain Soviet influence led the United States to secure access to oil and to oppose revolutionary nationalism in the Middle East and North Africa before 1973. Proceeding 1973, access to oil became more domestically important to the US rather than securing it for their allies.'

Undeniably, the containment of Soviet influence from 1949-1989 was the primary objective of the United States' foreign policy. This global power struggle over this period spread to the Middle East and North Africa. Geopolitically, the Middle East is one of the most important regions in the world due to its location as the crosspoint between Europe, Africa, and Asia and for its large oil deposits which dominate its economies and geopolitics. When OPEC was created in 1960, its founding members (Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela) accounted for 80% of world crude oil exports.² Unlike the United States, the Soviet Union did not need oil from the Middle East and therefore their efforts in the region were largely politically motivated rather than economic. In 1979 for

¹ D. S. Painter, 'Oil and Geopolitics: The Oil Crises of the 1970s and the Cold War' *Historical Social Research / Historische Sozialforschung* 39/4 (2014), p. 189.

² D. Yergin, *The Prize*, (London, 1991), p. 505.

example, the Soviet Union imported 1% of its oil compared to production.³ This is low compared to the US which imported 80% compared to production in the same year.⁴

On January 5th, 1957, Eisenhower laid out his doctrine in which any Middle Eastern country could request economic or military assistance from the US if it was being threatened by the USSR. In the same speech, he admits that 'the Soviet Union is a substantial exporter of petroleum products. The reason for Russia's interest in the Middle East is solely that of power politics.'⁵ The Soviet Union acted as a counter-superpower to the US for countries to turn to, as Egypt did during the Suez Crisis. Gamal Abdul Nasser turned to the Soviet Union for support during the crisis and played off each superpower to gain maximum concessions. Following the refusal to finance the Aswan dam by the US, Nasser made an arms deal with Soviet Czechoslovakia and nationalised the Suez Canal leading to the Suez Crisis.⁶ Nasser financed the Aswan dam with Soviet money which led to the US adopting the Eisenhower doctrine to counter Soviet influence in the region. As Rashid Khalidi argues, the Eisenhower doctrine pushed countries to choose a side and made non-alignment, Nasser's preferred choice, more difficult.⁷ Saudi Arabia chose to closely align itself with the US by adhering to the doctrine and this pushed Egypt to play off each superpower. The British and French economies following the Second World War were bankrupt and relied heavily on Middle Eastern oil. At the time of the Suez Crisis, 80% of oil consumed by Britain and France came from the Middle East and a majority through the Suez Canal.⁸ This reliance of Europe on oil from the Middle East, as Painter argues is what led the US to oppose Soviet influence in the region in the first place.

However, the priority of containing Soviet influence came above the supply of oil on multiple occasions. The war in Afghanistan by the Soviet Union from 1979-

³ J. Baker, 'Soviet oil exports' *Geography*, 71/2 (1986), p. 140.

⁴ U.S. Energy Information Administration, 'Oil and petroleum exports explained' <https://www.eia.gov/energyexplained/oil-and-petroleum-products/imports-and-exports.php>, accessed 03/01/24.

⁵ Eisenhower Doctrine, 5 Jan 1957: <https://millercenter.org/the-presidency/presidential-speeches/january-5-1957-eisenhower-doctrine>, accessed 01/01/24.

⁶ G. Warner 'The United States and the Suez Crisis' *International Affairs (Royal Institute of International Affairs 1944-)* 67/2 (1991), p. 304-5.

⁷ R. Khalidi, *Sowing Crisis: The Cold War and American Dominance in the Middle East* (Boston, 2009), p. 18.

⁸ K. Mahmood, 'BRITIAN AND THE SUEZ CRISIS' *Pakistan Horizon* 15/2 (1962) p. 111.

1989 was a proxy war of the Cold War which did not involve oil. The US supported Mujahedeen freedom fighters and supplied them with weapons and military assistance against the Soviet Invasion.⁹ Since no strategic oil was present in Afghanistan, this example demonstrates the limits of the argument. When framing US foreign policy as opposing soviet influence which led to securing access to oil and opposing revolutionary nationalism, this makes sense.

Iran was a key pillar in the Middle East for the US against Soviet influence, revolutionary nationalism, and access to oil. Between 1953-1970 economic and military aid to Iran amounted to \$2.3 billion.¹⁰ Iran had an extremely important location against Soviet influence, being situated on the southern border of the USSR and having been invaded by Russia a plethora of times in its history, the US understood that Iran was an important ally. The unfettered support for the Shah led the US to support his brutal dictatorship which was also a pillar against revolutionary nationalism in the region. Oil was extremely important to the Iranian economy, financing half of government expenses, and exporting 9% of the world's oil in 1972-1973.¹¹ In 1951, Mohammad Mossadegh upon being elected prime minister of Iran, immediately nationalised the oil industry. Interestingly, British diplomat George Middleton claimed it that may be impossible 'to stop the drift towards communism' because of the nationalisation.¹² This framing of the issue, despite Mosaddegh having little ties to the Soviet Union, shows exactly that the US prioritises the containment of Soviet influence, over access to oil and nationalism. After the coup in which Mosaddegh was overthrown by the US and UK, US companies took a 40% share in Iranian oil, which had formerly been British.¹³ US policymakers were scared that this trend of nationalising oil could continue and US influence in the region, and thus the stability of its supply of oil for Europe, could be lost. This fear would change however with Nixon granting greater autonomy to oil-producing nations and the creation of OPEC strengthening them, so when nations such as

⁹ D. C. Gompert, H. Binnendijk, B. Lin, 'The Soviet Invasion of Afghanistan' in *Blinders, Blunders and Wars: What America and China Can Learn* (Santa Monica, 2014), p. 131.

¹⁰ R. K. Ramazani, 'Iran and the United States: An Experiment in Enduring Friendship', *Middle East Journal* 30/3 (1976), p. 327.

¹¹ J. P. C. Carey, 'Iran and Control of Its Oil Resources' *Political Science Quarterly* 89/1 (1974) pp. 147-148.

¹² M. Gasiorowski, 'The 1953 Coup D'etat in Iran' *International Journal of Middle East Studies* 19/3 (1987), p. 265.

¹³ M. Gasiorowski, 'The 1953 Coup D'etat in Iran', p. 275.

Libya nationalised oil in 1969, the US conceded.¹⁴ CIA analysts knew that Mosaddegh was not a communist but framing him as such proved to be useful in securing oil concessions for US companies in 1953.¹⁵ Iran remained an important US ally and fulfilled all three of those foreign policy goals until the revolution in 1979 and is evident that between 1970 and 1979 three-quarters of its arms purchases were American, amounting to \$22 billion.¹⁶

The primary motive of US oil concessions in the Middle East and North Africa until 1973 was the supplying of cheap oil to Europe to bolster its economic growth. Economic growth in Europe was key to the US's fight against Soviet influence in the region. The Marshall Plan injected \$13 billion into post-war Western Europe, initially in the form of direct aid and later monetary aid to stimulate economic growth and allied these countries to America and contain Soviet influence.¹⁷ This economic growth, however, needed to be fuelled by crude oil which the US had none to spare, importing a large portion of its consumption too. A strategic alliance between Saudi Arabia and the US gave the US and its allies important access to strategic oil reserves in the Middle East.¹⁸ From 1948 to 1972, proven oil reserves in the Middle East increased from 28 billion to 357 billion barrels.¹⁹ Therefore, a handful of companies, coined the "Seven Sisters" by Enrico Mattei, four of which were American controlled huge swaths of the Middle East's oil.²⁰ In 1972, 53% of oil exports from Saudi Arabia were marketed in Western Europe compared to only 3% in the US.²¹ A dynamic where US companies in the Middle East sold oil to Western Europe was in place from 1945 to the early 1970s. Historian T. T. Peterson points out that Nixon in his peace-making diplomacy, changed the dynamic, where afterwards, Western companies would sell arms to Saudi Arabia and Iran in exchange for oil which the nations had greater control over.²²

¹⁴ D. Yergin, *The Prize*, p. 572.

¹⁵ M. Gasiorowski, 'The 1953 Coup D'etat in Iran', p. 276.

¹⁶ T. C. Jones, 'America, Oil and War in the Middle East', *Journal of American History* 99/1 (2012), p. 212.

¹⁷ A. D. Weissman, 'Pivotal Politics- The Marshall Plan; A Turning Point in Foreign Aid and the Struggle for Democracy' *The History Teacher* 47/1 (2013), p. 114.

¹⁸ T. C. Jones, 'America, Oil and War', p. 208.

¹⁹ D. Yergin, *The Prize*, p. 481.

²⁰ D. Yergin, *The Prize*, p. 485.

²¹ S. Hitti, G. T. Abed, 'The Economy and Finances of Saudi Arabia', *International Monetary Fund. Research Department*, 1 January 1974.

²² T. T. Peterson, *Anglo-American Policy Toward the Persian Gulf, 1978-1985* (Sussex, 2015), p. 11.

In 1973 two crucial events occurred in the oil industry. Firstly, Nixon lifted quotas which restricted oil imports to the US, as domestic production could not keep up with growing consumption.²³ Secondly, the oil crisis saw a temporary ban of exports to the US by OPEC and a fourfold increase in oil prices from \$2.90 a barrel in mid-1973 to \$11.65 in December. The USA was extremely reliant at this time on oil for its economy and the 70s were thereon marked by stagnant economic growth, inflation, and unemployment. This shift where the Third World could stand up to the West, without the help of the Soviets was realised but at a significant price. The lowering of trust between the US and its oil allies was now shaky and US production with the goal of self-sufficiency remained an energy goal of the US. OECD states (oil importing nations) after 1973 made a joint effort to protect themselves from future disruptions, especially after the second oil crisis in 1979. Demand for OPEC oil dropped by 10 million barrels per day and nuclear energy production doubled between 1979-1985 for advanced industrial nations.²⁴ Therefore, US policy towards securing oil from the Middle East changed from supplying economic growth in post-war Europe against Soviet influence to relying domestically on oil after 1973.

Painter's argument is largely convincing as he places the oil crisis and US thinking behind oil in the context of the Cold War and the geopolitical reasons for needing Middle East and North African oil. Even Daniel Yergin largely fails to place oil in the context of the Cold War and that the US wanted oil for more than profit. Although Painter recognizes that containment of Soviet influence remained a top priority for the US, in terms of oil, this priority shifted in 1973. The USSR benefited tremendously from high oil prices in the 70s, as he points out, and then stagnated and collapsed when oil prices did in the early 1980s. For every \$ increase in oil prices, the Soviet Union earned (or lost if reversed) \$1 billion.²⁵ Furthermore, Painter argues that US securing of oil led to instability in the region. This is supported by Rashid Khalidi who shows that the adoption of the Eisenhower doctrine solidified US allies in the region and forced Middle Eastern countries to choose a side in the Cold War.²⁶ However, Jeff Colgan in 'Petro Aggression' makes an interesting observation that oil-exporting countries

²³ D. Yergin, *The Prize*, p. 572.

²⁴ D. S. Painter, 'Oil and Geopolitics', p. 202.

²⁵ T. T. Peterson, *Anglo-American Policy*, p. 49.

²⁶ R. Khalidi, *Sowing Crisis*, p. 18.

are systematically more likely to be aggressive.²⁷ He argues that because of the economic strategic advantage oil has, when certain regimes (such as Iraq) experienced higher oil revenues, aggression came as an unintended consequence. Therefore, oil itself was a destabilising factor and not just the US involvement when oil was present. Oil has an interesting relationship to the state and is either a blessing or a curse. Giacomo Luciani argues that oil in certain nations such as Saudi Arabia led to a rentier state where citizens enjoy lower taxes and overall stability but fewer human rights.²⁸ On the other hand, oil can lead to mass instability too, Iraq, Libya, and Syria have been marked by revolutions, invasions, and civil wars. Therefore, oil often defines a nation's geopolitics and can be a double-edged sword.

This is important in discussing US foreign policy towards the Middle East. As the US acted more and more as the stabiliser in the Middle East and North Africa, it felt a greater need to protect its oil. This in turn led to more instability and involvement, even after the threat of communism collapsed, strategic interests in the region kept the US tied to the Middle East. Between 1976 and 2007, total military costs of the US military in the Persian Gulf was \$7 trillion (not including the Iraq War).²⁹ Oil after 1973, became as important for the US as containment of Soviet influence in the region due to the need to keep supply flowing and economy stable. This led to the US stabilising the region which in turn led to more instability, and then more involvement.

Painter's argument should therefore instead read: 'US efforts to contain Soviet influence led the United States to secure access to oil and to oppose revolutionary nationalism in the Middle East and North Africa before 1973. Proceeding 1973, access to oil became more domestically important to the US rather than securing it for their allies.' As Painter argues 'Although the oil crises of the 1970s undermined U.S. control of world oil, they also set in motion changes that led to a reassertion of U.S. power and the end of the Cold War'.³⁰

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²⁷ J. D. Colgan, *Petro-Aggression: When Oil Causes War* (Washington DC, 2013), p. 4.

²⁸ G. Luciani, 'Oil and Political Economy in the International Relations of the Middle East' in L. Fawcett (ed.) (2nd ed., 2011), *International Relations of the Middle East* (Oxford, 2016), p. 117.

²⁹ T. C. Jones, 'America, Oil and War', p. 128.

³⁰ D. S. Painter, 'Oil and Geopolitics', p. 204.

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