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كلية الآداب و اللغات

قسم الآداب و اللغة الإنجليزية



**Investigating the United States Foreign Policy towards the
Domination of the Middle Eastern Oil: The Case of Saudi Arabia**

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Culture.

Submitted by:

ABBES Rami

Supervised by:

Mrs. LAYADA Radia

Board of Examiners

Chairman: ZIAYA Rima	(MA/A)	8 Mai 1945/ Guelma University
Supervisor: LAYADA Radia	(MA/B)	8 Mai 1945/ Guelma University
Examiner: CHELGHOUM Adila	(MA/A)	8 Mai 1945/ Guelma University

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I dedicate this work to my mother and my father for their spiritual support. I deeply thank my closest friends for their great push that helped me finishing my dissertation.

Abstract

There are no doubts that the most influential raw material in the world's political and economic state since the 20th century is the black gold. The latter is considered as the main reason behind the war, peace, agreement, and conflicts between the world's major powers. This is what for the United States of America has shifted its foreign policy from time to time in order to fulfill the requisites of oil global market and for whatever suits the oil major exporters. In this regard, the dissertation investigates the United States foreign policy towards the domination of the Middle Eastern oil, and further supported by a case study that is devoted for US-Saudi relations. In addition, this research clarifies that since the Middle Eastern countries are top oil producers and exporters, the United States was not only in need, but obliged to establish formal relations and business with these countries changing its foreign policy from an administration to another to serve its interests in the area. The present work argues that the US, after series of struggles, played its malignant plan over the Persian Gulf, and successfully gained the major oil-rich country as its ally, Saudi Arabia. The US-Saudi relations are still a debatable point in the international arena, some of experts encourage these relations to be strengthened and preserved, and others prefer to reset these relations. But the fact that the US and Saudi Arabia share the benefits of the petrodollar system making it difficult for each to intend an end for the 75 years old friendship.

ملخص

ليس هناك شك في أن الشيء الأكثر تأثيراً في الحالة السياسية والاقتصادية للعالم منذ القرن العشرين هو الذهب الأسود. يعتبر هذا الأخير السبب الرئيسي وراء الحرب والسلام والاتفاق والصراع بين القوى الكبرى في العالم. هذا ما جعل الولايات المتحدة الأمريكية تغير سياستها الخارجية من وقت لآخر من أجل تلبية متطلبات السوق العالمية للنفط أو لأي شيء يناسب الدول الكبرى المصدرة للنفط. في هذا الصدد ، يندرج هذا البحث في التمعن في السياسة الخارجية للولايات المتحدة من أجل الهيمنة على نفط الشرق الأوسط ، وبدعم إضافي من خلال دراسة للعلاقات الأمريكية السعودية. يذكر أيضاً في هذه الأطروحة أنه نظراً لأن دول الشرق الأوسط هي أكبر منتجي ومصدري النفط الخام ، فإن الولايات المتحدة لم تكن في حاجة فقط ، بل إنها مجبرة على إقامة علاقات دبلوماسية وأعمال تجارية مع الخليج العربي ، وهذا هو السبب وراء أن الولايات المتحدة ، من فترة رئاسية إلى أخرى ، تحاول تغيير سياستها الخارجية في الشرق الأوسط من أجل خدمة مصالحها في المنطقة ، الجدير بالذكر أيضاً أن الولايات المتحدة ، بعد سلسلة من الصراعات ، مارست سحرها على الخليج العربي ، واكتسبت بنجاح أغنى دولة بالنفط كحليف لها ، المملكة العربية السعودية. لا تزال العلاقات الأمريكية السعودية نقطة نقاش ساخنة في الساحة الدولية ، ويشجع بعض الخبراء على تعزيز هذه العلاقات والحفاظ عليها ، بينما يفضل آخرون إعادة تأهيل هذه العلاقات. لكن حقيقة أن الولايات المتحدة والمملكة العربية السعودية تتقاسمان فوائد نظام البترودولار يجعل من الصعب للغاية على كل منهما وضع حد للصدقة التي تبلغ من العمر 75 عامًا.

Résumé

Il ne fait aucun doute que l'or noir est la chose la plus influente dans l'état politique et économique du monde depuis le XXe siècle. Cette matière première est considérée comme la principale raison de la guerre, de la paix, de l'accord, des conflits entre les principales puissances mondiales. C'est ce que les États-Unis d'Amérique ont modifié de temps à autre dans leur politique étrangère pour répondre aux exigences du marché mondial du pétrole et pour tout ce qui convient aux principaux exportateurs de pétrole. À cet égard, cette étude examine la politique étrangère des États-Unis à l'égard de la domination du pétrole au Moyen-Orient et est étayée par une étude de cas consacrée aux relations Américano-Saoudiennes. Il est également mentionné dans ce document que, les pays du Moyen-Orient étant les principaux producteurs et exportateurs de pétrole brut, les États-Unis étaient non seulement dans le besoin, mais obligés également d'établir des relations et des relations officielles avec le golfe Persique. Les États-Unis, d'une administration à l'autre, tente de modifier sa politique étrangère au Moyen-Orient afin de servir ses intérêts dans la région, aussi les États-Unis, après une série de luttes, ont joué de leur magie dans le golfe Persique et ont remporté avec succès l'Arabie saoudite, le principal pays riche en pétrole. Les relations américano-saoudiennes sont toujours un sujet discutable sur la scène internationale, certains experts encouragent le renforcement et la préservation de ces relations et d'autres préfèrent les réinitialiser. Mais le fait que les États-Unis et l'Arabie saoudite partagent les avantages du système de Pétrodollars rend très difficile pour chacun d'entendre mettre un terme à l'amitié qui remonte à 75 ans.

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List of Abbreviations and Acronyms

ARAMCO	Arab American Oil Company
CASOC	California Arabian Standard Oil Company
CIA	Central Intelligence Agency
CIE	Center for Israel Education
EXXONMOBIL	Exxon and Mobil American
HAWK	Homing All the Way Killer (Weapon)
IEA	International Energy Agency
OPEC	Organization of Petroleum Exporting Countries
PLO	Palestinian Liberation Organization
USSR	Union of Social Socialist Republics
WWI	World War One
WWII	World War Two

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Introduction

International relations depend on common interests between the countries. Either enemies or allies, and whatever the nature of those interrelations (economic, political or others), all what matters is to grasp control and domination over the situation as more as possible. The post-World War I era has witnessed many interesting series and developments of those relations especially with the fast rise of the Industrial Revolution and the appearance of oil a vital source of energy. Highlighting the international foreign policies, the USA-Saudi Arabia relation is among those relations that had instantly born despite the political, religious and ideological disagreements between the two countries.

The USA quickly understood that Middle Eastern region is excessively needed. Taking into account that Saudi Arabia captures one fourth of the world's oil savings, the big question for the country's policy makers in that period was: is the accessibility to this oil guaranteed for long-term or not? This question led to a huge conflict in which the United States has stuck between two hard decisions; either they have to move their military forces to Saudi Arabia and take control over the region, or to get indirect interference in the region through military treaties and agreements.

The US military and political interference in the Middle East's issues has been exposed to the world because of the Gulf War. All of Saudi Arabia, Kuwait, Bahrain and Oman were taking advantage of the US military bases established in their lands. Although those small countries of the Middle East (like: Kuwait and Bahrain) produce only a small part of oil that is on the radar of the US, they are still considered as main objectives in the US foreign policy including their ultimate goal of a guaranty oil permanent access.

As far as the U.S. military interference in the Middle East region has important advantages, it has also many negative consequences especially at the political and economic level. The USA focus on securing the permanent access to oil results its inattention to the cost of military arsenal in the Middle East. This eager stands behind its large consumption and total dependency on this source of oil, and its contravention against human rights. According to Telhami Shibley's 2002 statistics, the USA spent about 60 billion dollars in only one year just to keep its military arsenal in the Middle East region, which is very expensive. Moreover, it has quickly appeared that this military presence is totally useless according to the aggregate statistics of imports between Middle East and other regions. The US exports reached about 14 billion dollars against 40 billion Dollars for European exports in 1989 (before Kuwait invasion), about 20 billion for the US against 57 billion for Europe in 1992 (after Gulf War), and 23 billion for US against about 64 billion Dollars for Europe Union in 2000.

The US foreign policy seems to be totally aware of the importance of keeping Middle East's oil, but not as much aware as on keeping its prices. The energy crisis and Arab Oil Embargo 1973 caused a huge increase in oil price within a short period of time. It was about 2.5 dollars in 1973 after it reached 33 dollars for a barrel in 1980. This last shift from the Middle East and OPEC was an economic hard hit for the USA which in turn forced its foreign policy makers to revise and replace their oil policies, starting by foreign oil dependence decrease. The oil crisis led to a radical change in the US foreign policy in the Middle East. The US became fully convinced that preserving that oil does not require a military force but rather an economic and political presence. The new awareness results the gain of billions of dollars and avoidance of being accused by the United Nations for violating human rights.

The aim behind this dissertation is to highlight and discuss the different policies used by the USA since the World War II to dominate and over control the Saudi-Arabian oil. Not only because of the Middle East's strategic geographical possession (having lands from three different continents that are Africa, Europe and Asia), but the U.S.A's interest over the Middle East has emerged due to many political and economic reasons, especially with the discovery of the oil in Saudi-Arabia and its huge reserve of this vital energy source.

To highlight and discuss the different policies used by the United States since the World War II to dominate and over control the Middle Eastern oil especially Saudi-Arabian one, several problematic issues are tackled in the present work. Among them is the divergence of the US foreign policy towards further domination of the black gold since its appearance as the primary source of energy after World War Two. The dissertation goes further in analyzing how the US policy makers have written the Middle Eastern region as the means in their agenda to maintain the targeted aim. Going deeper in the investigation, the research presents the US different strategies and policies that have been established with Saudi Arabia, the largest supplier of oil in the Middle East. The special relation between Saudi Arabia and the United States has helped the US control over the global oil and hence the global economy.

Before this study can be further examined, and to display more its importance, it is necessary to state a sort of literature review by focusing on some previous works that investigated the subject of the US-Middle Eastern oil. Numerous books and articles have tackled the issue of the US historical fight for the domination of oil. Bulent Gokay mentioned in his report "Two Pillars of US Global Hegemony: Middle Eastern Oil and the Global Hegemony" that even the present era might witness more fights and conflicts because of this ticking bomb that lays under the world's economic regime as described.

In the same context, and historically speaking, oil business had never been influenced by the pressure of any political unions. In his book titled “*Cold War Energy: A Transnational History of Soviets Oil and Gaz*”, Jeronim Perovic supported that oil trade used to be done according to two main conditions: the need for it, and the will to pay the highest prices for the best products. Even during the Cold War, oil trade had been stronger than both economic and political regimes (Capitalism and Communism); neither America nor Russia was able to force oil producers to sell their products exclusively for any of the world leaders. But for the USA, it was their concern to make plans in case the Soviet Union intended to grab the oil sources in the Middle East. The plan was to sign US-British oil company agreements to secretly implant explosives in oil sources of the Middle East, and to blast them up whenever the Soviet Union controls the region in order to end any possibility to use the oil of the region.

Andrew Scott Cooper in his book “*The Oil Kings: How the U.S., Iran, and Saudi Arabia changed the Balance of Power in the Middle East*” clarifies that the relationship between Saudi Arabia and USA reached its best during the Cold War era due to their mutual benefits. The US has been a strong shield for Saudi Arabia against its neighbor countries that are roots for the Soviet Union, as well as Saudi Arabia was a strategic arm against Communism in the Middle East. But this good relationship did not last forever, not until the 9/11 events, when Saudi Arabia has been accused of being a participant in the bloody incident. As result, the United States lost its old confidence on Saudi Arabia despite their old partnership and cooperation, and the relations were about to reach an end between them. But despite the raised tension that characterized the relations between the USA and Saudi Arabia in that era, the former kept protecting its interests on the Middle East concerning the Iranian influence, domination of oil, fighting terrorism, and surrounding the Islamic State.

According to Atalah S. Al Sarhan, both economic and political roles of the United States during and after World Wars in the Middle East help to clarify how it fixed its roots on the region and what are the reasons behind this interest. Moreover, he stated in his article “United States Foreign Policy and the Middle East” that U.S.A is determined to achieve different aims in the Gulf region including: preserving oil permanent access in the Middle East, providing aid for Jewish people and supporting Israel government establishment, building and developing American military institutions, protecting countries with common interests, making limits for Islamophobia and fighting terrorism. These are the main reasons which for the Middle East are still a priority for the US policy makers.

Mamoun Fandy stated in his article “U.S. Foreign Policy in the Middle East” that it seems to be that oil - at least for the near future, would stay a cornerstone for the United States. Despite the fact that Middle East’s oil is sold with low prices and easily accessed, it is not totally free because the region is plenty of intrastate and interstate conflicts that require the US interference. Besides the interference, the United States should release some control over oil to the international market in order to determine its price, and to provide peace and stable governing regimes for Gulf States to keep producing oil regularly.

This research aims at investigating the US foreign policy towards the domination of Middle Eastern oil. Therefore, it will be conducted according to qualitative research methodology in order to circulate the points of interest, with supplying persuasive, precise, and full clarifications for the issues tackled in the dissertation. Moreover, the latter makes use of the historical analysis to deal with the origins and events of the US foreign policies towards the domination of the Saudi Arabia’s oil. Furthermore, the dissertation’s strategy is going to be covered by a case study which falls over Saudi Arabia since it plays the major role in determining the quality of relations

and considered as the main reason for the USA to remain in Middle East region. Data is gathered from a rich and broad collection of primary and secondary sources of information that are directly related to the theme. Investigating the data is treated by an analytical approach with descriptions; as a consequence, the research results will be purely descriptive.

In addition to the problems mentioned above, this research will answer the following questions: What are the major policies used by U.S.A to dominate the Middle Eastern oil? What are the consequences of those policies and how they are changed? Are Middle East countries satisfied with their relationship with U.S.A or not? How and why the U.S. is setting its new policies to fit interests of both sides? What are the reasons behind the U.S. focus on Saudi Arabia as the main target? How Donald Trump is carrying the relationships with Saudi Arabia?

In this research, the analysis is going to be divided into three main parts; the first part of the dissertation will be tackling the United States and oil history, the latter will include a brief historical background about the history of oil, the main reasons behind the oil emergence as a source energy, and statistics about oil production, consumption, and prices. Furthermore, the second part will discuss the different US foreign policies to maintain the Middle Eastern Oil; starting by an explanation of the US dependency on the oil of the Middle East, then analyzing the different US foreign policies from 1945 until the recent time. Finally, a last part contains a case study that analyses the attempt of US to dominate the Saudi oil; the latter will investigate the US efforts to gain Saudi Arabia alliance, then a deep analysis of how USA and Al-Saud built their relations on oil, the failure of the US foreign policy at the level of Saudi Arabia, in addition to a discussion about the Petrodollar system, also, a vision of the US changes in its foreign policy with Saudi Arabia, and finally the global oil market crash of 2014.

Chapter One

The United States and the Oil History

For very long period of time, coal was the main energy source in the world with no strategic importance at the international level, but once crude oil was discovered, it was a matter of few decades that it became the world's most influential tool ever at all the global levels. This section analyses the historical development of oil since its discovery; the revolution of unrefined and refined oil use, how it became a field of profitable investments due to the American and British companies, its role in the Second World War, and the impact of oil on the international instability during race between the world's major powers for this vital material. This part also includes an investigation of the main reasons behind the oil emergence as the first energy source in the world. The Industrial revolution, the Second World War, the economic inflation, and the profitable business are all direct reasons for what a precious value has in the recent time. Furthermore, different official statistics about oil production, consumption, and prices are provided in order to clarify the practical importance of oil on the global economy, in addition to a brief view on the relationship between the appearance of the United States as a global power and the Middle Eastern Oil.

1.1. Historical Background about the Emergence of Oil as an Energy Source

The history of oil is as complicated as its trade business; many historians linked the appearance of oil with the Indians, others with the Egyptians, or even with the ancient Greece but with variable use. But the extreme fact was that the very first oil use with its refined shape started with the British, Russians, and Americans, mainly because of their developed economy and the industrial revolution that required the large oil consumption. Oil quickly became very

important at the international arena; countries were declaring wars and signing peace and business agreements only according to availability of power and oil.

1.1.1. History of Oil

1.1.1.1. The History of Oil

Although oil is a sensitive subject of deep investigations and studies, but its early origin is still a debatable point until the recent days. Oil appeared earlier in different continents and different countries. Originally, it was discovered 6000 years B.C. ago in Iran, 4000 years B.C. in Mesopotamia and Egypt, 2000 years B.C. in China, and 500 years B.C. was the first time humans dug an oil well for specific needs. Oil use was not limited to fire burning during its early discovery, but what actually was limiting its exploitation was keeping it in its unrefined shape. For instance, Egyptians brought oil from people of the Dead Sea in order to cover their dead people. Chinese and Japanese extracted oil from their wells then used it as a heat source to boil water and make salt. For Rome and Greece, oil had been a good raw matter of cosmetics, as well as lightening and weapons. Indians also had their chance of using oil; not only in wars, but also for the art of painting and as medication for some diseases (Dalvi 6-7). Despite the various functions of oil in this early period, but none of those ancient civilizations tended to refine and make more benefits of this natural product.

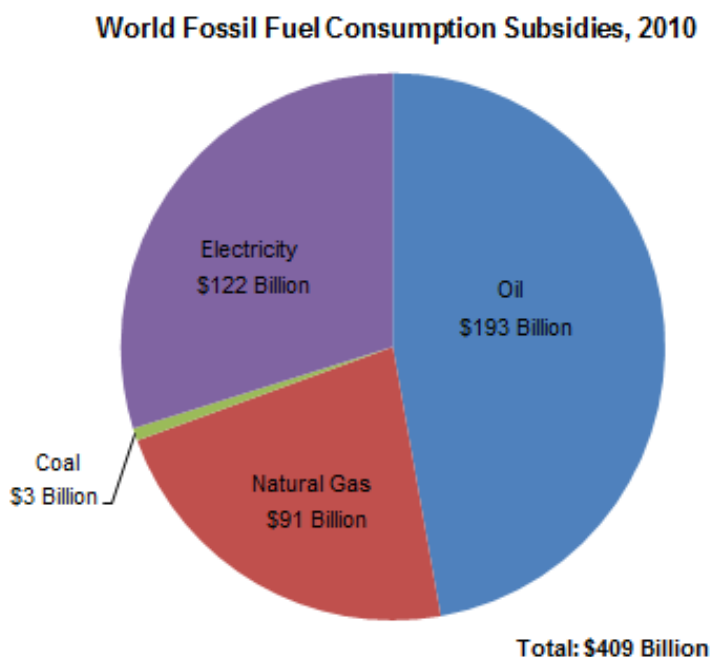
Even after several centuries of oil existence and human development, oil was not further used in other domains rather than the mentioned ones because it was still on its natural shape, and despite that humans had the chance of expanding oil use and assist their energy sources, but they rather largely preferred wood and coal for long times. Americans, for example, were extracting energy to manage their needs only from firewood for very long time; since the Pilgrims came to

America during the 17th century. The country witnessed one dominant source of energy which is wood; its use lasted about 300 years despite the possibility of changing wood by coal. The latter came to be the major used fuel only on 1885 when Grover Cleveland took the presidency, and covered nearly 90 percent of energy needs of the American citizens during the beginning of the second half of the 19th century (Bryce). Coal dominated America as a source power mainly because the invention of steam engines by Thomas Savery during the 17th century and its perfect development by James Watt in the 19th century (Bellis). More than that, coal was used for transportation, heating, and producing electricity.

However, the discovery that changed the history of the world's energy sources came to reality just few years after coal dominated. Oil had been finally refined thanks to the very first drilled oil wells in Canada 1858 and the US in 1859; the discovery of sufficient rock oil reserves in Pennsylvania helped on encouraging the researches on crude oil, what led to the oil refinement. The crude oil would result in several energetic liquids after it passes by the distillation process on a heating source, and many important fuels could be extracted from this process depending on the heating degree; which means high heating degrees would sort liquids such as lubricants for engines and fuel oil, and lower heating ones would result in naphtha, gasoline, and kerosene (Carruthers).

Oil quickly replaced coal as a more efficient and less tiring energy source. Refined oil started to be used largely for lightening instead of whale oil, then sooner with the development of Internal Combustion Engines during the end of 19th century; crude oil gained its vital role until the recent moment. Petroleum production since then unbelievably increased in order to satisfy the excessive demand of oil fuels because of the notable development in the industrial domains (Alex) such as: transportation became easier with automobiles; far distances were shorter thanks

to airplanes. Oil producing rates in the United States for instance reached 2000 barrels per day in 1859, but passed 126 million barrels per month in 1906, which was a scary number in that period. Consequently, since the end of the 19th century coal lost its validity and became useless in comparison with crude oil; the world's most consumed product. Some recent statistics proven that coal had been nearly forgotten with a global consumption of 3 billion dollars while oil and natural gas consumption reached 284 billion dollars by 2010. These numbers are present in the following figure.



Cap.1. World Fossil Fuel Consumption Subtitles, 2010

Source: Connolley, William M. "Stoat: A Note on Fossil Fuel Subsidies." *Stoat*, 02 Feb. 2019.

Web. 14 Apr. 2019.

Petroleum production set its cornerstones during the mid-19th century. The increasing production of oil in imperial Russia reached about 7000 tons of oil by 1850. Russia also built 200

or more refineries, and the exportation process went through huge pipelines that reached the Black Sea and Caspian. By over 50% of the world's production of oil, Russian oil productions dominated the market during the 1900. Although America started to produce oil late after Russia, but the large quantity of extracted oil from its wells gave America the advantage in a short period of time (Dalvi 7-8). American oil wells produced about 5500 barrels per day in July 1862.

1.1.1.2. Oil and Commercial Business Beginning

During the end of the 19th and beginning of 20th century, oil became a vital source of energy, not only for economic purposes, but also for profitable investments. As a result, the exploration for oil took place all over the world. The British government along with the Persian government signed an agreement in 1901, by which William D'Arcy who was a British businessman, had the full right to look for oil in the Persian lands since they lack the technology for it. In return, the British government benefited of 16% of the gains over the coming 60 years (Alfred). Consequently, this agreement -after 7 years of searching, came up with the discovery of tens of billions barrels of oil in the era, which represented a turning point in the history of political and economic regimes of the world. Despite the huge oil reserve, Middle East countries produced only about 5% of the global supplies in that era because of the lack of means and the war, in comparison with around 60% for the US productions.

The end of the 18th and the beginning of the 19th century witnessed a great series of events that totally changed the world's political and economic system. The major powers hurried to establish partnerships and companies with oil-rich countries. The Anglo-Persian Oil Company was among the very first established companies which were the result of the British discovery of oil in Iran, and thanks to the successful incorporation between the two nations, the company

further developed in 1954 to British Petroleum. Earlier than British Petroleum, Royal Dutch Shell Group was established; it was originally an integration of two companies, Royal Dutch and Shell Transport in 1907. United States also had the biggest share of oil companies, mentioning the Gulf Oil Company, Texaco Company in 1901, and Chevron Corporation in 1879 (“Oil-101...”).

Crude oil revenue seemed to be quick, easy, and very profitable; what led to a complete shift in the world of business. All nations began the process of oil explorations in their fields and invested the entire budget in oil companies and agreements with petroleum rich countries. The following titles are few names of the oldest oil companies and which are actually the leading ones of today’s petroleum industry.

1.1.1.2.1. British Petroleum

Due to William D’Arcy efforts to find oil in Iran, the Anglo-Persian oil company- what is called recently British Petroleum, was found, and officially issued on the 19th April 1909 in London. In 1911, the company succeeded to pass a pipeline started from Tembi and ended at the Bahmashir River at Abadan. This pipeline was fully built for further oil investments and profitable crude oil business in the area, through which the company passed the first oil shipment ever to Royal Dutch Shell. The company signed an agreement with the British government by which the Anglo-Persian oil Company would supply the British navy with 40 million barrels of oil during the next four decades. The successful British investments forced Iran to agree on new deals that gave the company 40 percent of oil profit within the following 25 years since 1954, and in the same year the company’s name was changed from the Anglo-Persian Oil Company to British Petroleum (Alex).

1.1.1.2.2. Royal Dutch Shell Group

The very first origin of the Royal Dutch Shell Group company goes back to 1893 when the Samuels brothers succeeded in developing transportation with cheaper costs, naming their company “Shell Transport and Trading Company” and building their first refinery. Royal Dutch Shell Group was the result of an agreement signed in 23rd April 1907 which provided the merge of the two main companies: Royal Dutch Company and Shell transport and Trading Company. This successful partnership quickly expanded and covered large areas from Europe, Asia, and reached even all of Russia, Venezuela, Mexico, and the United States in only five years period (“Company History...”).

1.1.1.2.3. Texaco

Texaco was established after the crude oil discovery in Texas in 1901. The company quickly succeeded because of the refined oil products business and became one of the major leading oil companies in the world. Texaco’s first international trade business started by an agreement with British Petroleum Company that included the sale of 1 million barrels of oil to Britain in 1902, then the company opened its first European office in Belgium announcing its formal business establishment in the area. It made success also when the establishment became the first company ever that its products were sold all over the United States and covered 100 percent of the US oil products supply (“History of Texaco...”). Until the recent days, Texaco is still among the dominant oil companies in the global market despite that its equity capital is under guidance of Chevron Corporation.

1.1.1.2.4. Chevron Corporation

Chevron Corporation could be considered among the very first companies of crude oil in the history. The corporation establishment dates back 140 years ago and was known by the name of Pacific Coast Oil Corporation in 1876. The company later on, after a great success in crude oil business, agreed on a consolidation with Iowa Standard Company and they both established Standard Oil Corporation in 1906. Thanks to this integration, the company's profits doubled in only four years, that by 1910, its developed new products had dominated the global market, but not for a long time. In 1911, the need for further oil exploration obliged Chevron to separate Standard Oil, and fortunately the company increased its refining capacity and made its own international success ("Chevron History...").

1.1.1.2.5. Mobil Corporation

Mobil Corporation was a pure American oil company that was integrated with Exxon Company in 1999 under the name of ExxonMobil. Mobil origins date back to the 19th century with the very first oil discovery in America. The Company's first name was Vacuum Oil Company established on 1866, then integrated with the Standard Oil Company and Trust in 1882. In 1911, the US Supreme Court issued an order by which it dissolved the Standard Oil Company. Mobil Corporation started its own business again but with another brand name that was Socony-Vacuum Oil Company in 1934 ("Mobil Corporation..."), and later on joined Exxon form the actual ExxonMobil.

1.1.1.3. The Strategic Role of Oil during the World War I and II

During the First World War, the whole world witnessed the excessive need for oil, and how much gain and loss depends on it. All means of transportation including the military ones used

refined oil, navy boats, aircrafts, tanks, and even industrial manufactories tended to replace coal by oil and gasoline. But for the Second World War, the big parts and allies went so far concerning oil importance. Germany was developing series of weapons that are truly powerful, but for their enemy “British Royal Air-Forces”, it was very remarkable that German arsenal needed oil. Britain quickly founded the Allied Oil Campaign of World War II in May 15th 1940, which aim was to boycott oil supplies that went to Germany, and so far, attack and destroy German fuel savings along with institutions that provide oil for Nazi Germany (Siebert). This company was ruled by Royal Air Forces of Britain and the United States Army Air Forces.

Even with the end of World War II, interest on oil became more serious with the race of securing the flow of oil for every country. The two world’s leading countries, United States and Britain, tried to sign an agreement by which they “equally” divided oil supplies and manage the prices. The Anglo-American Petroleum Agreement was signed in August 8th, 1944, and aimed at controlling international oil market, ensuring the flow of oil, and making the balance of access to its sources as clarified by the US president Roosevelt “Persian oil is yours. We share the oil of Iraq and Kuwait. As for Saudi Arabian oil, it’s ours” (qtd in. Black). This agreement did not make success because it was rejected and found objection from the international oil market, and Roosevelt was obliged to deny the agreement (Fies 1186).

1.1.1.4. Reasons behind the Emergence of Oil as Strategic Energy

Oil had been used since ancient times, but the interest on this crucial matter started during the 19th century, causing massive wars, rise of some nations and decline of empires, series of unexpected agreements, many world crises, and historical change in political, economic state of the entire world. The “black gold” gained its actual importance during the first years of the 20th

century, and since then, its value kept emerging and growing so it became a reason for international conflicts, and a tool for monitoring global powers.

What brought oil to the facet of international interests were the war results. Historical views and declarations assumed that only one main factor determined the victory of the war which is oil. None of the participants of the World War I made a plan in case of oil shortages during the war since their entire military arsenal used gasoline to work. War participants neither explored oil fields on their own lands, nor paid more attention to guarantee a petroleum trade with oil-rich countries, and it was their biggest mistake. United States and Britain were the only nations that avoided energy shortage because they had the opportunity to access to Middle Eastern oil with no barriers. Lord George Curzon declared in November 1918, “The allies floated to victory on a wave of oil”; in his speech, he clearly confirmed that oil had the main turn on deviating the victory of war to the allied countries (Gliech 1-2).

The Second Industrial Revolution was considered also as a reason for oil emergence. During the beginning of the 19th century, a first industrial revolution had been emerged due to coalmines. But the second half of the same century witnessed a second industrial revolution that was even more successful than the first one; this revolution had based its industry on the advanced petroleum industries, the use of gasoline, asphalt, pipelines, and gas were the base to push up the industrial development. Because oil was the central element of the industrial revolution and its discovery was still recent, the sources of petroleum were still, scant, and more required as well. Consequently, industrial nations had to find more sources of this vital energy, and more than that, they developed their infrastructures concerning oil production including pipelines, refineries, and petro chemistry training (Casati). The Industrial Revolution was the secret that gave oil its actual high value especially after combustion engines were further

developed by Rudolv Diesel in 1892, these engines used gasoline, which is a derivation of oil after refinement, as the only energy fuel, and thanks to the remarkable development in Petro Chemistry, petroleum use emerged and expanded to every part of industry; energy consumers were no more using coal, and petroleum became the only fuel for tanks and aircrafts. Oil extremely used as lubricant for machines and railroads, and for ordinary streets the asphalt was considered as the primary base in building roads (Gliech 2). The various strategic use of oil made it a top priority on every governmental schedule.

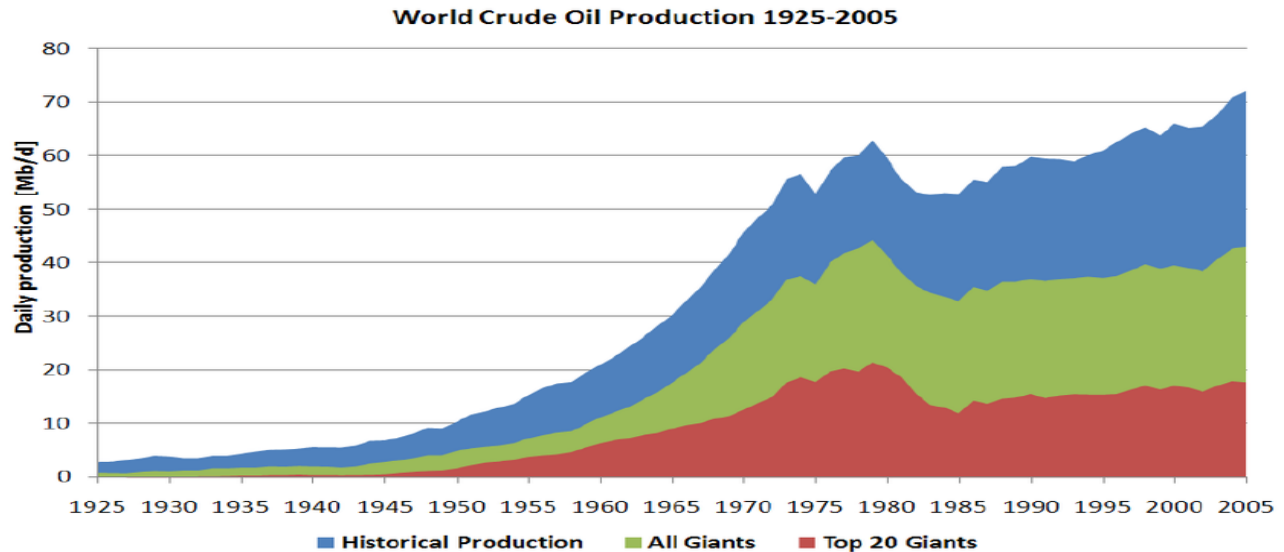
The issues about oil were not only a matter of industry and war, but also was a matter of money and business. The dramatic increase on oil consumption that lead to the high fuel demand rate, along with high unstable crude oil prices, made petroleum business a clear target for a fruitful investment to be conducted by huge capital owners. Statistics shows that within less than quarter of a century, more than 5 oil trade companies had been founded, mentioning: Gulf Oil 1890, Texaco 1901, Royal Dutch Shell 1907, Anglo-Persian Oil Company 1909, and Turkish Petroleum Company 1910. These statistics reflect the growing importance of the black gold on all levels (“Business Reference Services”).

Through what is mentioned above, three main reasons for oil emergence as strategic energy during the 18th and 19th centuries can be distinguished: The World War I and II, the Industrial Revolution, and the Oil business. First, petroleum reserve played a serious role in deciding the World War I winner since nations involved on the conflict were blind on the point that their military materials required long term flow of oil. Also, the industrial revolution used oil instead of coal as a fuel since combustion engines and other industries required gasoline. More than that, money-rich countries wanted to gain profit from oil-rich countries via establishing companies and signing agreements for oil extractions and business.

1.2. Statistics about Oil Production, Consumption, and Prices

1.2.1 Oil Production

Oil quickly gained a great value and strategic role in the international business since the day it was discovered. The black gold then had been a decisive factor for a nation's rise or decline, and it was as vital as water because of its validity as an energy source. The two main factors that monitored the oil production rates were the oil consumption and oil trade; the daily use of oil in every domain made it the most consumed material in the world. Oil was largely used for military arsenal during the war, as for transportation, agriculture, and even heating. This had absolutely led to an incredible increase in oil production rates. Since 1925 until 1950, oil production was characterized by an average of about 9 million barrels per day, but within the next 25 years, the production rate doubled unbelievably by 6 times of 1950 reaching a top production rate of 60 million barrels per day. The major oil exporters kept on raising their production of oil because of the profitable business with the oil consumers and despite the local wars and global market crises of 1973 and 1979 (see Fig. 2) (Micheal).



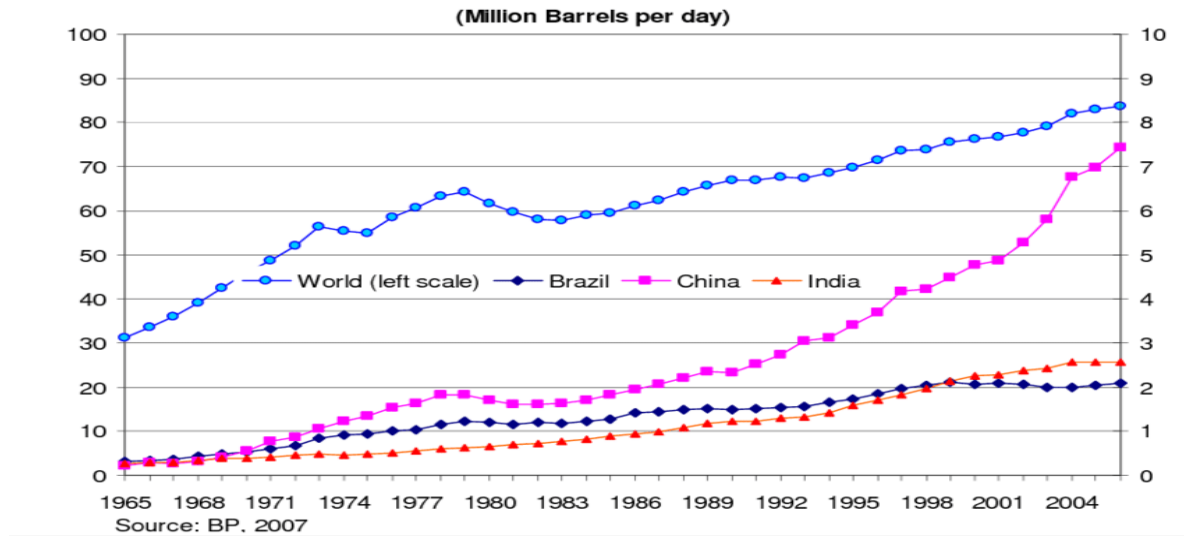
Cap.2. World Crude Oil Production 1925-2005

Source:Hook, Michael. "Giant Oil Field Decline Rates and their Influence on World Oil

Production." *Researchgate*, June. 2009. Web. 25 Feb. 2019.

1.2.2. Oil Consumption

For tens of years, oil had topped the most used energy sources in the world, what raised the fears of the major powers about whether the oil reserves would be scant on the following few years or satisfy the global needs of consumption. As though the OPEC declared that the discovered oil reserves in its nations will be fulfilling the global market demands at least for the following 15 years. For that, both OPEC and non-OPEC nations raised their production rates, launched other operations for oil exploration, and global oil consumption kept rising by 1.5 percent every years. The global oil consumption recorded in 1965 was estimated by 30 million barrels per day; this average had been doubled in just 18 years period to reach 65 million barrels per day, and again tripled in 2004 by 82 million barrels per day as mentioned in figure 3 (International Energy Outlook 25).



Cap.3. World Petroleum Consumption 1965-2004

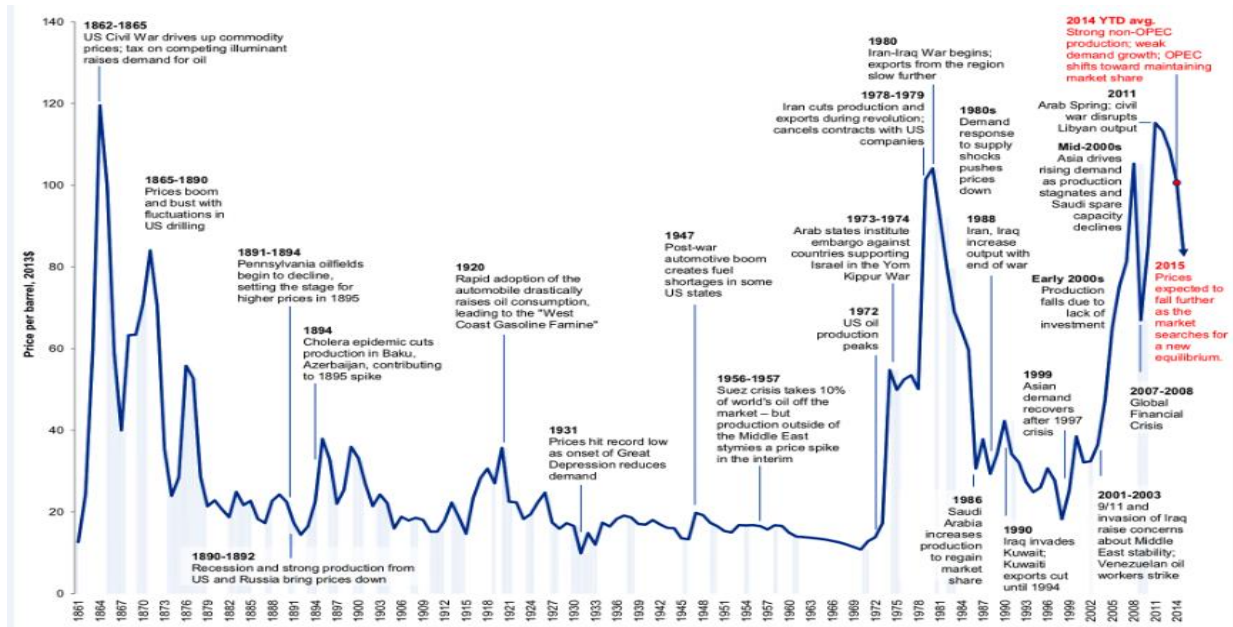
Source: Lubowski N. Ruben. "World Petroleum Consumption." *Researchgate*, 2007. Web. 25

Feb. 2019.

1.2.3. Oil Prices

The prices of oil were controlled by supply and demand as any other market, but the latter was affected by many factors most of them were political ones. The Arab-Israeli war, the Islamic Iranian Revolution, and the Gulf war were all strong reasons behind the oil price increase and decrease since its business started. Oil prices had never passed 20 dollar per barrel as a high price from 1940 until 1970. They were balanced despite the Second World War and the Cold War, but immediately after the United States supported Israel in the war against Arabs, the OPEC countries decided to decrease the production and increase the prices of oil in 1973 to pass the 50 dollars per barrel. Another remarkable increase on oil prices happened in 1978 because of the instable political regime in Iran, one of the major oil exporters, the barrel of oil passed 80 dollars

for two years until Saudi Arabia raised the production rates what led to a price fall of oil that made it back to 20 dollars per barrel (see Fig. 4) (Ro).



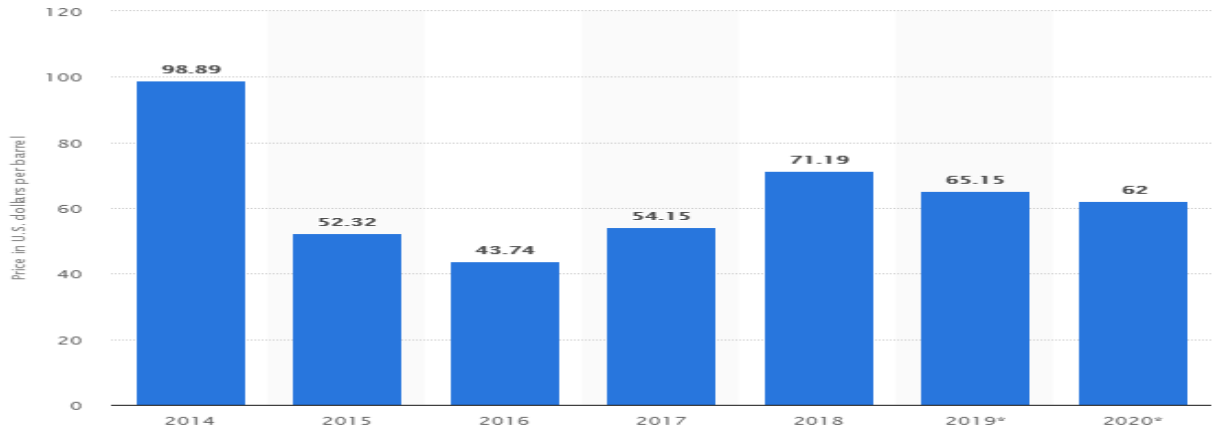
Cap.4. History of Crude Oil Prices 1861-2014

Source: Ro, Sam. "An Annotated History of Oil Prices since 1961." *Business Insider*, 19 Dec.

2014. Web. 25 Feb. 2019.

Oil recently is witnessing a steep decline in the prices since 2014 because of the global high production average and the decline of demand in comparison with supply in the global market.

Crude oil prices recorded 43 dollars per barrel in 2016, the lowest since the last 20 years, then it still did not pass the 65 dollar per barrel in 2019 which is about 40 percent lower of the prices of 2013 (see Fig.5) (Garside).



Cap.5. Brent Crude Oil Prices from 2014 to 2020 (in US Dollar per barrel)

Source: Garside, M. “Brent Crude Oil Prices 2014-2020.” *Statista*, 15 Apr. 2019. Web. 15 May.

2019.

The caption five shows that the Petroleum products price reached a top price of 98 dollars per barrel in 2014 which is the highest price ever since oil business began; this was due to the growing demand over the offer in the international market. While two years later, oil prices witnessed a decrease estimated by 45 percent to reach 43 dollars per barrel in 2016 because of what is named the Oil Market Crash of 2014; the oil price fall was mainly because of the US Shale Oil production unbelievable raise and the latter kept the prices low until the recent day.

It is true that oil had been used since the very early appearance of civilization, but oil became a matter of interest only after the discovery of its variable exploitations after its refined shape, oil gained its actual value especially within the First World War and Second World War since petroleum products were the main fuel for military arsenal. The Industrial Revolution also had its part of bringing oil into its recent importance with the invention of the internal combustion engines, what made oil a field of money and business as well.

Chapter Two

United States Foreign Policy towards Dominating Middle Eastern Oil

The end of the Second World War declared the beginning of a new strategic war between the two major powers of that period; the United States and the Soviet Union (USSR). The Cold War and the huge oil savings discovered on the Middle Eastern lands were two main factors that made the region's countries a warm spot of conflicts between the US and the USSR. The former nation considered the Middle East as its own "protected treasure", for that, it set a long list of policies over many governments in order to protect its interests from the Soviet Union and to guarantee its presence on the lands. Understanding the reasons for different foreign policies of the United States; from 1945 till the present day, towards controlling the Middle East oil necessitates a brief presentation for the current US oil production status and its dependency on the regions' oil which is mentioned in the following section.

2.1. Examining the United States' Dependency on the Middle East Oil

2.1.1. The US Oil Production Status

As a strong competitor for the Organization of the Petroleum Exporting Countries (OPEC) which accounts for about one-third of global supply, the USA is classified among the top oil producer. The US Energy Information Administration clarified that the nation's domestic production of crude oil was 12.200 million barrels per day on June 17th, 2019. The number increased with 2 million barrels per day from the average of 2018 and 3 million barrels per day of the 2017. The administration expects the United States to pump 13.4 million barrels per day in 2020 (Koenig).

Between the imports and exports, the US Energy Administration is hardly making the balance. On the one hand, 5.245 million barrels per day was the US crude oil imports averaged on June 16th, 2017. The average decreased to reach 2.320 million barrels per day of the second week of June 2019, down by 144,000 barrels per day from the first week. Over the past four weeks of May, crude oil imports averaged about 1.987 million barrels per day, 7.6% less than the same four-week period last year. The resulting net imports of petroleum were 2.34 million barrels per day in 2018 compared with 3.297 million barrels per day in 2019 (“Weekly Petroleum...”). On the other hand, foreign trade data from the US Census Bureau showed on June 6th, 2019 that the US crude oil exports edged higher to about 2.8 million barrels per day in April from about 2.7 million in March of the same year compared with 579 thousand barrels per day in 2017 and 2.074 million in 2018. The resulting exports of petroleum were 7.59 in 2018 million barrels per day (The US Energy Information Administration). All the statistics mentioned earlier are present in the following table.

Table.1. Amounts of the US Crude Oil Domestic Production, Imports, and Exports

(Million barrels per day)

	Domestic Production			Exports			Imports		
Year	2017	2018	2019	2017	2018	2019	2017	2018	2019
Oil									
Crude Oil	9.01	10.20	12.200	579	2.074	2.8	5.245	3.052	2.320

Source: The US Energy Information Administration. “How much Petroleum Does

United States Import and Export?” 14 May. 2019. Web. 22 June. 2019.

2.1.2. The United States Dependency on the Middle Eastern Oil

Globally, the United States is among the top producers of crude oil with almost 13 million barrel per day. Despite this classification, the country's domestic consumption of energy is remaining the obstacle in face of celebrating the success of the first class categorization. The USA current rate of petroleum consumption is between 18 and 19 million barrels of oil per day, and its domestic production cannot handle the demand, hence its reliance on imported oil ("Weekly Petroleum..."). The latter forms an addiction in the nation's daily industrialization processes as the president George W. Bush stated in his 2006 state of the Union Address, "keeping America competitive requires affordable energy. And here we have a serious problem: America is addicted to oil, which is often imported from unstable parts of the world" (qtd in. Karoui 4).

Two-thirds of the world's oil reserves are concentrated in the increasingly unstable Middle East and are controlled by members of the quasi-monopolistic Organization of Petroleum Exporting Countries (OPEC). Over the years, OPEC has been quick to cut supply and slow to increase production, bringing oil prices to today's high levels. Most OPEC member countries and other oil producers have high levels of government economic regulation and corruption. Thus, consumers are effectively paying two premiums on oil: one for security and one for suppliers' economic inefficiency and monopolistic behavior (Cohen 16).

In 2018, the United States imported about 9.93 million barrels per day of petroleum from about 86 countries. Petroleum includes crude oil, hydrocarbon gas liquids, refined petroleum products such as gasoline and diesel fuel, and biofuels including ethanol and biodiesel. Crude oil accounted for about 78% of the US gross petroleum imports in 2018, and non-crude oil

petroleum accounted for about 22% of gross petroleum imports. The top five source countries of the United States petroleum imports in 2018 were Canada, Saudi Arabia, Mexico, Venezuela, and Iraq. Their statistics for net imports were 3.32, 0.90, 0.49, 0.45, and 0.52 million barrels per day, respectively. Furthermore, the US net imports from the OPEC countries (including Saudi Arabia and Iraq) were 2.57 million barrel per day in the same year compared with 1.53 million barrel per day from Persian Gulf countries (The US Energy Administration). Earlier numbers are present in the following table.

Table.2. Top Sources and Amount of the US Petroleum Imports (percent share of total), Respective Exports, and Net Imports, 2018 (million barrel per day).

Import Sources	Gross Imports	Exports	Net Imports
Total all countries	9.93	7.59	2.34
OPEC Countries	2.89 (29%)	0.32	2.57
Persian Gulf Countries	1.58 (16%)	0.05	1.53
Top Five Countries			
Canada	4.28 (43%)	0.96	3.32
Saudi Arabia	0.90 (9%)	< 0.01	0.90
Mexico	0.72 (7%)	1.21	0.49
Venezuela	0.59 (6%)	0.14	0.45
Iraq	0.52 (5%)	< 0.01	0.52

Source: The US Energy Information Administration. "How much Petroleum Does the

United States Import and Export?" 14 May. 2019. Web. 22 June. 2019.

The oil market operates today without cushions of additional production capacity or significant strategic petroleum reserves beyond the US reserves. Consequently, the Middle East remains the strategic center of gravity of the global oil market; a position that is not likely to change in the medium term. As long as radical Islam, China, India, and Europe continue the struggle for the world's limited oil supply in the Middle East, the region will remain unstable. If the US is to protect itself from these economic and political threats, it must reduce its dependence on Middle Eastern oil as quickly and efficiently as possible.

2.2. United States Different Foreign Policies towards the Middle East

The US foreign policy makers were not accustomed to include and tackle the Middle Eastern oil issues in frame working the nation's agenda till the end of the WWII. Since then, the protection of the country's vital interests in the region including the Persian Gulf was of a necessity as the president Jimmy Carter had states in his address in 1980: "Let our position be absolutely clear: an attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital, interests of the United States of America, and such an assault will be repelled by, any means necessary, including military force." (qtd in. Jones 208)

The policies used by the government vary from a period to another and from an administration to another. In this section, the policies are going to be discussed according to the order of the US administrations since 1945.

2.2.1. The US Administrations from: 1945 to 1960

As a president of the country, Harry S. Truman was in face of numerous concerns linked with the urgent need for radical re-establishments in the US-Middle Eastern relations. From the one hand, the United States was taking the burden of being in charge of variant global responsibilities just after the end of the Second World War. On the other, the dramatic change over the indispensable of oil in the European reconstruction process forced the US government to manage its existence in the region. Under these circumstances, the US foreign policy towards its interference in the Middle East witnessed two main events during Truman presidency; the case of Iran, and the Balfour Declaration:

2.2.1.1. The US Interference in Iran 1943

Britain and Russia left no chance for the United States to strengthen its relations with Iran before the Second World War, despite the fact that Iran was not on the US radar and was not targeted by the US foreign policy. This was due to the British and Soviet petroleum investments in the area, and their forced military presence in Iran. However, The Second World War was hard enough for Britain to ask for external military assistance, and the US army was a practical solution for Britain's problem. Britain along with the US military activated the "Persian Corridor" operation, by which the US transferred its military supplies for Britain to Russia through Iranian lands. Harry Truman did not hesitate to send more than 30,000 troops armed with military materials to Iran, then designate an American leader over every Iranian military core, which gave advantage for Iranian forces and made them impressed by the US army after the war (Samaan 15-16). The president also strengthened his relations with Mohammad Reza Shah Pahlavi and even welcomed him in the USA, in order to achieve further plans in Iran that would come to reality with Eisenhower presidency era.

2.2.1.2. Balfour Declaration 1948

Harry Truman, unlike President Roosevelt, was not confused about the case of Jews, and did not make into consideration the Arab's reaction about Balfour Declaration. He had a direct single decision about Balfour Declaration which was the acceptance of Palestinian land division between Palestinians and Jews. The declaration was maintained since Jews were oppressed and the president sympathized with them. On May 14th, 1948, Harry Truman recognized immediately the state of Israel after it was established. Jewish people had a sentiment of optimism about this solution, and they started moving from all over the world to their new homeland, Palestinian Lands, especially German Jews, who were the most oppressed minority in Europe. However, the problem was that Arabs were not satisfied with this international decision and Egypt was the first nation to react against Jews through declaring the war on Israel, led by Jamal Abdel Nasser. Few years later, the Middle Eastern countries decided to move, not via military interference, but through more modern ways, Arabs used the OPEC organization to impose their pressure on the international political decision, and they successfully granted many peace agreements that ended the Arab-Israeli conflict in the Middle East ("US Recognition...").

2.2.1.3. Operation Ajax 1953

The US interference in Iran came to reality with Operation Ajax. This operation was a collaborative conspiracy of United States and United Kingdom with Mohammad Reza Pahlavi, son of Reza Pahlavi and the last Shah of Iran, against Iranian government to overthrow Mohammad Mosadegh, the Iranian Prime Minister, to strengthen the ruling of Mohammad Reza Pahlavi as the new Iranian Shah. The operation was successful and it last for only four days; from 15 to 19 August 1953. The President Eisenhower had shown no fears or hesitations to order

the CIA to engage on the operation since it served the US interest in the Middle East. From this point, he formed a strong anti-communist border to preserve Capitalism in the area (“Operation Ajax 1953”).

2.2.1.4. The Suez Canal Interference 1956

The secret negotiations of Britain and France with Israel on October 1956 about attacking Egypt starting by the Sues Canal seemed to be successful. However, the United States had an opposite position on attacking the Suez Canal even though it was an action of its historical allies. Eisenhower refused to use military forces and perform the attack; he also denounced the hidden plan of Britain and France, and then he ordered all of Britain, France, and Israel to withdraw their troops from the canal. Eisenhower took advantage of the decision of the newly formed organization “United Nations” that requested for a peaceful solution for the problem. Moreover, the US president threatened his old allies and Israel by causing economic shortages if they would not stop the attack and leave Egyptian lands. After the international pressure on the Sues attackers, the threats came up with results as stated by US Department of State in “Sues Crisis”; Britain, France, and Israel withdraw their troops in March 1957, and as a result, the diplomatic relation between the USA and Britain were deteriorated just after few months (“Sues Crisis...”).

2.2.2. The US Administrations from 1961 to 1979

For a first sight, it seemed that the president Kennedy appeared to be not interested in the Middle East as the previous US presidents. Historically, he had no agreements with the Middle Eastern countries, no political or military interferences, and no diplomatic visits. But in fact, Kennedy’s concerns with the Middle East were the same but took another ways. The US president aimed at reinforcing the US control over the Middle Eastern area via strengthening the

US relations with Israel since its position were extremely strategic (Summit 38), for that, Kennedy came up with the an agreement called the US-Israel Alliance in 1962, which is basically a military agreement. The alliance's first move was selling developed arms to Israel including HAWK aircraft missiles, despite the refusal of the state department. Also, Kennedy in his speeches used to make it clear that he supported Israel through comparing Israel to the developed west, and underestimating the Arab world by describing them as primitives (Summitt100).

One main incident had characterized Johnson's presidency era; the Six Day War, 5th June 1967. This brief war took place in the Middle East, precisely between Israel, Egypt, Jordan, and Syria. President Johnson put the US navy in service to end up the war and went through a successful negotiation on 10th June, 1967 with Israel to agree on a cease-fire. The US interference in the Middle East appeared just in less than two weeks after the attacks were ended. Although it was only political interference, but Johnson's speech was directly set to the Middle East, in which he set five main principles for Middle Eastern nations to live in peace. Center for Israel Education (CIE) wrote that the principles were: all nations of the area had the right to live in piece, to preserve justice for the refugees, to maintain maritime rights, to end the arming race in the area, and to set recognized geographical borders ("President Lyndon...").

Americans learned their lesson after the Middle Eastern War 1973 which resulted in the Arab Oil Embargo. President Richard Nixon and his secretary of state Henry Alfred Kissinger were on an unusual agreement about the US foreign policy during and after the Oil Embargo of 1973. They planned to ameliorate the US relations with Israel via signing security agreements while their real intention was to persuade Israel to go on a cease-fire with Egypt and Syria which were trying to recover their land after the Six Day War. Nixon and Kissinger also managed to make

Egypt join the capitalist court rather than the communist one for the sake of limiting the Soviet existence in the Middle East (Pillar).

2.2.3. The US Administrations from 1977 to 1989

Jimmy Carter's Administration might be the most notable presidency period in the American history since it witnessed the major positive and negative results of the US foreign policy towards the Middle East. The US foreign policy earned its gains with Camp David Accord of 1978 and the Egypt-Israel Peace Treaty of 1979, and paid the loss after the Iranian Islamic Revolution when Reza Pahlavi was overthrown.

2.2.3.1. Camp David Accord and Egypt-Israel Peace agreement 1979

Although it sounds that Camp David Accord and Egypt-Israel Agreement are different names but in fact they are two sides for the same coin. After Jimmy Carter took responsibility of the US presidency in 1977, he made the problem of peace in the Middle East a priority since the Persian Gulf is provided a flow of oil to the US. Historically speaking, Egypt and Israel were on war for decades because of the Palestinian lands and who took over the other. Under these circumstances, it was hard if not impossible for the two nations to go through agreements or negotiations or any other solutions to end the war, but for Carter, who was obviously optimistic about the case (Angel 58). It was a matter of satisfying both parts through inviting them to the United States on September 5th, 1978, Anwar el-Sadat; president of Egypt, and Menachem Begin; the Israeli Prime minister, met each other at Camp David (Maryland, in USA) for the first time. Although the meeting was about to fail, but thanks to Carter's protocols that both of them reached an agreement giving peace to the Middle East area despite the total refusal of most Arab countries (The White House).

Only one year later, el-Sadat and Begin met again with Carter in the USA on March 26th 1979 to confirm on their intentions of bringing peace to the Middle East. Egypt and Israel signed an official peace treaty that is assisted by requests of regaining Egyptian control over the Sinai Peninsula and normalizing the relations between Egypt and Israel. This treaty had been concluded by giving the Nobel Prize of Peace to Sadat and Begin awarding them for their efforts to bring peace to the Middle East (Glass).

2.2.3.2. Iranian Islamic Revolution 1979, Iran Contra Affair and US-Iraq vs Iran

After the CIA's contribution on designating Reza Pahlavi as the President of Iran, America thought that it guaranteed the full monitoring, interference and domestic relations with Iran, while in fact; the US interference in Iran's internal affairs was no more than a beginning of growing anti-American sentiments on Iranian people behind the scenes (Wise 12). In 1979, Iranian people were enough of Reza Pahlavi and they decided to move against their government under the leading of Ruhollah Khomeini. Iranian students were on the front of the revolution and did the first step; they made their best efforts to include every possible number of people. It was only a matter of few days after the revolution started that Iranian revolutionists attacked the US embassy in Iran, kept the US nationals as hostages for 444 days, and caused the US president re-election when Reagan won the presidency race (Maloney). Despite the fact that American politicians suggested that the US should ameliorate its relations with Khomeini, but the Iranian Revolution determined the collapse of US and Iran diplomatic relations (Falk), which was a painful blow for American plans in the Middle East since the beginning of the 20th century.

In June 1982, during the Lebanese Civil War, Israel attempted to invade Lebanon again reaching Beirut, when President Reagan demanded a cease-fire to end up the situation. One year

later, several bombing in Lebanon targeted the US embassy and the American army, what caused more than 240 victims declared on 23rd October 1983. The fear of more American losses lead to the withdrawal of the US army from Lebanon, but this did not made an end for Reagan administration problems with the Middle East. The Shia Organization named Hezbollah kept many US citizens as hostages; meanwhile the USA was making a purchase deal of arms with Iran secretly. After the US-Iranian arms affair was exposed, Reagan Administration's justification was that they were forced to sell the weapons to Iran for the sake of freeing the US hostages taken by Hezbollah, but the Iran-Contra Affair scandal was confirmed when the congressional documents proved that the Reagan's first arms sale was on 1981, which means before the US hostages crisis ("Iran-Contra...").

In 1980, Saddam wanted to invade Iran for two main reasons; first, Saddam wanted Iraq to be the most powerful state in the Middle East region instead of Iran, and second, Saddam's fear of the Islamic Iranian revolution success along with its post-outcomes that it would encourage the Shia's groups in Iraq to revolt against the government. These factors made Hussein very careful and in a hurry to set the limits for the Iranian domination. The war lasted 08 years until the cease-fire was announced in 1988. But what was happening behind the scenes during the war became something usual in history; the external secret interference. Despite the fact that the USSR was the first arms supplier for Iraq; then Britain, France, and Germany had also their part of interference, but the USA's role on the war was unique in the sense that it supported Iraq and not Iran. Reagan administration supported Saddam Hussein because its main threat was the Shia ruling system in Iran and the fear of their expansion in the Middle East. Consequently, Reagan in February 1982 was no longer accusing Iraq of being a terrorist state just to facilitate the operations of sending and supplying Iraq with money, chemical, biological weapons, intelligence

and battle plans (King). The US support for Iraq was another strong reason for both states to completely close up their diplomatic and economic relations.

2.2.4. The US Administrations from 1989 to 2001

The traditional scenario of the United States interference on the Middle Eastern affairs continued to exist even after the Cold War with George H. B government. Iraqi army ordered by Saddam Hussein went beyond its geographical borders to invade Kuwait; Iraq was strong enough to impose itself on Kuwait because its army was strengthened by the US supplies during the Iraq-Iran war, what made the US afraid of Saddam to pass by Saudi Arabia as well since both of Saudi and Kuwait are the two major oil exporters to the United States. The President Bush quickly launched a plan in the late 1990 named Operation Desert Shield; this plan required the move of huge US arsenal to Saudi Arabia lands to protect it just in case Saddam attempted to move forward to Saudi Arabia. The United Nations as well ordered Iraq to discard its plan and gave Saddam a chance to withdraw his troops until January 16th, 1991. After Saddam refused to leave Kuwait the United Nations gave the Green light to Bush to engage in the war with his army and stop Saddam by all means (“United States Office”).

The US foreign policy in the Middle East passed to a new level during Clinton’s government. The USA enjoyed a short lived success due to Oslo Accords since 1993, but not until the Camp David Summit of 2000. Although Oslo Accords were of a native Israeli-PLO departure in Norway, but the practical agreements would not be signed without the mediation of the US government and Clinton’s diplomatic efforts. The main aims of Oslo Accords were to maintain peace between Israel and PLO, then to preserve the right of self-determination to the Palestinian people. Oslo I Accord was named as Declaration of Principles, signed in 1993 by Yasser Arafat

and Yitzhak Rabin and witnessed by President Bill Clinton in Washington D.C, followed by Oslo II Accord which was signed in 1995 in Egypt. The accords ended many problems such as the Palestinian insurrection, and led to the international recognition of the Palestinian authority as a consequence of the US global influence on politics and economy (Brown).

One other attempt by the US president to strengthen the country's roots in the Middle East was the Camp David Summit of 2000. The meeting was arranged in the United States at Camp David by Bill Clinton and it included Palestinian chairman Yasser Arafat and the Israel prime minister Ehud Barak. Unlike the previous Camp David meeting, this one ended with no agreements (Shwadran).

2.2.5. The US Administrations from 2001 to 2017

President George Bush began his mandate by the worst incident ever in the American history; September 9th, 2001 attacks. The first group that had been accused of managing these attacks was the terrorist group named Al-Qaeda, led by Osama bin Laden who was covered by the Taliban regime in Afghanistan. The massive results of the 9/11 attacks gave a strong reason for USA to not only directly order Afghanistan to deliver Bin Laden and dissolve Al-Qaeda group, but also to practically send the US military forces to attack Afghanistan. Furthermore, the operation was supported by most powerful countries of the world, and blessed by the president Bush, who named the war on Afghanistan as Operation Enduring Freedom (Glass).

A second American military interference in the Middle East during Bush's presidency was the invasion of Iraq. The invasion was led by the US army and strengthened by the contribution of Britain and other US allies around the world. The interference came as a consequence of the refusal of Saddam Hussein to leave Iraq and the resistance of Al Baath ruling party in Iraq. The

occupation caused two main battles (2003, 2007), and lasted until the US military withdrawal from the area in 2011 (Glass).

President Obama seemed to keep the same US foreign policy and continue on it, more than to change, but in a smarter ways. Obama tended to interfere in the Middle East not via military forces, but through more modern, harmless, and especially peaceful ways. The US president in August 31, 2010 encouraged the US military forces withdrawal from Iraq that started in 2007 and completely ended in 2011. He also signed a nuclear agreement with Iran by which Iran stopped developing its weapons; however, some of his achievements required the military forces mentioning Osama Bin laden execution, and Al-Qaeda party detriment. Obama's foreign policy was considered as a failure since it was unsuccessful to manage the crisis of Syria and to prevent Afghanistan from supporting the Syrian government (Hamid).

2.2.6. Donald Trump Administration from 2017 until Recent Time

Despite the fact that Donald Trump, after taking responsibility of the office, tended to "let go" some existing foreign policies, but the global image that he painted in the recent US foreign policy could be easily distinguished from its previous ones. Unlike Obama, Trump insisted on his speeches on 2016 that he would radically modify the US foreign policy; most of Trump's intentions were offensive and threatening especially Muslim Arabs, except for the Arab major economic partners since common interests are first for the USA, mentioning Saudi Arabia and Kuwait. Trump, and after about 30 months as a president, seemed to build successful and strong relations between USA and Saudi Arabia by an arrangement of a forced weapon trade of about 8 billion dollars with Al-Salman, the Saudi Ruling family. The weapon deal had been done despite

the US congressional refusal, and which later on caused the Saudi interference in Yemen internal affairs that was again tolerated by Trump.

The actual US president refused to go deep in Syria's crisis and to enlarge his arsenal in the area, Trump, instead, pushed the presence of his allies in Syria just to release some burden over the US responsibility. Also, the president gave breath to Israel via renewing the good intentions with its prime minister after Israel was somehow pressed during Obama's presidency.

Furthermore, Trump has shown no hesitations when announcing the US withdrawal from the nuclear weapons deal signed with Iran in 2015 (Joint Comprehensive Plan of Action). No intention to practically apply his claims about prohibiting Muslims from travelling to USA has too been expressed by the president (Watanabe 1-2).

Chapter Three

United States Foreign Policy towards Dominating Saudi Arabia's Oil

The modern United States is the most powerful country in the human history. With over 800 military bases and 73% of global military spending, the US becomes the leader of a vast interconnected global system by which it enjoys many advantages and priorities. There had been always many attempts by western powers to dominate the Middle Eastern area for what it represents, but after the declaration of Soviet Union decline, only one nation benefited and guaranteed its settlement on the Middle Eastern lands, United States of America. In the new world's economic dictionary, terms of "Middle East" and "Oil-Rich Countries" are used interchangeably equal. The Middle East importance lies on two main things: its geographical place that connects three continents and its huge oil reserves, as well, the development of oil industry in the Persian Gulf lied on four main factors: production, income, prices, and revenue of oil.

The concern of the United States was even about oil prices, but despite the unstable prices of oil, US successfully managed its economy and prevented the worst from happening, as well the Persian Gulf nations did, they attempted to develop their economic relations with USA through ameliorating imports and build new investments in the West. The Saudi-US relations have to be the most notable relations in the history of international diplomacy; the two nations where not in accordance in every aspect of life, in their religion, lifestyle, culture, and even politics, but they were able to establish a relation that lasted for nearly a century because of their common benefits.

3.1. Overview of the United States' Efforts for gaining Saudi Arabia's Alliance

An uncertain friendship, uneasy partnership, or the ambivalent alliance, was what characterized the US-Saudi relations since its formal establishment in 1940. This forced relationship that was built on oil and arms as cornerstones began to emerge with the US exploration for oil in Saudi lands in 1933, and further developed via establishing joint companies for oil business mentioning: ARAMCO 1933, EXXON, and MOBIL 1944. However, the US-Saudi common interests and interesting relations did not prevent the worst to happen; after the United States support of Israel State in the Arab-Israeli war, Saudi Arabia did not hesitate to follow the crowd of OPEC nations causing what was named OPEC Oil Embargo 1973, in which the major oil exporters raised the oil prices by decreasing the production rates. Consequently, the Oil Embargo was a hard hit for the United States economy, and it made the US learn its lesson after The Oil Embargo Lift in 1974; for that, the United States went through a radical change in its foreign policy, not only with Saudi Arabia, but with all Middle Eastern countries.

The United States made Saudi Arabia along with the major oil exporters under its own protection. The USA supported, interfered, protected, and devoted its forces for Saudi Arabia affairs only to preserve the unlimited flow of oil with lower prices in the global market, then strengthened its oil investments in Saudi land through the active American companies in the area. The United States gained and still enjoying the consequences of its foreign policy since the Oil Market Crash of 2014, what proofs that the US had successfully maintained not only the Saudi Arabian oil, but the global oil market.

3.2. Oil Characterized Relations between the USA and Saudi Arabia

3.2.1. The US Exploration for Oil in Saudi Arabia

Historically speaking, the whole US-Saudi relations were no more or less the result of the oil exploration in Saudi fields. Despite the discovery of oil reserves in California, the excessive need of USA for more oil made it looking for oil rich sources. The American Standard Oil Company of California took the honor of the very early American exploration for oil mission in 1933 in Saudi Arabia. Abdullah IbnSulayman, the Saudi finance minister, quickly and easily gave the American company the permission to seek in Saudi lands for oil because the Saudi government was in need of money to pay its huge debts. Only one year later, the USA and Saudi Arabia agreed on sharing the profits under the new name of the company: California Arabian Standard Oil Company (CASOC) (Al-Rasheed 91-93). The establishment of CASOC was a first step for the US-Saudi relations and gave further opportunities and fruitful chances for more US investments in Saudi lands.

3.2.2. American Oil Investments in Saudi Arabia

The USA tried hard to fix its roots on the Saudi oil fields via setting many partnerships and investments. Exxon Mobil and Aramco were among the very first oil companies established by the country to guarantee its domination at least over Saudi oil. In early 1927, the previously namedSocony-Vacuum, and then Mobil Company, started oil business in Hejaz region in Saudi Arabia. This small beginning later on became a part of a greater investment when the two nations unified all of Standard Oil of New Jersey Company (Exxon), Socony-Vacuum (Mobil), and California Arabian Standard Oil Company (CASOC), under one US-Saudi joint company named ARAMCO (Arab American Oil Company) in 1948, with a capacity of production that reached

more than 500,000 barrels per day in 1949 (Ghazal 10-11). On the other hand, USA and Saudi Arabia reinforced their partnership by signing the Mutual Defense Assistance Agreement in 1950 for the sake of achieving their common benefits. The main aim of the United States behind these and other unfair partnerships with Saudi Arabia was just to ensure that the huge oil reserves found in the area would serve first and only the US economy (Hart 88).

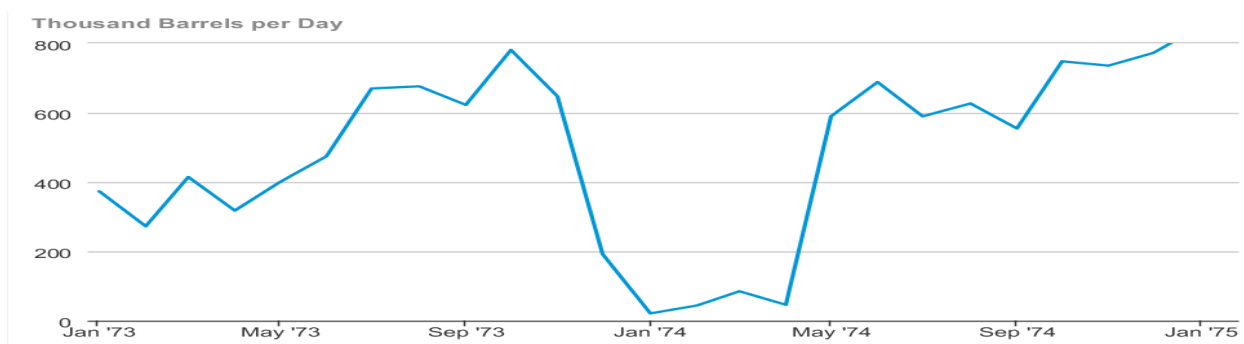
3.3. A Failure of the US Foreign Policy in Saudi Arabia

3.3.1. The USA and OPEC Oil Crisis 1973

The 1973 Oil Embargo could be considered as the harshest hit ever for the US economy since it made the US government revise its policies and consider every foreign action. Although it was intended to strengthen its presence in the middle eastern area, but the biggest mistake committed by the US government was the immediate support of the state of Israel in the Arab-Israeli war; ignoring the Arab countries reaction which was the turning point in oil business after 1973. The real US intention behind the recognition of Israel as a state was to enlarge its radar over the oil reserves in the Middle East, and to keep itself close from the major oil exports precisely Saudi Arabia, however, the USA gambled its relations with its main economic partner, Saudi Arabia. The latter showed no hesitation when declaring its support for OPEC members and cause the Oil Shock of 1973, then the USA seemed to lose the control over the oil global market. In two months only, the world's economy had been clearly affected because of oil shortages and high prices; the dollar had collapsed, the oil prices rose up from about 1 up to 6 dollars per barrel and were expecting another increase estimated by 3 dollars, and international companies were begging for negotiations (Venn 8). Arab countries had no military arsenal to force their targets to

surrender, but they had oil, and they successfully used it as a political weapon to impose pressure on the international political decisions despite the strong US foreign policy.

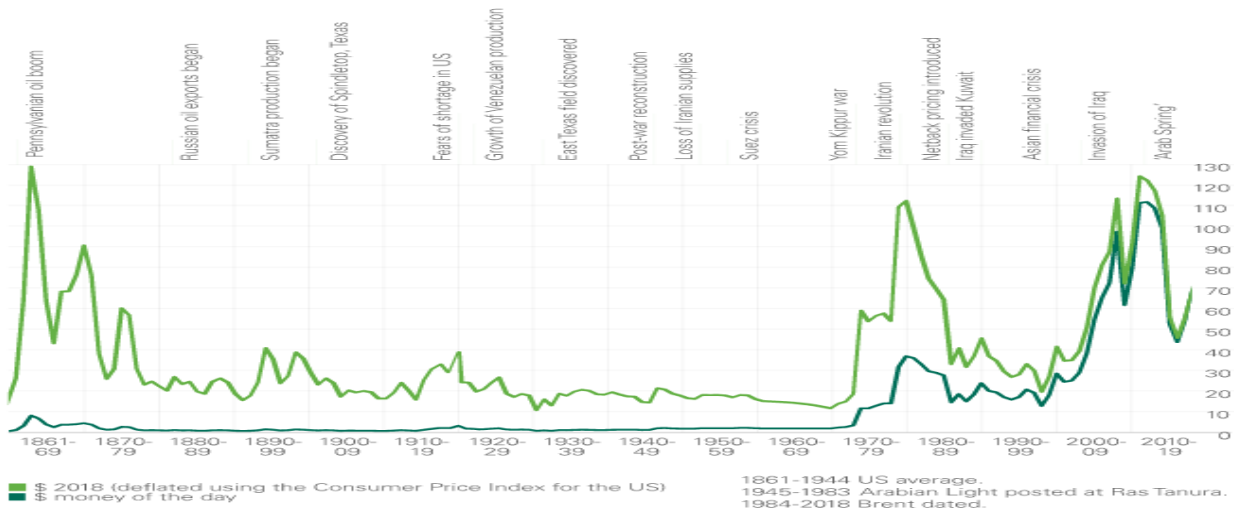
The Oil Embargo of 1973 had a clear effect on the global oil market, as well as on the US economy and US-Saudi business. During the first months of 1973, US oil imports from Saudi Arabia reached about 800 thousand barrels per day as a usual rate, however, immediately after OPEC Oil Embargo in October 1973, Saudi Arabia seemed to boycott the US supply of oil and reduce its oil production because of the US support of Israel against Arabs in the war. The Oil shortage lasted until the mid-1974 when USA mediated between Israel and Arab countries and found a solution (see fig.6). It is not only the oil productions that was reduced because of the Oil Embargo of 1973, but the prices were dramatically increasing as well. The oil barrel had never passed 1.5 dollar before 1970, but not until the late 1973 were it reached more than 10 dollars for a barrel (see fig.7). This made the United States recalculating carefully its decisions and foreign policies in Saudi Arabia and Middle East in general (The US Energy Information Administration).



Cap.6. US Imports from Saudi Arabia of Crude oil and Petroleum Products 1973-1974.

Source: The US Energy Information Administration. "US Imports from Saudi Arabia of Crude

Oil and Petroleum Products." 31 May. 2019. Web. 22 June. 2019.



Cap.7. Crude Oil Prices 1861-2019.

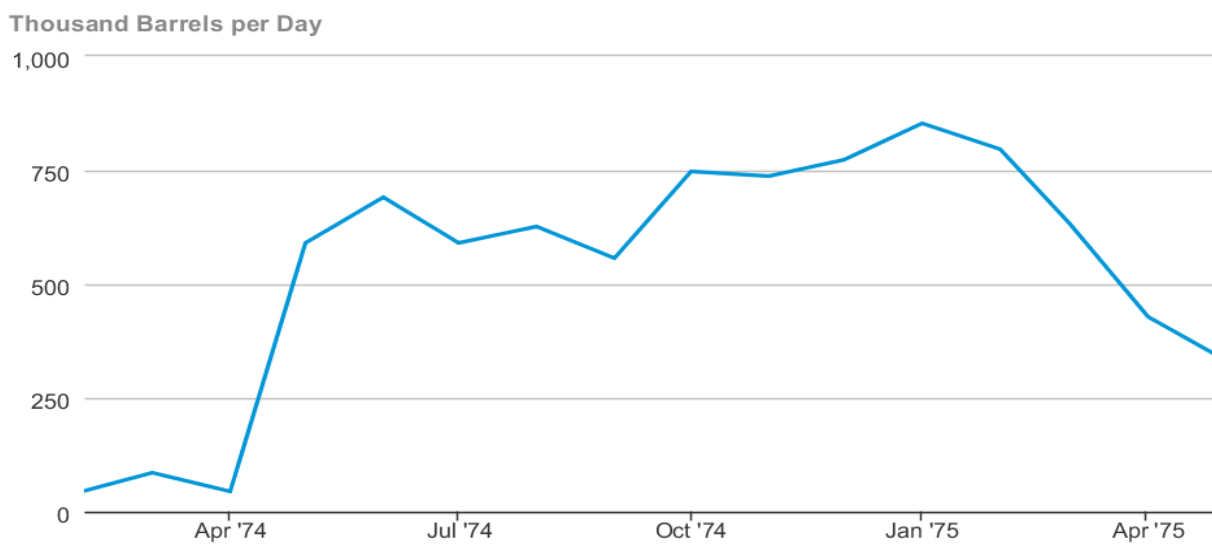
Source: Dudely. Bob. "Statistical Review of World Energy." BP Statistical Review, 67. June.

2019. Web. 22 June. 2019.

3.3.2. The United States and Oil Embargo Lift 1974

The OPEC and Saudi Arabia proved that they were able to hit harder not via weapons but through economic manipulations. The Saudi oil lack was the heaviest burden ever for the United States' economy after it was totally dependent to this oil source, and in an excessive need for that raw material; consequently, the USA was obliged to move quickly and find solutions for the Arab-Israeli conflict. The United States successfully mediated between the Middle Eastern enemies and made them agree on a cease fire only few months after the Oil Embargo. Also, the US arranged an Egyptian-Israeli Disengagement Agreement in January 1974, submitted by an Israel-Egypt peace treaty in addition to other agreements between Israel-Syria, and Israel-Jordan (Inbar 43).

Due to the USA efforts and these agreements, Saudi Arabia lifted the oil embargo in the mid-1974, regained relations with its old ally, and ended the toughest 6 months ever in the American economy. The USA finally took breath when its crude oil imports from Saudi Arabia passed 900 thousand barrels per day (see Fig.8), with a more lower and reasonable prices (see Fig.7). The revived oil trade between United States and Saudi Arabia confirmed that Saudi Arabia was and still a priority in the US foreign policy only because of the huge oil reserves in Saudi area. The latter justifies the mutual security assistance and the large weapon deals between the two allies.



Cap.8. US Imports from Saudi Arabia of Crude oil and Petroleum Products from 1974 to April 1975.

Source: The US Energy Information Administration. "US Imports from Saudi Arabia of Crude Oil and Petroleum Products." 31 May. 2019. Web. 22 June. 2019.

3.4. Petrodollar System: The USA's Knockdown against OPEC Nations and External

Alliance with Saudi Arabia

The petrodollar system could be considered as the winning salvation policy for the US economy. After a tiring series of international economic troubles that hardly affected the US economic state during the second half of the 20th century, the latter decided to rule over again and pushed its dollar to topple the world's reserve currency through launching the new plan called petrodollar. This well-knit economic system required the oil exporting countries-mainly Saudi Arabia, to accept dollar payment only to end the oil trade transactions in exchange of enjoying the US army security service. The United States and Saudi Arabia started working by the petrodollar system in 1974 after they finished the negotiations and signed the United States-Saudi Arabian Joint Commission on Economic Cooperation; the agreement provided for on one hand ensuring the US military aids to protect Al-Saud from any internal or external threats especially during the instable political situations of the Middle Eastern countries, on the other hand, Saudi Arabia had to sell its oil in the global market and get paid only by dollars (Gokay 10).

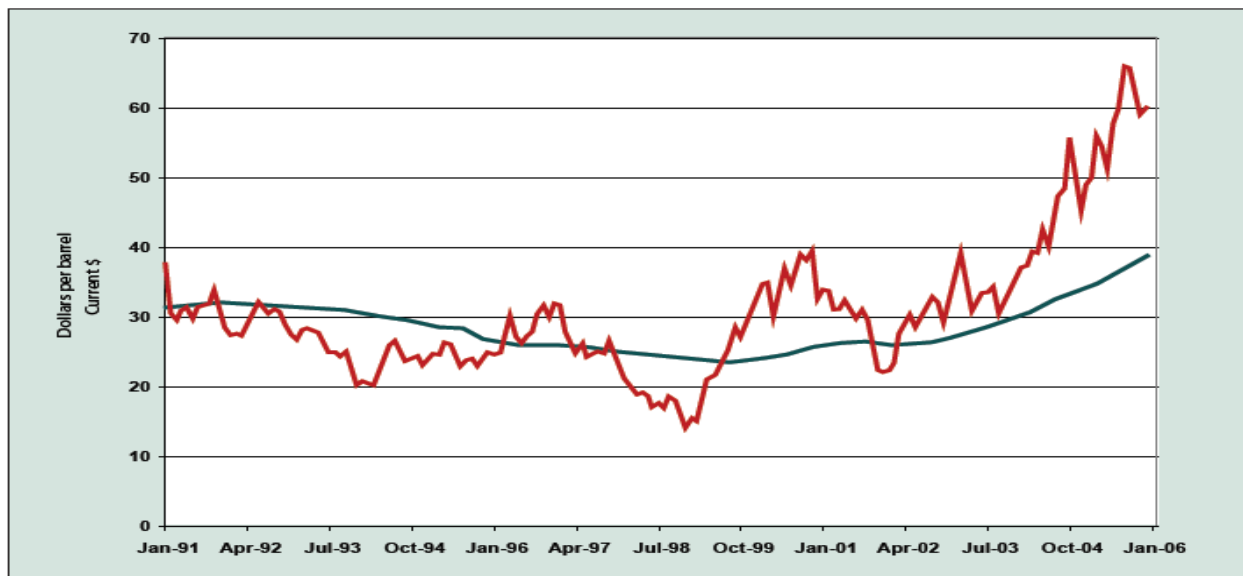
The United States chose Saudi Arabia to sign this agreement for two main reasons. Firstly, Saudi Arabia had been always the largest crude oil producer and exporter. Secondly, Saudi oil production had never been limited to an average of production. Simultaneously, Saudi Arabia could manipulate its augmentation and reduction of crude oil production, then automatically made itself oil price controller, and of course the OPEC forced leader. After a short period following the agreement between USA and Saudi Arabia, the OPEC nation corresponded with the new petrodollar system and decided to work with it. By linking the oil trade with the dollar

purchase, the USA also linked the profits of the oil exporting countries to the petrodollar value. It means that whenever the dollar value increased profits of the oil exporters will increase with it, and whenever the Petrodollar value get low, oil exporting profits will get lower with it (Amadeo). This last fact made Saudi Arabia and other OPEC nations worried about their national currencies and work forward to keep the dollar always on the top of the international exchange.

The advantages of the petrodollar system had quickly appeared at the local and international level just after the agreement was signed. Statistics shown that oil exporting countries received about 500 billion petrodollar within the first few years of the petrodollar use. These statistics had reassured the United States from any other economical shortages or problems since it achieved the international economic stability through this system. The oil consuming countries would sooner or later need oil for their economy. It would be very obvious that they have to buy oil from the global market which is monitored by the Saudi Arabian one, and to buy oil, those countries need the petrodollar, what made them forcibly do business with the USA by exchanging whatever their actual currency is by the US dollar and even stock it with huge reserves in case of any crisis. This strategy perfectly served the relation and the common interests between US and Saudi Arabia; granted for the US the blessing of printing the dollar without any fears of inflation or deflation in their currency, and kept United States and Saudi Arabia very close allies until the recent days, although it sounded like an unequal relation, in which the US made Saudi Arabia as a tool to strengthen its own economy (Spiro 1).

Due to petrodollar system, oil prices since 1990 until 2004 had never passed 40 dollars per barrel in the global market, according to figure 7. Although this was not serving Saudi Arabian economy, but the aims that USA signed the petrodollar agreement for was completely achieved. “One of the major things the Saudis have historically done, in part out of friendship with the US,

is to insist that oil continues to be priced in dollars. There for the US treasury can print money and buy oil, which is an advantage no other country has”, said an ex-US ambassador to Saudi Arabia (Gokay 11), clarifying and confirming the big favor that Saudi Arabia was granting for the United States in order to keep good relations and the common interests in progress.



Cap.9. Global Oil Price in Current Dollar

Source: Congress. Office of International Affairs. “Petrodollar and Global Imbalances.”

Petrodollar and Global Imbalances. Vol. 36. Issu. pp. 3. 2 Feb. 2006. Web. 19 June.

2019.

3.5. United States Foreign Policy in Saudi Arabia: Time to Change

3.5.1. Preserving the US interests only is not enough

After the Oil Shock of 1973, the United States of America discovered many important facts. The USA economy was completely dependent on Saudi Arabian oil; the major oil supplier. Ensuring the Saudi flow of oil with reasonable prices had to be the very first priority in the US

foreign policy, and protecting and maintaining peace in Saudi Arabia only was not enough to preserve oil availability in the global market. Although the country tried to reduce its oil imports from Saudi Arabia through strengthening its friendships with Latin American countries like Venezuela, its major oil imports were inevitably coming from Saudi Arabia; statistics of 2006 showed that more than 17 percent of the US oil imports came from Persian Gulf countries.

The US thirstiness for oil and economic dependency to Saudi Arabia made it obliged to modulate its foreign policy according to what satisfies Al-Saud and made Saudi Arabia a forced ally. In addition to that, Saudi Arabian internal and external affairs automatically became a top priority in the US foreign policy; the country firstly aimed at developing diplomatic relations between the two countries via frequent visits to Saudi Arabia. All of George H.W. Bush, George W. Bush, and Barack Obama had at least visited Saudi Arabia twice during their presidency era. These visits were a courage step by the USA that helped at stabilizing the political state between United States and Saudi Arabia. Furthermore, the two countries submitted many arms deals that worth billions of dollars in an attempt to keep the Saudi area protected from any neighbor or external threats, and accordingly, these efforts ameliorated the economic relations through which the United States could ensure secured oil availability with suitable prices from Saudi Arabia (Cohen).

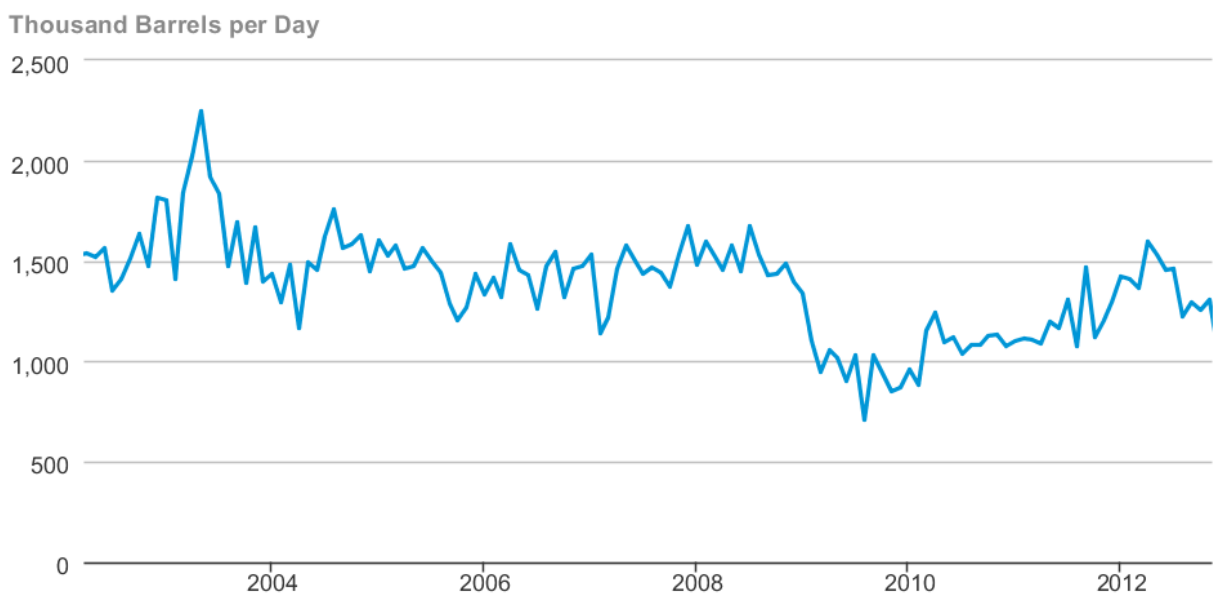
Even though the USA armed Saudi Arabia many times with its most recent weapons to stay safe against external threats, and tried to enforce its military presence in the Middle East, it was not enough to keep the US away from the economic troubles especially oil shortages. The Islamic Iranian Revolution 1979, for instance, was outlaws of Saudi Arabian area, but indirectly affected the Saudi-US relations because of the oil shortage in the global market and its incredible prices. This caused a decline in US-petroleum imports from Saudi Arabia of about 50 percent,

and oil was sold for 50 dollars per barrel; a price that it had never reached before. The United States concluded that it would never achieve stable relations with Saudi Arabia and preserve the flow of oil unless it achieves peace in the whole Middle East; consequently, USA made the case of peace in the Middle East as its own concern and its first duty. Historically speaking, the United States had been always interfering in Middle Eastern affairs; Operation Ajax by which the US interfered in Iran, US direct threat for all attackers of the Suez Canal during the crisis, US agreement on establishing Israeli state in Palestine, the mediation between Israel-Syria-Jordan and Egypt to sign peace treaties, Camp David Accords, and even the US Support of Saddam Hussein during Iran-Iraq war were all incidents that ensured the US hard work to achieve stability in the middle east in general, and in Saudi Arabia in particular (Gross).

3.5.2. US-Saudi Recent Oil Business

It is true that the United States is on the way of reaching an independent economy, aiming at building an economy that could not be manipulated under any circumstances, even some of international experts and journals came to say that “USA will soon threaten to topple Saudi Arabia as the world’s top oil exporter: IEA” (qtd in. Dichristopher). But this does not hide the fact that United States up to this day imports more than 7.9 million barrels of external crude oil, from which Saudi Arabia has a respectful portion estimated by 876,000 barrels per day (Egan). Statistics of 2018 declared by the Office of the United States Trade Representative mentioned that the US imports from Saudi Arabia had increased by 27 percent in comparison with 2017, to reach a total of 24.1 billion dollars of imports, and 23 billion dollars of those imports from Saudi Arabia were mineral fuels (refined oil). In 2003, USA reached a top oil import rate from Saudi Arabia of more than 2.2 million barrels per day, and then an import average in 2011 estimated by 1.5 million barrels per day declared in the US Energy Information Administration reports

including figure 10. This could only indicate that the US had perfectly managed particularly the Saudi Arabian oil by virtue of its well-planned foreign policy in the whole Middle East, at least during beginning of the 21st century.



Cap.10. US Imports from Saudi Arabia of Crude oil and Petroleum Products 2001-2012

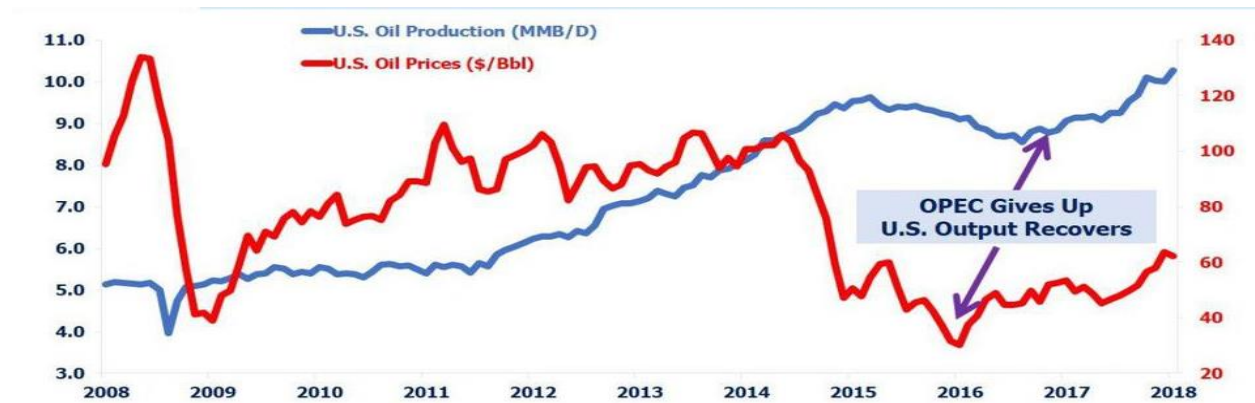
Source: The US Energy Information Administration. "US Imports from Saudi Arabia of Crude Oil and Petroleum Products." 31 May. 2019. Web. 22 June. 2019.

3.6. Oil Market Crash 2014: Is it the End?

3.6.1. The US Shale Oil Production

Despite the fact that US started producing shale oil since the late 19th century, it did not focus on ameliorating this energy source, at least until 2014. The USA recorded an unbelievable high increase in production of shale oil since the year of 2014 (Amadeo). The country shale oil production rate passed an average of 8 million barrels per day in 2014, with the price of about

100 dollars per barrel (see fig. 11), and made the US as the world's largest crude oil producer, the shale oil production brought the US a new era where there is no more energy dependency to the Saudi Arabian oil, and caused some international problems particularly for OPEC nations such as the Oil Market Crash 2014.



Cap.11. America's Patch to Energy Independence: The Shale Revolution

Source: Lack, Simon. "America's Patch to Energy Independence: The Shale Revolution."

Forbes, 4 June. 2018. Web. 23 June. 2019.

3.6.2. Oil Price Collapse 2014

The year of 2014 witnessed the most sharp oil price decline in the history of the global economy. The collapse of oil price was estimated by 70 percent; oil had been sold for 27 dollars per barrel in 2014 after it reached more than 120 dollars per barrel in the late 2008 and 112 in 2013. These statistics made the global market crash as the harshest since 1945 as clarified in the following figure (fig.12), resulted in a radical change in the OPEC nations' policies, as well as the decrease of global growth prospects, and set an end to the oil prices increase that lasted for about 10 years ("Global Economic..." 51). The main reason the oil market crash was definitely

the US shale oil large increase in production, what lead automatically to the decrease of US imports from Saudi Arabia (less than 900 thousand barrels per day).



Cap.12. Real Oil Prices 1970-2017

Source: “Global Economic Prospects: Broad-Based Upturn, but for How Long?” *World Bank*

Group. no. 20433,15 Dec. 2017. p. 51.Web. 23 June. 2019.

Several questions about the US foreign Policy shift in the Middle East from one period to another could be answered after these analyses. The USA was in fact not only aiming at controlling Middle Eastern oil, but rather obliged to do business with Saudi Arabia and its neighbors because of its full dependency to their oil production, furthermore, US foreign policy had achieved more than economic dimensions in the Middle East, those policies resulted in a political, military, and geopolitical alliance with the major oil producers in the area, what gave the United States the advantage of ruling the world and guarantee the permanent access to the energy sources of the Middle Eastern countries.

Conclusion

This Paper investigates the United States foreign policy towards maintaining the Middle Eastern oil putting under the loop the Saudi Arabian case. Historically, oil had been always a matter of interest since its discovery in the late 19th century, decade after decade it became a vital energy source; power, economy, politics, even the rise and decline of a whole countries were related to the oil availability. Oil was really important to the degree that it was the determining factor of either the alliance or enmity and the decisive point of every nature of relation between the world countries, many of which became closest allies such as United States and Saudi Arabia, and other that became enemies mentioning Iraq and Kuwait. Those were the main reasons behind the oil unbelievable emergence as a vital energy source during the 19th century.

Nobody could turn against the fact that USA has built its strong economy that rules the world these days basing on the crude oil. The US appearance as a global military, political, economic, and geopolitical power was only because of its wise decisions concerning its foreign policy with the major oil exporting countries; USA, and through its successive government, had repeatedly moderated its foreign policy according to what satisfied the Middle Eastern countries since they were the leading oil production nations, and had always managed to keep itself close from the OPEC members just to preserve the flow of oil and its reasonable prices. However, there had been always problems and struggles that required the US military interference such as the Islamic Iranian Revolution and Iraq invasion of Kuwait. Most of US presidents tended to gain the alliance of the Persian Gulf countries including Roosevelt, Nixon, and Obama, but other preferred to impose their power via installing the Israeli presence in the Palestinian lands like Harry Truman through supporting the Belfour Declaration. Despite the positive income of the US plans in the Middle East, some problems, the oil embargo for instance, caused by Saudi

Arabia and OPEC nations made the US very careful about its political decisions and forced it to change its foreign policy towards the Middle East.

The US-Saudi relations were very special that they were named “The Ambivalent Alliance”. The United States and Saudi Arabia signed a series of agreements most of them included two main things: Oil and Weapons. Saudi Arabia was and still the major crude oil producer and exporter, and USA was the world’s strongest military because of its developed arsenal, then, it was easy and simple for both countries to exchange the benefits and share what both of them lack from the other; Saudi Arabia needed protection from the surrounding wars and dangers and found its need in the American military assistance, and the United States needed a flow of oil with low prices then found its needs in Saudi Arabian lands. Both countries made the Joint Commission agreement in 1974 that included the use of the petrodollar system to strengthen their relations and ensure their domination of the oil global market.

After more than 70 years of friendship and alliance, the United States and Saudi Arabia are still preserving their old promise, but not for a long time. Since the US shale oil production boomed, the USA seemed to get rid of the Saudi oil dependency forever, and to achieve an independent economy based on its own energy sources. Theoretically speaking, the USA needs no more consideration of neither Saudi Arabia nor OPEC nations in its political and geopolitical decision, because they do not represent a pressure point for the US economy anymore, the point is that after the oil price collapse, the only loser should be the world’s largest oil exporter, Saudi Arabia, and in order to keep a coherent economy for long term goals, Saudi Arabia would be the one who shifts its foreign policy for whatever suits and serves the United States. However, the majority of political experts are turning into a unified point of view that advises the US government to keep its strong relations with Saudi Arabia. Whether for exchangeable benefits, or for other external

aims, USA appears to be preserving its good intentions with al-Saud starting by the usual diplomatic visits, at least during Donald Trump presidency era.

The question of whether USA had established a complete and strong foreign policy in Saudi Arabia or not could not be easily discussed, but it seems more like: practically yes, theoretically no. Statistically, nobody is blind enough to ignore the strong effect of US external decisions over the local and international level; USA was the major Saudi oil importer in the world for period lasted more than 25 years. The United States- thanks to its wise policy- made Saudi Arabia, the world's first oil producer, its first ally, not only economically, but also in its political possessions and military development. Besides the oil profitable business between the two countries, USA had been always supporting Saudi Arabia in its political decisions even if USA had no interest in the case, and example could be given is the Syrian case... Furthermore, the military arsenal sales between USA and Saudi Arabia that worth billions of dollars became something usual in the world arena. These factors made the relation between the two allies unbreakable, gave the US the advantage of accessing Saudi oil continuously with cheap prices, and built its largest economy in the world using this oil source.

On the other hand, it is true that USA gained Saudi Arabia as a permanent ally, but this created a risk that could never be underestimated: the US total economical dependency to the Saudi oil. USA knew definitely that Saudi oil reserves were the only satisfying reserves in the world, and that monitoring the Saudi oil meant controlling the world and losing it meant the opposite, then, for the sake of gaining power, USA prioritized the US-Saudi relations in its foreign policy and played its magic over all Middle Eastern counties since the First World War. What is missing in the US foreign policy was that for what reason the Saudi oil production get affected, the US economy get into struggles and sufferance, because USA had and still no

alternative sources of energy rather than Middle Eastern countries. The USA foreign policy could be valid for short term goals only, but not for life.

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