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UNDERSTANDING THE "WAR ON TERRORISM":
THE OIL & GAS INTERESTS -- PART 3
(THE MIDDLE EAST)[1]

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Note: This paper is part of a series on understanding why we are fighting terrorism. There is nothing new in it that hasn't been published elsewhere, and of course the coverage of oil and gas activities is not comprehensive. The purpose of this paper is to compile some pertinent information together so that a pattern can be seen. In this paper I have tried to illustrated some trouble spots on the globe that have potential to be affected by the "war on terrorism" if US interests, or US corporate profits, are threatened. This particular paper is Part 3 of "The Oil and Gas Interests." BA

In earlier parts of this series I quoted US Energy Secretary Spencer Abraham as saying that by 2020 US oil consumption will have risen 33 percent, gas consumption over 50 percent, and electricity demand by 45 percent; and that energy demands in the developing countries will jump over 100 percent.[2] Secretary Abraham also said: "We are committed to ensuring that America's energy needs are not held hostage by politically unstable foreign suppliers."[3] Today the US consumes an average of 19.7 million barrels of oil per day.[4] By 2020 that daily usage is expected to jump to 26 million barrels. Today America imports 52 percent of the oil used. By 2020 that dependence on imports will grow to 62 percent.

US Under Secretary of State Alan Larson set forth two primary goals of US energy security policy. The first is "to ensure that our economy has access to energy on terms and conditions that support economic growth and prosperity." The second is "to ensure that the United States and its

[1]This paper addresses some of the most blatant US interventions but is not a comprehensive treatment of how indigenous people are repressed in order to further US energy industry interests. Likewise, the oil and gas issue is not the only factor pertaining to the "war on terrorism," but it is a major one. In future companion papers to this I hope to address some of the other factors.

[2]Abraham, Spencer, 2 May 2002.

[3]Abraham, Spencer; 20 June 2002.

[4]One barrel of oil equals 42 gallons.

Map of Middle East Countries

foreign policy can never be held hostage by foreign oil suppliers."[5] He went on to say that in addition to managing a continuing trading relationship with Canada and Mexico, other important foreign policy initiatives are: 1) conducting a dialogue with Venezuela to build a more productive relationship, 2) developing multiple pipelines to connect the Caspian Basin to major transportation routes, 3) strengthening energy ties with Russia, 4) reevaluating Africa's role as a major energy

[5] Larson, Alan; 20 June 2002.

supplier, and 5) encouraging Middle Eastern countries to open up certain areas of their energy sector to foreign investment. The first three of those foreign policy initiatives was examined in Part-1 of this paper. The fourth foreign policy initiative on Africa was covered in Part-2. In this Part-3 I will discuss the fifth foreign policy initiative -- the Middle East. Finally, in Part-4 I will address the Asia-Pacific region.

ENCOURAGING MIDDLE EASTERN COUNTRIES TO OPEN UP CERTAIN ENERGY SECTORS TO FOREIGN INVESTMENT.

The US is encouraging Saudi Arabia, Kuwait, Qatar, the United Arab Emirates (UAE), and other countries in the region to open up areas of their energy sector to foreign investment. This foreign investment is expected to top $24 billion and US corporations have jockeyed into the lead roles.

Two-thirds of the world's proven oil reserves are in the Middle East -- 679 billion barrels. (The US only has 2% of proven world oil reserves) The Middle East also holds some 800 trillion cubic feet of proven natural gas reserves.

At the same time, distribution of wealth in the Middle East, mostly all from oil, is highly skewed. Some rich rulers, with help from western oil companies, are striving to preserve this inequality from which they have grown rich. Table-1 depicts the oil reserves, the population, and the per capita income of the Middle East countries.

From this it can be seen how some countries with small population reap abnormally large income from their resources. For instance Kuwait in 2002, with a population of only 2.1 million, had over seventeen times the per capita wealth as Iraq with 24 million people. Of course this wealth is not evenly distributed within each country. The ruling families in Kuwait and Saudi Arabia, as an example, keep most of it for themselves -- after the US and British oil companies get their cut.

The Middle East countries, in alphabetical order, are Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates (UAE), and Yemen. (See Map of Middle East Countries above) I will only discuss the key players in the terrorist and oil circles. I will not address Israel because the problems there are not oil-related and, therefore, do not come within the scope of this paper. In this paper there will be enough background and history on each country to support the discussion. For a more comprehensive study of Middle East background see my research paper entitled *Desert Folly*.[6]

COUNTRIES DESIGNATED STATE SPONSORS OF TERRORISM

Of the countries in the Middle East, three are on President Bush's list of states that sponsor international terrorism. Moving from west to east on the map, they are Syria, Iraq, and Iran -- and they are contiguous across the northern portion of the Middles East. Those three countries are also on the list of potential targets for US nuclear weapons, according to the Pentagon's January 2002 nuclear Posture Review. In turn, two of those three -- Iraq and Iran -- have been designated part of the President Bush's infamous three-country "axis of evil." (North Korea is the third).

Syria.

Syria (population 17,155,814) was part of the Ottoman Empire until it was broken up during World War I. Then it was administered by the French under a League of Nations mandate until they

[6]*Desert Folly* is available on the internet at http://www.plrc.org/docs/910213A.pdf

were given independence on 17 April 1946. Bashar al-Asad has been president since 17, July 2000, following the death of his father, President Hafez al-Asad.

The country is 90.3 percent Arab with the remaining portion as Kurds, Armenians, and other. It is 74 percent Sunni Muslim, 16 percent other Muslim denominations, and 10 percent Christian. Syria lost the Golan Heights to Israel during the 1967 Arab-Israeli war. Since 1976, Syrian troops -- currently some 20,000 -- have been stationed in Lebanon, ostensibly as a peacekeeping force.

Petroleum tops the country's list of industries and natural resources, and accounts for 68 percent of the export revenues. It has proven oil reserves of 2.5 billion barrels and proven natural gas reserves of 8.5 trillion cubic feet. Nevertheless, Syria's oil industry is declining while new exploration and development is being encouraged. Only about 40 percent of an estimated 800 oil and gas geological structures have been drilled.

US companies and companies with US affiliates involved in Syria are Pecten Syrian Petroleum (owned 80 percent by Shell), Royal Dutch Shell (Shell is US affiliate), TotalFinaElf (Total is US affiliate) and Conoco-Phillips.

In March 2000, the 552-mile (888-kilometer) pipeline from the Kirkuk oil fields in northern Iraq to Syria's Mediterranean port of Banias was reported repaired and ready for operation. In 2001 Syria signed a free trade agreement with Iraq. Then in June 2002 the two countries signed an agreement to establish seven joint companies such as land and sea transport and oil. If oil is actually being pumped through the pipeline, that would be a violation of UN sanctions on Iraq. The Bush administration offered on 23 January 2002 to allow oil exports through Syria as long as they are regulated by the UN food for oil program.

Syria ranks second only to Iran on the list of states that sponsor terrorism. Although the Syrian government has not been directly involved with terrorism since 1986, it has continued to provide a safe haven for many terrorist groups. It has also been the main transit point for Iranian-supplied weapons to the HizbAllah[7] in Lebanon. After the September 11th terrorist attack on the US, Syria deplored the deed and joined the effort to find bib Laden and Al Qaida -- even provided intelligence information. The Syrian government hates bin Laden and his Sunni Muslim extremist ideas of creating Islamic states because he threatens the Shiite minority which runs Syria as a secular state. Syria's dictatorial Baath Party has always dealt harshly with Islamic extremists from its own Sunni Muslim majority. Nevertheless, since Syria still does not recognize the existence of Israel, it refuses to class as terrorist those organizations fighting against the presence of Israel, insisting that the violent activities of these groups constitute legitimate resistance. Syria has essentially occupied and controlled Lebanon since 1990 continues to support the Lebanese HizbAllah which has been fighting Israel along their common border. Other terrorist groups associated with the Palestinians, such as HAMAS and the Palestinian Islamic Jihad,[8] have offices and headquarters in Syria.

Syria is also reported to have an active chemical weapons program as well as ballistic missiles which can deliver them. This includes a significant inventory of the deadly nerve gas sarin. It is also reported to have a biological weapons program but is not believed to have the capability to produce deadly germs in sufficient quantity to manufacture weapons.

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[7]HizbAllah means Party of God -- there are many spellings used of which Hezbollah and Hizballah are common. The name was originally used for the Iranian-backed, Shiite-Muslim Lebanese HizbAllah. Currently it refers to any terrorist organization with strong sponsorship and support by Iran

[8]Jihad is the Islamic word for Holy War.

Iraq.

Iraq (population 24 million) was also part of the Ottoman Empire and became independent from a British-administered League of Nations mandate on 3 October 1932. Since 1958 it has been ruled by a series of military strongmen. Saddam Hussein has been president since 16 July 1979 and took on the additional post of prime minister on 29 May 1994.

The country is 75-80 percent Arab, 15-20 percent Kurdish, and 5 percent other. The religious mix is 97 percent Muslim (32-37 percent Sunni and 60-65 percent Shiite) and 3 percent Christian. The Kurds live in the north (under the northern no-fly zone)[9], the Shiite in the south (under the souther no-fly zone), and the country is ruled by the Sunni minority.

A territorial dispute with Iran resulted in a costly eight-year war (1980-1988).[10] Following so closely on the 1979 Iranian revolution which expelled the Shah and US oil companies (to be discussed below), the US supported Iraq in this war. Even though Iraq used weapons of mass destruction in this war (mustard gas and nerve gas) with US knowledge, US support in battle planning and intelligence was still forthcoming. Although the US administration publicly denounced the use of chemical weapons, the action policy was to continue support because it did not want Iran to overrun the important petroleum-producing countries of the Persian Gulf.

When the British carved up Mesopotamia in 1932, Kuwait was set up as an independent state. Until recently, Iraq always considered that Kuwait should be part of Iraq.[11] In August 1990 Iraq occupied Kuwait to take back its "19th province." This led to the January-February Persian Gulf war in which a US-led UN coalition drove Iraq out. Although Iraq was not occupied, the UN imposed trade sanctions until Iraq destroys all its weapons of mass destruction and the long range missiles that could deliver them, and allows UN verification inspections.

Oil, the only significant natural resource in Iraq, accounts for about 95 percent of the country's export earnings. However, there is a lot of it. Iraq's Proven oil reserves of 112.5 billion barrels is second highest proven reserve in the world and, before the Persian Gulf war, Iraq was the second highest oil exporter in the Organization of Petroleum Exporting Countries (OPEC).[12] But Iraq has possible and probable reserves of roughly 220 billion barrels. Iraq's actual petroleum

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[9]Since the 1991 Persian Gulf war, and in order to protect the minority populations from being persecuted by Saddam Hussein, a UN resolution forbids the Iranian military from flying over the Kurdish-inhabited northern area of Iraq or the Shiite-populated southern area. US and British warplanes enforce this resolution.

[10]This war was a dispute over the national boundary between the two countries -- the shifting Shatt-al-Arab River and navigation rights on that river. But an underlying and less publicized cause of the war was an ideological difference between the Sunni-dominated and secular Iraqi government and the Shiite Muslim state of Iran, and Iran's attempts to revolutionize Iraq's Shiite majority in the south.

[11]In November 1994, Iraq formally accepted the UN-demarcated border with Kuwait which was spelled out in UN Resolutions 687 (1991), 773 (1993), and 883 (1993). This formally ends Iraq's claims to Kuwait and to Bubiyan and Warbah Islands. (See "*Desert Folly*") At an Arab summit meeting in March 2002, as part of Saddam's efforts to improve relations with other Arab countries, Iraq pledged "non-interference" in Kuwait's internal affairs and recognition of Kuwait's borders.

[12]The Organization of Petroleum Exporting Countries (OPEC) was founded in Baghdad in 1960 to offset the practice of international oil companies lowering the crude-oil price without consulting the nations in the Mid East in which they owned concessions. The five founding members were Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela (South America). Eight more members were admitted in the early 1970s -- Algeria (North Africa), Ecuador (South America), Gabon (Central Africa), Indonesia (Southwest Asia), Libya (North Africa), Nigeria (Central Africa), Qatar, and the United Arab Emirates (UAE). OPEC oil is always purchased in US dollars. As the dollar advances on the world market, OPEC makes more money from countries having a weaker currency.

potential may be far higher than that because the country is relatively unexplored due to war and sanctions.

Iraq is America's 6th largest foreign supplier -- 800,000 barrels per day in 2001. Under the Oil For Food Program[13] approved by the United Nations, Iraq is allowed to export a prescribed amount of oil. The UN Security Council in December 1999 changed the quota to allow Iraq to export as much oil as it needs for humanitarian purposes. It is from this allotment that oil is shipped to the US. The US oil importers include Exxon-Mobil, Chevron-Texaco, Citgo, BP-Amoco-Arco, Marathon, Coastal, Valero, Koch, and Premcor. It should be noted that these countries are only buying Iraqi oil already produced. They are not actually in Iraq exploring for and producing oil.

The US Department of Energy (DOE) cites persistent reports, but does not state as a fact, that Iraq has been smuggling 200,000 to 400,000 barrels per day of crude oil and oil products that do not come under the Oil For Food Program. The bootlegged oil allegedly goes to Turkey (by truck), Jordan (by truck), Syria (through the Kirkuk-Banias pipeline and smaller amounts by rail), Iran (along the Gulf coast), and Dubai in the UAE (by small tankers). This could be providing Saddam with up to $2 billion per year in illegal revenues.

Iraq is apparently open to foreign assistance in producing oil when the embargo is lifted, but the US is not in its good graces. It is more likely that France, Russia and China -- those most friendly to Iraq on the UN Security Council -- will be first in line for an equity deal. The US DOE states that as of October 2002 Iraq had reportedly signed several multi-billion dollar agreements, estimated at totaling $38 billion, with foreign oil companies (mainly China, France, and Russia but also Italy, Spain, Turkey, and others) to explore for new oil fields. Contracts for natural gas production will also be available when sanctions are lifted.

At the time of this writing, the Bush administration is pushing hard to invade Iraq and topple the regime of Saddam Hussein. Bush claims that Iraq has weapons of mass destruction (which is probably true in regards to chemical and biological weapons considering Saddam's past usage of them, but no credible proof of a present stockpile) and is a state with connections to Al Qaeda and the 9-11 attack. Bush has not been able to show that Iraq actually has that connection and all evidence seems to indicate that it doesn't. Yossef Bodansky, director of the Congressional Task Force on Terrorism and Unconventional Warfare, devotes an entire chapter of his book on contacts between global terrorists and Saddam, but no alliance ever materialized.[14] Saddam is threatened by the Islamists[15] who seek to establish Islamic states. And the Islamists have no love for Saddam and his secular government.

The most recent audio tape (February 2003) attributed to bin Laden called on Muslims to fight the United States if the "infidels" attack "our brothers in Iraq."[16] This is because the Islamists

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[13]Under the Oil For Food Program, revenues from Iraqi oil exports do not go to the regime but are held in a UN-administered escrow account and used to buy humanitarian goods. However, 28 percent of these revenues are deducted to meet UN Compensation Fund (paying for war damages) and UN administration expenses (enforcing the sanctions). On 14 May 2002 the UN added an extensive list of prohibited dual use items (items that can be used for both military and humanitarian purposes) to the Oil For Food Program.

[14]See Bodansky, chapter 12.

[15]I use the term "Islamist" (as distinct from Islamic) as reference to a follower of the extremist, fundamentalist form of Islam. In other words, a militant Muslim terrorist.

[16]Cited in Dowd.

seek to protect another Muslim nation and not because they have any love for Saddam and his earthly state. There is no question that Saddam hates America. Iraq was the only Arab-Muslim country that did not condemn the September 11th attacks. Instead Saddam stated that America was "reaping the fruits of [its] crimes against humanity."[17] But, again, this does not indicate that Iraq sponsors global terrorism or that it had anything to do with 9-11. It is not justifiable to wage a war based on suppositions no matter how much the Bush administration talks about "preemptive" strikes.

China, France, and Russia oppose war with Iraq and favor lifting the sanctions. It would then be possible to execute the oil agreements mentioned above. In addition, Russia has a particularly keen interest in Iraqi oil development so it can collect several billion dollars owed from past weapons deliveries.

This all simmers down to two opposing ambitions which come closer to the real reason for America beating the war drums. In the first, freeing Iraq from sanctions and avoiding war would be very much in the interest of Chinese, French, and Russian business opportunities. Conversely, prolonging sanctions and overthrowing Saddam would be a prize for US oil and gas companies. The real conflict here is between America, the world's lone superpower, and other major states in the developed world, not with Saddam Hussein. The motivation for conflict is the classic one of economics and profits -- in this case, oil profits. Nothing in this scenario pertains to humanitarian goals or defending the American people.

Iran.

Iran (population 66,622,704) was known as Persia until 1935. The country is 99 percent Muslim (89% Shiite and 10% Sunni) and one percent Baha'i. Current President Mohammed Khatami was elected in August 1997 and reelected in June 2001 on a reformist ticket. But he is able to only go so far in reforming the theocratic republic because the supreme and spiritual leader, Ayatollah Ali Khamenei, has the final say in everything, and to buck his decisions can have fatal consequences.

The August 1953 coup which toppled the nationalist government of Mohammed Musaddig and installed the regime of Shah Mohammed Reza Pahlavi is traditionally remembered as a CIA operation. But it was really the British, under the leadership of Prime Minister Winston Churchill, that did the planning and contributed significant resources to the coup. The overthrow itself was a joint CIA/M-16[18] operation.

Oil is Iran's main source of income and it was controlled in the 1950s by the Anglo Iranian Oil Company (AIOC -- later renamed British Petroleum and now known as BP-Amoco-Arco). Unrest soon surfaced because AIOC took such a huge share of the profits and dominated Iranian economics. Musaddig became Iran's prime minister in April 1951 and the following month he nationalized the country's oil industry. A dispute followed and a satisfactory agreement could not be reached with AIOC. Britain started planning the coup and the CIA was brought in during November 1952. Musaddig was overthrown in August of the following year and the Shah installed. What followed was a brutal dictatorship which kept the country "stable" for the oil companies.

Repression of the Shiite majority in a secular government for a quarter century eventually came to a head with the Islamic Revolution of1979. US and British oil companies were expelled, the Shah was sent into exile, and on 1 April 1979 the Islamic Republic of Iran was proclaimed under the

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[17]Cited in *Patterns Of Global Terrorism 2001*, page 65.

[18]M-16 is the British intelligence organization -- their counterpart to the CIA.

supreme rule of an Ayatollah. Then followed the bloody (over a million killed) and indecisive (land boundary, navigation channels, and other issues were not settled) war with Iraq during 1980-1988.[19] By the mid-1990s, despite huge oil export revenues, some 53 percent of the Iranian population still lived in poverty.

Petroleum and natural gas top Iran's list of natural resources and oil accounts for 80 percent of the country's export earnings. Iran is OPEC's second largest oil producer. It holds 9 percent of the world's oil reserves and 15 percent of its natural gas reserves.. Proven oil and gas reserves are 89.7 billion barrels and 812 trillion cubic feet, respectively.

In 1996 the US Congress passed the Iran-Libya Sanctions Act which bans investment in Iran's oil and gas sector by US companies, and limits non-US companies having US affiliates to $20 million in investment annually. This forced Conoco (now Conoco-Phillips) to abandon a contract to develop Iran's offshore fields. Some violations have apparently been overlooked. Oil companies with US affiliates currently operating in Iran are BP-Amoco-Arco, Royal Dutch Shell, and TotalFinaElf. Iran hopes to double oil production by 2025 or so, and plans to double foreign investment over the next four years.

Iran is party to the Nuclear Non-Proliferation Treaty and has five small nuclear reactors. It claims they are for peaceful purposes to free up more oil and gas energy for export. The US opposes Iran's nuclear program. Work on a new power plant reactor at Bushehr began in 1974 by West Germany, but was halted at 80 percent complete because of the 1979 Iranian revolution.

In 1995 Iran signed an agreement with Russia to complete the dual 1,300 megawatt pressurized-light water units for the Bushehr complex. It is scheduled for completion by 19 March 2004. Under the agreement, Russia is to provide the nuclear fuel for the life of the reactor and the spent fuel rods are to be shipped back to Russia for processing. The US strongly opposes this powerplant, claiming that Iran has a nuclear weapons program and the reactor is only a pretext for gaining sensitive information for nuclear weapons material. But the Russian stance is that Bushehr is not a source of proliferation of nuclear material.

The US State Department claims that in August 2002 a local Iranian resistance group reported that Iran was building two underground nuclear processing facilities at Natanz and Arak. Since this revelation, the US claims to have satellite evidence that Iran is attempting to hide and harden these installations by enclosing them in thick walls and building them underground. The US further claims that the Natanz facility will be a nuclear fuel enrichment plant and that Arak will be a heavy water plant to support a reactor for producing weapons-grade plutonium -- and that neither of these facilities are needed for a civilian nuclear program.

Iran persists that these facilities are for peaceful purposes and the type of construction is for safety purposes. In September 2002 Iran announced an ambitious nuclear power program that included mining and processing uranium. Although these facilities were not publicly declared until they were discovered, Iran claims they are part of that civilian program. Nevertheless, development of that capability combined with uranium reserves recently discovered in that country, would give Iran a self-contained capability to produce nuclear weapons.

President Khatami said in February 2003 that the Natanz plant is one of the new facilities being built to process ore into nuclear powerplant fuel for peaceful purposes. The next day, Iran's nuclear energy chief for the first time announced two other plants associated with the program. One, for early processing of uranium ore, is nearing completion near Isfahan. The other is near Kashan but he gave no indication of its intended use.

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[19]Of course, after being expelled from Iran, the US sided with Iraq.

The UN's International Atomic Energy Agency (IAEA) said it knew of Iran's plans to mine and process uranium ore for several years. In February 2003, after being stalled and delayed for several months, a team from the IAEA paid a "technical visit" to the Natanz site. The team was also scheduled to visit the Arak site.

The Bush administration expressed concern over Iran's nuclear processing plans. It said that the Iranian opposition group claimed that the IAEA inspection had been delayed so equipment could be moved from the Natanz site in an attempt to deceive the UN inspectors, and that a centrifuge facility was being constructed near the town of Ab-Ali. The US remains adamant that Iran has a nuclear weapons program.

Unrest is escalating in Iran's rapidly growing young population, living amid intense poverty with limited job possibilities and high levels of unemployment. In 1999, the militia had to be used to quell a university uprising in which one student was killed. Street riots took place in November 2001 and a large demonstration by teachers demanding higher wages in January 2002. During the summer of 2002, reformist Hadhem Aghajari, a history professor of Amir Kabir University in Tehran (the capital of Iran), gave a speech in which he said people are not monkeys and called for an end to blind obedience to Iran's religious leaders. He was arrested and in early November given a death sentence for apostasy -- for insulting Islam. Some 1,200 of his students defied threats of a crackdown with public protests which they used as a platform to call for a less-repressive secular government for their country.

On November 13th his attorney carried Aghajari's message to the student rally, announcing that he would not appeal the sentence, he said: "If the head of the judiciary think this verdict is fair, he should apply it. Otherwise they should do the necessary" and cancel the sentence.[20] President Khatami, himself twice elected on a reformist ticket by a populace wanting more social and political freedom, called the verdict "improper." He added: "Given that this ruling should never have been issued at all, I hope this matter will be settled in a favorable manner.[21]

After two weeks of some of Iran's most intensive demonstrations, and after supreme leader Ayatollah Ali Khamenei called for a review of the case, President Khatami ordered an end to the protests. Nevertheless, after five years of seemingly fruitless attempts to loosen political and social restrictions, the student demonstrations did help Khamenei's efforts. Prior to the student uprising he had threatened to resign if the clerics appointed by the Ayatollah continued to thwart his efforts to improve democracy and human rights.

Nevertheless, on 11 February 2003 Khatami warned the US not to use Iran's domestic troubles as a means to oust the Islamic leaders. Many Iranians believe that after Saddam Hussein is toppled, Iran will be next. I light of Iran's oil reserves which the US energy companies once controlled, and would undoubtedly like to control again, those fears are probably well-grounded. The justification for invading Iran, undoubtedly, will be Iran's history as an avid sponsor of international terrorism.

A simplification of Islamic terrorism could be that Bin Laden is the centerpiece for Sunni Islamists while Shiite militant fundamentalism revolves around the Ayatollah of Iran. In theological

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[20]Cited in Nelson, 14 November 2002.

[21]Cited in Nelson, 14 November 2002.

practice, the Shiite and Sunni brands of Islam don't mix.[22] But for terrorist purposes they have a common goal -- to drive the western countries, particularly the United States, and the Jews from Muslim lands. They first joined forces in 1993.

The HizbAllah (Party of God) is the name of a Shiite terrorist organization sponsored and controlled by Iran. They started off as regional terrorist groups such as the Lebanese HizbAllah and the Persian Gulf HizbAllah. It was these groups that formed a coalition with the Sunni Islamists (then based in Sudan) to plan the deadly ambush on 5 June 1993 that caused the US to withdraw from Somalia. Osama bin Laden was not yet the main figure amongst Sunni Islamists but he was in the inner planning circle and an active participant.

This alliance of convenience continued until early 1996 when Iran started planning the next phase of the Islamic jihad. This emerged as the HizbAllah International which united all the Iran-sponsored terrorist organizations with bin Laden's Sunni Islamists. HizbAllah International has been described as "the most profound change in Iranian intelligence since Khomeini's Islamic Revolution" and a "new direction in state-sponsored international terrorism."[23]

HizbAllah International was established during the June 1996 terrorist summit held in Tehran (capital of Iran) which was attended by senior leaders of all the Islamist terrorist organizations in the Middle East, Central Asia, Eastern Africa, and the Balkans. They agreed on a common financial system and on the unification and standardization of training so that terrorist organizations from more than 30 countries could become interoperable.

Mahdi Chamran, Chief of External Intelligence and a senior official in the Iranian General Command Headquarters, was chosen to lead HizbAllah International. Under him was a Committee of Three responsible for coordination, planning, and attacks. Since the leader was a Shiite, two of the Committee of Three were Sunni. One of these was Osama bin Laden. Although the Sunni had a majority in this committee, Shiite Iran retained overall command. This brief description should give some idea of Iran's role as a state sponsor of international terrorism.[24]

All of this terrorist activity is not being lost on the US foreign policy planners. They have not only placed Iran on the list of seven states that sponsor global terrorism, but President Bush has also dubbed that country as one of the tripartite "axis of evil." But what is not being publicly emphasized is Iran's wealth in oil and gas. That, along with the fact that Iran is a blockade to the most efficient and least costly means of exporting oil and gas from the Caspian Basin and Central Asia.

At the time of this writing there is much publicity in the US media about Iran's nuclear program. It is becoming more obvious that the Bush administration also has plans for a regime change in that country. And, although the allegations of Iran having a nuclear weapons program are built on conjecture, that conjecture does have some credible reasoning behind it. But the question boils down to if we want to go to war over conjecture or seek a less dangerous and more reasonable solution to prevent further nuclear proliferation, if that is in fact the motivation behind a war in the first place.

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[22]The schism in Islam occurred right after the Prophet Mohammed's death. A dispute over who should succeed him resulted in two factions -- the Sunni and the Shiite.

[23]See Bodansky, page 153.

[24]For a more complete description of HizbAllah International see Bodansky, Chapter 6.

OTHER KEY PLAYERS IN THE MIDDLE EAST

In this section I will discuss seven other countries in the Middle East -- Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates (UAE), Oman, and Yemen.

Saudi Arabia.

Abd al-Aziz Ibn Saud captured Riyadh in 1902 and spent the next 30 years unifying the Arabian peninsula. Since that time the country has been known as Saudi Arabia, and has been ruled by the family of Saud. Today Saudi Arabia (population 23.51 million) is 90 percent Arab and 10 percent Afro-Asian. It is 100 percent Muslim -- 90 percent Sunni of the fundamentalist Wahabbi sect and small groups of Shiite in the east. This country is the birthplace and heartland of Islam, and was the home of the Prophet Muhammad.

The government is a monarchy (which is hereditary) under King and Prime Minister Fahd bin Abd al Aziz Al Saud (the King's half brother) since 13 June 1982. Crown Prince and First Deputy Prime Minister Abdallah bin Abd al-Aziz Al Saud is the heir to the throne. Because of King Fahd's illness, Prince Abdullah has been running the country.

Discovery of oil in 1936 changed the trade balance drastically and petroleum now dominates the economy. Saudi Arabia is the world's largest oil producer and exporter, and holds about 26 percent of the world's proven oil reserves -- 264.2 billion barrels with another 1 trillion barrels possible. It also has 219.5 trillion cubic feet of proven natural gas reserves, which makes it fourth in the world. Oil now accounts for 90-95 percent of export earnings. Roughly 4 million foreign workers play an important role in the Saudi economy (e.g. the oil and service sectors).

Four US companies originally ran the Arab Arabian Oil Company (Aramco)[25] until the oil industry was nationalized. The state-owned Saudi Aramco now dominates oil and gas development. US oil energy companies, and companies with US affiliates, now operating in Saudi Arabia are BP-Amoco-Arco, Conoco Phillips, Exxon-Mobil, Occidental, Royal Dutch Shell, Chevron-Texaco, TotalFinaElf, and Marathon.

It was discovered after the September 11th terrorist attack on the US that 15 of the 19 hijackers were Saudi citizens. Osama bin Laden was also a Saudi citizen although there are unconfirmed allegations that his citizenship was revoked. Nevertheless, the Saudi government assured the US of its support in fighting terrorism, and responded positively with concrete action in the war against terrorism. But Saudi Arabia has played a dual position and has a history of trying to appease both sides -- Pan Arab unity and Muslim solidarity on one side versus western oil companies and the wealth they bring on the other.

Foreign investment by US companies commenced in 1932 and increased considerably after World War II. During the Soviet occupation of Afghanistan (1979-1989), Saudi Arabia contributed over US$4 billion officially plus donations through charities, mosque collections, and contributions by its wealthy princes. But when Iraq invaded Kuwait, and Saddam became a threat to all the oil on the Arabian Peninsula, the House of Saud alienated itself from many Arabs and Muslims by allowing US military bases on the holy land where Islam was born. That alienation spread when the US military was allowed to stay after the Persian Gulf war was over. Osama bin Laden was one of the most severe critics of the Saud regime, warning that it would have to choose between short-term security and long-term Islamic legitimacy. His actions caused his exile to Sudan in 1991. From there he orchestrated

[25] The four original US companies that formed Aramco were Exxon, Mobil, Chevron, and Texaco. They have now combined to two huge conglomerates -- Exxon-Mobil and Chevron-Texaco.

the Saudi Islamic underground movement in the bombing of the Military Cooperation Program building in Riyadh (13 November 1995) and the al-Khobar military establishment near Dahahran (25 June 1996).

In the summer of 1996, bin Laden moved his headquarters to the Taliban's Afghanistan where he set up a system of training camps in the various areas of terrorism from bomb making to assassination strategy, and advanced his image as a charismatic leader of Islamist fundamentalists. Saudi Arabia and Pakistan were the chief financial supporters of the Taliban and bin Laden. Even when the Saudi government knew bin Laden was receiving their support, that support continued.

The duality of Saudi diplomacy surfaced publicly in the US when Time magazine revealed a secret 10 July 2002 meeting of the Pentagon's Defense Policy Board.[26] The guest speaker, Rand analyst Laurent Murawiec, denounced the Saudis as being "active at every level of the terror chain, from planners to financiers, from cadre to foot soldier, from ideologist to cheerleader."[27] These claims were dismissed as nonsense by the Board members, but they created a shockwave when the report was leaked to the media.

The House of Saud began to feel the squeeze when Iraq invaded Kuwait in 1990. While the concept of pan-Arab unity and Muslim solidarity dictated that the invasion and the reasons for the invasion be remedied in their own ethnic sphere, the threat that Saddam Hussein posed to Saudi oil fields -- and by association, Saudi wealth -- caused the Saud regime to side with western powers and allow military bases on their soil. That, and the US military presence that continued after the Persian Gulf war, stoked the fires of hatred in Osama bin Laden. He stepped up the recruiting, training, and organizing of Sunni Muslim terrorists. He and his Sunni Islamists joined forces with the Shiite Islamists sponsored by Iran. That union led to the birth of HizbAllah International in 1996, of which he was a key leader in planning strategy and carrying out attacks. In early 1998 he formed an umbrella organization for all Sunni terrorists -- The World Front for Jihad Against Jews and Crusaders.

One of the first acts of HizbAllah International was the bombing of US embassies in Kenya and Tanzania on 7 August 1998. President Clinton retaliated on the 20th of that same month by launching 75-80 Tomahawk cruise missiles against terrorist training camps in Afghanistan and a suspected chemical warfare factory in Sudan. This attack enkindled grass roots Muslim indignation against the west but what really exacerbated the hatred was Clinton's four day attack on Iraq on 16 December 1998 with 330 Tomahawks and other bombs, claimed to be in retaliation for Saddam expelling the UN inspection team earlier that month.[28] Terrorist recruitment skyrocketed and Islamic resolve quickened. This all came to a head with the 9-11 attack on America.

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[26]The Defense Policy Board is the defense secretary's private advisory panel currently chaired by Richard Perle -- a Reagan-era Pentagon hardliner dubbed the "Prince of Darkness." Its 31 unpaid members include former Secretary of State Henry Kissinger, former Vice President Dan Quayle, former House Speakers Newt Gingrich and Thomas Foley, former CIA chief James Woolsey, former Defense Secretaries James Schlesinger and Harold Brown, retired Admirals David Jeremiah and William Owens, former Pentagon aide Kenneth Adelman, and military expert Eliot Cohen.

[27]Cited in Thompson, 26 August 2002; and in Ricks, 6 August 2002.

[28]It also turns out that this attack occurred on the same day the US House of Representatives was discussing impeachment of Clinton in regard to his affair with Monica Lowinsky, and was about to vote on the issue. But since legislators are reluctant to weaken a president in time of war, Clinton came out the winner in that debate. This "coincidence" was not lost on the Muslim world. One Arab editor wrote: "Clinton's survival in the White House for two more years is more important than the lives of hundreds of thousands of Iraqis and their children who will be killed by cruise missiles and bombs dropped by US aircraft in all directions." (Cited in Bodansky.)

During all these events, Saudi Arabia was caught in the middle -- trying to appease Islamists to divert their anger away from the House of Saud while at the same time harboring US military bases and reaping the profits from foreign investment in oil. *The Sunday Times* of Britain reports that senior members of the royal family paid bin Laden hundreds of thousands of dollars "protection money" not to attack Saudi targets, and that this money was used to finance terrorist training camps.[29]

Since September 2001, numerous Saudi officials and Saudi banks have been tied to money trails leading to Al Qaida.. These reports became so persistent by the end of November 2002 that Congress was calling for a full investigation of Saudi ties to the 9-11 hijackers and Al Qaida,[30] and the National Security council proposed an action plan for the Bush administration to force Saudi Arabia to crack down on terrorist financiers or face harsh unilateral action by the US.[31]

Now the US is on the brink of attacking Iraq. The House of Saud is divided in their loyalty and Saudi Arabia just can't make up its mind where to stand. While showing some support for the war on terror and joining Egypt in calling for Saddam to disarm, American war planes are still forbidden to fly war missions against Iraq from Saudi bases. That conflicting position will be discussed later in this paper.

US military bases in Saudi Arabia are the Prince Sultan Air Base and the Eskan Village Air Base. The Prince Sultan Air Base near Riyadh houses the Air Force operations control center for air operations in patrolling the Iraqi no-fly zones.

Kuwait.

Kuwait (population 2.1 million, over half of which are non-nationals) is a small country -- smaller than New Jersey -- which Britain carved off and kept when it granted freedom to the rest of Mesopotamia. Than on 19 June 1961 Britain granted Kuwait independence with a treaty of friendship pledging Britain's support. Six days later Iraq claimed oil-rich Kuwait as its 19th province and demanded its reintegration. But in November 1994 Iraq formally accepted the border with Kuwait that was demarcated by the UN Security Council following the Persian gulf War.

Only 45 percent of the population are Kuwaiti nationals. Of the remainder, 35 percent are other Arabs and 20 percent other. Most of them are brought into the country to work in the oil fields. The religious mix is 85 percent Muslim, of which 70 percent are Sunni and 30 percent Shiite. The remaining 15 percent are Christians, Hindu, Parsi, and other.

Kuwait's chief of state has been Emir (King) Jabir al-Ahmad al-Jabir Al Sabah since December 1977. The prime minister has been Crown Prince Saad al-Abdallah al-Salim Al Sabah since February 1978. Opposition political parties are illegal and there are no elections because the monarchy is inherited. Prime ministers and deputy prime ministers are appointed by the monarch.

This tiny country of Kuwait has 96.5 billion barrels of proven oil reserves (9 percent of the world's total) and 52.7 trillion cubic feet of natural gas reserves. Its economy depends heavily on oil. Influx of wealth from oil started after World War II. Out of all proportion to its size and population, and thanks to its enormous petroleum and financial resources, Kuwait wields a hefty influence on the global oil economy. One observer notes: "Having the prospect of immense future revenues, [Kuwait] was looked upon in many circles, in the Arab world and outside it, as an anomaly in her existing form.

[29]See Fielding.

[30]See Reuters, 24 November 2002.

[31]See Farah,

She ought, these critics argued, to be included in a wider federation or confederation, or, as the aggressive circles in Iraq held, to be absorbed by Iraq, where, they argued, her revenues could be used to greater advantage."[32]

US energy companies, or foreign companies with US affiliates, operating in Kuwait are BP-Amoco-Arco, Chevron-Texaco, and Royal Dutch Shell. All the participating oil companies come under the aegis of the government-owned Kuwait Petroleum Corporation.

Kuwait has responded positively to the war on terror. It has ratified or signed all 12 of the UN counterterrorism conventions, has ordered its financial institutions to freeze all terrorist-designated accounts, and has shut down all unlicenced charities. Kuwait has also joined the call initiated by the United Arab Emirates (UAE) for Saddam to resign and go into exile in order to avoid war.

Kuwait is important to an invasion of Iraq. It will provide the southern front (the northern front had been planned from Turkey but Turkey would not allow it). US military bases in Kuwait are Camp Doha, Camp Arifjan, Ali al-Salem Air Base, and Ahmad al-Jaber Air Base.

Bahrain.

The tiny island nation of Bahrain (only 240 square miles with a population of 656 thousand) received its independence from Britain on 15 August 1971. Bahraini citizens comprise 65 percent of the population. The remainder are Asian, other Arab, and Iranian. The religion is 70 percent Shiite Muslim and 30 percent Sunni.

Bahrain is ruled by King Hamad bin Isa Al Khalifa (since March 1999). The heir apparent is Crown Prince Salman bin Hamad, son of the king. The prime minister and cabinet are appointed by the monarch. There are no political parties or elections as the monarchy is inherited.

Bahrain's energy reserves are only 125 million barrels of oil and 3.2 trillion cubic feet of natural gas. Because of these scant reserves, Bahrain has turned to processing petroleum products, mostly from imported oil. Petroleum and petroleum products account for 60 percent of the country's export earnings, but it is also a banking and financial center for the region and is home for many international firms with business in the Gulf area. The only US petroleum company involved in Bahrain is Chevron-Texaco.

Unemployment, especially among the young, and depletion of oil reserves are long term economic problems. There are occasional unrest by Shiite activists demanding a return of an elected National Assembly and an end to unemployment. Since taking power in 1999, King Hamad has been pursuing gradual democratic reform. In February 2002 he approved the election of a new Bahrainian parliament the following October. This new bicameral legislature became the first since the National Assembly was dissolved in 1975.

US military installations in Bahrain are the Sheik Isa Air Base and the headquarters for the Navy's 5th Fleet at Manama. In mid-February 2003 Bahrain authorities arrested five radical Muslims for plotting terrorist attacks, possibly against the 5th fleet headquarters. One of those arrested was a member of the Bahrain Defense Forces. The group is being investigated for possible connections to a larger terrorist network.

The country's democratic reform hasn't all worked in favor of the government. It has opened the door for expressions of disapproval. On 28 February 2003, a group estimated at 3,000 marched from a local mosque, through the streets of the Manama (Bahrain's capital city), to the UN offices in open opposition to their government's pro-US stance and against a war with Iraq. This was a significant show of opposition in a country with such a small population. Bahrain has also joined in the UAE's call for Saddam to avoid war by going into exile.

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[32] Penrose, p. 275.

Qatar.

Qatar (population 793,341) is a peninsular country strategically located in the oil-rich areas along the Persian Gulf. It is contiguous with Saudi Arabia and just south of Bahrain. The country has been ruled by the Al Thani family since the mid-1800s and received its independence from Britain on 3 September 1971. The ethnic makeup is 40 percent Arab, 18 percent Pakistani, 18 percent Indian, 10 percent Iranian, and 14 percent other. Islam is the predominant religion to which 95 percent of the people belong.

Emir Hamad bin Khalifa Al Thani has been on the throne since he overthrew his father in a bloodless coup on 27 June 1995.[33] King Hamid is also holds the titles of minister of defense and commander-in-chief of the armed forces. Qatar has a constitutional government but the monarchy is hereditary -- there are no political parties and no elections. According to the constitution, part of the advisory legislature is to be elected, but that never was allowed. Perhaps that is why, among other limited social reforms, King Hamad gave women the right to vote.

Petroleum is the major resource for Bahrain and accounts for 80 percent of its export revenues. Proven oil reserves are 15.2 billion barrels and natural gas reserves are 509 trillion cubic feet. These enormous petroleum deposits for such a small population gives Qatar an economy on the par with leading west European industrial countries. US energy companies, and foreign energy companies with US affiliates, operating in Qatar are BP-Amoco-Arco, Chevron-Texaco, Enron, Exxon-Mobil, Gulfstream (formerly Canadian but now owned by Andarko), Occidental Petroleum, Conoco-Phillips, and TotalFinaElf.

Qatar and the US have signed bilateral defense cooperation agreements in 1992 and 1996. They provide bases for the US and assure security for Qatar in case of attack. The three main US military bases in that country are Camp As Sayliyah, Al Udeid Air Base, and base for pre-positioned army equipment at the Doha airport dubbed Camp Snoopy.

United Arab Emirates (UAE).

The UAE (population 2.45 million -- over half of which are non-nationals) is composed of six of the former Trucial States of the Persian Gulf, which merged and became independent from Britain on 2 December 1971.[34] Ra's al Khaymah joined the UAE in 1972. The ethnic mix is 42 percent Arab and Iranian, 50 percent South Asian, and 8 percent other. Muslims make up 96 percent of the population (90 percent Sunni and 16 percent Shiite). Christian, Hindu, and other complete the other 4 percent. The country has a high per capita income with its wealth heavily dependent on oil and gas output. Abu Dhabi and Dubai, the two largest emirates, provide over 80 percent of the UAE's income.

The government is a federation with specific powers for the federal government and others reserved for the member emirates. President Zayid bin Sultan Al Nuhayyan, the former ruler of Abu

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[33]King Hamad's father, King Khalifa, had ruled since independence but during the late 1980s and early 1990s he had been crippling the country's economy by siphoning off petroleum revenues. For this reason his son, Crown Prince Hamad, ousted his father and took over the throne.

[34]The seven Trucial States -- Abu Zaby (Abu Dhabi), Ajman, Al Fujayrah, Ash Shariqah (Sharjah), Dubayy (Dubai), Umm al Qaywayn, and Oman -- signed a 19th century treaty granting Britain control of their defense and foreign affairs. All of these states (emirates) except Oman merged to become the independent United Arab Emirates in 1971.

Dhabi, has been president since independence. The Vice President and Prime Minister is Maktum bin Rashid al-Maktum, a former ruler of Dubai.

Petroleum and natural gas are the UAE's only natural resources. Its proven oil reserves of 97.8 billion barrels is almost 10 percent of the world's total. Abu Dhabi holds 94 percent (92.2 billion barrels) followed by Dubai (4 billion barrels), Sharjah (1.5 billion barrels), and Ra's al Khaymah (100 million barrels).

Abu Dhabi plans a limited opening for foreign oil production. US companies, and foreign companies with US affiliates, who have submitted bids are BP-Amoco-Arco, TotalFinaElf, Chevron-Texaco, and Exxon-Mobil. Meanwhile, Conoco-Phillips is producing oil in Dubai.

UAE's natural gas reserves of 212 trillion cubic feet is the world's fifth largest. The largest reserve of 196.1 trillion cubic feet lies in Abu Dhabi. Sharjah, Dubai, and Ra's al Khaymah contain smaller reserves of 10.7, 4.1, and 1.1 trillion cubic feet respectively. TotalFinaElf and Occidental Petroleum have natural gas contracts with the UAE.

The UAE was one of three countries to recognize the Taliban regime in Afghanistan (Pakistan and Saudi Arabia were the other two), but diplomatic relations were cut off 11 days after the 9-11 attack on the US. With a war against Iraq looming, the UAE on 1 March 2003 proposed to an Arab summit that Saddam Hussain step down to avoid war. Kuwait and Bahrain immediately backed that call -- the first from a Arab nation for Saddam to go into exile.

US military bases in the UAE are Al-Dhafra Air Base, Jebel Ali Naval Base, and US Air Force use of the Fujairah International Airport.

Oman.

Oman (population 2.71 million), the easternmost part of the Arabian Peninsula, borders both the Gulf of Oman and the Arabian Sea. It became independent in 1650 when it expelled the Portuguese. The country is predominantly Muslim (75 percent Ibadhi with some Sunni and Shiite) but there are some Hindus.

In 1970, Qaboos bin Said Al Said ousted his father and became sultan and prime minister. During his rule, Oman has undergone an extensive modernization program and has been opened to the outside world. The government is a monarchy. There are no elections and no political parties -- the monarchy is inherited. Officials are appointed by the sultan. The government is based on English common law and Islamic law.

Petroleum is Oman's main natural resource and accounts for 80 percent of export earnings. Crude oil production & refining and natural gas production are the top industries. The country has 5.5 billion barrels of proven oil reserves and 29.3 trillion cubic feet of natural gas reserves. US companies, and foreign companies with US affiliates, involved in Oman are BP-Amoco-Arco, Conoco-Phillips, Occidental Petroleum, Shell, and TotalFinaElf. Hunt Oil Corporation also has exploration rights.

Oman responded quickly to America's call for a war on terrorism. It has signed nine of the 12 UN counterterrorism resolutions. The country has not experienced a persistent terrorist threat since the 1970s. A highly effective counterterrorism teams called the Cobras was formed in 1975. It has immediately extinguished any terrorist organizing activity in the country.

US military bases in Oman are the Masirah Air Base, the Thumrait Naval Air Base for anti-submarine patrol planes, and US Air Force use of Seeb International Airport.

Yemen.

Yemen (population 18.7 million) is the southernmost tip of the Arabian Peninsula. It was originally two countries. North Yemen became independent of the Ottoman Empire in 1918. Britain withdrew from South Yemen in 1967. There followed over two decades of hostility between the two countries, but they became formally unified as the Republic of Yemen on 22 May 1990. A secessionist movement in the south was quickly put down in 1994. Yemen is predominantly Arab and the religious mix is mostly Muslim (both Sunni and Shiite) with a few Jewish, Christian, and Hindu.

Field Marshall Ali Abdallah Salih, formerly president of North Yemen, has been president of Yemen since unification. He is elected by popular vote for a seven-year term. He in turn appoints the vice president, prime minister, deputy prime minister, and cabinet ministers. The legal system is a mixture of Islamic law, Turkish law, English common law, and local tribal customary law.

Yemen is a very poor country. Unemployment is 30 percent by the 1995 estimate. Petroleum and natural gas are the leading natural resource and crude oil is the largest export commodity. Crude oil production and petroleum refining are the main industries. Proven oil reserves are 4 billion barrels and natural gas reserves amount to 16.9 trillion cubic feet. US corporations, and foreign corporations with US subsidiaries, operating in the Yemen oil and gas industry are Hunt Oil Corporation, Kerr-McGee (Oklahoma City, OK), TotalFinaElf, Occidental Petroleum, and Exxon-Mobil.

Yemen is Osama bin Laden's ancestral home and has been the conduit for personnel and equipment to support his operations in East Africa. Many Al Qaida members have been recruited from around the Yemen-Saudi Arabia border. Although Yemen immediately condemned the terrorist attacks on September 11th, and the government has, at least ostensibly, tried to cooperate in the war on terror, two terrorist organizations -- HAMAS and the Palestinian Islamic Jihad -- still legally maintain offices in Yemen. There are also several active and illegal international terrorist organizations operating undercover in Yemen, including the indigenous Islamic Army of Aden.

On 12 October 2000, almost a year before the 9-11 attack -- a barge load of explosives rammed the *USS Cole* in Yemen's port of Aden. The resulting explosion blew a huge hole in the side of the guided missile destroyer and killed 17 American sailors. This resulted in stepped-up efforts to control terrorism in Yemen. The following April, 150 US troops were dispatched to Yemen to help train that country's military to fight terrorism. US Navy and Coast Guard advisers had already been helping to train the forces guarding the coastline.

After the attack on the *USS Cole*, the US started CIA operations in Yemen to search out Al Qaida operators. It told the Yemeni government that the United States had the option, itself, of going after the Al Qaida figures suspected of planning the attack on the that killed 17 US sailors on the *USS Cole*. If the Yemeni government chose not to join in, the US government indicated that it was prepared to take matters into its own hands.[35] This threat was borne out when a CIA-operated Predator remotely-piloted spy plane launched a Hellfire missile at an automobile in Yemen. Six Al Qaida terrorists were reported killed including a senior leader. Yemeni officials were angry because both the intelligence gathering and the publicity afterwards disturbed their internal security operations. One Yemeni official said: "This is why it is so difficult to make deals with the United States.... They don't consider the internal circumstances.... In security matters you don't want to alert the enemy.... They [the US] are just here to get their enemies and get out.[36]

Another suspect in the *USS Cole* bombing and said to be chief of operations for Al Qaida in the Persian Gulf region was arrested in the UAE. He was taking flying lessons near the vital shipping

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[35]As phrased in Smucker.

[36]Cited in Smucker.

lanes through the Strait of Hormuz. This type of terrorist activity could be related to the next incident near Yemen.

On Sunday morning, 6 October 2002, the oil tanker *Limberg* was rocked by an explosion attributed to terrorists and ignited. The French-registered vessel, owned by a Belgium firm, was leased by the Malaysian oil company Petronas. It had just picked up 397,000 barrels of crude oil in Iran and was heading for Yemen to load on another 1.5 million barrels. Two months later, on December 12th, Combined Task Force 150 began operations patrolling the shipping lanes of the Red Sea, gulf of Aden, and the Indian Ocean. It is a naval flotilla made up of French, Spanish, German, British, and US warships with the mission to detect, disrupt, and defeat international terrorists.

The most recent terrorist activity in Yemen reported at the time of this writing took place at a Baptist charity hospital. A gunman broke in and gunned down three missionary doctors and wounded a pharmacist. Yemeni security detained 30 suspects in the killing and reported there were other plans to kill foreigners, journalists, and political figures. The government of Yemen may be cooperating with the war on terrorism but Yemen is still infested with Islamic militants who are difficult to control.

That concludes the overview of the various countries in the Middle East who are most affected by US foreign policy.

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GLOSSARY

AIOC	Anglo Iranian Oil Company. Later renamed British Petroleum and then BP-Amoco-Arco.
Amoco	Probably originally meant American Oil Company.
Aramco	Arabian American Oil Company.
Arco	Atlantic Richfield Company (now BP-Amoco-Arco).
BP	British Petroleum (now BP-Amoco-Arco).
CENTCOM	The US Central Command.
Chevron	Formerly Standard Oil of California (now Chevron-Texaco)
CIA	Central intelligence Agency.
Conoco	Continental Oil and Transportation Company (now Conoco-Phillips).
Exxon	Formerly Standard Oil of New Jersey (now Exxon-Mobil).
IAEA	International Atomic Energy Agency.
Islamist	A follower of the extremist, fundamentalist form of Islam -- a militant Muslim terrorist.
Jihad	Islamic term for “Holy War.”
M-16	British intelligence -- their counterpart to the CIA.
Mobil	Formerly Standard Oil of New York (now Exxon-Mobil).
OPEC	Organization of Petroleum Exporting Countries.
Socony-Vacuum Oil Company	Later owned by Mobil which was formerly Standard Oil of New York (now Exxon-Mobil).
Texaco	Texas Oil Company (now Chevron-Texaco).
UAE	United Arab Emirates.
UN	United Nations.
Unocal	Union Oil of California.
US	United States.
USN	United States Navy.

APPENDIX-A

THE GROWING US OIL MONOPOLY

In 1911, John D. Rockefeller's Standard Oil monopoly was broken up by the first anti-trust lawsuit in the US. Now, it looks like the major portions of that former monopoly are re-uniting. America's two largest oil companies -- Exxon (formerly Standard Oil of New Jersey) and Mobil (formerly Standard Oil of New York) -- merged in 1999 to become Exxon Mobil. (Mobil had much earlier purchased Socony-Vacuum Oil Company.) Re-joining these two largest factions of the former Rockefeller oil empire unraveled most of the anti-trust progress in the petroleum industry. The new Exxon-Mobil conglomerate not only became the largest oil and gas company in the world, it became the largest corporation in the world. According to Charles DiBona, former head of the American Petroleum Institute, "the Exxon-Mobil deal would give the combined company more muscle to negotiate with foreign governments for drilling rights or to build offshore platforms costing $1 billion."[37] Saudi Arabia has "recently sought proposals from Western oil companies on opening its oil and gas sector, an arena where analysts say Exxon and Mobil will be best placed among the big oil companies to compete."[38]

Exxon-Mobile is not the only oil merger to be aware of. Texaco acquired Getty Oil Company in 1984. Then in 2001 Chevron (formerly Standard Oil Company of California) merged with Texaco to become Chevron-Texaco. Chevron and Texaco were also partners in Aramco consortium of Saudi Arabia, as were Exxon and Mobil. Now those four partners have been reduced to two -- Exxon-Mobil and Chevron-Texaco.

There is more:

- Conoco and Phillips Petroleum merged in 2002. The resulting Conoco-Phillips is now the third largest oil firm in the US.
- Shell (a division of Royal Dutch Shell) acquired Pennzoil-Quaker State in 2002. (Pennzoil and Quaker State had previously merged.)
- In December 1998 the Federal Trade Commission also approved plans for BP (formerly the Anglo Iranian Oil Company) to acquire Amoco. BP-Amoco then merged with Atlantic Richfield Co. (Arco) in 2000 to become BP-Amoco-Arco.

When there are fewer and larger companies, competition suffers and prices rise for the consumer. The smaller independent companies are kept in line through wholesale pricing or squeezed out of business. Large conglomerates are in a better position to bid on exploration and production contracts, have the latest technology and expertise. And are the lowest risk for the large investment loans necessary to develop oil fields and keep them pumping.

Last but not least, the large energy firms have become so powerful that they have infiltrated our government and control its foreign policy.

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[37]*Mercury News*, 2 December 1998, p. 17A.

[38]*Mercury News*, 2 December 1998, p. 2C.