

America's Oil Problem

In times of war, military issues necessarily dominate America's national security consciousness. As a country, we worry about the readiness of our troops, the strength of our equipment, and often when, rather than whether the next attack will come. These are understandable and necessary concerns. Yet, the exigency of military affairs can eclipse other important facets of U.S. national security.

Just as surely as failed states and radicalism can pose a threat to the United States, so too can domestic concerns have an impact on security, as U.S. energy policy has done since the 1973 Arab Oil Embargo. Although the U.S. recognized the connection between these issues by the end of WWII, the embargo solidified and intensified the linkage. Thirty-five years later, this relationship still shapes U.S. foreign policy, and oil producing nations continue to hold the power to influence the economic well-being, and thus the security of the U.S. and the international community.

By the time of the embargo, Americans had well-established security interests in the Middle East. The U.S. built an airfield in Saudi Arabia as early as 1946, supported the establishment of the state of Israel in 1948, and played the key role in resolving the 1956 Suez Crisis. It also had growing economic interests in the region. By 1973, of the 6.2 million barrels of imported oil the U.S. consumed per day, about 1.1 million came from Arab states.¹ Although compared to Europe and Japan this was a relatively small percentage, the U.S.'s expanding appetite for oil ensured the importance of all current and future sources.

In 1945, President Franklin D. Roosevelt took the first steps toward acknowledging the connection between U.S. security and economic interests in the Middle East. He met with Saudi Arabia's King Abdul Aziz ibn Saud and committed to protect the monarch's country in order to ensure that the U.S. would receive the Saudi oil supply. Twelve years later, President Dwight D. Eisenhower, in what became known as the Eisenhower Doctrine, deepened U.S. commitments to the Middle East by asking Congress for the authority to use military force against any Communist incursion into the region. The Eisenhower Doctrine was predicated on the idea that hostile forces in the Middle East could lead "to near strangulation" of the economies of the U.S. and its allies.²

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For the American public the embargo enforced unpleasant, but endurable, deprivations. President Nixon attempted to enforce energy conservation with new measures, ranging from a 55 mph national speed limit to a prohibition on outdoor

Christmas lights.³

Perhaps nothing was more emblematic of the embargo's effect, though, than raised prices at the gas station. By December 1973, the price of Arabian light oil, the recognized base standard, was 266% greater than it had been one year earlier. This increase was passed along to consumers at the pump. Gasoline prices for the first part of 1974 were projected to be 18 percent higher than those recorded one year

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The price increases of 1973-1974 were to some degree independent of the embargo. Arab oil powers cut production and stopped exports to selected countries with the aim of leveraging their power to change U.S. policy toward Israel. The price increases, in contrast, drew broad support from OPEC, even from countries like Iran, which continued to supply the United States with oil. However, the price hikes occurred simultaneously with the start of the embargo, and the limited supply left the U.S. no choice but to pay what suppliers asked.

Although the negative repercussions of the embargo were limited, the conser-

vation measures and increased gas prices it prompted amounted to a new experience for ordinary Americans. Prompted by the embargo, Nixon and his successors asked citizens to sacrifice for the good of the country as a whole, something that had occurred in times of war, but was previously unknown in a peacetime economic crisis.

While the embargo did affect the lives of individual Americans, it had a more lasting impact on national energy policy. In their successful coordination of the embargo, Arab producers demonstrated the susceptibility of the U.S. economy to the decisions of foreign leaders. Although this crisis was by no means debilitating, the U.S. reliance on foreign oil continued to grow, and what was once done could be repeated when the need for Arab oil was more pronounced. By alerting U.S. leaders to the country's dangerous growing dependence, America's first energy crisis ensured that a reliable supply of black gold would henceforth be not only an economic, but also a national security imperative.

Although Richard Nixon called for energy independence, his successors pursued it with domestic policies that institutionalized the issue's new strategic importance. President Gerald Ford devoted a large section of his 1975 State of the Union speech to addressing energy dependency and called for expanded American production, including new drilling in Alaska. One of his most significant contributions was the creation of the Strategic Petroleum Reserve (SPR). This emergency stockpile of oil was a physical insurance policy against future supply disruptions, and a sign of how thoroughly the need for reliable energy had become a part of the U.S.'s conception of its own security.

When Ford announced his ambitious agenda for new energy development, he drew on a military analogy to inspire American response. He remarked that, "In another crisis—the one in 1942—President Franklin D. Roosevelt said this country would build 60,000 military aircraft. By 1943, production in that program had reached 125,000 aircraft annually. They did it then. We can do it now."⁵ The SPR was a direct consequence of this new security-oriented energy policy. By labeling the stockpile a *strategic* reserve, the Ford administration explicitly evoked national defense. Although the word can have non-military connotations, it historically refers to "materials essential to a country for fighting a war," and derives from the Greek word for "general."⁶

President Carter continued the executive branch's focus on energy policy. Like Ford, he did so partly through creating domestic infrastructure. In 1977, he enhanced the country's ability to deal with future crises by centralizing control of scattered initiatives under a cabinet-level Department of Energy. Thus, less than five years after the embargo, U.S. energy policy was overseen by an official of stature equal to the Secretaries of State and Defense—it had attained the status of a primary concern of the state. In fact, Carter called the fight to guarantee American energy independence "the moral equivalent of war."⁷

In addition to prompting the reform of domestic infrastructure to better accommodate energy's new role as a national security issue, the embargo spurred the United States to undertake international action to guarantee energy imports,

by force if necessary.

After the embargo went into effect, Henry Kissinger launched intensive shuttle diplomacy in the Middle East. Veteran diplomat Edward Sheehan noted that Kissinger's attempt to resolve the Arab-Israeli conflict was the first time a U.S. Secretary of State had formed a "coherent Arab policy for the United States." The Yom Kippur War was not the first multi-party conflict involving Israel (the Six Day War stands out as another example), yet Sheehan argues that prior to 1973 Kissinger "had seemed indifferent to the Middle East." In fact, he killed efforts by

In 1980, in what became known as the Carter Doctrine, President Carter declared that the U.S. would not hesitate to intervene militarily in the Persian Gulf to maintain the free flow of oil. This policy came on the heels of the oil shocks of the late 1970s and the Soviet Union's advance toward the Persian Gulf with its invasion of Afghanistan, and led to the establishment of a separate unified military command, CENTCOM, to deal with future military action in the region.

his predecessor, William Rogers, to pursue peace between Israelis and Arabs in 1971.⁸

The conflict in 1973 had an element the U.S. had not seen before—the ability not just to impact Israel, but the potential to impose domestic hardships as well. Certainly, the Yom Kippur War took place in the context of the Cold War between the U.S. and USSR. Therefore, the influence of geopolitical realities on Kissinger's decision to get involved cannot be discounted. However, it remains true that the first Arab-Israeli

conflict to have a marked effect on the American economy and lifestyle, was also the first in which the American government was willing to go abroad to make a concerted effort to achieve peace.

Since the Yom Kippur War, the U.S. has continued active diplomatic and military efforts in the Middle East. In 1980, in what became known as the Carter Doctrine, President Carter declared that the U.S. would not hesitate to intervene militarily in the Persian Gulf to maintain the free flow of oil. This policy came on the heels of the oil shocks of the late 1970s and the Soviet Union's advance toward the Persian Gulf with its invasion of Afghanistan, and led to the establishment of a separate unified military command, CENTCOM, to deal with future military

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A decade after Carter's commitment, the U.S. and coalition troops went to war against Saddam Hussein, driving him out of Kuwait, a country that produced two million barrels of crude oil a day.⁹ While President George H. W. Bush portrayed the invasion as an effort to free an occupied people from tyranny, his decision to free Kuwait, rather than pursue the end of other longstanding human rights crisis, suggests that the United States had a significant security interest in ensuring that Saddam Hussein did not control the majority of oil in the region. His son's invasion of Iraq in 2003 was driven in large part by the neoconservative ideology that permeated the George W. Bush administration. But, as in the case of the first Gulf War, it is unlikely that action would have been as intense and decisive had the countries involved not been located in the oil-rich Middle East.

The 1973 embargo did not result in sustained everyday energy conservation by Americans. A 1975 report by the International Energy Agency found that, compared to other countries, U.S. conservation efforts were largely voluntary and

were neither comprehensive nor strong.¹⁰ However, the legacy of the embargo permanently changed the way energy policy was viewed in the United States. From the creation of new domestic initiatives, such as Ford's SPR to developments in U.S. foreign policy, such as the Carter Doctrine, energy policy after the embargo was inseparable from the effort to guarantee the security of the United States.

America's oil problem has changed character in the 35 years since the embargo. The technology of conservation and the development of promising non-petroleum energy sources have created a realistic expectation that the U.S. can reduce its addiction to foreign oil. However, the Middle East is as volatile, or perhaps more so, than it was in 1973, and the increasing prominence of the threat from Islamic

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extremism has demonstrated that U.S. interests in the region are still not secure.

As the U.S. continues to push forward slowly with hybrid cars and alternative fuel development, oil producers will likely look to guarantee future markets for their products. While this suggests that they would be hesitant to cut off the United States or other big customers as they did in 1973, there is no guarantee that this would not still be an effective political strategy. U.S. alternative energy technology is not yet sufficient to bridge the gap that decreased foreign oil would leave, and demand for petroleum is likely to continue to grow in the developing world, providing new markets and customers. As long as this situation exists, U.S. energy policy is unlikely to shed the national security mantle it acquired in 1973, and U.S. diplomats and soldiers will continue to be called to serve their country in the Middle East.

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