

The Peace on The Horizon - 70 Years after The World War 2 in the Middle East (23)

[\(Japanese Version\)](#)

[\(Arabic Version\)](#)

Chapter 3: The grace of Allah – Oil boom

3-1(23) The dawn of oil industries in the Middle East

People in Arab oil-producing countries often say that Oil is the grace of Allah. They genuinely appreciate Allah who gave them rich oil wealth. They have the feeling of superiority against other people who have no oil. Indeed, many of the world oil countries are Islamic ones. Iraq, Saudi Arabia, Algeria, Libya and other MENA (Middle East and North Africa) are Arabic countries and they believe Islam. Iran is non-Arabic but Islamic country. In Nigeria, where is the south of the Sahara, majority is Muslims. Indonesia, an oil producing country in Southeast Asia, is a country of Islam, too. Islamic countries account for nearly half of the world's crude oil production. Judging from oil reserves, they have the larger share. It doesn't exaggerate to say that oil is the grace of Allah.

There is no relationship between oil and Islam. It is coincidence by chance. Oil had been produced under the ground a few hundred million years ago. On the other hand, Islam was born in 7th century. Therefore, it is very curious to connect oil and Islam together. Muslims, however, believe that everything in this world is the work of Allah. Allah made oil for the Muslims under their soil in ancient times.

At the end of the 19th century, gasoline and diesel engines were invented that used petroleum as fuel instead of the coal-fired steam engine. This technology revolutionized the transportation sector and was immediately employed for military vehicles as tanks and warships. As a result, the demand for oil has sharply increased. Oilfields have been searched around the world. Oil was discovered in Iran in 1908. In Middle East new oil discoveries followed one after another; Iraq in 1928, Kuwait in 1938 and Saudi Arabia in 1940. Oilfields spreading from Iran, Iraq, Kuwait, Saudi Arabia to Abu Dhabi were called "oil belts".

It was European and American oil companies that developed the oil belts. Among them, 7 companies showed a great performance. They were called "Seven Sisters" consisting five US companies, one British company and one UK-Dutch company. They were Standard Oil Company of New Jersey (Esso), Standard Oil Company of New York (Mobil), Standard Oil Company of California (Socal), Gulf Oil, Texaco, Anglo Iranian Oil Company (BP) and Royal Dutch Shell Plc (Shell) of UK/Dutch consortium. The first three companies bearing the name of "Standard" were born after the split of Standard Oil Company which were founded by John D. Rockefeller, Sr and divided by the antitrust law. Esso and Mobil subsequently were merged into ExxonMobil. Socal, Gulf Oil and Texaco also were merged and became Chevron.

Anglo Iranian Oil (current BP) was established as a state-run company. During the World War I, Sir Winston Churchill, then Navy Minister and later Prime Minister, put the priority for oil development to secure the fuel of ships. BP led oil development in the Middle East. BP acquired concession in Iran and then advanced to Kirkuk oil fields in Iraq and Burgan oil fields in Kuwait.



The latecomer US companies approached Saudi Arabia to acquire concession. They discovered the world's largest Ghawar oilfield in the eastern part of the Arabian Peninsula, and further discovered Safaniya oilfield off the coast of the peninsula. Four US companies of Esso, Mobil, Socal and Texaco set up the Arabian American Oil Company (so-called Aramco), and monopolized oil production in Saudi Arabia. Seven Sisters established the overwhelming position in the oil belt of the Middle East. They dominated world oil industry.

There was a person in Iran who confronted with Seven Sisters. His name was Mohammad Mossadegh. He became prime minister in 1951 and nationalized the oil company owned by Anglo Iranian Oil. As a counter measure, Seven Sisters kicked out the Iranian crude oil from the international market. US government, which disliked nationalist Mossadegh, supported Seven Sisters behind the scenes. Prime Minister Mossadegh was fallen down. Reza Shah Pahlavi gripped the power again. After that Iran and US started the honeymoon relationship.

It took nine years that oil-producing countries challenged against Seven Sisters. They organized the OPEC (Organization of Petroleum Exporting Countries) in 1960. And then after 28 years, Iran and the United States severed diplomatic ties when Ayatollah Khomeini achieved the Iranian Revolution in 1979.

(To be continued ----)

By Areha Kazuya

E-mail: areha_kazuya@jcom.home.ne.jp

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