

December 8, 1978

Irresponsible Attitude on Oil

President Carter is reported to be deeply disturbed at the failure of American Intelligence agencies to warn of the upheaval in Iran, which has already made nonsense of the most recent doctrine of the Washington experts on desirable and reliable alignments in America's global stance.

The US government clearly had an altogether inadequate conception of the popular opposition to the Shah, and no conception of its militant nature.

One of the charges made against the Shah by the orthodox Moslem opposition is that he is selling oil to Israel. They promise that one of their first acts on coming to power will be to deny oil to Israel. Whether the revolutionary situation is resolved by the Shah's overthrow, or by his accommodating his opponents — it is a bold spirit who predicts that Iran's supply of oil to Israel will continue for long.

Indeed the crisis in Iran throws into bold relief the almost incredible amateurishness, the tight-hearted abandon, with which Israeli governments have handled the problem of the country's supply of oil, today the indispensable commodity for the progress and the security of the peoples of the world.

This spirit found vivid expression in a recent conversation between the Defence Minister and a group headed by William Levitt, a well-known businessman active in Israel's cause in the US., who was one of the early investors 10 years ago in the search for oil in Sinai.

After some characteristic vicissitudes, Levitt and his associates were accorded a 12 per cent share in the consortium which subsequently discovered, and has been operating the Alma oilfield in the Suez Gulf.

Another US company has 25 per cent, and the Israel government 63 per cent. The total amount invested so far amounts to about \$100m.

Results have been good: the yield today is some 15 per cent of Israel's requirements. Prospects are better: with the exploitation of proved resources, the yield will provide half of Israel's present consumption.

Surveys already made beyond that, suggest a far greater potential, more than Israel's requirements. This could have a tremendous impact on Israel's security, a healthy effect on her economy and, in the best case, a substantial lightening of her economic dependence.

What government in the world, even the government of a country which was not surrounded by a coalition of countries threatening her destruction, would agree to relinquish these vital assets, existent and potential?

* * *

Following the Camp David agreement, William Levitt and his associates took up the matter of the Alma oil with the Defence Minister. Accepting Camp David as an established fact, they expected at least a rational explanation for the Israeli government's not having made even a serious effort to ensure that the oil Israel had discovered would remain in her hands.

Logic alone, commercial ethics alone, surely dictate that — having made the unprecedented gesture of recognizing Egyptian sovereignty — Israel should be granted the right (through her National Oil Company, which had discovered the oil) to continue operating the field and handling the distribution.

Egypt would receive her income and would not lose a cent. Israel would receive the minimal recompense for her enterprise, and her security concerns, as far as oil supplies are concerned, would be assuaged.

Why, if Sadat really wants Israel to live in peace, should he refuse this reasonable, equitable arrangement? Levitt and his associates received a three-word reply from the Minister, breezy and illuminating: "Forget about it!"

The truth appears to be that while cardinal elements of Israel's basic security were surrendered with at least some ripple in the negotiations with Egypt (before and during Camp David) the question of oil (like the claims for restitution of the 75,000 Jews who were forced to flee Egypt after 1948 leaving behind wealth estimated today at nearly \$2b.) was not raised seriously and perhaps was not raised at all.

Maybe Ezer Weizman and his colleagues were afraid to spoil the pleasant atmosphere in which they surrendered to the long list of Egyptian and American demands. "Forget about it" was not only a friendly word of advice to a concerned American Jew. It was in effect a motto which inspired much of the content of the negotiations from beginning to end.

That was why only a few short weeks ago, the Defence Minister predicted confidently the early signing of a peace agreement. He was "forgetting," or presumably had not thought in the first place, about minor matters that might slow down the process; like, for example, the cause of the present impasse, which has exposed the shallowness and fecklessness of his own repeated, even angry, pontifical insistence on the certainty of Sadat's peaceful intentions towards Israel.

* * *

To return to oil. The process began with the Alignment government's surrender in 1975 to the brutal pressures of then Secretary of State Henry Kissinger.

It was Kissinger, in his continuing pursuit of Sadat's friendship, who, by withholding supplies, cowed the Israeli government into giving up the oil of the Abu Rodeis area.

This was then Israel's only significant independent source of oil, accounting for 60 per cent of her needs. There was no justification in law and equity for her giving up the oil. There was no pragmatic reason for her to succumb to the pressure (which was being exerted, without concealment, for immediate American interests — as Dr. Kissinger saw them) and to make concessions dangerous to her security.

The Rabin government did so. In exchange they were given Kissinger's heartfelt expressions of gratitude, together with promises which the successor Carter Administration kept only at further cost to Israel's security. The F-15 planes, which were to be Washington's recompense to Israel for her 1975 concessions, were in 1978 denied Israel until a reluctant Congress accepted the condition that similar planes should be given also to Saudi Arabia (busily building her offensive potential against Israel).

From the Egyptians Israel was "given" the right to send her cargoes through the Suez Canal, though only in foreign ships (which was less than the right which Israel is supposed to share with every other nation under the Constantinople Convention of 1888 — free passage of her ships through the Canal); and three years of "peace," as though peace was a one-sided gift, and as though Egypt had the capacity then to go to war...

That was how Israel again became completely dependent on Iranian oil, backed by an American guarantee, whose value has yet to be tested if a crisis arises.

* * *

The government's bargaining position over Alma is in all respects much stronger than it was over the Abu Rodeis oilfields, which Israel had found already in operation, and which an Italian company had developed. With so much at stake, with so much conceded already, there was every reason for simply insisting on an equitable arrangement, and for standing firm.

However, we are today faced with the fact that after the signature of the Camp David Agreement, in all its far-reaching, dangerous implications, Israel remains without her present independent source of oil, dependent on foreign governments — on the US, which may, under precedent, present her with new conditions; maybe on some new supplier — but always on a foreign nation which, as happened with the governments of Europe during the 1973 war, may decide at a moment of crisis that some overriding interest requires that she tell Israel to fend for herself.

Now, after Camp David, Israel has allowed herself to be reduced to going cap in hand to Egypt to ask her at least to sell us oil, and to plead for special conditions in view of the fact that, after all, Israel searched, and found, and developed the oilfield.

But even this Egypt refuses. Her representative rolls his eyes heavenwards and says "Oh, no. We cannot do that. You see, in December 1974(!) we gave an undertaking to an American Company called Amoco that they would handle the sales of oil in this zone, when we recovered it.

You will have to apply to them". Amoco is a subsidiary of the Standard Oil Co. of Indiana, one of the companies in the coils of the Arab States...

All this — while the oilfield itself is still completely in Israel's hands.

The pattern of the government's behaviour on oil follows closely the policy on Sinai altogether: as though Israel were a heavily defeated people, forced inexorably to accept crushing terms in return for a peace treaty.

The subject is thus not oil. It is the way our governments have allowed themselves to be treated, the cowed status to which Israel is allowing herself to be pushed.

The story of oil reflects first of all the dangers we face from our own show of weakness. It is not an essential weakness; it is not the consequence of objective circumstances too strong for us, nor of external forces we cannot overcome.

It is an induced weakness, deriving from a weak leadership, outwitted and resourceless. But the effect is — to paraphrase Shakespeare — that the fault will lie not in our stars but in ourselves that we allow ourselves to be treated like underlings.