

Marcellus Shale Update: Depoliticizing Middle East Oil Dependence through Increased Production of U.S. Shale

October 12, 2018

Daniel B. Markind

While America was transfixed with the sordid spectacle of the Brett Kavanaugh confirmation hearings, the news that really can have international impact was playing out in Istanbul, Turkey. On Thursday its ramifications began being felt in this country. Thanks to our shale industry, however, President Trump will have many more options going forward than otherwise.

Jamal Khashoggi was a Saudi Arabian journalist who has been highly critical of the ruling House of Saud. A columnist for the *Washington Post*, Khashoggi was a permanent resident of the United States. He also has been a thorn in the side of the *de facto* Saudi ruler, Crown Prince Mohammed bin Salman. Readers of this blog will know that I've written about "MbS" before. He is part reformer (opening up new avenues for Saudi women), part irresponsibly aggressive international leader (kidnapping the Lebanese President; getting involved in a reckless war in Yemen), and part thin-skinned autocrat (ordering many of his own royal family held at a Saudi hotel on corruption charges).

Over the last several months, Khashoggi received death threats and other intimidations. Nevertheless, Khashoggi entered the Saudi consulate in Istanbul to obtain necessary papers for his upcoming wedding. He hasn't been seen since.

Turkey, which is a major Middle Eastern adversary of Saudi Arabia, claims he was murdered inside the consulate, his body later dismembered so it could be smuggled out to uncertain location. The Saudis deny this but can't produce him. American intelligence intercepts seem to point the finger directly at MbS for a plot to at least detain Khashoggi, or worse.

Congress now is up in arms. Twenty-two senators from both parties signed a letter demanding President Trump sanction Saudi Arabia, including cutting off arms shipments. Trump is resisting the arms embargo, but it looks more likely that he will have to do something substantial. It was, after all, an American green card holder who was detained and possibly executed in brutal fashion.

What can the President do? Saudi Arabia is crucial to Trump's strategy of developing a new axis of power in the Middle East featuring Saudi Arabia, Israel, and Egypt. It is regarded as a counterweight to the ambitions of Turkey and Iran, both of which are led by Islamic governments (as is Saudi Arabia) yet neither of which is friendly toward the West.

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Since the 1973 Yom Kippur War, Saudi Arabia literally has held the United States over a barrel (pun intended). Their oil weapon intimidated American presidents for 40 years; quite simply, the United States needed their product. However, during that time, Saudi oil money – in large part coming from America – also funded Islamic schools called *madrassas* that indoctrinated Saudi (and in Pakistan, Taliban) youth into their radical, misogynistic form of *Wahhabism* Islam, sponsored terrorist camps around the world, and produced 15 of the 19 hijackers on September 11, 2001. Somehow, the Saudis always got a pass.

Now, however, the world might be different, and that difference is due in significant part to our frackers. As out of “PC” favor as it may be, it is the shale industry that has given the President, or any president, freedom of movement in this situation. Given the gravity of the situation, Trump will probably have to make serious moves, but he must be very careful in what he does given the complexity and volatility of the Middle East. A military option would only be a last resort. An economic one is far more likely but its chances for success in bringing about reform are heavily dependent on the degree of Saudi pain that it might inflict. This is where the shale industry becomes an important factor. In response to any economic sanctions, any threat by the Saudis to use its oil weapon would have far less sting today than it did during the oil embargos of the early 1970s. Such a move certainly would increase the price of oil and gas, but it would also give the American shale industry a huge opening to increase production, expand international market share, and actually make some money (which many of the companies really don’t do). Environmental activists can act self-righteous all they want, but it is the frackers who provide the breathing space for the American government to use economic weapons instead of military ones – and for the economic weapons to have real effect.

Provided many scientific questions get answered (which is not a foregone conclusion), both America’s and the world’s long term future may be with “renewables.” In the short term, however, those of us with younger children need to say a “thank you” to George Mitchell and the other pioneers of the shale industry. Thanks to them, our sons and daughters have substantially less chance being sent overseas to fight another Middle Eastern war we don’t want among people we don’t understand.