

Myriad of challenges in Middle East

Panel speaker stresses U.S. oil dependence

By JEANNE ISENBURG
Staff Writer

Even if world oil prices continue to drop, the United States has no choice but to increase its dependence on the Middle East, a specialist on Arab economic relations said Thursday at the Student Conference on National Affairs.

Dr. Odeh Aburdene said, "Worldwide energy reserves have not increased, but on the contrary, have decreased."

He said, "The only region that continues to add reserves, the only region that continues to export oil and yet maintain and increase its reserves is the Gulf region. And here we're talking about Saudi Arabia, Kuwait, Abu Dhabi and Qatar."

"So over the next five years, if the price of oil drops to about \$10 per barrel, many marginal oil producers will be out of business, and the world will have to depend on Middle East oil."

Aburdene, who is senior vice president and manager of the New York branch of Arab Bank Ltd., said when people speak of the Middle East they think of only one commodity — oil. He said that is all the Gulf region has except for sand, since it doesn't have a skilled labor force or any other economic resource. Without the oil, he said, it would be the poorest region of the world.

But underneath all that sand, Aburdene said, is over 60 percent of the world's oil reserves, and that is what makes the Middle East so important.

Between the oil reserves of the United States, Canada and western Europe, for example, exist about 59 billion barrels of oil — but just one

oil well alone in Saudi Arabia may have more than 63 billion barrels, he said.

"In this country, I'm told," Aburdene said, "if present consumption continues to grow at the same rate it's been growing in the last five or six years, the United States will be out of oil in nine years."

Prices of oil are dropping right now, he said, because many oil-producing countries are suffering from financial difficulties. The countries are thus producing more oil and trying to compete with each other through selling the oil at discounts.

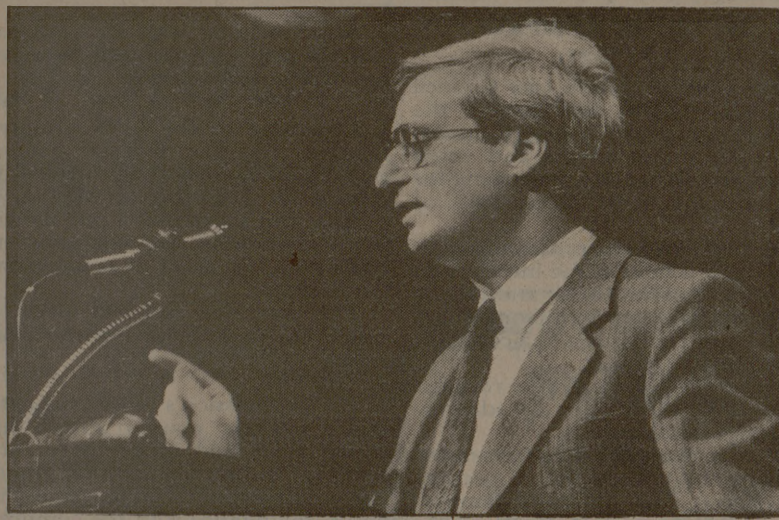
In 1972, the Gulf region countries were highly undeveloped and unstructured, Aburdene said, and over 90 percent of the funds acquired from oil revenues were spent to bring those countries from the 17th century into the 20th century.

But the outlook for economic progress in the region in the next four or five years is gloomy, he said.

"If the oil prices do continue to drop," Aburdene said, "the whole region will experience unemployment. And the region will experience political instability because in the past 10 years these governments have been able to spend a great deal of money and have thus pacified the local populations."

"And despite the fact that oil revenues were being accumulated by oil-producing nations, these nations spent the bulk of the revenues on imported goods and services from the West."

The Middle East depends on western nations for its imports because it is not a diversified area, Aburdene said.



Dr. Odeh Aburdene, a specialist on Arab economic relations.

To industrialize or to become an agricultural power or move into areas other than oil for revenues, he said, a country needs to have man power, skilled laborers and numerous resources. Most of the Middle Eastern countries do not have any of those, he said.

Countries can import technology, but not factories, plants and enough skilled technicians, he said, so they have no choice but to remain oil-producers unless they combine revenues to industrialize somewhere.

And if the Middle East does experience bad times, he said, so will the United States. For the last 10 years, the United States has been exporting over \$15 billion per year to the Middle East. If that slows down, fewer exports will mean fewer jobs in the United States, he said.

"It has been estimated that for every \$1 billion worth of exports, 40,000 jobs are created," Aburdene said. "The Middle East has been creating jobs for the U.S.A. Close to

half a million jobs were created from it."

So the relationship the United States has enjoyed with the Middle East has been a profitable and attractive one, Aburdene said. While many companies and banks from the states are pulling out of the Middle East because of its slow economy, he said, that is a short-sighted policy.

"Whether we like Arabs or not," Aburdene said, "we have a problem in that the energy crisis has not been resolved."

"It's only a matter of time before we become more dependent on the Gulf, and unless we take the proper measures, unless we prepare ourselves to take advantage of future opportunities, we will find that the Japanese, and the French, and the Germans and the Italians will take our market share."

"And when the oil prices do go up again, those companies and banks who pulled out will pay the penalty. And they will find it very difficult to come back."

Panel explores fundamentalist Islamic revival in Mideast

By MONA L. PALMER
Staff Writer

The United States should regard the Middle East's return to the fundamentals of Islam with sympathy and understanding, realizing the differences between the two cultures, a University of Texas professor said Thursday at the Student Conference on National Affairs.

Dr. John Williams was joined by Dr. Elizabeth Fernea, also a UT professor, and Dr. Andrew Hess from the Fletcher School of Law and Diplomacy at Tufts University for a panel discussion of modernization and Islamic revival in the Middle East.

Williams, concentrating on the cultural and religious aspects of the Middle East, said the Judeo-Christian tradition is unfair to Muslims because Islamic tradition is a part of the Western religions and one religion could not have developed without the others.

But the Muslims believe the Judeo-Christians have strayed and are returning to fundamentalist Islam in reaction to their wrong turn, Williams said.

The Middle East is returning to fundamentalist Islam to regain control of their society which has been exploited by European nations, he said.

"The drowsy giant is waking up — the train is on the tracks," Williams said.



From left, Dr. Elizabeth Fernea; Dr. Andrew Hess; Dr. John Williams; and Judith Kipper, moderator.

But the United States continues to throw itself on the tracks by creating difficult situations, he said.

"These are not our enemies and they would like to be our friends," he said.

When three centuries worth of technology are applied in one instant the effect is devastating, he said, because the people don't start off at stage one and evolve, they start with advanced machinery.

Hess also said rapid moderniza-

tion has hurt the old cities and small merchants in the Middle East.

Planning a modern city by an old one destroys an old city, he said. The new cities have rectangular street patterns, wide boulevards and great apartment houses that don't coincide with the old city patterns.

And the little, narrow family-run shops are almost out of business, Hess said. In Saudi Arabia a large Safeway stands next to the old location of small merchant shops.

Fernea asked students in her classes at UT and at the University of Beirut for their opinions about the other country.

The Beirut students thought of Dallas, materialism, no religion, no family life, child abuse, elderly abuse and cowboys.

Her UT students thought of fanatics, terrorism, violence, camels, secularism and oil.

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