

Do Buyers Control The Marketplace?

In the case of our country being dependent upon foreign oil, we as consumers do not control the marketplace, unfortunately. In many other instances, I could agree that buyers can, will, and do indeed have some control over the marketplace, but when it comes to the unique commodity of oil, we have to take a brief look at the turbulent history of the Middle East, and how we as a nation likely ended up in the situation that we are in with that oil rich area of the planet now.

Some economists and historians might probably agree that our country has actually indirectly assisted in the destabilization of the Middle East. Why, one might ask? America is actually a “savior” in some ways, of parts of the Middle East...so how could we be guilty of “helping” them to be a region of turmoil? Just one example would be a little tiny piece of land called Israel. Israel has been a conundrum since the Jews decided they wanted to “take it back,” and establish it as a state and return to their homeland in 1948. We helped this to happen in a post-World War II era that catapulted our country into a difficult political position. We did not make a lot of friends over our decades of funding, protection and aid to Israel! Let it be noted that we truly were, and are trying to help Israel, and they continue to be a strong ally of ours to this day.

Looking ahead historically to the Carter administration, we also made a rather bold move of providing the ailing Iranian Ayatollah Khomeini asylum in our country when no one else wanted him. This gesture by then President Carter did not do much to increase our popularity with Saudi Arabia. In fact, we can be fairly sure that some hard feelings resulted. These controversial political efforts aside, we can fast forward closer to this era. Members of the current younger generation may not know anything about how George Herbert Walker Bush helped to liberate Kuwait (hence protecting Saudi Arabia) in 1991, and in so doing, managed to regain some respect from the Saudi's. We get so much grief about why we go to war, and why we don't “mind our own business” when it comes to the Middle East, but if it was not for the timely intervention of the first President Bush, who invariably put an end to

the activities of Saddam Hussein while he was in the process of threatening to invade Kuwait and Saudi Arabia (and take over the rich oil fields), the ability of the United States to even *hope* to continue to buy oil from the Middle East might be a very different situation. It would take complicated volumes to write about the turbulent foreign relations between the United States and the Middle East, and as much as I love the subject, I am not the historian to take this on! However, I believe it helps to somewhat understand why we have essentially no control over the price of our gasoline. The major oil refining companies such as Exxon and Mobil also have very little control over the price of gasoline, so boycotting the gas stations that pump the product obtained from these entities will gain us naught. Our friends the Saudi's and OPEC control the price of oil, period. Why? Because they can! We give them what they need, money, aid, arms...the list would astonish even the most jaded reader. In return, we get oil, but we do not get to tell the Saudi's what we want to pay for it! Actually, in the last few days, President Bush met with the Crown Prince of Saudi Arabia to try and lobby for more oil production.

But, what we also have to remember is that we are not the only country dependent on Saudi oil. And now, China and India (two of the largest population countries in the world) are "players" in the quest for this oil, as they are moving along in their own automobile production industries. The demand goes up, and so the price goes up...sound familiar? It is all very telling what the outrageous price of gasoline is doing to our economy, and is all the more reason why we truly need to change the focus of our country's energy consumption to other sources that we can substitute for crude oil. It is time to look into environmentally friendly ways of tapping into the oil reserves we have right here in the United States. It is also high time our nation looked more seriously into alternative bio-fuels that won't wreck the economic balance of food production in the 'bread basket' farm states. It would be in our country's best interest to begin to wean ourselves from foreign oil, and invest that money in our own research and development, and in our own economy, where buyers do thankfully have some control over the markets! Can we do it?