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Book Review: The Oil and the Glory: The pursuit of empire and fortune on the Caspian Sea
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The Oil and the Glory: The pursuit of empire and fortune on the Caspian Sea

(Random House, 2007)
By Steven LeVine
Reviewed by Thomas Goltz

Perhaps I should start this review with a qualification: I am a big fan of Steve LeVine and make a couple of cameo appearances within the pages of his new book on the post-Soviet sweepstakes for the “black gold” (and gas) of the Caspian Sea; I also was one of several old friends who had started to wonder, privately, if and when Steve would ever finish his long-awaited magnum opus.

Well, here it is at long last: The Oil and the Glory, a 447-page tour de force of anecdote and analysis of everything from “mercaptans” (the sulfurous contaminant in some Kazakh crude that served as the excuse for Russia’s Viktor Chernomyrdin to try limit Chevron’s export quota from the giant Tengiz field) to players high and low in the new “great game” for power, wealth and influence in the post-Soviet Caspian basin. These range from pathetic Oklahoma-wild-catter Joe Ponder (who got mixed up in an oil-for-Afghan mercenaries deal in the chaos of Azerbaijan circa 1992/93) to John Deuss the dour Dutchman (who nearly put a hammer-lock on the majors by almost taking over all pipeline projects in the region through his associates in the Sultanate of Oman) to the
diminutive Sir John Browne, who almost single-handedly made BP stand for British Presence in the area, before being forced into an early retirement thanks to a sex-scandal. And did I forget Viktor (“The Bouncing Czech/Pirate of Prague”) Kozeny, who managed to dupe scores of Aspen, Colorado high-rollers to invest hundreds of millions in his scheme to swindle Azerbaijan out of its state oil company, SOCAR, by the purchase of privatization vouchers, only to have “the boss” (presumably the remarkable survivor and master-schemer, Heydar Aliyev) turn tables on the upstart, and pocket the profit?

Along the way, the reader is treated to an eminently readable account of the history of the international oil industry, from its beginnings with Rockefeller’s Standard Oil in the US and the “Oil Baron Era” of Baku in the mid/late 19th century, to the first efforts of American business to penetrate the vast commercial potential of the still-economically insular USSR of the 1980s, and the resulting capitalist free-for-all upon its collapse in 1991.

This process is personified by one of the main players weaving his way through the pages of this important book: James Henry (“Jim”) Giffen, to whom LeVine apparently had unique access due to the author’s early residency in the former Kazakh capital, Alma Ata, where Giffen had also taken up part-time (if luxurious) residence as the consultant to Kazakhstan president, Nursultan Nazarbayev. The quirky footnotes of The Oil and Glory reveal dozens of citations of “interview with Giffen” from the mid-1990s until Giffen discontinued contact with LeVine in the wake of his losing duel for power and influence with his bitter rival, Chevron’s Dick Matzke, and the parallel investigation into Giffen’s role in providing tens of millions of dollars in kickbacks to Kazakh officials for the various deals the American put together for his new friends.

Indeed, if there is a criticism of this important and timely book, it might be the footnotes. Rather than insert an actual number following a statement that the reader might like to trace, LeVine uses a device I have never seen before: a running list of quotes of thematic ideas by page, to which he then assigns a source - be it an interview or citation
to another work. The vast majority of LeVine’s citations are to specific interviews he has conducted over a ten-year period, and using this queue/quote device often lends the “footnotes” a texture that they otherwise might lack. (They also serve to underline the monumental task of finally assembling this book.)

Indeed, there are so many elements to this book that are so personal - mainly due to LeVine’s meticulous squirreling away of notes and information over a journalistic career (Newsweek, NYT, WSJ, Washington Post, etc) that has brought him from his native Los Angeles to Afghanistan in the early 1990s, during the rise of the Taliban (where he was able to trace Unocal boss John Ilme’s bizarre gambit to bring Turkmen gas to Pakistan) to Tbilisi and the Caucasus (and Chechnya, where he was wounded) to the halls of Stanford on a fellowship that allowed him to fraternize with the Hoover Institute crowd. (I am proud to note that LeVine also took advantage of our old friendship to join me and a dozen others on the second “Oil Odyssey” in 2001, a two-week, 1081-mile ride down the length of the so-called “pipeline to nowhere,” the once much-maligned but now perfectly functional Baku-Tbilisi-Ceyhan pipeline linking Azerbaijani exports to world markets via Georgia and Turkey, and all in a side-car, notebook in hand, and am flattered that reference to this insanity made it into the book.)

Timing in a book like this is almost everything, and so we can thank the author for the unexpected delay in publication, which allowed him to evaluate the resurgence of Russia as a major hydro-carbon player under Vladimir Putin and GazPromInc, and to gaze into the future of the new petro-states of the Caspian basin with exports flowing west to the tune of one hundred bucks a barrel. The cast of characters is also included in a “where are they now” section of the Epilogue, which makes for fascinating reading: Giffen is back in Kazakhstan as a non-consulted consultant; Matzke has left Chevron and joined the Russian LukOil; and Kozeny is fighting extradition from a Bermuda jail.

It might be too early to tell, but it seems to me that Steve LeVine may have just written and published the much-needed sequel to that classic work on oil and power, Dan Yergin’s The Prize. It has been a long time in coming, but very clearly worth the wait.
From the technicalities of drilling rigs boring through virgin salt-domes, to helping the reader understand the marginal difference between a “signing bonus” and a bribe, LeVine has done his homework, and it shows.

Buy this book.

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