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WORKING FOR A SUSTAINABLE FUTURE

Oil & Blood

by Michael Renner

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Oil & Blood

THE WAY TO TAKE OVER THE WORLD

BY MICHAEL RENNER

In its drive toward war against Iraq, the Bush administration insisted throughout the fall of 2002 that its purpose was to eliminate weapons of mass destruction and establish democracy. No doubt, Saddam Hussein's regime was dictatorial and dangerous, and Iraq's civilian population had suffered grievously. But there was no clear evidence that Iraq posed the immediate and growing threat that the administration depicted.

So, why the renewed focus of U.S. policy on Iraq? Was it a desire to fortify U.S. political domination of the oil-rich Middle East? Not at all, said the White House. "The only interest the United States has in the region is furthering the cause of peace and stability, not [Iraq's] ability to generate oil," contended the president's spokesman, Ari Fleischer. Given U.S. addiction to oil and Washington's long history of intervention in the region, this is a disingenuous, if not downright deceptive, statement.

The Middle East—and specifically the Persian Gulf region—accounts for about 30 percent of global oil production. But it has about 65 percent of the planet's known reserves, and is therefore the only region able to satisfy any substantial rise in world oil demand—an increase that the administration's energy policy documents say is inevitable. Saudi Arabia, with 262 billion barrels, has a quarter of the world's total reserves and is the single largest producer. But Iraq, despite its pariah status for the past 12 years, remains a key prize. At 112 billion barrels, its known reserves are second only to Saudi Arabia's. And, given that substantial portions of Iraqi territory have never been fully explored, there is a good chance that actual reserves are far larger.

For half a century, the United States has made steadily increasing investments in keeping the Gulf region in its geopolitical orbit. The investments have included the overthrow of "hostile" governments and

support of client regimes, massive arms transfers to allies, acquisition of military bases, and direct and indirect forms of intervention—many of these activities involving shifting alliances and repeated large-scale violence. In Washington's calculus, securing oil supplies has consistently trumped the pursuit of human rights and democracy. This is still the case today, as the Bush administration prepares for a more openly imperial role in the region.

Saudi Arabia has had a close relationship with the United States since the 1940s. But it has long been vulnerable to pressures from the far more populous Iraq and Iran. Iran was brought firmly into the Western orbit by a 1953 CIA-engineered coup against the Mossadegh government, which had nationalized Iran's oil. The coup re-installed the Shah on the Persian throne. Armed with modern weaponry by the United States and its allies, the Shah became the West's regional policeman once the military forces of Britain—the former colonial power—were withdrawn from the Gulf area in 1971.

Iraq, on the other hand, was a pro-Western country until 1958, when its British-installed monarchy was overthrown. Fearing that Iraq might turn communist under the new military regime, the United States dabbled in a temporary alliance of convenience with the Ba'ath (Renaissance) Party in its efforts to grab power. CIA agents provided critical logistical information to the coup plotters and supplied lists with the names of hundreds of suspected Communists to be eliminated.

Even so, in 1972 the Ba'ath regime signed a treaty of friendship and cooperation with the Soviet Union. Baghdad turned to Moscow both for weapons and for help in deterring any U.S. reprisals against Iraq for nationalizing the Iraq Petroleum Company, which had been owned by Royal Dutch-Shell, BP, Exxon, Mobil, and the French firm CFP. Iraq was the first Gulf country to successfully nationalize its oil industry.

Saddam Hussein, a strongman of the Ba'ath regime who formally took over as President in 1979, was instrumental in orchestrating the pro-Moscow policy. But as it became apparent that the Soviet Union could not deliver the technologies and goods (both civilian and military) needed to modernize Iraq he shifted to a more pro-Western policy. Western governments and companies were eager to soak up the rising volume of petrodollars, and to lure Iraq out of the Soviet orbit. During the 1980s, this eagerness extended to supplying Baghdad with the ingredients needed to make bio-

turning the tide of battle. With the specter of an Iraqi defeat looming, the United States went much farther in its support of Saddam:

- To facilitate closer cooperation, the Reagan administration removed Iraq from a list of nations that it regarded as supporters of terrorism. Donald Rumsfeld, now secretary of defense, met with Saddam in Baghdad in December 1983. His visit paved the way to the restoration of formal diplomatic relations the following year, after a 17-year hiatus.

- The United States made available several billion dollars' worth of commodity credits to Iraq to buy U.S. food, alleviating severe financial pressures that had threatened Baghdad with bankruptcy. The food purchases were a critical element in the regime's attempts to shield the population as much as possible from the war's repercussions—and hence limiting the likelihood of any challenges to its rule. The U.S. government also provided loan guarantees for an oil export pipeline through Jordan (replacing other export routes that had been blocked because of the war).

- Though not selling weapons directly to Iraq, Reagan adminis-

tration officials allowed private U.S. arms dealers to sell Soviet-made weapons purchased in Eastern Europe to Iraq. U.S. leaders permitted Saudi Arabia, Kuwait, and Jordan to transfer U.S.-made weapons to Baghdad. And they abandoned earlier opposition to the delivery of French fighter jets and Exocet missiles (which were subsequently used against tankers transporting Iranian oil).

- From the spring of 1982 on, the Reagan administration secretly transmitted highly classified military intelligence—battlefront satellite images, intercepts of Iranian military communications, information on Iranian troop deployments—to Saddam Hussein's regime, staving off its defeat.

- As the war went on, the United States took an increasingly active military role. It tilted toward Iraq in the "war on tankers" by protecting oil tankers in the southern Gulf against Iranian attacks, but did not provide security from Iraqi attacks for ships docking at Iran's Kharg Island oil terminal. Later, the United States even launched attacks on Iran's navy and Iranian offshore oil rigs.

Washington's immediate objective was to prevent an Iranian victory. In a larger sense, though, U.S. policymakers were intent on keeping both Iraq and Iran bogged down in war, no matter how horrendous the human cost on both sides—hundreds of thousands were killed. (The Reagan administration secretly allowed

The United States tilted toward Iraq in its war with Iran—enabling Iraq to sink oil tankers at Iran's Kharg Island unimpeded. This is the wreck of the *Sananda J.*



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logical, chemical, and nuclear weapons.

The year 1979 turned out to be a watershed, as the Shah of Iran was swept aside by an Islamic revolution that brought Ayatollah Khomeini to power. One of Washington's main geopolitical pillars had crumbled, and the new regime in Teheran was seen as a mortal threat by the conservative Persian Gulf states. The Carter administration responded by pumping rising quantities of weapons into Saudi Arabia, and began a quest for new military bases in the region (Bahrain eventually became the permanent home base for the U.S. Fifth Fleet). But there was no escaping the fact that neither Saudi Arabia nor any of the smaller Gulf states was strong enough to replace Iran as a proxy.

Instead, Iraq became a surrogate of sorts. Iran and Iraq had long been at loggerheads. Seeing a rival in revolutionary disarray, and sensing an opportunity for an easy victory that would propel him to leadership of the Arab world, Saddam Hussein invaded Iran in September 1980. Eager to see Teheran's revolutionary regime reined in, the United States turned a blind eye to the aggression, opposing UN Security Council action on the matter.

But instead of speeding the Iranian regime toward collapse, the attack consolidated Khomeini's power. And marshalling revolutionary fervor, Iran was soon

Israel to ship several billion dollars' worth of U.S. arms and spare parts to Iran.) Preoccupied with fighting one another, Baghdad and Teheran would be unable to challenge U.S. domination of the Gulf region. Reflecting administration sentiments, Henry Kissinger said in 1984 that "the ultimate American interest in the war [is] that both should lose."

Oil and geopolitical interests translated into U.S. support for Saddam Hussein when he was at his most dangerous and murderous—not only committing an act of international aggression by invading Iran, but also by using chemical weapons against both Iranian soldiers and Iraqi Kurds. U.S. assistance to Baghdad was provided although top officials in Washington knew at the time that Iraq was using poison gas.

Undoubtedly, U.S. support emboldened Saddam Hussein to invade Kuwait in 1990. But the United States would never consent to a single, potentially hostile, power gaining sway over the Gulf region's massive oil resources. When its regional strongman crossed that line, U.S. policy shifted to direct military intervention.

Following the Gulf War, the United States supplied Saudi Arabia and other allies among the Gulf states with massive amounts of highly sophisticated armaments. Washington and other suppliers delivered more than \$100 billion worth of arms from 1990 to 2001. In the late 1980s, Saudi Arabia had imported 17 percent, by dollar value, of worldwide weapons sales to developing countries. In the 1990s, the Saudi share rose to 38 percent.

But rather than becoming independent military powers, Riyadh and the other Gulf states are at best beefed-up staging grounds for the U.S. military: Washington has for many years been "pre-positioning" military equipment and supplies and expanding logistics capabilities to facilitate any future intervention. And although political sensitivities rule out a visible, large-scale U.S. troop presence, more than 5,000 U.S. troops have been continuously deployed in Saudi Arabia, and more than 20,000 in the Gulf region as a whole.

Despite insinuations by the Bush administration, there is no evidence that Saddam Hussein's regime is in any way linked to the events of September 11, 2001. However, the terrorist attacks facilitated a far more belligerent, unilateralist mood in Washington and set the stage for the Bush administration doctrine of preemptive war.

Installing a U.S. client regime in Baghdad would give American and British companies (ExxonMobil, Chevron-Texaco, Shell, and BP) a good shot at direct access to Iraqi oil for the first time in 30 years—a windfall worth hundreds of billions of dollars. And if a new regime rolls out the red carpet for the oil multinationals to return, it is possible that a broader wave of de-nationalization could sweep through the world's oil industry, reversing

the historic changes of the early 1970s.

Rival oil interests were a crucial behind-the-scenes factor as the permanent members of the UN Security Council jockeyed over the wording of a new resolution intended to set the parameters for any action against Iraq. The French oil company TotalFinaElf has cultivated a special relationship with Iraq since the early 1970s. And along with Lukoil of Russia and China's National Petroleum Corp., it has for years positioned itself to develop additional oil fields once UN sanctions are lifted. But there have been thinly veiled threats that these firms will be excluded from any future oil concessions unless Paris, Moscow, and Beijing support the Bush policy of regime change. Intent on constraining U.S. belligerence, France, Russia, and China nonetheless are eager to keep their options open in the event that a pro-U.S. regime is installed in Baghdad—and accordingly voted in favor of the U.S.-drafted resolution in November.

But the stakes in all this maneuvering involve much more than just the future of Iraq. The Bush energy policy is predicated on growing consumption of oil, preferably cheap oil. Given rising depletion of U.S. oil fields, most of that oil will have to come from abroad, and indeed primarily from the Gulf region. Controlling Iraqi oil would allow the United States to reduce Saudi influence over oil policy and give Washington enormous leverage over the world oil market.

Both in the Middle East and in other regions, securing access to oil goes hand in hand with a fast-expanding U.S. military presence. From Pakistan to Central Asia to the Caucasus, and from the eastern Mediterranean to the Horn of Africa, a dense network of U.S. military facilities has emerged—with many bases established in the name of the "war on terror."

Only in the most direct sense is the Bush administration's Iraq policy directed against Saddam Hussein. In a broader sense, it aims to reinforce the world economy's reliance on oil—undermining efforts to develop renewable energy sources, boost energy efficiency, and control greenhouse gas emissions. The same administration that decided to slash annual spending for energy efficiency and renewables R&D has no problem with preparing for a war that could cost as much as \$200 billion.

By rejecting U.S. participation in the Kyoto Protocol early in his tenure, George W. Bush sought to throw a wrench into the international machinery set up to address the threat of climate change. By securing the massive flow of cheap oil, he may hope to kill Kyoto. In a perverse sense, a war on Iraq reinforces the assault against the Earth's climate.

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