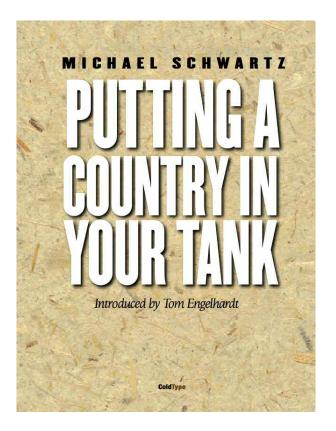
MICHAEL SCHWARTZ

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ColdType



Michael Schwartz, Professor of Sociology and Faculty Director of the Undergraduate College of Global Studies at Stony Brook University, has written extensively on popular protest and insurgency, and on American business and government dynamics. His books include **Radical Protest and Social Structure** and **Social Policy and The Conservative Agenda** (edited, with Clarence Lo).

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[Note: This commentary — and most of the useful work on the role of oil in Middle East and world politics — rests on the remarkable evidential and analytic foundation provided by Michael Klare's indispensable book, Blood and Oil,The Dangers and Consequences of America's Growing Dependency on Imported Petroleum. Readers who seek a full understanding of these issues should start with that text.]

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INTRODUCTION Tom Engelhardt

istory... phooey! Or, more mildly, Americans traditionally aren't much interested in it and the media largely don't have time for it either. For one thing, the past is often just so inconvenient. In October, for instance, there was a front-page piece in the New York Times by Elisabeth Bumiller on Robert Blackwill, one of the "Vulcans" who helped Condoleezza Rice advise George W. Bush on foreign policy during the 2000 election campaign, Iraq Director on the National Security Council during the reign in Baghdad of our viceroy L. Paul Bremer III, and the President's personal envoy to the faltering occupation (nicknamed "The Shadow"), among many other things.

He is now — here's a giant shock — a lobbyist. And, among those he's lobbying for (in this case to the tune of \$300,000) is Ayad Allawi, former CIA asset and head — back in Saddam's day — of an exile group, the Iraq National Accord. Bumiller identifies Allawi as "the first prime minister of the newly sovereign nation — America's man in Baghdad." She also refers to him as having had "close ties to the CIA" and points out that he was not just Bremer's, but Blackwill's "choice" to be prime minister back in 2004. Now, he's Blackwill's "choice" again. Allawi is, it seems, yet once more on deck, with his own K-Street lobbyist, ready to step in as prime minister if the present PM, Nouri al-Maliki, were to fall (or be shoved aside).

But there's another rather inconvenient truth about Allawi that goes unmentioned — and it's right off the front page of the New York Times, no less — a piece by Joel Brinkley, "Ex-C.I.A. Aides Say Iraq Leader Helped Agency in 90's Attacks," published in early June 2004, just at the moment when Allawi had been "designated" prime minister. In the early 1990s, Brinkley reported, Allawi's exile organization was, under the CIA's direction, planting car bombs and explosive devices in Baghdad (including in a movie theater) in a fruitless attempt to destabilize Saddam Hussein's regime. Of course, that was back when car bombs weren't considered the property of brutes like Sunni extremists, al-Qaeda in Iraq, and the Taliban. (Just as, inconveniently enough, back in the 1980s the CIA bankrolled and encouraged the training of Afghan "freedom fighters" in mounting car-bomb and even camel-bomb attacks in a terror campaign against Soviet officers and soldiers in Russian-occupied Afghan cities (techniques personally "endorsed," according to Steve Coll in his superb book Ghost Wars,

by then-CIA Director William Casey).

But that was back in the day — just as, to randomly cite one more inconvenient piece of history also off the front page of the New York Times (Patrick Tyler, "Officers Say U.S. Aided Iraq in War Despite Use of Gas," August 18, 2002), years before we went into Iraq to take out Saddam's by then nonexistent weapons of mass destruction, we helped him use them. The Reagan Pentagon had a program in which 60 officers from the U.S. Defense Intelligence Agency "were secretly providing detailed information on Iranian deployments" to Saddam's forces, so that he could, among other things, wield his chemical weapons against them more effectively. ("The Pentagon 'wasn't so horrified by Iraq's use of gas,' said one veteran of the program. 'It was just another way of killing people — whether with a bullet or phosgene, it didn't make any difference."")

Of course, when it comes to America's oily history in Iraq, there is just about no back-story — not on the front page of the New York Times, not basically in the mainstream. Even at this late date, with the price of crude threatening to head for the \$100 a barrel mark, Iraqi oil is — well, not exactly censored out — just (let's face it) so darn embarrassing to write about. In fact, now that all those other explanations for invading Iraq — WMD, freedom, you name it — have long since flown the coop, there really is no explanation (except utter folly) for Bush's invasion. So, better to move on, and quickly at that. These last months, however, we have returned repeatedly to the subject as a reminder that history, even when not in sight, matters. And the deeper you go, as Michael Schwartz proves here, the more likely you are to find that gusher you're looking for.

PUTTING A COUNTRY IN YOUR TANK: WHY DID WE INVADE IRAQ, ANYWAY? MICHAEL SCHWARTZ

ATELY, even Democratic candidates for president have been weighing in on why the U.S. must maintain a long-term, powerful military presence in Iraq. Hillary Clinton, for example, used phrases like protecting our "vital national security interests" and preventing Iraq from becoming a "petri dish for insurgents," in a major policy statement. Barack Obama, in his most important speech on the subject, talked of "maintaining our influence" and allowing "our troops to strike directly at al Qaeda." These arguments, like the constantly migrating justifications for invading Iraq, serially articulated by the Bush administration, manage to be vaguely plausible (with an emphasis on the "vaguely") and also strangely inconsistent (with an emphasis on the "inconsistent").

That these justifications for invading, or remaining, are unsatisfying is hardly surprising, given the reluctance of American politicians to mention the approximately \$10-\$30 trillion of oil lurking just beneath the surface of the Iraq "debate" — and not much further beneath the surface of Iraqi soil. Obama, for example, did not mention oil at all in his speech, while Clinton mentioned it twice in passing. President Bush and his top officials and spokespeople have been just as reticent on the subject.

Why then did the U.S. invade Iraq? Why is occupying Iraq so "vital" to those "national security interests" of ours? None of this makes sense if you don't have the patience to drill a little beneath the surface – and into the past; if you don't take into account that, as former Deputy Secretary of Defense Paul Wolfowitz once put it, Iraq "floats on a sea of oil"; and if you don't consider the decades-long U.S. campaign to control, in some fashion, Middle East energy reservoirs. If not, then you can't understand the incredible tenaciousness with which George W. Bush and his top officials have pursued their Iraqi dreams or why — now that those dreams are clearly so many nightmares — even the Democrats can't give up the ghost.

THE RISE OF OPEC

The United States viewed Middle Eastern oil as a precious prize long before the Iraq war. During World War II, that interest had already sprung to life: When British officials declared Middle Eastern oil "a vital prize for any power interested in world influence or domination," American officials agreed, calling it "a stupendous source of strategic power and one of the greatest material prizes in world history."

This led to a scramble for access during which the United States established itself as the preeminent power of the future. Crucially, President Franklin Delano Roosevelt successfully

negotiated an "oil for protection" agreement with King Abdul Aziz Ibn Saud of Saudi Arabia. That was 1945. From then on, the U.S. found itself actively (if often secretly) engaged in the region. American agents were deeply involved in the overthrow of a democratically elected Iranian government in 1953 (to reverse the nationalization of Iran's oil fields), as well as in the fateful establishment of a Baathist Party dictatorship in Iraq in the early 1960s (to prevent the ascendancy of leftists who, it was feared, would align the country with the Soviet Union, putting the country's oil in hock to the Soviet bloc).

U.S. influence in the Middle East began to wane in the 1970s, when the Organization of the Petroleum Exporting Countries (OPEC) was first formed to coordinate the production and pricing of oil on a worldwide basis. OPEC's power was consolidated as various countries created their own oil companies, nationalized their oil holdings, and wrested decision-making away from the "Seven Sisters," the Western oil giants — among them Shell, Texaco, and Standard Oil of New Jersey — that had previously dominated exploration, extraction, and sales of black gold.

With all the key oil exporters on board, OPEC began deciding just how much oil would be extracted and sold onto international markets. Once the group established that all members would follow collective decisions — because even a single major dissenter might fatally undermine the ability to turn the energy "spigot" on or off — it could use the threat of production restrictions, or the promise of expansion, to bargain with its most powerful trading partners. In effect, a new power bloc had emerged on the international scene that could — in some circumstances — exact tangible concessions even from the United States and the Soviet Union, the two superpowers of the time.

Though the United States was largely self-sufficient in oil when OPEC was first formed, the American economy was still dependent on trading partners, particularly Japan and Europe, which themselves were dependent on Middle Eastern oil. The oil crises of the early 1970s, including the sometimes endless gas lines in the U.S., demonstrated OPEC's potential.

It was in this context that the American alliance with the Saudi royal family first became so crucial. With the largest petroleum reserves on the planet and the largest production capacity among OPEC members, Saudi Arabia was usually able to shape the cartel's policies to conform to its wishes. In response to this simple but essential fact, successive American presidents strengthened the Rooseveltian alliance, deepening economic and military relationships between the two countries. The Saudis, in turn, could normally be depended upon to use their leverage within OPEC to fit the group's actions into the broader aims of U.S. policy. In other words, Washington gained favorable OPEC policies mainly by arming, and propping up a Saudi regime that was chronically fragile.

Backed by a tiny elite that used immense oil revenues to service its own narrow interests, the Saudi royals subjected their impoverished population to an oppressively authoritarian

regime. Not surprisingly, then, the "alliance" required increasing infusions of American military aid as well political support in situations that were often uncomfortable, sometimes untenable, for Washington. On its part, in an era of growing nationalism, the Saudis found overt pro-American policies difficult to sustain, given the pressures and proclivities of its OPEC partners and its own population.

THE NEOCONS SEIZE THE UNIPOLAR MOMENT

The key year in the Middle East would be 1979, when Iranians, who had lost their government to an American and British inspired coup in 1953, poured into the streets. The American-backed Shah's brutal regime fell to a popular revolution; American diplomats were taken hostage by Iranian student demonstrators; and Ayatollah Khomeini and the mullahs took power. The Iranian revolution added a combustible new element to an already complex and unstable equation. It was, in a sense, the match lit near the pipeline. A regime hostile to Washington, and not particularly amenable to Saudi pressure, had now become an active member of OPEC, aspiring to use the organization to challenge American economic hegemony.

It was at this moment, not surprisingly, that the militarization of American Middle Eastern policy came out of the shadows. In 1980, President Jimmy Carter — before his Habitat for Humanity days — enunciated what would become known as the "Carter Doctrine": that Persian Gulf oil was "vital" to American national interests and that the U.S. would use "any means necessary, including military force" to sustain access to it. To assure that "access," he announced the creation of a Rapid Deployment Joint Task Force, a new military command structure that would be able to deliver personnel from all the armed services, together with state-of-the-art military equipment, to any location in the Middle East at top speed.

Nurtured and expanded by succeeding presidents, this evolved into the United States Central Command (Centcom), which ended up in charge of all U.S. military activity in the Middle East and surrounding regions. It would prove the military foundation for the Gulf War of 1990, which rolled back Saddam Hussein's occupation of Kuwait, and therefore prevented him from gaining control of that country's oil reserves. Though it was not emphasized at the time, that first Gulf War was a crystalline application of the Carter Doctrine — that "any means necessary, including military force," should be used to guarantee American access to Middle Eastern oil. That war, in turn, convinced a shaky Saudi royal family — that saw Iraqi troops reach its border – to accept an ongoing American military presence within the country, a development meant to facilitate future applications of the Carter Doctrine, but which would have devastating unintended consequences.

The peaceful disintegration of the Soviet Union at almost the same moment seemed to signal that Washington now had uncontested global military supremacy, triggering a debate

within American policy circles about how to utilize and preserve what Washington Post columnist Charles Krauthammer first called the "unipolar moment." Future members of the administration of Bush the younger were especially fierce advocates for making aggressive use of this military superiority to enhance U.S. power everywhere, but especially in the Middle East. They eventually formed a policy advocacy group, The Project for a New American Century, to develop, and lobby for, their views. The group, whose membership included Dick Cheney, Donald Rumsfeld, Paul Wolfowitz and dozens of other key individuals who would hold important positions in the executive branch after George W. Bush took office, wrote an open letter to President Clinton in 1998 urging him to turn his "administration's attention to implementing a strategy for removing Saddam's regime from power." They cited both the Iraqi dictator's military belligerence and his control over "a significant portion of the world's supply of oil."

Two years later, the group issued a ringing policy statement that would be the guiding text for the new administration. Entitled Rebuilding America's Defenses, it advocated what would become known as a Rumsfeldian-style transformation of the Pentagon. U.S. military preeminence was to be utilized to "secure and expand" American influence globally and possibly, in the cases of North Korea and Iraq, used "to remove these regimes from power and conduct post-combat stability operations." (The document even commented on the problem of defusing American domestic resistance to such an aggressive stance, noting ominously that public approval could not be obtained without "some catastrophic and catalyzing event — like a new Pearl Harbor.")

SADDAM'S IRAQ AND OIL ON THE BRAIN

The second Bush administration ascended to the presidency just as American influence in the Middle East looked to be on the decline. Despite victory in the first Gulf War and the fall of the Soviet Union, American influence over OPEC and oil policies seemed under threat. That sucking sound everyone suddenly heard was a tremendous increase in the global demand for oil. With fears rising that, in the very near future, such demand could put a strain on OPEC's resources, member states began negotiating ever more vigorously for a range of concessions and expanded political power in exchange for expanded energy production. By this time, of course, the United States had joined the ranks of the energy deficient and dependent, as imported oil surged past the 50% mark.

In the meantime, key ally Saudi Arabia was further weakened by the rise of al-Qaeda, which took as its main goal the overthrow of the royal family, and its key target — think of those unintended consequences — the American troops triumphantly stationed at permanent bases in the country after Gulf War I. They seemed to confirm the accusations of Osama bin Laden and other Saudi dissidents that the royal family had indeed become little but a

tool of American imperialism. This, in turn, made the Saudi royals increasingly reluctant hosts for those troops and ever more hesitant supporters of pro-American policies within OPEC.

The situation was complicated further by what was obvious to any observer: The potential future leverage that both Iraq and Iran might wield in OPEC. With the second and third largest oil reserves on the planet — Iran also had the second largest reserves of natural gas — their influence seemed bound to rise. Iraq's, in particular, would be amplified substantially as soon as Saddam Hussein's regime was freed from severe limitations imposed by postwar UN sanctions, which prevented it from either developing new oil fields or upgrading its deteriorating energy infrastructure. Though the leaders of the two countries were enemies, having fought a bitter war in the 1980s, they could agree, at least, on energy policies aimed at thwarting American desires or demands — a position only strengthened in 1998 when the citizens of Venezuela, the most important OPEC member outside the Middle East, elected the decidedly anti-American Hugo Chavez as president. In other words, in January 2001, the new administration in Washington could look forward to negotiating oil policy not only with a reluctant Saudi royal family, but also a coterie of hostile powers in a strengthened OPEC.

It is hardly surprising, then, that the new administration, bent on unipolarity anyway and dreaming of a global Pax Americana, wasted no time implementing the aggressive policies advocated in the PNAC manifesto. According to then Secretary of the Treasury Paul O'Neill in his memoir *The Price of Loyalty*, Iraq was much on the mind of Defense Secretary Donald Rumsfeld at the first meeting of the National Security Council on January 30, 2001, seven months before the 9/11 attacks. At that meeting, Rumsfeld argued that the Clinton administration's Middle Eastern focus on Israel-Palestine should be unceremoniously dumped. "[W]hat we really want to think about," he reportedly said, "is going after Saddam." Regime change in Iraq, he argued, would allow the U.S. to enhance the situation of the pro-American Kurds, redirect Iraq toward a market economy, and guarantee a favorable oil policy.

The adjudication of Rumsfeld's recommendation was shuffled off to the mysterious National Energy Policy Development Group that Vice President Cheney convened as soon as Bush took occupancy of the Oval Office. This task force quickly decided that enhanced American influence over the production and sale of Middle East oil should be "a primary focus of U.S. international energy policy," relegating both the development of alternative energy sources and domestic energy conservation measures to secondary, or even tertiary, status. A central goal of the administration's Middle East focus would be to convince, or coerce, states in that region "to open up areas of their energy sectors to foreign investment"; that is, to replace government control of the oil spigot — the linchpin of OPEC power — with decision-making by multinational oil companies headquartered in the West and responsive to U.S. policy needs. If such a program could be extended even to a substantial minority of

Middle Eastern oil fields, it would prevent coordinated decision-making and constrain, if not break, the power of OPEC. This was a theoretically enticing way to staunch the loss of American power in the region and truly turn the Bush years into a new unipolar moment in the Middle East.

Having determined its goals, the Task Force began laying out a more detailed strategy. According to Jane Mayer of the New Yorker, the most significant innovation was to be a close collaboration between Cheney's energy crew and the National Security Council (NSC). The NSC evidently agreed "to cooperate fully with the Energy Task Force as it considered the 'melding' of two seemingly unrelated areas of policy: 'the review of operational policies towards rogue states,' such as Iraq, and 'actions regarding the capture of new and existing oil and gas fields.'"

Though all these deliberations were secret, enough of what was going on has emerged in these last years to demonstrate that the "melding" process was successful. By March of 2001, according to O'Neill, who was a member of both the NSC and the task force:

"Actual plans.... were already being discussed to take over Iraq and occupy it — complete with disposition of oil fields, peacekeeping forces, and war crimes tribunals — carrying forward an unspoken doctrine of preemptive war."

O'Neill also reported that, by the time of the 9/11 attacks on the World Trade Center and the Pentagon, the plan for conquering Iraq had been developed and that Secretary of Defense Rumsfeld indeed urged just such an attack at the first National Security Council meeting convened to discuss how the U.S. should react to the disaster. After several days of discussion, an attack on Iraq was postponed until after al-Qaeda had been wiped out and the Taliban driven from power in Afghanistan. It took only until January 2002 — three months of largely successful fighting in Afghanistan — before the "administration focus was returning to Iraq." It wasn't until November 2002, though, that O'Neill heard the President himself endorse the invasion plans, which took place the following March 20th.

THE LOGIC OF REGIME CHANGE

With this background, it's easier to understand the recent brief, but highly significant, flurry of controversy over a single sentence in *The Age of Turbulence*, the bestselling, over-500page memoir by longtime Federal Reserve Chairman Alan Greenspan. He wrote simply, as if this were utterly self-evident: "I am saddened that it is politically inconvenient to acknowledge what everyone knows: the Iraq war is largely about oil." As the first major government official to make such a statement, he was asked repeatedly to explain his thinking, particularly since his comment was immediately repudiated by various government officials, including White House spokesman Tony Fratto, who labeled it "Georgetown cocktail party analysis."

His subsequent comments elaborated on a brief explanation in the memoir: "It should be obvious that as long as the United States is beholden to potentially unfriendly sources of oil and gas, we are vulnerable to economic crises over which we have little control." Since former ally Saddam Hussein was, by then, unremittingly unfriendly, Greenspan felt that (as he told Washington Post reporter Bob Woodward) "taking Saddam out was essential" in order to make "certain that the existing system [of oil markets] continues to work." In an interview at Democracy Now! he elaborated on this point, explaining that his support for ousting Hussein had "nothing to do with the weapons of mass destruction," but rather with the economic "threat he could create to the rest of the world" through his control over key oil reserves in the Persian Gulf region.

Greenspan's argument echoes the logic expressed by the Project for a New American Century and other advocates of aggressive military solutions to the threat of OPEC power. He was concerned that Saddam Hussein, once an ally, but by then a sworn enemy of U.S. interests in the Middle East, would control key oil flows. That, in turn, might allow him to exercise economic, and so political, leverage over the United States and its allies.

The former Fed chief then elaborated further, arguing that the threat of Saddam could be eliminated "by one means or another" — either by "getting him out of office or getting him out of the control position he was in." Replacing Saddam with a friendly, pro-American government seemed, of course, like such a no-brainer. Why have a guy like that in a "control position" over oil, after all? (And think of the possibility of taking those embarrassing troops out of Saudi Arabia and stationing them at large permanent bases in nearby, well-situated, oil-rich Iraq.) Better by far, as the Cheney Energy Task put it, "to open up areas of [Iraq's] energy sectors to foreign investment." Like the Task Force members, Greenspan believed that removing oil — not just from Saddam's control, but from the control of any Iraqi government — would permanently remove the threat that it or a broken OPEC could continue to wield economic leverage over the United States.

Revealingly enough, Greenspan saw the invasion of Iraq as a generically conservative action — a return, if anything, to the status quo ante that would preserve unencumbered American access to sufficient Middle Eastern oil. With whole new energy-devouring economies coming on line in Asia, continued American access seemed to require stripping key Middle Eastern nations of the economic and political power that scarcity had already begun to confer. In other words, Greenspan's conservative urge implied exactly the revolutionary changes in the political and economic equation that the Bush administration would begin to test out so disastrously in Iraq in March 2003. It's also worth remembering that Iraq was only considered a first pit stop, an easy mark for invasion and occupation. PNAC-nurtured eyes were already turning to Iran by then as indicated by the classic prewar neocon quip, "Everyone wants to go to Baghdad. Real men want to go to Tehran."

And beyond this set of radical changes in the Middle East lay another set for the rest of the world. In the twenty-first century, expanding energy demand will, sooner or later (probably sooner), outdistance production. The goal of unfettered American access to sufficient Middle Eastern oil would, if achieved and sustained, deprive other countries of sufficient oil, or require them to satisfy U.S. demands in order to access it. In other words, Greenspan's conservative effort to preserve American access implied a dramatic increase in American leverage over all countries that depended on oil for their economic welfare; that is, a radical transformation of the global balance of power.

Notice that these ambitions, and the actions taken to implement them, rested on a vision of an imperial America that should, could, and would play a uniquely dominant, problemsolving role in world affairs. All other countries would, of course, continue to be "vulnerable to economic crises" over which they would have "little control." Only the United States had the essential right to threaten, or simply apply, overwhelming military power to the "problem" of energy; only it had the right to subdue any country that attempted to create — or exploit — an energy crisis, or that simply had the potential and animus to do so.

None of this was lost on the unipolar-minded officials who made the decision to invade Iraq — and were more ready than any previous administration to spell out, shock-and-awe style, a new stronger version of the Carter Doctrine for the planet. According to Treasury Secretary O'Neill, Rumsfeld offered a vision of the grandiosity of these goals at the first Bush administration National Security Council meeting:

"Imagine what the region would look like without Saddam and with a regime that's aligned with U.S. interests. It would change everything in the region and beyond."

An even more grandiose vision was offered to the New York Times by presidential speech writer David Frum a few days later:

"An American-led overthrow of Saddam Hussein, and the replacement of the radical Baathist dictatorship with a new government more closely aligned with the United States, would put America more wholly in charge of the region than any power since the Ottomans, or maybe even the Romans."

As worldwide demand for hydrocarbons soared, the United States was left with three policy choices: It could try to combine alternative energy sources with rigorous conservation to reduce or eliminate a significant portion of energy imports; it could accept the leverage conferred on OPEC by the energy crunch and attempt to negotiate for an adequate share of what might soon enough become an inadequate supply; or it could use its military power in an effort to coerce Middle East suppliers into satisfying American requirements at the expense of everyone else. Beginning with Jimmy Carter, five U.S. presidents chose the coercive strategy, with George W. Bush finally deciding that violent, preemptive regime change was needed to make it work. The other options remain unexplored.

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