

Claiming the Prize: War Escalation Aimed at Securing Iraqi Oil

By [Chris Floyd](#)

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I. The Twin Engines of Bush's War

The reason that George W. Bush insists that "victory" is achievable in Iraq is not because he is deluded or isolated or ignorant or detached from reality or ill-advised.

No, it's that his definition of "victory" is different from those bruited about in his own rhetoric and in the ever-earnest disquisitions of the chattering classes in print and on-line. For Bush, victory is indeed at hand. It could come at any moment now, could already have been achieved by the time you read this. And the driving force behind his planned "surge" of American troops is the need to preserve those fruits of victory that are now ripening in his hand.

At any time within the next few days, the Iraqi Council of Ministers is expected to approve a new "hydrocarbon law" essentially drawn up by the Bush Administration and its U.K. lackey, the [Independent on Sunday](#) reports.

The new bill will "radically redraw the Iraqi oil industry and throw open the doors to the third-largest oil reserves in the world," say the paper, whose reporters have seen a draft of the new law. "It would allow the first large-scale operation of foreign oil companies in the country since the industry was nationalized in 1972." If the government's parliamentary majority prevails, the law should take effect in March.

As the paper notes, the law will give Exxon, BP, Shell and other carbon cronies of the White House unprecedented sweetheart deals, allowing them to pump gargantuan profits from Iraq's nominally state-owned oilfields for decades to come.

This law has been in the works since the very beginning of the invasion — indeed, since months before the invasion, when the Bush Administration brought in Phillip Carroll, former CEO of both Shell and Fluor, the politically-wired oil servicing firm, to devise "contingency plans" for divvying up Iraq's oil after the attack.

Once the deed was done, Carroll was made head of the American "advisory committee" overseeing the oil industry of the conquered land, as [Joshua Holland](#) of [Alternet.org](#) has chronicled in two remarkable reports on the backroom maneuvering over Iraq's oil: [Bush's Petro-Cartel Almost Has Iraq's Oil](#) and [The U.S. Takeover of Iraqi Oil](#).

According to senior Bush minions talking up the plan for what is not a surge but a long-term escalation of urban warfare that the [U.S. ground commander](#) in Iraq says will likely last for

years, Bush's new "stratergergy" includes "benchmarks" that the natives must meet to keep in favor with their colonial master. One of the most prominent of these is the demand that Iraq "finalize a long-delayed measure on the distribution of oil revenue." As we can see by the Independent stories quoted here, that benchmark should be done and dusted within weeks.

From those earliest days until now, throughout all the twists and turns, the blood and chaos of the occupation, the Bush Administration has kept its eye on this prize. The new law offers the barrelling buccaneers of the West a juicy set of production-sharing agreements (PSAs) that will maintain a fig leaf of Iraqi ownership of the nation's oil industry — while letting Bush's Big Oil buddies rake off up to 75 percent of all oil profits for an indefinite period up front, until they decide that their "infrastructure investments" have been repaid. Even then, the agreements will give the Western oil majors an unheard-of 20 percent of Iraq's oil profits — more than twice the average of standard PSAs, the Independent notes.

Of course, at the moment, the "security situation" — i.e., the living hell of death and suffering that Bush's "war of choice" has wrought in Iraq — prevents the Oil Barons from setting up shop in the looted fields. Hence Bush's overwhelming urge to "surge" despite the fierce opposition to his plans from Congress, the Pentagon and some members of his own party.

Bush and his inner circle, including his chief adviser, old oilman Dick Cheney, believe that a bigger dose of blood and iron in Iraq will produce a sufficient level of stability to allow the oil majors to cash in the PSA chips that more than 3,000 American soldiers have purchased for them with their lives.

The American "surge" will be blended into the new draconian effort announced over the weekend by Iraqi Prime Minister Nouri al-Maliki: an all-out war by the government's Shiite militia-riddled "security forces" on Sunni enclaves in Baghdad, as the Washington Post reports.

American troops will "support" the "pacification effort" with what Maliki says calls "house-to-house" sweeps of Sunni areas. There is of course another phrase for this kind of operation: "ethnic cleansing."

The "surged" troops — mostly long-serving, overstrained units dragooned into extended duty — are to be thrown into this maelstrom of urban warfare and ethnic murder, temporarily taking sides with one faction in Iraq's hydra-headed, multi-sided civil war.

As the conflict goes on — and it will go on and on — the Bush Administration will continue to side with whatever faction promises to uphold the "hydrocarbon law" and those profitable PSAs. If "Al Qaeda in Iraq" vowed to open the nation's oil spigots for Exxon, Fluor and Halliburton, they would suddenly find themselves transformed from "terrorists" into "moderates" — as indeed has Maliki and his violent, sectarian Dawa Party, which once killed Americans in terrorist actions but are now hailed as freedom's champions.

So Bush will surge with Maliki and his ethnic cleansing for now. If the effort flames out in a disastrous crash that makes the situation worse — as it almost certainly will — Bush will simply back another horse. What he seeks in Iraq is not freedom or democracy but "stability" — a government of any shape or form that will deliver the goods.

As the Independent wryly noted in its Sunday story, Dick Cheney himself revealed the true goal of the war back in 1999, in a speech he gave when he was still CEO of Halliburton. “Where is the oil going to come from” to slake the world’s ever-growing thirst, asked Cheney, then answered his own question. “The Middle East, with two-thirds of the world’s oil and the lowest cost, is still where the prize ultimately lies.”

And therein lies another hidden layer of the war. For Iraq not only has the world’s second largest oil reserves; it also has the world’s most easily retrievable oil. As the Independent succinctly notes: “The cost-per-barrel of extracting oil in Iraq is among the lowest in the world because the reserves are relatively close to the surface. This contrasts starkly with the expensive and risky lengths to which the oil industry must go to find new reserves elsewhere — witness the super-deep offshore drilling and cost-intensive techniques needed to extract oil from Canada’s tar sands.”

This is precisely what Cheney was getting at in his 1999 talk to the Institute of Petroleum. In a world of dwindling petroleum resources, those who control large reserves of cheaply-produced oil will reap unimaginable profits — and command the heights of the global economy.

It’s not just about profit, of course; control of such resources would offer tremendous strategic advantages to anyone who was interested in “full spectrum domination” of world affairs, which the Bush-Cheney faction and their outriders among the neocons and the “national greatness” fanatics have openly sought for years. With its twin engines of corporate greed and military empire, the war in Iraq is a marriage made in Valhalla.

II. The Win-Win Scenario

And this unholy union is what Bush is really talking about when he talks about “victory.” This is the reason for so much of the drift and dithering and chaos and incompetence of the occupation: Bush and his cohorts don’t really care what happens on the ground in Iraq — they care about what comes out of the ground.

The end — profit and dominion — justifies any means. What happens to the human beings caught up in the war is of no ultimate importance; the game is worth any number of broken candles.

And in plain point of fact, the Bush-Cheney faction — and the elite interests they represent — has already won the war in Iraq. I’ve touched on this theme before elsewhere, but it is a reality of the war that is very often overlooked, and is worth examining again. This ultimate victory was clear as long ago as June 2004, when I first set down the [original version](#) of some of the updated observations below.

Put simply, the Bush Family and their allies and cronies represent the confluence of three long-established power factions in the American elite: oil, arms and investments. These groups equate their own interests, their own wealth and privilege, with the interests of the nation — indeed, the world — as a whole. And they pursue these interests with every weapon at their command, including war, torture, deceit and corruption.

Democracy means nothing to them — not even in their own country, as we saw in the 2000 election. Laws are just whips to keep the common herd in line; they don’t apply to the elite, as Bush’s own lawyers and minions have openly asserted in the memos, signing statements,

court cases and presidential decrees asserting the “inherent power” of the “unitary executive” to override any law he pleases.

The Iraq war has been immensely profitable for these Bush-linked power factions (and their tributary industries, such as construction); billions of dollars in public money have already poured into their coffers. Halliburton has been catapulted from the edge of bankruptcy to the heights of no-bid, open-ended, guaranteed profit.

The Carlyle Group is gorging on war contracts. Individual Bush family members are making out like bandits from war-related investments, while dozens of Bush minions — like Richard Perle, James Woolsey, and Joe Allbaugh — have cashed in their insider chips for blood money.

The aftermath of the war promises equal if not greater riches. Even if the new Iraqi government maintains nominal state control of its oil industry, there are still untold billions to be made in PSAs for drilling, refining, distributing, servicing and securing oilfields and pipelines.

Likewise, the new Iraqi military and police forces will require billions more in weapons, equipment and training, bought from the U.S. arms industry — and from the fast-expanding “private security” industry, the politically hard-wired mercenary forces that are the power elite’s latest lucrative spin-off. And as with Saudi Arabia, oil money from the new Iraq will pump untold billions into American banks and investment houses.

But that’s not all. For even in the worst-case scenario, if the Americans had to pull out tomorrow, abandoning everything — their bases, their contracts, their collaborators — the Bush power factions would still come out ahead. For not only has their already-incalculable wealth been vastly augmented (with any potential losses indemnified by U.S. taxpayers), but their deeply-entrenched sway over American society has also increased by several magnitudes.

No matter which party controls the government, the militarization of America is so far gone now it’s impossible to imagine any major rollback in the gargantuan U.S. war machine — 725 bases in 132 countries, annual military budgets topping \$500 billion, a planned \$1 trillion in new weapons systems already moving through the pipeline. Indeed, the Democratic “opposition” has promised to expand the military.

Nor will either party conceivably challenge the dominance of the energy behemoths — or stand against the American public’s demand for cheap gas, big vehicles and unlimited consumption of a vast disproportion of the world’s oil.

As for Wall Street — both parties have long been the eager courtesans of the investment elite, dispatching armies all over the world to protect their financial interests. The power factions whose influence has been so magnified by Bush’s war will maintain their supremacy regardless of the electoral outcome.

[By the way, to think that all of this has happened because a small band of extremist ideologues — the neocons — somehow “hijacked” U.S. foreign policy to push their radical dreams of “liberating” the Middle East by force and destroying Israel’s enemies is absurd. The Bush power factions were already determined on an aggressive foreign policy; they used the neocons and their bag of tricks — their inflated rhetoric, their conspiratorial zeal,

their murky Middle East contacts, their ideology of brute force in the name of “higher” causes — as tools (and PR cover) to help bring about a long-planned war that had nothing to do with democracy or security or any coherent ideology whatsoever beyond the remorseless pursuit of wealth and power, the blind urge to be top dog.]

[As I noted earlier this year:](#)

Bush and his cohorts have won even if the surge fails and Iraq lapses into perpetual anarchy, or becomes an extremist religious state; they’ve won even if the whole region goes up in flames, and terrorism flares to unprecedented heights - because this will just mean more war-profiteering, more fear-profiteering.

And yes, they’ve won even though they’ve lost their Congressional majority and could well lose the presidency in 2008, because war and fear will continue to fill their coffers, buying them continuing influence and power as they bide their time through another interregnum of a Democratic “centrist” — who will, at best, only nibble at the edges of the militarist state — until they are back in the saddle again. The only way they can lose the Iraq War is if they are actually arrested and imprisoned for their war crimes. And we all know that’s not going to happen.

So Bush’s confident strut, his incessant upbeat pronouncements about the war, his complacent smirks, his callous indifference to the unspeakable horror he has unleashed in Iraq — these are not the hallmarks of self-delusion, or willful ignorance, or a disassociation from reality. He and his accomplices know full well what the reality is — and they like it.

*[Chris Floyd](#) is an American journalist. He is the author of the book, *Empire Burlesque: The Secret History of the Bush Regime*. He has been a writer and editor for more than 20 years, working in the United States, Great Britain and Russia for various newspapers, magazines, the U.S. government and Oxford University. Chris Floyd is a frequent contributor to Global Research.*

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