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George Bush's Land Mine: If the Iraqi People Get Revenue Sharing, They Lose Their Oil to Exxon

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George Bush has a land mine planted in the supplemental appropriation legislation working its way through Congress.

The Iraq Accountability Act passed by the House and the companion bill passed in the Senate contain deadlines for withdrawing our troops from Iraq, in open defiance of the President's repeated objections.

He threatens a veto, but he might well be bluffing. Buried deep in the legislation and intentionally obscured is a near-guarantee of success for the Bush Administration's true objective of the war-capturing Iraq's oil-and George Bush will not casually forego that.

This bizarre circumstance is the end-game of the brilliant, ever-deceitful maneuvering by the Bush Administration in conducting the entire scenario of the "global war on terror."

The supplemental appropriation package requires the Iraqi government to meet a series of "benchmarks" President Bush established in his speech to the nation on January 10 (in which he made his case for the "surge"). Most of Mr. Bush's benchmarks are designed to blame the victim, forcing the Iraqis to solve the problems George Bush himself created.

One of the President's benchmarks, however, stands apart. This is how the President described it: "To give every Iraqi citizen a stake in the country's economy, Iraq will pass legislation to share oil revenues among all Iraqis." A seemingly decent, even noble concession. That's all Mr. Bush said about that benchmark, but his brevity was gravely misleading, and it had to be intentional.

The Iraqi Parliament has before it today, in fact, a bill called the hydrocarbon law, and it does call for revenue sharing among Sunnis, Shiites, and Kurds. For President Bush, this is a must-have law, and it is the only "benchmark" that truly matters to his Administration.

Yes, revenue sharing is there-essentially in fine print, essentially trivial. The bill is long and complex, it has been years in the making, and its primary purpose is transformational in scope: a radical and wholesale reconstruction-virtual privatization-of the currently nationalized Iraqi oil industry.

If passed, the law will make available to Exxon/Mobil, Chevron/Texaco, BP/Amoco, and Royal Dutch/Shell about 4/5's of the stupendous petroleum reserves in Iraq. That is the wretched goal of the Bush Administration, and in his speech setting the revenue-sharing "benchmark" Mr. Bush consciously avoided any hint of it.

The legislation pending now in Washington requires the President to certify to Congress by next October that the benchmarks have been met-specifically that the Iraqi hydrocarbon law has been passed. That's the land mine: he will certify the American and British oil companies have access to Iraqi oil. This is not likely what Congress intended, but it is precisely what Mr. Bush has sought for the better part of six years.

It is why we went to war.

For years President Bush has cloaked his intentions behind the fabricated "Global War on Terrorism." It has long been suspected that oil drove the wars, but dozens of skilled and determined writers have documented it. It is no longer a matter of suspicion, nor is it speculation now: it is sordid fact. (See a brief summary of the story at http://www.alternet.org/waroniraq/47489/ .)

Planning for the two wars was underway almost immediately upon the Bush Administration taking office–at least six months before September 11, 2001. The wars had nothing to do with terrorism. Terrorism was initially rejected by the new Administration as unworthy of national concern and public policy, but 9/11 gave them a conveniently timed and spectacular alibi to undertake the wars. Quickly inventing a catchy "global war on terror" theme, the Administration disguised the true nature of the wars very cleverly, and with enduring success.

The "global war on terror" is bogus. The prime terrorist in Afghanistan and the architect of 9/11, Osama bin Laden, was never apprehended, and the President's subsequent indifference is a matter of record. And Iraq harbored no terrorists at all. But both countries were invaded, both countries suffer military occupation today, both are dotted with permanent U.S. military bases protecting the hydrocarbon assets, and both have been provided with puppet governments.

And a billion dollar embassy in Baghdad is under construction now. It will be the largest U.S. embassy in the world by a factor of ten. (To see it, go to http://www.globalresearch.ca/index.php?context=viewArticle&code=20070124&articleId=4579 .) It consists of 21 buildings on 104 acres, six times larger than the United Nations compound in New York city, larger than Vatican City. It will house a delegation of more than five thousand people. It will have its own water, electric, and sewage systems, and it is surrounded by a fortress wall of concrete fifteen feet thick. For an Administration committed to fighting terrorism with armies and bombs, that's far more anti-terror diplomacy than a tiny country needs. There must be another purpose for it.

In the first two months of the Bush Administration two significant events took place that preordained the Iraqi war. Vice President Cheney's Energy Task Force was created, composed of federal officials and oil industry people. By March of 2001, half a year before 9/11, the Task Force was poring secretly over maps of the Iraqi oil fields, pipe lines, and tanker terminals. It studied a listing of foreign oil company "suitors" for exploration and development contracts, to be executed with Saddam Hussein's oil ministry. There was not a single American or British oil company included, and to Mr. Cheney and his cohorts that was intolerable. The final report of the Task Force was candid: "… Middle East oil producers will remain central to world security. The Gulf will be a primary focus of U.S. international energy policy." The detailed meaning of "focus" was left blank.

The other event was the first meeting of President Bush's National Security Council, and it filled in the blank. The Council abandoned abruptly the decades-long attempt to resolve the Israeli-Palestinian conflict, and set a new priority for Middle East foreign policy instead: the invasion of Iraq. This, too, was six months before 9/11. "Focus" would mean war.

By the fall of 2002, the White House Iraq Group-a collection not of foreign policy experts but of media and public relations people-was cranking up the marketing campaign for the war. A contract was signed with the Halliburton Corporation-even before military force in Iraq had been authorized by Congress-to organize the suppression of oil well fires, should Saddam torch the fields as he had done in the first Gulf War. Little was left to chance.

The oil industry is the primary client and top-ranked beneficiary of the Bush Administration. There can be no question the Administration intended to secure for American oil corporations the rich petroleum resources of Iraq: 115 billion barrels of proven reserves, twice that in probable and possible resources, potentially far more than Saudi Arabia. The Energy Task Force spoke to this and the National Security Council answered.

A secret NSC memorandum in 2001 spoke candidly of "actions regarding the capture of new and existing oil and gas fields" in Iraq. In 2002 Paul Wolfowitz suggested simply seizing the oil fields. These words and suggestions were draconian, overt, and reprehensible-morally, historically, politically and diplomatically. The seizure of the oil would have to be oblique and far more sophisticated.

A year before the war the State Department undertook the "Future of Iraq" project, expressly to design the institutional contours of the postwar country. The "Oil and Energy Working Group" looked with dismay at the National Iraqi Oil Company, the government agency that owned and operated the Iraqi oil fields and marketed the products. 100% of the revenues went directly to the central government, and constituted about 90% of its income. Saddam Hussein benefited, certainly-his lavish palaces-but the Iraqi people did so to a far greater extent, in terms of the nation's public services and physical infrastructure. For this reason nationalized oil industries are the norm throughout the world.

The Oil and Energy Working Group designed a scheme that was oblique and sophisticated, indeed. The oil seizure would be less than total. It would be obscured in complexity. The apparent responsibility for it would be shifted, and it would be disguised as benefiting, even necessary to Iraq's well being. Their work was supremely ingenious, undeniably brilliant.

The plan would keep the National Iraqi Oil Company in place, to continue overseeing the currently producing fields. But those fields represent only 19% of Iraq's petroleum reserves. The other 81% would be flung open to "investment" by foreign oil interests, and the companies in favored positions today-because of the war and their political connections-are Exxon/Mobil, Chevron/Texaco, BP/Amoco, and Royal Dutch/Shell.

The nationalized industry would be 80% privatized.

The investment vehicle would be the "production sharing agreement," a long-term contract-up to 40 years-that grants to the company a share of the oil produced; in exchange, the company underwrites the development costs and oilfield infrastructure. Such "investment" is touted by the Bush Administration and its puppets in Iraq as necessary to the country's recovery, and a huge benefit, accordingly. But it is not unusual for these contracts to grant the companies more than half the profits for the first 15-30 years, and to deny the host country any revenue at all until the investment costs have been recovered.

The Iraqi oil industry does very much need a great deal of investment capital, to repair, replace, and upgrade its infrastructure. But it does not need Exxon/Mobil or any other foreign company to provide it. At a reduced level, Iraq is still producing oil and hence revenue, and no country in the world, perhaps, has better collateral against which to float bond issues for public investment. Privatization of any sort and in any degree is utterly unnecessary in Iraq today.

The features of the State Department plan were inserted by Paul Bremer's Provisional Coalition Authority into the developing structures of Iraqi governance. American oil companies were omnipresent in Baghdad then and have been since, shaping and shepherding the plan through the several iterations of puppet governments-the "democracy" said to be taking hold in Iraq.

The package today is in the form of draft legislation, the hydrocarbon law. Only a handful of Iraqi officials know its details. Virtually none of them had a hand in its construction. (It was first written in English.) And its exclusive beneficiaries are the American and British oil companies, whose profits will come directly from the pockets of the Iraqi people.

The Iraqi people do, however, benefit to some degree. The seizure is not total. The hydrocarbon law specifies the oil revenues-the residue accruing to Iraq-will be shared equally among the Sunni, Shiite, and Kurdish regions, on a basis of population. This is the feature President Bush relies upon exclusively to justify, to insist on the passage of the hydrocarbon law. His real reasons are Exxon/Mobil, Chevron/Texaco, BP/Amoco, and Royal Dutch/Shell.

No one can say at the moment how much the hydrocarbon law will cost the Iraqi people, but it will be in the hundreds of billions. The circumstances of its passage are mired in the country's chaos, and its final details are not yet settled. If and when it passes, however, Iraq will orchestrate the foreign capture of its own oil. The ingenious, brilliant seizure of Iraqi oil will be assured.

That outcome has been on the Bush Administration's agenda since early in 2001, long before terrorism struck in New York and Washington. The Iraqi war has never been about terrorism.

It is blood for oil.

The blood has been spilled already, hugely, criminally. More than 3,200 American military men and women have died in Iraq. 26,500 more have been wounded. But the oil remains in play.

The game will end if the revenue-sharing "benchmark" is fully enforced. The land mine will detonate.

Mission almost accomplished, Mr. President.

Author's Note:

This article was written assuming the members of Congress were ignorant, when they *passed the supplemental appropriation bills, of the clever origin, the details, and the true beneficiaries of the Iraqi hydrocarbon law. It was written assuming they did not know President Bush's stated "benchmark" of revenue-sharing was fraudulently incomplete, intentionally obscuring the fully intended seizure, by military force, of Iraqi oil assets.*

The Bush Administration made every effort to mislead deliberately both the Congress and the American people. Ignorance of the circumstances was imposed.

If any members of Congress acted with full and complete knowledge, however, then they have become complicit in a criminal war.

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