

Was the Iraq War to Grab Oil ... Or to Raise Oil Prices?

By [Washington's Blog](#)

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Was the Real Purpose of the Iraq War to *Restrict* Oil ... So As to Raise Oil Prices?

U.S. Secretary of Defense Chuck Hagel, 4 Star General John Abizaid, Fed boss Alan Greenspan, President George W. Bush, Senator John McCain, Sarah Palin, Bush speechwriter David Frum, key war architect John Bolton, and a high-level National Security Council officer *all say* that [the Iraq war was about oil](#).

Documents from Britain [show the same thing](#).

But BBC and Guardian investigative reporter Greg Palast – a New York Times bestselling author – [argues today](#) that source documents he obtained through cloak-and-dagger methods prove that the war was actually focused on keeping Saddam's oil *off of* the market ... so as to keep oil prices high:

[I obtained] a 323-page, three-volume programme for Iraq's oil crafted by George Bush's State Department and petroleum insiders meeting secretly in Houston, Texas.

I cracked open the pile of paper – and I was blown away.

Like most lefty journalists, I assumed that George Bush and Tony Blair invaded Iraq to buy up its oil fields, cheap and at gun-point, and cart off the oil. We thought we knew the neo-cons true casus belli: Blood for oil.

But the truth in the Options for Iraqi Oil Industry was worse than “Blood for Oil”. Much, much worse.

The key was in the flow chart on page 15, Iraq Oil Regime Timeline & Scenario Analysis:

“...A single state-owned company ...enhances a government's relationship with OPEC.”

I'd already had in my hands a 101-page document, another State Department secret scheme, first uncovered by Wall Street Journal reporter Neil King, that called for the privatisation, the complete sell-off of every single government-owned asset and industry. And in case anyone missed the point, the sales would include every derrick, pipe and barrel of oil, or, as the document put it, “especially the oil”.

That plan was created by a gaggle of corporate lobbyists and neo-cons working for the Heritage Foundation. In 2004, the plan's authenticity was confirmed by Washington power player Grover Norquist.

The neo-con idea was to break up and sell off Iraq's oil fields, ramp up production, flood the world oil market – and thereby smash OPEC and with it, the political dominance of Saudi Arabia.

General Jay Garner also confirmed the plan to grab the oil. Indeed, Secretary of Defense Donald Rumsfeld fired Garner, when the General, who had lived in Iraq, complained the neo-con grab would set off a civil war. It did. Nevertheless, Rumsfeld replaced Garner with a new American viceroy, Paul Bremer, a partner in Henry Kissinger's firm, to complete the corporate takeover of Iraq's assets – "especially the oil".

But that was not to be. While Bremer oversaw the wall-to-wall transfer of Iraqi industries to foreign corporations, he was stopped cold at the edge of the oil fields.

How? I knew there was only one man who could swat away the entire neo-con army: James Baker, former Secretary of State, Bush family consigliere and most important, counsel to Exxon-Mobil Corporation and the House of Saud.

(One unwitting source was industry oil-trading maven Edward Morse of Lehman/Credit Suisse, who threatened to sue Harper's Magazine for my quoting him. Morse denied I ever spoke with him. But when I played the tape from my hidden recorder, his memory cleared and he scampered away.)

There was no way in hell that Baker's clients, from Exxon to Abdullah, were going to let a gaggle of neo-con freaks smash up Iraq's oil industry, break OPEC production quotas, flood the market with six million bbd of Iraqi oil and thereby knock the price of oil back down to \$13 a barrel where it was in 1998.

Big Oil could not allow Iraq's oil fields to be privatised and taken from state control. That would make it impossible to keep Iraq within OPEC (an avowed goal of the neo-cons) as the state could no longer limit production in accordance with the cartel's quota system. The US oil industry was using its full political mojo to prevent their being handed ownership of Iraq's oil fields.

That's right: The oil companies didn't want to own the oil fields – and they sure as hell didn't want the oil. Just the opposite. They wanted to make sure there would be a limit on the amount of oil that would come out of Iraq.

Saddam wasn't trying to stop the flow of oil – he was trying to sell more. The price of oil had been boosted 300 percent by sanctions and an embargo cutting Iraq's sales to two million barrels a day from four. With Saddam gone, the only way to keep the damn oil in the ground was to leave it locked up inside the busted state oil company which would remain under OPEC (i.e. Saudi) quotas.

The James Baker Institute quickly and secretly started in on drafting the 323-page plan for the State Department. With authority granted from the top (i.e. Dick Cheney), ex-Shell Oil USA CEO Phil Carroll was rushed to Baghdad in May 2003 to take charge of Iraq's oil. He told Bremer, "There will be no privatisation of oil – END OF STATEMENT."

Some oil could be released, mainly to China, through limited, but lucrative,

“production sharing agreements”.

And that’s how George Bush won the war in Iraq. The invasion was not about “blood for oil”, but something far more sinister: blood for no oil. War to keep supply tight and send prices skyward.

Oil men, whether James Baker or George Bush or Dick Cheney, are not in the business of producing oil. They are in the business of producing profits.

And they’ve succeeded. Iraq, capable of producing six to 12 million barrels of oil a day, still exports well under its old OPEC quota of three million barrels.

The result: As we mark the tenth anniversary of the invasion this month, we also mark the fifth year of crude at \$100 a barrel.

Palast concludes that Cheney – a neo-con, but also a [long-time oil man](#) – sided with the oil companies, and decided *not* to divvy up the Iraqi oil spoils, but instead to make sure that the oil supply remained relatively *scarce*.

Indeed, top oil economists have said that the Iraq war [substantially raised the price of oil](#) ... making a lot of people rich. And [see this](#).

As bizarre as the oil-restriction theory may sound, the big U.S. oil companies have been [doing that kind of stuff for years](#).

Note: We’ve heard such speculation for the last 8 years. But Palast – one of the best investigative journalists of the past 100 years – has such a spectacular record for breaking stories based upon source documents that he obtains from whistleblowers that we think this is newsworthy.

There may – of course – have been [additional motives for the war](#).

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