

Oil and War

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War—what is it good for?

President Bush says war will stamp out terrorism. But to map the “war on terrorism” is to map the world’s oil.

In the Middle East, the administration has announced that its top priority is a massive invasion of Iraq to remove Saddam Hussein. Hussein is a ruthless leader, but the U.S. supports many dictators. Washington has him in its gunsights because he is the chief opponent to U.S. control over the vast oil wealth of the Persian Gulf.

In Afghanistan, the “war on terrorism” has produced a pro-U.S. government—and U.S. military bases in the nine surrounding countries. Those Central Asian countries are rich in oil and natural gas. By military action, the U.S. is trying to clear the way to lay pipelines to the West and to the growing Asian markets—with Afghanistan at the crossroads.

In the Caspian Sea basin, the U.S. has been building new military bases and training local defense forces in the wake of Sept. 11. The former Soviet Republics of Turkmenistan and Uzbekistan are bursting with an estimated five trillion dollars worth of unexploited oil and natural gas. After the Persian Gulf, this is the largest reservoir of petroleum in the world.

Oil is also at the center of recent U.S. actions to export its “war on terrorism” to Latin America and Africa. In Colombia, the U.S. is ready to give \$98 million to government forces to guard against rebel disruption of Occidental Petroleum’s oil pipeline. In Venezuela, the U.S.’s third largest supplier of oil, the U.S. met with and helped fund

Control of oil is key to control of the world economy.

the leaders of a failed coup against the democratically elected president.

In Africa, the U.S. has recently increased military aid to Nigeria, the continent’s largest supplier of oil to the U.S.

The petroleum industry is the most powerful in the world. It fuels modern industry, agriculture and transportation. Its capital flows shape the global financial system.

THE CHENEY-ENRON PLAN

Big Oil also dominates the Bush administration. The President, Vice President Dick Cheney and almost all the top ranking officials in the administration have been top corporate oil executives or have longstanding

ties to the industry. (See “Bush’s Oil Machine”.) The exceptions, like Secretary of State Colin Powell, are linked to the military and defense industries.

The administration’s oil strategy was set forward in the national energy plan drawn up last year by Cheney with notorious assistance from executives from Enron and other energy giants. Not surprisingly, the plan opposes an increase in the fuel efficiency of U.S. motor vehicles. And it calls for exploitation of the pristine Alaska National Wildlife Refuge even though such drilling would make no significant difference in the larger energy situation.

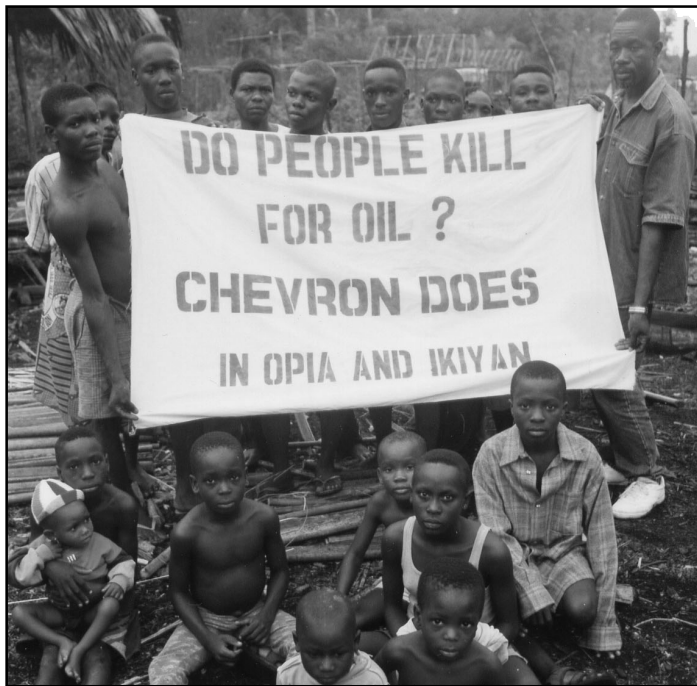
Professor Michael Klare, writing for Pacific News Service, summarizes the

Cheney report in three points:

- The U.S. is increasingly dependent on foreign oil. Currently the U.S. imports about 10 million barrels of oil per day, 53 percent of total consumption. By 2020 daily U.S. oil imports will climb to 17 million barrels, 65 percent of consumption.

- Therefore the U.S. must add new foreign oil sources to its current suppliers, Saudi Arabia, Venezuela and Canada. The plan looks to the Caspian states, Russia and Africa to meet its future oil needs and to end its dependence on the Organization of Petroleum Exporting Countries (OPEC).

- The U.S. cannot gain access to this oil through market forces alone—foreign resistance to U.S. energy companies is longstanding. As the report states, “foreign powers do not always have America’s interests at heart.”



A protest against Chevron in Nigeria. Has Washington turned the “war on terrorism” into a global war for oil?

continued

Bush's Oil Machine

BY CATHERINE BALDI
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George W. Bush has ushered the oil industry into the heart of Washington. As the Oil & Gas Journal said: "From industry's perspective, the casting of the lead roles couldn't be better." Here are some of the key players.



George Bush, President

The president's best business move was to sell a small oil company he had started in the 1970s, Bush Exploration/Arbusto, to Spectrum 7. In return he received \$600,000 in stock, a \$120,000 yearly contract and a

lot of friends in the Texas oil scene. Oil and other energy money gushed into George II's 2000 campaign coffers to the tune of \$2.8 million. Another \$2.3 million came from the auto sector. Enron donated more than a million dollars to the Republican National Committee.

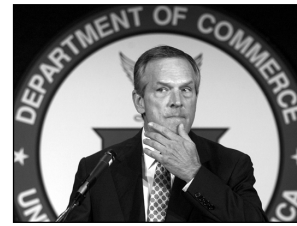
Dick Cheney, Vice President

After serving as defense secretary under Bush I, Cheney settled in Dallas to head up the world's largest oil service company, Halliburton. Halliburton has 100,000 employees in 130 countries, and a market value of \$18.2 billion. Since 1992 the company has contributed \$1.6 billion to Washington politicians. Halliburton now has contracts with the U.S. army to build and staff pre-fabricated bases, a program championed by Cheney when he was secretary of defense.

Zalmay Khalilzad, Special Envoy to Afghanistan

The highest-ranking U.S. diplomat in Afghanistan, Khalilzad has a long history of promoting military action as a member of the Reagan and Bush I administrations. He was a consultant for oil giant Unocal in 1997, conducting risk assessments for their proposed 900-mile Afghan pipeline to transport natural gas. In advocating the Unocal pipeline while the Taliban still ruled Afghanistan, Khalilzad wrote in the Washington Post that "Taliban do not practice the anti-

U.S. style of fundamentalism practiced by Iran. We should be willing to offer recognition and humanitarian assistance."



Don Evans, Commerce Secretary

Evans was Bush II's campaign manager and chief fundraiser in the last three elections, pulling in millions from cronies in the oil patch. Before that he was CEO and chairman of the Colorado-based oil company, Tom Brown Inc. and a board member of Sharp Drilling, an oil industry contractor. As commerce secretary, Evans oversees policy for U.S. oceans and air. Since 25 percent of domestic oil and natural gas production comes from offshore drilling, the industry must be glad to have a friend on the inside.

Condoleezza Rice, National Security Advisor

Rice spent a decade on the board of Chevron Corporation (now ChevronTexaco). She was Chevron's main expert on Kazakhstan, where the company has invested \$20 billion. Chevron-Texaco is also a big player in Nigeria. Rice is involved in U.S. policy toward that country. When Rice left the Chevron board, the company honored her by naming one of its supertankers "Condoleezza."

Oil and War continued

THE WAR BUSINESS

This is why Washington seized upon the Sept. 11 tragedy to expand its military presence in oil-producing countries throughout the world.

Pepe Escobar, columnist for Asia Times, observes: "There's no business like war business. Thanks to war against Iraq, the U.S. has its military bases in the Persian Gulf. Thanks to war against Yugoslavia, the U.S. has its military bases in Bosnia, Kosovo and Macedonia. Thanks to war against the Taliban, the U.S. is now in Turkmenistan, Uzbekistan, Pakistan, Afghanistan," Turkey, Georgia and Azerbaijan.

Escobar believes that even larger stakes are involved in the U.S.'s wars to control world oil. "If the U.S. controls the sources of energy of its rivals—Europe, Japan, China and other nations aspiring to be more independent—they win." Control of oil is key to control of the world economy.

Bush calls his war program Enduring Freedom. But Escobar believes it is more likely geared to produce Everlasting Profits.

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