

Why Dick changed his mind

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This is a quest article by David Strahan, author of The Last Oil Shock.

In a widely viewed You Tube clip, taken from a C-Span interview conducted in 1994, Dick Cheney argues persuasively that the United States was right not to topple Saddam Hussein during the first Gulf War. He cites the potential disintegration of the country and the risk of American casualties as good reasons for the decision not to take Baghdad. So what was it that changed his mind by the turn of the century? An acute awareness of impending peak oil.

In a world of looming oil shortage, Iraq represented a unique opportunity. With 115 billion barrels (officially) Iraq had the world's third biggest reserves, and after years of war and sanctions they were also the most underexploited. In the late 1990s Iraqi oil production averaged about 2 million barrels per day, but with the necessary investment it was thought its reserves could support three times that output. Not only were sanctions stopping Iraqi production from growing, but also actively damaging the country's petroleum geology by denying the national oil company access to essential chemicals and equipment. In one of a series of reports to the Security Council, UN specialist inspectors warned in January 2000 that sanctions had already caused irreversible damage to Iraq's reservoirs, and would continue to lead to "the permanent loss of huge reserves of oil". But sanctions could not be lifted with Saddam still in place, so if Iraq's oil was to help defer the onset of global decline, the monster so long supported by the West would have to go.

As I reveal in The Last Oil Shock, the CIA was also well aware of Iraq's unique value, having secretly paid for new maps of its petroleum geology to be drawn as early as 1998. Cheney also knew, fretting publicly about global oil depletion at a speech in London the following year, where he noted that "the Middle East with two thirds of the world's oil and lowest cost is still where the prize ultimately lies". Blair too had reason to be anxious about oil: British North Sea output had peaked in 1999 - and has been falling ever since - while the petrol protests of 2000 had made the importance of maintaining the fuel supply excruciatingly obvious.

Britain and America's shared energy fears were secretly formalised during the planning for Iraq. It is widely accepted that Blair's commitment to support the attack dates back to his summit with Bush at Crawford in April 2002. The Times headline was typical that weekend: Iraq Action Is Delayed But 'Certain'. What is less well known is that at the same summit Blair proposed and Bush agreed to set up the US-UK Energy Dialogue, a permanent diplomatic liason dedicated to "energy security and diversity". No announcement was made, and the Dialogue's existence was only later exposed through a US Freedom of Information enquiry by Rob Evans and David Hencke of the Guardian.

Both governments continue to refuse to release minutes of meetings between ministers and officials held under the Dialogue, but among some papers that have been released, one dated February 2003 notes that to meet projected world demand, oil production in the Middle East

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would have to double by 2030 to over 50 million barrels per day, and proposed "a targeted study to examine the capital and investment requirements of key Gulf countries". So on the eve of the invasion British and American officials were secretly discussing how to raise oil production from the region and we are invited to believe this is mere coincidence. Iraq was evidently not just about corporate greed but strategic desperation.

The bitterest irony is of course that Dick was right in 1994. The invasion has been a disaster not only for the people of Iraq but also in terms of its hidden agenda - creating conditions that guarantee Iraqi oil production will remain hobbled for years to come.

David Strahan is the author of The Last Oil Shock: A Survival Guide to the Imminent Extinction of Petroleum Man. <u>www.lastoilshock.com</u>

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