

# Wall Street/Washington insider spills the dirty secret of Iraq war

“Getting control of that oil will make a vast difference”

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In his October 7 speech in Cincinnati, Ohio, George W. Bush, addressing the question, “Why Iraq?”, declared, “While there are many dangers in the world, the threat from Iraq stands alone because it gathers the most serious dangers of our age in one place.”

There followed the standard litany of warnings of imminent Iraqi chemical and biological attacks on US soil, a looming threat of nuclear attack by Baghdad, and Saddam Hussein’s supposed links with the Al Qaeda terror network.

There was one three-letter word that did not pass the president’s lips—oil.

The president is not alone in shying away from the oil issue in his public pronouncements. The major US media outlets have virtually ignored Washington’s interest in Iraq’s oil fields, which are second only to those of Saudi Arabia in proven reserves. Newspaper reporters and columnists have paid more attention to French and Russian investments in Iraq, suggesting crass mercenary motives for their opposition to the Bush administration’s ostensibly selfless determination to enforce the mandates of the United Nations.

The situation is very different, it seems, when the cameras are off, and government officials and corporate executives are speaking freely among themselves. Such was the case at a meeting of prominent businessmen in Grand Rapids, Michigan last Friday, where the featured speaker was a prominent Washington and Wall Street insider.

A US war against Iraq is “probably the most bullish thing I can think of,” William Seidman, a senior economic adviser under four US presidents, told his audience at the posh Peninsula Club.

Seidman, a commentator for CNBC, was an adviser

to presidents Nixon, Ford, Reagan and Bush senior. He is the former chairman of the Federal Deposit Insurance Corporation and also headed the Resolution Trust Company, the federal agency created to bail out the scandal-ridden savings and loans industry in the 1980s. He served as a consultant on the junior Bush’s transition team, and maintains close ties with top administration officials.

According to the *Grand Rapids Press*, which was alone in reporting the remarks, Seidman told the meeting that he had just come from a State Department briefing in which US plans for a military occupation of Iraq were outlined.

Removing the Iraqi government and installing a US military regime that would control the country’s oil fields is “at least as important as eliminating weapons of mass destruction,” he said. “Getting control of that oil will make a vast difference in all sorts of things, but particularly the price of oil.”

“We are planning to set up a MacArthur-like” government in Iraq, the ex-official said enthusiastically, referring to the US occupation regime established in Japan at the end of World War II. “If we are in Iraq, nobody can use oil as a weapon.”

Seidman suggested that establishing US military rule over the Arab country would also strengthen Washington’s hand in relation to the other top Middle East oil producer, Saudi Arabia, effectively crippling its ability to set an independent oil policy. “Having two major oil producers not part of any radical Muslim or any other unfriendly government,” he said, would be “a huge additional factor in the world’s economy.”

This same point was spelled out in an opinion piece published by the *Los Angeles Times* on Sunday. Co-

authored by Robert Johnson, a New York financier who formerly was the Senate Banking Committee's chief economist and then managing director of Soros Fund Management, and Thomas Ferguson, a University of Massachusetts political science professor, the article was entitled "Oil economics lubricates push for war."

Unlike Seidman, Johnson and Ferguson are less than "bullish" on the impact a US conquest of Iraq would have on the world economy. They suggest that Washington's military unilateralism in relation to another Persian Gulf war is matched by an economic unilateralism that could destabilize global economic and political relations.

"By setting a goal of 'regime change' rather than weapons elimination," they write, "and by ostentatiously preparing to assume operational and oversight responsibilities in Iraq for a long stretch of time, the US is sending a strong message to treasuries and foreign ministries around the world. In matters affecting either oil supply or the value of the dollar, we will act in our best interests, with little consideration of the interests or views of others."

Iraq's abundant and cheap oil makes it "pivotal for stabilizing oil prices in both directions," they argue. "If prices rise too high, Iraq can simply pump more. Less obviously, however, if the Saudis decide, as they have twice done in recent years, to wage a ruinous price war, lowering prices sharply in order to deter other cartel members from overproducing, then Iraq's role is again key. With another low-cost gas station open for business, the Saudis cannot count on maintaining total revenues as prices fall, because now they will have to split the take with the Iraqis. This downward price deterrence will be welcome news to marginal producers around the world, including those in Texas ..."

Such concerns can hardly be foreign to George W. Bush, the former Texas governor and ex-executive at Harken Energy, or to his vice president, Richard Cheney, the former chairman of the energy giant, Halliburton, which signed some \$73 million in oil equipment contracts with Baghdad between 1997 and 2000 when Cheney was at the company's helm.

Yet for public consumption, oil is a dirty word that is never on the president's mind. Thus, the day after the speech in Cincinnati there was this extraordinary exchange between an incredulous White House correspondent and presidential spokesman Ari

Fleischer.

**Q:** "How much does oil have to do with the assessment of the threat from Saddam Hussein? President Bush didn't mention it."

**Fleischer:** "I'm not sure I follow your question ..."

**Q:** "Most security analysts take a look at it and say oil is a central aspect to the nation's security ... are you saying oil is not at all a factor in the president's thinking?"

**Fleischer:** "I think when you take a look at what the United Nations voted for, what the Congress voted for, what President Clinton signed, and what President Bush supports, that is not a factor."

**Q:** "So oil is not a factor?"

**Fleischer:** "That is not a factor..."

**Q:** "So the stability of oil prices is not a national security or an economic matter—how can you say that it's not a factor? I just don't understand that." **Fleischer:** "The question is about any potential use of military force. And this is about saving the lives of American people."

This type of double-talk and lying typifies all of the statements given out by the White House and retailed uncritically by the media. The US government is attempting to conceal from the American public that it is embarking on a criminal military adventure. Using a multiplicity of false pretexts, from "weapons of mass destruction" to terrorism and even feigned concern for the suffering of the Iraqi people, it is preparing a war of aggression in which tens, if not hundreds, of thousands will die so that US petroleum corporations can seize control of Iraq's oil fields.

To prime public opinion for this war, administration officials dole out a steady diet of fear. Iraq, they tell the American people, must be invaded—and perhaps many American soldiers must die—to avoid another September 11. All the while, those close to the Bush administration assure its key constituency, the corporate and financial elite, that the conquest and recolonization of Iraq will provide a quick fix for the deepening crisis of American capitalism.



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