

Washington pushes for interim regime in order to pump Iraqi oil

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Washington's military administrator in Iraq, retired general Jay Garner, held his second gathering of some 250 Iraqi delegates on Monday in Baghdad. It had no more to do with the needs and aspirations of the vast majority of Iraqis than the first meeting held at a heavily guarded air base near the southern city of Nasiriya on April 15.

All of those present had been carefully vetted by US officials and were searched as they passed through a tight security cordon of US troops and tanks. Empty declarations were made about democracy in Iraq. After hours of rather aimless haggling, Garner announced that a national conference would be held within four weeks to select a transitional Iraqi government.

Like everything else about the gathering, its conclusion was decided in advance by Garner and his staff. Washington has decided that it needs a "transitional government" composed of pliable Iraqi figures in order to give a semblance of legitimacy to its rule over the country and, above all, to its plans to begin pumping and selling oil on the international market as quickly as possible.

The US has made absolutely clear that it will not brook any challenge to its authority. On the day before the meeting, US troops arrested Mohammed Zubeidi, an Iraqi exile who, on his return, declared himself mayor of Baghdad and used his connections to set up an "Office for the Reconstruction of Baghdad". He was detained, along with seven other men, for "exercising authority which was not his," according to a US military spokesman.

None of the leading contenders to head a transitional government bothered to attend Monday's meeting. The leaders of the six anti-Hussein groups backed and financed by the US are due to meet this week to thrash out arrangements for a conference and, more importantly, who will hold what positions in any administration.

Other groups are after a seat at the table. While the meeting was in progress, thousands of Shiites held a

protest in downtown Baghdad chanting their support for Al Hawza—a religious organisation based in the Shiite holy city of Najaf. They held up signs proclaiming "Yes for Hawza" and "No to Chalabi"—a reference to Ahmed Chalabi from the Iraqi National Congress (INC), one of Washington's favourites to head a transitional government.

The clearest indication that any "transitional government" will simply be a figleaf for American rule is the fact that real power rests with Garner and the administration rapidly being established to run the country. The appointments to various Iraqi ministries are being made in Washington, not in Baghdad.

Deputy Defence Secretary Paul Wolfowitz announced last Saturday that the first 25 of around 150 US-based Iraqi exiles are either on their way or about to leave for Iraq to take over top administrative posts and to act as advisers to Garner and his Office of Reconstruction and Humanitarian Assistance (ORHA). The group of exiles, which is known as the Iraqi Reconstruction and Development Council, was brought together by the Pentagon two months ago and its members are employed and paid by US defence contractor SAIC.

The exiles include engineers, corporate executives and other professionals drawn from the US and European countries, all of whom have been very carefully screened. Among those heading for Iraq, are Emad Dhia, an engineer, who has been nominated to be Garner's top Iraqi adviser; Muhammad al-Hakim, who will head the Ministry of Planning; and Muhammad Ali Zainy, who will run the Ministry of Oil. Dhia and Zainy are both US citizens and have worked as executives for US companies.

Pentagon official Victor Rostow did not provide the names of all of the exiles, saying they were concerned for their safety "if they are seen as agents of America". But he did name those who had been assigned to head the ministries for transport and telecommunications, health,

industry, youth, foreign affairs and atomic energy. They will work alongside the US, and in a few cases British and Australian, officials who staff Garner's ORHA and will have effective control over all major decisions.

The names of ORHA officials are slowly being released and have already sparked criticism. The British-based Oxfam aid group launched a scathing attack on the American businessman put in charge of agriculture—Dan Amstutz, a former senior executive of Cargill, the world's biggest grain exporter. Oxfam policy director Kevin Watkins predicted that Amstutz would "arrive with a suitcase full of open-market rhetoric".

"Putting Dan Amstutz in charge of agricultural reconstruction in Iraq is like putting Saddam Hussein in charge of a human rights commission," Watkins said. "This guy is uniquely well-placed to advance the commercial interests of American grain companies and bust open the Iraqi market—but singularly ill-equipped to lead a reconstruction effort in a developing country."

The main focus of Washington's attention is on Iraq's oil industry. The only reason for rapidly pushing ahead with plans for a transitional government in Baghdad is to provide the pretext for lifting UN sanctions and to establish a body authorised to sell the country's oil. As one US State Department official bluntly explained to the *New York Times*: "The idea is that you want to have a legitimate Iraqi interim authority in place because it makes the issues move forward more quickly, including the pumping of oil."

There is no doubt who will call the shots, however. Washington has already selected former president of Shell Oil, Philip Carroll, to head an advisory board of up to 15 foreign nationals to preside over the Iraqi oil industry. Critics have also pointed out that Carroll until early last year was chairman of the giant Fluor Corporation, an engineering firm that is working with British-based company Amec to secure reconstruction contracts in Iraq.

Control of the Iraqi oil ministry is simply the first step in sweeping US plans to completely reorganise and eventually privatise the oil industry. As the *Wall Street Journal* explained this week: "The US government is structuring Iraq's vast oil industry much like a corporation, with a chief executive and a management team vetted by US officials who would answer to a multinational board of advisers."

There is already open discussion that Iraq should quit the Organisation of Petroleum Exporting Countries (OPEC) and dramatically increase its oil exports. Fadhil Chalabi, a cousin of INC leader Ahmed Chalabi and a

member of the US State Department's Future of Iraq Oil and Energy Working Group, told the *Observer* last week that Iraq had to privatise the industry to attract foreign investment.

Chalabi then added: "Iraq must maximise revenue from its oil. I would choose maximising the revenue through oil, with or without OPEC. If it is within OPEC it would be better, but it may not be possible." He estimated that Iraq would need to pump and sell seven million barrels of oil a day—more than twice its pre-sanctions OPEC quota and almost three times its present output capacity.

Any breach of OPEC quotas by Iraq, which has the world's second largest oil reserves, would seriously undermine the cartel and its ability to set world oil prices—one of Washington's major objectives in occupying Iraq. Washington asked Chalabi to serve as head of the country's oil industry but he declined—for the present. He has, however, indicated that he would be prepared to do so once an Iraqi government was in place.

The Bush administration's real priorities in Iraq are self-evident. According to the most recent statements, only 60 percent of Baghdad's residents have access to running water and to sporadic electricity supplies. The capital's telephone system is still not operating. Health and hospital services are lacking in supplies and personnel. The education system is not functioning. And the situation is similar in other Iraqi cities.

At the same time, however, engineers and technicians are racing to get the oil wells and infrastructure back in operation. Last Wednesday, the Basra oil refinery restarted for the first time since the US launched its attack on Iraq. Repairs to its supply lines were continuing this week. And unlike their counterparts in other areas, when Carroll, and Zainy arrive in Baghdad to assume control of the oil industry, they will be able to go to work immediately in the Oil Ministry—one of a handful of government buildings that was guarded by the US military and therefore not looted and trashed.



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