

Dick Cheney Has Long Planned To Loot Iraqi Oil

by Scott Thompson

As this week's *Feature* highlights, Vice President Dick Cheney has been plotting the conquest of Iraq since he was Secretary of Defense in President George H.W. Bush's Administration—a plan then considered insane aggression. Moreover, on July 17, 2003, Judicial Watch announced that Cheney's Energy Task Force had developed a map of Iraq dated March 2001, as well as maps of the neighboring United Arab Emirates (U.A.E.) and Saudi Arabia, which show that Cheney knew precisely how much the conquest of Iraq would be worth.

The map, which shows oilfields, pipelines, tanker terminals, and refineries, includes eight "blocks" for exploration near the border with Saudi Arabia. Iraq has been proven to have the second-highest amount of oil reserves of any nation in the world, next to Saudi Arabia. And, this is without exploration of the eight blocks near the Saudi border—a vast area that is at least one-third of the country—which could make Iraq number one in terms of proven reserves. Alphabetically, from Japan to Vietnam, there is attached to the map a list of "Foreign Suitors" for oil deals with Saddam Hussein's Iraq—deals that the Coalition Provisional Authority (CPA) has indicated are now off.

A Pipe Dream?

Before returning to the significance of the maps for lining Vice President Cheney's pockets: *EIR* has learned that the U.S. Export-Import Bank is circulating a plan that calls for securitizing future oil revenues from Iraq in order to pay for reconstruction contracts. What is known about this from the Ex-Im Bank plan, and from a July 13 article in the *Observer* of London, entitled "Outrage at U.S. Plan To Mortgage Iraqi Oil," is that the Ex-Im Bank is proposing to raise loans from private banks to pay for reconstruction contracts, to be repaid

by revenues from future Iraqi oil sales. It is argued that this would take pressure off the deficit-ridden U.S. budget to pay reconstruction costs.

The Ex-Im Bank has been working on behalf of the corporate lobbying group known as the Coalition for Employment Through Exports, among whose most important participants are Halliburton Oil Co. and Bechtel.

Halliburton, Cheney's company, is actively promoting the "securitization" of Iraq's oil. The stakes are enormous. A spokesman for Platt's Energy news service told *EIR* that Iraq's oil output, within a few years, could be 5 million barrels per day, at a significantly lower cost than oil from other sources. This would give great wealth to companies involved in developing the industry, and would perhaps give those controlling Iraq, the ability to dictate terms to the Organization of Petroleum Exporting Countries (OPEC).

The Ex-Im Bank plan proposes 1) securitizing future oil revenues, either through the UN-created Development Fund for Iraq, or another financial institution; 2) establishing a trade finance facility (a Trade Bank was just established the week of July 21 in Iraq); and, 3) the restructuring of Iraq's debt and reparations obligations.

But look who benefits from this. As *EIR* has previously reported, the Bechtel Corp. has an estimated \$500 million contract, which it obtained through a non-competitive, classified deal for general reconstruction—a program that could grow exponentially under the Ex-Im Bank plan. On the Board of Bechtel sits former Secretary of State George Shultz, who was the "Godfather" who ran G.W. Bush's Presidential Exploratory Committee and hand-picked many of the leading neo-conservative "chicken-hawks" (see *EIR*, Oct. 4, 2002). These are the same people who, after the 9/11 policy coup d'état, urged war against Iraq, with Cheney and Secretary of

Iraqi Oilfields and Exploration Blocks



Dick Cheney's secretive Energy Task Force developed this map of Iraq way back in March 2001, showing that Cheney and his Halliburton and Enron friends knew how to estimate one prize of the conquest of Iraq. The map has just now been released.

Defense Donald Rumsfeld leading the pack.

And Halliburton Oil Co., where Cheney served as chairman and CEO from 1995 until his nomination as a Vice Presidential candidate, has been given control of Iraq's South Oil Co., which is the largest potential oil producer to date in Iraq. Moreover, Cheney, who received \$20 million from Halliburton when he became Vice President, knows that he will receive deferred payments of a size to be determined by Halliburton's Board of Directors, based upon how well he performs in office.

The Ex-Im Bank plan, which is also being pushed by the occupation CPA, headed by former Kissinger Associates executive L. Paul Bremer, is to restructure Iraq's debt and reparation obligations. Presently, Iraq has an outstanding debt of \$120 billion, and under the old UN "oil-for-food" program, some 20% from sales of Iraq's oil went to war reparations for oil-rich Kuwait. Under this latest plan, nations like Russia,

which is owed over \$20 billion for current and future contracts, might get nothing, or at best 10¢ on the dollar.

The *Observer* added in its July 13 issue: "American plans to mortgage Iraq's future oil supplies to pay for expensive postwar reconstruction work risk a repeat of mistakes made with Germany after the First World War, debt relief campaigners said this weekend. . . . Anne Pettifor, head of Jubilee Plus debt relief campaign, . . . warned against the coalition 'using the instrument of debt to control Iraq,' after it leaves. Such a motive was behind the way Germany was treated after 1918. . . ." In short, the plan may crush the average Iraqi citizen's standard of living, with dire political consequences.

Even a senior official of the World Bank, who asked to remain anonymous, told *EIR* that this plan "would seriously complicate Iraq's debt repayment." Another World Bank official told Faisal Islam, who authored the *Observer* article of July 13, "The World Bank has said such a commitment should only be made by a sovereign Iraqi government." Presently, there is no sovereign government in Iraq, only "Proconsul" Bremer and his appointed Governing Council. So, due to World Bank and probable UN opposition, it is likely that this Ex-Im Bank plan will prove to be "a pipe dream."

The Energy Task Force

Ever since Cheney's Energy Task Force filed its final report, there have been private lawsuits to find out whom he talked with about what, given his past history with Halliburton, and close Bush Administration ties with Energy pirate Enron.

The maps that were just released to Judicial Watch under the Freedom of Information Act indicate why. The Judicial Watch press release was republished by Veterans for Common Sense, under the title, "Did Cheney's Secret Energy Meeting Set Stage for Attack?" In their introduction, they wrote: "Here is the smoking gun pointing directly to Vice President Richard Cheney's energy company meetings held at the White House in early 2001. . . . Congress and the press should immediately investigate any linkage between the secret White House deals . . . and the U.S. invasion and occupation of Iraq."

It is not just private groups that are suing, such as Judicial Watch, the Sierra Club, and the Natural Resources Defense Council. As early as June 5, 2001, Democrats on the House Government Reform Committee called for hearings on the workings of Cheney's secret Energy Task Force. Committee member Rep. Henry Waxman (D-Calif.), joined by Rep. John Dingell (D-Mich.), called for a hearing on what took place during the secret meetings the Task Force held when it was putting together the Bush National Energy Policy, as well as demanding to know the identities of all the participants.

"The Cheney Task Force has conducted its meetings in private, and reportedly has obtained input from private citizens and groups, including political contributors," Waxman said, in a jab at Enron and other current and former energy

giants. Waxman also objected to the effort by Cheney's legal counsel, who urged the General Accounting Office of the Congress on May 16, 2001, to scrap an inquiry Waxman had asked for, investigating the role of Federal employees in the Cheney Task Force's meetings, along with other corruption charges. However, despite a request from the GAO, the Vice President refused to turn over any documents from the Committee, and the GAO had to file a lawsuit for them.

In fact, the strategy that has been pursued, to this day, appears to be stonewalling by the Vice President's office, while other agencies involved in the Task Force—e.g., the Energy and Commerce Departments—deluge plaintiffs with documents. Like any cover-up, the scandal grows with efforts to suppress it, and on July 8, 2003, a Federal Appeals Court granted Judicial Watch the right to discovery of Cheney's Task Force documents, unless clear and present risk were posed by the release of documents, which must be specified. This court decision should significantly aid the lawsuit brought against Cheney's Energy Task Force by the GAO, which is also being stonewalled.

Returning to the three maps that have been released, it is significant that a fact sheet released on the U.A.E. indicates that Enron was a partner with Qatar and TotalFinaElf in an \$8 billion Dolphin Gas Project. And Enron, together with Occidental Petroleum, TotalFinaElf, ExxonMobil, Shell, and Conoco were listed on the Saudi map as involved in a "Red Sea Area" gas exploration of as yet unknown dimensions. Whether or not Enron had contact with Cheney's Energy Task Force has been a key question, because several top company executives have been indicted on charges stemming from the firm's "energy piracy."

Through the various lawsuits, it has come out that 39 top energy and related firms, between 1999-2002, gave \$6.3 million in direct, PAC, and "soft money" political contributions, of which \$4.5 went to Republicans. Many of these companies are known to have had contact with key members of Cheney's Energy Task Force, such as Secretary of Energy Spencer Abraham. Enron led the pack during these years, with a total of \$3,379,665, of which \$2,480,056 went to Republicans and \$899,109 to Democrats.

Other contributors involved in meetings with the Energy Task Force members include: Bechtel, which gave a total of \$645,640, of which \$469,690 went to Republicans and \$176,950 to Democrats; and, Halliburton, which had a total of \$480,188 in contributions, of which \$463,288 went to Republicans and \$15,900 to Democrats. While these contributions appear to be perfectly legal, it is likely—as the keys to the maps and subsequent developments contracts in Iraq with Bechtel and Halliburton show—that there was influence-peddling involved. In fact, the Vice President knows his deferred payments depend on performance. So, not only did he plan the invasion of Iraq when he was Defense Secretary, but through his Energy Task Force, he appears to have tried to calculate, to the penny, what war would bring for himself and his corporate cronies.