

## Oil and the Iraq “withdrawal”

By [James Cogan](#)

Global Research, June 30, 2009

[World Socialist Web Site](#) 30 June 2009

Region: [Middle East & North Africa](#)

Theme: [Oil and Energy](#)

It is fitting that today’s deadline for the withdrawal of US troops from Iraq’s cities coincides with a meeting in Baghdad to auction off some of the country’s largest oil fields to companies such as ExxonMobil, Chevron and British Petroleum. It is a reminder of the real motives for the 2003 invasion and in whose interests over one million Iraqis and 4,634 American and other Western troops have been killed. The Iraq war was, and continues to be, an imperialist war waged by the American ruling elite for control of oil and geo-strategic advantage.

The contracts will facilitate the first large-scale exploitation of Iraq’s energy resources by US and other transnationals since the country’s oil industry was nationalised in 1972. On offer are 20-year rights over six fields that hold more than five billion barrels of easily and cheaply extractable oil. In the autonomous Kurdish region of northern Iraq, where foreign companies are already operating, the Norwegian firm DNO is now producing so-called “sweet oil” from a relatively small field at Tawke, at a cost of less than \$2 a barrel.

In an apt analogy, Larry Goldstein of the US-based Energy Policy Research Foundation told the New York Times last week: “Asking why oil companies are interested in Iraq is like asking why robbers rob banks—because that’s where the money is.” Iraq’s total oil reserves are estimated to be at least 115 billion barrels. Its reserves of natural gas are at least 3.36 billion cubic metres.

Millions of people around the world understood in 2003 that the claims of the Bush administration and its international allies about Iraqi weapons of mass destruction and links to terrorism were threadbare lies promulgated to justify the plunder of the country’s oil wealth. The claim by the Obama White House that it is continuing the occupation to consolidate “Iraqi democracy” is also a lie.

The war driven by the decline of US global power and growing class tensions within the United States itself. The American capitalist elite believed that military domination in the Persian Gulf would give them access to lucrative resources, as well as a powerful lever against their main European and Asian rivals, who depend upon the region for critical supplies of energy. The militarist agitation surrounding the war was used to smother public disquiet and divert discontent away from the economic inequality that wracks American society.

It has taken more than six years of carnage—far longer than any pro-war analyst would have predicted—to establish the conditions where major corporations feel sufficiently confident to begin making substantial investments in Iraq’s oil industry. Iraqi resistance to the US invasion had first to be drowned in blood and the population reduced to a state of

terror and insecurity.

The war has produced a litany of crimes, from the torture policy at Abu Ghraib and other prisons, to the destruction of cities such as Fallujah and the attack on densely populated suburbs like Sadr City; to the unleashing of Shiite death squads to depopulate the centres of Sunni resistance in Baghdad.

The country has been economically ruined. Unemployment and underemployment stand at between 30 and 50 percent. At least seven million people live on less than \$2 a day, and malnutrition and disease are rampant.

The Shiite fundamentalist-dominated Iraqi government of Prime Minister Nouri al-Maliki presides over the misery of the population in exchange for US backing. It now has a bloated US-equipped military and police apparatus of over 630,000 armed men.

The repression of the Iraqi masses was the basis for the withdrawal timetable that was agreed to by the Bush administration in last year's Status of Forces Agreement (SOFA). US forces are deemed no longer needed to perform the frontline operations against what remains of the anti-occupation insurgency. Instead, units of the Iraqi army are to take over those tasks.

The bulk of the 130,000 American troops in Iraq have been pulled back to heavily fortified camps on the outskirts of the cities, or to the massive air bases that have been built at places such as Balad and Tallil. The SOFA permits them to remain until December 2011, by which time new arrangements for the long-term presence of US forces will have been worked out.

American commanders, while outwardly optimistic, have not been able to hide their apprehension over the withdrawal from the cities. To shore up the Iraqi army, some 10,000 US troops are currently embedded as "trainers" in its ranks—a number that will increase to over 50,000 over the coming months. Baghdad's western suburbs have been creatively categorised as "outside" the urban area. Aircraft, helicopter gunships, artillery and rapid response units are on constant standby to assist Iraqi forces when needed.

The concerns are not only that insurgent groups will take advantage of the US withdrawal to regroup in Iraq's cities and resume significant resistance to both the Maliki government and American troops. Both Washington and its puppet government are worried that the social plight of the Iraqi working class and popular opposition to the concessions Maliki is making to US imperialism and foreign capital could give rise to large-scale protests and unrest.

The Obama administration is acutely conscious that a large majority of Iraqis bitterly opposes the US presence in the country. Behind the scenes, it is reportedly pressuring Maliki to abandon a promise to hold a referendum on the Status of Forces Agreement, knowing that it would be overwhelming rejected.

There are also sharp disputes between the rival Shiite, Sunni and Kurdish factions of the Iraqi ruling elite over the allocation of oil revenues and other sources of wealth. The most explosive tensions centre on the insistence of the Kurdish autonomous region that it get control of the northern oilfields around the city of Kirkuk—two of which are among the six fields being offered for contract in this week's auction.

The Kurdish Regional Government (KRG) last week denounced the auction as

“unconstitutional” and warned that companies are “ill-advised” to enter into any contract in Kirkuk to which the KRG is not also a party. The outbreak of an ethnic civil war in the north cannot be ruled out, nor can US military operations to suppress such a development.

US imperialism faces a debacle of its own making in Iraq. Amidst the meltdown of economic activity internationally, and the escalation of the US war in Afghanistan and its proxy war in Pakistan, a large proportion of the American military is still tied down by the conflict in Iraq and there is no end in sight. The Obama administration is nevertheless committed to continuing the occupation and realising the predatory objectives of the invasion—in which oil has always loomed large.

The original source of this article is [World Socialist Web Site](#)  
Copyright © [James Cogan](#), [World Socialist Web Site](#), 2009

---

**[Comment on Global Research Articles on our Facebook page](#)**

**[Become a Member of Global Research](#)**

Articles by: [James Cogan](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)