

US and French Oil Conglomerates Share the Spoils of War

By [Global Research](#)

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Editor's Note

What this agreement suggests is that US oil interests are sharing the spoils of war with Europe's largest oil giant, the Franco-Belgian oil conglomerate Total.

This rapprochement between Chevron and Total is consistent with the shift in French politics. President Nicolas Sarkozy is broadly representative of the interests of the Franco-Belgian conglomerate.

The current situation is in overt contrast to that prevailing prior to the invasion of Iraq, characterised by the conflict in the United Nations Security Council between the US and Britain on the one hand and France (backed by Germany) on the other.

The building of a US-French consensus on Iraq (e.g. between Sarkozy and Bush) is largely the result of the willingness of US oil interests to share the spoils with their European counterparts in exchange for their political and military backing of Washington's foreign policy in the Middle East.

Michel Chossudovsky, Global Research, 9 August 2007

Chevron joins French firm to pursue oil field in Iraq
by David R. Baker

Chevron Corp. wants into Iraq.

The San Ramon oil giant and France's Total SA have agreed to jointly develop one of the war-torn nation's largest oil fields, if the Iraqi government allows them, according to a report published Wednesday.

The two companies have signed an agreement to collaborate on the Majnoon field, which lies north of Basra along the Iranian border, the Dow Jones news service reported.

So far, neither company has the Iraqi government's permission to work on the field. Despite intense pressure from Washington, Iraqi leaders have not been able to agree on a framework for sharing the country's vast oil wealth. Development of Majnoon can't begin until Iraq passes a law governing foreign investment in its oil industry.

But by working together early to study conditions at the field, Chevron and Total could have

an edge on competitors when Iraq is finally ready to sign development agreements.

Chevron spokesman Don Campbell declined to comment on the report Wednesday. But he noted that since the United States and its allies toppled Saddam Hussein in 2003, Chevron has been giving technical assistance to Iraq's oil ministry, including flying Iraqi engineers and geoscientists to the United States for training.

Other oil companies are doing the same. Much of the country remains too dangerous to work in, and the lack of an oil law means the big international oil companies can't sign development agreements there.

But they aren't ignoring Iraq, whose petroleum reserves are estimated to be either the second- or third-largest in the world. Whole swaths of the country have not yet been thoroughly explored and may hide still more oil and natural gas.

"The companies have to take sort of a middle ground," said Amy Myers Jaffe, an energy research fellow at Rice University's Baker Institute. "You have to be involved. You need to know the players and show a commitment to helping. When it comes time that they're actually looking for outside help, you'll be seen as a company that's easy to work with."

She noted the Majnoon field would be relatively easy to tap because small-scale production had already started there before the war. And it's big, possibly large enough to produce 1 million barrels of oil per day.

"Majnoon would be a real prize," Jaffe said. "People do not find that many million-barrel-a-day fields."

Total has had an interest in Majnoon for years. An oil company that Total bought in 2000 negotiated a tentative agreement with Hussein in the 1990s to develop the field, but nothing came of it.

Like much of the country, Iraq's oil industry languished under the international sanctions that followed the 1991 Gulf War. Hussein's ouster brought an end to the sanctions. But the insurgency that followed attacked Iraq's oil pipelines and export facilities as a way to destabilize the country.

As a result, Iraq's oil production remains lower than it was before the war. In June, the most recent month for which data are available, the country pumped 1.98 million barrels per day, according to the Platts energy information service. Before the invasion, production averaged 2.5 million barrels per day.

The Iraqi government wants foreign investment to help modernize aging oil field facilities and pipelines and tap new fields. But the country's political factions have not been able to agree on ground rules for that investment. Nor have they agreed on a mechanism for sharing oil revenue – a key concern of Sunni Iraqis. Most of them live in central or western Iraq, which don't have large, known oil reserves.

The Iraqi public remains deeply suspicious of any foreign involvement in the oil industry. Many Iraqis viewed the war as an attempt by the United States and its allies to gain control of the country's oil. In a recent poll commissioned by several nonprofit groups, 63 percent of Iraqis surveyed want Iraqi companies to take the lead in developing the country's oil fields.

“This is an extremely sensitive issue for the Iraqi people, and it unites the Sunnis, the Shiites and the Kurds. They don’t want the oil controlled by foreign companies,” said Medea Benjamin, co-founder of Global Exchange, one of the groups that commissioned the poll. Based in San Francisco, Global Exchange has organized protests at Chevron’s headquarters, arguing that the Iraqi invasion was little more than an oil grab.

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