

Oil has always been top of Bush's foreign-policy agenda

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The White House decided that diplomacy was not an option in the Middle East, writes Ritt Goldstein.

As the United States prepares for war with Iraq, a report commissioned early in George Bush's presidency has surfaced, showing that the US knew it was running out of oil and foreshadowing the possible need for military intervention to secure supplies. The report forecasts an end to cheap and plentiful fuel, with the energy industry facing "the beginning of capacity limitations".

Prepared by the influential Washington-based Council on Foreign Relations and the James A. Baker III Institute for Public Policy, it urged the Bush Administration to admit "these agonising truths to the American people".

Strategic Energy Policy Challenges for the 21st Century (HTML, PDF, Word 95) [Report of an Independent Task Force Cosponsored by the James A Baker III Institute for Public Policy at Rice University and the Council on Foreign Relations], written early last year, was a policy document used to shape the new administration's energy policy.

It applauded the creation of Vice-President Dick Cheney's energy task force to address the creation of specific energy plans, and suggested it consider including representation from the Department of Defence. Saying "there is no alternative" and "there is no time to waste", the document projects periods of exploding US energy prices, economic recession and social unrest unless answers are found.

It suggests that a minimum three to five years is needed to find a solution, and says a "reassessment of the role of energy in American foreign policy" is called for, with access to oil repeatedly cited as a "security imperative".

The involvement of the Council of Foreign Relations in the report's preparation adds weight to its findings. The council ranks as one of the most influential groups in US political circles, with members including Mr Cheney and the former secretaries of state Henry Kissinger and James Baker.

The report also explodes the myth that the US is insulated from Middle East oil supply problems because it receives the bulk of its oil from less volatile sources outside the Persian Gulf. It says Middle East pricing and supply trends "will affect energy costs around the globe regardless".

It details an alternative basis for the US "war on terrorism", as well as the apparent basis for much of the Bush Administration's present foreign policy, its so-called oil agenda.

The Administration has been actively pursuing oil issues with Venezuela, Colombia, West Africa, the Caspian and Indonesia. And amid the pressure of UN resolutions and Israeli-Palestinian tension, the Secretary of State, Colin Powell, recently visited West Africa.

Among the "immediate steps" it urged was an inquiry into whether US policy could be changed to speed the availability of oil from the Caspian Basin region, supporting longstanding accusations that energy issues shadowed the US agenda in Afghanistan.

The French authors Jean-Charles Brisard and Guillaume Dasquie have argued that US oil interests had persuaded the Bush Administration to block terrorism investigations and negotiate with the Taliban, a report by the Inter Press Service (IPS) last November said.

It has been said repeatedly that the US objective is the construction of trans-Afghan pipelines allowing access to Caspian oil and gas. According to the authors and an article in *Le Monde Diplomatique* in January, US attempts to bribe and threaten the Taliban had preceded the September 11 attacks. Notably, the IPS article quoted the French authors as saying that, faced with the Taliban's refusal to co-operate, the rationale of energy security changed into a military one, reflecting what the report advocated as a valid option.

Providing a footnote to the question of US military threats, the General Accounting Office, the investigative arm of the US Congress, has sued Mr Cheney to obtain details of his energy task force meetings. Environmental groups have speculated that the suit is being fought to hide the level of involvement the collapsed US energy giant Enron had in the task force.

On the looming oil crisis, the report reluctantly blames deregulation of the energy markets, a lack of a comprehensive US energy policy and the avoidance of oil conservation measures.

It also suggests diplomatic alternatives - but policy since the September 11 attacks appears in keeping only with the military intervention option. Ideas such as defusing the Arab-Israeli conflict, an easing of Iraqi sanctions and "reducing the restrictions on oil investments inside Iraq" are at odds with the policies the Administration is pursuing.

While the US now presses for "regime change" in Iraq, more than 18 months ago the report repeatedly emphasised its importance as an oil producer and the need to expand Iraqi production as soon as possible to meet projected oil shortages - shortages it said could be avoided only through increased production or conservation in the near-term.

In essence, the report sees the nature of Persian Gulf politics as a significant threat and obstacle to increased energy supplies. Implicit in the substantive concerns - that "Gulf allies are finding their domestic and foreign policy interests increasingly at odds with US strategic considerations", and that "evidence suggests that investment is not being made in a timely enough manner" to meet global needs - is the seed of what has now become an almost openly adversarial position.

During the northern summer, news reports began to paint Saudi Arabia as a possible adversary to the US. Rhetoric regarding Iraq has also been steadily ratcheted up, creating what amounts to an allegation du jour scenario. US military circles have watched as Iraq became "the tactical pivot", Saudi Arabia "the strategic pivot", and an agenda of "not just a new regime in Iraq" but a "new Middle East" has been increasingly discussed.

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