

OIL, REGIME CHANGE AND AMERICA'S INVASION OF IRAQ: A POST- MORTEM ANALYSIS

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Abstract

Saddam Hussein was captured in December 2003, and on November, 2006, he was convicted. He faced the hangman on December 30, 2006. Even though Iraq has witnessed huge harvest of seven oil related wars, the 2003 invasion has generated a hot debate on why the United States invaded Iraq. This essay is a contribution to the debate. The paper argues that even though the reasons for the attack are spurious, Iraq under Saddam Hussein, actually constituted a serious threat to US foreign policy in the Middle East. Consequently, the real and unspoken reason for the invasion is oil and regime change, rather than the search for weapons of mass destruction. It warns that if US troops are withdrawn by the end of 2011, Iraq may relapse into a protracted civil war or, a failed state.

Introduction

On March 17, 2003, President Bush gave Saddam Hussein and his sons Uday and Qusay an ultimatum to leave Iraq within 48 hours to avoid war. Their refusal resulted in Operation Iraqi Freedom which began on March 19, 2003. During the war, Iraq's conventional military forces were overwhelmed by approximately 380,000 soldiers mobilised by the United States and British led 30-country "coalition of the willing" force. Saddam was captured in December 2003, convicted on November 5, 2006, for "Willful killing" of Shiite civilians in Dujail in 1982, and subsequently, hanged on December 30, 2006.

Essentially, since the invasion and occupation of Iraq by the United States and its allies in 2003, no serious academic effort has been made to critically analyse why the United States invaded Iraq, and the role of the US in recent developments in post-Saddam Iraq. This has become necessary due to three inter-related reasons. First, the primary theme in the Bush administration's public case for the need to confront Iraq was that Iraq posed a "grave and gathering" threat that should be blunted before the threat became urgent. Senior US officials, including President Bush, particularly in an October 2002 speech in Cincinnati, asserted the following about Iraq's weapons of mass destruction, WMD: that Iraq had worked to rebuild its WMD programme in the nearly four years since United Nations weapons inspectors left Iraq and had failed to comply with 16 UN previous resolutions that demanded complete elimination of all Iraq's WMD programmes.

Secondly and perhaps more importantly, that Iraq had used chemical weapons against its own people (the Kurds) and Iraq's neighbours (Iran), implying that Iraq would not necessarily be deterred from using WMD against the United States and finally, that Iraq could transfer its WMD to terrorists, particularly Al Qaeda, for use in potentially catastrophic attacks in the United States. According to Katzman (2009), a March 2008 study by the Institute for Defense Analyses for the Joint Forces Command, based on 600,000 documents found in post-Saddam Iraq showed that Iraq under Saddam had no direct ties with Al Qaeda.

Thirdly, since the war "ended" about six years ago, no weapons of mass destruction has been found in Iraq. In fact, the formal US-led WMD search ended in December 2004, although US forces found some chemical weapons left from the Iran-Iraq war. The United Nations Security Council also formally terminated its search through Resolution 1762 of June 29, 2007. The investigations show, that the reasons advanced by the United States for the invasion of Iraq are spurious. The central question is, why did the US invade Iraq? To what extent is oil and regime change implicated in the invasion?

The second reason for the study is engineered by the consistent denial by the United State government that the invasion had nothing to do with the seizure and control of Iraq oil. A recent study has shown that Bush decided to invade Iraq in April 2001, six months before September 11th terrorist attack, in order to improve western access to Iraq's oil (<http://www.thedebate.org/thedebate/Iraq.asp>).

This means that the decision for military action had nothing to do with 9/11, the war on terrorism, the inspection of weapons of mass destruction, Iraq human rights or any of the factors that the U.S government would like you to believe are the true motives for the war.

The third motivation for the study and perhaps the most fundamental is that ever since oil was discovered in commercial quantity in Iraq, the country has not known peace. The country has remained till date of immense strategic and economic importance to the world's most powerful nations. In fact, between 1914 to 2003, Iraq fought a total of seven oil-related wars. The first conflict over the control of Iraq took place during World War I, when the British captured the area from the Ottoman Empire during a bloody four-year campaign. The territory that is now Iraq was formed from three provinces of the Ottoman Empire after the British forces defeated the Ottomans in World War 1, and took control of the territory in 1918. The provinces are Mosul in the North, Baghdad in the center, and Basra in the South. Recent study has revealed that British Colonial conquest and domination of Iraq after the First World War was informed by Great Britain's quest to control the fabulous oil deposits and fields in that country through the instrumentality of divide and rule tactics. Mejerch (1976) observed that studies by a number of historians have shown that oil was, indeed, the major factor shaping British policy towards Iraq.

The second oil war was fought between 1918 to 1930. To defend its oil interest, Britain fought a long war of pacification, lasting from 1918 to the next decade. The British crushed a countrywide insurrection in 1920 and continued to strike at insurgents with poison gas, airplanes, incendiary bombs, and armoured cars, using occupation forces drawn largely from Indian army. According to Paul (2003), this carnage killed and wounded thousands of Iraqis. Winston Churchill, in his capacity as the colonial secretary, was quoted to have said, that "the defense of Iraq's lucrative oil deposits is a test of modern weaponry and military colonial use of force."

The third war fought in Iraq for the protection of the British economic interest in the Gulf was the "re-occupation military campaign" of 1941. The British colonial authorities, fearful that an already independent Iraq might fall into the hands of Axis powers, decided to seize direct control of the country through military force to, among other factors, secure firmly the control of Iraq's oil deposits in the hands of Great Britain. Sohl (1996).

The Iran-Iraq war that lasted from 1980 to 1988, was the fourth war fought for the control of oil resources in the border region between the two countries. In 1980, Iraq attacked Iran, and according to Calvocoressi (2001), the causes of this war included the temptation to score off Iran in its hour of weakness after the fall of the Shah; Saddam Hussein's profound dislike of Ayatollah Khomeini, whom he regarded as a religious lunatic, unease about Khomeini's Shia intrigues among Iraqi Shia, who staged serious riots at the end of 1979; a suspicion that Khomeini had been involved in the unsuccessful coup of that summer against his regime, and finally, the perennial question of the Kurds.

Saddam Hussein had hoped that the war would be a walk-over. He was wrong. The war was not a walkover. Khomeini's Iran did not fall to pieces and Iraq became committed to wearing operations which exposed its weaknesses, as well as its ambition. In fact, the war entered years of ding-dong slaughter and Iraq's vision of dominating the Gulf and Arab world faded. Khomeini was able to throw thousands of conscripted Iranians into the battle, with religious ruthlessness, insisting that he would not accept no terms for peace short of the overthrow of Saddam Hussein. As Paul (2002) noted, the United States and Britain supplied Iraq with arms, chemical and biological weapons precursors, military training, satellite targeting equipments and naval support. The involvement of the United States in the Gulf made it impossible for Iran to win a war, which Iraq had already failed to win in spite of considerable foreign aid in arms, intelligence and finance. Ending the war became a matter of time and diplomacy. The war dragged into 1988, with neither victor nor vanquished.

The fifth oil related war fought in Iraq was the Gulf war of 1991. On 2 August 1990, Iraq invaded Kuwait. The Sheikdom of Kuwait was something of an anomaly

in the Gulf. Much smaller than Iran, Iraq, or Saudi Arabia, it was, however, more populous and richer than the Gulf's other minor states. In fact, it was a solitary small state surrounded by larger ones. In the 1930s, the new state of Iraq that gained independence in 1932 claimed that Kuwait, as a former part of Ottoman Pushalik of Basra, belonged by right of succession to her.

Upon the Iraqi invasion in 1990, the Emir of Kuwait and his family fled. A puppet administration was installed and Kuwait was declared to be a province of Iraq. Kuwait's wealth was fabulous, while Iraq's post war needs were urgent, and Hussein may have believed that Kuwait was ripe for the taking. The American response was two-pronged; namely invocation of chapter VII of the UN charter and a distinct and massive American military expedition into the Middle East. On 29 November, the Security Council approved a resolution authorising the use of any necessary measures to secure the removal of Iraq from Kuwait and the restoration of its former rulers after 15 January 1991.

On the midnight of the said date, the United States opened hostilities against Iraq, without informing the Secretary-General of the UN, in whose name the hostilities were launched. The American war machines reduced Iraqi air-force to impotence. The Iraqi navy fared no better, her ground forces, amour and communications were severely pounded. In fact, Baghdad was subjected to destruction greater than anything she suffered in the past 700 years. Finally, Kuwait was liberated and its ruling dynasty resumed its sway.

The sixth military campaign recorded in Iraq was the low-intensity conflict during the enforcement of sanctions imposed on Iraq by the United Nations between 1991 and 2003. After the armistice, the UN's prewar embargo on Iraq continued because the US and UK used their Security Council vetoes to block its being lifted. The sanction inflicted considerable misery without unseating Saddam Hussein. In fact, mortality rate trebled and the general expectation of life fell by 15 to 20 years. The Security Council exempted food and medicines, but since it also blocked exports of Iraqi oil except in limited quantities through the UN, it deprived Iraq of the money to buy these things.

The United States and United Kingdom declared their goal to oust Saddam, and their intelligent services made many efforts to assassinate him or to overthrow his government by military coup. President Bush admonished the Kurds of the oil rich northern Iraq to rise up against Saddam's oppressive regime. This perhaps explains why Saddam over-reacted by massacring over 12,000 Kurds. The U.S and U.K subsequently established "no-fly" zone in much of Iraqi airspace, using air patrols to launch periodic attacks; employing scores of strike aircrafts and cruise missiles in January 1993, January 1996, June 1996 and December 1998.

The seventh oil related war fought in Iraq was the 2003 United Kingdom's aided American Invasion of Iraq. This war incidentally forms our point of departure.

Recent study, Stiglitz (2008), explains that the United States' president and his advisers expected a quick and inexpensive conflict. The Bush Administration was wrong. The conflict has so far proved to be one of the most costly wars America has ever fought. So far, the United States government has spent more than \$3 trillion on the conflict and lost more than 4000 American troops in Iraq. The cost to the society is obviously far larger than the numbers that show up on the government budget. The aims of this study, therefore, are three folds: first, to find out why America wanted Saddam dead at all cost; secondly, to investigate if any relationship exists between the desire to control Iraqi oil and American invasion of Iraq in 2003; and finally, to x-ray how regime change has fared in post-Saddam Iraq.

To critically investigate the above issues, the study has been deliberately partitioned in to five sections, with this brief introduction as section I. Section two focuses on how the United States armed the devil. This brief history of bilateral relationship exposes why America hated Saddam and called for his head at all cost. Section three focuses on the United States and oil wars in Iraq. Section four x-rays the nature of regime change after Saddam and how far it can endure. We summarize and conclude in section five.

Arming the Devil: A Brief Survey of United States Bilateral Relations with Iraq under Saddam Hussein

The sudden transformation of Saddam Hussein from a friend to foe of the United States is still a matter of great debate among experts. Before the 2003 invasion of Iraq, President Bush noted that the United States must immediately and unilaterally attack Iraq and remove Saddam Hussein from power because he is evil. The evidence of his evil disposition as purported by Bush is his possession of weapons of mass destructions, as well as his use of chemical weapons against his own people. The true position is that the United States played a crucial role in arming the devil. To demonstrate this point, we shall do a survey of United States-Iraq bilateral relations with Iraq under two themes; namely 1960 to 1980s and 1990s to 2003.

The Era of Mutual Cooperation: 1960-1980

To put this essay in proper perspective, it is important to state America's Foreign policy towards the Middle East. Since Iraq became independent from the United Kingdom in 1932, the United States policy towards the State and the entire Middle East has been to ensure uninterrupted flow of oil to the United States and the safety and security of Israel as sovereign state. Due to its strategic and economic importance, oil has been made a matter of national security. In fact, it was Franklin Roosevelt who first made this commodity a matter of national security during the World War II, when he became personally concerned about the supply of oil to the

United States. Roosevelt had reasoned that the United States need to have a foreign source of oil that would be safe and under American control, just as the British had under their control Iran, Kuwait and Iraq (Odoh, 2008). In pursuit of this policy, the United States supported even States that were visibly undemocratic and violated human rights. The first noticeable US relationship with Iraq emerged in 1963, when the United States backed a coup against the government of Iraq headed by General Abdul Karim Qassim, who five years earlier had deposed the western allied Iraqi monarchy. According to the Wikipedia encyclopedia, the Baathist used lists of people provided by the United States to carry out a bloodbath, systematically murdering untold numbers of Iraq's educated elite. Saddam Hussein actively participated in the killing. The victims included hundreds of doctors, teachers, technicians, lawyers and other professionals as well as military and political figures (*New York Times*, March 14, 2003, Peter and Sluglett, 1990). When the leader died in 1966, power moved to Rahman Arif, a non-Baathist.

In 1967, the government of Iraq was very close to giving concessions for the development of huge new oil fields in the country to France and USSR. Robert Anderson, former Secretary of the Treasury under president Dwight D. Eisenhower, secretly met with the Baath party and came to a negotiated agreement according to which both the oil field concessions and sulphur mined in the northern part of the country would go to United States companies if the Baath again took over power. In 1968, the US was instrumental to another coup which again successfully brought the Baath to power. General Ahmed Hassan al-Bakr of the Baath party was installed as the new president and Saddam Hussein, a civilian, became the regime's number two vice chairman of the Revolutionary Command Council. On July 17, 1979, the aging al Bakr resigned at Saddam's urging, and Saddam became president of Iraq.

In November 1979 came the Iranian hostage crisis, when students took Americans at the US embassy in Tehran hostage, and held them for over a year. In late 1979, President Jimmy Carter's state Department put Iraq on the list of countries sponsoring terrorist groups. In 1980, the United States Defence Intelligence Agency reported that Iraq had been actively acquiring chemical weapons capacities since the 1970s. The true position is that the United States was instrumental in arming Iraq in order to secure oil.

Saddam's Nuclear Programme: How the US Armed the Devil

The Iraqi nuclear programme started before Saddam Hussein came to power in 1979. The Baath's efforts to acquire a nuclear bomb began in the mid-1970s, no doubt, with Iran for most in mind. In 1975, immediately after Moscow turned aside Iraqi requests for advanced nuclear technology, Saddam visited France, and finally concluded agreements with her for the supply of a nuclear reactor and set up a nuclear research establishment with a large staff of engineers. Israeli efforts to sabotage the

programme culminated in the June 1981 bombing of Baghdad's Osirak reactor (Myroie, 1993). Israeli strike merely slowed Iraq's programme, leading Baghdad to protect its nuclear project by sophisticated camouflage and redundancy through multiple programmes and the construction of alternatives for the facilities.

In June 1982, Saddam signed a series of contracts for facilities, hardened against nuclear attack. German firms built a luxurious nuclear shelter for him, while British companies submitted designs for underground bunkers for 48, 000 men (Timmerman 1991). Shelters for warplanes were built and vital communications systems were protected against electromagnetic pulse, the shock wave produced by a nuclear explosion.

A recent review of thousands of declassified government documents and interviews with former U.S policy makers show that U.S provided intelligence and logistical support, which played a crucial role in arming Iraq. Under the Reagan and George H.W Bush administrations, the United States authorised the sale to Iraq of numerous dual use items that had both military and civilian applications, including chemicals which can be used in manufacturing of pesticides or chemical weapons; and live viruses and bacteria, such as anthrax and bubonic plague used in medicine and the manifest of vaccines or weaponised for use in biological weapons ([http://en.wikipedia.org/wiki/Iraq-%E2%8%93-United States-relations](http://en.wikipedia.org/wiki/Iraq-%E2%8%93-United_States-relations)). A report of the U.S Senate's Committee on Banking, Housing and Urban Affairs concluded that the U.S under successive presidential administrations sold materials including anthrax, VX nerve gas, West Nile fever and botulism to Iraq right up to March 1992.

By the time the nuclear programme was completed, sometime in 1986 or 1987, Iraq had spent more than \$2.5 billion on its strategic shelter programme, despite lack of any clear threat from the Iranian air force. Iraq, which had signed the Nuclear Nonproliferation Treaty, maintained that all the safeguards prescribed by the International Atomic Energy Agency were being observed, but her adversaries particularly Israel feared that it was preparing to produce nuclear weapons. Consequently, the plant where the reactor was being built in France was sabotaged, materials destined for Iraq was also sabotaged at Toulon, and an Egyptian nuclear physicist in Iraqi service was murdered in Paris. To worsen the situation, in 1980, the Iraqi nuclear installations were bombed by Israel.

It is important to note that until the Iranian Revolution of 1978 to 79, the Shah of Iran, backed by the United States, kept Iraq in check. Ordinarily, Tehran is stronger than Baghdad. It has three times Iraq's territory and population. Iraq has only narrow access to the sea. Iran fronts the entire Persian Gulf and the Gulf of Oman as well. Throughout the Shah's reign, Iraq would have been unable to defend its borders against an Iranian attack.

With the exit of the Shah, Ayatollah Khomeini became popular throughout the region for over throwing the Shah and defying Washington. Its accession

exacerbated sectarian strife in Iraq. Radical Mullahs called for Saddam's overthrow and promoted terrorist attack in Baghdad. With the confusion in Iran, Iraqi troops invaded the country in September 1980, expecting a quick victory. The United States secretly provided detailed information on Iranian deployments, tactical planning for battles, plans for air strikes and bomb damage assessment for Iraq.

In 1985, the CIA established direct intelligence links with Baghdad, and began giving Iraq data from sensitive US satellite reconnaissance photography to help in the war. (Gagon, 2002). It was when Saddam invaded Kuwait that the United States realised that Saddam was a dictator bent on controlling the Gulf region at all cost. He then became a grave threat to the American foreign policy in the region.

From Friend to Foe: Why US Decided to Pull Down Saddam Hussein

The relationship between the United States and Iraq between 1960 to early 1980s was cordial as the analysis above has demonstrated. However, after the Iraqi invasion of Kuwait, America discovered that Saddam Hussein had a grand plan to control the whole of Persian Gulf. As Mubaran (1991) noted: "In all that has been said and written about why Saddam invaded Kuwait, insufficient attention has been paid to the role of oil in Saddam's plans."

The true position is that Saddam believed the September 1980 operation against Iran would last only one month, and then he would either control the Gulf states politically or control the oil fields. The war against Iran lasted eight years instead of several weeks, therefore, postponing the occupation of Kuwait. In fact, Saddam believed that the invasion of Kuwait in 1990 would only cause verbal protests and then he would calmly attack the oil wells of the kingdom of Saudi Arabia and, after swallowing them, attack the oil wells of the United Arab Emirates (Mubarath, (1991), Mylroie, (1993). This was not the whole of Saddam purpose. Since becoming president of Iraq in 1979, Saddam seemed to have had a grand but simple design beginning with gaining control of the Persian Gulf's Oil. As demonstrated by the Kuwait Crisis, that dramatic act would make Saddam an Arab hero.

It is important to note that the Persian Gulf contains nearly two-thirds of the World's oil reserves, four-fifths of which lie on the Arab side. If Saddam had succeeded in establishing a position from which he could dictate the price, as well as access to oil, the United States could have been ruined. Controlling the Gulf's oil is not just a matter of money, it is above all, a question of power, and in such a position, Saddam would have been among the most powerful individuals on earth.

As if the above threat to America's foreign policy was not enough, Saddam also began raising tensions with the west and Israel, generating an atmosphere in which the Gulf States were more susceptible to Iraq's pressure. At the Arab Cooperation Council Summit held in Amman in 1990, Saddam made two appeals.

First, he called for the United States to leave the Gulf, although the expanded U.S. naval presence, which protected Kuwaiti tankers against Iranian attack, had helped to end the Iran-Iraqi war. Secondly, he called for the Arabs to liberate Jerusalem, a subject upon which he had been silent during most of the Iran-Iraq war.

Independently, the CIA reported that Baghdad had constructed fixed SCUD launchers in early March at a base in Western Iraq, putting such weapons within range of Tel Aviv for the first time (*New York Times*, March 30, 1992). Then on March 9, a British based Journalist was suddenly brought to trial for espionage and hung six days later. This action triggered a predictable flurry of denunciations from the West and equally predictable Arab assertions of support for Iraq, including Kuwait. Then on April 2, Saddam Hussein first asserted in a long, rambling, nearly incoherent speech that Iraq had capacity to manufacture "dual" chemical weapons. Later in his speech, he threatened to "make the fire eat up half of Israel if it tried anything against Iraq" (Myroie, 1993). These developments forced the United States to devise strategies to contain Iraq. Prior to the January 16, 1991, launch of Operation Desert Storm, to reverse Iraq's August 1990 invasion of Kuwait, President George H.W. Bush called on the Iraqi people to overthrow Saddam. According to Katzman (2009), that Administration decided not to try to do so militarily because (1) the United Nations had approved only liberating Kuwait (2) Arab states in the coalition opposed an advance to Baghdad; and (3) the Administration feared becoming embroiled in a potentially high-casualty occupation. Within days of the war's end, Shiite Muslims in Southern Iraq and Kurds in Northern Iraq, emboldened by the regime's defeat and the hope of US support, rebelled, but that rebellion was brutally suppressed.

The thrust of subsequent US policy was containment through UN Security Council authorised weapons inspections, an international economic embargo, and U.S led enforcement of no fly zones over both Northern and Southern Iraq.

During the Clinton administration, the United States built ties to and progressively increased support for several Shiite and Kurdish factions, all of which have provided leaders in post-Saddam politics. During 1997 and 1998, Iraq's obstruction of UN weapons of mass destruction (WMD) Inspections led to growing congressional calls to overthrow Saddam. The Clinton Administration went further to enact the "Iraq Liberation Act" in October 1998. (ILA, P. L. 105 338, October 31, 1998). Signed by President Clinton despite doubts about opposition capabilities, it was viewed as an expression of congressional support for the concept of promoting an Iraqi insurgency with US air power. That law which states that it should be the policy of the United States to "support efforts" to remove the regime headed by Saddam Hussein, is sometimes cited as indicator of a bipartisan consensus to topple Saddam's regime. That law gave the president authority to provide up to \$97 million worth of defence articles and services to designated opposition groups. Efforts to topple Saddam failed. Consequently, in the mid November 1998, President Clinton

publicly articulated that regime change was a component of US policy towards Iraq. The Iraq Liberation Act did not terminate after Saddam Hussein was removed. Section 7 provides for post Saddam transition assistance to groups with democratic goals. Before we examine the issue of regime change further, let us first establish if any relationship exists between oil and US invasion of Iraq in 2003.

Oil and US Invasion of Iraq

Two years before the invasion of Iraq, oil executives and foreign policy advisers told the Bush administration that the United States would remain "a prisoner of its energy dilemma" as long as Saddam Hussein was in power. The true position is that the United States relies on oil to supply about 40% of its energy requirements. Of this, 55% is imported. This percentage is expected to rise to 65% in 2020 and to keep increasing (<http://www.Kryystal.com/democracy-WhyUSA-Iraq,heml>).

According to Michael T. Klare who wrote for the Interhemispheric Resource Center, this dependency is a weakness for American power. According to him, unless Persian Gulf oil can be kept under American control, our ability to remain the dominant world power would be put into question. He finally concluded that "who ever controls the Gulf automatically maintains a stranglehold on the global economy". Iraq is very fundamental in the US foreign policy towards the Middle East. Its proven oil reserves are 113 billion barrels, the second largest in the world after Saudi Arabia, and eleven percent of the World's total (Ndukwe, 2008).

The United States is not just interested in oil from Iraq; its main concern is to maintain political dominance over all the oil producing countries of the region. The former Secretary of State Colin Powell gave a glimpse of US intentions when he told the Senate Foreign Relations Committee on February 6, 2003 that success in the Iraq war "could fundamentally reshape that region in a powerful positive way that will enhance US interest".

Essentially, Iraq under Saddam Hussein threatened American economy in two fundamental ways, namely to reduce dollar hegemony and attempt to dominate the political economy of the Gulf region. Everyone accepts dollars because dollars can buy oil. The recycling of petrodollars is the price the US has extracted from oil producing countries for US tolerance of the oil exporting cartel since 1993. Incidentally, Iraq was one of the first OPEC countries, in 2000, to convert its foreign reserves from dollars to Euros. An article in the *Iran Financial News* of August 25, 2002, revealed that more than half of Iran's Forex Reserve Fund had been converted from dollars to Euros. In 2002, China began diversifying its currency reserves away from dollars to Euros. According to *Business Week* of February 17, 2003, Russia's Central Bank in the past year has doubled its Euro holdings to 20 percent of its \$48 billion foreign exchange reserves. The shift to Euro, which Saddam championed, has big implications for the foreign exchange markets and the US and European economies.

The White House must have reasoned that if Saddam is not deterred, OPEC countries could follow suite. Libya has been urging for some time that oil be priced in Euros rather than dollars. Javad Yarjani, an Iranian senior OPEC Official, told a European Union Seminar in April, 2002 that despite the problems raised by such a conversion, "I believe that OPEC will not discount entirely the possibility of adopting Euro pricing and payments in the future".

From the analysis above, it is very clear that America's invasion of Iraq in 2003 was mostly about how the CIA, the Federal Reserve and the Bush/Cheney administration viewed hydrocarbons at the geo-strategic level, and the unspoken, but overarching macroeconomic threats to the US dollar from the Euro. Our argument, therefore, is that the real reason the Bush administration wants a regime change and a puppet government in Iraq is to ensure that Iraq reverts to dollar standards and discourage other OPEC members from copying Iraq. Analysts believe that Saddam sealed his fate when he decided to switch to the Euro in 2000, and later converted his \$10 billion reserve found at the UN to Euro. Saddam's switch from the dollar to the Euro for oil trading was intended to rebuke Washington's hardline on sanctions and encourage Europeans to challenge it.

It is clear that Saddam posed a great threat to United States. This is because the United States' economy is intimately tied to the dollar's role as reserve currency. To worsen the situation, Iran, which had been vacillating on pricing their oil export in the Euro currency like Saddam's Iraq finally did. America quickly included the country in its "Axis of evil" war plan. Consequently, after toppling Saddam, the Bush administration decided that Iran's disloyalty to the dollar qualifies it as the next target in the war on terror.

Even though the Bush administration consistently denied that oil was his main motivation for the invasion, Alan Greenspan, the consummate Washington insider and long time head of the US Central Bank revealed the real reasons for the invasion. According to him:

Saddam Hussein had wanted to control the strait of Hormuz and so control Middle East oil Shipment through the vital route out of the Gulf. Had Saddam been able to do that it would have been devastating to the west as the former Iraq president could have shut off 5 million barrels a day and brought the industrial world to its knees. The invasion of Iraq was aimed at protecting Middle East oil reserves. I thought the issue of weapons of mass destruction as the excuse was utterly beside the point (*The Washington Guardian*, Monday 17 Sept. 2007).

Politics in post-Saddam Iraq has revealed that while the United States destroyed almost everything during the invasion, the oil ministry and the oil wells were carefully protected by the American troops. Klein (2003) has revealed the intention of the American government to privatise the Iraqi oil Industry. According to

the author, a group of Iraqi exiles have been advising the State Department on how to implement the privatisation in such a way that it is not seen to be coming from the United States. Helpfully, the group held a conference on April 4 and 5 in London, where it called on Iraq to open itself up to oil multinationals after the war. The administration has shown its gratitude by promising there will be plenty of posts for Iraqi exiles in the interim government. The emergence of Nuri Kamal al-Maliki as Prime Minister seems to be very strategic. He escaped from Iraq during Saddam's oppressive regime.

With the capture and consequent execution of Saddam Hussein, America's reign in the Gulf region and entire Middle East will be long. In the next foreseeable future, America will influence the quantity of oil to be produced and if care is not taken, the price also. What happened to Saddam Hussein is enough message to the Gulf region, including Iraq.

Regime-Change and Post-Saddam Governance

In 1998, a USA think tank, PROJECT FOR THE NEW AMERICAN (PNAC), wrote a letter to USA president Bill Clinton, advising him to remove Saddam Hussein from Iraq without mentioning moral reasons, human rights, or terrorism. Part of the letter states:

We urge you to seize the opportunity and to enunciate a new strategy that would secure the interests of the USA and our friends and allies around the world. That strategy should aim, above all at the removal of Saddam Hussein's regime from power (<http://www.krysstal.com/democracyHUSA-Iraq.html>).

In May 2003, USA Defense Secretary, Donald Rumsfeld admitted in an interview with USA television Station WABC that the USA had wanted to remove Saddam Hussein for Several Years. According to him:

If you go back and look at the debate in the congress and the debate in the United Nation, what we said was the President said that this is a dangerous regime, the policy of United States government has been regime change since the mid 1990s and that regime has now been changed. That is a very good thing.

The true position is that the regime change in Iraq was actually implemented by those in government with oil interest. For instance, George W. Bush (former president) received the sum of \$2,800,000 from energy companies and another \$2,300,000 from the car sector for his campaign. Enron donated more than \$1,000,000. Bush was a Shareholder in General Electric, Bp, Duke Energy, Exxon Mobil, Newmont Gold Mining Corporation, Pennzoil and Tom Brown Incorporated.

Dick Cheney, (Former Vice President) used to head Halliburton (the world's biggest oil services company worth \$18, 200 million. Since 1992, Halliburton has contributed \$1,600 million to politicians. During the period of the invasion, Dick Cheney clearly stated that "energy security should be the priority of US foreign policy." The US Center for Public Integrity reported that the top 100 officials in the US administration (as at 2002) have the majority of their personal investment in traditional energy and natural resources. The money involved amounted to almost \$150 million. ([Http://www.krystal.com/democracy-whyusa-iran.html](http://www.krystal.com/democracy-whyusa-iran.html)]. <http://www.Krystal.com/democracy-whyUSA-Iran.html>).

This explains why after the invasion of Iraq, the oil wells in the North and South of Iraq, as well as the oil ministry in Baghdad was quickly secured by US forces. At the same time, looters pillaged and burned other government buildings which contained documents that could have provided evidence of the crimes of the previous regime. The Baghdad museum and some of the world's most important archeological sites were looted as they stood unguarded. The theft and destruction of the resources of Mesopotamia has been described as one of the greatest archeological disasters in history.

In order to capture the control of Iraq's natural resources, the US governor of Iraq, Paul Bremer on 19th September, 2003, enacted a new law called Order 39. This allowed the privatisation of 200 State Industries, including electricity, telecommunications, engineering and pharmaceuticals. It equally allowed foreign companies 100% ownership of banks, mines and factories. All the profit could be taken out of Iraq. Trade tariffs were removed; the tax rate was reduced from 45% to 15%. Companies or individuals would be allowed to lease land for 40 years. All these changes were in violation of Iraq's constitution. The implication of the changes is that profits from Iraq resources will continue to flow to foreign companies. Many of these companies financed Mr. Bush's electoral victory. Essentially, a new regime would allow US and UK oil companies concessions. James Woolsey, a former CIA director told the US newspaper the *Washington Post* that;

It is pretty straight forward. France and Russia have oil companies and interests in Iraq. They should be told that if they are of assistance in moving Iraq toward decent government, we will do the best we can to ensure the new government and American companies work closely with them.

From the above analysis, the picture is clear. America's invasions of Iraq was designed, among other considerations, to ensure a pro-America regime that will not pose any threat to full implementation of America's foreign policy in the Middle East. Saddam Hussein was seen as an obstacle and, therefore, a bad dream that should be forgotten. The question then is, to what extent has the United States achieved its ambitions in a post-Saddam Iraq governance?

The US and Post-Sadam Transition and Governance

Since the fall of Saddam Hussein, the United State has employed a multifaceted approach to implement its foreign policy in post-Saddam Iraq. While the economic component of the policy is well known, the political component is a unified, democratic and federal Iraq that can sustain, govern and defend itself, and is an ally in the global war on Islamic militancy. Our x-ray of post-Saddam politics and governance will focus on three main areas, namely the transition process, troop withdrawal plan, and security challenges.

Transition Process

According to Katzman (2009), the transition to Iraqi sovereignty has taken place in several stages. The stages include occupation period/Coalition Provisional Authority (CPA), Transitional Administrative Law (TAL), Sovereignty Handover/Interim (Allawi) Government and 2009 elections.

Immediately after the fall of the regime, the United States set up an occupation structure, believing that immediate sovereignty would favour established anti-Saddam factions and not necessarily produce democracy. Lt Gen. Jay Garner (ret) was appointed to direct the reconstruction with a staff of US government personnel. General Garner who started job in April 2003 led the Office of Reconstruction and Humanitarian Assistance (ORHA), under the Department of Defence (DOD). Garner and his aids tried to establish a representative regime by organising a meeting of about 100 Iraqis of various views and ethnicities in Nassiriyah (April 15, 2003). Subsequent meeting of over 250 notables, held in Baghdad April 26, 2003, agreed to hold a broader meeting one month later to name an interim administration. In May 2003, President Bush appointed Ambassador Paul Bremer to replace Garner in heading "Coalition Provisional Authority (CPA). Bremer discontinued Garner's transition process and instead appointed a non-Sovereign Iraqi advisory council body in July 13, 2003. In September 2003, the 25-member Iraq Governing Council (IGC) selected a 25 member cabinet to run the ministries, with roughly the same factional and ethnic balance of the IGC (a slight majority of Shiite Muslims). Although there were some Sunni figures in the CPA-led administration, many Sunnis resented the new power structure as overturning their prior dominance. Adding to that resentment were some of CPA's decisions, including "de-Baathification" a purge from government of about 30,000 Iraqis at four top ranks of the Baath Party (CPA Order 1), and not to recall members of the Saddam era armed forces to service (CPA order 2).

Transition Administrative Law (TAL)

The Bush Administration initially made the end of US occupation contingent on the completion of a new constitution and holding of national elections for new government. He expected the task to be completed by late 2005. However, Ayotollah

Sistani and others agitated for early Iraqi Sovereignty. Consequently, in November 2003, the United States announced that Sovereignty would be returned to Iraq by June 30, 2004 and that national elections were to be held by the end of 2005. That decision was incorporated into an interim constitution The Transitional Administrative Law (TAL). The Transitional Administrative Law was drafted by the major factions and signed on March 8, 2004. The TAL provided a roadmap for political transition, including (1) elections by January 31, 2005, for a 275-seat transitional National Assembly, (2) drafting of a permanent constitution by August 15, 2005, and to put a national referendum by October 15, 2005, (3) national elections for a full term government, by December 15, 2005.

Sovereignty Handover/Interim (Allawi) Government

Due to the fact that the TAL did not directly address how a sovereign government would be formed, the United States government directed a top United Nations envoy Lakhdar Brahimi to select a government (*Washington Post*, April 15, 2004). The handover ceremony occurred on June 28, 2008. Dominated by the major factions, this government had a president (Sunni tribal figure Ghazi Yawar) and a prime minister (Iyad al Allawi) who headed a cabinet of 26 ministers, six ministers were women, and the ethnicity mix was roughly the same.

With the handover, the state of occupation ceased, and a U.S ambassador (John Negroponte) established US-Iraq diplomatic relations for the first time since January 1991. A U.S embassy opened on June 30, 2004, with a staff of about 1, 100 U.S personnel. The ambassador is Christopher Hill. As at January 2009, the new Embassy, built by First Kuwaiti General Trading Construction Co. has been open and functioning. It has 21 buildings on 104 acres.

As soon as the handover was done, the State Department took over Reconstruction management and advising of Iraq's ministries and re-named it "Iraq Reconstruction and Management Office" (IRMO). With the expiration of that unit's authority in April 2007, it was renamed the "Iraq Transition Assistance Office" (ITAO). ITAO's focus is promoting efficiency in Iraq's ministries and management of the projects built with U.S reconstruction funds. After the handover of Sovereignty, the focus was on the three elections held in 2005 that established the structure of Iraqi governance that continues till today.

Transition Government

On January 30, 2003, elections were held for a Transitional National Assembly, 18 provincial councils (four-year term) and the Kurdish Regional Assembly. The Sunni Arabs, still resentful of the U.S invasion, mostly boycotted and no major "Sunni" states" were offered, enabling the Shiite United Iraqi Alliance (UIA) to win a slim majority (140 of the 275 Seats) and to ally with the Kurds (75 Seats) to dominate the national government.

Constitutional Referendum

The constitution drafted by the committee appointed by the elected government was approved on October 15, 2005, Sunni opponents achieved a two-thirds "no" vote in two provinces, but not in the three needed to defeat the constitution.

First Full Term Government

In December 15, 2007, election for a full four year term government was held. Some Sunnis, seeking to strengthen their position to amend the constitution, fielded electoral slates the "Consensus front" and the National Dialogue Front. With the UIA alone well short of the two-thirds majority needed to unilaterally form a government, Sunnis, the Sadr faction, and the Kurds demanded that Jafari should be replaced, and accepted Nuri al-Maliki as prime Minister (April 22, 2006). Maliki won approval of a cabinet on May 20, 2006. The January 2009 Provincial elections confirmed the superiority of the Maliki group. With 28 out of the 57 total seats, the Maliki slate took effective control of Baghdad province; it won an outright majority of 20 out of 35 total seats in Basra.

Some observers are hoping that the success of the provincial elections will be replicated in subsequent elections, both scheduled and yet to be scheduled. The major electoral milestones are the national elections to be held on January 30, 2010 when the term of the existing regime expires. This election will determine Iraq's national leadership for the subsequent four years. Maliki appears well positioned in the next national elections, although it is possible that new coalitions might be formed to try to unseat him as prime minister.

From the analysis so far, it is clear that the United States is succeeding in entrenching democratic tradition in Iraq. For the first time in several decades, the country was able to conduct a successive democratic election despite political violence ravaging the country. With time, this democratic culture will spill-over to other states in the middle East, including Iran.

UN Involvement in Governance Issues

Several UN resolutions assign a role to the United Nations in post-Saddam reconstruction and governance. Resolution 1483 provided for a U.N special representative to Iraq, and called on governments to contribute forces for stabilization. Resolution 1500, (August, 14 2003) established UN Assistance Mission for Iraq (UNAMI). Now largely recovered from the bombing of its headquarters in 2003, the size of UNAMI in Iraq, headed by Swedish diplomat Staffan de mistura, exceeds 120 in Iraq (80 in Baghdad, 40 in Irbil, and others in Basra and Kirkut) with equal numbers "offshore" in Jordan.

UNAMI's responsibilities are expanding UN Security Council resolutions 1770, adopted August 10, 2007 and which renewed UNAMI's mandate for another year, enhanced its responsibility to be lead promoter of political reconciliation in Iraq, and to plan a national census. Essentially, it is the key mediator of the Kurd-Arab dispute over Kirkut and other disputed territories. UNAMI also played a major role in helping to prepare for provincial elections by updating voters' register. It is extensively involved in assisting with the constitution review process. UN Resolution 1830 of August 7, 2008, renewed UNAMI's expanded mandate Unit August 2009.

Security Challenges

Since the fall of Saddam Hussein, security problem has been the most important issue for the US government. In late 2006, the effort of the US government was a huge failure as US casualties escalated. In announcing a strategy revision on January 10, 2007, President Bush said, "The situation in Iraq is unacceptable to the American people and it is unacceptable to me." By the time President Obama had taken office, security had dramatically improved, and, in February 2009, President Obama announced a winding down of US military involvement in Iraq by the end of 2011.

Untill 2008, the duration and intensity of a Sunni Arab-led insurgency defied many expectations. Some Sunni insurgents have sought to restore Sunni political dominance generally, others to return the Baath Party to Power. The most senior Baathist still at large is longtime Saddam confidant, Izzat Brahim al Duri, and press reports say the central government has refused US urgings to negotiate with his representatives to end their opposition.

Al Qaeda in Iraq has been a key component of the insurgency because it has been responsible for an estimated 90% of the suicide bombings against both combat and civilian targets. Al Qaeda in Iraq is composed of Sunni fighters from the broader Arab and Islamic World who have come to Iraq to fight US forces and Shiite dominated Iraq. However, it has always been considered a separate component of the insurgency because its goals are not necessarily Iraq specific.

At its height, the Iraqi Sunnis Insurgency (both native Iraqi and AQ-1) did not derail the political transition, but it caused high rate of US casualties sufficient to stimulate debate in the United States over the US commitment to Iraq. Using rocket propelled grenades, (improvised explosive devices (IEDs), mortars, direct weapon fire, suicide attacks and occasional mass kidnappings, Sunni insurgents targeted US and partner foreign forces, Iraqi officials, security forces, Iraqi civilians, rival sects, Iraqis working for US authorities, foreign contractors, and others.

Troop Withdrawal Plan

On February 27, 2009, President Obama clarified plans to draw down US troops in line with his states intentions and the US Iraq security agreement. US bases

in the city were closed in conjunction with US fulfillment of its pledge, **Under the US Iraq security Agreement (effective from January 1, 2009) to pull combat troops out of cities by June 30, 2009.** Iraq refused US requests to continue to base some **combat forces in Sadr City and in parts of Mosul that are still restive.**

On June 30, 2009, Maliki declared the withdrawal from the cities as a “victory” and declared a “national holiday” as Iraqi forces took over US checkpoints. According to President Obama's withdrawal plan, all US combat troops are to depart in 19 months by August 31, 2010, leaving a “residual presence” of about 35, 000 to 50, 000, primarily to train and advise the Iraqi security forces (ISF), and to perform counter-terrorism missions against al Qaeda, in Iraq. They will remain there until the end of 2011 at which time they will be required to be out of Iraq.

The true position is that the United States thinks that the Iraqi Security Forces will be able to handle its increasing responsibilities as the United States draws down. The reliance on Iraqi security forces represents a return to the US strategy first articulated by President Bush in June 28, 2005 speech where he said, “As the Iraqis stand up, we will stand down: The central question is to what extent can Iraq survive as a sovereign state in absence of US troops? Currently, the Iraqi security forces are severely underequipped, dependent primarily on donations of surplus equipment by coalition members. Virtually, all non-US foreign troops have now left Iraq, in line with the law passed in December 2008, enabling remaining contingents to remain until July 2009.

To ensure that the fragile democratic regime does not collapse, the United States should insist on having a permanent military base in Iraq, or alternatively, hand over to United Nations peacekeeping operations. The point to note is that as soon as the last contingent of American troops withdraw in 2011, civil war will become inevitable if there are no peacekeeping, or peace enforcement forces on ground to ensure law and order. If the Sunni and al Qaeda forces are still threatening the peace of the country despite the large number of American troops in Iraq, what will happen when all the foreign troops pull out?

Summary and Conclusion

This study sustains the thesis that the US's global energy control strategy was the actual reason for the highly costly regime change in Iraq. The study revealed that the United States had a very cordial relationship with Iraq before Iraqi invasion of Kuwait. However, after the Iraqi invasion, the United States discovered that Saddam Hussein had a grand plan to control the whole of Persian Gulf, and determine who gets what, when and how? At that point, Saddam suddenly metamorphosed from a friend to foe of the United States. As Micheal Klare noted, unless Gulf oil can be kept under American control, the United States' ability to remain dominant world power would be put into question. According to him, “whoever controls the Gulf automatically maintains a stranglehold on the global economy”.

Iraq is crucial in the US foreign policy towards the Middle East. Its proven oil reserve is 113 billion barrels, the second largest in the world after Saudi Arabia, and eleven percent of the world total. The real reason why the US wants a puppet government in Iraq is to ensure that Iraq reverts to dollar standard and does not constitute a threat to free flow of oil to the west.

With the capture and consequent execution of Saddam Hussein, the paper argues that America's reign in the Middle East will be long. The country is now in a position to determine the quantity of oil to be produced, and if care is not taken, the price also. To retain this gain, the paper warns that sudden withdrawal of United States troops in 2011 may force Iraq to relapse into a protracted civil war, or become a failed state.

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