

October 27, 2007

BushCo's Covert Attempt to Force Iraq Into Giving Up 87% of Its Oil

By Richard Clark

First, two key questions:

1. Why is it that neither Bush, Cheney, the mainstream media, nor any member of Congress (besides Dennis Kucinich) has said a word about the Iraq's parliament being pressured, behind the scenes, by the Bush administration, to give up their oil in exchange for a royalty payment that is a measly 12.5% of the value of all the oil that would be taken from their land by US oil companies?
2. Why haven't Americans been allowed to realize that the various Iraqi factions would rather continue killing American soldiers than let themselves be cheated out of 87.5% of the proceeds from the oil that they *could* split up amongst themselves . . . **if** they were allowed to do business with oil companies of their own choosing, such as those from, say, China or France?

Since the US invasion of Iraq in 2003 and the formation of an Iraqi parliament, there has been growing pressure by the Bush administration on the Iraqi Parliament to pass "the Oil Law" which BushCo has proposed on behalf of US oil companies. The oil law would open about two-thirds of Iraq's oil to foreign control through contracts that could last as long as 30 years. Adoption of the law is one of the benchmarks imposed on Iraq by the U.S. as a condition of continued reconstruction aid and support for the Maliki government. Problem is, Iraq's parliament is dragging its feet with regard to passing the law because most Iraqis would regard this as giving away most of the nation's resources to a foreign power, i.e. the US, the very people who invaded their country, killed tens of thousands of their fellow citizens, and are now occupying their land.

The proposed oil law states that,

"INOC (Iraq National Oil Company) and other holders of an Exploration and Production right (e.g. US oil companies) shall pay a royalty on Petroleum produced from the Development and Production Area, at the rate of 12.5% of Gross Production measured at the entry flange to the Main Pipeline." It further states that "The collection of Royalty shall be in kind or in cash at the option of the Ministry."

Here's a copy of the proposed oil law:

<http://72.14.253.104/search?q=cache:jqFy2UO8ENsJ:priceofoil.org/wp-content/uploads/2007/03/Iraqoilaw021507.pdf+Iraq%27s+oil+law&hl=en&ct=clnk&cd=9&gl=us>

For confirmation of the truth about all this, we must go to the "blogosphere" where we can read reports like the ones that follow.

From the Daily Kos:

“Dennis Kucinich has been the only candidate willing to consistently speak out against the unjust efforts to privatize the national oil wealth of the Iraqi people to multinational oil companies. He was the first to speak out against the hydrocarbon law, a key Iraqi benchmark of the Bush Administration, which, in effect, would privatize over 90% of Iraqi Oil reserves to multinational companies, particularly U.S. oil companies. Further, it not only gives the rights to these oil companies to do business in Iraq, but enables them to have power in making the decisions over the contracts themselves. That is, a Federal Council is established to make decisions upon oil contract negotiations, which allows these private oil companies to be represented on the "Federal" board and thus influencing the approval and terms of contracts.

However, as this national oil law continually failed to pass through the Iraqi parliament, alternative developments ensued. To wit:

CBS/AP) Texas' Hunt Oil Co. and Kurdistan's regional government said they have signed a production-sharing contract for petroleum exploration in the Kurdistan region of northern Iraq, the first such deal since the Kurds passed their own oil and gas law in August.”

<http://www.dailykos.com/story/2007/10/12/21258/482>

Excerpts from a press release issued by the office of Ohio Rep. Kucinich:

WASHINGTON, D.C. (September 18, 2007) -- Congressman Dennis Kucinich (D-OH) is seeking answers in the Administration's involvement in an Iraqi oil deal that appears to benefit a large Republican donor and ally of President Bush and Vice President Cheney.

The recent oil deal between the U.S.-based Hunt Oil Company and the Kurdistan Regional . . . appears to undercut the goal of oil revenue sharing but is consistent with the Administration's attempt to privatize Iraqi oil assets. Both Hunt Oil Company and Kurdistan are strong allies with the Bush Administration.

"As I have said for five years, this war is about oil. The Bush Administration desires private control of Iraqi oil, but we have no right to force Iraq to give up their oil. We have no right to set preconditions for Iraq which lead Iraq to giving up control of their oil. The Constitution of Iraq designates that the oil of Iraq is the property of all Iraqi people," Kucinich said.

Kucinich is calling for a Congressional investigation to determine: (a) the role the Administration may have played in the Hunt-Kurdistan deal, (b) the effect the deal could have on the oil revenue sharing plan, and (c) the attempt by the Administration to privatize Iraqi oil.

"The Administration has misled Congress and the media into thinking that pending Iraqi oil legislation before Iraq's Parliament was about the fair distribution of oil revenues," Kucinich said. "But the Hunt Oil deal with Kurdistan should expose the real intent of that legislation, and that is, promoting a privatization scheme."

So long as the U.S. occupies Iraq, there can be nothing more damaging to the United States' world reputation than the awarding of oil agreements to Bush Administration cronies.

The Hunt Oil deal with Kurdistan suggests the war has made foreign access to Iraqi oil a reality. The connections between Hunt Oil Company and the Bush Administration are numerous:

Mr. Ray Hunt, CEO of Hunt Oil, acted as the finance chairman of the Republican National Committee for President George W. Bush in 2002, led the Republican National Committee's Victory Fund for President George W. Bush and personally donated \$20,000 to the Committee.

Significantly, Mr. Hunt contributed \$100,000 toward inaugural festivities for President George W. Bush in 2001, while Hunt Consolidated contributed \$250,000 toward the 2005 Bush presidential inaugural gala. Mr. Hunt has also given generously toward construction of the Bush library by securing \$35 million in additional property for the endeavor. President George W. Bush has twice appointed Mr. Hunt to a seat on the President's Foreign Intelligence Advisory Board (PFIAB), which is said to have access to intelligence that experts admit is advantageous to the international energy interests of the Hunt Oil Company.

"The contract between Hunt Oil and Kurdistan would be the first of its kind in the Middle East where oil has been nationalized for decades and foreign oil companies have had no presence. The lack of consensus on how to manage the Iraqi oil resources suggests that the Hunt Oil Company deal could lead to greater instability within Iraq," Kucinich said.

In response, Kucinich sent a letter to Secretary of State Condoleezza Rice urging an immediate investigation into Hunt Oil Company's recent production sharing agreement for petroleum exploration with Kurdistan. Kucinich also sent a letter to Oversight and Government Reform Committee Chairman Henry Waxman (D-CA), requesting a full committee hearing to explore Hunt Oil's ties to the Bush Administration and Halliburton.

Kucinich intends to introduce a bill that will prevent U.S. companies from gaining financial interests in Iraq's oil resources.

Confirmation from Alternet.org:

Dennis Kucinich has consistently spoken out against the hydrocarbon law and the U.S. hydrocarbon law benchmark. Passage of the 'hydrocarbon law' by the Iraqi Parliament is one of several of the Administration's 'benchmarks' for the Iraqi government.

"This Administration misled Congress by emphasizing only a small part of this law, the 'fair' distribution of oil revenues. Consider the fact that the Iraqi 'hydrocarbon law' contains a mere three sentences that generally discuss the 'fair' distribution of oil. Except for three scant lines, the entire 33-page 'hydrocarbon law' is about creating a complex legal structure to facilitate the privatization of Iraqi oil," Kucinich said in a speech on the floor of the House of Representatives on May 10, 2007.

"The war in Iraq is a stain on American history. Let us not further besmirch our nation by participating in an outrageous exploitation of a nation, which is in shambles due to the U.S. intervention," Kucinich said in an hour-long speech on the floor of the House of Representatives on May 23, 2007.

<http://www.alternet.org/waroniraq/63036/>

From Commondreams.org:

The US-formulated oil-law proposal, which the US is secretly trying to shove down the throats of Iraq's parliament, demands that Iraq grant 87.5% of its to-be-extracted oil to the American oil companies that will be drilling and extracting it. Iraq is supposed to grant this huge give-away in return for a measly 12.5% royalty payment by the oil companies. Not surprisingly, Iraq's oil workers are marching in protest and their parliamentarians are balking, at this proposed rip-off.

In fact, one of the main 'benchmarks' by which the Bush regime is measuring "progress" in Iraq, is the passage of this US-formulated oil-revenue sharing law. Make no mistake, this is a law that was written not by Iraqi legislators, but by an American consulting firm and big oil execs, and its acceptance by Iraq's parliament would result in America's big oil companies paying only 12.5 cents for every dollar's worth of oil that they take out of the ground.

Americans wonder why Iraqi insurgents are fighting so hard! If America was an oil-rich country, wouldn't you be willing to fight (or support those who did) if some foreign power had invaded our country and was secretly trying to force our Congress to sign off on such an agreement, so that the invaders could freely take our oil and pay only 12 cents on the dollar for every barrel they took?

<http://www.commondreams.org/news2007/0919-02.htm>

Truthout.org chimes in:

One of the Bush administration's 'benchmarks' for the Iraqi government is the passage of a law to distribute oil revenues. The draft law that the US has written for the Iraqi congress would cede nearly all the oil to Western companies. The Iraq National Oil Company would retain control of 17 of Iraq's 80 existing oilfields, leaving the rest -- including all yet to be discovered oil -- under foreign corporate control for 30 years. 'The foreign companies would not have to invest their earnings in the Iraqi economy,' the analyst Antonia Juhasz wrote in the New York Times in March, after the draft law was leaked. 'They could even ride out Iraq's current "instability" by signing contracts now, while the Iraqi government is at its weakest, and then wait at least two years before even setting foot in the country.' As negotiations over the oil law stalled in September, the provincial government in Kurdistan simply signed a separate deal with the Dallas-based Hunt Oil Company, headed by a close political ally of President Bush.

How will the US maintain hegemony over Iraqi oil? By establishing permanent military bases in Iraq. Five self-sufficient 'super-bases' are in various stages of completion. All are well away from the urban areas where most casualties have occurred. There has been precious little reporting on these bases in the American press, whose dwindling corps of correspondents in Iraq cannot move around freely because of the dangerous conditions. (It takes a brave reporter to leave the Green Zone without a military escort.)

http://www.truthout.org/docs_2006/101207H.shtml

More from Commondreams:

Bush and Cheney have consistently misled Congress and the American public on this matter, attempting to sneak in a stealth privatization scheme . . . under cover of a struggle for 'equitable revenue sharing'

between Sunnis and Shia as a means toward 'reconciliation.'

"While the media are paying close attention to the process of negotiations between the Administration and Congress, very few of us are aware of the most substantive issue in all the benchmarks, i.e. the attempt to force Iraq to 'privatize' its oil, through a provision open for all to see in the text of the bill before the Iraqi Parliament.

Congress has refused to carefully examine the consequences of meeting this particular benchmark, which calls for Iraq to pass a hydrocarbon law that gives away the vast majority of Iraq's oil. Congress isn't asking key questions and the President isn't telling.

Behind the scenes, Bush and Cheney have cleverly linked concepts of reconciliation-by-way-of-equitable-oil-revenue-sharing . . . to . . . passage of a Hydrocarbon Act (Oil Law) that guarantees the privatization (give-away) of Iraq's oil wealth.

Democrats have denied they are for anything that privatizes Iraq's oil, which means they may be largely unaware of all that is in the bill, because of BushCo's grand deception and perhaps their own unwillingness to face the truth.

Congress continues to fund the war while behind their backs the White House crafts a bipartisan consensus to force Iraq to show "progress" (by giving away the lion's share of its oil).

Problem is, this war will never end as long as Iraqis believe the US is trying to steal their oil. And, given the key stipulations in the currently proposed Hydrocarbon Act, how could they believe anything else?
<http://www.commondreams.org/news2007/0518-04.htm>

What Unites Iraqis: Blocking Western Petroleum Companies from Seizing Control of Their Oil

By Joshua Holland, on AlterNet

Despite the ethnic bloodshed in Iraq, majorities of Shiites, Sunnis and Kurds are united in their disapproval of the proposed oil laws that Washington and Big Oil are pushing.

If passed, the Bush administration's long-sought "hydrocarbons framework" law would give Big Oil access to Iraq's vast energy reserves on the most advantageous terms and with virtually no regulation. Meanwhile, a parallel law carving up the country's oil revenues threatens to set off a fresh wave of conflict in the shell-shocked country.

Subhi al-Badri, head of the Iraqi Federation of Union Councils, said last month that the "law is a bomb that may kill everyone." Iraq's oil "does not belong to any certain side," he said, "it belongs to all future generations." But Washington continues to push that bomb onto the Iraqi people, calling it a vital benchmark on the road to a fully sovereign Iraq. Democratic Rep. Dennis Kucinich of Ohio accused his own party of "promoting" President Bush's effort to privatize Iraq's oil "under the guise of a reconciliation program."

A coalition of NGOs and other civil society groups commissioned a poll to gauge Iraqis' reaction to the proposed legislation. It found that Iraqis from all ethnic and sectarian groups and across the political spectrum oppose the principles enshrined in the (oil) laws. Considering

the multiethnic bloodbath we've witnessed over the past four years, it's an impressive display of Iraqi solidarity.

The package of oil laws represent one of the clearest examples of a dynamic that's fueled much of the country's political instability but is rarely discussed in the commercial media. While the war's advocates continue to sell the occupation of Iraq as part of a grand scheme to democratize the region, anything resembling true Iraqi democracy is in fact a tremendous threat to U.S. interests. The law, after all, was not designed with Iraqis' prosperity in mind; plans for throwing the country's oil sector open to (almost) unregulated foreign investment were hashed out by a State Department working group (which included major players from the oil industry) long before the planning for the invasion itself. Before that, and even before the attacks of 9/11, these plans were discussed in the White House (under the guidance of Dick Cheney).

The framework law -- from what we know from a series of leaked drafts -- will hand over effective control of as much as 80 percent of the country's oil wealth to foreign firms with minimal state participation. According to an analysis by the oil watchdog group Platform, Iraq stands to lose tens of billions of dollars in potential revenues under the contract terms being considered.

More at: <http://www.alternet.org/waroniraq/59318/>

The Bush administration claims that offering such lucrative terms to oil companies is necessary given the dire need for investment in Iraq's war-torn oil infrastructure, but those investments could just as easily be made out of Iraq's existing operating budget or financed through loans. Despite the chaos on the ground, Iraq's massive energy reserves would be more than enough collateral for even the strictest lenders.

So while most oil-producing states are moving toward more state control of their energy sectors -- according to the Washington Post, "about 77 percent of the world's 1.1 trillion barrels in proven oil reserves is controlled by governments that significantly restrict access to international companies" -- Iraqi lawmakers are under enormous pressure (from the Bush administration) to go in the opposite direction.

From Greg Palast's web site, Oct. 2006:

"U.S. oil companies, previously all but shutout of Iraq's oil sector, are on the verge of winning Iraq's oil prize.

On September 10, Iraq's Deputy Prime Minister repeated a pledge made earlier this year by Oil Minister al-Shahristani that Iraq would have a new national petroleum law by the end of 2006. The law will open Iraq's currently nationalized oil industry to private foreign oil companies on terms unprecedented in the Middle East or in any oil-rich nation. According to Iraqi Vice President Mahdi, the law will be "very promising to the American investors and to American enterprise, certainly to oil companies." The law mirrors proposals originally set out by the Bush administration prior to the March 2003 invasion.

Meeting four times between December 2002 and April 2003, members of the U.S. State Department's Oil and Energy Working Group agreed that Iraq "should be opened to international oil companies as quickly as possible after the war" and that the best method for doing so was through Production Sharing Agreements (PSAs).

None of the top oil producers in the Middle East use PSAs because they favor private companies at the expense of the exporting governments. In fact, PSAs are only used in respect to about 12 percent of world oil reserves. PSAs are the favorite of international oil companies, and the 'worst-case scenario' for oil-rich states.

In August 2004, the U.S.-appointed interim Prime Minister of Iraq, Ayad Allawi (a former CIA operative), submitted guidelines for a new petroleum law recommending that the "Iraqi government disengage from running the oil sector" and that all undeveloped oil and gas fields in Iraq be turned over to private international oil companies using PSAs. Allawi's proposal is the basis of the current proposed oil law and could potentially give foreign companies control over approximately 87 percent of Iraq's oil.

The Bush administration and U.S. oil companies have maintained constant pressure on Iraq to pass the new law. The administration appointed an advisor to the Iraqi government from Bearing Point Inc., a Virginia-based private consultancy firm, to support completion of the law. This past July, U.S. Energy Secretary Bodman announced in Baghdad that senior U.S. oil company executives told him they would not enter Iraq without passage of the new law."

www.gregpalast.com/are-us-corporations-going-to-%E2%80%9Cwin%E2%80%9D-the-iraq-war/

From Globalpolicy.org:

If the proposed oil law passes, then whoever is contracted to extract the oil gets to keep whatever they can pull out of the ground, 100% of it. Their only costs would be the 12.5% royalty they have to pay to the Iraqi government, plus the operational costs of taking the oil out of the ground -- which costs are among the lowest in the world due to the fact that the oil in Iraq is so close to the surface. As the oil is removed, a count is kept of how many barrels are being taken, and a royalty must be paid to the Iraqi Oil Ministry that equals 12.5% of the value of the oil that's taken.

It should be noted that 12.5% is a notoriously small cut for the Iraqis. Other countries with plenty of oil get to keep anywhere between 50% and 90% of monetary value of the oil that is pumped by foreign oil companies. But a measly 12.5% share is the deal that BushCo is quietly trying to push down the throats of the Iraqis.

No wonder the insurgency is trying to drive the US Army out of their country!

<http://www.globalpolicy.org/security/oil/2005/crudedesigns.htm>

Documented evidence that Libya takes a full **92%** of the profits from the oil pumped in its country by foreign oil companies:

<http://www.globalpolicy.org/security/oil/2005/crudedesigns.htm#ripoff>

Here follows a synopsis of an article by Antonia Juhasz, an analyst with Oil Change International, a watchdog group. Antonia is the author of *The Bush Agenda: Invading the World, One Economy at a Time*.

"The oil law would transform Iraq's oil industry *from* a nationalized model closed to American oil companies (except for limited, although highly lucrative, marketing contracts) *into* a commercial industry, all-but-privatized, that is fully open to all international oil companies.

The Iraq National Oil Company (INOC) would have exclusive control of just 17 of Iraq's 80 known oil fields, leaving two-thirds of known -- and *all* of its as yet undiscovered -- fields open to foreign control.

The foreign companies would not have to invest their earnings in the Iraqi economy, partner with Iraqi companies, hire Iraqi workers, or share new technologies. They could even ride out Iraq's current "instability" by signing contracts now, while the Iraqi government is at its weakest, and then wait at least two years before even setting foot in the country. The vast majority of Iraq's oil would then be left underground for at least two years rather than being used for the country's economic development.

The international oil companies could also be offered some of the most corporate-friendly contracts in the world, including what are called production sharing agreements. These agreements are the oil industry's preferred model, but are roundly rejected by all the top oil producing countries in the Middle East because they grant long-term contracts (20 to 35 years in the case of Iraq's draft law) and greater control, ownership and profits to the companies than other models. In fact, they are used for only approximately 12 percent of the world's oil.

Iraq's neighbors Iran, Kuwait and Saudi Arabia maintain nationalized oil systems and have outlawed foreign control over oil development. They all hire international oil companies *as contractors* to provide specific services as needed, for a limited duration, and without giving the foreign company any direct interest in the oil produced."

<http://www.bushagenda.net/article.php?id=369>

More from Globalpolicy.org:

Essentially the oil companies are trying to lock in a low risk, high reward situation for themselves, using PSA's as the legalistic vehicle and the US Army as their negotiating leverage.

Isn't it revealing that no one in the mainstream media has made it clear that one of the 'benchmarks' is for Iraq's parliament to agree to let US oil companies start taking Iraqi oil and pay only a 12.5% royalty for the privilege? I haven't even heard anyone on Air America mention this. However, Antonia Juhasz was on Amy Goodman's Democracy Now! talking about this issue.

America started with what was a fairly stable situation in Iraq, in which a large volume of oil was being produced for many years, and then we went in and totally destabilized it, creating a power vacuum in which multiple parties rushed, and civil war began.

We also "forgot" to guard the weapons depots or to confiscate the weapons of the Baathist army before we gave them their marching papers, thereby ensuring that the civil war would be especially bloody and long-lived.

Oh, and we also destroyed much of the electrical, water, and sewage infrastructure, and many of the schools and hospitals. We created chaos, and now we're offering to "save" the Iraqis from the very chaos we created. And, for our trouble, we are "requesting" 87.5% of their oil!

We've hemmed them into a corner. Their only options are give us the oil or the chaos continues. It's a simple protection racket, writ large.

Reeeeeeal nice country you got here. It would be a shame if anything were to happen to it, see? Oh! Clumsy me! I've gone and invaded your country. Boy, you'd better sign this agreement before anything else bad happens!

"No major oil companies are willing to invest in Iraq now, no matter how sweet the deal. If order is restored, however, Iraq would have no trouble attracting vast amounts of finance capital to develop reserves that could well be worth in excess of \$10 trillion, and hence would have no need whatsoever for PSAs."

<http://www.globalpolicy.org/security/oil/2005/crudedesigns.htm>

From wsws.org:

Under sustained US pressure, Iraqi cabinet sends oil law to parliament

The centrality of the oil law to the objectives of the US occupation is underscored by its prominent place in the Bush administration "benchmarks" for the Iraqi government. Since the draft legislation was first revealed on February 26, senior figures of Bush's cabinet, ranging from Secretary of State Condoleezza Rice, Vice President Dick Cheney to Defense Secretary Robert Gates, have visited Baghdad to bully the various Iraqi factions in the US-backed parliament to accept its terms. The White House is pressuring Maliki to push through the legislation and other key benchmarks well before September, when a report to Congress on the progress of the latest US military "surge" is due.

<http://www.wsws.org/articles/2007/jul2007/oil-j05.shtml>

Key points made by Dennis Kucinich when interviewed by Amy Goodman:

There is a benchmark in the Warner amendment that will keep our troops in Iraq indefinitely. This benchmark insists that the Iraq's government pass a hydrocarbon act -- an "oil law" that is supposedly about the equitable sharing of oil revenues. But this proposed oil law comes in the form of a thirty-three-page document that's all about the restructuring of the Iraq oil industry so as to permit multinational oil corporations to take over 80% of Iraq's oil. This is a criminal action that is going on here, right under our noses, and we ought to be standing up against it and challenging it. The US has no right to take Iraq's oil or to facilitate the acquisition of (or profits from) Iraq's oil for multinational corporations, i.e. "Big Oil" (Exxon, Shell, et. al.)

You have to keep in mind that this process that the Bush administration has been pushing began even before the invasion of Iraq. V.P. Cheney was meeting with oil companies, looking at how they could, essentially, create a beachhead in the Middle East, and they have been looking at the prize of Iraq oil for many years now.

And so, you have to remember that even though it looks like this "oil law" legislation isn't going anywhere, there is enormous pressure being put on the Iraqi parliament, behind the scenes, and you can bet that before too long they'll put the kind of pressure on them that will cause them to comply. Parliament will relent, and go ahead and pass this law that will permit about 80% of its oil to be controlled by multinational oil companies. Now, keep in mind that Iraq has as many as 300 billion barrels of oil. At a market price that looks like it's going toward \$70-a-barrel, you can be talking about \$21 trillion worth of oil, 80% of which

will be under the control of multinational oil companies, if it's up to the Bush administration.

This is literally a crime. And so, Kucinich is challenging it. He says it's the basis for a war crime charge. The White House and Democratic- led Congress are helping oil companies grab a stake in Iraq's vast oil fields while claiming to be interested merely in winding down the Iraq war. And John Q. Public is, for the most part, none the wiser.

<http://www.democracynow.org/article.pl?sid=07/05/24/143225>

If the proposed oil law passes, then whoever is contracted to extract the oil gets to keep whatever they can pull out of the ground, 100% of it. Their only costs would be the 12.5% royalty they have to pay to the Iraqi government, plus the oil operational costs of taking the oil out of the ground (which costs are among the lowest in the world due to the fact that the oil in Iraq is so close to the surface). As the oil is removed, a count is kept of how many barrels are being taken, and a royalty must be paid to the Iraqi Oil Ministry that equals 12.5% of the value of the oil that's taken.

It should be noted that 12.5% comprises a notoriously small cut for the Iraqis. Other countries with plenty of oil get to keep anywhere between 50% and 80% of monetary value of the oil that is pumped by foreign oil companies. But 12.5% is the deal that BushCo is quietly trying to ram down the throats of the Iraqis.

No wonder the insurgency is trying to drive the US Army out of their country!

Iraq imposes 'Saddam style' ban on oil union. Public campaign against the signing of a controversial new oil law -- demanded by Washington - - that would lead to long-term profit-sharing contracts being signed with multinational oil giants.

Heather Stewart, economics editor
Sunday August 5, 2007
The Observer (U.K.)

Iraq's energy ministry is using a Saddam-era decree to crack down on trade unions and stifle dissent against foreign exploitation of the country's vast oil reserves, the Basra-based oil workers' union claims.

Hassan Juma'a, the union's leader, has been at the forefront of a public campaign against the signing of a controversial new oil law -- demanded by Washington -- that would lead to long-term profit-sharing contracts being signed with multinational oil giants.

But Hussein Shahrastani, Iraq's oil minister, has now issued a directive banning unions from participating in any official discussions about the new law, 'since these unions have no legal status to work within the state sector'.

Juma'a said the minister's approach echoed an infamous law passed by Saddam Hussein in 1987 -- the so-called 'Article 150' -- suppressing trades unions. He insisted this weekend that his members would not recognize the directive, saying 'we are working for Iraq'.

<http://www.guardian.co.uk/Iraq/Story/0,,2141676,00.html>

Authors Website: http://groups.google.com/groups/profile?enc_user=JCpLDBUAAAC

Authors Bio: Several years after receiving my M.A. in social science (interdisciplinary studies), I was an instructor at S.F. State University for a year, but then went back to designing automated machinery, and then tech writing, in Silicon Valley. I've always been more interested in political economics and what's going on behind the scenes in politics, than in mechanical engineering, and because of that I've rarely worked more than 6 months a year, devoting much of the rest of the year to reading and writing about that which interests me most.

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