

# Israel seeks pipeline for Iraqi oil

## US discusses plan to pump fuel to its regional ally and solve energy headache at a stroke

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Ed Vuillamy in Washington  
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Plans to build a pipeline to siphon oil from newly conquered Iraq to Israel are being discussed between Washington, Tel Aviv and potential future government figures in Baghdad.

The plan envisages the reconstruction of an old pipeline, inactive since the end of the British mandate in Palestine in 1948, when the flow from Iraq's northern oilfields to Palestine was re-directed to Syria.

Now, its resurrection would transform economic power in the region, bringing revenue to the new US-dominated Iraq, cutting out Syria and solving Israel's energy crisis at a stroke.

It would also create an end less and easily accessible source of cheap Iraqi oil for the US guaranteed by reliable allies other than Saudi Arabia - a keystone of US foreign policy for decades and especially since 11 September 2001.

Until 1948, the pipeline ran from the Kurdish-controlled city of Mosul to the Israeli port of Haifa, on its northern Mediterranean coast.

The revival of the pipeline was first discussed openly by the Israeli Minister for National Infrastructures, Joseph Paritzky, according to the Israeli newspaper Ha'aretz .

The paper quotes Paritzky as saying that the pipeline would cut Israel's energy bill drastically - probably by more than 25 per cent - since the country is currently largely dependent on expensive imports from Russia.

US intelligence sources confirmed to The Observer that the project has been discussed. One former senior CIA official said: 'It has long been a dream of a powerful section of the people now driving this administration [of President George W. Bush] and the war in Iraq to safeguard Israel's energy supply as well as that of the United States.

'The Haifa pipeline was something that existed, was resurrected as a dream and is now a viable project - albeit with a lot of building to do.'

The editor-in-chief of the Middle East Economic Review , Walid Khadduri, says in the current issue of Jane's Foreign Report that 'there's not a metre of it left, at least in Arab territory'.

To resurrect the pipeline would need the backing of whatever government the US is to put in place in Iraq, and has been discussed - according to Western diplomatic sources - with the US-sponsored Iraqi National Congress and its leader Ahmed Chalabi, the former banker favoured by the Pentagon for a powerful role in the war's aftermath.

Sources at the State Department said that concluding a peace treaty with Israel is to be 'top of the agenda' for a new Iraqi government, and Chalabi is known to have discussed Iraq's recognition of the state of Israel.

The pipeline would also require permission from Jordan. Paritzky's Ministry is believed to have approached officials in Amman on 9 April this year. Sources told Ha'aretz that the talks left Israel 'optimistic'.

James Akins, a former US ambassador to the region and one of America's leading Arabists, said: 'There would be a fee for transit rights through Jordan, just as there would be fees for Israel from those using what would be the Haifa terminal.

'After all, this is a new world order now. This is what things look like particularly if we wipe out Syria. It just goes to show that it is all about oil, for the United States and its ally.'

Akins was ambassador to Saudi Arabia before he was fired after a series of conflicts with then Secretary of State Henry Kissinger, father of the vision to pipe oil west from Iraq. In 1975, Kissinger signed what forms the basis for the Haifa project: a Memorandum of Understanding whereby the US would guarantee Israel's oil reserves and energy supply in times of crisis.

Kissinger was also master of the American plan in the mid-Eighties - when Saddam Hussein was a key US ally - to run an oil pipeline from Iraq to Aqaba in Jordan, opposite the Israeli port of Eilat.

The plan was promoted by the now Defence Secretary Donald Rumsfeld, and the pipeline was to be built by the Bechtel company, which the Bush administration last week awarded a multi-billion dollar contract for the reconstruction of Iraq.

The memorandum has been quietly renewed every five years, with special legislation attached whereby the US stocks a strategic oil reserve for Israel even if it entailed domestic shortages - at a cost of \$3 billion (£1.9bn) in 2002 to US taxpayers.

This bill would be slashed by a new pipeline, which would have the added advantage of giving the US reliable access to Gulf oil other than from Saudi Arabia.

