Cheney's Oil Change at the World Bank

By Jim Vallette | March 21, 2005

He wasn't in the room when President George W. Bush announced it on Wednesday, but somewhere, Vice President Dick Cheney must have been smiling—well, smirking—when the commander-in-chief's voice coupled the improbable name Paul Wolfowitz with the title "President of the World Bank."

Cheney and Deputy Defense Secretary Wolfowitz have long worked hand-in-glove on a global quest for U.S. domination over world affairs. This latest action is as bold as the invasion of Iraq two years ago.

Dick Cheney, a long-time beneficiary of World Bank largess, has moved to take ownership of the world's development coffers through his man, Wolfowitz. For his part, Wolfowitz will have a chance to extend his Iraq reconstruction theories to the global level. These concepts mostly involve U.S. control over energy resources. While the Bank, over which the U.S. holds de facto veto power, has done a lot for the nation's oil interests over the years, his nomination is a clear signal that the administration craves more.

"Wolfowitz's words and deeds are antithetical to World Bank pretenses of multilateralism and development," said long-time World Bank critic John Cavanagh, director of the Institute for Policy Studies. "Between this and John Bolton's nomination as ambassador to the UN, it's March Madness on Pennsylvania Avenue."

Like others in the Bush administration, Wolfowitz is consistent. In and out of office, he has articulated a clear vision of U.S. being the world's only superpower, fueled by free-flowing Persian Gulf oil.

Flash back to the early 1990s. Dust settled where the Berlin Wall once stood. The old world order was gone. Then-Defense Secretary Cheney tabbed Wolfowitz—his Assistant Secretary for Policy—to plan new national security strategies that reflected the preeminence of corporate quests in the extension of U.S. military might. Wolfowitz and Cheney prioritized defending Middle East oil fields, which they said "ranks above South America and Africa in terms of global wartime priorities." Wolfowitz fine-tuned this new world order in, writing: "In the Middle East and Southwest Asia, our overall objective is to remain the predominant outside power in the region and preserve U.S. and Western access to the region's oil."

After Cheney and Wolfowitz left office following the first President Bush's defeat at the polls, both men continued to push for U.S. corporate access to global oil resources. Cheney, through his stint as CEO of Halliburton, parlayed his political connections into company deals in democracy-rich places like Burma and Turkmenistan. "The problem is that the good Lord didn't see fit to always put oil and gas resources where there are democratic governments," he grumbled to his critics. He had the World Bank, which financed projects in Azerbaijan, Bangladesh, Chad, and Kazakhstan, to thank for some part of his Halliburton paycheck.

Wolfowitz, meanwhile, articulated the intellectual side of their shared agenda. As dean of the Johns Hopkins School of Advanced International Studies, he gravely predicted the world's fate with Middle East oil resources threatened by Saddam Hussein and weapons of mass destruction. In 1994, he expressed the new preemptive doctrine, saying "By and large, wars are not constructive acts: they are better judged by what they prevent than by what they accomplish."

His was the clearest voice in a chorus of ex-Reagan and Bush officials calling upon Clinton to strike Hussein as the decade progressed. "The Persian Gulf with its vital oil resources is critical to us," he told Jim Lehrer in 1996. "That's absolutely central to constructing the kind of world that will be safer in the next century."

Wolfowitz started warning European governments and oil companies doing business with Iraq.

"Companies that want to develop Iraq's enormous oil wealth should line up with a government of free Iraq instead," he wrote in 1997.

He sought congressional support for a plan to install Ahmed Chalabi's Iraq National Congress in Southern Iraq, and lashed out at European countries that opposed military measures. The French and Russians, he testified in September 1998, should understand "that the fabulous—and they are fabulous—oil resources of Iraq... will be ultimately in the control of a Government of Fee Iraq."

Cheney and Wolfowitz placed their bets on Saddam's demise. With another Bush in office, they rolled the dice.

Wolfowitz never really emphasized eliminating global poverty—the World Bank's stated mission—as a national strategic priority. Bush points to Wolfowitz's stint as U.S. Ambassador to Indonesia as proof of his "commitment to development." But as an envoy he obsessed about gaining U.S. corporate access to Indonesia's energy resources in the 1980s, at a time when strongman Suharto banned opposition, and skimmed plenty from World Bank and other development finance groups.

Wolfowitz's main "development" experience is actually in post-invasion Iraq. After the invasion, he stomped through Europe, demanding that its governments cancel Iraq's debt. When Europe balked, he signed an order saying that anyone not involved in the military coalition would be barred from Iraq reconstruction contracts. A recent Inspector General audit of coalition reconstruction funds found the coalition "did not establish or implement sufficient managerial, financial, and contractual controls to ensure (development) funds were used in a transparent manner. Consequently, there was no assurance the funds were used for the purposes mandated by" the UN.

But Cheney and crew, with the unbounded joy of spring, remain on the charm offensive, trying to secure the economic crown jewel.

Cheney and Wolfowitz understand that global hegemony requires control over the three pillars of power: military, political, and economic. The World Bank sets the terms of global development. When developing countries started demanding a decrease in U.S. political power in the institution, when the Bank balked at supporting Wolfowitz's reconstruction and debt cancellation plans for Iraq, and when a Bank-commissioned study recommended getting out of the oil business, the World Bank became a natural target for a hostile takeover.

Cheney wants in. There's no stopping him now, unless Europe, industrialized Asia, and the Global South decide to put up a fight.

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