

# **THE TIGER IN THE TANKS**

**ExxonMobil, oil dependency and war in Iraq**



**GREENPEACE**

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## ExxonMobil, oil dependency and war in Iraq

### Summary

Despite the Bush administration's claims that the proposed war on Iraq is only about weapons of mass destruction, simmering below the surface is Bush's 'need' to secure a continued supply of cheap oil.

While oil is not the only factor motivating Bush's preparations for war, US oil dependency is playing a large part in fuelling conflict in the Middle East region. The company that has done more than any other to keep the US hooked on oil is ExxonMobil (known as Esso in the UK and Europe). In order to protect its business in fossil fuels, ExxonMobil has spent the last decade sabotaging international action on climate change and directing US climate and energy policy. It has made concerted efforts to undermine the accepted scientific consensus on climate change, and is still misleading the public and policy makers over the economic implications of tackling global warming. It has also funded 'climate sceptic' scientists and industry front groups to lobby on its behalf. When Bush pulled out of the Kyoto Protocol in 2001, ExxonMobil was the architect of his climb-down.

Now US energy policy is setting the path for the nation's foreign policy. Yet there are alternative routes. As Peter Hain, UK Foreign Office Minister of State, has said: *'There is no better way to enhance our energy security, and thus to increase our ability to pursue our broader foreign policy objectives, than by finding innovative and cost-effective ways to reduce our dependence on oil as a transport fuel. Doing so would also have the added benefit of boosting other domestic and foreign policy objectives, particularly those on air quality and climate change.'*<sup>1</sup>

Greenpeace outlines our proposed solutions to energy security issues, and expands on more effective ways to deal with weapons of mass destruction, elsewhere.<sup>2</sup> Here we focus on the role oil is playing in driving the US towards war.

Only time will tell which oil company will benefit most from a war in Iraq. The prize for western oil companies is potentially enormous. However, US oil companies are only likely to benefit if Bush secures a regime change in Iraq, whereas a peaceful resolution is likely to leave French, Russian and Chinese oil companies as the main winners. Certainly ExxonMobil's historic interests in Iraq's oil, along with its current stake in the wider Middle East region, make it a prime and natural candidate to profit from a post-war carve up of Iraqi oil fields. Furthermore, as the world's largest oil company, it is also the most influential, and the closest to Bush. This may not be a war *for* ExxonMobil, but city analysts Deutsche Bank have suggested that ExxonMobil is in '*pole position*' to gain from a regime change.<sup>3</sup> This briefing examines the evidence.

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<sup>1</sup> Speech at Energy Security Symposium, Royal United Services Institute, October 17 2002.

<sup>2</sup> See <http://nowar.greenpeace.org/> for further briefings

<sup>3</sup> *ExxonMobil: Decision Time*, Deutsche Bank, 17 September 2002

## 1. The US thirst for oil.

The US consumes over 25% of the oil produced world-wide, and imports slightly more than half of this. US energy policy under Bush/Cheney is focussed almost entirely on ways to meet an increasing US demand for fossil fuels. The administration's 2001 Energy Plan predicted that an increased demand for oil was inevitable, with oil imports needing to rise from 10.4mb/day at present to 16.7mb/day by 2020.<sup>4</sup>

Yet this increasing demand for oil is totally unnecessary. The ever-increasing sales of large SUVs over smaller cars means that, overall, the average efficiency of new vehicles sold in US has been getting worse since the late 1980's. Mile for mile, an average vehicle in the US uses around 40% more fuel than in the UK. If US vehicles were as efficient as UK vehicles, nearly two and a half million barrels of oil would be saved every day - equivalent to 90% of US oil imports from the Middle East.<sup>5</sup> ExxonMobil's CEO, Lee Raymond, said last year *'In Europe you like to tell people what kind of cars they ought to use. Most Americans like to make that decision themselves - that's why we left Europe.'*<sup>6</sup>

The Energy Plan also spelled out the US dependence on a stable energy market and the need for a foreign policy that would protect US energy supply. It stated that *'A significant disruption in world oil supplies could adversely affect our economy and our ability to promote foreign and economic policy objectives, regardless of the level of US dependence on oil imports.'* It goes on to confirm that *'Middle East oil producers will remain central to world oil security. The Gulf will be a primary focus of US international energy policy.'*<sup>7</sup>

With 65% of the world's oil reserves, the Middle East is the only region able to satisfy any substantial rise in world demand. US oil deposits are increasingly depleted, and many other non-OPEC fields are beginning to run dry as well. It looks inevitable that future supplies will have to come from the Gulf region. What is also certain is that there will be ever more competition for oil if no action is taken to diversify into renewable energy sources. By 2020 China's oil consumption, for example, is predicted to match that of the US.

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<sup>4</sup> *National Energy Policy – a report of the National Energy Policy Development Group.* Chapter 8, May 2001.

<sup>5</sup> Average fuel efficiency for new light vehicles sold in the US in 2001 was 20.4 MPG (US EPA report "light duty automotive technology and fuel efficiency trends 1975-2001). Comparative average fuel efficiency for new cars and light goods vehicles sold in the UK is approximately 28 MPG. DETR figures give the average MPG for cars sold in 2001 as 39.5 and estimate 35.5 for light goods vehicles. Assuming a 50:50 mix this puts the UK average at 37.5 mpg. Allowing for different test conditions, 28 mpg is a more accurate comparison (estimated from comparisons official figures for models in the UK and US). Between mid December 2002 and mid January 2003 the US refined crude oil to produce over 8.5 million barrels of motor gasoline per day (US Energy Information Administration figures). In 2001 the US imported 2,675,000 of crude oil every day from Arab OPEC countries (Algeria, Iraq, Kuwait, Qatar, Saudi Arabia, UAE) (Source US Energy Information Administration).

<sup>6</sup> 'A dinosaur still hunting for growth', David Buchan and Sheila McNulty, Financial Times, March 12 2002

<sup>7</sup> *National Energy Policy – a report of the National Energy Policy Development Group.* Chapter 8, May 2001.

But the US knows that this reliance on imports puts it in a vulnerable position. Political turmoil in Venezuela (the fourth biggest supplier of US oil imports) has virtually halted exports to the US. Meanwhile Saudi Arabia, the second biggest supplier to the US – responsible for meeting about one-sixth of US oil import needs – is considered increasingly unreliable in Washington, post September 11<sup>th</sup>. Politicians and security chiefs fear that Saudi Arabia is a political ‘powder keg’, at risk of exploding from within. If Saudi oil exports were stopped, there would be no spare oil to make up the shortfall.<sup>8</sup>

Controlling Iraqi oil would allow the US to reduce Saudi influence over oil policy – weakening OPEC and giving Washington increased leverage over the world oil market, limiting the influence too of Russia, Mexico and Venezuela.

## 2. A war for oil?

Iraq is sitting on 10% of the world’s oil reserves - 112bn barrels, second only to Saudi Arabia. That’s 16 years worth of US oil consumption. It is only currently producing a fraction of that potential, and large sectors of Iraqi territory have never been fully explored, so there is a good chance that their actual reserves may be far greater. The US Department of Energy recently confirmed that *‘Iraq’s oil production costs are amongst the lowest in the world, making it a highly attractive oil prospect.’*<sup>9</sup>

Back in 1998, a letter sent to President Clinton, signed by many of the current Washington pro-war ‘hawks’ (including Richard Perle, John Bolton, Richard Armitage, Donald Rumsfeld and Paul Wolfowitz) called for the aim of American foreign policy to become the *‘removal of Saddam Hussein’s regime from power’*. They argued that if this new strategy was not followed, *‘a significant portion of the world’s supply of oil will all be put at hazard.’*<sup>10</sup>

In 1999, Air Force Brigadier General William Looney, head of the US Central Command’s Airborne Expeditionary Force, was quoted in Washington Post speaking about Iraq, saying *‘They know we own their country. We own their airspace...We dictate the way they live and talk. And that’s what’s great about America right now. It’s a good thing, especially when there is a lot of oil out there we need.’*<sup>11</sup>

Since then, a number of Bush officials and oil industry insiders have let slip one of the key motivations behind the proposed attack on Iraq:

*‘When there is a regime change in Iraq, you could add 3-5 million barrels [of oil, per day] of production to world supply...The successful prosecution of the war would be good for the economy.’* Larry Lindsey, Bush’s economic advisor, September 2002.<sup>12</sup>

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<sup>8</sup> Fadel Gheit, quoted in The Guardian, 23 January 2003

<sup>9</sup> *Iraq Country Analysis Brief*, p4, Energy Information Administration, US Department of Environment, October 2002

<sup>10</sup> Letter from Project for the New American Century, January 26 1998  
<http://www.newamericancentury.org/iraqlintonletter.htm>

<sup>11</sup> The Washington Post, 11 August 1999

<sup>12</sup> ‘Carve up of oil riches begins’, Peter Beaumont and Faisal Islam, The Observer, 3/11/02

*'If you are trying to talk about Iraq and if you were not encumbered by the fear that your actions would be linked to ExxonMobil or the oil industry, you'd be talking about oil issues.'* Bush advisor speaking to the New York Times on condition of anonymity.<sup>13</sup>

*'If we go to war, it's not about oil. But the day the war ends, it has everything to do with oil.'* Larry Goldstein, President of the Petroleum Industry Research Foundation.<sup>14</sup>

*'[War] would open up this spigot on Iraq's oil, which certainly would have a profound effect in terms of the performance of the world economy for those countries that are manufacturers and oil consumers.'* Grant Aldonas, US Under Secretary for Commerce, talking to a business forum in October 2002.<sup>15</sup>

A former Mobil chemical engineer Fadel Gheit, now an investment specialist at a New York brokerage firm, told fifty of the largest pension funds and financial investors in the US before Christmas 2002 that the expected war was *'all about oil'* and the global war on terror was just *'camouflage'* to mask the real purpose. He went on to say: *'Our way of life is dependent on 20 million barrels a day, and half of it has to be imported. We are like a patient on oil dialysis. It is a matter of life and death.'*<sup>16</sup>

According to former CIA director James Woolsey, a leading advocate of US military action against Iraq, *'France and Russia have oil companies and interests in Iraq. They should be told that if they are of assistance in moving Iraq towards decent government, we'll do the best we can to ensure that the new government and American companies work closely with them.'*<sup>17</sup>

### **3. A war for US oil companies?**

No international oil company has undertaken exploration and production in Iraq during the last decade of UN sanctions, though many have continued to buy and refine Iraqi oil through middlemen. The oil companies, however, have pursued very different strategies on Iraq during this time, according to the political position of their national governments. Russian and French oil companies both have historic links with and interests in Iraq, and, along with oil companies from China, they have negotiated production agreements worth \$38 billion to develop Iraqi oil fields after sanctions are lifted. Meanwhile, sanctions have succeeded in keeping their rivals (the US and UK companies) at bay. Former ExxonMobil vice chairman Lucio Noto said in a recent interview *'I believe they [sanctions] take us out of the ball game and leave the playing field to other people.'*<sup>18</sup>

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<sup>13</sup> 'Threats and Responses: the Home Front; U.S. Fails to Curb Its Saudi Oil Habit, Experts Say,' Jeff Gerth, New York Times, 26 November 2002

<sup>14</sup> Wall St Journal, 13 January 2003

<sup>15</sup> MSNBC Online

<sup>16</sup> The Guardian, 23 January 2003

<sup>17</sup> quoted in the Chicago Tribune, 29 August 2002

<sup>18</sup> quoted in The Village Voice, October 9-15 2002

John Browne, CEO of BP, clearly senses the danger of his company being left out of the carve up, and has lobbied Washington on the matter. *'We have let it be known that the thing we would like to make sure, if Iraq changes regime, is that there should be a level playing field for the selection of oil companies to go in there if they're needed to do the work there,'* he said at a briefing on the company's results.<sup>19</sup>

The rivalry is therefore intense between the contract holders and the US and UK oil companies who fear they will be pushed aside in a post-sanctions Iraq. All out regime change however – the stated aim of the Bush administration - offers more promise to US companies, as existing oil contracts could be overturned. Ahmed Chalabi, head of the Iraqi National Congress (INC) – the umbrella opposition group – has made it clear that the US would be rewarded for toppling Saddam with a lucrative slice of the pie, telling the Washington Post that *'American oil companies will have a big shot at Iraqi oil'* if he was running the country.<sup>20</sup>

INC spokespeople have confirmed that Chalabi met executives of three US oil majors in Washington in October to negotiate the carve up of Iraqi oil post-Saddam, though none of the companies involved will reveal themselves.<sup>21</sup> Similarly, oil industry officials told the Wall St Journal that Dick Cheney's staff hosted an informational meeting on Iraq with industry executives in October, with ExxonMobil, ChevronTexaco, ConocoPhillips and Halliburton among the companies represented. Both the Bush Administration and the companies deny that such a meeting ever took place.<sup>22</sup>

As a recent Deutsche Bank report on the potential for Big Oil in post-sanctions Iraq suggests: *'If Saddam Hussein's regime is replaced, then US oils could emerge as turnkey reservoir management companies on behalf of INOC [Iraq National Oil Company] (ExxonMobil and ChevronTexaco are natural candidates).'* It goes on to confirm that *'the US majors stand to lose if Saddam makes a deal with the UN.'*<sup>23</sup>

The biggest prize for these companies would of course be to secure control of the greenfield sites – the new reserves. But the US knows full well that a peaceful resolution to the current situation in Iraq is likely to leave its biggest oil companies out in the cold.

#### **4. A war in ExxonMobil's interest**

The public position of the US and UK majors has been cautious. *'No company in the US or UK wants to be viewed as being too far ahead of the politics on this'* says Raad al-Kadiri, an analyst at the Petroleum Finance Company.<sup>24</sup>

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<sup>19</sup> 'BP warns Washington not to carve up oil riches', Terry Macalister, The Guardian, 30 October 2002

<sup>20</sup> quoted in 'Carve up of oil riches begins', Peter Beaumont and Faisal Islam, The Observer, 3 November 2002

<sup>21</sup> ibid

<sup>22</sup> Wall St Journal, 13 January 2003

<sup>23</sup> *Baghdad Bazaar: Big Oil in Iraq?* Deutsche Bank, 21 October 2002

<sup>24</sup> 'Oil groups poised to pick over the spoils of Iraqi battlefield', Charles Clover and Tobias Buck, Financial Times, 5 November 2002

ExxonMobil may be toeing the official Bush Administration line that this war has nothing to do with oil, but industry experts place it at the forefront of the companies likely to benefit from a changed regime in Iraq. An earlier report by Deutsche Bank analysts (September 2002) cites as one of ExxonMobil's chief strengths '*Political Clout*', suggesting that '*ExxonMobil's status as the largest US oil company gives it major political weight with the US government...It may find itself in pole position in a changed-regime Iraq.*' It develops this theme: '*With its huge political weight, we believe that ExxonMobil is likely to have a major part to play in the shifting geo-political landscape post September 11,*' and goes on to pose the question '*In a post-regime Iraq, would ExxonMobil be chosen to raise the American corporate flag?*'<sup>25</sup>

## 5. ExxonMobil in Iraq

If its historic position in Iraq is anything to go by, the answer must be "yes". Exxon and Mobil had significant stakes in the Iraq Petroleum Company before the industry was nationalised in 1972. The Company was joint-owned by Royal Dutch-Shell, BP, Exxon, Mobil and the French company CFP (now TotalFinaElf). Exxon and Mobil between them held a 23.75% share in the company, given to them in the so-called Red Line Agreement that divvied up Middle Eastern oil in 1928. This share was apparently given only after intense diplomatic pressure from Washington on the British, who had blocked the efforts of US oil companies in favour of their own companies - BP and Shell.

As Lucio Noto, CEO of Mobil before the merger with Exxon, said in 1998 '*I'm proud to say that we were part of the original consortium that discovered the Kirkuk field in Northern Iraq. It's part of the reason why frankly, we still have a love affair with Iraq. We may not like the guy who runs the store, but the merchandise in the store sure is attractive.*'<sup>26</sup>

While US firms have not bought oil directly from Baghdad since 1998, the US was still Iraq's main crude outlet as recently as 2001, taking nearly half of Iraq's exports through middlemen trading companies. ExxonMobil was one of the five biggest US buyers and refiners of Iraqi crude in 2001, but stopped accepting Iraqi crude in Spring 2002, when Iraq added an illegal surcharge to its oil exports. However, as the surcharge was gradually lowered and eventually scrapped, ExxonMobil's purchase of Iraqi oil rose again – from 70,000 barrels per day in July to more than 200,000 barrels per day in September 2002.<sup>27</sup>

Meanwhile ExxonMobil is negotiating contracts with Kuwait for the development of border fields with Iraq.<sup>28</sup> It has also held talks with Saudi Arabia over the company's potential leadership of a huge new gas project – a deal that would be the first major foreign development in the Saudi energy sector since it was nationalized in 1975.<sup>29</sup>

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<sup>25</sup> *ExxonMobil: Decision Time*, Deutsche Bank, 17 September 2002

<sup>26</sup> *Rethinking Sanctions*, Lucio Noto, Speech to the Centre for Contemporary Arab Studies, April 1998.

<sup>27</sup> 'US unease over Iraq seen putting cap on oil exports' Bernie Woodall, Reuters, 14 October 2002  
<http://www.forbes.com/newswire/2002/10/14/rtr750028.html>

<sup>28</sup> *Baghdad Bazaar: Big Oil in Iraq?* Deutsche Bank, 21 October 2002

<sup>29</sup> <http://news.bbc.co.uk/2/hi/business/1828626.stm> 19 February 2002

While no western companies have drilled in Saudi Arabia since nationalisation, ExxonMobil's CEO Lee Raymond has confirmed that the company is currently the largest foreign investor in Saudi Arabia, and the largest buyer of Saudi crude.<sup>30</sup>

## 6. ExxonMobil needs Iraqi oil

ExxonMobil has told investors that it aims to grow its global oil output by an ambitious 3% this year, but as Deutsche Bank points out, the company's margins are increasingly lower as its mature fields decline, and its actual production volumes are 'under pressure', with the company exhibiting 'comparatively weak exploration results'. Deutsche Bank predicts that 'Exxon will seek more developed deals to support its reserves life going forward... Can Exxon break into the Middle East reserves – post-Saddam Iraq, Saudi or Kuwait?'<sup>31</sup>

Lee Raymond stated last year that 'We want to be involved in all the major prospective areas of the world... No good exploration project will go un-funded.'<sup>32</sup> He has also confirmed that 'a very large portion of the increase in energy needed by our growing economies will come from the Middle East... There are few tasks as important in the world today as continuing the successful modernisation and integration of the Middle East into the broader economy.'<sup>33</sup>

One of Raymond's deputies, Morris E Foster (President of ExxonMobil Development Company), recently outlined the future challenge for the company: 'Half of the oil and gas supply required for 2010 is not on production today,' and suggests that one of the keys to supplying this future demand is 'geopolitical access to new resources.'<sup>34</sup>

For a company that still refuses to diversify into renewable forms of energy (unlike some of its major competitors) access to new oil reserves will remain a top priority.

## 7. ExxonMobil and the pro-war lobby groups

ExxonMobil has a record of funding right-wing industry front groups who lobby on their behalf to 'protect US business' and keep the US addicted to oil. It is no coincidence that many of these groups have an analysis of foreign policy that leads them to lobby for an attack on Iraq.

Lee Raymond is vice chair of the Board of Trustees of the American Enterprise Institute<sup>35</sup> – a 'think tank' to whom ExxonMobil donated \$230,000 in 2001.<sup>36</sup> The

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<sup>30</sup> Lee Raymond – interviewed on *After Hours with Maria Bartiromo*, 23 September 2002, CNBC Television.

<sup>31</sup> *ExxonMobil – Decision Time*, Deutsche Bank, 17 September 2002

<sup>32</sup> interviewed on *After Hours with Maria Bartiromo*, 23 September 2002, CNBC Television.

<sup>33</sup> Speech to 7<sup>th</sup> Annual Asia Oil and Gas conference, 10 June 2002

<sup>34</sup> Speech to the AG Edwards Deepwater Conference, 19 September 2002

<sup>35</sup> <http://www.aei.org/about/contentID.2002121511002562/default.asp>

<sup>36</sup> All donation figures taken from ExxonMobil website – Public Information and Policy Research, [http://www.exxonmobil.com/Corporate/files/corporate/public\\_policy1.pdf](http://www.exxonmobil.com/Corporate/files/corporate/public_policy1.pdf)



AEI's vice president for foreign and defence policy studies recently suggested that *'For as long as Saddam is in power, he will threaten the US and the rest of the world. There is no benefit in waiting; the danger must be met head on.'*<sup>37</sup> One of AEI's most influential resident fellows is Richard Perle – who is also one of the most vocal and hardline of the Washington hawks. A former Reagan official, he is now Chair of Bush's Defence Policy Board. He has been actively advocating a war against Saddam Hussein on US television since 2001,<sup>38</sup> and in reference to the 'war on terror' and the proposed attack on Iraq he has claimed that *'This is total war. We are fighting a variety of enemies. There are lots of them out there ... If we just let our vision of the world go forth, and we embrace it entirely, and we don't try to piece together clever diplomacy but just wage a total war, our children will sing great songs about us years from now.'*<sup>39</sup>

Another pro-war front group funded by ExxonMobil is the Heritage Foundation, who received \$65,000 from ExxonMobil in 2001. Their public statements recommend that the Bush administration *'should make it clear that a US military presence in post-war Iraq will be deployed to secure vital US interests,'* and that one of the public aims of the war should be to *'protect Iraq's energy infrastructure against internal sabotage or foreign attack, to return Iraq to global energy markets and ensure that US and world energy markets have access to its resources.'*<sup>40</sup>

Anthony H. Cordesman of the Centre for Strategic and International Studies (which received \$135,000 in ExxonMobil funding in 2001) argues that *'We need a formal Bush Doctrine that states our redlines, that says quite clearly that Gulf security and the continued flow of oil is a vital US national security interest, and that we will remain committed to military containment and close co-operation with our Gulf allies as long as there is a threat from either Iraq or Iran.'*<sup>41</sup>

In 2001 ExxonMobil also gave \$20,000 to the Pacific Research Institute for Public Policy. Its web site states: *'Western nations typically whip non-western nations in war because of inherent cultural traits such as discipline and superior technology. The worst wars are when modern western nations fight each other – not when we fight non-western cultures. That is why a fight with Iraq is not much to be feared.'* It also claims that *'the only true victory in war is to conquer the enemy, occupy the country and rebuild its institutions.'*<sup>42</sup>

## **8. ExxonMobil – keeping the US hooked on oil**

ExxonMobil has done more than any other company to keep the US hooked on oil. Its campaign to increase American oil dependency has been executed mainly in the arena of US climate and energy policy, where ExxonMobil has continually steered the

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<sup>37</sup> *Act Now: Get rid of Saddam*, Danielle Pletka, USA Today. 15 January 2003. <http://www.aei.org>

<sup>38</sup> The American Prospect, 17 December 2001

<sup>39</sup> quoted in 'The Colder War', John Pilger, The Mirror 29 January 2002

<sup>40</sup> *In Post-War Iraq, Use Military Forces to Secure Vital US Interests, Not for Nation-Building*, Baker Spring and Jack Spencer, 25 September 2002 <http://www.heritage.org>

<sup>41</sup> Before the Senate Foreign Relations Committee, March 1, 2001 [Source: <http://www.csis.org/hill/ts010301cordesman.html>]

<sup>42</sup> <http://www.pacificresearch.org>

US away from action to reduce the consumption of fossil fuels. It is this dependency on oil which is now driving the US into a war to acquire access to and control of yet more of the black gold.

In the words of Frank Sprow, ExxonMobil Vice President for health, safety and environment: *'Companies that produce and use fossil fuels, oil, coal and gas, have a vested interest in the outcome of the climate debate.'*<sup>43</sup> The company has led the charge against US participation in the Kyoto Protocol, waging a ten-year campaign of dirty tricks to derail any international action to tackle global warming.<sup>44</sup> ExxonMobil's strategy involves attempting to distort and undermine the accepted science on climate change, often through funding and promoting notorious scientists who are sceptical of the case for human induced climate change. It also funds and supports industry lobby groups to wage campaigns of misinformation, aimed at stalling international climate negotiations, and misleading the public and policy makers over the cost implications of tackling climate change.

ExxonMobil has a history of interference with the workings of the UN Intergovernmental Panel on Climate Change (IPCC), including lobbying (unsuccessfully) to have a sentence removed from the most recent IPCC report which linked climate change to human activities.<sup>45</sup> This interference came to a head in April 2002, when Dr Robert Watson was removed from the chair of the IPCC. Watson had been a powerful voice in support of action to tackle climate change, and as the head of the UN's global warming body he had sway over governments. Dr Watson's removal followed concerted lobbying by the Bush Administration at the behest of ExxonMobil.

Within days of Bush entering the White House, a fax sent by Arthur G. Randol III, Senior Environmental Advisor at ExxonMobil, was sent to the new administration. It was prefaced with a comment that he would *'call to discuss the recommendations regarding the team that can better represent the Bush Administration'*. The memo went on specifically to ask: *'Can Watson be replaced at the request of the US?'*<sup>46</sup> The answer, evidently, was 'yes'. Exxon claims it was forwarding a previously written document on behalf of an anonymous third party – but there is no mention of this on the cover sheet and the document is dated as written on the day it was sent. Thus it was that ExxonMobil were able, through their influence over Bush, to have Watson removed from his position.

ExxonMobil has spent the last decade attempting to stop international agreements to tackle climate change, achieving eventual success when Bush pulled the US out of the Kyoto protocol in 2001. Bush's route to office was paved with oil money, and Exxon gave more than any other oil company to the Republicans in 2000 – over \$1 million. Of its total political donations for that year, 89% went to the Republicans.<sup>47</sup> With the announcement of President Bush's cabinet in January, it emerged that over half the members (including Vice President Cheney) were drawn from the oil and gas

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<sup>43</sup> Speech to the Institute for the Study of Earth and Man, Dallas, 11 June 1998

<sup>44</sup> *A Decade of Dirty Tricks*, Greenpeace, May 2002

<sup>45</sup> observation of the author at the September 2001 IPCC meeting in London.

<sup>46</sup> Fax reproduced in *Exxon's Weapons of Mass Deception*, Greenpeace International, 2002. Available at <http://www.greenpeace.org/reports/>

<sup>47</sup> donations breakdown available from the Center for Responsive Politics: <http://www.opensecrets.org>

industry. Bush's under secretary for Economic Affairs in the Commerce Department was the former Chief Economist for Exxon, Kathleen Cooper. Lobbying soon began in earnest to get Bush to withdraw the US from the Kyoto protocol.

Two days before the President's inauguration, ExxonMobil published advertisements in the US press outlining its recommendations for 'An Energy Policy for the New Administration' which stated that *'the unrealistic and economically damaging Kyoto process needs to be rethought.'*<sup>48</sup> Another ExxonMobil advertisement declared that *'the Kyoto Protocol would be a serious mistake.'*<sup>49</sup>

Soon after Bush's statement, in March 2001, of his formal opposition to the Kyoto Protocol his team began drafting an "alternative". By October, Rene Dahan, an Executive Vice President of ExxonMobil, was predicting in the Financial Times that the US Government's alternative to Kyoto, *'will not be very different from what you are hearing from us.'*<sup>50</sup> George Bush unveiled his plan in February 2002. It mirrored every ExxonMobil policy on climate change. Bush's approach to carbon reductions is entirely voluntary and would result in an increase in US carbon emissions of around 29% on 1990 levels, as opposed to the Kyoto target of a minimum reduction of 5.2% on 1990 levels.

Full details of ExxonMobil's lobbying activities on climate change, and their influence on Bush's energy policy, can be found in the Greenpeace briefing *A Decade of Dirty Tricks*, May 2002.

By sabotaging any US attempts to tackle climate change, and steering the US into increased dependence on oil, ExxonMobil is fuelling not only global warming, but a war to secure a region with the largest reserves of oil in the world.

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<sup>48</sup> Op Ed, 18 January 2001

<sup>49</sup> Moving Past Kyoto, Op Ed, 17 April 2001

<sup>50</sup> 'Oil group calls for drive on saving energy', Financial Times, 30 October 2001