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Greenspan: Ouster Of Hussein Crucial For Oil Security

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[Alan Greenspan](#), the former [Federal Reserve](#) chairman, said in an interview that the removal of [Saddam Hussein](#) had been "essential" to secure world oil supplies, a point he emphasized to the [White House](#) in private conversations before the 2003 invasion of [Iraq](#).

Greenspan, who was the country's top voice on monetary policy at the time Bush decided to go to war in Iraq, has refrained from extensive public comment on it until now, but he made the striking comment in a new memoir out today that "the Iraq War is largely about oil." In the interview, he clarified that sentence in his 531-page book, saying that while securing global oil supplies was "not the administration's motive," he had presented the White House with the case for why removing Hussein was important for the global economy.

"I was not saying that that's the administration's motive," Greenspan said in an interview Saturday. "I'm just saying that if somebody asked me, 'Are we fortunate in taking out Saddam?' I would say it was essential."

He said that in his discussions with [President Bush](#) and [Vice President Cheney](#), "I have never heard them basically say, 'We've got to protect the oil supplies of the world,' but that would have been my motive." Greenspan said that he made his economic argument to White House officials and that one lower-level official, whom he declined to identify, told him, "Well, unfortunately, we can't talk about oil." Asked if he had made his point to Cheney specifically, Greenspan said yes, then added, "I talked to everybody about that."

Greenspan said he had backed Hussein's ouster, either through war or covert action. "I wasn't arguing for war per se," he said. But "to take [Hussein] out, in my judgment, it was something important for the West to do and essential, but I never saw Plan B" -- an alternative to war.

Greenspan's reference in "The Age of Turbulence: Adventures in a New World" to what he calls the "politically inconvenient" fact that the war was "largely about oil" was first reported by [The Washington Post](#) on Saturday and has proved controversial.

[Defense Secretary Robert M. Gates](#) took issue with Greenspan on ABC's "This Week" yesterday. "I wasn't here for the decision-making process that initiated it, that started the war," Gates said. But, he added, "I know the same allegation was made about the Gulf War in 1991, and I just don't believe it's true."

Critics of the administration have often argued that while Bush cited Hussein's pursuit of weapons of mass destruction and despotic rule as reasons for the invasion, he was also motivated by a desire to gain access to Iraq's vast oil reserves. Publicly, little evidence has emerged to support that view, although a top-secret National Security Presidential Directive, titled "Iraq: Goals, Objectives and Strategy" and signed by Bush in August 2002 -- seven months before the invasion -- listed as one of many objectives "to minimize disruption in international oil markets."

Though Greenspan's book is largely silent about Iraq, it is sharply critical of Bush and fellow Republicans on other matters, denouncing in particular what Greenspan calls the president's lack of fiscal discipline and the "dysfunctional government" he has presided over. In the interview, Greenspan said he had previously told Bush and Cheney of his critique. "They're not surprised by my conclusions," he said.

As for Iraq, Greenspan said that at the time of the invasion, he believed, like Bush, that Iraq had weapons of mass destruction "because Saddam was acting so guiltily trying to protect something." While he was "reasonably sure he did not have an atomic weapon," he added, "my view was that if we do nothing, eventually he would gain control of a weapon."

His main support for Hussein's ouster, though, was economically motivated. "If Saddam Hussein had been head of Iraq and there was no oil under those sands," Greenspan said, "our response to him would not have been as strong as it was in the first gulf war. And the second gulf war is an extension of the first. My view is that Saddam, looking over his 30-year history, very clearly was giving evidence of moving towards controlling the Straits of Hormuz, where there are 17, 18, 19 million barrels a day" passing through.

Greenspan said disruption of even 3 to 4 million barrels a day could translate into oil prices as high as \$120 a barrel -- far above even the recent highs of \$80 set last week -- and the loss of anything more would mean "chaos" to the global economy.

Given that, "I'm saying taking Saddam out was essential," he said. But he added that he was not implying that the war was an oil grab.

"No, no, no," he said. Getting rid of Hussein achieved the purpose of "making certain that the existing system [of oil markets] continues to work, frankly, until we find other [energy supplies], which ultimately we will."

Evelyn Duffy contributed to this report.

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