

# Will the U.S. attack Iran to bail out the fracking industry?

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Why is the Trump regime threatening war against both Iran and Venezuela? For the only reason capitalists ever do anything: Money, lots of it. Trillions of dollars are at stake.

It's not just greed. It's need, from the capitalist point of view. The need to protect the massive capital investments "Corporate America" has made in energy production since the Iraq war. Much of this investment has been in the expensive and destructive practice of hydraulic fracturing — extracting oil and gas from shale rock — popularly known as fracking.

Speaking at a Liquefied Natural Gas export facility in Louisiana's "cancer alley" on May 14, Donald Trump touted the United States' "energy independence." Thanks to fracking, he bragged, the U.S. is now 'the energy superpower of the world.' He claimed the U.S. would replace Russia as Europe's energy supplier.

As the president bragged, two U.S. aircraft carrier strike groups and a squadron of B-52 strategic bombers headed toward Iran. The administration said it was considering sending 120,000 more troops to the region and accused Iran, without evidence, of sabotaging Saudi oil tankers.

On May 15, Trump's acting defense secretary and former Boeing executive, Patrick Shanahan, laid out options for war in a meeting at the Pentagon. These included massive guided missile strikes on Iran.

The threats from Washington have caused concern in Europe, especially in those countries without oil. Spain pulled a frigate from the U.S. naval armada.

A war in the Persian-Arab Gulf would disrupt Europe's energy supply and China's as well. The U.S. military's Central Command publicly denounced British Gen. Christopher Ghika, who said the "Iranian threat" was a fabrication. However, British Tory Foreign Secretary Jeremy Hunt rushed to show support for Washington. Britain controls considerable oil reserves in the North Sea, and British Petroleum is the county's largest corporation.

## **Trump a creature of fracking**

The Trump regime is a creature of the poisonous U.S. fracking industry. Among its first acts was to unleash federal forces against Native water protectors in North Dakota. It rammed through the Dakota Access and Keystone pipelines and has worked day and night to expand fracking on Native land and public land. On May 12, the regime announced it would open nearly 1 million acres in California's Central Valley and Central Coast to destruction by fracking.

A few years ago, Wall Street looked at fracking as a \$26 trillion gold mine (see "Big Fracking Deal," Foreign Affairs magazine, March/April 2014). Today, that highly leveraged industry is in deep trouble.

["The Next Financial Crisis Lurks Underground,"](#) said a 2018 New York Times op-ed piece about the fracking industry by financial journalist Bethany McLean.

["Could Fracking Debt Set off Big Financial Tremors?"](#) McLean and Times business editor JyOTTI Thottam asked in a Sept. 18 podcast.

["Can Fracking Survive at \\$50 a Barrel?"](#) asked Investopedia last Oct. 18. Oil prices were down that low last December. They began to rise with the U.S.-backed coup attempt in Venezuela on Jan. 25 and the new sanctions that followed. Not high enough for Wall Street, however.

["Money-losing fracking industry struggling to attract new investment,"](#) reported the Institute for Energy Economics and Financial Analysis on Feb. 25.

"Low Prices Hit Oil Giants" was the lead headline in the April 27 Wall Street Journal. "Heard on the Street: Is Big Oil's Shale Bet a Mistake?" read an inside headline in the same issue.

A week later, on May 5, U.S. National Security adviser John Bolton announced that U.S. warships were headed to the region, targeting Iran. Like Secretary of State Mike Pompeo, Bolton's political career has been funded by the multibillionaire Koch

brothers, who are major investors in the U.S. fracking industry.

Bolton claimed the U.S. was acting on “credible evidence” of an Iranian threat. The alleged source of the evidence was the bloody Israeli apartheid state, which regularly uses U.S.-supplied weaponry to murder unarmed Palestinian women, children and men in the besieged Gaza Strip.

Israel is the world’s No. 1 recipient of U.S. military aid. It also claims ownership of large natural gas reserves in the Mediterranean that rightfully belong to the people of Palestine. The main U.S. investor in stolen Palestinian gas is Texas-based Noble Energy. Trump’s incoming Interior secretary, David Bernhardt, was a lobbyist for Noble.

The Israeli settler state also illegally granted U.S.-owned Genie Energy Ltd. oil exploration rights in the occupied Syrian Golan Heights. The company’s board includes former Vice President Dick Cheney, former CIA chief James Woolsey, former Treasury Secretary Larry Summer, former Energy Secretary Bill Richardson and fascist media mogul Rupert Murdoch. In March, Donald Trump signed a proclamation recognizing the Golan Heights as part of Israel.

## **War profits**

Politicians, both Republican and Democrat, claim that increased U.S. energy production will mean less U.S. military intervention abroad. This is a transparent lie. The rapid growth of the U.S. fracking industry would not have been possible without the asset-price bubble created by the U.S. invasion and occupation of Iraq.

In 2002, before U.S. invaders destroyed Iraq’s state-owned oil industry, the price of oil hovered around \$20 a barrel. By April 2003, when U.S. tanks rolled into Baghdad, it was over \$40. By mid-2008, it had risen to \$147 a barrel. ExxonMobil and Chevron, the two biggest U.S. oil companies, saw their profits rise by 300 percent.

Sanctions and threats against Iran and Venezuela, the bombing of Libya, proxy wars in Syria, Ukraine and now Yemen prolonged the bubble. Now it has collapsed.

And now corporate flunkies in Washington are contemplating another war. The people can stop them.

