

No Blood For Oil!

Energy, Class Struggle, and War, 1998-2004

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Preface

The following essays are the product of the last six years of work. They were all written either for talks in anti-war and anti-globalization forums or for a variety of movement journals or books published in the US, Italy, France, Spain, and Britain.

Although I did not plan it, they all are reflections on the slogan: “No Blood for Oil!” When I first heard this slogan chanted during the demonstrations against the US-Iraq war in 1990-91 I was not impressed with its message of refusal. But over the years I've increasingly seen that there are many important political meanings occluded in it needing to be released. I have gathered together these essays because I think that they better reveal what we mean when we chant, “No Blood for Oil!” in the many demonstrations, sit-ins, and strikes demanding the end of oil wars.

The basic claim of this book is that the common measure of the antiwar movement's two political liquids, blood and oil, is class struggle in a capitalist society. This might be surprising to some, but why should it be? If I was writing about coal, I could not but speak of coal miners and their families in coal towns struggling against the Company. The peculiar conditions of oil production (especially the fact that relatively few workers are *directly* working to bring the oil from the depths of the earth to the surface) have made it easy for most conventional and even radical historians of the oil industry to avoid discussing the working class involved in producing and distributing oil throughout the planet. Most of their histories are filled with the sagas of capitalists, corporations and government leaders or with the logic of capital and money operating in an abstract economic space far above the heads of the workers in the oil regions. The working class rarely appears in these histories in its own name. This invisibility of workers in the story of oil, however, is a prestidigital trick of capital that must be exposed in order to understand our present political situation.

In this book I start with an essay that traces the development of my conception of class struggle. The following essays are snapshots of the oil wars since 1998, from the Clinton bombings of Iraq in 1998, to the 1999 NATO-Yugoslav war, to September 11, 2001, to the current invasion and occupation of Iraq. I apply the notion of class struggle in the US and Iraq to the analysis of contemporary oil wars. Indeed, one need

only look at Iraq today to see how many workers are *actually* involved in producing and distributing petroleum, for, when they refuse to cooperate, that production and distribution stops dead in its tracks.

The essays are arranged chronologically and have only been slightly edited to eliminate obvious errors and stylistic infelicities.

Introduction

Class Struggle Through Three Conceptual Revolutions: A Personal Account

I have been a student of class struggle for most of my life of almost six decades. But the object of my study has changed at least three times in my mind. My present view of class struggle is not the grand, but limited vision of that I had when I first read Marx and tried to describe the civil rights and the anti-war movements of the 1960s directly in the categories of surplus value, wages and profit. Working class and capitalist class were then for me two institutionally defined titans who were fighting from the picket line to revolutionary battlefields for the control of society. The outcome of that titanic struggle determined the extent of exploitation throughout society as expressed by the average rate of profit.

The Micro-Struggle of Class and the Refusal of Work (Zerowork)

The first conceptual revolution came when I began to see the class struggle as diffused throughout the labor processes of social production and the refusal of work being the “hidden variable” explaining why “things” “breakdown” and “things” “bite back.” Long before Michel Foucault and John Scott drew the learned world’s attention to the “micro-physics of power” and the “weapons of the weak” respectively, pieces like Watson’s “Counterplanning from the Shop Floor” alerted anti-capitalist militants to the fact that a micro-struggle was taking place in a million places throughout a capitalist society “twenty-four/seven” between workers and bosses. This struggle was unofficial, often non- or even anti-union and was motivated by the hatred of alienation and everyday oppression that is essential for the turnover of capitalist production and reproduction. This conceptual revolution dissolved the struggle between homogeneous class titans into a diffuse “subterranean” struggle of tendencies and forces arrayed across the length and breadth of society. Moreover, there was a recognition that this struggle was not external to the barriers of class, but penetrated the very essence of

capitalism in a variety of ways. Indeed, both “sides” interpenetrated each other and politics and economics were inseparable; for work is oppression and must continually be imposed through a thousand and one tricks and a million forms of violence while the refusal of work appeared on the social surface in an infinite variety of expressions for the most part not recognizing and not recognized as being “class struggle.”

This insight had the impact of a religious or scientific vision for me, since it revealed the hidden forces of the social universe much like the recognition of the nuclear force or the gravitation field. But such forces were not easily “harnessed,” and, if anything, the capitalists have been most self-conscious in responding to them than the “organizations of the working class.” For class struggle in the labor process and the refusal of work have provided motive forces for capitalist development (in a social-historical amplification of the famous “No pain, no gain” adage). The diffused class struggle (even more than the overt and institutionalized one) created the energies that made the ever more intensifying investment in technological repression (often called “progress”) a necessity.

This insight was crucial in my involvement in the *Zerowork* project which took off at the beginning of the first oil crisis.

The Discovery of the Manifold of Work: From *Wages for Housework* to *Midnight Notes*

The second conceptual revolution in my mind took place with my introduction to the work of the feminists who developed the wages for housework perspective. They demonstrated that the wage did not demarcate the borders of the working class and that exploitation (and the working day) was not limited to the venues of waged labor: factory, office and farm. They pointed out that the unwaged, especially women working without a wage at “home,” were central to the creation of surplus value; for their work was even more essential in creating and recreating the labor power that is “directly” exploited by capital in the factory, office and farm. The wages for housework perspective not only allowed me (and many, many others) to see the feminist struggle as a crucial sector of the class struggle, but it also was the basis of my understanding of “the manifold of work.”

I use that phrase to contrast this view with the standard Marxian one-dimensional view of labor, in the sense that it describes labor as temporal phenomenon. It presumes that waged labor “freely” contracted is the dominant type of labor in a

capitalist society that determines the rate of profit and exploitation. But in actual fact, labor in a capitalist society has *at least* four modalities:

1. “free,” legal and waged labor (paradigm: assembly line work);
2. “free,” legal and unwaged labor (paradigm: housework);
3. “unfree,” legal and unwaged (paradigm: chattel slavery);
4. “free,” not legal and waged (paradigm: working in a cocaine lab).

A complete accounting of valorization in a capitalist society would require an integration of at least these dimensions of the manifold of work. Similarly, a general account of the class struggle would require an account of the kinds of struggles being made within all these dimensions of the manifold of work (which is also a manifold of struggle).

This multi-dimensional approach to the class struggle, of course, showed how capital used not only the hierarchy of wages to divide the working class, but also used the different dimensions of the manifold of work to even more decisively divide the working class into different “species.” The major political-theoretical problem with the Marxist analysis of capitalism has been its inability to deal with racism and sexism which have their roots not only in the hierarchy of wages, but in the creation of wageless categories (like housewife and slave). In these categories can be found the creation of “quality”-divisions (like race and gender) within the working class, not only “quantity”-divisions.

This recognition of the manifold of work and its consequences for the divisions and decompositions within the working class became the basis of my work with the Midnight Notes Collective beginning in the late 1970s with the second energy crisis and the anti-nuclear power movement.

Africa, the Zapatistas and the Internet: Commons, Enclosures and Class Struggle (*New Enclosures to Auroras of the Zapatistas*)

The effort to bring these two conceptual revolutions together was the basis of my thinking with that of my comrades in the Midnight Notes Collective all the throughout the 1980s. We insisted on our peculiar brand of “vulgar Marxism” which still read the physiognomy of class struggle in the profits/wages numbers and the manifold of work in antagonism to the various forms of post-modernism on offer then. But new

experiences and struggles began to broaden the conceptual horizon pointing to a deeper level of struggle than the “wage struggle” (however broadly defined) and the manifold of labor. The increased repression of the early Reagan years drove my comrades in Midnight Notes and myself to the ends of the earth and to the ends of time. (Repression in this case *did* result in development.) A number of us began to see in the land struggles in Africa and the Americas, in the water struggle in Palestine, in the squatters’ struggles in the Zurich, Amsterdam and Berlin, in the struggle for keeping the parks and collective gardens of New York open to all, the deep structure of the generalized wage struggle which had two sides.

On the one side, there would not have been a wage struggle unless there were waged workers. But waged workers are not natural beings, they have to be historically made (as indeed were unwaged workers). For if one has access to a *common*, i.e., plentiful subsistence and a powerful community around him/her, s/he is not likely to go to look for a miserable wage from an inevitable boss (much less accept unwaged criminalization, enslavement or dependency on a male wage). Waged and unwaged workers were created simultaneously by being driven out of subsistence (which we call “*enclosures*”). For you can not be an unwaged worker if the wage relation did not structure subsistence in your society.

The simple logic of enclosures is engraved in “letters of fire and blood” in the basic texts of the anticapitalist tradition (not only Part 8 of *Capital I*). Indeed, one can say that the anti-capitalist struggle (in the form of a struggle to keep capital from becoming the dominant social force) began long before 1492 and the resistance to the enclosures, colonization, the witch-hunt and slavery in the sixteenth through the nineteenth centuries.

But in our travels we saw that this process was far from over. Indeed, it was being reintroduced in Africa by the World Bank and IMF in the form of structural adjustment programs as if it had never ravaged the continent hundreds of years before, first with the Atlantic slave trade and later with colonialism.

On the other side, waged workers have not been content to remain waged workers. They have continually attempted to recreate environments and networks of mutual support where they are not totally dependent on the wage. In fact, they have tried to recreate ways of subsistence and access to wealth that is not mediated by the wage. These efforts, when successful, give waged workers more power to refuse work and to shape a life that is beyond capital long before capitalism is transcended.

These two sides express a contemporary reality, but the first points back to the beginning of capital, while the second points to its end. This too is an element of the class struggle. Capital (in all its embodiments) is always anxious to extirpate the original subsistence existence and is continually carrying on search-and-destroy efforts to do so. Similarly, capital is ever watchful to enclose any new commons that has been constituted by workers.

In order to find a language that could express this deep structure of struggle below the wage we did not believe that terms like “autonomy” and “self-valorization” were appropriate. They were too freighted with philosophical assumptions we found questionable. The vocabulary of commons and enclosures were more evocative and historically rich for us, since it speaks of a place where Marxism, ecology, feminism, and indigenous and anti-slavery struggles (including the struggle against the prison-industrial complex and the death penalty) meet. In the *New Enclosures* the last part of *Capital I* merged with self-reproducing automata, the striking paper workers in Jay, Maine, the squatters in the Lower East Side of New York and Zurich, the Palestinian struggle for land and water, the movement for black political autonomy in the US, African farmers struggling against Structural Adjustment Programs, and the trans-Atlantic ties connecting the struggle for the commons in England and the abolition of slavery in the Americas.

Our choice of vocabulary turned out to be prescient, at least. A decade after the publication of the *New Enclosures* “commons” and “enclosures” have been used as a way of describing anything from the copyrighting of software and the patenting of human genes to the shortening of public library hours. This vocabulary has also served as a way of articulating an alternative to the neoliberal apotheosis of the market in the era of the apocalypse of the socialist state.

The image of class struggle that arises from *The New Enclosures* is a complex one. It starts with the formal (contractual, monetarized and “free”) wage struggle. But this is embedded in a much wider struggle involving unwaged (i.e., non-contractual, non-monetarized or “coerced”) labor in its manifold forms (from housework to slave labor). Finally, the generalized wage struggle is continually widened by capital’s often genocidal efforts to enclose old and new commons and narrowed by the construction of new and the preservation of old commons.

This dynamics allowed us to talk about a “global *intifada*” in the late 1980s in the following sense. In the first *intifada* the *land war* aspect of the struggle was made plain for the world to see. Palestinian youths were throwing stones at and being killed by

Israeli tanks that were occupying their physical space in order to enclose Palestinians' means of subsistence (access to water being the most important). These youths were refusing to have a foreign state apparatus (either Israeli or Palestinian) negotiate the place where they live and sustain their life. They wanted to fight for their common space with their own hands. We saw that this direct defense of the commons was increasingly a feature of struggle around the planet against globalization even though it took on many different forms. This was because capital itself was intensifying the attack on old and new areas of common subsistence ranging from the *ejidos* of Mexico to the pensions of Western European workers.

That is why in the subsequent years Midnight Notes devoted so much attention to the Zapatista revolt and the subsequent antiglobalization movement. For they embodied the struggle not so much for a better wage deal with capital, but they refused the neoliberal world that aimed to commodify and enclose all aspects of life (at whatever the wage level). Slogans like the Zapatistas' "Everything for everybody, nothing for ourselves" and the antiglobalization movement's "This world is not for sale" succinctly express the struggle for the commons and against enclosure on a planetary level. For all the problems and limitations of both movements, we argued for them against their Marxist and/or anarchist detractors because we saw them as directly articulating age-old anti-capitalist proletarian demands.

These struggles do not negate the wage struggle, but they do remind us that it is based on the endurance of a precapitalist natural and social commons (from geology to history and language) and the continual construction of new postcapitalist commons (from cyberspace to social security benefits). Capital's thinkers have often been very sensitive to these "other" aspects of the struggle that are often termed "ideological." But the human and natural past is not an "idea" any more than petroleum is an idea of ancient forests. For example, many of capital's custodians were very upset with the 1992 reversal of the role of Columbus and the Indigenous and the recent recognition that the Irish Famine of the 1840s was the product of Paleo-Liberalism. For these reversals and recognitions made the present fossilized energies of these events more available to workers as is seen most vividly in the reparations movement that is energizing struggle from Chicago to Haiti to Namibia.

If time is a site of contention, space is more so. In the introduction to the *New Enclosures*, the Midnight Notes Collective took Marx and Engels to task over their indifference to spatial considerations not to participate in then fashionable denigration of Marxism. We wanted to make clear that land, for example, was not a negotiable

commodity in the context of class struggle in the way that Engels seemed to understand it. Land can be the basis of a power that emanates from its historic or its strategic location. This is recognized by capital's thinkers in their design (and destruction) of cities, factories and roads. We thought it was important to bring it to the attention of those who might have been tempted to bargain away land rights for access to wages.

This point, however, now is common knowledge on the basis of the struggle of indigenous people across the planet and the theoretical work of people like David Harvie.

April 2004

chapter one

In the US, Dreaming of Iraq

"I am not a criminal.

I am new to Cairo. I live in Baghdad." He told the story of his dream and the buried treasure, and he was so believable in the telling that the night patrolman began to cry. Always, the fragrance of truth has that effect.

—Rumi, *In Baghdad, Dreaming of Cairo: In Cairo, Dreaming of Baghdad* (1260-1273) (Rumi 1996: 210)

Introduction

Barely seven years after a major military attack that left Iraqi industry, hospitals, water and sewage treatment plants devastated, and caused thousands of civilian casualties as well as widespread sickness among American soldiers, the United States government prepared to go to war again against Iraq in February 1998. The Clinton administration's reasons for initiating this war—although noticeably shifting as the weeks went by—were clothed in a dramatic language. "... [I]t is very important for us to make clear"—said Secretary of State Albright in a Columbus, Ohio "town hall meeting" on February 19, 1998—"that the United States and the civilized world cannot deal with somebody who is willing to use ... weapons of mass destruction on his own people, not to speak of his neighbors." In the same meeting, Albright reiterated, "What we are concerned about is Saddam Hussein, who has a record of using weapons of mass destruction against his neighbors as well as against his own people. And [he is] a brutal dictator who is terrifying his people and threatening the region.... Our policy is to contain him; that is what we are trying to do" (NYT 2/19/98: A9).

The key words used to justify the US policy were "weapons of mass destruction" and "tyrannical rule."¹ The US war aims, according to President Clinton, were to undermine the Iraqi government and to "substantially reduce or delay" its ability to

develop and deliver weapons of mass destruction (NYT 2/13/98: A1). The commander of US forces in the Persian Gulf, General Zinni, explained that he intended to meet these aims by destroying “the things that obviously allow [Saddam Hussein] to stay in power, threaten his neighbors, threaten the use of weapons of mass destruction, the things that are involved in the control of those sorts of assets” (NYT 2/12/98: A6).

Such justifications, however, were generally unconvincing, as the audience in the famous Columbus town hall meeting demonstrated. Their questions and the answers they received showed that the Clinton Administration was far from transparent about its true war aims. As one audience member said: “There are many countries that have these biological and chemical weapons—six countries in the Middle East alone. You’ve stated why Saddam Hussein should be singled out, but it is puzzling to people to wonder why it’s O.K. for these other countries to have biological and chemical weapons.” Another audience member asked Secretary of Defense Cohen “if he thinks that the ultimate goal of this particular action ... should be the ultimate removal of Saddam Hussein from Government.” Cohen replied that the removal of Hussein “would require ... a rather massive force of land forces, and we don’t think that it’s necessary in order to contain him. We think that we can contain him, as we have for the past seven years, and allow the Iraqi people at some point in time to determine for themselves whether they want another seven years of deprivation” (NYT 2/19/98: A9). In other words, Secretary Cohen committed himself to the “containment” of Saddam Hussein while General Zinni, is out to destroy his power.

The Columbus “town hall meeting” gave voice to a pervasive sense growing throughout the country and the world that the Clinton Administration was hiding something. Was the movie “Wag the Dog” right? Was the threatened war nothing but a diversion from a sordid sex scandal, or was there another explanation? Clinton Administration officials stuck to their cover story through thick and thin simply because, however shaky it may have appeared, it put the opponents to the war on the defensive. After all, who wanted to defend secret weapons of mass destruction or a tyrannical regime? What I offer in this article is a different explanation as to why the US insisted on waging war against Iraq along with some reasons why people in the US should oppose this war.

Alternative explanations are necessary as probes to challenge and deflate the ever-present threats of war. For even though the agreement between Kofi Annan, the UN General Secretary, and the Iraqi government seems to have averted the immediate threat of war, there is very good reason to believe that the US government will be

vitaly interested in the fomenting similar episodes in the future. This strategy of tension can delay the lifting of the sanctions that restrict the sale of Iraqi oil for years. So we should be ready with our best arguments, since they might have to be deployed quite soon.

Moreover, one of the main arguments of anti-war opponents—a war would cause the loss of innocent Iraqi lives—is morally valid, but politically weak. Its moral validity is obvious. As we know, the combined effects of the aerial bombardments and the sanctions imposed on Iraq, that restricted the import of food and medicine, have been responsible for the death of hundreds of thousands of Iraqi people, most of them children.² And we can easily imagine that a bombing campaign of the sort described by General Zinni would produce a carnage and a devastation of incommensurable proportions.

Unfortunately, these types of considerations have never moved the US population to seriously try to stop its government from engaging in the use of mass bombing, except in the case of Vietnam. Moreover, once a war is started, military decisions are not in the people's hands. But if we cannot appeal to the hearts of the US people, then we should speak to their self-interest, showing how the war on Iraq is connected to a set of larger issues that do affect the US working class and call for our resistance to the war.

To explain the US government's decision to threaten an attack on Iraq we must go beyond the official reasons offered to justify this course of action, and look at the short- and long-term material interests the US government has in the region, and at the role Iraq plays in the international division of oil and gas production. If we do that, we also see that the attack on Iraq fits with the politics of "Globalization," as demonstrated by the position the US/UN has taken in many other world regions and conjunctures as, for example, the Asian crisis.

Official Issues and the Fine Print

At the end of the Gulf War, a series of agreements were concluded between the Iraqi government and the United Nations. One of the most controversial was the right of the United Nations to search for and destroy any "weapons of mass destruction" that the Iraqi state would produce. The "UN Special Commission" on Iraq ("UNSCOM") is the name of the UN inspection team in charge of the search-and-destroy mission; its present head is Richard Butler, a former Australian ambassador to Indonesia. Once UNSCOM completes its work, the sanctions will, presumably, be lifted.

The Clinton Administration justified its threatened bombing of Iraq by claiming that the Iraqi government has violated this agreement. Was this true? Immediately before the Secretary General Kofi Annan's arrival in Baghdad in February 21, 1998, there appeared to be two interpretations of what complying with the original agreements meant. (A) The Iraqis agreed to give the UNSCOM inspectors access to eight presidential sites—areas containing many buildings including residences belonging to Saddam Hussein—for the duration of 60 days, and they have also agreed to have the inspection team report directly to the UN Secretary General rather than to Mr. Butler. (B) The US asserted that the UNSCOM inspectors “must be free to do their work without hindrance, without conditions, and without time limits” and they must continue to report to Mr. Butler (NYT 2/17/98: A6).

The issue, then, as stated, was *not* whether the inspections should go on, but *how* they should be conducted. The Iraqi authorities were demanding that the accords be put in *specific* terms (specific times, places and persons), while the US demanded a *general* reading of the accords. In other words, the confrontation seemed to be between the position of Iraq, that accepts *eight* sites and *sixty* days, and that of the US, that demands inspection at *any* place-*any* time.

The Iraqi government's insistence on specific terms in the interpretation of the accords came from its desire to maintain at least a shred of sovereignty. It wanted the terms of the accord to be open to negotiation at each turn in the story and the story itself to have a temporal limit that would lead to the end of sanctions.

The US government, on the other hand, claims the right to carry on an absolute surveillance over the entire Iraqi territory, for an indefinite span of time, and wants the absolute right to control and destroy *any possible means* that might lead to the development of weapons of mass destruction and their delivery. This demand is tantamount to requiring that the Iraqi nation become a pre-industrial colony producing crude oil, at best. For, as we have learned from the ecological movement, almost any industrial development is either a potential weapon of mass destruction, or allows for the development of such weapons. For example, any petrochemical industry makes chemical weapons possible; any aerospace industry makes delivery vehicles possible; any bio-engineering or pharmaceutical industry makes biological weapons possible. What the US is, in fact, demanding is the elimination not only of Iraqi sovereignty but the total control over of its future industrial development, if not the total destruction of its industrial capacity.

The seemingly formal issue concerning the interpretation of the accords hid a much more substantial one: whether the ruling Baathist government will accept Iraq's return to a colonial, dependent status. This definitely was what international jurists used to call a "*casus belli*."

The crisis was averted when Iraqi government decided to accept an interpretation of the accords brought by Kofi Annan to Baghdad on February 23, 1998. This interpretation seemed to be an adequate diplomatic "splitting of the difference" for the moment. It lifted the sixty day limit on inspections, but kept the reference to the eight sites. Similarly, it included a gesture to the recognition of Iraqi sovereignty by adding a group of senior diplomats to the UNSCOM "technical" team—whose members were arrogant and disrespectful, according to Iraqi officials—that will inspect the presidential sites. Finally, the document's references to the "legitimate concerns of Iraq relating to national security, sovereignty and dignity" and the "lifting of sanctions" seemed enough to assuage the Iraqi government (*NYT* 2/24/98). But the fundamental issue between the US and the Iraqi regimes concerning the political sovereignty and economic independence of Iraq remains and will be the source of tension in the future.

Some "hawks" in the US have attacked the recent agreements because, according to them, the Iraqi state lost its rights to national independence when it was defeated in the Gulf War and that any negotiations with Saddam Hussein's government are unnecessary and illegitimate concessions to a "mass murderer" and weak-willed world opinion. The Iraqi Army's invasion of Kuwait was unjust, they claim, and its defeat gave the victors (the US-lead UN coalition) the right to punish the guilty state at will. But we must remember that defeat in an unjust war does not give the victor such automatic rights. For example, the US military's unjust invasion (replete with chemical weapons) of Vietnam was defeated. But this defeat did not give the Vietnamese government even the theoretical right to control the US's political and economic life. For the US defeat was conditional. Similarly, the Iraqi state's defeat in the Gulf War by the US-lead UN coalition was *conditional*. Iraq 1991 was not Japan 1945. The Baath government survived the Gulf War and today is defending the principle of Iraqi sovereignty and the right of the Iraqi state to determine a national industrial policy. That is, the status of Iraq as a nation state is not that of a slave whose life was forfeited and must then live under the absolute legal and moral power of a master, as occurred in Japan after the Second World War. Iraqi society and its state demand recognition as agents in an exchange.

Nevertheless, the US government insists that any demand by the Iraqi government for negotiations about the conditions of the accords and the end of sanctions—conditions involving its territory and economy—are illegitimate. The Clinton Administration is making claims fit for an absolute master without having any right to possession, except for its military superiority. It is by virtue of this military power that the US government and its transnational corporate allies have in recent times battered down all trade and political barriers wherever they stood in the way of US national and corporate interests. The recent showdown with Iraq was not different, even if the justifications given appealed to the well-being of the people of the world and put the US in the place of the ancient knight fighting the horrendous dragon, ensuring in the end that justice is done.

But is hard to cast President Clinton, the supporter of the IMF, NAFTA, Multinational Agreement on Investment (MAI) and all the other corporate-sponsored institutions and deals around the planet, in the clothes of Saint George, with his spear drawn in defense of the poor and weak. Indeed, there were and are more mundane reasons revolving around the price and availability of crude oil that make war with Iraq a continual temptation.

The Oil Secret

“Most likely the sanctions will be lifted, not when Iraq agrees to any new elimination of a weapons system or a new inspection of its arms sites, but when it agrees to sell the oil on the US/UN terms” (Midnight Notes 1992: 49).

Oil has long been recognized as a major factor in the Gulf War. This insight was expressed most graphically in the 1990/91 anti-Gulf War movement’s slogan “NO BLOOD FOR OIL!” What exact role oil played then, however, was often disputed. According to some commentators at the time, the US’s interest in “*cheap* oil” brought about a confrontation with Iraq. But the US government was never committed to any particular price for crude oil. In 1974, for example, the US government gave the go-ahead to the Saudis to hike the price of oil dramatically while in 1986 it bombed Libya and sent cakes to Iran in order to lower the price of oil (Midnight Notes 1992: 6-7, 283-301). The US was responding not to the Iraqi state’s demand for high oil prices, but to its desperate attempt to bypass the US military and economic control of Persian Gulf oil in 1990/91. In this respect, little has changed since the Gulf War.

A key to understanding the present situation is to realize that the Iraqi government has managed to face seven years of total military surveillance and economic sanctions without capitulating completely to the military subordination and economic dependence that US has demanded of the states in the region. The Iraqi state is still insisting on *some* control over the nation's resources and its independent entrance as a seller into the global oil market. For example, the Iraqi state has made major deals with a number of *non-US* oil companies to bring them into the joint development of oil fields in Iraq once the sanctions are lifted. These deals involve French companies like Elf Aquitaine and Total SA (involving fields of 12.5 billion barrels) and Russian companies like Lukoil, Zabrubezneft and Mashinoimport (involving fields of 7.5 billion barrels). The only companies left out of the oil exploration bonanza when sanctions are lifted will be US-based, unless the Saddam Hussein regime is somehow persuaded otherwise (*Wall Street Journal* 2/23/98: A17).

The economic situation now is the inverse of what it was during the 1991 Gulf War. In 1990, Iraqi authorities were the primary oil price hawks in OPEC. They were calling for \$25 per barrel and one of their official *reasons de guerre* was that Kuwait was violating its OPEC quota and depressing the price of oil. In 1998 Iraq is objectively not a force for higher oil prices. In fact, the full return of Iraqi oil into the international oil market would substantially lower oil prices. In 1994, the Clinton Administration estimated that, with the full lifting of sanctions, a return of Iraqi oil on the world market would depress prices by almost 50% and there is no reason to believe that this estimate does not hold any longer today. Such a price collapse would be especially problematic for the world petroleum corporations in a period when they believe that there are new, profitable large-scale investments to be made in oil exploration and development (especially in the former non-Russian Soviet republics), but at the same time they face a decline in short-term demand because of the "Asian Crisis" (Beck 1998). Such a price collapse would also undermine the present control structure of OPEC (where Saudi Arabia, a US client state, is king-pin), and would devastate the capitalists of the local "oil patch" in Texas and Louisiana. These are no small losers in the short-run, and they have tremendous power with the US government.

It is important to review oil price politics since the Gulf War to understand this issue. That war itself was a "\$4 war" because one of the crucial issues at stake was the price of oil in the 1990s. A desperate Iraqi government, trying to rebuild after the Iraq-Iran war and full of political debts to its populace, was demanding a \$25 per barrel price target at the last OPEC meeting before the war while the Saudi Arabian regime, with US support, was demanding \$21—a \$4 difference. The Baath regime in 1990 was

desperate because it was caught in a pincer. On the one side, the Iraqi proletariat, after nearly a decade of war with Iran, was demanding a “pay off” in the form of higher living standards, on the other side, the International Monetary Fund (IMF), the US, and the UN were demanding the privatization of state industries and an end to subsidies, i.e., the imposition of a policy of austerity and structural adjustment. The invasion of Kuwait was a calculated risk meant to gain some breathing space from both the Iraqi working class and the IMF/US/UN (by gaining concessions from the Kuwaitis and other elements of Middle Eastern capital in exchange for a pull back). The invasion was also premised on the US not having a viable political alternative to the Baath party. In a way, the invasion did save the Baath regime and did impose austerity on the Iraqi people.

The Saudi Arabians won the oil price debate with Iraq both at the last OPEC meeting before the Gulf War and in reality. The price of oil on the international market between 1992 and early 1997 averaged in the region of \$19-\$20 (with the low at \$14 in late 1993 and a high of \$25 in early 1997). Indeed, in 1996 the price was rising rapidly, to the point where many were wondering whether the pre-Gulf War oil experts’ predictions of \$40 oil at the beginning of the next century might still be fulfilled.

But then came, after many twists of fate, the “oil-for-food” agreement between the Iraqi government and the UN Security Council (Resolution 986) and with it the very regulated and restricted return of Iraqi oil onto the world market in January 7, 1997 which led to a dramatic collapse of the price of oil. In two months (January-March) it fell from \$24 to \$18 and a year later it is in the \$15-\$16 range (it was \$16.18 on Feb. 20, 1998, for example).

The US fought against the “oil-for-food” deal diplomatically and militarily. Indeed, the last US attack on Iraq—the launching of 27 cruise missiles on September 9, 1996—delayed the implementation of the Resolution for almost four months. Though it could not stop the “oil-for-food” deal completely, US diplomats have crafted the resolution in a very restrictive way, making it vulnerable to a thousand and one possible interruptions and challenges. First, it only allowed for the sale of about 700,000 barrels per day or only 20% of the 3,500,000 barrels per day the Iraqi state was exporting before the Gulf War. Second, an essential part of the agreement is the placing of 151 monitors from the UN Department of Humanitarian Affairs (UNDHA) throughout Iraq who observe whether the food bought from the oil revenues is properly distributed through an agreed upon ration card system at more than 60,000 retailers throughout the country. Third, along with food, essential technology to repair

water and sewerage systems as well as equipment for the oil industry may be purchased with the oil money. These imports will be checked by a monitoring team as well. Consequently, the Iraqi economy is not only watched by satellite, spy plane overflights, and the UNSCOM inspectors; hundreds of accountants and market inspectors are also auditing it daily.

These monitoring teams are clearly more important for the fate of the Iraqi people and state than the UNSCOM inspection teams, but they are not often talked about in Clinton administration press conferences. If they are removed from Iraq or cannot do their work there, the “oil-for-food” deal will become null-and-void and the Iraqi right to sell oil openly will be rescinded.³ In effect, any time the US bangs the “drums of war,” Iraqi oil is driven out of the market. This is certainly one of the secret motivations for US war threats, since they permit control over Iraqi oil sales in the short-run. For example, the UN Security Council increased Iraq’s quota for exporting oil from \$2 billion to \$5.2 billion on February 20, 1998 as an inducement to Saddam Hussein’s government to sign the new interpretation of the accords in Baghdad. This increase permitted the Iraqi national oil company to sell up to about 50% of its pre-Gulf War exports. But this limit is purely theoretical, because (a) the UNDOH inspection teams must be operating on the ground in Iraq and (b) parts must be imported in order to repair oil extraction and pipeline equipment in order for the Iraqi National Oil Company to be able to increase production to meet this limit. If the US threatens war again or objects that some imported piece of equipment can be used to construct a weapon of mass destruction, the Iraqis will find themselves either thrown out of the market or unable to enter into it.

Geology and the Oil Producing Proletariat

Ian Chambers, director of the Office for Central America of the ILO (of the United Nations), declared that the indigenous population of the world, estimated at 300 million, live in zones which have 60% of the natural resources of the planet.

Therefore the “MULTIPLE CONFLICTS DUE TO THE USE AND FINAL DESTINATION OF THEIR LANDS AS DETERMINED BY THE INTEREST OF GOVERNMENTS AND COMPANIES IS NOT SURPRISING ... THE EXPLOITATION OF NATURAL RESOURCES (OIL AND MINERALS) AND TOURISM ARE THE PRINCIPAL INDUSTRIES WHICH THREATEN INDIGENOUS TERRITORIES IN AMERICA” (interview with Martha Garcia in “La Jornada”. May 28, 1997).

Behind the investment projects comes the pollution, prostitution and drugs. In other words, the reconstruction/reorganization of the destruction/depopulation of the zone.

(Subcomendante Marcos 1997)

The Iraqi people are not the only intended targets of the threatened smart bombs. As in the previous Gulf War, all people around the world involved in the production of oil and not totally subservient to the plans of major oil companies and their US and British governmental allies are also targeted.

In the previous Gulf War this was obvious, but the political situation of this oil producing proletariat is now different. In the late 1980s and early 1990s workers from Trinidad to Algeria to Nigeria to the Middle East were in revolt against austerity and structural adjustment policies imposed by the IMF and WB (Ryan 1991; Midnight Notes 1992; Ihonbvere 1992; Walton and Seddon 1994). They refused to starve while knowing that the most vital commodity on the planet was being extracted from their land in front of their eyes without equivalent. They were also inspired by the *intifada* that made it clear that a people's revolt cannot be stopped by even the most technologically advanced oppressor. This revolt was centered in the cities (from Port of Spain, to Algiers, to Lagos, to Gaza) and the revolutionaries' demands were centered on their governments and the IMF. At the center of this international *intifada* against austerity were the immigrant workers in the Middle East (especially the Palestinians, but also the Egyptians and Yemenis), for they threatened to upset the despotic regimes the US government still sees as its most important allies and were important stockholders in the IMF.

The Gulf War forced a total change in the composition of the workforce in the Middle East. The Palestinian, Yemeni and Egyptian workers were expelled and along with them the threat of their demands for political recognition in the states like Kuwait and the UAEs where they comprised the majority of inhabitants. Similar defeats occurred elsewhere, e.g., the anti-IMF movement in Algeria has been replaced by fundamentalist armed groups exterminating whole towns and the Palestinian *intifada* has been rigidified into the PLO's precarious control of a quasi-state in the West Bank and Gaza. Consequently, the sources of insurgency the Gulf War was directed towards are not to be found in the same places.

The oil proletariat's revolt since the early 1990s has moved out of the cities and into the countryside, e.g., in Chiapas in Mexico, in Ogoniland in Nigeria, in Chechnya in

Russia, and in the Caspian region (Cecena and Barreda 1995). These people are demanding a return for the suffering that oil exploration and extraction has and will impose on them. They are beginning to put formidable roadblocks to the oil industry's desperate advance to the last remaining oil areas of the planet. Shell, Chevron, and Mobil are confronting "those who have been left behind": the indigenous and the marginal. These are people that the Zapatista Subcomandante Marcos speaks of when he refers to the protagonists of a "Fourth World War." They are confronting the soldiers of their own governments as well as the death squads of the transnational companies anxious to get at the oil beneath them at any cost (Subcomandante Marcos 1997). They are the people who are living on top of the most important commodity in the world and who must be displaced and humiliated in order to make its extraction profitable.

These people, who have been living on the "margins" of industrial development, have been forced to become protagonists in a new world war because of the growing scientific consensus that world oil production will peak in the next decade or two. Oil companies are now desperately trying to position themselves to be able to stake out and possess the remaining oil areas on the planet that invariably are in regions that had previously been undeveloped. According to this reasoning, if the companies do not make their claims now, they will be left out of the price boom in the first half of the 21st century caused by a decline in production and an increase in demand.

This consensus is based on the work M. King Hubbert in the 1950s who accurately predicted that US non-Alaskan oil production would peak in 1969. Extrapolating Hubbert's work on the US to the whole planet, geologists like Colin Campbell, Jean H. Laherrere and Craig Bond Hatfield have noted that the number and size of new oil discoveries have been falling since the 1960s and are rapidly heading to zero (Campbell and Laherrere 1998; Hatfield 1997; Hartshorn 1993: 225-251). They also note that the larger fields are usually found first, while there are diminishing returns on new exploratory wells in the late period. Since oil consumption is growing at approximately 2 percent per year, while the old oil fields are drying up and new fields are expensive to find and exploit as well as being objectively rare, a price hike of dramatic proportions looms.

It follows that all the *new* profit to be made out of oil production now lies in the geographical margins of the planet. But it is exactly in this drive to the margins, all the horrors of the primitive period of the oil industry are returning. Indigenous people must be driven from their lands; previously uncontaminated waters and lands must be

polluted; cultures, peoples and ecologies must be exterminated. But these peoples are resisting their extermination and are receiving the support of the world, from the Chiapans to the Ogonis to the Papuans, and are stalling the final advance of the oil industry.

The US's ongoing threat to bomb Baghdad at the slightest hint of resistance makes it clear that any people that do not accept the recolonization of the oil fields by the international oil companies and their US and British government allies will likely suffer attack. As Secretary Cohen paradoxically suggests, the Iraqi people have become the objects of military assault because they have not overthrown the Baath regime and, on top of that, would not accept the recolonization of their country the US promises. This places them in the same position as the Zapatistas in Mexico and the Ogoni in Nigeria.

The Gulf War and Globalization

All the imagery used in the Gulf War to demonize the Iraqi state is now being recycled to create the impression that the US government is acting against Iraq in response to the exceptional evil Saddam Hussein embodies. But this planned attack is in line with the policy the US government has pursued throughout the 1980s and 1990s under the guise of "globalization" in every region of the world.

In African and Latin American countries, globalization—which is premised on the total control of the world's resources by transnational corporations—requires low-intensity warfare, i.e., the use of lightly armed groups (from death squads to "contras") whose aim is not to militarily defeat the opponent, but to starve and terrorize a resisting population that supports the opponent. We have seen its application in Nicaragua, El Salvador, Mozambique and Angola. In Iraq, instead, the dictates of globalization seem to call for a very high tech war. But the logic is the same.

The US prosecution of the Iraq war is best understood as the contemporary equivalent of the British empire's Opium War against China mid-19th century. The British saw their war as a crusade for "free trade" and their major war objective was to break down the Chinese government's perfectly reasonable (but "protectionist") resistance to opening up its market to opium produced in the British colony of India (Rowling 1987: 80-84). At stake in Iraq is the right of the US government to control the resources of the planet according to its desires as long as it presents itself in the uniform of an international agency, be it the UN, the IMF, the WTO or the WHO. This is the late 20th century version of an appeal to the "natural law" of nations in the past

that allowed propagandists like John Locke to justify the colonization of the Americas in the 17th century (Arneil 1996). This is the message the planned war conveys and not to the Saddam Hussein regime alone.

The Russian government is also deeply concerned, as indicated by Yeltsin's remark that a US attack on Iraq could trigger "World War III" (NYT 2/5/98). The planned attack on Iraq is an attack on its future as well—it puts an end to the hope that the Russian state and capital may draw some benefit from liberalization and that the oil resources of the previous Soviet Union will not be monopolized by US and English oil companies. With the intensification of its strategy of tension, the US state is telling its Russian colleagues that their management of oil resources must comply with the its schemes or else.

The planned attack also sends a message to Asian governments. In fact, there is a deep relation between Iraq and Indonesia, Thailand, Malaysia, and South Korea. For all these states have tried a nation-state model of capitalist development in the 1970s and 1980s. The Asian attempt proved tremendously successful capitalistically in the 1980s and appeared to be an alternative development model for previously colonized countries. But this alternative was thrown into crisis this last year [1997]. In this case too, the US response to the crisis is to demand the right of absolute surveillance. Just as the Iraqis have to show the US government every secret nook in the country, similarly the Thais, Indonesians and Koreans have to "open up their books" to show the IMF (backed by the US government) all their dealings and, of course, gain their approval in order to survive.

The US government is proposing a global Panopticon ("all seeing") regime, where everything that occurs on the planet has to be seen, controlled and approved by the US government (or its representatives in an international agency it controls). Thus, the US is not only aiming to be the "cop" of the world, as it did in the 1960s, but at the dawn of the 21st century it aspires to be the "investigator," "warden" and "executioner" of the world as well.

On the most general level, the issue at stake in the Gulf War is the possibility of any nation-state charting a sovereign path to its existence and of a people to actively (or even passively) resist the dictates of the world market (as roughly guided by the US government and its supranational proxies). This logic can be seen working not only in the case of former colonial countries. It also applies to "advanced capitalist countries" as well. Consider the case of the joy-riding US pilot who killed 20 people in Italy recently when the tail of his fighter cut the cable of the sky-lift they were riding while

he was trying to fly under it. The Italian authorities who came to investigate the plane at its home base in northern Italy were turned away by the US military police and told that this was an internal US military matter. When the Italians asked for an explanation of the catastrophe, the US government claimed that it used only its own maps, not the maps of the country the military is stationed in, even if the local maps are better and more clearly marked features like the ski lift! The US's imperial gaze only sees war in any attempt to keep a secret from it, while its own secrets become divine maxims available only to the blessed.

Our question is: how long will those of us in the US go along with this program for eternal war? Can we call ourselves what Frantz Fanon called the French people during the Algerian War, "Sleeping Beauty"? Can we let Sleeping Beauty still sleep, while the rivers of blood shed in our name are rising?

Conclusion

Let me end with a summary of my argument and its implications for those who want to resist a new Gulf War.

First, the threatened bombs over Iraq are aimed at the workers there, because even the threat of an attack will cause the UN to pull out the "oil-for-food" inspection teams and bringing the sale of Iraqi oil to an end. The bombs might kill thousands, but the continuation of sanctions will kill millions. The Clinton regime is acting as a genocidal God who plays with the lives of millions at the slightest turn of the political wind. Any people who let monstrous things to be done in their name to others, should not be surprised that this monster will turn upon them.

Second, the Clinton Administration's strategy of tension is aimed at the control of the world oil market for the interests of the major oil companies and its allies in the Middle East. The US government demands that anyone who will trade in that market must accept its conditions. At the moment its strategy is the stabilizing and/or increasing the price of oil while forcing the privatization of nationalized oil companies throughout the planet. But the Iraqi government has refused to privatize its oil production and its entrance on to the market will severely depress the price of oil. Consequently, US troops have become the world market's guards, opening up an endless string of wars, of low, medium and high intensity to protect profits and market shares.⁴

Third, if you believe that the New Economic Order, often called “Globalization,” is a threat to your well being, then you should oppose the Clinton Administration’s strategy of tension and war threats (Midnight Notes 1997). For the war is being planned to threaten all those who refuse Globalization, i.e., those who refuse to sell their nation’s geological patrimony for a song or to sell themselves for next to nothing to transnational corporations and their supranational allies (the IMF, WB and WTO).

Envoi

The Clinton Administration aims to frighten us by giving us nightmares about the secrets of Baghdad. But it might be wise to remember the Rumi poem that provided this piece with its opening epigraph. The person speaking in the poem is a spendthrift from Baghdad who dreamed that there was a secret treasure buried under a so-and-so’s house on such-and-such street in Cairo. On the basis of this dream, he traveled to Cairo. After many misadventures, he arrived at night in rags and tried to find the house with the secret treasure. It just so happened that Cairo was going through a law-and-order craze and everyone found on the street at night without an explanation was to be arrested as a thief. As the epigraph says, he told his tale to a patrolman who was on the verge of taking him to jail. The patrolman was moved to tears not only because of the truth of the story. He too had a dream of a secret treasure; but this treasure was in Baghdad buried in so-and-so’s house on such-and-such street. Once the patrolman said the name of the owner and the name of street, the seeker realized that *his own* house and *his own* street was the location of the secret treasure.

So it came quietly
to the seeker, though he didn’t say it out loud,
“What I’m longing for lived in my house in Baghdad!”

But the same insight applies to secret horrors as well as to secret treasures: though you look for them elsewhere, exhausting yourself and your resources, they are in your own home! Stop the war! End the sanctions!

February 28, 1998

Endnotes

1. I do not want to suggest that Saddam Hussein's Baath Party should be defended *for itself*. It is not guided by the ideals of working class solidarity or anti-capitalism. It has tortured political dissidents and used chemical weapons against Kurdish insurrectionaries. For a discussion of these activities as well as the transformation of the Iraqi Baath Party's original pan-Arabic socialist ideology into a nationalist party imbued by a cult of personality see (CARDRI 1989). No wonder the US state has not been interested in deposing it!
1. The genocidal intent of the Gulf War began to be known immediately at the end of the bombing. For early data on the medical effects of the war on children see The Harvard Study Team's report (Armijo-Hussein, et al. 1991).
2. The impact of the threat of US military action on the work of "the oil-for-food" inspection teams and the oil price has been widely noted by oil analysts. For example, Geoff Pyne, oil market analyst at UBS Ltd., London, was quoted in the *Oil and Gas Journal* as having said, "the threat of military action introduces a huge amount of uncertainty to the market. It also makes the future of the UN oil-for-food deal uncertain. If the US is going to have military action, UN could not have its aid distribution teams on the ground. It could be that the oil-for-food deal, which was supposedly to be increased, could be stopped. This is why the oil price rallied [in late January 1998]" (Knott 1998).
3. The US military's guard duty on the world oil market is going to be even more complex and volatile than in the past. For after the Gulf War, a "new guard" has entered into an oil market previously dominated by OPEC and the major oil companies: traders from the financial markets. "[They] have no innate respect for anything in the fundamental market, oil or otherwise, ... [they] profit by systematically taking short positions in crude futures markets," said Edward N. Krapels, president of Energy Security Analysis, Inc., Washington (West 1995: 9-10). These futures market players thrive on volatility and the quantum shifts of uncertainty. This is not to say that the long-run price of oil is actually determined simply by the supply and demand curves of the neoclassical economists. For other (though conflicting) Marxist perspectives on the value and price of crude oil see (Massarrat 1980) and (Caffentzis 1992).

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chapter two

From Capitalist Crisis to Proletarian Slavery

An Introduction to Class Struggle in the US, 1973-1998

Slavery is not one type of domination and exploitation among others, not merely an aspect of one bygone phase of history. Slavery is the primary and primordial relation of exploitation, that form out of which serfdom and wage labor arise, and that form toward which the master always strives: only force can compel the master to forgo the use of slaves. Whence the many “ends “ of slavery, and its many rebirths.

—Pierre Dockes, *Medieval Slavery and Liberation* (1982)

Among Mexican activists the existence of class struggle in the US is at best an hypothesis deducible from Marxist axioms, but it one often resisted by empirical reality. Where are the anti-capitalist parties and the revolutionary workers and peasants armies that fill the history books in the Americas, Europe and Asia? They certainly are not to be found in recent US history. Nevertheless, class struggle in the US is a daily experience.¹ In this essay, I present a schematic history of this struggle during the 1973-1998 period, stressing those elements that are most important for the creation of cross-border networks of struggle, and the forging of a common history uniting the US and Mexican proletariat.

The Fall

The winter of 1998 is a time of capitalist triumphalism in the US. The stock market is booming, it is the seventh year of capitalist expansion, corporate profits are reaching new highs, while interest rates and unemployment are reaching lows not touched since the early 1970s. The situation is so unusual that a new species of economist is appearing on the financial pages business journals claiming to have discovered a miracle. These “New Economy” economists hypothesize that advanced

capitalist economies like the US can continue to grow without igniting inflation because of the “hidden productivity” gains provided by the computerization of all areas of production and circulation. The old contradiction between growth and inflation is now history, it seems, and the new technology is being hailed as the system’s healer.²

However, a glance at the condition of the waged working class (working with or without the computer), over the last quarter century, quickly reveals the material basis for capital’s triumphs. In 1973-74 the US working class reached its historic peak of power measured statistically. Since then, the real wage, hours of work, security of employment, share of the total social product, capacity to strike, average level of employment have constantly and, at times, dramatically deteriorated. In 1974 the number of strikes reached a new historic high, after many years when strikes were common in most large industries. By the 1980s, however, strikes in these industries had nearly disappeared and 1996 had the lowest level of strike activity since the early 1920s. Again, in February 1998, unemployment reached a “historical low,” 4.6%, after seven years of capitalist expansion; but it is forgotten that such a level of unemployment would have been considered a sign of recession in the 1950s and would have called for extraordinary macro-economic measures to counter its consequences. Consider also the issue of “wage dispersion,” i.e., the difference between the wages of the highest and lowest paid workers, which is a rough, objective measure of working class solidarity. In the early 1970s “wage dispersion” was at one of its lowest levels in US history, but the 1990s have witnessed the highest levels of wage dispersion ever in post-WWII US class history. The wage gap between the best paid male workers and the least paid male workers rose from more than 3½ to more than 5 times. The most important change, however, can be seen in the profit ratio. The 1970s saw a major, across the board decline in profits. Between 1948 and 1968 the US rate of profit averaged about 20%, by the mid-1970s it averaged about 11%.³

How should we interpret these changes? For a start, it is clear that if the trends in wage increases in the 1960s and early 1970s, the shortening of work hours, the profits crisis, and wage dispersion had continued, capitalism in the US would have collapsed. This threat of collapse was not confined to the US. Similar trends were developing in Europe, the major alternative site of US capital’s investment and profit. England and Italy in 1973-1974, especially, were the scenes of remarkably effective expressions of working class power on the highest levels of politics, e.g., the 1974 miners’ strike in the UK brought down the Conservative government.

A look at the condition of unwaged workers in the US shows a parallel story of triumph and decline. The struggle of women against unpaid labor in the home in a capitalist economy has forced both the government and the Marxists to confront the value-productivity of the largely women's labor involved into the reproduction of labor power on a daily and generational basis. This work had historically been unpaid in the US, where there were not even the small "family allowances" that were experimented with by some European governments after WWII. But in the 1960s, the welfare movement largely led by black women brought together the demands of the "Black Power" movement and the feminist demands for the recognition of women's work. By the late 1960s the rights of poor, unsupported women to some form of payment for their work of raising children was being recognized as a "welfare entitlement" by the national government.

In response to the struggles of women these payments grew throughout the 1960s and by the early 1970s the Nixon Administration was discussing a plan for a "guaranteed national wage" that would regularize a nationally agreed upon bottom to all citizens' income.³ These discussions signaled an immense crisis for capital, because one of greatest sources of profit arises from its ability to make the working class bear the cost for its own reproduction on a daily and a generational basis. The guaranteed income and the other aspects of the 'welfare state,' (e.g., the creation of a nationalized medical care system for the elderly, Medicare, in 1965) threatened this immense source of profit and exploitation. This development ended abruptly in the mid-1970s. By the summer of 1996 the national government had moved so far from the "guaranteed income for all" as to explicitly legislate that it was no longer guaranteeing *any* payment to women (poor or not) for the work they do in reproducing the labor power of the future.

The class struggle in the 1960s and early 1970s which led to the historic threat to capitalist accumulation did not take place under the direction of a mass, ideologically identified anti-capitalist party. But it did see an immense production of theoretical and agitational literature concerning the nature of capital (the New Left), feminism, racism in all its forms and targets (against blacks, indigenous peoples, Hispanics, Asians), homophobia, sexuality, and the environment. More crucially, it was able to express its power in the great urban insurrections led by blacks from the Watts rebellion in 1964 to the national urban uprising after the assassination of M.L. King Jr. in 1968, major strikes in all the core industrialized regions as well as new areas like agriculture (the United Farm Workers of America strikes and grape boycott) and government (the national Postal workers' strike), a revolt in the army in Vietnam, strikes in the

university system including a nation-wide shut down after the invasion of Cambodia in 1970, the great prison revolts like Attica in 1971, and the revival of the feminist movement. Even capitalist apologists were beginning to despair in the early 1970s and were writing books about workers with titles like “Where Have All the Robots Gone?”⁵

How did the US working class both waged and unwaged, which in the 1960s and early 1970s appeared to be shaking the confidence of the most powerful capitalist class on the planet, find itself, a quarter century later, more divided, with lower wages, working longer hours, and feeling more powerless and insecure? How was capital able to regain its equilibrium and then take the initiative? A thorough answer to these questions would require a book, but in the following pages I will give a sketch of an answer.

Recession

The first response to a period of growing working class power was instinctual to capital: depression, crisis and a refusal of investment. This did not require much planning. Any successful attack on profit will lead to disinvestment, according to the logic of the system, and the period between 1975 and 1983 included five “recessions,” two of which were more severe than any since the Great Depression of the 1930s. This rapid-fire series of recessions changed what “high” and “low” unemployment rates meant. After 1983, even though there were two periods of “expansion” (1984-1990 and 1991-present) the lowest the unemployment rate reached was 4.6%—what would have been considered a “recession” rate of unemployment in the 1950s.

Capital’s Counter-Strike: “Rust Belt,” “Scabs,” and “Union-Busting”

In previous periods of unemployment after WWII there was never a large-scale disruption of the location of the factories and the general geographical distribution of the branches of industry. Steel was connected with Pittsburgh, autos with Detroit, rubber with Akron, coal with West Virginia in the minds of the workers and capitalists. Even if steel, auto, rubber workers, and coal miners were laid off during a “down turn,” they remained in place for the most part, expecting to be reemployed in the next “up turn.” But the crisis of 1975-1983 was different. Capital physically dismantled itself and moved to the southern US (or even to industrialized Third World countries like Mexico or South Africa), leaving behind a “rust belt” stretching from Chicago to Boston

of abandoned factories, steel mills, and working class neighborhoods. This planned “deindustrialization” of the traditional manufacturing areas of the country had a profound effect on the self-confidence of the most well paid, and historically most combative strata of the proletariat. How can you strike outside a rusty unused factory whose replacement is being built a thousand miles away? Even if northern workers, especially blacks, followed their plants south, how could they reconstruct ties of proletarian trust and cooperation with workers they met in the new plant who might have ties with the KKK or other racist groups?

Capital’s campaign to terrorize the waged working class into giving up the strike “weapon” had many more dimensions beside corporations’ professed and demonstrated willingness to respond to strikes by simply moving a plant thousands of miles away. Large corporations also broke one of the basic rules of “labor relations” worked out in the 1930s: the prohibition of using “scabs,” or strike breakers, or, in the euphemistic term of the 1980s, “replacement workers.” The hiring of “scabs” to break strikes had been a standard tactic of capitalists, both large and small, throughout the late 19th and early 20th century. This practice had been rejected by the larger capitalists as being too dangerous in the era of mass factories, which required thousands of workers and were located in the midst of working class neighborhoods. But, beginning with the nation-wide strike of air traffic controllers in 1981, there was a revival of the “scab,” so that today almost every category of workers’ strikes including those of meat packers, paper workers, coal miners, farm machinery assembly workers, air traffic controllers, pilots, and school teachers have faced and were defeated by a campaign of scabbing. All throughout the 1980s there were years-long sieges of factories, mines, and mills that were operating at maximum capacity by striking workers who impotently demonstrated on the outside. These defeated strikes taught workers a bitter lesson, and have definitely reduced their capacity to reject the reduction of wages and the increase in work-time demanded by their bosses. For example, in 1974 there were 424 strikes involving more than 1,000 workers while in 1995 there were only 31 such strikes.

Another tactic of the late 19th and early 20th century that was also revived was “union busting,” i.e., capitalists’ attempts to either subvert workers’ efforts to unionize to drive unions out of their factories. From the 1930s until the 1960s the large corporations had worked out an accommodation with the unions in their branches of industry, but beginning with the crisis of the mid-1970s this accommodation went into crisis. For example, when a steel mill or a coal mine was moved to a new location, the corporation would often not recognize the older union as the bargaining agent for the

workers in the new location. Moreover, since companies often moved their new plants to states in the South or Southwest which had laws that hindered unionization, it was relatively easy for managers specially trained in “union busting” tactics (taught at a very high price by a new breed of “aggressive” management experts) to subvert their new workers’ attempts to unionize and create the solidarity required to organize a strike. The result was a dramatic decline in union membership, e.g., in 1974 about 25% of the employees in the private sector were union members, in 1994 only about 12% were in unions.

Along with these planned attacks on the waged working class’ most powerful weapon on the factory level, there was also an attack by the state. In the 1950s and 1960s, unemployment benefits, “food stamps” and other forms of income available to workers that were laid off were made available to waged workers who were on strike for a long time. In the 1980s and 1990s these benefits were systematically attacked. Either they were formally denied to strikers or they were severely cut. Consequently, if workers went on strike in the post-1973 period they increasingly faced immediate poverty leavened by small payments from strike funds and solidarity funds.

The Decomposition of Work

The attack on the waged working class in the large factories, mills and mines did not end with eliminating its capacity to formally stop work and strike. Workers can refuse work (in order to demand higher wages, less work-time, and a reduction in the intensity of work) within the factory, on the “shop floor,” often more effectively than by formally striking. By the 1960s, for example, assembly line workers had developed very sophisticated techniques of slowing down the line to protest management practices and to take control of their working conditions. This quiet insurrection within the plant (called “counter-planning from the shop floor”) was more terrifying to the capitalist than the picket lines outside it. For strikes are open declarations of war operating by fixed rules, but this organized insubordination within the plant was more open-ended in its threat to the sovereignty of capital. What could be done about it? Again the first step was instinctual to capital: increase mechanization and surveillance.

As Marx wrote in *Capital*, machines are weapons of war against the power of workers, and the immediate response to any increase of workers’ power is to introduce machines to replace workers, to reduce the skill necessary to do the work, or to subvert workers’ capacity to refuse work on the job.⁶ The machines and techniques have varied with the period, from the Arkwright’s “mule” and the steam engine of the

19th century, to electrification and the internal combustion engine of the early 20th century, to the introduction of Computerization and Robotics in the late 20th century.

The latter innovations have led to a new source of anxiety for the worker, “downsizing.”⁷ In the past, one feared being laid off from a job because of a down-turn in the business cycle and a reduction in the demand for the commodity one helped produce. Normally, if “business” was good, there would be no reason to be concerned about one’s job and one could use the moment to demand higher wages and better working conditions. But this “grace period” for internal bargaining and struggle with the boss is increasingly under attack, because even during a boom time the worker can be threatened with the introduction of a computerized simulation of much of his/her work or even a complete roboticized replacement. Since the computer is a universal machine that can simulate any pattern-producing activity, almost any worker can be threatened with “downsizing,” i.e., a dramatic change in or even elimination of their assigned work without a reduction in the demand for their product, consequently workers’ power to use “good times” to make new demands and to organize greater control of their work-life is threatened. But if “bad times” are not propitious moments, and if “good times” are increasingly not propitious either, then what times are best for putting forth working class demands?

Another classical method for subverting internal worker insubordination is increased surveillance. Again this is nothing new. From the formation of the factory on the model of the prison in the late 18th century, to Taylorism in the late 19th century, to Fordism in the early 20th century, the techniques for monitoring work, controlling its motion, detecting deviations from the norm and crushing insubordination has been at the core of the capitalist science of production. Since the mid-1970s a whole set of “new” practices have been introduced in all the major industrial branches often associated with Japanese management. From “quality circles,” to “just-in-time production,” to “total quality control,” these so-called Post-Fordist techniques are no more than new ways for the capitalists to create forms of surveillance and spying in the process of production and to introduce a continual complicity between elements of the working class and management. As with some of the previous advances in “management science” they have proved initially successful, but then in time the conflictual class relation returns to the fore because the proletariat learns to create a counter-surveillance and subvert complicity in its ranks. But as this has been the initial period of their introduction, many of these techniques have proven effective.⁸

Changes in the Composition of the Waged Working Class: Immigration and Gender

These changes in the location and form of work have been crucial in thwarting the militancy of waged workers. But there were other, equally important, but more ambiguous factors that will help explain the collapse of many past, but problematic bastions of working class strength in the US.

To understand these factors one must reflect on three decisive moments in the formation of the US proletariat. The first two are the genocide of the indigenous people and the massive enslavement of Africans in the US territory and the third is the wave of immigration from Europe and Asia in the late 19th and early 20th centuries. The ability of US capital to move large quantities of labor power is rooted in the success of the genocidal elimination of the indigenous people and their ability to divide European and Asian immigrants against each other, but more crucially against the historically most combative element of the working class, the descendants of the African slaves. These moments defined the working class composition through WWII, but in the 1950s and early 1960s one of the most important revolutions in US working class history occurred: the black working class successfully challenged and destroyed the legal apartheid they faced. This revolution opened the door for the increasing homogenization of the working class in terms of wages, because the blacks, who were traditionally on the bottom of the wage ladder, were able to increase their wages. Racism—the complex of techniques used to divide the working class according to physiognomic factors—finally began to be confronted. The years between 1965 and 1975 were “the second Reconstruction” (the first Reconstruction being the short period after the Civil War when the US government intervened to extend the voting and civil rights of the liberated slaves).

A second revolution also took place at the same time: the remaining indigenous peoples began to create unified organization and to challenge their legal status as “wards of the state.” They began to demand the strict implementation of treaties concluded in the 19th century and to refuse their dependency on the state. This new presence of the indigenous peoples on the historical stage put on the proletariat of European origin on trial for their previous complicity in the genocide.

It was at this revolutionary moment in the mid-1960s that US capital reversed its very restrictive immigration policy. In the thirty years since then, almost 20 million new immigrants legally arrived from Mexico, Central America, the Caribbean, Vietnam, Cambodia, South Korea, China, India, and Africa. Driven to the US by wars (from

Vietnam and Cambodia, to El Salvador, Guatemala, and Nicaragua), and structural adjustment policies (Mexico, the Caribbean, Africa), these new immigrants were politically sophisticated, but also desperately needed waged employment, and almost any wage would do. Since most of these immigrants were also between 18 and 65 years of age, they entered directly into the US wage labor force of a little more than 100 million. Even though most of these immigrants took low-waged jobs they inevitably added to the wage pressure on the non-immigrant low-waged workers especially. This new immigrant wave not only created new racial divisions that capital could play with, it also began to diffuse the African/European, slave-descended/immigrant-descended, black/white, divisions that had been the basic racial fulcrum in the division of the US working class from its origin.

On the other side, the new immigrants came from environments that had already confronted the most modern forms of capitalist exploitation, consequently their arrival added a new militancy and sophistication in the US proletariat that will have an enormous impact in the future. But most immediately they created the basis of the revival of low waged "sweat shop" industry in the US, especially in textiles, sporting goods assembly, and agricultural processing industries.

The second great change in the composition of the waged working class was the increasing presence of women. From the 19th century textile mills to the airplane assembly lines of WWII, women were a crucial part of the waged working class. But just as with the blacks, they were treated as the ultimate reserve army of industry by capital and as second-class citizens by unions. "Last hired, first fired," applied to both. But beginning in the late 1960s the rate of female labor market participation increased consistently and, over the last quarter century, has transformed all layers of employment. For example, the percentage of women in the total waged work force in 1995 was 46% while in 1960 it was 33%; similarly the labor participation rate of women in 1960 was 37% while in 1995 it was 58.9%. This too had an ambivalent impact on the wage labor market. On the one side, since women enter into the factory or the office in the face of gender discrimination, they offer an even greater opportunity for exploitation than men. Moreover, since women were still largely doing the housework they had traditionally done even though they had become waged workers, capital was able to continue accumulating the unwaged part of their working day (housework), while adding to it the surplus value of women in the waged part of their working day.⁹ But on the other side, the introduction of a second wage in many US working class households has made it possible to survive the fall of real wages without entering into poverty. More importantly, the women's waged work has at least

made it possible for many women to escape quasi-slavery in violent marriages they were often doomed to before.

The Internationalization of Capital: The Export of Commodities and the Export of Capital

We have been examining the most immediate determinates of the attack on wages and the length of the work day in the production cycle: the organization of work, the capacity to strike and the composition of the working class. Another, less immediate, but equally effective cause is in the circulation sphere: the export of commodities and capital. It has been given a new prominence in the 1990s as foreign direct investment throughout the world has risen from \$200 billion in 1990 to \$315 billion in 1995 while the growth of international trade has consistently out paced world economic growth since the 1960s (e.g., the GDPs of “high income economies” grew by 2.9% per year between 1980-1993 while their imports and exports increased by 5.5% per year). It has a new name as well, “globalization,” which has become the “buzz” word of the decade. But the export of commodities and capital has been an age-old “escape mechanism” from the class struggle, for it allows capitalists to escape workers both physically and politically. When export of commodities becomes a central objective of capitalists, they become less concerned with the capacity of their workers to consume their products. When the export of capital becomes an easy option and the exploitation of workers outside of the national economy is a common mode of capitalist behavior, then the quality of reproduction of the national working class is even less of a concern.

The period between 1973 and 1998 has been one where there was a fundamental shift in US capital’s focus from a domestic-national to an export-global economy. A reader in Mexico or other parts of Hispanic America might be surprised by this claim, given the enormous impact the US has had on their economic life. But the continental size and, after the mid-19th century, demographic growth of the US has allowed US capital to have its core circulatory interest in the national territorial limits up until recently. A relatively small amount of the GNP was accounted for by export industries up until the 1980s and 1990s, and even today only about 12% of US production is exported (compared with only about 5% of GDP in 1960). But the percentage of US corporate profits created in foreign facilities has grown dramatically from about 5% in 1950 to 20% in 1990. This shift has already had enormous consequences on the class struggle in the US.

The most obvious impact of the new export regime on the class struggle has been in the export of capital. For increasingly when workers made demands, capitalists respond by threatening to export their plants and offices outside of the US. In the past these threats might have been taken lightly, but no more. There are a number of reasons for the newfound seriousness of these threats. First, there are now many more places where capital can safely be exported to (in the form of foreign direct investment). The worldwide impact of structural adjustment programs imposed by the IMF and the World Bank has now changed the legal structure of most of the nations of Asia, the Americas and Africa in such a way that the rights of foreign capital are now supreme. Second, a new continental terrain (from Berlin to Beijing) and billions of workers has become open to direct exploitation by US capital since the collapse of the socialist regimes in Eastern Europe and the former Soviet Union, and the cautious “opening” to foreign capital of the nations in Asia still ruled by existing communist-parties (China and Vietnam). One can say that since the early 1980s the number of potential workers directly exploitable by US capital has increased by approximately three billion. Third, an industrial proletariat has now taken shape in the majority of regions throughout the planet, consequently all the costs of producing such a proletariat do not need to be borne by the investing foreign company. Capitalists are not above pointing out to US workers making \$15 an hour in a manufacturing plants that, with a little inconvenience, this plant could be exported to a country where workers, almost equally prepared, are willing to work for less than a \$1 an hour. The reality of this threat is not lost on workers and their organizations.

There are certainly few US laws that hinder the movement of US capital beyond the national borders (except for the various sanctions imposed on Cuba, Iraq, Libya, and Iran) and that put an export tax on the outward flow of capital. On the contrary, the obsessive drive of the most powerful elements of US capital on the governmental level has been to reduce any resistance to outward capital flows and any restrictions to the penetration of foreign barriers. The General Agreement on Tariffs and Trade (GATT), its progeny the World Trade Organization (WTO) and most importantly, the North American Free Trade Agreement (NAFTA), and the projected Multilateral Agreement on Investment (MAI) are all concrete products of this drive that has given to US capital a legal mandate to threaten any insubordination of US workers not only with a capital-strike (a halting of production), or a campaign of strike-breaking (continuing production with scabs), but with the continuation of production in a safe foreign environment where wages are a fraction of the present US wage.¹⁰

This power to spatially move beyond the reach of working class threats is intensified by the increase of the export focus of the capital that remains in the territorial US. Once export-oriented industry is widespread, a number of factors affecting the balance of class forces come to the fore. First, the old Fordist maxim - the workers in an auto plant should be able to buy an auto - is made null and void. For if the market for a capitalist's commodity is the working class or the capitalist class of a foreign country, then the purchasing power of his/her own workers is not the capitalist's concern. Consequently, the workers cannot use the old Keynesian threat that if their collective wage demands are rejected, the collective capitalists will not be able to sell their commodities and both will lose. Second, export-industrial production also de-localizes the workers themselves, for they recognize that the purchasers of the products they produce have no connection to them beyond the use value and the price of those commodities. Their relation to each other is as abstract as the mathematical space that separates them. Consequently, the locale of production is not crucial to its purchase, it could have been produced in place X, Y, or Z as well. This further intensifies the message of the capitalist in the arena of wage negotiation: I do not need *you* in particular, therefore your particular demands are not binding on me. The capitalist can move to place X, Y, or Z, therefore, threatening his/her workers without threatening the market for the produced commodity.

Export-oriented production has another side, import-oriented consumption, which has been crucial for decreasing wages and increasing profits as well. US workers' real wages were reduced in the 1980s and 1990s without widespread strikes and uprisings because of the importation of clothing, shoes, electronics and agricultural products made cheap by the systematic repression of workers organizations in Asia, the Americas and Africa. Torture chambers for union militants and concentration camps for protesting students have become the "comparative advantage" of many Third World governments looking to attract foreign direct investment from the US and to become "export-oriented." Free enterprise zones from Haiti to Indonesia now house US firms that produce goods for the US working class market without concern for labor or environmental standards. The reduction of the cost of clothes and food has made it possible for capital not only to reduce wages but to also increase the interest charges for credit cards and mortgages and rents for US workers. This not only increases the share of surplus appropriated by capital through profit, rent and interest, it also creates a working class complicity with the exploitation of workers abroad that has only recently begun to be attacked in anti-sweatshop campaigns.

The changing composition of the waged working class, the de-localization of production, the “globalization” of production and consumption have not only affected the specific balance of forces between working class and capital. They are proceeding at such a pace that the very meaning of the terms “US working class” and “US capital” are becoming problematic. For example, if “US capital” means “capital owned by a US citizen” and “US working class” means “someone being exploited by US capital,” then much of the capital in the US national territory is not US capital and an enormous part of the US working class are citizens of other countries. There were definitional problems of this sort before, of course, because the localization of capital and exploitation is intrinsically difficult. However, these problems are now becoming critical and demanding a new strategy to deal with the actual class composition of the working class and the concrete threats of contemporary capital. Not surprisingly, however, at this very moment a new “nationalist” ideology (full of race hatred, capitalist toadying, and anti-immigrant) is becoming the rallying cry of much of a proletariat that cannot find a way to effectively counter the tremendous forces arrayed against it without tearing itself apart.

The State and the Working Class: The End of Keynesianism

In such an environment of class tension, one might expect the state to mediate more forcefully. However, there has been a profound change in the relation of working class, capital, and the state since the early 1970s. The state has traditionally been concerned with the reproduction of capital and, as its necessary condition, the reproduction of the working class. This concern with the working class, beyond merely repressing its desires, became especially important with the rise of Keynesianism in the US. “Keynesianism” is a form of political economy named after the famous 20th century English economist John Maynard Keynes. His thinking influenced the US government’s economic policy of the 1940s through the 1960s. It rejected the view that capitalism, left to itself, will lead to a low unemployment, high growth economy. These objectives required that the state try to plan the major variables of a capitalist economy, from the money supply and the wage rate, to the GNP and the profit rate. Keynesianism, combined with the commitment of US capital to the development of a national market, created a set of mediating mechanisms between capital and the working class, from the formalization of national wage negotiations and unionization, to welfare policies for poor women and their children, to education policies to train future workers and the management of US apartheid (called “racial segregation.”) One

of the most important functions of the Keynesian state was the management of a parallel growth of wages and productivity, via its control of the money supply and the interest rate. If wage increases out-ran productivity increases, then an increase in the money supply with its inflationary impact followed by an interest rate increase and its recessionary consequences, would reduce the value of the wages in line with productivity. But in the late 1960s and early 1970s this cybernetic strategy began to fail. A sure sign of this failure was the lack of correlation between inflation and unemployment (the first went up the latter was down, and vis versa) called “the Phillips curve” in economics. The 1970s was a period of high unemployment and high inflation (sometimes called “stagflation”) whose most important impact was the dramatic decline of real wages in the US after 1973. The commitment to keeping wages growing in line with productivity growth, a central maxim of Keynesianism in practice, was rejected in the crisis.

The new political economy hostile to wage increases was euphemistically dubbed “inflation fighting,” since it would not have been politic to have called it what it really was: “wage hating” and “profit loving.” The theorists of this policy, however, could afford to be more open, because they were more abstract. They defined an acceptable level of employment to be that level which does not increase inflation. In other words, acceptable unemployment rates had nothing to do with workers’ needs, or even the national interest. In practice, any increase in wage demands from any part of the proletariat was immediately used as a pretext to impose higher interest rates that would further weaken the bargaining power of workers even in a boom. Since the real interest rates would reduce the pace of business expansion and the demand for labor power. Real interest rates (i.e., nominal interest rates minus the inflation rate) remained at historic highs throughout the 1980s and 1990s. The result: inflation was reduced from 12% per annum in the late 1970s to less than 3% in the mid-1990s, while the hourly manufacturing real wage was reduced by almost 20% in the same period. This decline in wages and increase in hours took place in two major business expansions (roughly 1984-1990 and 1992-1997).

The end of Keynesianism could not only be seen in the inflation-fighting “macro-economic” policy outlined above. It also involved a successful tax revolt by capital and capitalists. Corporations began a campaign in the 1970s to reduce direct taxes on their profits, and eventually it led to a dramatic reduction of corporate “income tax.” For example, in 1957, US corporations paid 45% of local property taxes, but by 1987, they paid only 16%, even though they are legally considered individuals and have all the rights and responsibilities of individuals. There has also been a steep decline in the

corporation's share of all taxes (state, local and federal). In the 1950s for every one dollar paid by families and individuals, corporations paid about sixty-five cents, while by the 1980s corporations were paying twenty cents.

Individual capitalists also began a campaign to lower their own income tax rates in the 1970s. They succeeded as decisively as corporations. As of the mid-1990s, individuals whose income is \$250,000 and higher pay about 30% of their income in taxes whereas in the mid-1970s they were paying almost 50%. This tax revolt of the rich has not only meant a redistribution of income to the already wealthy. This upwards redistribution was paid for by deficit financing and it signaled the end of the willingness of the capitalist class to invest in the reproduction of the US working class via the national state apparatus. These budget deficits from the 1980s on were partly financed by government *borrowing from* (not taxing) the wealthy of the US and the planet who bought US Treasury bonds at very profitable interest rates. Government interest payments now form the third largest expense of the national budget, after defense spending and social security (national old-age pensions), they grew from 8.9% of the national budget in 1980 to 15.2% in 1995. Interest payments are, in effect, a direct reduction of US working class income in favor of the capitalist class of the planet. Besides shifting the "tax burden" to reduce wages, capital's tax revolt also rejected another Keynesian axiom—investment in the reproduction of the working class is essential to capitalism in an "advanced" stage.

Capital's successful tax revolt put an enormous stress on the national budget, since it meant that the private and corporate owners of the social surplus would not be taxed. This loss could only partially be compensated by new taxes (which were, in effect, generalized wage reductions) on the proletariat. As a result, "austerity budgets" have become commonplaces in the midst of two economic booms of the 1980s and 1990s. "Austerity," of course, when applied to money was the dignified Protestant name for "poverty" in the 19th century, but in the late 20th century it is a cant phrase hiding a grim reality: US capitalism admits that can not solve the basic human problem of poverty even in its own territory. The set of anti-poverty programs struggled for in the 1960s and early 1970s occasioned by the end of racial apartheid and the revolt of women to end poverty (which had at its center single women with children and the descendants of the slaves) was met with one "austerity" budget after another, at all levels of government in the 1980s and 1990s. In the midst of stock market booms, "healthy profit reports," and the usual signals of capitalist vitality, the evident growth of poverty, the segregation of social life, and the consequent despair accumulated for all to see on the streets of the metropolises. In the face of this evidence, politicians

said time and again, “There is no money,” as they spent millions seducing any wandering capitalist with a few dollars to invest.

The result of the fall of real wages, the transformation of the tax burden, the increase of corporate profits and stock prices, the “austerity” budgets which ended the redistributive efforts of government, and the rise of interest payments on the national debt has created an increasing income disparity within US society. The gap between high and low-income families has widened every year since 1980 so that, according to former US Secretary of Labor Robert Reich, “[The US has] the most unequal distribution of income of any industrialized country in the world.”¹¹

The Return of Slavery in the US

This is not a pretty picture. And it is rather one sided, for this essay has largely dealt with actions and plans of capital in its struggle to escape the euthanasia which threatened it in the early 1970s. The working class has not been purely passive in this period of retreat, recomposition, and reflection. But the heroism, ingenuity, and toughness demonstrated by working class struggles between 1973 and 1998 (which require a chronicle of their own) have not been enough to turn the tide. The great strikes of the 1980s (e.g., the 16-month long strike of paper workers in Jay, Maine) and the Los Angeles “no peace without justice” insurrection in 1992 were two important moments in a long series of episodes of resistance, but unfortunately in the last two years there has been a series of legislative changes that lays the basis for the return of slavery in the US on a mass basis.¹² In effect, the US Congress has recently redefined what it means to be a human being. I hope I do not sound too sensationalistic, but it is possible that at the dawn of the next millennium there will be 8 to 10 million adults—would constitute about 7% of the “economically active population” of the US—in a slave-like status.

I do not mean by “slave-like status” a complete return to the human “chattel” of the pre-Civil War period where the slave was the property of private individuals and could be sold at will. But there are many forms of “unfree labor” close to “slave labor”—e.g., debt bondage, serfdom, prison labor, and *corvée*. These near-slave forms of labor were used, e.g., in the US South for almost a century after slavery was abolished and the First Reconstruction was scuttled.¹³ The ending of the Second Reconstruction, practically in the late 1970s and formally in 1995 with the Supreme Court decision to systematically void Affirmative Action legislation, has paved the way for a second round of near-slavery regimes in the US which prey on the traditional

source of slaves: the poor woman, the prisoner, and the stranger. For if slavery is, as Orlando Patterson suggests in his broader definition, “the permanent, violent domination of natally alienated and generally dishonoured persons,” then these people fit the description of the dominated perfectly. The existence of an “information-driven,” “cyber-spaced” capitalism will not save us from a revival of slavery. For as Dockes has put it in the opening epigraph, the development of capitalism will never automatically lead to the end of slavery. On the contrary, as long as capitalism continues to exist there will be an inevitable tendency to reintroduce slave-like forms of labor. If waged and unwaged workers do not have the force to resist this tendency, then many of our number will be doomed to slave status at whatever the level of productive forces the capitalist command.¹⁴

In 1996 three separate laws, directed at single mothers, prisoners and strangers, were passed in the US Congress. They formalized the collapse of proletarian resistance to this tendency to slavery inherent in the system and facilitated a new era of enslavement and low wages in the US. Let me take each of these legislative changes in turn.

The first is the “Anti-Terrorism and More Effective Death Penalty Act.” On the surface, this law is directed against two different groups of people (which, however, the state wants the public to identify): (a) the US supporters of revolutionary groups around the world (from the Zapatistas, to the Palestinians, to the IRA) and (b) the people convicted of capital crimes on death row. This law has very severe provisions for both, but included in this law is a fundamental denial of one of the most basic civil rights, *habeas corpus*, that is, the right to petition a higher court to show just cause why s/he is being kept prisoner. This has been used by thousands of prisoners, who have reason to believe that they were being held on false charges and being treated in a discriminatory way. It is the ultimate right of a prisoner to protest his/her imprisonment.

Why is this so important and what does it have to do with the return of slavery in the US? First, because there are about one and one-half million adults in prison in the US in the mid-1990s and this number is growing. The prison population has increased in line with the fall of wages. Prisons have become the “growth industry” in the 1990s and the portion of some state’s budgets is larger than what is spent on higher education, e.g., California. This growth has come from the criminalization of the cocaine, heroin, and marijuana industry and the “mandatory sentencing laws” that simply assign people convicted of particular crimes to long sentences with no

possibility of parole. As a result, if one is poor, young, male and black, for example, he would have a one out of three chance of being in prison sometime in his 20s. Given the “austerity” budgets that have continued into the boom years of 1990s (and the still virulent racism and classism of the US), there is a capitalist demand for using these prisoners profitably so that they would literally “pay for their crimes.” Hence, prison industries are being instituted throughout the US even faster than the prisons are being built, and increasingly prisons are being built as part of an industrial complex.¹⁵

Moreover, slavery cannot be reintroduced, especially profit-making slavery in the prisons, without a death penalty that would “effectively” threaten the physical elimination of any rebellious workers.

Prisoners had always worked in prisons, of course, but this work was either directed at the prison’s housework (e.g., the laundry or building maintenance) or for the state’s need (e.g., the famous auto license plates or highway signs). In prison industries, the prisoners work for private profit-making companies who pay them a non-negotiated wage rate from which is deducted their living expenses in the prison and a payment into a “victim fund.” They are slaves, not because they are forced to work by their circumstances (for that is every proletarian’s fate), but because they have no right to organize and negotiate their wages.

The second pro-slavery law of 1996 was the “welfare” law, the “Personal Responsibility and Work Opportunity Act,” which in effect eliminated the US government’s guarantee to provide minimal benefits to every indigent person in the US. This law puts a limit of five years on the federally funded welfare support they receive and, in order to get it, they must join a “workfare” program. “Workfare” requires that people receiving benefits report for work or training at assigned places (usually in government agencies) or they will be cut off. In effect, the welfare benefit is transformed into a wage. But again, this is a non-negotiable wage. Consequently, these women, who are not a small percentage of the adult female work force, are transformed into a quasi-slave condition, a form of debt bondage.¹⁶

Finally, we come to the immigration law of 1996, the “Illegal Immigration Reform and Immigrant Responsibility Act.” This law has many draconian penalties for documented and undocumented immigrants even though the US is a society that is largely peopled by immigrants. But most crucial for our theme are the provisions that make a transition from an “undocumented status” to a “documented status” next to impossible. This creates a permanent sector of workers in the US who have no rights

nor even a possibility to petition for them. This stratum is immediately transformed into a slave-like status because people in this situation have great difficulty in negotiating a wage. For an employer of an undocumented worker faces a small fine if s/he is discovered, while an undocumented worker faces financial catastrophe or even death.

Prisoners, single mothers, undocumented immigrant workers are all entering into a new legal status: waged workers who cannot legally negotiate their wages. In other words, millions of adults in the territorial US are finding themselves in situations reminiscent of the 19th century, with its plantation slavery in the South, coolie workers in the West, and indentured servants in the East of the US. This revival of slavery constitutes a major defeat of the US proletariat; for how can one launch a major wage struggle knowing that there are millions of people in slave-like situations undercutting wages? Slaves, not computers, are the somber basis of US capital's "bright prospects" in the winter of 1998.

Conclusion: "The Force to Compel the Masters"

Surely any story that ends with the revival of slavery is a story of working class defeat. It is important for Mexican comrades to know the grim facts, but we cannot end here. Especially not in an article meant to begin a discussion about "the force to compel the masters to forgo the use of slaves" in the common history and future of the US and Mexican proletariats.

A good place to begin this discussion is with NAFTA itself, the official document by which the masters of Mexico and the US have agreed to structure relations between themselves and "their" proletariats in the coming decades. The NAFTA principle is: *free the flow of capital and commodities across the borders and highly restrict the passage of labor power*, allowing capital to easily escape wage struggles while making it difficult for workers to escape wage defeats. NAFTA has definitely been successful for US capital. Since 1994 real wages both in Mexico and the US have fallen while trade, capital flow, and profits have increased dramatically in the US.

But NAFTA is not yet a perfect capitalist tool. A major debate among capitalists in the US since NAFTA became operational in 1994 has been over how restricted should the passage of labor between Mexico and the US be? The far right has been demanding "an immigration moratorium" while the center of the political spectrum is satisfied with creating a class of immigrants in a quasi-slave status who would neither be able to access government services nor negotiate their wages. The "Illegal

Immigration Reform and Immigrant Responsibility Act” of 1996 was a tentative compromise between these two groups, but the sparring between openly racist hard-cops like Pat Buchanan, the Republican presidential candidate, and neo-social democrat soft-cops like Robert Reich, Clinton’s former Secretary of Labor, will continue far into the future. For this politics is used to manipulate the quantity of labor power moving across the borders and to divide Mexican and US workers from each other in accordance with the needs of capital. Moreover, this vicious debate allows the Mexican government to appear as a concerned protector of immigrant Mexican workers (and their remittances) in the US.

But this NAFTA debate is an exercise in futility for the North American working class, forever driven between the rhetoric of racist exclusion, efficient slavery, and Machiavellian paternalism. *NAFTA must be turned upside down and rewritten in the interest of the North American proletariat.* At the very least, this revision would require putting new restrictions on the movement of capital and a liberation of the movement of workers. This strategy began to be discussed in the struggle against NAFTA in 1993 by different cross-border alliances of labor unions and was forcefully put on the working class agenda by the EZLN in the Revolutionary Law they proclaimed on January 1, 1994.

The Zapatistas self-consciously chose that date to begin their uprising as a blow against NAFTA.¹⁷ They called NAFTA a “death sentence” for the indigenous of Mexico and demanded that the NAFTA-inspired revision of Article 27 of the Mexican Constitution be annulled and that any foreign company coming into Mexico pay the same wages to Mexicans that they pay at home. But the Zapatista’s demand for legal and economic autonomy for indigenous regions of Mexico, if successful, would go far beyond the precincts of the indigenous to fundamentally undermine the effect of NAFTA on the whole North American proletariat. Indeed, this rebellion has already helped to halt the expansion of NAFTA to Chile, Argentina, Costa Rica and other parts of the Americas. In this sense, the revolt in Chiapas poses the problematic of the North American working class in its sharpest contours. This explains why the US government has been so diligent in arming and training the Mexican Army (under the cover of a phony “drug war”) and why the Mexican government has been so harsh in its rejection of the San Andreas accords by claiming that it would “Balkanize Mexico.”

The problem with indigenous autonomy for capital is not that it would bring about the breakup of Mexico, but that it would provide a model for workers (both waged and unwaged, both US and Mexican) to restrict and control all capital that flows into its

vicinity. Though not anti-capitalist in itself, this autonomy would have revolutionary consequences in the contemporary era of totalitarian neo-liberalism. Consequently, an important condition for the common future proletarian future in North America is the survival and success of the struggle for indigenous autonomy in Chiapas.

Can the search to find “the force to compel the masters to forgo the use of slaves” end in the *ejidos* of Chiapas, the poorest (*and* richest) region in all of North America? This would be surprising only to those ignorant of Marx. For in the decade after the defeat of the 1871 Paris Commune, Marx turned his attention to the revolutionary possibilities in the communal land and peoples of the world. He found them in the Russian *obshchina*, “a form, albeit heavily eroded, of the primitive communal ownership of land” and similar to the *ejido*. In one of his last published writings, the *Preface to the Second Russian Edition of the Manifesto of the Communist Party* (1882), he laid his considerable prestige on the concluding sentence: “If the Russian revolution become the signal for proletarian revolution in the West, so that the two complement each other, then Russia’s peasant communal land-ownership may serve as the point of departure for a communist development.”¹⁸ These were prescient words, but they were certainly “off color” for those committed to the vanguard role of the industrial proletariat in 1882. Let us learn from history, especially our history to question our assumptions and dismissals.

Mexico City-Parma-Newport-Brooklyn
July 1997-March 1998

Notes

1. There were periods when there was much political cooperation and communication between Mexican and US proletarian organizations. The involvement of the Industrial Workers of the World (IWW) in 1906 strike of Mexican miners in Cananea and with the Magon brothers’ “desert revolution” in Baja California was well known. During the Mexican Revolution, the American Federation of Labor (AFL) organized contacts with La Casa del Obrero Mundial and many other newly formed Mexican unions. The Congress of Industrial Organization (CIO) supported the Cardenas government’s expropriation of the oil companies and collaborated with the Confederacion de Trabajadores de Mexico (CTM) in the 1930s. These organizational ties began to fade in the 1940s and are only being revived in the 1990s, under the pressure of NAFTA. For a discussion of

the relation of US and Mexican working-class organizations from 1906 to the 1940s see Harvey A. Levenstein, *Labor Organizations in the United States and Mexico: A History of their Relations*. (Westport, CT: Greenwood, 1971). A good handbook for the post-NAFTA renaissance of relations between US and Mexican labor unions see Harry Browne (ed.), *Cross Border Links: A Directory of Organizations in Canada, Mexico, and the United States*. (Silver City, NM: Interhemispheric Resource Center, 1997).

2. A review of the "New Economy" literature would include articles like Alan B. Krueger's "How Computers Have Changed the Wage Structure: Evidence From MicroData, 1984-1989." *Quarterly Journal of Economics* 108 (June 1993): 33-60, John R. Cranford's "Economy Will Benefit from Deregulation: Question Is, How Much?" Special Report, *The Information Arena, Congressional Quarterly*, supplement to no. 19, May 14, 1994, and Michael Rothschild, "The Coming Productivity Surge," *Forbes ASAP*, March 29, 1993. But these technology boosters need to confront "the productivity paradox," i.e., labor productivity grew by 3% annually between 1960s and 1973 but it has fallen to 1.1% between 1973 and the present. The latter period has seen an elephantine investment in computer hardware, software, and personnel, but it produced a productivity mouse! For a discussion of this paradox see Daniel E. Sichel, *The Computer Revolution: An Economic Perspective* (Washington, DC: Brookings Institution Press, 1997) and Thomas K. Landauer, *The Trouble with Computers: Usefulness, Usability, and Productivity* (Cambridge, Massachusetts: MIT Press).
3. See Fred Mosley, "The rate of profit and economic stagnation in the US economy," *Historical Materialism*, Autumn 1997.
4. Daniel P. Moynihan, *The Politics of the Guaranteed Income: The Nixon Administration and the Family Assistance Plan* (New York: Random House, 1973).
5. Harold L. Sheppard and Neal Q. Herrick, *Where Have All the Robots Gone? Worker Dissatisfaction in the '70s* (New York: Free Press, 1972).
6. Karl Marx, "Machinery and Large-Scale Industry," *Capital: A Critique of Political Economy*, Vol.1, Chapter 15. (Harmondsworth: Penguin, 1976).
7. For a thorough journalistic account of "downsizing" and workers' reaction to it see The New York Times' Special Report, *The Downsizing of America* (New York: Times Books, 1996).

8. For a positive discussion of "Post-Fordism" see A. Lipietz, *Mirages and Miracles: The Crisis of Global Fordism* (London: Verso, 1987) and for a critique of the thematics of "Post-Fordism" see Ferruccio Gambino, "A Critique of the Fordism of the Regulation School," *Common Sense: Journal of the Edinburgh Conference of Socialist Economists* No. 19, 1996.
9. For statistics on the increase of the total work day of US women since the early 1960s see Juliet B. Schor, *The Overworked American: The Unexpected Decline of Leisure* (New York: Basic Books). Schor shows that there has been an extraordinary constancy of the US housewife's working hours throughout the twentieth century. For example, even though the average US home has much more capital equipment and "labor-saving" appliances in 1990 compared to 1925 there has been virtually no decrease in the housewife's working hours: in 1925 she worked 51 hours per week while in 1990 she worked 49 hours (p. 86-87).
10. The literature on "globalization," "neo-liberalism," "liberalization," "the New International Division of Labor," "The New Enclosures" and other terms used to describe the post-1973 history of planetary capitalism is immense. I merely suggest a short list: Midnight Notes, Introduction, *One No, Many Yeses* (Boston: Midnight Notes, 1997); Silvia Federici, "Reproduction and Feminist Struggle in the New International Division of Labor." In M. R. Dalla Costa and G. Dalla Costa (eds.), *Women, Development, and the Labor of Reproduction: Issues of Struggles and Movements* (Lawrenceville, NJ: Africa World Press, 1998); Jerry Mander and Edward Goldsmith (eds.), *The Case Against the Global Economy and For a Turn Toward the Local* (San Francisco: Sierra Club Books, 1996); Roger Burbach, Orlando Nunez and Boris Kagarlitsky, *Globalization and its Discontents* (London: Pluto Press, 1997); Kevin Danaher (ed.), *Corporations Are Going to Get Your Mama: Globalization and the Downsizing of the American Dream* (Monroe, Maine: Common Courage Press, 1996). For a more sceptical treatment of these descriptions see Paul Hirst and Grahame Thompson, *Globalization in Question: The International Economy and the Possibilities of Governance* (Cambridge, UK: Polity Press, 1996).
11. Quoted in Kevin Danaher, *Corporations Are Gonna Get Your Mama*, p. 29.
12. The story of the epic strike in Jay, Maine was told by David Riker in Midnight Notes (ed.) *The New Enclosures* (New York: Autonomedia, 1990).

13. An important set of articles on slavery and its horrendous cousins was edited by Leonie J. Archer, *Slavery and Other Forms of Unfree Labour* (London: Routledge, 1988), see especially G.E.M. de Ste. Croix's "Slavery and Other Forms of Unfree Labour" and Robin Blackburn's "Slavery—its Special Features and Social role."
14. Orlando Patterson, *Slavery and Social Death: A Comparative Study* (Cambridge, MA: Harvard University Press), p. 13; and Pierre Dokes, *Medieval Slavery and Liberation* (London: Methuen & Co. Ltd., 1982).
15. For a discussion of the "prison-industrial complex" see Section One of Elihu Rosenblatt (ed.), *Criminal Injustice: Confronting the Prison Crisis* (Boston: South End Press, 1996).
16. There has been a major struggle against the 1996 welfare law's provisions concerning the non-negotiability of the wages and working conditions in workfare. For example, one activist group, Association of Community Organizations for Reform Now (ACORN), has created a union of workfare employees in New York City and is demanding recognition. The Clinton Administration has responded to such efforts by placing a provision in the 1997 Budget bill requiring that workfare workers employed by state governments should receive at least the minimum wage.
17. For a discussion of the complex conjuncture of forces that led to the decision to start the Zapatista insurrection on January 1, 1994 see Subcommandante Marcos with Yves Le Bot, *Il sogno zapatista* (Milan: Mondadori, 1997), pp. 133-149.
18. The *Preface* is reprinted in an important collection of essays and documents concerning Marx's last decade: Teodor Shanin (ed.), *Late Marx and the Russian Road: Marx and "the peripheries of capitalism"* (New York: Monthly Review Press, 1983). The quote is on p. 139.

chapter three

NATO's Real Agenda

(with Silvia Federici)

“The stakes now involve far more than the fate of Kosovo. They were altered dramatically the day the bombing began. It is no exaggeration to say that NATO's failure to prevail would mean both the end of NATO as a credible alliance and the end the undermining of America's global leadership, and the consequences of either would be devastating to global security.”

—Zbigniew Brzezinski

If the justifications given for NATO's war against Yugoslavia lack credibility, what, then, is the real agenda? What is the political meaning of this war, which is now aiming at the country's total destruction?

There many good reasons to ask these questions. First, we have to reckon with the underlying causes of the war, if we are to build an anti-war movement capable of preventing its reoccurrence and/or its expansion, in Yugoslavia or any other part of the world.

Second, as American citizens, we have a special responsibility to understand what drives a war that is waged in our name, paid with our money—at the expense of our neighborhoods and much under-funded public services—and is conducted in violation of our constitution.

Last but not least, with the war in Yugoslavia the US government is leading us on a dangerous path. In addition to undermining our constitutional rights, we must fear that this conflict may not be contained. This is the warning coming to us from many people across the world—Greeks, Italians, Germans, Russians, Chinese—who believe this war is a sign of the US government's determination to dominate the world, and that it renews the danger of a nuclear confrontation with the former Soviet Union.

These fears are not unjustified, if we consider that this war is the last act in a ten-year long intervention by the US and the European Union (EU) (above all Germany and Austria) in what used to be the Yugoslavian Confederation, an intervention that has led to the gradual dismemberment of Yugoslavia, the establishment of a NATO protectorate in Bosnia, and the deployment in it of thousands of US troops for what now appears to be an indefinite time.

Equally important, the war in Yugoslavia is in conformity with the strategic goals the US and EU have set for Eastern and Central Europe since the fall of the Berlin Wall and the collapse of “state socialism”—goals that have been repeatedly stated, and already acted upon.

First among them is the enlargement of NATO through its eastward expansion, promoted as a doctrine and a policy by the Clinton Administration since the Brussels Conference of 1994, and already implemented, earlier this year (shortly before the beginning of the attack on Yugoslavia), with the entry of Poland, Hungary and the Czech Republic into the alliance.

Justified as a response to Russia’s alleged return to “statism” (Kluger 1995)—which means that since 1994 Russia has strengthened ties with the Ukraine and Belarus among other things by supplying them with free oil (Dawisha 1966)—this NATO expansion policy is a momentous reversal in the relationships between the US and Russia. For it reneges on the promises made at the time of the fall of the Berlin Wall, when the reunification of Germany was bargained by the US in exchange for a guarantee that none of the countries of the Warsaw Pact would ever become part of NATO, but would provide instead a buffer zone between Germany and Russia. Indeed, there many policy analysts today who see this move as a serious mistake, threatening world security (Granville 1999).

But the Clinton Administration has insisted that the integration of the countries of Eastern and Central Europe under NATO’s political and military umbrella is the irrevocable condition for European security—indeed its major pillar—and must therefore be a strategic priority for the EU and US (Holbrooke 1995, Granville 1999).

This means that both are now strongly committed to turn the countries of the former Warsaw Pact and the territory of the former Yugoslavia into one continuous capitalist block (adoption of market reforms being a key condition for integration), and are prepared to defend this plan by military force.

Already, from this point of view, we can see that the war in Yugoslavia gives the US and EU the possibility to fulfill two major goals:

(i) It removes one of the last obstacles to NATO's dominance in the Balkans. For the capitulation of Yugoslavia would mark the end of the last Central European country that has opposed NATO's agenda for the region, and resisted the "market reforms" prescribed by the World Bank and the IMF (International Monetary Fund), as a condition for the transition of the former socialist countries to capitalism.

Until the beginning of the war, Yugoslavia still maintained some of the features of the special economic system created during the Tito era, in which major industries were state-owned, factories self-managed, and unemployed workers and farmers received subsidies.

Indeed, in July of 1994 the Serbian National Assembly passed "a law on the revaluation of privatized assets, which effectively halted the whole privatization process." By late 1998, "there was still no law on transformation of ownership, and critics of the Government perceived this to be simply a reflection of delaying tactics on the part of the regime of Slobadan Milosavic." As a consequence, by the late 1990s, "the private sector accounted for only some 15-20% of the business sector." Similarly, the Yugoslavian agricultural sector in the late 1990s still operated according to the system inherited from the Tito period: a combination of large socialized farms and small private ones. (David A. Dyker 1999) The preservation of the socialized economy was "inefficient," and "discredited" according to the IMF, but it obvious was popular enough to elect Milosevic and keep him hanging on to political power (Tim Judah 1998).

Now all of this "is history," as more than two months of relentless bombings have literally pulverized Yugoslavia's industry and economic infrastructure (its factories, roads, railroad lines, bridges, power plants), depriving the Yugoslavian people of any means of survival, and any defense against their now inevitable integration within the "global economy."

(ii) it creates the condition for the militarization of an area that is rich in mineral resources, and very strategically located, being at the cross-roads between Eastern, Central Europe and the Middle East and thus one of the world's most important trade routes (the Danube, which connects Yugoslavia to several Balkan countries, serves the shipping needs of a sizable area of Europe).

However, the full importance of the conquest of Yugoslavia for the US and the EU only emerges when we look at the strategy the US has decided to adopt to forward NATO's eastward advance, and neutralize Russia's attempts to rebuild its ties with the countries of the so-called "Near Abroad."

The lynch-pin of this strategy is the commercial exploitation of the Caspian Sea region. This area, which, we are told, holds some of the world's largest oil fields, has already been the site of huge investment deals; and there is no doubt that whoever controls the wealth to be extracted from it, and the means by which the oil can be transported to the lucrative markets of the west, will also control the politics of the region.

Thus, the Clinton Administration has made it very clear that it is not willing to allow Russia to enjoy this privilege, arguing that control over the transport of the Caspian oil would enable it to further exercise its influence in the region, resist the liberalization of its economy, long promised but not yet actualized, and continue to disappoint the expectations of foreign investors. As Julia Nanay, a consultant to the oil companies of the region, "This is not about oil. It's about defense politics and world strategy. Whether you are talking about containing Russian influence or helping Turkey or containing Iran or building up new states in the region, oil is just a political cover." ("A New Big-Power Race Starts on a Sea of Crude," *New York Times*, 1/24/99)

To pre-empt the possibility that Russia might gain from the Caspian Sea oil, the Clinton administration has decided to embark in a costly project in which political goals often prevail on immediate economic ones. This is the construction of a long pipeline—bringing the oil from Baku on the Caspian Sea to the port of Ceyhan on the Mediterranean in Turkey; that would by-pass the Russian and Iranian system of pipelines, and make the oil-rich republics of central Asia (Azerbaijan, Turkmenistan, Kazakhstan) independent from Russia.

Oil company executives have complained about the extra costs and political problems the Baku-Ceyhan pipeline will create. "This [skeptical attitude to the pipeline], which is widespread in the oil business, drives American officials to distraction. They are deeply convinced that building a pipeline from Baku to Ceyhan is vital to the US's long-term security interests." ("On Piping Out Caspian Oil, US Insists the Cheaper, Shorter Way Isn't Better," *New York Times*, 11/8/98)

If this strategy is to succeed, however, the Clinton must convince the Russians that NATO is willing to use all its might to discourage any interference with this pipeline, it

must assure the now hesitant leaders of the Central Asian republics that the US will back them up in case of a Russian invasion or subversion; and reassure as well the oil companies' CEO's that the US will protect their multi-billion dollar investments.

Negotiations around these issues have proceeded all through the war and the bombing of civilians in Yugoslavia, which show that the US is not held back by any humanitarian restraint in order to prevail. The bombs and missiles on Belgrade will be a powerful seal on these deals between the Caspian Sea governments and the oil companies.

Whatever else this war may accomplish, in fact, of one thing we can be sure. Not only has Russia been put on the alert that the US is "still the big boy on the block," (in the words of a US diplomat quoted in "A new Big-Power Race Starts on a Sea of Crude," *New York Times*, 1/24/99), but no effort has been spared to demonstrate Russia's irrelevance in international politics, and expose its weakness—a high-risk provocation that in no way can have been unintended.

The image of Primakov first, and later Chernomyrdin, uselessly shuttling back and forth from Moscow to Belgrade, where by a strange coincidence the bombings would intensify on their arrival, is the most eloquent symbol of this Russian defeat, though perhaps not the most humiliating. The US-dominated IMF's concession to Russia, a few days after the beginning of the bombings in Yugoslavia, of a large loan that Russia had long requested but not obtained, being perhaps the most blatant example of the US's will to demean Russia and diminish its image in the eyes of the world ("Russian Anger Over Attack Tempered by Need for Cash." *New York Times*, March 25, '99).

There are other advantages the US and EU can draw from this war. Among them is the consolidation of the US's leadership in European affairs, at one point seemingly threatened by the prospect of Europe's political and monetary union. With this new military intervention in Yugoslavia (after that in Bosnia) the US can again position itself as a "European power" (Holbrooke 1995), the main architect of the new European world order, together with a once again powerful Germany eager to reshape the East as its economic backyard.

The humiliation of Russia, in fact, goes hand in hand with the relaunching of the US-EU alliance, which, for all the trade rivalries of which we have heard so much about in recent months, still has many common grounds, all being played out in the war.

The German-led EU needs the US military might if it wants to pry open the economies of the East to its exports and already substantial capital investments, and

to have access to the newly discovered oil bonanza. A force of 150,000 NATO troops is also a reassuring presence for European governments at time when many are warning that the monetary union (to be implemented at the end of this year) "is an unprecedented high risk gamble" (Ash 58) that, sooner or later, it will face a crisis (*Ibid.* 60), and it may tear Europe apart, socially and politically.

For poor countries will be hard pressed to cut all social entitlements to keep up with fiscal and monetary requirements that have been set by Germany and therefore are shaped by the needs of Europe's most powerful economy (Singer 1996; Ash 1998, Martin and Ross 1999). Already, all EU governments are waging an assault on their countries' pension systems—that now will have to be sacrificed to pay for the war in Yugoslavia.

Indeed, we may find out that the bombs dropped on Yugoslavia are meant to explode also in Europe and the US, if the philosophy recently expressed by the Wall Street Journal—"we would rather pay for bombs than for the Social Security Trust Fund"—does express the spirit of the day. ("From Pentagon to Triangle," *Wall Street Journal* editorial, 5/17/99).

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chapter four

Islam, Oil, and September 11th

An Essay Addressed to the Antiglobalization Movement

I write this essay to participate in a discussion within the antiglobalization movement on the events of September 11. I am anguished about the lives lost in the bombings of that day. I am also concerned about the scenario that is in front of us:

- Massive bombings of Afghanistan and plans for protracted warfare against a list of countries (perhaps as many as sixty, according to President Bush) presumably supporting terrorism or lodging terrorists.
- The escalation of xenophobia especially against Arabs, but targeting all immigrants.
- The demonization of the anti-globalization movement, accused of being an enemy of “civilization,” and being indifferent to or even condoning the massacre on September 11.
- New, widespread restrictions on civil liberties, including the suspension of habeas corpus for a wide variety of people and the use of military tribunals for non-citizens certified as “terrorists.”

What can we in the antiglobalization movement do in this situation?

Our first task has obviously been to stop the escalation of violence, and mobilize against a US-led war on Afghanistan or any other country the Bush administration picks to be a target for its “war” on “terrorism.” We also need to build solidarity with the Arab and immigrant communities in the US now under attack physically and ideologically. Finally, we must defend our hard fought for civil liberties and the freedom of public space and motion.

These generalized anti-war, anti-racist and pro-civil liberties responses, however correct, are not enough. We must gain a better understanding of what has happened and why, since any confusion on this point can have the most serious consequences for the antiglobalization movement. Even though the hijackings and mass murders of September 11 were destabilizing for the Bush administration, it is determined to use them as a political opportunity to transform the definition of dissent here in the US and to project the US military into the oil-rich former republics of Soviet Central Asia. A purely generalized politics is doomed to taking a reactive stance in this historical situation, even when the Bush administration's hasty military moves and political contradictions begin to unravel.

This essay is inevitably going to be tentative and hypothetical, given our present lack of precise knowledge concerning the details of the crimes. Also, my aim is classification and explanation, but not vilification. The legal and moral facts are enough. The killings of September 11 constituted one of the worst one-day massacres in the last decade, probably only those in the first days of the Rwandan genocide of the Tutsis can rival it in terms of numbers. The thousands of murders are a major crime against humanity and, though the immediate perpetrators are dead, their accomplices, if they had any, should be captured and prosecuted in the appropriate courts without the US government committing similar crimes against the humanity of other countries. That this last proposition is a matter of controversy in the US at this moment shows how perilous are the times we are in!

Oil, Globalization, and Islamic Fundamentalism

On a broad level, the events of September 11, 2001 can be traced back to the economic, social, and cultural crisis that has developed in North Africa, the Middle East, and West Asia in the aftermath of the Gulf War and, prior to it, the accelerating process of globalization, starting in the late 1970s.¹ The first aspect of this crisis has been the impoverishment of urban workers and agriculturists in this area, due to Structural Adjustment Programs (SAPs) and import liberalization, dating back to Egypt's "open door" policy that cost the life of Anwar Sadat and saw the emergence of Islamic fundamentalism as a new political force.²

From the Cairo's "bread riots" of 1976, to the uprisings in Morocco and Algeria of 1988, both crushed in blood baths, to the more recent anti-IMF riots in Jordan and Indonesia, the difficulties of merely staying alive for workers has become more and more dramatic, causing major splits within the capitalist classes from Morocco to

Indonesia as to how to deal with this rebellion from below (Midnight Notes 1992). A further element of crisis has been the situation in Palestine. This too was made more intense by the Gulf War expulsion of Palestinians from Kuwait and Israel's response to Palestinian demands with more settlements, the attempted usurpation of Jerusalem, and escalating repression. Regardless of their actual disposition towards the Palestinians, this situation has become a cause of great embarrassment for these ruling classes, revealing, as it does, their duplicity and the shallowness of their commitment to Islamic solidarity.

The most important factor of crisis has been the hegemonic role of the US in the region, as exemplified by the devastation of Iraq, the US government's proprietary relationship to the management of oil resources in the Middle East, and the building of US bases right in Saudi Arabia, Islam's most sacred land. On all these counts, deep divisions have developed within these ruling classes pitting pro-American governments—often consisting of royal dynasties in the Arabian Peninsula—against a new generation of dissidents within their own ranks who, in the name of the Koran, have accused them of being corrupt, of squandering the region's resources, of selling out to the US, of having betrayed Islam, all the while offering an alternative "social contract" to the working classes of North Africa, the Middle East and West Asia and using their wealth to create a multinational network of groups stretching through every continent and often taking on a life of their own. For we must remember that every capitalist ruling class, however draconian in rhetoric, comes to power with a divisive "deal" for some part of the working class. Even the Nazis offered guaranteed employment and ultimately free *lebensraum* to the "Aryan" workers, if they joined in the oppression of their fellow workers. The Islamic fundamentalist ruling classes in waiting are no exception.

As a social program, Islamic fundamentalism has distinguished itself, in addition to its unmitigated bolstering of patriarchal rule, for its attempt to win over the urban populations through the provision of some basic necessities such as schooling, healthcare, and a minimum of social assistance. These initiatives were undertaken often in response to the ending of government subsidies and programs in these areas which was dictated by the SAPs designed by the neoliberals in the World Bank and IMF.³ Thus, for example, it is the Islamic fundamentalist networks that organize health care and education in the Palestinian "territories," almost functioning as an alternative government to the PLO at the grassroots level.⁴

Over the last decade as the crisis in the Middle East and internationally has intensified, so has the antagonism of the Islamic fundamentalist networks against the US and its domestic supporters in the different Islamic countries. But this conflict has been stalemated in key countries. In Algeria, for example, the Islamic Salvation Front, which grew rapidly after the anti-SAP riots of 1988 and almost took state power electorally in 1991, was stopped by a military coup. For the last decade, through a horrendous civil war where between 60,000 to 70,000 were killed, the Algerian Islamic fundamentalists have been decisively weakened by attrition and military repression. In Egypt, the Mubarak regime has used direct repression as in Algeria as well a system of microscopic social surveillance to defeat the fundamentalist "tide." For "the [Mubarak] government acted to stem the proliferation of private mosques and associated charitable foundations and to end their extragovernmental autonomy" (Faksh 1997: 54). The result has been a major defeat of fundamentalism in, perhaps, the second most important Islamic state.

These setbacks have not been dramatically reversed by the fundamentalists who seized state power in Sudan and Afghanistan, for in both countries they inherited, and were not able to end, long-standing civil wars. The lingering civil war in Afghanistan led to the demise of the fundamentalist regime there, of course, once the US and the local powers (Russian, Iran and Pakistan) agreed on its termination and supplied the opposition with weapons (Russia) and air-support (the US).

But stalemate does not mean defeat, and there is no doubt that Islamic fundamentalism continues to have an attraction within the ruling circles of the wealthiest Islamic nations. This internal contradiction has created a tangled net of consequences which are now embarrassing and endangering many people in the US government and in the governments of the Middle East. For they have financed and trained the very generation of dissidents who are now so violently turning against them. On the one side, a portion of the Middle Eastern oil revenues has been used to finance assaults on symbols of the New World Order, because of the divided loyalties of the Middle Eastern ruling classes; on the other, the US government has financed and trained many members of this dissident branch of the Middle Eastern ruling classes in its effort to destabilize the Soviet Union in Afghanistan.

The governmental and informal financial and military support of armed Islamic fundamentalists did not end with the Soviet pullout from Afghanistan in 1989. These militants played important economic, military and ideological roles that forwarded US policy against Yugoslavia (in Bosnia and Kosovo) and against Russia (in Chechnya,

Dagestan, Uzbekistan) up until September 10, 2001. The deal apparently was: do the dirty work of fighting and destabilizing secular communist, socialist and nationalist regimes in Eastern Europe, Caucasia and Central Asia and you will get rewarded. These “free floating” militants did the US’s dirty work for twenty years, but they obviously increasingly were convinced that the US had not delivered. They were not given their proper reward: taking power at the center of the Islamic world, the Arabian Peninsula.

This complicity and deal-making is why, perhaps, the Bush administration is so hesitant to do what would be natural after such a massive intelligence and security failure attested to by the September 11 crimes: *get rid of the incompetents*. That would be difficult, for many of those who have been brought back in power into George W. Bush’s administration were the ones who were responsible, during his father’s presidency, for the training and financing of the very organizations they now hunt under the banner of “terrorism.” Therefore, the executive dynasties in both the US and Saudi Arabia must both be worried about “family members” who have been compromised by their past connections to the networks they now claim to be responsible for the events of September 11. This goes up to the President’s family. For example, the *Wall Street Journal* (9/28/01) reported that the President’s father as well as other close associates of the President like former Secretary of State James Baker do work for the bin Laden family business in Saudi Arabia through the Carlyle Group, an international consulting firm.

The crude and desperate attempts by ideologists of the Bush administration to somehow connect, in ever more arcane ways, the antiglobalization movement with the Islamic fundamentalists is fueled by desire to distract public attention and hide an anxiety on its side which is summed up in the question: when will the long list of *real* connections between “terrorist network” the Bush administration is hunting and its own personnel be revealed? That is why, perhaps, President Bush harkened back to his childhood memories of “Wanted Dead or Alive Posters” (with the emphasis on “DEAD”) when speaking of Osama bin Laden and his associates. It is also why the military tools being used to “hunt” for bin Laden, like the “Daisy Cutters” being dropped in the vicinity of suspicious caves, are meant to bury the suspected criminals instead of bringing them to light. For the administration’s legitimacy would be undermined, if they ever spoke the truth.

This “anxiety of influence” is also a deep motivation for the emphasis on secrecy in the judicial proceedings being planned for the people certified as “terrorists” *before*

their trials in administrative INS courts or military tribunals. The Bush administration accurately justifies this secrecy as a way to “protect” government personnel who have had questionable relations with the “terrorists” being tried. But part of what is being protected is the frequent cooperation between the Islamic fundamentalist “terrorist network” and the agents of US foreign policy over the last two decades.

Why now and why so desperate?

These generalized facts concerning the hidden civil war within the oil producing countries from Algeria to Iran serve to describe the context of the attacks on the World Trade Center and the Pentagon. For I am assuming that the immediate perpetrators of the attacks were committed to some branch of Islamic fundamentalism. But these facts do not help us understand why the attacks took place in September 2001 and why the resistance to the US took such a desperate form. For these attacks are symptoms of desperation not of power, as they will likely lead to a devastating US military response with predictable results: the destruction of thousands of Islamic fundamentalist militants along with a tremendous collateral damage on the people of Afghanistan and many other countries in North Africa, the Middle East and West Asia. Who on the ground can survive in such a maelstrom? Indeed, the actual perpetrators and their accomplices, whoever they are, must have been very desperate to take such a risk with their own network and the lives of millions of people of the region. It is also probable that many (perhaps most) people even in the most militant Islamic fundamentalist circles object to the bombings in New York and Washington DC, if not for moral, then simply for strategic reasons, knowing full well that their hard-fought for achievements might all go up in smoke as a result these actions.

Certainly the developments after September 11 justified such forebodings. Within a couple of months, the Taliban rule over Afghanistan was demolished, thousands of militants were slaughtered and no fundamentalist uprising occurred in response to the US bombing of a Muslim country anywhere on the planet. If the Osama bin Laden group planned the crashes of September 11, then it surely over-reached. If an even more desperate set of militants did it, then the bin Laden group is paying for a collective desperation it shared.

Clearly something very important was in process of occurring that the perpetrators of September 11 needed desperate and inherently uncertain measures to thwart. What was it? The clue is in the national composition of the hijackers. If the US Justice Department is to be believed they were all citizens of Arab nations. Fifteen were Saudi

citizens, two were from the United Arab Emirates, one was from Egypt and one from Lebanon (*Associated Press Online* 11/23/2001). Even though there is a paucity of information about them, they were clearly not the “wretched of the earth.” They were mostly from professional or well-to-do families in the center of the Arab world. They were literate, well-traveled and sophisticated people far from the Koran-memorizing poor boys in the *madradas* of Pakistan. But they were involved in a life-and-death politics that they totally identified with. Although they did not leave a detailed manifesto behind, these facts lead me to conclude that if they were desperate, they were desperate about the politics not of Afghanistan, Chechnya or Pakistan, but of their own countries.

If my hypothesis is right, then, the source of this desperation are events at the geographical center of Islam, Saudi Arabia, which echoed throughout the Islamic world.

My view is that the political factors motivating the mass murder and suicides of September 11 involved the oil industry and structural adjustment in the Arabian Peninsula. Here is the story.

Beginning in 1998 (after the collapse of oil prices due to the Asian Financial Crisis), the Saudi monarchy decided, for “strategic reasons,” to globalize its economy and society beginning with the oil sector. The oil industry had been nationalized since 1975, which means that foreign investors were allowed to participate only in “downstream” operations like refining. But in September 1998 Crown Prince Abdullah met in Washington DC with senior executives from several oil companies. According to Gawdat Bahget, “The Crown Prince asked the oil companies’ executives to submit directly to him recommendations and suggestions about the role their companies could play in the exploration and development of both existing and new oil and gas fields” (Bahget 2001: 5). These “recommendations and suggestions” were then submitted to a Supreme Council for Petroleum and Mineral Affairs in early 2000 (after being vetted by the Crown Prince), and, by mid 2000, the Saudi government began to cautiously respond to them, by ratifying a new foreign investment law. Under the new law, “tax holidays are abolished in favor of sweeping reductions in tax on profits payable by foreign entities, bringing them nearer to levels that apply to local companies. Wholly owned foreign businesses *will have the right to own land*, sponsor their own employees and benefit from concessionary loans previously available only to Saudi companies” (Bahgat 2001: 6, my emphasis) [*Nota bene*: it is obvious why “the right to own land” would be a red flag for anyone committed to the sacred character of

the Arabian Peninsula.] The Middle Eastern financial experts were literally falling over themselves in their effort to highlight the new Investment Regulation. One described it in the following words, "Keep your fingers crossed, but it looks as if Saudi Arabia is abandoning almost seventy years of restrictive, even unfriendly policy toward foreign investment" (MacKinnon 2000). This law constituted, in effect, a NAFTA-like agreement between the Saudi monarch and the US and European oil companies.

At the same time as this law was being discussed, a ministerial committee announced that up to \$500 billion of new investments would be deployed over the next decade to change the form of the Saudi national economy. \$100 billion of this investment was already promised by foreign oil companies.

In May of 2001 the first concrete step in this stepped up globalization process was concluded when Exxon/Mobil and Royal Dutch/Shell Group led eight other foreign companies (including Conoco and Enron from the US) took on a \$25 billion natural gas development project in Saudi Arabia. The financial press noted that the deal would not be very lucrative in itself, but that "It's part of a long-term ploy of the oil companies, [which] want ultimately to get access again to Saudi crude" (*LA Times* 5/19/2001).

Thus, by the summer of 2001, the Saudi monarchy cast the die and then legally, socially and economically entered the Rubicon of globalization (but with its "fingers crossed," undoubtedly). It "globalized" not because the Saudi Arabian debt, though large, was unmanageable (as was the case with most other countries which bent to the globalizing dictates of the IMF) but because, faced with a intensifying opposition, the King and his circle realized that only with the full backing of the US and European Union could they hope to preserve their rule in the coming years.⁵ In other words, confronted with significant social problems and an insurrectional element within its own class that could not be defeated by open confrontation, since it took on the garb of Islam too, the Saudi Arabian government seems to have decided that a rehaul of its economy would defeat its dangerous opposition through attrition and would further solidify its alliance with US and European capital. The strategy was aimed at reducing the large and growing unemployment rate among its young citizens, its dependence on oil exports, and its huge foreign labor force (in 1993 there were 4.6 million foreign workers out of a total population of 14.6 million; today they are approximately 6-7 million in a population of about 22-23 million) by "getting the economy moving again."⁶ This required a radical departure from the clientelistic methods of social control the Saudi monarchy had used in the past to keep social peace, which was made possible until recently by its immense oil wealth. But this wealth is not infinite

and indeed was declining on a per capita basis—for example, GNP per capital fell from approximately \$13,000 to \$8,000 from 1983 to 1993 and has since continued to fall to less than \$7,000 in 1998, a very weak year for oil prices [(Cordesman 1997: 64), for the GDP data of 1998 (Anonymous 2000)]. Inevitably, this initiative would impact the economic policies of the other oil producing governments in the region, especially the Gulf Cooperation Council states—Oman, Qatar, UAE, Bahrain, and Kuwait.

If it works, this strategy would deal a decisive blow to the Islamicist opposition, undermining its ability to recruit converts who would be employed in the upper echelons of a “globalized economy and society” instead of being driven to despair by political powerlessness and long periods of unemployment. But the introduction of foreign ownership of land and natural resources, backed up by large investments, and the hiring of more expatriates from Europe and the US, would force a major social change.⁷ The cat-and-mouse game that the Saudi monarchy had played with the fundamentalist dissidents (by which the King and his dynasty claimed to be even more fundamentalist than them) would end. Whatever hopes the Islamic opposition in the ruling classes of the Arabian Peninsula had ever harbored of getting their governments to send the American troops packing and turning their oil revenues into the economic engine of a resurgent Islam were facing a historic crisis in the summer of 2001. Without a major reversal, the members of the Islamic fundamentalist opposition would have to face the prospect of a total civil war in their own countries or face extinction. Certain elements—whether they were individuals or groups, I cannot know now—of this opposition decided that only a spectacular action like the September 11 hijackings and destruction of thousands of people in New York and Washington could turn back the tide. Perhaps they hoped that if enough turmoil and uncertainty can be generated by the attacks in the US, they will generate a strategic US retreat from the Arabian Peninsula just as the bombing in Lebanon in 1983 led to the US pull out there.

Certainly the Saudi monarchy has responded to September 11 with a desperation of its own, by picking up the pace of globalization in a number of vital areas. Prince Abdullah, the chairman of the Saudi Arabian General Investment Authority, said on November 6, “We must not let terrorism, acts of violence and conflict distract us from doing our daily work and planning for the future. We are on the brink of becoming one of the most exciting markets as restructuring gathers pace.... We want to allow the whole economy to be plugged into what is happening in the rest of the world” (*Middle East Economic Digest*, 11/16/2001). A few days later the formation of a new regulatory body for the power sector was announced which would explicitly be concerned with the protection of potential foreign investors. These are not abstract beings, for the

very international oil companies that are investing in the natural gas initiatives mentioned before, like Exxon/Mobil and Royal Dutch/Shell Group, are planning to invest heavily in new power stations (*Middle East Economic Digest*, 11/16/2001). Along with this news came further details concerning the new Water Ministry that will be charge of “liberalization of the water sector and the introduction of foreign investment in desalination” (*Middle East Economic Digest*, 11/09/2001). Thus, one of the most important impacts of September 11 has been the Saudi monarchy’s hurry to pass control over their country’s Power and Water to the hands of international investors, especially the international oil companies.

On the basis of this analysis, then, the September 11 attacks on New York City and Washington DC were the “collateral damage” of a struggle over the fate of oil politics in its heartland: the Arabian Peninsula.

The US Military Penetration of Central Asia

It is important that we understand the political and economic aims of the hijackers and their accomplices, but it will be even more important for us to be clear about the Bush administration’s agenda. For one need not indulge in conspiracy theories to recognize that the Bush administration will use the events of September 11 as best as it can to forward its program (while acknowledging that the shock of the destruction of lives and property on that day has profoundly destabilized President Bush’s pre-September 11 domestic economic and social agenda).

There are two clear territories which the Bush administration has strategically used the death and destruction of September 11 to move on: a conceptual restructuring of the political horizon and a geo-political thrust into the former Central Asian republics of the USSR which became nation states in 1991. These states, especially Kazakhstan, Uzbekistan and Turkmenistan, have significant oil and gas reserves. “The proven and possible energy reserves in or adjacent to the Caspian region—including at least 115 billion barrels of oil—are in fact many times greater than those of the North Sea and should increase significantly with continuing exploration. Such plentiful resources could generate huge returns for US companies and their shareholders. American firms have already acquired 75 percent of Kazakhstan’s mammoth Tengiz oil field, which is now valued at more than \$10 billion” (Kalicki 2001: 121). These countries, along with the former and present Caucasian republics, form the southern border of Russia’s “Near Abroad” which the US has been aiming to penetrate militarily for some time

both for immediate economic purposes and for the ultimate goal of disintegrating Russia itself into a set of pliable statelets.

The minute President Bush named Osama bin Laden as “the prime suspect” and “his” camps in Afghanistan as the training ground for the terrorists that destroyed the Twin Towers every diplomatic move aimed at setting up forward military bases and fly-over rights to attack bin Laden also doubles as a tool for the US military occupation of Central Asia itself. After all, we are being told equivocally by the administration both that bin Laden is the center of the evil and that even his capture (“DEAD or alive”) will not end the threat of terrorism from that quarter. Therefore, the military campaign against both bin Laden and terrorism in Afghanistan (we are assured) will be quite prudential and take months, even years to accomplish. Perhaps the most damaging thing that might happen to this double-edged US government campaign would be for bin Laden and his circle to depart from the scene while leaving behind a well-documented history of their involvement with the US government over the last twenty years! Certainly the rapid military collapse of the Taliban regime has been more destabilizing to this plan than its continuation. Victory, in this case, is more dangerous for US long-term purposes than stalemate.

The recognition that this US war against Osama bin Laden and his supporters in the Taliban government is also a way to realize one of the main post-Communist goals of US foreign policy was immediately apparent to analysts of the oil industry and critics of the NATO war in Yugoslavia after September 11. The new “Great Game,” a.k.a. “the war for oil and destabilization in Central Asia” reading of the Bush administration’s moves, was easily documented because much of the relevant material required for this interpretation had been researched in 1999 when many were trying to understand the motivations of the Clinton administration’s involvement in the war against Yugoslavia above and beyond its ostentatiously decried (and newly found) concern for Kosovars’ human rights [cf. for example, (Chossudovsky 2001), (Federici and Caffentzis 2000), (Talbot 2000)]. It became clear then that one of the reasons the US attacked Yugoslavia (one of the few remaining Russian allies in Europe) was to impress on the Russians that it will use all of its might to discourage them from interfering with its investments in Caucasia and Central Asia. It is now a foregone conclusion that anyone interested in understanding Afghan-centered aspects of the Bush administration will have to take into account the “oil factor” (especially given the direct involvement of many members of the Bush administration, like ChevronTexaco’s Condoleezza Rice, in the oil companies that are heavily invested in this area.)

The reason for this is neither that Afghanistan's subsoil is the source of oil or natural gas nor that it lies in the path of the only or even the most efficient pipeline from the Caspian Sea region to the international market. It is important not to be fetishistic about oil and energy. Capitalism can do without oil as it can do without gold. The only fetishism it requires is the commodity form and the only energy it absolutely needs is human energy.

The development of an oil industry in the Central Asian area under the aegis of the US would be important because it would be the basis of integrating this region into the world market controlled by US-EU dominated agencies (WTO, World Bank, and IMF) and into the military sphere of NATO. The importance of the US troops in Uzbekistan and French Mirage bases in Tajikistan, ostensibly to search and destroy Al Qaeda "cells" in Afghanistan, is not that they are guarding the profits of National Security Advisor Rice's ChevronTexaco shares (although that is always a nice perk). It is two-fold: (1) the realization of a US geo-political dream to apply pressure on both China and Russia in previously inaccessible areas where they are very vulnerable: Western Islamic China and Southern Islamic Russia, and (2) the creation and integration of an oil-producing proletariat in Central Asia which would join the surplus-producing population of the planet.

That is, the imposition of an oil industry in Central Asia can be the basis of "selling" larger strategic interests and social-capital concerns to the corporate and financial powers of the US and Europe. Thus the entrance of NATO forces there, so far from the Atlantic, has a dual purpose. First, oil production is essentially martial for it requires (a) the violent displacement of the indigenous population, (b) a militarization of the production and transport areas, (c) the disciplining of highly skilled (often foreign) workers employing very expensive, easily sabotaged capital equipment. The existence of NATO troops in Central Asia overseeing these jobs of repression will make investors and oil companies more willing to invest in the region. Moreover, oil profits are a product of both rent and a transfer of surplus from less capital-intensive industries throughout the world. [(Massarrat 1980), (Caffentzis 1992)]. They tend to make the ruling classes receiving them very rich, very quickly and very unjustly. Hence, they are vulnerable ideologically and politically to all sorts of redistributive revolutionary movements. The NATO forces can become the counter-revolutionary "protection" of these local ruling classes, assuring "stability" for their international partners and getting a cut of the oil profits for their role. Thus they would be simply expanding their protection racket from the Arabian Peninsula to Central Asia.

Second, the NATO troops in Central Asia generate a destabilizing presence within Russia and China. They make it difficult for both countries' governments to rest comfortably within their borders for the military might of NATO gives support to secessionist movements.

This is not to say that this geo-political thrust into Central Asia was high up on the Bush administration's agenda prior to September 11. The expansion of drilling rights within the US was one of its first oil-related initiatives and preoccupied it throughout the summer of 2001. Indeed, Jan Kalicki, a "point man" in the Clinton administration on Central Asian oil, wrote an article for the September/October 2001 *Foreign Affairs* complaining about Bush's back sliding in Central Asia. After detailing the Clinton administration's accomplishments, he fretted that they "are now at risk of unraveling due to inadequate attention from the Bush administration and restrictive US policies. In contrast to the Clinton administration's vigorous support of Caspian energy initiatives, the Bush team seems to have placed those issues on the back burner" (Kalicki 2001: 130). Kalicki ended his article with the following words: "For the US to squander its past success and future potential in the region through complacency and inattention would be a serious mistake." He is undoubtedly now pleased by the swift end of Bush's "complacency and inattention" to Central Asia after September 11 and welcomes a return to oil business as usual there.

The Bush Administration's "War" on "Terrorism"

There is another territory that the Bush administration forcefully moved into after September 11 that is more abstract, but perhaps even more important for our movement. It is the territory of words and thoughts. By declaring the piracy, murders and devastation in New York City, Washington DC and Western Pennsylvania on September 11 an "act of war" and the start of its own "war on terrorism," the Bush administration is attempting to restructure the conceptual future of humanity for many years to come. By imposing a false dichotomy—you must approve my policies or you are on the terrorists' side—on the moral conscience of majority of people on the planet who are stunned, frightened and disgusted by the mass murder of September 11, President Bush hopes to take these consciences hostage, using the thousands dead in New York and Washington as talismans. This moral hocus pocus will fail in the long run, of course, because the overwhelmingly large number of people on this planet do not fit into the "us" versus "them" model that Bush's war configuration of September 11 requires. Most reject, heart and soul, both futures offered by either capitalist

globalization or its desperate Islamic militant opponents. There will be, in the meantime, innumerable attempts by the administration to equate dissent from the Bush policies as complicity in, or condoning of, or indifference to the dead of September 11.

These attempts at intimidation and equation of dissent with terrorism will eventually fail, largely due to their own contradictions. We did not have wait too long for them to reveal themselves. After all, high officials of the Bush administration financed, armed and trained the now decried "terrorist network" of Islamic militants, not the antiglobalization movement!

The semantic strain between Bush's "war" description of September 11 immediately ran into conflict with the way that these acts are being considered by the relevant authorities, the NYC Police Department, the courts, the insurance companies and the FBI. These acts are being investigated as crimes. Suspects are being questioned, material witnesses who might flee are being kept in prison, the sites of the crashed airliners are being treated as crime scenes and are being searched for evidence. The insurance companies have been blocked from using their "acts of war" loopholes to stop payment of claims. Most importantly, Congress has not passed a declaration of war against any party. But the Bush administration is using the "atmospherics" of war to opportunistically justify the violation of many civil and human rights ranging from bombing of rioting prisoners in Afghanistan to using military tribunals to try people arrested in the US "homeland."

You might say, "Crime or war, is this is not just a semantic quibble?" On the contrary, the way in which these events are described is a "life and death" decision. For the description of an event has implicit in it many moral and practical consequences, some obvious and others unforeseen.

There are important consequential differences between crime and war. Thus, a crime is an action done in violation of a state's laws (though not necessarily on its territory) by *particular* agents. Once a crime has been committed, the sequential consequences of investigation, indictment, apprehension, trial and then, perhaps, conviction and punishment are rather clear and are ruled over by an elaborate set of rules, laws and institutions. Most importantly, this sequence is built to be an inherently finite structure, which might, however, by accident, never come to a conclusion (e.g., when the agent responsible for the crime is never apprehended). That is why it is particularly revealing that the first name of the US government used to refer to its effort to apprehend the accomplices of the hijackers and many other allied terrorists

was “Operation Infinite Justice.” One of the great virtues of Justice is that it is finite and aims to bring an end to a harm done. Consequently, “infinite” justice can not be justice in a human sense.⁸

War, on the other hand, is an inherently infinite structure (what we in the US now call, “open ended,” and what one 19th century theorist of war called, “total”) that might, however, by accident, come to an end, say, with a peace treaty or the annihilation of one or both of the opposing warring parties. But it need not end. Moreover, the rules of prosecuting war are always open to question, since they are largely the result of agreements of states which are not at war but which might, as matter of defending their sovereignty, use their sovereignty to declare these rules null and void for themselves in the midst of war.

Why did the high-ranking members of the Bush administration chose “war” not “crime” in the hours after the crashes? At first glance this decision might have been rooted in the particular aspects of the events themselves. First, the quantitative dimension of the one-day killing and deliberate property destruction is unprecedented in recent US history. Second, the immediate perpetrators died committing the acts (one wonders what would have been the response if the immediate perpetrators had survived and were on the loose). Their collective suicide opened the logical possibility that they planned September 11 by themselves and that the people who supported them did not even know that they had such an audacious and risky idea in mind. Under these circumstances, if the event was categorized as a crime, then it would be a crime without living culprits—a consequence that could hardly be palatable to many in or out of the Bush administration. Finally, the choice of targets was symbolically aimed at the central economic, military and, if speculation concerning the destination of the fourth plane is accurate, political sites of the US. The hijackers seemed to think of themselves as heroic warriors striking at the heart of the US and Bush agreed with their self-description. So the spectacular logic of the hijackers was echoed by the Bush administration in its first assessment of these acts as acts of war.

But there are other, more general reasons for the Bush administration personnel’s choice of words, I believe. They concluded very early on that the hijackers were not some sort of nihilistic group deciding, *a la* “Fight Club,” to go to their deaths in an abstract blaze of glorious horror nor were they representatives of the homeland militia movement (as the perpetrators of the Oklahoma City bombing of 1995 proved to be and as the subsequent anthrax attacker(s) is (are) suspected to be). Though the September 11 perpetrators left no formal proclamation that accompanied their act, the

Bush administration saw that it was a political action and it was part of the US government's ongoing struggle against dissidents in Saudi Arabia and other Middle Eastern nations which it been carrying out since the Gulf War to keep its military and economic presence in the oil fields of the Arabian Peninsula. Since the word "war" captures the sense of a grand struggle (even though it is normally reserved for confrontations of nations), and since the Bush administration is committed to keeping and/or increasing control of the oil resources of that geographical arc from Saudi Arabia to Kazakhstan, "war" felt to them to be the obvious word to use in this context. The prominent members of the Bush administration might then see these acts in a poetic sense to genuinely be acts in a struggle they are individually and vigorously engaged in, and so it would be quite natural for them to express themselves in such a language (after all, President George W. Bush's father, National Security Advisor Rice and Vice President Cheney were deeply and directly involved in the oil industry in the recent past).

But perhaps the most important reason for use of the word "war" is that it gives the Bush administration the right to exercise extraordinary powers both domestically and internationally. Consider how "the war on drugs" has been so effectively used to justify interventions in countries as varied as Colombia, Panama and Afghanistan while the dimensions of the legal and penal counter-revolution in the US perpetrated under the banner of "the war on drugs" is staggering to this day.

One hesitates to contemplate what a parallel intensification of an unbounded "war on terrorism" will do to the prison populations and civil liberties of the US But we must, for already a set of new laws and Presidential dictates have changed the juridical terrain literally overnight since September 11 and have abolished our basic civil and human rights. Perhaps the most important is the abolition of the Habeas Corpus protection to people certified as "terrorist."

One of the problems of this change is that Habeas Corpus is often taken to be an obscure legal concept. It is not. Habeas Corpus protection is simply everyone's basic human right to demand that the legal system show just cause for detaining the body of anyone. It is an old right in English law (and later US Constitutional law). Its application gradually expanded due to manifold struggles from feudal barons, to the bourgeoisie, to workers and eventually, especially in the desegregation battles of the 1950s and 1960s, to the descendants of slaves. Throughout its almost millennium-long history it has been suspended, eviscerated or abolished in times of crises. This path of denying legal status to detained people began in earnest in recent US history in 1996

with the Anti-terrorism and Effective Death Penalty Act which severely limited the ability of death-row prisoners to appeal to the Federal courts to rule on the justice of their detention by state or local authorities. The USA-PATRIOT Act of last month has made it legal for the US government to detain without a court order non-citizens it has certified as terrorists, defined as those the Attorney General “has reason to believe may further or facilitate acts of terrorism ... or any activity that endangers the national security of the US” This is an abolition of Habeas Corpus for non-citizens and an invitation to tyranny, of course, justified as a precaution necessary for public safety (Linebaugh 1999). Even though it is directed at non-citizens, it deprives citizens an important secondary civil right: their right to know the government’s reasons for depriving anyone of their liberty.

Looking Back Carefully

The events of September 11 and their consequences have been a tremendous blow against the antiglobalization movement, since it has given governments all over the planet the opportunity to close public spaces and to repress dissent from whatever source in the interests of “public safety.” In order to regain the initiative we must understand our situation: the antiglobalization movement is in a struggle against both the supranational agencies of globalization, which are now draping themselves in US flags, and the dissident rulers-in-the-wings of the Middle East, who drape themselves in Islamic flags and want a better world-class deal for themselves and their “followers.” To begin to move again we must free ourselves to re-see our own past in order to understand our future in this context.

But the horror of the September 11 events have frozen many minds, as it was meant to do. A first step in liberating ourselves mentally is to ask questions and to imagine an alternative reality. Could it have been different? Was there another historical possibility that did not lead to the murder of thousands of people in New York and Washington? We are often told that thinking counterfactually is a vain exercise and, like Orpheus in Hades, we should not look back, otherwise we will lose the future. But if Orpheus did look back at Eurydice, carefully, he might have saved both her and later himself.

Let us remember our own story. From Seattle in November 1999 to Genoa in July 2001, the antiglobalization movement expressed in the First World the recognition that the supranational agencies (IMF, World Bank, WTO, G8) which claimed to deal with the economic and political problems of humanity are illegitimate on two counts: (a) they

have failed to solve these problems (e.g., the Third World debt has increased dramatically since the Debt Crisis of the early 1980s) and (b) they have no democratic responsibility to humanity (e.g., the IMF and World Bank are largely controlled by their largest shareholders: the US, Japan and the EU countries). The antiglobalization movement which had started in the mid-1980s with the resistance against structural adjustment in the countries of the Third World had finally surfaced in the streets of the First.⁹

The antiglobalization movement challenged these supranational agencies in a nonviolent manner to change their course and to democratize themselves before it was too late. It demanded that they look carefully into the face of the world and make a dramatic gesture, e.g., canceling the whole Third World debt. The Seattle demonstrations in November 1999 and those that followed were so important as we look back because they brought the demands of the Third World into the streets of the First. They showed that the interests of the poor and dispossessed of Asia, Africa and the Americas were taken seriously enough in Europe and North America that hundreds of thousands of people were willing to risk arrest, beatings and torture to project these interests as well as their own into the precincts of the powerful. At the very least, these demonstrations were able to stop the supranational agencies from causing further damage by passing new rules and regulations.

But that was the problem: though the antiglobalization movement was able to block or disrupt their meetings, the supranational agencies stonewalled the movement's positive demands. Neither massive debt cancellation, nor fairer trade provisions nor a "Marshall Plan for the World" nor the abolition of the World Bank and IMF were launched in response to the movement's efforts (whatever the debates within the movement about the effectiveness of these demands). On the contrary, the economic and political crises caused by globalization have intensified in the last two years. Moreover, the official response to the movement has become increasingly violent and repressive. This violence reached a climax in Genoa in July with the police's killing of Carlo Giuliani, their maiming and torture of hundreds of protesters, and their beating of thousands of others.

At this moment, we must ask the question: What would have happened if, instead of this repression, there was a decision to cancel all Third World debt at the Genova G8 meetings in July 2001? Imagine.

There were, however, not only two forces in confrontation in 2001—the circle of globalizing capitalists and the antiglobalization movement consisting of thousands of

peasant, worker, feminist, environmental and human rights groups across the planet—there was a third: the military Islamic fundamentalist, representing with arms the political demands of the dissident members of the Islamic ruling class. This group was and is committed to mortal violence, patriarchy and reassertion of the Islamic ruling class's control of the energy resources of their region from Algeria to Indonesia against the claims of the transnational oil companies and their own people's claims. It stepped into the vacuum of despair the stalemate between the antiglobalization and the supranational agencies of globalization inevitably generated, driven by its own crisis as outlined above.

On the basis of looking back carefully, then, I conclude that we in the antiglobalization movement must not be caught between the huge bombs of Bush and the smaller bombs of Islamic fundamentalism or be the grass trampled by the lopsided struggle between the giant and the small elephants. For at the moment, at least, our movement is the only one capable of leading an escape from the hellish dialectic of homicide and suicide that the forces of global capital and the perpetrators of the September 11 massacres have launched into oblivion.

Looking Forward

According to my hypothesis, then, not only have thousands of people in NYC and Washington DC been killed as pawns in a power struggle in the ongoing "oil wars" of the Middle East, the attack on the World Trade Center and the Pentagon has brought us back to the political structure that prevailed during the Cold War; that is, a structure where we in the antiglobalization movement have to confront both sides, since neither side represents the interests of working people in any part of the world, including the Middle East. The Islamic Fundamentalists' misogynous treatment of women—culminating with the politics of domestic enslavement embraced by the Taliban—the autocratic way in which Sharia Law has been imposed on many unwilling citizens; the atrocity of the punishments inflicted on those who break it (including capital punishment); and the chauvinistic brand of Islam imposed at all social levels by self-proclaimed Islamic fundamentalist governments like Sudan's (before the imprisonment of Hassan Turabi) and Afganistan's (before the deposing of the Taliban)—all speak unequivocally on this point.

In this context, the priority of the antiglobalization movement is to offer an anti-war, anti-patriarchal alternative to the deadly politics of the fundamentalists and their

globalizing adversaries by showing that we can address the issues that have led to this situation:

- *Control of natural resources.* Why should the US and Europe claim possession of the resources of the world as if they were their birth-right? How can the population of North America and Europe continue to be blind to the social cost of the oil they put in their cars, and the economic and social inequities built upon it?
- *The construction of a Palestinian homeland.* For how long will generations of Palestinians have to grow up in refugee camps with nothing to hope for and the burning, unquenchable anger of the terrible injustice done to them—an injustice reaffirmed with every new Israeli settlement in what was once their land?
- *The politics of WB/IMF.* Can we afford a globalization program that reduced the people of vast regions to refugees, paupers, and immigrants? Can we allow a world where the majority are displaced from their lands, their basic means of survival, and are forced to migrate across the world in a new diaspora resembling the slave trade?

Further, it is crucial that the anti-globalization movement begin to build a connection with the Middle East—by addressing its more urgent demands. For it is plausible that had this process been more advanced it would be far more difficult for the perpetrators of the September 11 massacre to portray all the people in the US as enemies of Islam, and by the same token it would be more difficult now for the US government to contemplate indiscriminate bomb attacks on nations in North Africa, the Middle East and West Asia. This making of connections will present many difficulties, logistic and otherwise; but a starting point is to make a connection with the immigrant Middle Eastern and West Asian communities in our own countries. The crucial point is to avoid the situation that prevailed during the Cold War, when for half a century the Russian working class and the workers of North America and Europe had nearly no contact, except sporadically, through the mediation of communist parties with the result that by the 1990s, even the seemingly most militant among the Soviet Union's workers—the miners—could be fooled by “experts” from the AFL-CIO into accepting privatization, as happened in the last days of the Soviet Union.

The power of the antiglobalization movement is in its potential to build a real, not simply ideological, political struggle of the world's working people against the plans of

globalizing capitalism. Farmers from India, trade unionists from Canada, students from Europe marched, talked and organized together in the great antiglobalization events of the last two years. This increasing unification of people across barriers of all kinds—geographical, religious, gender, political—has challenged the agendas of both the Islamic fundamentalists and the capitalist globalizers. The suicidal attack on Washington and New York and the Bush administration's response, therefore, also are attacks on the antiglobalization movement because they both are calculated to bring increasing divisiveness and despair within a planetary working class that was beginning to see, articulated in both words and images, an alternative non-violent, non-chauvinist, non-racist, and non-sexist reality taking shape. It is crucial that we do not let the war drums and increasing restrictions on civil liberties and the freedom to move across borders succeed in erasing the movement's organizing achievements.

December 2001

Notes

1. There have been many problems in describing the unbroken succession of nations states which, according to naive political geography, begins with Morocco in the west and ends with Pakistan in the east. It is not Arab, but is it Islamic? Doesn't such a description succumb to orientalism? After all, we do not describe the arc of nations from Chile to Russia through Ireland and Iceland as "Christendom," even though the dominant religious affiliation of their populations (if they have any) is some brand of Christianity. But if not Arab and not Islamic, then what? I have chosen as nominalist a path as possible in this essay, with the full recognition of its problems.
2. Again, a definitional problem rears its head: what is Islamic fundamentalism? Given that there are many groups and movements claiming to be Islamic fundamentalists or being described as Islamic fundamentalists, the definitional effort is difficult. For the purposes of ideological categorization, the Islamic fundamentalists seek to establish an Islamic state which is to be modeled on the way of life of the early Muslim community. Of course, we must remember Marx's old consumer advice: be wary of the words of the tailor who is trying to sell you a coat! For an excellent analysis of Islamic Fundamentalism and its political and ideological limitations see (Faksh 1997).

3. Ironically enough, this conjuncture of a “faith-based” provision of social services with neoliberalism found in Islamic Fundamentalism is paralleled by the rise of “compassionate conservatism” championed by George W. Bush which promised a new “faith-based” deal to the workers in the US in the late 1990s. As he said in his campaign speech on July 22, 1999: “We must apply our conservative and free-market ideas to the job of helping real human beings—because any ideology, no matter how right in theory, is sterile and empty without that goal.” He planned to do it by disbursing federal funds “not just to states, but to charities and neighborhood healers” in such a way that “we will never ask an organization to compromise its core values and spiritual mission to get the help it needs” (Quoted in (Olasky 2000: 221). To continue the analogy, compassionate conservatives, like Islamic fundamentalists, are some of the last, hardcore defenders of the death penalty on the planet and indeed both are interested in bringing back corporeal punishment into the penal regime as well.
4. For the role of Hamas, the major Islamic Fundamentalist organization in Palestine, in the social reproduction see (Nusse 1998).
5. In mid-2000, when oil prices were historically high, the national debt was approximately 115% of GDP of about \$150 billion (Bourland 2000).
6. For an trenchant description of the crisis the long-term social, demographic and economic trends forebode for the Saudi monarchy, published on the eve of the decision to go forward on the path of globalization, see (Cordesman 1997: 47-76).
7. A little noticed development in Saudi Arabia might indicate the surprising tangents produced by the new legislation. In November of 2000, two car bombings in Riyadh left one British man dead and five other foreigners injured. Was it a the result of Islamic dissident action? Perhaps that was the first reaction, but in February of 2001 Bill Sampson, a Canadian, confessed to the crime along with Alexander Mitchell, a Briton, and Raf Schyvens, a Belgian. The Saudi government claimed that the three murdered and maimed their victims as part of a turf war over the country’s illegal alcohol trade. Whatever the truth of this accusation, the alcohol business in Saudi Arabia is a very lucrative business—“a litre bottle of locally brewed wine or beer costs \$60, a case of Budweiser \$259, and a bottle of Johnny Walker Black Label Scotch goes for \$225” (Fennell and Snider 2001: 18)—and will get more lucrative now that the new Investment Regulation has given foreign companies headquartered in non-Islamic countries a green light to bring in their own employees.

8. The name "Operation Infinite Justice" was changed because of objections by Muslim scholars who pointed out that only Allah had the capacity for infinite justice. This was Koranic slip similar to Bush's early reference to the attack on Afghanistan as part of a "crusade" against terrorism.
9. For a discussion of the slow growth of the antiglobalization movement from the Third World to the First, see the "Introduction" of (Midnight Notes 2001) and (Federici and Caffentzis 2001).

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chapter five

Respect Your Enemies—The First Rule of Peace

An Essay Addressed to the US Anti-war Movement

The Passions that encline men to Peace, are Fear of Death; Desire of such things as are necessary for commodious living; and a Hope by their Industry to obtain them.

—Thomas Hobbes, *Leviathan* (1651)

Introduction

There is now a fledgling anti-interventionist, anti-war movement in the US. It will have a lot of work to do in the near future, although the present threat of war on Iraq is the most pressing issue it faces. The question is: can the antiwar movement do its work effectively and successfully? At the moment it is not completely marginalized, if the votes in Congress are any indication. On October 9, between one-quarter to one-third of the congressional representatives voted against granting George W. Bush “war powers.” But in order to show itself as expressing the majority perspective in this country, it needs new arguments, a new respect (as in “look again”) for its opponents, a deeper understanding of the reasons for the actions of its opponents, and a realistic assessment of their weaknesses. For its old arguments do not seem convincing to the majority of US citizens, and its lack of curiosity about its opponents and their reasoning is dulling its strategic sense.

Losing Arguments

In the run up to the Iraqi war, the anti-war movement has put forth a number of arguments to the US public to justify its opposition to the Bush Administration’s position. Two of the most important are: (1) an invasion of Iraq will lead to the death of many innocent civilians (on top of the hundreds of thousands killed in the last decade

directly or indirectly by the sanctions) and that is immoral; (2) the important principle of national sovereignty will be violated by such an invasion (even if it is done with UN approval), and that threatens to bring the world back to a Hobbesian “state of nature” where nations will war against nations with the excuse that they do not like each other’s treatment of their populations. Neither of these arguments has had much persuasive effect. Why?

The first argument is sound. It is true that a US attack on Iraq under conditions of contemporary warfare, especially in the way the US military fights war so that it will suffer no casualties from enemy fire, would involve the death of thousands of innocent civilians. It is also true that such deaths are immoral, since a government’s intentional inflicting of civilian casualties is a war crime.

But unlike the picture that logicians paint, sound arguments are not necessarily winning arguments. Perfectly reasonable people can agree that it is immoral to kill innocent Iraqi civilians but also come to the conclusion that it is more immoral to leave Saddam Hussein’s Ba’ath Party in power since it can cause even more Iraqi and non-Iraqi (including US civilians’) deaths. At the moment, it appears that the second argument is trumping the first within the minds of many moral and reasonable (and immoral and non-reasonable) people in the US.

The “national sovereignty” argument is also problematic. It is true that national sovereignty is an important political value, especially since the period of decolonization. Third World governments have rightly appealed to this principle to criticize the tendency of old and new colonial powers to intervene in their internal affairs and bring about “regime changes” favorable to the past and future imperialists. People in the antiwar movement are likely to have been in one or more efforts to oppose US, British and/or French interventions in the Third World, so they are sympathetic to this argument.

The problem is that these very same people are strong supporters of human rights doctrines that contradict an absolute “national sovereignty” principle. Antiwar activists do not in general believe that any government that violates the human rights of its population or is preparing to threaten the human rights of people outside its territory ought to have sovereignty. Consequently, any use of this argument has a tendency to divide the movement internally. We saw this in the NATO-Kosovo and the US-Afghanistan wars. Defending the Taliban’s national sovereignty, for example, was hardly an easy pill for the feminists in the antiwar movement to swallow. So, this

argument is even weaker than the first, since it is both unconvincing to those outside the movement and tends to divide the movement from within.

This means that new arguments must be devised that both trump the counter-arguments of the opposition and do not divide the movement internally. But why has the antiwar movement been so inadequate in its arguments? I think it is due in large part to the antiwar movement's lack of respect for its opponents in the Bush Administration and to its failure to grasp the underlying imperative propelling the administration's actions. It looks at the ungrammatical President, the secretive Vice-President, the Dr. Strangelovian Secretary of Defense and the Lady Macbeth-like National Security Advisor and concludes they are just lackeys of a right-wing conspiracy fueled by the oil industry. However, the greatest error in any struggle is to disrespect your opponents. This adage is especially true when the other side is winning!

Oil, War and Neoliberalism

We are told that Communism collapsed in 1989, but many have argued that the political economy of post-WWII capitalism, Keynesianism, collapsed a decade before to be replaced by a system that was called at first Thatcherism and Reaganism, and later neoliberalism and/or globalization. This system claimed that the basic institution of modern society ought to be the Market not the State, and that the best form of all social interactions is the commodity form. This conception of social life had a great propaganda triumph with the dissolution of the Soviet Union and the Eastern European socialist bloc. More importantly, it set into motion a remarkable shift in the economic policies of most Third World countries (under the name of Structural Adjustment Policies) that opened them to foreign investment, lower tariffs, and unrestricted movement of money across their borders. Finally, it undermined the guarantees of subsistence (early retirement, unemployment benefits, health care, free education, etc.) that the working class in Western Europe and North America had won in a century of struggle (Midnight Notes, 1992).

The early 1990s was a remarkable period of triumph for neoliberalism and globalization. Never before had the economic policies of the planet been so homogenous, while institutions like the International Monetary Fund, the World Bank and the World Trade Organization were given the financial and legal power to keep the governments of the planet true to the rules of the neoliberal global economy.

Up until July 1997, the supporters of this political economy seemed invincible. Then, the “Asian Financial Crisis” struck. Ever since, there have been breathtaking reversals that have put neoliberalism into question more rapidly than the rapid pace of its triumphs. We need not detail the recent stock market bubble burstings, the recessions, the financial system collapses, the dramatic devaluations, and the dot.com fiascoes. They constitute an international crisis of neoliberalism and globalization—but not simply because the 1990s globalization boom ended in the “loss” of trillions of dollars in a very short time.

First, they signaled a serious ideological defeat, for at the very moment of this collapse an international anti-globalization movement had taken to the streets of the major cities of the planet to contest the institutions of the neoliberal order (Yuen *et al.*, 2001). This post-Cold War oppositional movement, especially after the anti-WTO demonstrations in Seattle at the end of 1999, voiced a powerful critique of the system whose truth literally materialized before the world’s eyes at the instant of its articulation.

On top of that, the fraudulent nature of neoliberal capitalism revealed itself in the so-called scandals involving Enron, Arthur Anderson, Tyco, WorldCom, etc., showing that the corporate “masters of the universe” had taken the neoliberal gospel of deregulation to be synonymous with a license to defraud their workers and, much more worrisome for the system, their investors.

Equally problematic was the inability of this neoliberal regime to actually increase wages and income for a decisive part of the US proletariat and the “middle classes” in the Third World in the 1990s. Neoliberalism is often called a 20/80 system. If it can dramatically increase the incomes of at least 20% of a country’s or the world’s population, then the other 80% could be forced to go along with the project. Whatever the wisdom of this cynicism, by the beginning of the 21st century neoliberalism’s failure to do even this was becoming clear.

In the US, for example, the more than twenty years of wage decline was reversed in 1997, and for the following two years the average wages increased modestly. This was the first consistent multiple-year increase since the 1960s (Caffentzis, 2001). But by 2000 this increase had halted, and wages have stagnated since. A similar problem revealed itself in Africa, Latin America and much of post-1997 Asia (with China as an exception): the “middle classes” were being decimated. This failure was especially revealed in the Argentine bank deposit freeze in the last year which reversed the gains of Argentina’s 20% and have made them sworn enemies of neoliberalism.

Often when one system enters into crisis, ruling classes' strategists have something else in place. But not always. In the case of neoliberalism/globalization, there is no alternative system waiting in the wings, for the moment at least. It has to be preserved, or else.

The Bush electoral coup of 2000 made it clear that there were very powerful forces in the world (from the Supreme Court to the major corporate CEOs) which were willing to face governmental illegitimacy at the heart of the system in order to put the Bush group in the position to deal with the crisis.

That should give the antiwar movement pause. *The Bush Administration takes power not in a moment of business-as-usual, but in the midst of a systemic crisis that transcends a mere recessionary blip in the US.*

The Bush Administration's answer to the crisis of liberalism is simple: War. The 1980s and 1990s saw the building of an elaborate international regime of trade, capital transfer and money flow, but it did not see the development of an institution of violence that would enforce the rules of neoliberalism. Certainly the UN was hardly the vehicle for such a job, since the important players (the permanent members of the Security Council) were not a unified collection of states that could or even want to enforce the rules of neoliberalism. Nor was there on the historical horizon an international body of armed men and women that would have the global monopoly of violence. The Clinton/Gore effort to create such a body—one the US government could control from behind the scenes under the guise of a formal equality among national participants—was anathema to the most powerful fraction of the US ruling class. Its suspicion of Clinton's efforts was behind the extraordinary animus expressed in the impeachment proceedings of 1998 and the electoral coup of 2000. There was a genuine fear that the Clintonites would sign away, on a formal level at least, the US's imperial role in the 21st century.

Supporters of the Bush administration often described this role by analogy with the place of the British Empire in the 19th century world system. That century's international gold standard and free trade (called economic liberalism) required a hegemonic state that would make sure that the rules of the system were followed. That state was Great Britain. A central ideological problem with liberalism both old and new is that it presents itself as an autonomous, self-regulating system, but it is not. It needs to have an enforcer, since individuals and governments, especially those who are being put into crisis or are chronic losers, are tempted to break the rules. In the 21st century, according to this reasoning, the only state that could play Great Britain's

role is the United States. (For a sophisticated presentation of this argument see Ferguson, 2001; for a discussion of the military aspects of the US role in this scenario see Armstrong, 2002.)

Of course, history is over-determined (i.e., there are multiple causes for most historical events) and “it is no accident” that Iraq has become the first major test case of this policy. After all, Iraq, a member of OPEC, has the second largest proven oil reserves on the planet. Therefore, Iraq’s fate is of vital interest to anyone interested in the oil industry, and the Bush family, Vice President Cheney and National Security Advisor Rice were and are all deeply involved with oil. They are familiar with the oil industry’s problems and sympathetic to the oil companies’ desire to return to the world before the nationalization of the oil fields that took place throughout the world in the early 1970s. Certainly a quick “regime change” in Iraq leading to US-imposed privatization of the oil fields would help set the clock back before 1970, and not only in Iraq.

However, increasing the immediate profits of the oil companies, though important, is not the consideration that makes Iraq the first object of the new Bush policy. Oil and natural gas are basic commodities for the running of the world’s industrial apparatus, from plastics to chemicals, pharmaceuticals, fertilizers, and energy for cars and electric power plants. Whoever controls the commodity, its price and the profits it generates, has a powerful impact on the whole capitalist system. Yet oil is an unusual commodity. It is exempt from the rules of neoliberalism. The trading rules of the WTO do not apply to oil; and OPEC, a self-proclaimed if not completely successful oligopoly, is tolerated in a period when the “free market” ought to be determining the price of all commodities, especially basic ones. How could it be that even though OPEC now controls about 80% of the “proven oil reserves,” it operates in contradiction to the larger rules of the neoliberal game? No wonder neoliberalism is in crisis.

This peculiar singularity is intensified by the nature of the main political figures in OPEC (aside from Iraq’s Ba’ath regime): in Iran there are the desperate Islamic clerics, in Saudi Arabia there is a ruling class that is divided between globalization and Islamic fundamentalism, in Venezuela there is the populist government of Chavez, in Ecuador there is a government that was nearly seized in a rebellion by the indigenous, in Libya there is Ghaddafi (need more be said?), in Algeria there is a government that just narrowly repressed an Islamist revolution, and in Nigeria and Indonesia there are “democratic” governments with questionable legitimacy that could collapse at any moment. This list constitutes a “rogues gallery” from the point of view of the

thousands of capitalists who send a tremendous portion of “their” surplus to OPEC governments via their purchases of oil and gas. With such a composition, OPEC is hardly an institution to energize a neoliberal world.

Of course, OPEC was not always a political or economic problem. In the 1960s and in the early 1970s, OPEC was a relatively pliable organization, and nationalization and monopolistic pricing were still acceptable elements of the Keynesian political economy of the day. Iran was under the Shah, the Ba’athists had just lost their Nasserite zeal, Ghaddafi’s fate was still undeveloped, Venezuela was a tame neo-colony, Indonesia was under the communist-killer Suharto, Nigeria was under the control of General Gowon, and the Saudi Arabian monarchy’s Islamic fundamentalism was considered a quaint facade under which the movement of billions of “petro-dollars” could be recycled back into the US-European economies (Midnight Notes, 1992).

But that was then and this is now. From the Bush Administration’s viewpoint, OPEC needs to be either destroyed or transformed in order to lay the foundation of a neoliberal world that would be able to overcome the crisis and truly control the energy resources of the planet. The Bush administration is putting as much pressure as possible on OPEC’s members. In April of 2002, there was a US-supported coup d’etat in Venezuela against the Chavez government, the leading price hawk in OPEC. It failed. In August 2002, it was Saudi Arabia’s turn. The RAND corporation issued a report claiming that the Saudi Arabian monarchy was the “real enemy” in the Middle East and should be threatened with invasion if it did not stop supporting anti-US and anti-Israeli groups. However, that verbal threat has been nullified by the Bush Administration as its war plans have unfolded.

The Iraq government is clearly the weak link in OPEC. It lost two wars it instigated; it is legally in thrall to a harsh reparations regime; it cannot control its own air space; and it cannot even import freely but must have UN accountants approve every item it wants to buy on the open market. Ideologically and economically it is prostrate.

A US-sponsored Iraqi government committed to neoliberal policies would definitely be in a position to undermine OPEC from within or, if it leaves OPEC, from without. Such a transformation would make it possible to begin a massive investment in the energy industry that might be an alternative to the spectacular failure of the high-tech sector that has dissolved hundreds of billions of dollars. Rather than the now-uncertain computer- and biotechnology-sectors, the more “traditional” oil-driven sectors will be given primacy in re-launching profitability.

There is an additional reason for Iraq having the dubious honor of being the first test case for the hegemonic role of the US: weapons of mass destruction. Saddam Hussein's regime has been very interested in investing in industrial development that has in the past also been used to develop chemical and biological weapons. These weapons were used extensively in the Iran-Iraq war of the 1980s. The Bush administration has put forward a doctrine with respect to Iraq that, if generalized, would look something like this:

1. Almost any advanced technological production process can be used to create "weapons of mass destruction."
2. Any such production process not directly controlled by a multinational corporation (MNC) headquartered in the US (or Japan or Western Europe) can be used by a government to create weapons of mass destruction.
3. No government outside a list agreed upon by the US government ought to have the capacity to build weapons of mass destruction.

Therefore, no government (whether democratically elected or not) outside of the agreed list can be allowed to exist unless its advanced technology is controlled by an acceptable MNC.

This argument means that the US government has taken on the role of overseeing and vetoing all forms of industrial development throughout the world in *perpetuum*. Autonomous industrial development not controlled by an approved MNC or a "friendly" government is out of order. Hence this "war on terrorism" doctrine becomes a basis for the military control of the economic development policies of any government on the planet.

The consequences of such a doctrine are, of course, enormous, although their immediate impact is on the Hussein regime (and any of its successors). For even if Saddam Hussein could prove beyond a reasonable doubt that there were no chemical, biological or atomic weapons in Iraq at this moment, the Bush doctrine would not be satisfied. The mere existence of industrial capacity not owned and controlled by MNCs in Iraq that could be used in the construction of weapons of mass destruction would violate the doctrine.

This doctrine shows us that the struggle now unfolding in Iraq is not only about oil. What is at stake is the shape of planetary industrial development for decades to come. The combination of the restoration of oil-driven accumulation with the imposition of the Bush doctrine on global industrial development ensures that the "suburban-

petroleum” mode of life we are living in the US (and increasingly in Western Europe) will lead to endless war.

An Antiwar Strategy

Given the over-determined character of the moment, an antiwar movement must look for arguments and allies that would not deal with Iraq alone but direct its attention to the Bush Administration’s policy as a whole. What are its weaknesses? They lie in two areas: money and people, and both involve the military.

It is not clear how many regions of the world in the coming years will be put into crisis, condemned to such a chronically low and unsustainable position that the people of those regions will be tempted to break the rules of the neoliberal game. Thus, the Bush Administration has been careful to reject any suggestion that the US is the military force of last resort for neoliberalism. Instead of locating the rule-breakers in the vocabulary of neoliberal economics, they are presented as threats to the security of US citizens. The US has labeled its enemies using moral and political categories like “evil,” “rogue,” “terrorist,” and “failed.”

There are different types and levels of these enemies, according to the political criminology provided in the speeches of Bush and his advisors. First there are the “axis of evil” countries (Iraq, Iran, North Korea) and the “rogue states” (Cuba, Libya and, previously, Sudan). The “failed states” category (which includes Sierra Leone and Somalia) is very open, since much depends upon the definition of “failure.” For example, is either Haiti or Argentina now a “failed state”? Finally, there are the unspecified “forty or fifty countries” that might harbor (more or less actively) international terrorists. This articulation of the enemy in the endless war against both “terrorism” and states with potential for creating weapons of mass destruction is open ended and can include more than a third of the nation states on the planet.

With Communism, it was relatively clear what constituted the enemy, i.e., states ruled by Communist parties, and one could plan for the financial requirements of the conflict. While the project of the Bush administration outlined above necessitates a substantial increase in military investment, the uncertainties of the neoliberal order make it impossible to predict the required size of the increase.

At the moment, the projected military budget allocation for 2003 is \$372 billion. This means that in real terms the US has returned to the ten-year average (1982-1991) of the Reagan-Bush years of \$370 billion (O’Hanlon, 2002: 2). What will the

2007 budget allocation for defense be? It is now slated to be \$406 billion (in constant 2002 dollars) (O'Hanlon, 2002: 2). But how can we take seriously a five-year projection that depends upon the vagaries of "failed states," "rogue states," "countries harboring terrorists," etc.—or, in our reading, those states and peoples who have broken with the rules of the neoliberal order due to necessity or desire.

This uncertainty is a basic weakness of the Bush Administration's policy. Undoubtedly there will be the possibility of pillage in the case of Iraq, through the seizure of its oil fields to defray the costs of the adventure. Perhaps this possibility of pillage has convinced many in the US that an invasion is acceptable. But pillage will not be possible in most future applications of the doctrine. Consequently, the future of education, social security, Medicare, agriculture, and ecology will be held hostage to the open ended demands of the hegemonic role. There will be many who will not.

The second weakness of the Bush Administration's policy lies with its assumption that US soldiers will not be casualties in the coming wars of neoliberalism. This assumption is part of the social contract of contemporary US life—you are not going to die fighting on foreign soil in a war—and is often called the "Vietnam Syndrome." It is one of the most peculiar victories of the US working class in the 20th century. The fact that the government fulfilled its side of the bargain has made it possible to keep more than a quarter million soldiers outside US territory after the end of the Cold War (O'Hanlon, 2002: 8). Between 1989 and the present, only a small number of US troops have been killed by enemy fire in Panama, the Gulf War, Somalia, Haiti, Kosovo and Afghanistan, largely because very few were exposed to direct enemy fire.

We are clearly in a time similar to the Era of Imperialism and the Scramble for Africa in the late 19th century when European armies equipped with machine guns, long-distance artillery, and gun boats that could penetrate rivers, attacked poorly armed peoples in Africa, Oceania and Asia, slaughtering and conquering them with almost no losses. It was only after World War II that the colonized rebels could hold some technological and strategic "parity" with the colonial power, as can be seen in the two Vietnam Wars of independence (first from the French, then from the US). The US military now is so superior technologically to its opponents that it can carry on its activities without a loss from enemy fire, just so long as it does not have to occupy a particular territory. But this is exactly what US troops will have to do in order to bring about the "regime changes" US foreign policy requires. The Palestinian revolt against Israeli occupation should make quite clear that the most sophisticated of armies will suffer a regular flow of casualties when occupying a hostile population.

The fate of thousands of Gulf War veterans who were made chronically ill by their own army speaks to another aspect of the issue of war casualties: A military machine that takes no casualties from the enemy inevitably inflicts casualties on its own personnel. The reason for this is very simple. The process of protecting against an enemy's aggression is (1) to anticipate it or (2) to respond to it in an extremely short period of time. Both options, when taken to extreme, lead to self-inflicted casualties.

The actions required to prepare for anticipated future threats eventually lead to a logic that accepts small risks of self-inflicted casualties in order to counter an enemy threat. But the act of anticipating possible threats causes the anticipations themselves to multiply. Consequently, the small, separate preventative risks will multiply until self-inflicted casualties become a certainty. Thus, vaccinations designed to prevent the consequences of biological attacks will themselves kill some soldiers; etc. Similarly, if reaction speed to an enemy threat must be reduced to a minimum, the ability to detect the true identity or source of the perceived threat is reduced as well. This invariably leads to friendly fire incidents. As the drive for adding new threats and reducing reaction time intensifies, the military machine will become perhaps the greatest enemy to its own constituents.

Therefore, the assumption that US troops will be casualty-free is exactly what will be challenged by the new US hegemonic role in the war for neoliberalism and globalization. The US military will have to occupy Iraq for a long period of time in order to guarantee that the oil fields will be privatized and that a "regime change" would lead to a dissolution or transformation of OPEC. Further, the action of a military machine operating under the Powell Doctrine of "overwhelming force" can become its own troops' worse enemy. These factors, not the immediate invasion itself, will lead to a substantial loss of US soldiers' lives and a violation of the "no casualties" social contract. The antiwar movement needs to warn the US working class of this danger, clearly and distinctly.

More troubling than this danger is the increasing violation of worker's contractual rights that will be the inevitable immediate casualty of this militarization. It is a trend that started in the Reagan years and was intensified during the Clinton Administration (Caffentzis, 2001). This trend is often euphemistically called a crisis of "civil liberties." But if we examine the increase in the prison population, the attack on habeas corpus, the end of welfare rights and the draconian changes in immigration policy, we see that a new era of non-contractual semi-slave work has been introduced in the US during the 1980s and '90s. The Bush Administration has intensified this trend by attacking

workers' contractual rights under the rubric of the "war on terrorism." The post-9/11 mass arrests based on no charges, the refusal to provide "terrorist" prisoners legal counsel or habeas corpus relief, the imposition of Taft-Hartley provisions on the West Coast dockworkers, the insistence of eliminating collective bargaining rights to workers in the projected Department of Homeland Security and many other actions show the Bush Administration's direction: the extreme restriction of contractual freedom.

A continued contraction of these rights will parallel the inevitable rise in ill health and death among residents of the US In response to war costs and tax cuts, everything from access to medical care to public health, occupational and environmental safety regulations and interventions will be reduced or eliminated. Tamed as the US media is, these facts are already being published with growing regularity. The deaths that will inevitably follow should be counted as casualties of war.

We believe that if the antiwar movement emphasizes the fact the Iraq invasion is part of an overall strategy of endless war that will jeopardize the US population's life, liberty and property in order to try to secure an economic system that will continue to be in deep crisis, then we can lay the foundation for a major change in the political debate and sentiment in this country. (And lest we be misunderstood, we do agree that one continuing, necessary task of the anti-war movement will be to bring to the attention of the US population the massive casualties around the planet that will ensue from the endless war to preserve capitalism.)

Conclusion: No Fear

The Bush Administration's policy is not a product of crackpots, it is a desperate initiative to try to militarily save a failing world economic system. Many people in South and Central America, Africa and Asia have lost hope in finding themselves in this system and are trying to recreate their lives outside the precincts of neoliberalism. The same threatens to happen here in the US That possibility, and not the machinations of Al Qaeda or Saddam Hussein, is the Bush Administration's deepest fear.

Now it is time to learn from the wisdom of an enemy philosopher, Thomas Hobbes, the defender of the absolute state. In the epigraph we quoted, Hobbes locates the source of peace in three passions: Fear, Desire, and Hope. The Bush Administration has effectively used Fear to stifle opposition. It correctly claims that the right not to be killed is the greatest human right. It has asked for a carte blanche to defend that right and impose Peace on the world through the sword. Bush often pointed to the cinders of the World Trade Center towers to win the "war powers against Iraq" resolution, for

the Fear is real. Not accidentally, however, the Bush Administration spokespeople have forgotten the other passionate sources of Peace—Desire and Hope. They know that they cannot stimulate these passions even rhetorically without rousing derision throughout the planet. Their economic and social system is that bankrupt. This is the Bush Administration's deepest weakness: it cannot win on the basis of Fear of Death alone.

That is why our movement cannot simply trade Fear for Fear with the Bush Administration, or be amplifiers of the Fear on which the administration thrives. We cannot best them in this game. Of course, it is our civic duty to point out bureaucratic failures and hyperboles that endanger people in the US or abroad and, if we have good evidence, to point out past, present, or future US government complicity with Al Qaeda and Saddam Hussein's regime. But unless we can call to the other passionate sources of Peace, we will be bankrupt as the Bush regime and its supporters.

The antiwar movement should, therefore, speak to the Desires and Hopes of the people of the US, from universal healthcare to a healthy environment. We also need to bring the demands of the anti-globalization movement of the 1990s into our demonstrations, forums and programs, especially the wisdom behind the slogan, "This Earth is Not For Sale," i.e., an end to the privatization of the gifts of the planet and its history. We can work out the details, it is the direction that is crucial now.

I leave you with a historical example in support of this thesis. The most effective way the threat of nuclear terror was answered in the 1950s was not the antinuclear war movement, but the black revolution in the US and the anti-colonial movement around the planet. Black people in the US and colonized people in the rest of the world made it clear that B-52 bombers and their hydrogen bombs were not liberating them, and they refused to be delayed by them. They declared that their civil liberation was a precondition for the "Desire of such things as are necessary for commodious living; and a Hope by their Industry to obtain them" that could lead to Peace. Indeed, it has been the thwarting of this Desire and this Hope by the imposition of a neoliberal economic order that has been the source of most of the War of the last two decades.

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chapter six

No Blood For Oil!

The Political Economy of the War on Iraq

After Saturday's gigantic world-wide show of popular will, the anti-war movement can claim to have put a new player in the field beside the miserable protagonists of the Iraq/US war: Bush and Hussein. This figure is the refuser of a war with a banner on which is written: "No Blood for Oil." Who is this person? What does the banner mean? What will we do on the basis of it?

In this discussion I want to make some elementary reflections on this slogan and see what future the protester is pointing to. I will do this by reading the slogan on four different levels, each more general than the previous one.

Level 1. No Blood for Oil, literally

We should not be reductive nor jump to conclusions, but there is plenty of evidence to show that the Bush Administration is planning war as a way to plunder the oil fields of Iraq.

It is widely known that Iraq's presently known oil reserve of more than a 100 billion barrels is the second largest on the planet and that "the undiscovered oil in the Middle East [including Iraq] is very likely the largest untapped supply in the world." As a retired petroleum geologist unequivocally answered when asked about whether Iraq or Iran had more untapped oil: "[I]t's Iraq. We plugged and abandoned any well that wouldn't make 5.000 barrels a day. Threw 'em back in the water." Iraq's oil reserve is worth potentially more than three trillion dollars at current prices. Moreover, Iraqi oil is very inexpensive to produce and is one of the world's "sweetest," i.e., it produces fewer pollutants on combustion.

At the moment however, even though the US government and corporations import 2.3% of their total oil from Iraq, US based oil companies cannot directly profit from oil production there. In fact, the Saddam Hussein regime has made a number of important agreements with French, Russian and Chinese oil firms assuring them of very attractive deals in oil production once the sanctions are ended. The British and US firms, however, have been given clear notice that they will not be welcome in a post-sanctions era, *if* Saddam Hussein and/or the Ba'ath Party remain in power.

Therefore, the only way for the US (and British) oil companies to gain profitable direct access to Iraqi oil is through a war that would violently and irrevocably end the Hussein/Ba'ath Party rule and bring in a new government that could cancel the deals with the French, Russian and Chinese companies. That is why the first objective of the US military is to secure the oil fields in an invasion of Iraq. Further, the US government assumes that its troops will occupy the country for many years and will have a general as a military governor, in the style of Douglas MacArthur in post-WWII Japan. This governor will be paying for the occupation with the sales of Iraqi oil.

Anyone familiar with the oil industry-connected backgrounds of key figures in the Bush Administration, starting with George Bush himself, should not be surprised by this plan of plunder that the "No War for Oil" slogan reveals and protests. The US oil corporations (including Halliburton, VP Cheney's former company) would definitely find the opportunities of "rebuilding" the Iraqi oil industry destroyed by US bombs and/or Hussein's "scorched oil" tactics a bonanza.

Such a blatant plan of theft and plunder can only be accomplished by military means. The consequences for the Iraqi people will be devastating, even if the invasion is relatively swift. For the subsequent struggles among Iraqis and against the US occupiers will be bloody indeed.

The slogan "No Blood for Oil" on this level rejects the obvious gangster behavior the Bush Administration (and the Blair echo) with brevity and justice. S/he who affirms it wants to stop this act of brigandage pure and simple and treats Bush's and Blair's "high-minded" (and poorly crafted) rationalizations for invasion as crude, shameful parodies of justice. Surely, s/he will brand any oil company that profits from such an adventure a criminal and boycott its tainted products.

Level 2: No Blood for Privatization of Oil Resources

Though plunder is definitely part of the Bush Administration's plan there are other more global issues suggested by the slogan. For the US has been the leader in imposing neoliberal/globalization policies around the planet. Thousands of nationalized companies and agencies have been privatized due to structural adjustment programs imposed by the World Bank and IMF while many forms of "restraints to trade" (including "price fixing" cartels) have been abolished by the international trade agreements now coordinated by the WTO. The US government, not surprisingly, is the dominant partner in the World Bank, the IMF and the WTO.

One commodity after another has been "neoliberalized," but oil has escaped this fate. Most of the nationalizations of oil companies took place between 1969 and 1973, but it has been almost impossible for these companies to be privatized, even though the national telecoms and airlines were put on the auction block in many of these same countries (e.g., Nigeria).

Similarly, though there has been an attempt to destroy international price fixing cartels in most commodities via treaties like the one that created the WTO, oil and OPEC has been exempted from the rules of the neoliberal global regime. This is unusual since oil is the commodity that is both most basic (i.e., being involved in the production of most other commodities) and the most traded (i.e., the highest value of international sales) while OPEC is the most blatant price fixing cartel in the world.

This exemption of oil and OPEC from neoliberal standards has been at the heart of the Republican Party critique of the Clinton's energy policies. Thus in the waning days of the Clinton era, there was a Congressional Hearing on "OPEC's Policies: A Threat to the U.S. Economy" chaired by Benjamin Gilman (R-NY) who charged that Clinton remained "remarkably passive in the face of OPEC's continued assault on our free market system and our antitrust norms."

With the Bush Administration's rise to power, OPEC is increasingly seen as a hostile entity—especially after 9/11—which must be subverted and either replaced or abolished.

This hostility is intensified by realizing who are the main political figures in OPEC now (aside from Iraq's Ba'ath regime): in Iran there are the desperate Islamic clerics, in Saudi Arabia there is a ruling class that is divided between globalization and Islamic fundamentalism, in Venezuela there is the populist government of Chavez, in Ecuador there is a government that was nearly seized in a rebellion by the indigenous, in Libya

there is Ghaddafi (need more be said?), in Algeria there is a government that just narrowly repressed (and collaborated with) an Islamicist revolutionary movement, in Nigeria and Indonesia there are “democratic” governments with questionable legitimacy that could collapse at any moment. There is simply too much class struggle in an area of high tech production (oil production) that these leaders and governments were not able to control.

This list of OPEC leaders constitutes a “rogues” gallery from the point of view of the thousands of capitalists who send a tremendous portion of “their” surplus to OPEC governments via their purchases of oil and gas. With such a composition, OPEC is hardly an institution to energize a neoliberal world.

Of course, OPEC was not always a political or economic problem. In the 1960s and in the early 1970s OPEC was a relatively pliable organization while nationalization and monopolistic pricing were still acceptable elements of the Keynesian political economy of the day. Iran was under the Shah, the Ba’athists had just lost their Nasserite zeal, Ghaddafi’s fate was still undeveloped, Venezuela was a tame neo-colony, Indonesia was under the communist-killer Suharto, Nigeria was under the control of General Gowon, and the Saudi Arabian monarchy’s Islamic fundamentalism was considered a quaint facade under which the movement of billions of “petro-dollars” could be recycled back into the U.S.-European economies.

But that was then and this is now. From the Bush Administration’s viewpoint OPEC needs to be either destroyed or transformed in order to lay the foundation of a neoliberal world that would be able to truly control of energy resources of the planet. The Bush administration is putting as much pressure as possible on OPEC’s members. In April of 2002 there was a U.S.-supported *coup d’etat* in Venezuela against the Chavez government, the leading price hawk in OPEC. It failed. In August 2002 it was Saudi Arabia’s turn. The RAND corporation issued a report claiming that the Saudi Arabian monarchy was the “real enemy” in the Middle East and should be threatened with invasion if it did not stop supporting anti-U.S. and anti-Israeli groups. But that verbal threat was nullified by the Bush Administration in the controversy that followed.

All in all, the Iraqi government is clearly the weak link in OPEC. It lost two wars it instigated. It is legally in thrall to a harsh reparations regime, it cannot control its own air space, and it cannot even import freely but must have UN accountants approve of every item it wants to buy on the open market. Ideologically and economically it is prostrate.

A US-sponsored Iraqi government committed to neoliberal policies would definitely be in a position to undermine OPEC from within or, if it departs, from without.

Such a transformation would make it possible to begin a massive investment in the energy industry that might be an alternative to the spectacular failure of the high-tech sector that has dissolved hundreds of billions of dollars.

Theoretical Interlude

We should realize that oil is not just like any other commodity for a number of reasons. First, it is a basic commodity. Its price changes affect the prices of almost all other commodities and hence average wages and profits. Also, its production process has a high organic composition, i.e., it involves large amount of machines and equipment and relatively little direct labor. Finally, it has a rent component in its cost. All of these elements together make of oil a special commodity from the point of view of political economy and for our movement. Let us review them.

Basic commodity

Surely, any group which can make decisions to change the price of oil can influence the rest of the capitalist system in a way similar to the way that those who decide on interest rates can. They ultimately have a power much more general and diffused than it immediately appears. The many economic models since 1973 that have shown how whole economies have been “put into recession” because of oil price hikes (whatever one makes of their scientific value) express this connection. The fact that NY, Washington and London looks at the composition of the OPEC leaders and sees Islamic terrorists and nationalist revolutionaries clearly shows how the economic character of the commodity implies political consequences.

Transferred value

Most commodities do not sell at their values, otherwise highly demanded commodities like oil would not be produced, since their almost labor-less production would not generate enough surplus value directly. Consequently, some value from branches of production with lower organic composition (e.g., textiles) must be transferred through the market and competition into the higher organically composed branches like the oil industry. This means that oil is a commodity that is the object of the collective interest of the capitalists around the planet. Any attempt to run such an

industry that would be detrimental to the general capitalist interest will face opposition from a vast assembly of individual capitalists around the world. (As Kissinger said in the early 1970s: "Oil is too important to leave it to the Arabs.") Thus there is a tendency for these enterprises to be closely monitored (and regulated) within nation states and, more irregularly, internationally. All this to simply say that it is not only the US oil companies that are vitally interested in the fate of the oil reserves of Iraq, there are behind them many other corporations whose profits will depend upon that fate as well.

Indeed, there is such a collective (almost communal) capitalist concern for such industries that they can easily be the object of political action. Sometimes this action can be peaceful. The oil industry in the US is a good example (it was the initial target of the "anti-trust" movement) as is the software industry (see the Microsoft case). But sometimes this action can be violent and prompt war (from the British attack on the Ottoman Empire in WWI to the Gulf War in 1991.)

Rent

Rent is one of the categories of political economy that is clearly relevant to the oil industry. There is a differential rent that goes to the owners of the oil fields due to the fact that not all underground oil is the same. Some is "sweet," some is not; some is deep, some is not; some is on land, some is not; some requires a lot of technology to find, some does not. Clearly, if the price of oil is the roughly the same, then the owner of the territory where the oil has positive characteristics can charge rent (and expect to be paid it). Indeed, there is probably some "Absolute Rent" in the rental costs of oil that is paid simply as tribute to the regime of private property even when a company is producing in the worst oil areas. All this rental value comes from the transferred value discussed above. Again, there is a collective capitalist interest in its part of the cost of oil.

Indeed, there has been a capitalist critique of "rent-seeking" throughout the history of political economy. Rent is the epitome of unproductive income, presumably. This critique still goes on today in the text books and among the ideologues of Keynesianism and neoliberalism. However, for all the critique of the rentier, rent still is a decisive form of income in capitalist society, as any New Yorker will attest to! But the productivist ideology that has its roots in Locke's defense of English colonialism in the late seventeenth century is always waiting on the horizon to be brought in to justify attacks on the rights of the rentier. If the rentier, though his/her right of exclusion,

disrupts the productive development of a profitable industry, then there is a right of the “more productive” to lay claim to the right of exclusion. Therefore, war is always on the wings of all rental claims.

Given the exceptional political economic character of the oil commodity, it is not surprising that this gift of hundreds of millions of years of the meeting of organic life and the heat of the earth’s core should generate so much violence in a capitalist world. The protester’s sign now is saying: no blood should be spilt to preserve the energy system envisioned by Bush and Co. It must be scrapped before we are all bloodied for oil. Some new way of distributing the earthly commons must be devised, the present and future pricing/profit system that will lead to one war after another cannot be allowed to continue.

Level 3: No Blood for Neoliberalism

One of the main diplomatic failures of the Bush Administration has been to give the impression that this new “world domination” strategy is a product of a spontaneous Nietzschean will to power. Similarly, their claim that the urgency of the Iraq invasion and take-over is due to some imminent threat to national security posed by Hussein’s weapons of mass destruction has been rejected even by many of their most loyal defenders. There is an emergency the Bush Administration is responding to, but it is not a military one ... it is political-economic one.

The neoliberal system of capitalist accumulation (what we in the US call “globalization”) that replaced the Keynesian one in the late 1970s has been in deep crisis since 1997 and the Bush Administration must respond to this crisis or it too will be thrown out by its masters, (if not by its subjects!) I need not inform you of the story that now conventionally begins in Thailand in July 1997 with the collapse of the “bhat.” This was not the first financial crisis of the neoliberal model (there was the Mexican crisis of 1995 we should remember), but the Thai crisis began a series of events that have led to today’s situation. Nor need I trace this series for you through the dramatic collapse of the stock market bubbles throughout the planet leading to destruction of trillions of dollars of values (paper though they were), the stagnation in Europe and Japan, and even the decline of profitability in US capitalism. This constitutes the first major crisis of neoliberalism.

The Bush Administration’s answer to this crisis is war. How can this be? What does war have to do with this political-economic crisis? Of course, there are many past reasons for such a correlation and they are not to be slighted. For example, war is a

classic device of ideological and juridical control of a population dissatisfied with an unrelenting economic crisis (after all, Chief Justice Rehnquist has recently reminded us that “In War the Laws are Silent”). As another example there is “war Keynesianism,” i.e., the use of war expenditures to stimulate demand for capital and consumer goods in order to jolt the system out of a far-from-full-employment equilibrium. These could be reasons for the Bush Administration’s answer to the crisis, but they do not deal with the fact that the crisis of neoliberalism is global and that the US government is now “responsible” for the survival of neoliberalism/globalization as a whole.

The main problem with neoliberal/globalization is that, for it to “work,” the system must be global and the participant nations and corporations must follow the rules of trade even when they are going against their immediate self-interest. In a time of crisis, however, there is a great temptation for many participants to drop out of or bend the rules of the game, especially if they perceive themselves to be chronic losers. What country is going to keep the recalcitrants (both old—those who refused to be part of the game—and new—those who dropped out) from proliferating? Up until the post 1997 crisis most of the heavy work of control was done by the IMF and World Bank through the power of money, but since then it is becoming clear that there are countries that will not be controlled by structural adjustment programs.

The most obvious case is Argentina, but there are other, quieter dropouts in Africa and South America. The most illustrious recalcitrants are the Bush-baptized “axis of evil” nations, Iraq (one of the last of the national socialist states), Iran (one of the last fundamentalist states after the demise of the Taliban) and North Korea (one of the last of the communist states), but there are many other Islamic, national socialist and communist governments that have not transformed their economies into neoliberal form. This list will undoubtedly grow unless there is a check, in the form of a world police officer that will increase the costs of an exit.

There needs to be for the neoliberalism of today the equivalent of the role Britain played for the liberal capitalist system of the 19th century in order for it to function properly. Clinton and his colleagues believed that the UN could eventually be used by the US government as such a force. The Bush Administration disagrees. According to Bush, the US will have to act in its own name to enforce the rules of the neoliberal order (even though many of its adherents are unwilling to do so) and that action must at times be military. In the end, it is only with the construction of a terrifying Leviathan that the crisis of neoliberalism will be overcome and regime of free trade and total commodification will finally be established for its Millennium.

The invasion of Iraq (the “oil” of the slogan) is a step in this construction process that is seen by Bush and Co. as a sacrifice of US human and capital resources for the greater capitalist good. The internal debate in the UN is part of a complex negotiation process that ultimately is meant to determine the conditions of US interventions, not their elimination. That is why the protester’s sign does not say, “No Blood for Oil ... unless the UN says so!”

The Bush project might be possible, if there promised to be but a few recalcitrants to and migrants from the neoliberal order. However, if the antiglobalization movement is right, this is not likely. For neoliberalism does not seem to be able to deliver on the “sustained growth” that rises all ships even in its halcyon days. On the contrary, it does not even raise the 20% of the “ships” it had claimed to do in its inception. This means that many ruling classes and even more working classes around the planet are going shopping at Porto Alegre to look for another system.

There will be neoliberal wars aplenty in the years to come if the US wishes to play the British Empire of the 21st century. For what started out in the 19th century as a tragedy, will be repeated, not as farce, but as catastrophe in the 21st. Thus the slogan, “No Blood for Oil,” is a rejection of the series of wars that are being planned by the Bush Administration for the years ahead, aimed at terrorizing the recalcitrants of the neoliberal order into cooperation.

Level 4: No Blood for Profit, Period

The protester’s sign’s slogan has been interpreted on three different levels so far: first, as a refusal to spill blood for the plunder of Iraq’s oil resources; second, as a refusal to spill blood in order to impose privatization and “free market” practices on the oil industry internationally; third, as a refusal to spill blood to preserve the rules of the neoliberal global regime. On the final level, I want to think about “No Blood for Oil” as a revolutionary slogan similar perhaps to the “Land, Peace and Bread” of the Russian Revolution, i.e., a concrete demand that at first sight seems quite moderate and practical, but, due to the context, it becomes revolutionary. After all, having “revolution” on one’s banners does not make them revolutionary!

The slogan is neither anticapitalist nor against war *per se*. It commits one to be against a war for oil, but not necessarily against war for other things. Nor is it absolutely anticapitalist, for the sign is conditional. It seems to be saying, I reject the spilling of blood in order to continue with the commodification of and profit making from “oil” (or indeed any other vital stuff). Human blood is beyond the worth of any

commodity and a system that can only run on this higher exchange is a corrupt and obnoxious Molloch. The slogan seems to be offering an alternative, if “oil” can be commodified and sold at a profit without the expenditure of blood, then let it continue. A tame, non-aggressive capitalism is apparently an acceptable one. The slogan seems to be challenging the “world leaders” at the UN to come up with such a capitalism. Some indeed are trying, as some non-Bolsheviks tried to implement the demands of “Land, Peace and Bread,” but failed.

Capitalism in any of its forms—neoliberal, Keynesian, liberal or mercantile—cannot meet the challenge of the slogan. It must produce war and blood, since it cannot satisfy the minimal demands of the human race as a whole, much less its terrestrial environment. We have five hundred years of experience to support that claim. Consequently, since the condition can not be satisfied, the slogan’s advocates will not part with their own or others’ blood to preserve it, period.

Indeed, if we combine the slogans of the antiglobalization movement—“Another World is Possible”—with that of the antiwar movement—“No Blood for Oil”—the political arithmetic gives us, “Another World is Necessary.” We must reason with this arithmetic and commit to in the coming days, weeks, months and years to be sure that the invasion of Iraq, if it comes, does not demoralize us, but merely confirms the logic of our path.

chapter seven

The Many Meanings of Blood and Oil

An Interview with Sara Burke

Sara Burke: Your four-fold exploration of the anti-war-on-Iraq movement's slogan—"No Blood For Oil"—seems to challenge the movement as a whole to bring its political actions into line with an economic analysis that rejects any capitalist attempts to implement the "No Blood For Oil" slogan? (If this is your intent—or not—can you elaborate?)

George Caffentzis: I agree with one side of your comment, i.e., the anti-war movement needs to inform its political action with a recognition of what is driving our war-desiring opponents. That means we in the antiwar movement will have to take our slogan, "No Blood for Oil," more seriously than merely as a nice sounding two second sound bite.

Do I reject any capitalist attempts to "implement" a world economy that would satisfy our "No Blood for Oil" demand? I'm not sure that "reject" is the right word here. I am simply saying that ideologists of globalization in the 1990s claimed that a "bloodless" capitalism was possible, if there was a world where economic competition could be liberated and the free flows of capital were instituted.

Such a neoliberal globalized capitalism would mean the end of war as the determination of economic life. They claimed that there was no need to spill blood to get oil.

But the crisis of neoliberalism beginning in 1997 has led to the Bush Administration's policies that show us that such a bloodless globalization is off the table now. It is not I or our movement that "rejects" this bloodless capitalist globalization. We simply point out that it simply does not seem to be able to exist.

SB: You seem to be arguing that a political-economic perspective (an individual's or group's interpretation of the "No Blood For Oil" slogan, for instance) acts as a "center of gravity" guiding its political action. Since the movement is extremely broad, what happens when factions find themselves in opposition with each other over the question of capitalism's ability to accommodate their objectives?

GC: Clearly, a movement like ours, especially after February 15, is broader and more diverse than even the antiglobalization movement that prepared the way for the coordinated international protests of that day. And surely there will be many different internal debates and strategies in our movement's future. I think that the question of whether capitalism can be "bloodless" will be discussed and the ultimate answer will not depend on the higher dialectical skill of one debater or the other. It will be shown pretty starkly by events driven by the current capitalist crisis.

Let me make reference to similar debates in the first period of the antiglobalization movement in the early 1990s. Some of us had an abolitionist line with respect to the World Bank and IMF, others thought that they could be reformed and used to end poverty, still others thought that these institutions HAD to be used. This debate went on over the course of five or so years until by the time of the Prague demonstrations in September of 2000, the movement had moved to a consensus: BREAK THE BANK and DUMP THE FUND. That consensus was the product of years of effort, on the one side, by the reformers to reform and the abolitionists to abolish the World Bank and IMF and, on the other, by the World Bank and IMF itself.

In the case of our current "bloody/bloodless" capitalism debate, I doubt that we will have the possibility of nearly a decade of debates, demonstrations and so on.

SB: How do you see the movement breaking down in terms of the four levels of the slogan? In other words, what groups or prominent individuals ideas are represented by each level?

GC: This is a difficult question, since it requires a knowledge of this worldwide movement that I do not have at the moment, and asks me to put the complex political positions of others in categories that they don't easily fit into. For example, does the ANSWER Coalition, which is made up of dozens of organizations, have an anti-capitalist, an anti-neoliberal, an anti-imperialist, and/or simply a pro-national self-determinism policy?

SB: On a different tack, let's look at your analysis of Level 2, ("No Blood For Privatization of Oil Resources"). In that part of your talk you argued that the Bush

administration is motivated to go to war with Iraq because it sees OPEC as a price-fixing monopoly capable of threatening the US economy. From this viewpoint, since Iraq is the weak link in OPEC, it seems to provide the most logical point to attack and either destroy OPEC or transform it into a neoliberal-friendly institution. But this analysis of oil, OPEC, and US power may only be how things appear on the surface.

GC: Surely one way of understanding a movement is to be clear as to what it is opposing. I thought that it was important for the movement to have a picture of the Bush Administration's and the US-UK oil industry's attitude to OPEC, the control of oil resources and of pricing and how Iraq fits in to this picture. But it is just that, a capitalist class picture that definitely accepts an exchange of "the blood (of thousands of Iraqi people)" for "(the neoliberalization of) oil."

Many in the antiwar movement recognize that what is motivating Bush and Co. goes beyond simply a desire to commit an armed robbery and to plunder the Iraqi government's oil reserves. I tried to describe this "extra" determination in terms that would be familiar to the readers of the financial press and US government reports. This might be "superficial" picture, but it is a useful one, since I think it is important to "respect your enemy," i.e., try to understand how s/he/it strategizes.

Is this neoliberal picture my way of understanding how the oil industry operates in a capitalist economy? No. That is why I included a brief "Theoretical Interlude" describing some basic concepts of a Marxist theory of the production of value in the oil industry. For I wanted to hint to the reader that there was another way of understanding where the value of oil and natural gas comes from beside that which the *Financial Times* or a neoclassical economics text book provides.

The most important political result of the Marxist theory is that the whole capitalist class world-wide is vitally interested in the doings of the world wide oil industry, since much of the value that is exploited from workers by all the non-oil-gas industries of the planet have it transferred to the accounts of the oil industry corporations (national or private). This collective capitalist interest is an long-term phenomenon and an inherent part of the way this system works. This interest of collective capital began long before OPEC and will continue long after, if OPEC collapses. The issue of transferred value is quite independent of the question, "Is OPEC really in monopoly control of the world price of oil?" But it often has been anxiously discussed among capitalists in the form of "monopoly" versus "free market" pricing. Their way of discussing it might be "superficial," but it still is an expression of a systemic reality.

I am not saying that everyone in the antiwar movement now has to take out Volume III of *Capital* in order to be effective militants. But I am saying that if the movement is going to be strong enough to include much of the oil-producing proletariat in the Middle East, the Americas and Asia, we will have to discuss the question of what would a non-capitalist oil industry look like and we will need a language to talk about it. So in preparation for that eventuality, some of us should try to begin the language training.

SB: There is an argument to be made that oil is in fact already globalized, already neoliberalized. This view says that the sharp rise in OPEC's "posted" oil prices in 1973 was actually an expression of the globalization process and that OPEC—although it might attempt to function as a price-fixing cartel—was unable even in the mid-70s to resist the overturning of its posted-price system by the emergence of spot-pricing, in which prices are determined by real competition between oil producing regions and units. By this view, US actions against Iraq take on an even more frightening tone than that of the world bully exercising its unilateral power. By this view, US hegemony is seen as already lost, and US actions are interpreted as not merely about oil, but about a much more desperate attempt to regain lost hegemony at any cost. Two questions follow from these thoughts: a) How do you answer this criticism of your characterization of OPEC and the forces motivating US actions against Iraq? b) Assume for the sake of argument that OPEC is in fact already globalized. How, in your opinion, would that affect the strategies that need to be adopted by the anti-war movement?

GC: It is important to distinguish between pricing and ownership. OPEC or no OPEC, the wide-spread nationalization of the world's oil reserves thirty years ago on the planet was an important structural change in the relations of oil-production. The privatization of the world's oil and gas reserves is a policy goal of the Bush Administration and its allied oil capitalists. In that sense the picture you painted is not accurate, the ownership of oil reserves was not globalized and neoliberalized in the early 1970s. The denationalization of the oil/gas stuff remains to be done at the beginning of the 21st century. It is the last and most bloody stage in neoliberal globalization's bloody march through the branches of industry.

There is a political aspect to this matter, of course. "OPEC" now is a word referring to the club of governmental owners of the largest part of the oil reserves on the planet. This in itself would not be problematic. After all, capitalists have made perfectly satisfactory quid pro quos with rentiers for centuries. The problem is that these rentiers are becoming less and less politically reliable from the US foreign policy

perspective. I need not repeat the increasingly problematic story (for the US government) which does not only involve the Arab governments in OPEC. The Iranian revolution, the rise of Chavez in Venezuela and the collapse of Suharto in Indonesia have been just as politically troubling as Islamic fundamentalism in Algeria and Saudi Arabia.

After all, capitalists are just as interested in where “their” money is going to as much as how much they have to pay for a basic commodity. That is why ownership is still important.

You, however, do not seem to be interested in this issue, your main concern is pricing. Does OPEC have monopoly control over the price of oil?

I was living in Nigeria in 1986 when the price of oil collapsed below \$10 a barrel. Certainly the Nigerians I spoke to then did not believe that their government, through OPEC, had control over the world price of oil. And if one charts the real and the nominal price of oil since the early 1980s, it does not have the character of a monopolized commodity. Its “real price” has not been continuously growing (on the contrary, up until recently it has been back to its real price in the early 1970s) Its nominal price has been extremely volatile. These facts are hardly evidence of OPEC’s absolute monopolistic pricing power.

However, my argument was not dependent on OPEC nations really forming an effective the “price fixing cartel.” It depended on the Bush administration’s portraying them in this way in order to pave the way for dividing them and weakening their resolve to protect their claim to the gift of nature below their territory.

Why are these issues concerning OPEC and ownership important for the antiwar movement? First, because we have to demand that the property of the Iraqi people—the oil reserves—not be stolen by a massive armed robbery. “Oil” might not be as important a part of the story as “blood,” but it is important for the Iraqi people. This “No Robbery” demand will be more relevant after an invasion than before.

Second, our movement’s rejection of the exchange of “blood for oil” poses many other questions of exchange that must be discussed and thought through with the people of Iraq and the other oil producing lands who have suffered for the wealth produced on the basis of the destruction of their health and lives for more than a century in many cases. For example, what are the proper reparations for such destruction?

The Bush Administration is laboring hard not to have these questions and demands be raised. Hoping, perhaps, that the bombs will not only kill people but questions and demands as well. But every time the slogan, "No Blood for Oil," is chanted they are evoked.

March 5, 2003

chapter eight

From Stealing to Robbing

A Post-Script to “No Blood for Oil!”

After the great international day of protest on February 15, there was hope that these “No blood for Oil” protests (along with a clear division on the nation state level between the US and UK and France, China and Russia within the UN Security Council) would stop the drive to war. Unfortunately, though not surprisingly, this did not happen.

In order to understand the situation we are in it might be interesting to see the differences between the present invasion and the one perpetrated by the UK, France and Israel in late October and early November 1956 against Egypt. I will not go into the details concerning the latter invasion, but it “began” with Nasser’s nationalization of the Suez Canal. This meant the British and French Consortium that ran the canal was expropriated. After making formal protests, the British and French governments began to plan an invasion to physically take back the canal. They were preempted by the Israelis who were anxious about the growing power of Nasser’s form of Pan-Arab ideology. The Israeli Army invaded the Sinai Peninsula and Gaza (which was then under Egyptian control) on October 29 and within a few days thoroughly defeated the Egyptian defenders. Within a week Israeli troops were on the eastern bank of the canal.

The British and French forces followed with an invasion from the sea on Port Said on Nov. 6. They too rapidly destroyed the military opposition and were ready to take hold of the canal from Port Said (in the north of canal) to Suez (on the south end of the canal) in a few days.

Of course, there were tremendous protests in the streets of the Middle East, in the Third World (the Bandung Conference has taken place the year before) and in the socialist world.

It all is reminiscent of the present situation, of course. With this difference, Both the US and the USSR intervened barely a day after the UK/French assault. Eisenhower and Krushchev separately called the British, French and Israeli governments and made it clear that they would not allow this invasion to pass. The Soviets said that this invasion was the cause of war and were threatening to send 250,000 troops to Egypt while the US government threatened to cut the funding for all three countries (a threat which had a special resonance with the Israelis who were totally dependent on US aid).

No such intervention on a nation state level is possible now even though four of the most powerful economic and military states on the planet oppose the invasion and are members of the Security Council. It is hardly likely, for example, that the Russians will threaten to send in a quarter of a million troops into Iraq and none of these nations can threaten the economic fate of the US. Consequently, one is hardly likely to see the kind of institutional response to the invasion of Iraq that was seen almost fifty years ago with the invasion of Egypt. With the result that an invasion meant to destroy Nasser turned out to revitalize his power for more than a decade.

Therefore, it is only a supranational force that can have an impact powerful enough to stop the US/UK aggression against the Iraqi people. And that force is, like it or not, the worldwide antiwar movement. Our demonstrations are already beginning to have their impact on the battlefield which is Iraq given the fact that electricity is still on in Baghdad (and that means that water purification continues). But the victories are very fragile and they cannot be relied upon unless the movement continues protesting with an ever-increasing intensity and effectiveness. We must be prepared, however, for many surprises and rouses, especially now that the struggle against capitalist globalization is moving into a new terrain.

One of the most important aspects of this terrain is that the armed robbery aspect of the war is becoming as important as the mass murder aspect of the war. We have been concentrating our outrage (quite properly) on the immediate and long-term civilian casualties of the war, but now the fate of Iraqi oil will have to receive fuller attention from the antiwar movement. Our argument has been that this is a war for oil on many levels. This has been verified by the behavior of the US troops whose first mission was to occupy the oil fields of southern Iraq and to begin a similar effort in the north, even before the major military sites have been confronted. The US/UK

spokespeople proudly claim that their troops now control more than 50% of the Iraqi oil production facilities as if to say they have already won the war. But these spokespeople know that the problem with the control of oil is that it is useless unless it can be sold on the world market.

The question of the legality of US/UK control of Iraqi oil is now coming to haunt these two powerful states. For in the days of the early oil nationalizations one of the most potent tactics they used was to seize oil that was nationalized in foreign ports. In response to the Mossedegh nationalization of British interests in Iran in 1951:

London now gradually organized a total boycott of Iranian oil. Armed with the judgement of the International Court, the British authorities systematically seized all cargoes of Iranian crude on arrival at their ports of destination, in Europe and Japan, under the pretext that they legally belonged to the Anglo-Iranian Oil Company, and that the Iranian government had no right to sell them. The infant National Iranian Oil Company did manage to deliver a few thousand tons of crude, but one by one, all the ports were closed to its oil, stigmatized as "red" by Britain, to whose side the United States soon rallied (Terzian, Pierre, *Opec: The Inside Story*. London: Zed Books, 1985, p. 13)

If tomorrow the US or UK attempt to sell Iraqi oil to which they have no right, they are open to the same treatment they meted out to Iran a half century ago. Individual countries might seize oil that was illegal expropriated by the US and UK and keep the funds of purchase in escrow or pay it to the legitimate government of Iraq, which at the moment is Saddam Hussein's.

The major problem that the UN Security Council's lack of support for the invasion caused the US and UK is not on a military level, but on an economic one. For without the UN giving the US/UK the right to intervene, these countries have no right to expropriate (i.e., rob) Iraqi oil. Indeed, the first conflict around the Iraq invasion in the Security Council was not about the military aspect of the war, but around the question of oil and who has the right to it. The US is claiming the right to market the oil and use the proceeds to purchase "humanitarian aid" for the Iraqi people. But others on the Security Council object, especially since the northern Iraqi oil fields are still pumping oil into Ceyhan in Turkey. However, the oil traders are not willing to trade Iraqi oil until its legal status is resolved. Is this oil the US's, the UN's or the Iraqi government's property?

This is a battle that the antiwar movement is intervening on in order to be sure that the US and UK governments do not give legitimacy to their armed robbery. The world-

wide boycott of US owned goods which is now growing includes the Iraqi oil that US claims.

Indeed, this invasion marks a major change in the form of political economy of the last two decades called neoliberal globalization. Its *modus operandi* has recently changed from stealing to robbing. Stealing and robbing differ, of course. Stealing is unlawfully appropriating another's property *secretly or surreptitiously* while robbing is unlawfully appropriating another's property *by using or threatening to use force and violence*. The first phase of globalization was the stealing phase. The combined effect of the IMF, the World Bank, the WTO and the structural adjustment programs imposed under the guise of the debt crisis erased the reparations the colonial powers owed their former colonies and put the latter into the debtor's position. A tremendous quantity of value was surreptitiously taken from the Third World countries in the period between 1982 and 2001. This was stealing, but in a grand, trillion dollar way.

The Iraq invasion opens up the phase of the globalization of robbery. In other words, instead of simply using the sophisticated tools of high finance to appropriate wealth illegally, we are entering a phase when the US and its allies are using the sophisticated tools of the modern military to appropriate wealth illegally.

In such circumstances there is a need for a "fence" to market the ill-gotten gains. It looks like the UN is destined to be that fence, and Kofi Annan is perfectly happy to have to UN play such a "vital" role. The Russian response to Annan's attempt to use the UN as a fence for robbed Iraqi oil is instructive. Although the Russians of 2003 are much more tamed than their ancestors in 1956, they still suspect that the US can be stopped from *profiting* from their robbery even though they cannot (or are unwilling to) stop the robbery itself.

This suspicion should tell us that this is a weak spot for the US and the UK governments, since both nations are deeply involved in the energy markets of the planet. They need to be concerned about the legitimacy of these markets. Their attempt to sell Iraqi oil might very well undermine it, if they do not manage to get legitimacy for the sale from the UN *and* if our worldwide movement refuses to yield to it. For example, some dockworkers in Europe are refusing to load military cargo for the Iraq campaign. These very same dockworkers will most probably refuse to make port facilities available for off loading the robbed Iraqi oil as part of the worldwide boycott to refuse to financially reward massive armed robbery. Similarly, legal and political pressure from the boycott movement will be put on the oil companies on a national level to force them to refuse to deal in this contraband oil.

We might ask “why did the US and the UK go from the stealing phase of capitalism to its robbing phase?” This is an important question in the newly developing discipline of global criminology. Certainly, it is often very hard to answer the question—“why did s/he stop simply stealing and turned to armed robbery?”—on an individual level in every-day criminology. The answer is not simple on a global one either, but I believe that its outline can be found in the four levels of the “No Blood for Oil!” piece (see above).

In a nutshell, the invasion of Iraq is a desperate act because capitalism’s old sly and surreptitious stealing ways no longer work. The crisis of the older form was clearly seen in the Russian default of 1998 where the secret and surreptitious form of expropriation was countered by a belligerent refusal on the nation state level to pay and by the Argentinean crisis of payments that came on in an equally secret and surreptitious way and was met by an open mass refusal to pay. The IMF’s and World Bank’s veiled financial threats to exile countries from credit sources was increasingly not working, since the impoverishment of their people increased to a level that their social reproductive systems were collapsing. *If stealing can no longer work to appropriate another’s wealth, is robbery far behind?*

March 30, 2003

chapter nine

Untying the Gordian Knot

Causes and Consequences of the US/UK Invasion and Occupation of Iraq

Methodological Preliminaries: Neither Empire Nor Scarcity

The first thing Alexander the Great did once he crossed over into Asia Minor was to visit Achilles' grave in the fields before Troy. Immediately after he went to Phrygia and confronted the Gordian knot. It was a complex, involuted knot, and legend has it that the one who would untie the knot would be the conqueror of Asia. After fiddling with the knot, Alexander unsheathed his sword and cut the knot with one blow. Many Phrygians, however, questioned this action and many others still wonder whether he conquered Asia or Asia conquered him. A similar question can be posed today: whether the US/UK invasion and occupation of Iraq has cut the contemporary Gordian Knot for neoliberal capitalism?

After the unprecedented international effort to stop the US/UK invasion and occupation of Iraq failed, there has inevitably been a period of reflection. What went wrong? Why, in the face of this explosion of a planetary mass movement against the invasion throughout the world, as well as the troubling conflict in organizations like NATO and the UN Security Council, did the US and the UK governments decide to proceed with the invasion? Clearly there were deep issues at stake that transcended the immediate political interests of the Bush Administration (whether it be the 2004 elections, the Israeli pressure, the oil corporation lobby). What were they and how can we know them? These questions form a Gordian knot of our own. In this talk I will try to untie it.

The first thing to do in this project is to question a number of ways of characterizing the causes and consequences of the invasion and occupation. And here I am thinking of terms like “geopolitical restructuring,” “world domination,” and “empire,” on the one side, and, on the other, “battle for resources,” “oil scarcity,” etc. Unless we deal with the determining categories of our present period, we will operate on a level where we neither understand what events are taking place nor will we be able to talk with others who are beguiled by these categories. For, after all, there are many in the US who might think there is an “imperial deal” in the offing, especially if it is backed up by the threat that the automotive society will be immediately terminated with prejudice unless a path of “endless war” is followed. Could these not so secret sentiments be behind the “apathy” we have noted in the US working class in response to the actual invasion?

There has been a marked increase in the last few years in the use of the terminology of “empire,” “world conquest,” “world hegemony,” or even more neutrally, a “unipolar world,” a “single superpower,” etc. when describing the behavior of the US government’s foreign policy and military strategy. This return to the terminology resplendent with Roman togas and legions of gleaming helmets is not new; of course, it was the basis of Marx’s opening remarks in the *Eighteenth Brumaire*. But such imagery no longer evokes tragedy or farce, only confusion. It is all well and good to talk about a new 21st century “world empire” in Wagnerian notes, but we must remember that Rome was an empire based on tribute. It was not premised on capitalist accumulation, as is the present system. This makes a difference that should be confronted, not swept into portentous sound bites.

It is true that in the last few years, the US government has projected a pre-emptive policy that would keep it militarily dominant throughout the world for the decades to come. This goal is neither simply a Hobbesian response to a world with increasingly scarce resources, as Michael Klare argues, nor is this project an inevitable expression of a centerless, limitless, timeless form of social domination called “empire,” as Hardt and Negri would have it. I argue instead that the capitalist class in the US is interested in preserving capitalism worldwide and the US military has been and is going to be its vehicle, not the other way around. No more nor less.

It is true that Hardt and Negri developed their themes during the Clinton period when there was an interest in developing a range of institutional forms that would perform the military and political functions of a global state (with the US as its secret decision maker). Their book, *Empire*, reflected that peculiar period. It was unfortunate

that it was published at the moment when the Clinton strategy was about to be overturned. Powerful forces in the US concluded that if the US military was to take on the role of the world market's "enforcer" of last resort, in the way that the IMF and World Bank are lenders of last resort, it would not be under the control of an international body. Clinton's conception of the US playing the role of the "more equal among equals" was abandoned in 2000 (after the failed impeachment effort and the Florida-Supreme Court election coup). The anti-multilateral logic of the Bush approach subsequently triumphed as can be seen clearly in the Afghan and Iraq invasions. So Hardt and Negri's empire has collapsed back into a more familiar totalitarianism, the capitalist system.

The second characterization of this period's war projects a contrary image. It is based on the theme of resource scarcity, i.e., there is a limited amount of a vital stuff—water or petroleum—and the demand for it is rapidly outstripping supply. Such a situation will inevitably result in "resource wars." As Michael Klare defines it:

...resource wars [are] conflicts that revolve, to a significant degree, over the pursuit or possession of critical materials. Human history has been marked by a long succession of resource wars—stretching all the way back to the earliest agrarian civilizations. After World War II, the relentless pursuit of resources was overshadowed by the political exigencies of the US-Soviet rivalry; but it has resurfaced with fresh intensity in the current era. Given the growing importance ascribed to economic vigor in the security policy of states, the rising worldwide demand for resources, the likelihood of significant shortages, and the existence of numerous ownership disputes, the incidence of conflict over vital materials is sure to grow (Klare 2001: 25)

But is this a reasonable image of war in the contemporary capitalist era? If there is a "vital" resource in country X, then it will surely be commodified. The key questions are: what is its price and how is the surplus value realized on selling the commodity to be distributed? Why should scarcity of a particular resource be what sets off a sort of Malthusian war among states struggling to survive? Isn't this the famous zero-sum game that sets the stage for the *raison d'être* of capitalism, viz., to create alternative or intensified production that would evade the consequences of scarcity?

Moreover, the image Klare presents of future wars is of a set of thirsty Hobbesian agents struggling over a square cubic meter of water or petroleum:

However divided two states or societies may be over matters of politics or religion, the likelihood of their engaging in mutual combat becomes

considerably greater when one side believes that its essential supply of water, food, or energy is threaten by the other (Klare 2001: 26).

Isn't Klare returning to a fetishism of the commodity in such an analysis and to a notion of a nation state as a unified entity (something like an animal) with fixed needs? Such an approach is hardly credible.

This is not to say, of course, that there are no limits to resources or that the climax for the world ecosystem must be compatible with the survival of the human race. But, if capitalism survives, these issues will be worked out in the commodification of the resources in question, which might include the selling of "cool climates" to some of us some time in the future as bottled water is being sold over the counter without a peep today.

War and Capitalism

But if "empire" and "scarcity" are not the operative terms for understanding the invasion and occupation of Iraq, then what are? I hypothesize that the operative ones are the old categories of capitalist life: profit, wage, rent, and interest. Capitalist world society's machinery is still moved by these variables. Neither Hardt and Negri nor Klare (however useful their works are in other ways) define an alternative categorical structure.

Our empirical starting point for examining the Iraq invasion and occupation is the simple fact that capitalism has been in the midst of a growing profits, interest and rent crisis beginning with the summer of 1997 (six years ago and three US wars later). That is, one can hardly see the outpouring of militarist behavior and propaganda as the product of systematic success of capitalism. On the contrary, there is a tremendous desperation in the declaration of the "fourth world war" (a term former CIA-Director Woolsey used, seemingly quoting Subcommandante Marcos) barely a decade after the end of the "Cold War." Why is war again on the agenda?

Our theoretical starting point is recognition that war is the continuation of "economics" by other means. Far from being irenic, capitalism is essentially conflictual both between and within classes. True, it is not the only polemical system of social life (see the times of the warring states in China, Greece, Italy, etc.), but it is clearly war-like. Capitalism is so connected with the forms of war that wars can be identified as profit, wage, interest or rent wars instead of being categorized as those between or within states. The reality of each war, however, is quite complex. Class struggle and

competitive struggle interplay to such a degree that it is hard to take any particular war and simply project out intra- and inter-class aspects of war. Perhaps the Opium War is one of the simplest wars to analyze, but certainly the US Civil War is typically complex and interconnected.

Although the science of capitalist “polemology” is still new, we can easily come to a *sine qua non* for explaining the rise of a war in capitalism and its outcome: *what is the flow of value that is contested?*

Oil and War

The war we have just witnessed in Iraq is clearly an oil war, but we should not fetishize such a matter *à la* Klare nor should we make it an empty slogan. The pro-war critics of the movement correctly taunted us with the question, “why should the Bush Administration be concerned about Iraqi oil? After all, the US only imported about 2% of its oil from Iraq.” On a certain level they are right. In fact, these critics were doing us a favor by calling on the movement to move to a proper level of abstraction! What we must be concerned about is the flow of value into and out of Iraq (if value can be spatialized!) and not the question of oil *per se*.

Before we do that we should recognize two things about oil and gas that are essential in understanding the Bush Administration’s claims about the importance of “regime change” and US presence in the oil production centers of the planet: (1) oil/gas is a basic commodity (in the Sraffian terminology) and (2) its production has a high organic composition (in the Marxist terminology).

The first special aspect of the matter is obvious. Oil and gas is involved in the production cycle of almost all other commodities. Its price is therefore central in the determination of prices (and the average rate of profit) throughout the capitalist system. It is of vital importance that this price is reliably determined and changes in its price do not create endogenous “shocks” that can have deleterious consequences to the rest of the system. Therefore, there is a political economic concern to keep the price determiners “under control” in order to achieve this high price viscosity.

The second special aspect of oil production is its high organic composition, i.e., there is little relative human labor compared to machinery involved in the exploration, discovery and extraction of oil and gas. This is clear when you measure the direct employment in the oil and gas industry (which for brevity will be named “the oil industry”) compared to its total sales. I was in an oil facility in Nigeria during the time

when it was pumping close to its billionth barrel (after almost twenty years of operation), but there were very few workers to be found in its environs. Similarly, when you go to Aberdeen in Scotland the sense of a low labor content of the oil produced is glaring, since the crews on the platforms in the middle of the North Sea are dwarfed by the huge technological structure they service.

Clearly, if value is created by living labor, very little of the value of oil and gas is due to the surplus value squeezed from the oil workers themselves. Where does this value come from? From all throughout the capitalist system, especially from the branches of production that are of low organic composition. To put it simply: the bulk of the surplus is generated by the industries with the most labor while the bulk of the surplus is appropriated by the industries with the most capital.

This creates another reason why the oil industry is such a matter of concern for “collective capital.” Not only does it produce a basic commodity, but it also receives much of the surplus labor expropriated in all the other branches of industry. Consequently, from its very beginning the oil industry has been the center of concern for capitalists in other branches of industry. The industry was born under a lunar sign, i.e., full of contradictions and the source of volatile confusions.

On the one side, oil industry capitalists have been continually accused of monopolistic or oligopolistic practices. The US oil industry, for example, was synonymous with the cold and rapacious Rockefeller family for almost half a century (Tarbell 1966). But on the other hand, oil industry capitalists are always presenting themselves as concerned with “orderly” marketing of a vital commodity for the good of the system as a whole. From the Achnacarry Agreement of 1928 that brought Shell, Exxon and BP together in a “price fixing” arrangement to the latest decisions by the US government to open up or keep closed the nation’s strategic oil reserve, the line between planning and price fixing is continually crossed and re-crossed. Thus, oil industry executives are seen in schizophrenic haze: simultaneously being both “price fixing” cabalists and the statesmen of the capitalist system. In fact, many have argued that the oil industry is inevitably something of a “natural monopoly” and so the oil industry executives can’t stop themselves from committing crimes against the anti-trust laws of the planet (Sampson 1975: 35).

Therefore, it is not surprising that all the accusations, suspicions and anxieties projected against the “seven sisters” of the 1960s and 1970s (which have cannibalized each other down to four today) were launched against OPEC, especially after the wave of nationalizations in the early 1970s which brought the control of the actual oil

production closer to the hands of the national energy companies. Certainly, this is the reason why there is a universal capitalist concern as to where this surplus that is shifted to the oil industry is going. Is it going to bettering the nutrition of the working class, to more beautiful palaces for the rulers, to the arms stocks of Islamic fundamentalist groups, etc.? This is exactly why there is so much concern, for in the last two decades the very figures that this circle could rely on is now “out of control.” One could no more be sure that the surplus sent to the Middle East or Venezuela to purchase oil would be recycled into Swiss, New York or London banks. Now it can go to land reform projects in Venezuela or to Korans for a *madrassa* in Kabul.

Rents, Profits and War

In Marx’s writing, all flows of value are global. In capitalism, there is nothing that has a local effect only. This makes for a system that always works behind everyone’s back and there is no Machiavellian Prince who can stand outside it. All these observations apply with even greater force in the oil industry. For it involves the highest levels of technological investment as well as the most embarrassing reliance on the accidents of geology.

The primary feature of the oil industry from a categorical point of view is that it involves rent. Where, by rent, I mean the payment for the use of land or a site to produce a commodity (I’m not talking about Century 21 real estate deals!) We all know how full of conflict rents are, especially when there are immense power asymmetries between landowner and tenant. Rent does not arise from direct production and exploitation taking place on the land or site the rent is payment for. The precondition of rent is that land and other natural “resources” must be transferred out the commons and turned into either state or private property. This process of was called “enclosure” in Britain and the word has been extended to describe all such expropriation both in and out of Britain. Rent and enclosures come together. As a result, even the worst land or site at the margin of production is recognized as property by a transfer of value via the sale of the commodities produced on the land or site to the owner(s) in the form of rent. This is called in the Marxist discourse, “absolute rent.”

There is, of course, another form of rent that arises either from the varying degrees of “natural” productivity of the land or site or by how much the capital employed in working the land or site cannot be separated from the land or site (e.g., this is what happens when an oil company discovers oil deposits in the subsoil). Thus we know that

oil discovery and extraction in the Iraq, for example, is much less costly than the discovery and extraction of oil the “lower 48” of the US (which is operating long after its peak of production in the early 1970s). Since there is only one price of oil of a particular type, there is much more surplus accruing to Iraqi oil. Iraqi rentiers can appropriate a larger part of this surplus than rentiers in the “lower 48.”

There is a struggle between the resource owners and the tenants that can explode in war. There is hardly a rent payment that is not drenched in fire and blood at some point, for they all begin in the initial enclosures that changed the commons into private and/or state property. This primitive accumulation is never ended, as we can see in the US with the continued struggle of the indigenous peoples for their land and rental income (as the current suit brought by Amerindian tribes demanding that the Bureau of Indian Affairs pay them billions of dollars of unpaid rents).

The landowner, if he/she/it is not the state, can come into conflict over the level of taxation that is to be levied on the rental income. Similarly, the state, especially if it is the landowner and rent recipient, can come into conflict with the different class elements of the nation, especially the proletariat, over the level of rent payments to the state and their social distribution (see the endless struggle over “formulas” for income distribution in the Nigerian states over the oil income). So much of the “volatile” politics of oil-producing countries is rooted in these multiple struggles that can “globalize” the most minute of local issues in surprising ways (e.g., in the recent Ijaw strikes which shut down all of Chevron’s operations in Nigeria one of the major demands was the change in the boundaries of municipal election districts!)

Iraq’s history is a perfect case in point. Its national origin begins as an oil possession of Britain, which won the right to preside over the collapse of the Ottoman Empire (Fromkin 1989). Britain was anxious to get possession of Iraq because it was established that Iraq’s subsoil was extremely rich with oil deposits. The imposition of a monarchy was typical of British “indirect rule” colonial policy. But within a short time there were growing conflicts between the local bourgeoisie and proletariat with the British backed monarchy. This led to the anticolonial revolution, the end of the monarchy and the eventual rise of the Ba’ath Party, the Iran-Iraq War and then the invasion of Kuwait (CARDRI 1989). But though one can tell this story on a political level, it would be hard to understand it without seeing the oil subtext throughout. For example, the Iraq’s invasion of Kuwait was based on the claim that Kuwaiti national oil company was slant drilling below the border into Iraqi oil fields and that Kuwait was cheating on its OPEC oil production quotas.

The second form of value is transferred surplus due to the high organic composition of capital used in the oil industry. Before the nationalization of the oil industry, the “Seven Sisters” used to capture this flow. But after the early 1970s most oil producing countries nationalized their oil industries and began to capture some of these flows just like any other capitalist firm producing commodities with little direct labor and a lot of technology for the world market.

This development put the nationalized companies also in charge of deciding not only how this increased “tribute” of capital would be distributed, but it also brought the state into the role of investor in its own industry. Thus, the states became capitalists with the concomitant transformation of their personnel and attitudes (similar to the slow transformation of the English landlord class into capitalists and vice versa). For is one thing to be a rentier (where the right to appropriate from the stream of value is based on the past) and quite another thing to be a capitalist (where the right to appropriate is based on present and future ability to exploit). This transformation has shown us how the most archaic forms of government (tribal and family networks) can be linked into the highest form of technological productivity (see Silvia Federici’s piece on Ibeno, Nigeria in (Midnight Notes 1992)).

The appropriation of transferred value via trading on the world market is one of the “normal” operations of capitalism. It is never done without much scrutiny, conflict and anxiety. Since those who are the bottom end of the system—both workers and capitalists—always see it as “undeserved.” This especially puts a weak vulnerable nation state with large nationalized oil companies at great peril. For it must account to the collective capitalist class as a whole as to what it is doing with “their” surplus.

The US/UK Invasion and Occupation of Iraq

Surely the elements of the great capitalist drama of rent, profit and wage war are crucial in telling the story of the US/UK invasion and occupation of Iraq. The US/UK, as the old patrons of the “seven sisters”—Exxon, Shell, BP, Gulf, Texaco, Mobil and Chevron— are playing the role of estate agents for the oil industry and collective capital. This role is never taken on without a struggle. Niall Ferguson pictured Britain as being the world market’s “enforcer of last resort” in the 19th century. Britain’s “military budget before the First World War” was “a remarkably low insurance premium against international protectionism,” i.e., Britain’s effort to keep up the “ideals” of free trade and the gold standard was an inexpensive effort compared to the benefits of the international trade regime of the 19th century for Britain (Ferguson

2001). But, of course, this “policeman” role was taken up in the face of resistance from the other major powers involved in the world market (especially the US, Germany, France, Russia and later Japan). The same thing applies to the US’s claim for being the enforcer now. There are many critics and querists of such a role. Moreover, the “job” of the rule enforcer for the 21st century neoliberal globalization regime (what is called “democracy-and-free-markets”) increases in difficulty and cost when the number of nation states following the rules and losing catastrophically increases as well. World conquest, empire and the rest is no fun, even if it doesn’t eat up more than 5% of GNP.

This “job” has clearly set the post-war US agenda in Iraq, for not only are the rent and profit flows to be redirected to US corporations and US-approved Iraqi recipients, the US government’s larger interest in “globalizing” and “neoliberalizing” the oil industry is also on the agenda. By “globalizing” and “neoliberalizing” I mean that the policy of privatizing previously nationalized industries and the application of WTO rules in the trading of commodities and movement of capital. Surely, as Cyrus Bina has pointed out, the nationalization spurt in the early 1970s liberated the oil market from the oligopolistic efforts of the “Seven Sisters” (Bina 1992) Nationalization, paradoxically, made a “free market” in oil possible, in the sense that each country could have its own trading strategy. A significant spot market for oil also developed in nationalization’s wake. Moreover, OPEC was never designed to be a “price-fixing” replacement for the many cartel arrangements of the conspiracy-loving Seven Sisters. On the contrary, it was created to give some oil producing countries the strength to nationalize their industries and bargain with the oil industries on a more powerful basis. Once the nationalizations took place, it became possible for nation states to plan their production and so the OPEC governments could coordinate their production decisions. This coordination did not constitute a cartel since the OPEC countries only produced about 50% of the daily oil supply (as of 1998). On balance, the development of the spot market in oil most likely outweighed the oligopolistic effects of the OPEC production quotas.

However, the conditions of oil production are definitely out of step with the conditions of other types of globalized commodities ruled by WTO standards. First, the Bush Administration wants to privatize the international oil industry. The future oil industry in Iraq, under US government control, will be privatized (if not completely, then only a fig leaf of national government control will be tolerated). Second, Iraq’s OPEC seat will be filled by a figure that will either undermine the organization and/or will try to pull Iraq out. This would further destabilize an organization that has had for the last two decades many of its members warring with each other! But there is no

doubt that the US/UK aim is to develop a truly neoliberal world based on a neoliberal energy market. This is “the prize” of the war and is the hidden demand behind the Middle Eastern “free trade area” the Bush Administration is now touting.

Untying the True Knots: the Iraqi and US Proletariats

On the global level, the invasion and occupation of Iraq is an attempt to cut the Gordian Knot to overcome the crisis of neoliberalism by decisively taking charge of a central oil economy in the Middle East. But instead of solving the puzzle posed by the crisis, this violence might very well repropose it on a higher level. This is true for both Iraq and the US. For the US government now must deal directly with the Iraqi proletariat. It is a proletariat that Saddam Hussein himself could only control throughout the 1990s through intermediaries in the UN (e.g., the accountants of the “Oil for Food” program). The Ba’ath Party could not satisfy the pent up demands that flooded Iraqi society after the end of the Iran-Iraq war in 1988-89. In fact, it was these demands that drove Saddam Hussein’s regime into war again in such a reckless way (Midnight Notes 1992). For it was only through the Kuwait invasion and its defeat that the Saddam Hussein regime was able to survive for more than a decade more.

Can the US government deal with the even more pent up demands of twenty years of war, sanctions, and war again? Or, will the Bush Administration offer even less than did the Ba’ath Party? How to untie the knot of this proletariat? It will not be so easily cut as was Saddam’s knot.

Similarly, the US proletariat is reacting to this new war role of the US government ambivalently. For many US workers are simply taking this latest invasion as imperialist business as usual; and it is a business that they have often participated in and gained from in the past. The crucial political point is that this new post-Cold War version of imperialism will not pay for the US proletariat. The peculiar mixture of cuts in veterans’ benefits in the midst of a war is symptomatic of the lack of returns that is being promised by the Bush Administration. It appears like the Bush Administration believes that an appeal to “national security” and defense against terrorism is going to be enough to create a class deal.

But this deal is not going to be. On the contrary, the Bush Administration is going to tax proletarians and reduce wages in order to organize a force to preserve neoliberal capitalism worldwide. If that deal is acceptable to US workers, so be it. But we should be able to present it squarely. If we do, then we can see the purpose of these

theoretical reflections that might help us untie the Gordian knot here, without swords and togas.

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chapter ten

Struggles on the Nigerian Oil Rivers

(with Silvia Federici)

“Na you get oil? Foolish people.” (Does the oil belong to you? Foolish people.)
—Graffiti left behind after the Odi massacre by invading soldiers, Christmas Day 1999

“Do people kill for oil? Chevron does in Opia and Ikiyan”
—Words on a banner in a demonstration in the Niger Delta

On March 20, 2003, three days after the US/UK invasion of Iraq, ChevronTexaco shut down its oil operations in Nigeria in response to a threat by local Ijaw militants to blow up eleven multinational oil installations (owned by ChevronTexaco, Royal/Dutch Shell and TotalFinaElf) they had occupied unless the government called off the military raids on their communities and responded to their demands for electoral reforms. ChevronTexaco also evacuated most of its staff from its main Escravos (meaning “slave” in Portuguese) oil export terminal. This decision will further decrease oil production that has been already cut by 350,000 barrels a day (about one sixth of total Nigerian oil production) because of the fighting between the Ijaw militants and soldiers that has been going on since 1998.

This decision will have much resonance within the world’s oil markets in the midst of a volatile period, not so much because of the lost oil production (which even in the most drastic scenario will reduce world production by less than one per cent), but because of the decisive place that the Niger Delta has both for the US government’s and oil companies’ plans for the future of the oil industry and for the international movement against capitalist globalization that has been so inspired by the “no blood for oil” movements there in the last decade. Certainly, if one measures the importance of a struggle by the amount of blood that has been shed in it, then the battle between

the people of the Niger Delta and the oil companies is very important. Since 1993 and the repression of MOSOP (Movement for the Survival of the Ogoni People), the Niger and its tributaries have been soaked with blood as well as oil. In only one incident of the government's armed repression, the Odi massacre of Ijaw people, there were "2,000 deaths, many more missing, thousands forced to flee and virtually no house left standing in Odi" (Ibeanu 2002/2003: 30). Similar massacres took place against the Ogoni people between 1993 and 1998. All told, it is likely that the level of death and destruction in the Niger Delta in the last decade is comparable to the experience of Iraqis in the current invasion with thousands dead, tens of thousands injured and hundreds of thousands (perhaps millions) displaced.

What curse has been put on these people who live in what was a watery Garden of Eden filled with a thousand creeks, rivulets, and tributaries of the great Niger? The curse is that they were and are located in a central crossroads of the world market. Three centuries ago the Niger Delta (from Escarvos to Calabar) was the main storage and transshipment point of African slaves bound for the plantations of the Caribbean and the Americas. This trade poisoned the Delta people's social relations. Today they are caught in the middle of the global oil industry that is poisoning them physically, economically and socially as well.

They have been struggling against this fate with great courage and originality, especially since the early 1990s when the Ogoni people decided that the time was ripe to transform what had been a long fought, but unknown parochial struggle against both the Nigerian government and the global oil companies into an internationally recognized one. The Ogonis are a relatively small ethnic group in Nigeria (with a population of less than a million), but they have been in the middle of oil production in Nigeria from its beginning and they suffered greatly for it. They realized that if they had to fight a global oil company, in their case Shell, to get some reparations they too had to become global themselves. But how was a relatively small, impoverished ethnic group in the midst of an obscure part of Africa to "globalize itself" in order to take on a company like Royal/Dutch Shell?

Parochial ethnic politics had to be transcended to make clear that the Ogoni struggle was part of the worldwide ecological struggle against the major oil companies. On the heels of the "No Blood for Oil!" struggle against the first US-Iraq war the Ogonis pointed out that they too have suffered to fuel the profits of Shell and the industrial machines of Europe and the US. And with the help of one of their leaders, Kenule (Ken) Saro-Wiwa, who had built up an international audience with his

writings, the message made a connection with environmental groups around the planet. As Michael Fleshman put it:

[Saro-Wiwa] realized that an alliance between the Ogoni people, who were challenging [Shell] at the point of production, and Western environmental and human rights organizations campaigning at the profit point, greatly increased MOSOP's chances for success (Fleshman 2001: 6).

In an older terminology, MOSOP's strategy helped stimulate a recomposition of the anti-capitalist movement, since it made it clear that the Ogonis' demands for reparations for Shell's destruction of their environment were an integral part of the demands of the environmental movement's demands that the total costs of capitalist development be recognized and paid for by the corporations everywhere. In response to Saro-Wiwa's arrest and execution (actions Shell was complicit with), Greenpeace and many others organized an effective world-wide boycott of Shell that protested the blood for oil being painfully exchanged in Nigeria as it was in the Middle East. Ken Saro-Wiwa paid with his life for connecting the Ogoni with a world environmentalist movement, but it proved to be a model that has been used again and again by other small ethnic groups throughout the world since.

Not only is the anti-capitalist movement concerned with recent developments in the Niger Delta. It is also at the center of the US government's concern as well, especially since the change of leadership from the Clinton to the Bush Administration. At the time of the Saro-Wiwa execution, the US government, under Pres. Clinton, was still playing a neutral figure in Nigerian oil politics. Thus the Clinton Administration had a rather *laissez faire* attitude to Nigeria's membership in OPEC and was not insisting on applying neoliberal conditions on the production and sale of oil (e.g., there was no extraordinary effort to push for the privatization of the nationalized oil industry in Nigeria during the Clinton period). But the Bush Administration is opening a new page in world oil politics that will have enormous impact on Nigeria and the oil communities there. First, the Bush Administration sees Nigeria and West Africa in general as an increasingly important source of oil at a time when the Middle East will be very problematic for many years to come. In the major energy policy documents of the Bush Administration West Africa features prominently as a safe source of imported oil. For example, one of main recommendations VP Cheney's National Energy Policy Report makes to the President is "to deepen bilateral and multilateral engagements [with African governments] to promote a more receptive environment for US oil and gas trade, investment and operations" (quoted in (Turshen 2002/2003: 1)). The

Nigerian government is definitely responding to this interest. In 2001, 9% of US crude oil imports came from Nigeria, but the Nigerian government is committed to adding 1.5 million barrels a day in capacity in the near future which would allow it to dramatically increase its exports to the US (Knight 2002/2003: 8).

Second, the general approach of the Bush Administration in oil politics is to push for increasing privatization and neoliberalization of the oil industry. The war against Iraq can partially be seen as war to impose this regime on one of the pillars of nationalization of the oil industry in the 1970s. Nigeria will undoubtedly face an increasing “pressure” (or I should more accurately say, “terror,” in the face of the devastation wrought in Iraq) from its ever larger trading partner to comply with this agenda. Three corollaries of this agenda being: (1) Nigeria should leave OPEC; (2) the Nigerian government should reject even formal responsibility for the recovery of communities adjacent to the oil fields from the pollution produced by decades of irresponsible oil and gas production; (3) the Nigerian government should treat anti-oil company resistance in the Delta as part of the US “war on terrorism,” with all the consequences this involves, including the use of US troops to protect oil installations (as is happening in Colombia).

The change in US policy will undoubtedly have a deep impact on the struggle in the Niger Delta now that the Bush Administration sees it as a region vital to “national security” (instead of simply another good place for friendly oil companies to make money). Are the organizations demanding reparations from the oil companies in a position to deal with this change?

First we must recognize that the unit of organization in the Delta is ethnically based and rooted in agricultural land. But the Delta is thick with ethnicities and packets of land. Its infinite network of streams, mangrove forests, villages and farms tucked away on islands, has been the source of dozens of languages (and associated ethnicities) over the centuries. The achievement of the Ogonis in the early 1990s was to leap over this complexity and address the international ecological movement to get allies for its struggle. But this achievement was paid for at much cost and the results were not promising, at least not in the eyes of many Niger Delta militants. Consequently, other movements in the Delta have de-emphasized the internationalization of their struggle and have focused directly on negotiations with oil companies and the Nigerian government based upon their capacity to hinder or halt the production or shipment of oil.

Thus the most prominent movement in the Delta after the MOSOP effort was MOSIEN (Movement for the Survival of Ijaw Ethnic Nationality). Although the Ijaws borrowed the acronym style of the Ogonis, they did not take their international turn. The Ijaws form one of the largest ethnic groups in the Delta (with a population of approximately eight million) and they have organized themselves in the struggle to gain reparations from the oil companies by using the symbols and memories of their past. *Egbesu* is their god of war and the *Egbesu* cult has been the recruiting ground for young militants who have excarcerated their leaders from government prisons, taken over oil installations, and kidnapped oil workers.

This shift from MOSOP to the Ijaw resistance definitely indicates a change in tactics and activist philosophy among the militants in the Delta. MOSOP was formally a non-violent organization. Ken Saro-Wiwa and the other Ogoni leaders recognized that it was folly to believe that a small ethnic group could directly confront the might of the Nigerian army (which was controlled by a military government when he was alive). This is not the case with Ijaw armed resistance, even though it has faced devastating attacks by the Nigerian military, including the horrendous Odi Christmas massacre in 1999. This shift in tactics put into question much of the international support that the Ogoni struggle and Saro-Wiwa's martyrdom had engendered for struggles in the Delta. As Fleshman pointed out:

...the advent of armed resistance to corporate and government exploitation and the highly publicized kidnappings of oil workers has raised a host of philosophical and ideological difficulties for the international solidarity movement. The kidnappings provided the oil companies and Western governments with ammunition to justify their call for a military solution to the resistance (Fleshman 2001: 11)

This does not mean that there were no other important changes in the struggle beside the turn to armed confrontation with the government and oil companies. One of the most dramatic developments was the entrance of women's organizations into the struggle. Women in Nigeria International noted that in August 10, 2002:

The women... from Itsekiri, Ijaw, Ilaje and Urhobos, at a news conference in Warri asked [Shell] to pay N150m [approximately \$100,000] to the victims of security brutalisation on August 8, 2002 'within the next 10 days to avoid chaos and crisis of unprecedented dimension in the region.' They also called for a tripartite meeting between the multi-national oil companies, government representatives and Niger Delta women leaders as well as the

establishment of a permanent body comprising all the multi-national oil companies, the government and rural Niger Delta women where all the grievances would be addressed in the future.

As a threat, the women remembered the old tactic of shaming soldiers by appearing before them collectively naked (which was an effective tactic in the Aba Women's War of 1929 against the British). Consequently, they threatened that "within 10 days from today, if our hospital and rehabilitation bills are not paid, we will all come out enmasse fully naked, and we shall occupy not only their gates but their flow stations throughout the Niger Delta so that they can come and rape their mothers again just as they did on the 8th of August."

What was more threatening to the oil companies and Nigerian government than the presence of thousands of naked women occupying their oil installations, however, was simply the fact that women from different, often conflicting ethnic groups had gotten together at all. For the most powerful weapon the government and the oil companies have in escaping paying reparations is the division between the groups themselves. For however powerful ethnic ties are in strengthening the will to resist, they are also extremely divisive. As Okechukwu Ibeanu describes the Delta, these divisions are also many and treacherous:

One recalls the Ijaw-Ilaje conflict, the Ogoni-Andoni conflict, the Ogoni-Okrika conflict, the internecine conflict between the two Ijaw clans of Basambri and Ogbologbomaribri in Nembe, and the fatal wars between Ijaw, Urhobo and Itsekiri over the ownership of Warri, a major center of petrobusiness in Nigeria. The central *causis belli* in these conflicts are claims made communities to land and creeks on which there are petroleum deposits or oil installations. In many cases, state officials and oil companies either generate or fuel these conflicts in their antics of divide and rule. For instance, it is known that oil companies have local chiefs and notables on their payrolls in return for cultivating favorable public opinion on behalf of oil companies. However, the oil companies increasingly divulge their names to restive youths, thus fueling anger and conflicts within communities (Ibeanu 2001: 13).

These conflicts have resulted in thousands of deaths as well in the last decade. Consequently, the fact that women from the oft-warring Itsekiri, Ijaw, Ilaje and Urhobos groups could get together in a united front against the Nigerian government and the oil companies indicates that at least they have understood the secret of power in the

Niger. Whether their unity will set the pace for the reparations movement in the Delta is an open question.

The demands of the Ijaw group that forced ChevronTexaco to stop oil production in late March 2003 indicate that this unity is still not on the table. For along with the demand for pulling out government troops from Ijaw villages and towns, the president of the Federated Niger Delta Ijaw Communities organization, Bello Oboko, demanded that voting boundaries be redrawn in the run up to local elections in late April!

It is clear, however, that with the increasing importance of the Niger Delta oil to the US government's plans, these struggles for reparations will be forced to take on a new dimension pioneered by the women of the Delta.

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chapter eleven

The War on Terrorism and the US Working Class

It seems President Bush fears unions more than terrorists.

—Scott McKinney, letter in the *Athens Banner-Herald*, Oct. 2, 2002.

Introduction: The Return of Capitalist Crisis and the Deepening of Proletarian Slavery

Politics, like the mind, is the realm of over-determination, where the arithmetic of “killing two birds with one stone” rules. Consequently, it should not be surprising to find that the Bush Administration’s “war on terrorism” has been inspired as much by the collapse of profitability in the US as by the collapse of the World Trade Center towers. This essay will show how the war on terrorism is a *subtle* response to the crisis of neoliberal capitalism that began in 1997. For the economic and social policy inscribed in this “war” is not only a blunt, repressive attack on immigrant worker rights, but it is also extending a “deal” for citizen workers who are perhaps more frightened by the competition of high-tech and call-center workers in Bangalore, India than by the Afghani supporters of Bin Laden’s Caliphate of the Future.

A quick, though dry way of understanding the crisis that opened up for neoliberal capital in 1997 and was inherited by the Bush Administration is through the wage/profit profile of the years before and after that year.

The most salient feature of the U.S. class struggle in the quarter century from 1973 to 1997 was the decline of real wages that laid the foundations for the surprising revival of profitability of US capital in the early 1990s. The average weekly *real* wage (in constant 1982 dollars) in 1973 was \$315 and in 1997 it was \$268. This 15% decline took place with a dismal regularity and, conversely, total corporate profits (both real and nominal) increased dramatically between these two dates. To get a rough estimate of how differently average wages and total profits fared compare the

different rates of increase of their *nominal* (not real) values in two different periods, the Keynesian (1959-1973) and the Neoliberal (1973-1997):

Table 1

	Wage increase	Profit increase
1959-1973	85.00%	115.00%
1973-1997	192.00%	577.00%
1997-2001	15.00%	-10.00%

(Calculated from Tables B-47 and B-91 of *The Economic Report of the President* (2002))

Table 1 simply illustrates a well known fact: in the Keynesian era nominal wages and profits increased at roughly the same rate, but in the Neoliberal period nominal profits increased dramatically in comparison to nominal wages (which actually fell in real terms).

However, a surprising development occurred beginning in 1997: for the first time since the 1960s there were three consecutive years of positive above one percent increases in real wages (1997, 1998, 1999). Not surprisingly, in these years profits begin to fall from \$800 to \$773 billion after more than a decade of uninterrupted profit increases. This initiated a crisis period where *nominal wages increased while profits decreased* which reversed an axiom of the Neoliberal period.

Here in numbers is one of the springs of the ferocious hatred President Clinton provoked in the hearts of Right-wing politicians in the so-called “boom years” of the late 1990s. However firmly Clinton believed in the virtues of neoliberalism, the US economy experienced a three-year period when real wages went up and total profits went down on his watch. Though it was not Clinton’s intention to precipitate a profits crisis, the impeaching Republican senators cried, “This is anathema in a neoliberal economy! Off with Clinton’s head!” They believed Clinton either was an incompetent neoliberal leader who let unemployment get too low or was insincere in his faith in the theological properties of “the market.”

This change in the wage/profit ratio could not last, however, in the continuing dominance of neoliberal policies. So beginning in 2000, amid the collapsing stock markets, the dot.com crash, economic slowdown and a statistically defined recession,

real wage increases began to drop as well and have remained close to zero for the last three years: .3% in 2000, .5% in 2001, and approximately .5% in 2002.

Given this data, does the image of an increasingly triumphant capitalism and an increasingly enslaved proletariat that has been painted by countless critics of neoliberal policies (including myself in an essay entitled “From Capitalist Crisis to Proletarian Slavery” and written in late 1997) still fit (Caffentzis 2001)?¹ My answer is, “Yes and No,” for I would describe the present period in slightly different terms as “The Return of Capitalist Crisis and the Deepening of Proletarian Slavery.”

The “return of capitalist crisis” part is obvious. The unusual period of real wage growth between 1997 and 1999 merely demonstrated the rigidity of neoliberal capitalism: it cannot allow for a steady increase of real, across-the-board wages without going into crisis. The primary reason for this rigidity lies, paradoxically, in the intense fluidity of capital movement in a neoliberal environment. Capital is normally very sensitive to changes in profit rates, but, given physical, political and class constraints, it often has had to suffer wage increases and profit decreases in silence (though often for its long-term benefit). There are transaction costs in capital’s motion that are often so expensive that it becomes unprofitable to move. Indeed, to prevent the destabilization of class relations prompted by rapid capital movements, the Keynesian states of Western Europe and North America and Third World nationalist states from World War II to 1973 often criminalized swift capital movements and legally formalized this stickiness of capital. But the costs of such movement (monetary, legal and political) have been dramatically reduced since 1973 with the implementation of neoliberal policies throughout the world. Consequently, any consistent increase in average real wages and drop in profits can trigger off a capital strike and then an exodus to more propitious climes.

The crash of a variety of bubbles (from the dot.com boom to the Enron-like scams) revealed the underlying fall of profitability in the late 1990s that caused a capital strike and exodus in 2000 and beyond. This is not just an economic crisis in the US, which can be overcome with some interest rate reductions and tax cuts. It is a worldwide ideological and political crisis as well as an economic one. Economically, this crisis in the US matched the profits stagnation in Europe and Japan that amplified the anxiety concerning the viability of the neoliberal project as a capitalist solution to working class demands and struggles.

Ideologically, as the crisis developed, a worldwide anti-neoliberal globalization movement stepped into the role of an opposition to capitalism that previously was

played by the Communist states. The mere existence of such a vocal opposition, whatever the “effectiveness” of its strategies and tactics, was destabilizing. Indeed, as the crisis intensified in the US, the movement even began to take on a statist character.

Although the movement claimed it was “everywhere,” its epicenter became South America and its claims that neoliberalism cannot provide for the reproduction of the bulk of the human race began to be taken seriously as state policy beyond the confines of Havana. Events like the collapse of Argentina’s neoliberal economic policy and the anti-neoliberal political insurrections and electoral victories in Bolivia, Venezuela, and Brazil gave this claim the power of representation on the world stage. The recent failed attempts to extend the neoliberal globalization agenda in the WTO meetings in Cancun in September 2003 and the Free Trade Area of the Americas (FTAA) in November 2003 have been inevitable consequences of this transformation of the movement from the streets into the state houses and conference rooms. What appeared to be a way to overcome the crisis of Keynesianism in the 1970s is now entering a chronic crisis itself at the beginning of the 21st century. The Bush Administration’s job, in the face of Clinton’s failure to hold down wages at the end of his Administration, is to return US capital to profitability and thus effectively reduce wages while dealing with the ideological crisis unleashed by a world-wide demand for an alternative to neoliberalism.

As for “the deepening of slavery” side of my description of this period, the evidence can be seen in the legislation that has been put into place since September 11, 2001. The legal counter-revolution of 1996 that brought the “Personal Responsibility and Work Opportunity,” “Illegal Immigration Reform and Immigrant Responsibility,” and “Anti-Terrorism and Effective Death Penalty” Acts has been followed by the “war on terrorism” embodied in the USA-PATRIOT and Homeland Security Acts of 2001 and 2002 respectively.

The war on “terrorism” is often presented as a nodal point for the US foreign policy and civil rights. Less understood is the impact it has on workers’ struggles and the fact that one of its primary domestic aims is to stifle the organizational capacity of the US working class, including its drive to unionization and refuse a future of wage slavery.

The Bush Administration’s use of the USA-PATRIOT Act and the Homeland Security Act proves the point of my description as I will show below.²

The USA-PATRIOT Act and Wage Slavery

We build machines that act like men and we want to produce men who act like machines. Our danger today is not that of becoming slaves, but of becoming automatons.

—Erich Fromm, “Freedom in the Work Situation” in (Harrington and Jacobs 1960: 3).

The Patriot Act, hurriedly passed, almost unanimously in Congress and signed by President Bush six weeks after September 11, 2001, was sold to Congress and the public as a means to repress Al Qaeda and its allies. But the Act is not specifically directed at Al Qaeda members. Far from having a clear objective—as it was the case, e.g., with the legislation of the Cold War that criminalized communism—the Patriot Act’s identification of the “enemy” is extremely vague. Its definition of “terrorist activity” and “terrorist organization” is so broad that it practically criminalizes anyone who is politically involved and travels, communicates, or sends money across national borders for almost any political purposes not sanctioned by the US government.

“Terrorist activity” is defined as any crime involving the use of a “weapon or dangerous device (other than for personal monetary gain),” while “terrorist activity” includes soliciting funds, soliciting membership, and providing material support for a “terrorist organization,” even when the organization has legitimate political and humanitarian aims. What constitutes a “terrorist organization” is even more problematic. In the past, it was the US State Department that decided which organizations were to be considered terrorists, by periodically issuing new lists. But with the passing of the Patriot Act, “terrorist organization” is defined as any group of “two or more individuals, whether organized or not,” engaging in terrorist activities, defined as above.

As for the crimes that can be prosecuted under the Patriot Act, the list is potentially endless. It covers:

...acts dangerous to human life that are a violation of the criminal laws [if they] appear to be intended...to influence the policy of a government by intimidation or coercion [and if they] occur primarily within the territorial jurisdiction of the US.

This definition can easily include picket-line activities occurring in the context of a public demonstration or of a strike outside a factory, an office, or an army base. Moreover, a non-citizen can be deported even if s/he provided material assistance to,

solicited funds for, or solicited membership for an undesignated “terrorist organization” prior to the enactment of the Act.

Considering how “fluid” and contingent is the US government’s classification of its opponents, this retroactive clause is a very provocative step. It clearly intends to put the anti-globalization and union movements on the defensive. Activists now must face new risks when engaging in any transnational networking and support work. More than that, as Nancy Chang, from the Center for Constitutional Rights, has noted, the language of the Patriot Act (no less than that of the Homeland Security Act) can be read by federal law enforcement agencies:

as licensing the investigation of political activists and organization based on their opposition to government policies. It also may be read by prosecutors as licensing the criminalization of legitimate political dissent (Chang 2002).

However, while all activists and workers can be criminalized under the Patriot Act, immigrant workers are most under the fire of the new legislation, as their organizing and the requirements of their daily lives demand that they operate on a transnational level, e.g., through engaging in support work for political organizations in their “home” countries. Indeed, when we look at the use that has already been made of it, we see that behind the “terrorism” rhetoric the Patriot Act appears as nothing less than a new tool to keep class struggle in check in the US, and it is especially designed to control a working class that is becoming increasingly multinational.

The Patriot Act has already been used to raid immigrant neighborhoods, deport or detain an undeclared number of immigrants, especially from Muslim countries, and screen tens of thousands more. Most important, its immediate effect—in the period after September 11—was to freeze the organization drives immigrant workers were leading.

This is not accidental. To fully understand why this type of legislation was adopted, two considerations are in order. First, “September 11” occurred at a time of renewed class struggle and union mobilization which, by the year 2000, was beginning to reverse the tremendous decline in union membership that had occurred in the 1980s (by 1999 union membership had fallen to 13.9 percent from 25 per cent average of the 1970s). Thus, while in the 1980s workers had seemed defenseless against the anti-union attacks launched by corporate power with the support of both the Republican and Democratic parties, by 2000 unionization and a working class offensive was regaining ground. The stability and, in some cases, growth of unionization in the public

sector (from teachers to police officers to welfare workers)—from 36.7 percent in 1983 to 37.5 percent by 2000—has been in part responsible for the resurgence of workers' activism. But the main protagonists of the new class offensive and labor's organizational drive in the 1980s and 1990s have been immigrant workers whose massive entrance in the US workforce—almost 15 million between 1981 and 1998—has radically changed its social and political composition.

For a start, it has affected the rate of unionization, as immigrants are generally more favorable to unions than native-born workers (De Freitas 1993). An example of this preference is the fact that 75 percent of the heavily immigrant Latino population of California voted against the anti-union Proposition 226 in California (which would have required unions to obtain individual permission from their members to spend any of their dues on political campaigns), while only 53.5 percent of voters overall voted against it.

Unions are not revolutionary organizations; however, it is indisputable that in the US unionized workers earn an average of 34 percent more than other workers. "Joining a union raises earnings by 40 percent for [waged] working women, 44 percent for African American workers, and 53 percent for Latino workers" (Collins and Yeskel 2000: 83). Indeed, a sudden reversal of unionization trends and a return to their level in the 1950s (given their impact on wages) would immediately euthanize the profits of US corporations. Thus, the increasing presence of immigrants in the US work force is seen as a mixed blessing by US capital. On the one side, immigrants form the basis of much of the profitability of US industries but, on the other, immigrant workers (both documented and undocumented) bring with them an intense experience of struggle.

It is rare for politically active immigrants from Latin America or any part of Asia or Africa not to have been involved in anti-globalization struggles in their home countries prior to migrating. Very few adults have not participated, for instance, in a strike, or riot or insurrection against World Bank-inspired privatizations and "liberalization" programs or IMF-inspired devaluations. Many have been hounded out of their countries precisely because of their anti-globalization militancy as well as the general impoverishment which structural adjustment has caused. In other words, the immigrant workers who come to the US are not defeated, apathetic people. On the contrary, they are circulating into the "center" of capitalism an enormous experience of struggle from its "periphery" that has been the basis for the revival of trade union militancy and class struggle in the US of the 1990s.

So powerful has been the impulse immigrant workers have given to the struggle in the USA that, by 2000, the AFL-CIO had reversed its century-long hostility to immigrants and taken the unprecedented step of supporting a demand for amnesty for the undocumented, recognizing that they were providing the leadership of its organizing drives (Prashad 2003: 44).

It is not an accident, then, if the Bush Administration's Patriot Act has targeted immigrants, starting with immigrant workers, and stigmatized them as "terrorists." The goal is precisely to interrupt that flow of information, organizational strategies and networking that in recent years—in many cases through the anti-globalization and union organizing movements—has allowed activists to challenge the hegemonic power of multinational corporations, forcing them in many cases to become accountable to their workers through internationally coordinated campaigns (as, e.g., in the anti-sweat-shops campaign).

Thus, the Patriot Act is an important step in the formation of a new phase of *wage slavery* in the US, as was indicated by the 2002 US Supreme Court decision in *Hoffman Plastic Compounds v. National Labor Review Board (NLRB)* that denied the right to back pay remedy to undocumented workers who were illegally fired. This decision has behind it an increasing political identification of immigrants with terrorists (i.e., the ultimate rightless demonic beings in contemporary US jurisprudence).

I use the archaic phrase "wage slavery" in this essay for the same reason that other terms like "sweatshop," "new enclosures," and "multitude," evoking capitalism's past, have been used to refer to major changes in contemporary society.³ This semantic "going back to the future" signals a rupture between capitalist change and social progress, which conceptually reprieves both the past horrors of capitalism and the past missed opportunities to break from it.

"Wage slavery" is often misunderstood as a rhetorical phrase referring to a time long-ago when workers' wages were pitifully low, the working day was endless and the discipline of work draconian. But these are symptoms of wage slavery not its definition, which more precisely means being a situation where workers are not legally entitled to collectively bargain the cost and conditions of their labor. In other words, unlike in chattel slavery, the wage slave is not the possession of the employer. S/he gets a wage, but s/he cannot collectively negotiate his/her wage by, for example, denying his/her labor with other workers in a strike. In such situations, the wage is effectively determined either by the state or by the employers and it tends to gravitate to the popular image associated with a Victorian Scrooge penny-pinching his helpless

workers to death. Wage slavery was quite common in the nineteenth century in Europe and the US as the political literature of the period attests. In fact, wage slavery only became passé there when the working class became enfranchised and workers had the right to form unions and collectively bargain their wages, hours and conditions in the late nineteenth and early twentieth centuries. But nothing as useful to capitalism as wage slavery remains passé, especially since liberation from it clearly did not constitute a liberation from capitalism, as the history of the US and Europe shows.

I am not alone in re-examining the space between the wage and slavery in order to understand the condition of the workers in neoliberal capitalism. The conceptual territory between chattel slavery and the full enfranchisement and protection of workers' bargaining rights has become the focus of attention since the end of Keynesianism in the 1970s. The "chattel slavery" side of the territory has attracted the most attention, of course (see, e.g., (Bales 2000) on "disposable people"), while prosecutions of violations of anti-slavery conventions (both directly and indirectly) are common in recent years throughout the planet. But the "wage" side of wage slavery has also been the object of attention under the rubric of the deprivation of "workers' rights" and the revival of "sweatshops." For the ideal totalization of a free wage labor regime (as envisioned by the ILO conventions and the more radical of the New Deal legislation) is receding in the US as it is throughout the planet.⁴

The fear that Erich Fromm voiced in 1960 in the epigraph about workers turning into automatons has recently morphed into a fear of the return of wage slavery in the US and worldwide. The condition of immigrants without any collective bargaining rights is rapidly becoming identical to that of many citizens like prisoners, parolees and others on probation, as well as those on workfare. The fear of gaining guaranteed "safety" in an industrialized, bureaucratized society at the price of an alienated and mechanized life that was so pronounced in the 1950s and 1960s is giving way in the 21st century to an older anxiety: a sense of being without any rights to negotiate the basic conditions of one's existence in the midst of a jungle of machines. For being "mechanical" and "the machine" has lost the sense of being planned and orderly and has taken on the pejorative sense of the "savage," i.e., of being unpredictable, cruel and fatal.

Thus, the critique of capitalism has turned from an emphasis on alienation to exploitation and consequently to a revaluation of the framework of wages, profits, class and work.

The Homeland Security Act: A Subtle Mixture of Neoliberalism and Keynesianism

While the Patriot Act's violation of workers' rights and unionization is implicit, the Homeland Security Act's (HSA) hostility to unionization is quite explicit. Passed on November 25, 2002 for purpose of "prevent(ing) terrorist attacks within the United States" and "reduc(ing) the vulnerability of the United States to terrorism," even before its adoption, the Act was at the center of an acrimonious controversy precisely because of its anti-union provisions. The Act is a direct attack on government employee unions, as it threatens the rights of the 170,000 employees of the newly created Department of Homeland Security (DHS)—resulting from the consolidation of 22 federal agencies—to unionize. (We should remember that Federal Government workers have no freedom to strike and hence are legally restricted in their power to collectively negotiate their wages.)

One of HSA's many anti-union provisions—buried in Title VIII, Subtitle E, section 842—specifies that:

If the President determines that the application of subsections [of the law that involved collective bargaining rights] would have a substantial adverse impact on the ability of the Department to protect homeland security, the President may waive the application of such subsections 10 days after the President has submitted to Congress a written explanation of the reasons for such determination.

In other words, the collective bargaining rights of 43,000 unionized DHS employees must be contingent on a unilateral decision by President Bush! In the debates before the HSA was passed, the Democrats in the Senate demanded that the President be forced either to get approval for such a waiver from the Federal Labor Relations Authority or to declare a state of national emergency before issuing it. But President Bush threatened to veto the law if his right to unilaterally waive the DHS workers' collective bargaining rights was in any way diminished, and that was sufficient to carry the day.

In this case too, the passing of the Act is to be connected with the rising militancy of public sector workers, mentioned above. But what is clearly at work is a broader project aiming to turn back the clock to the pre-Wagner Act, pre-"New Deal" era—to the times, that is, of wage slavery and unlimited employers' power, and, lest we

forget, when labor conflicts were “Big Trouble” which were solved with the Pinkertons’ rifles and occasionally the noose (Lukas 1997).

It is in any case certain that the creation of the DHS has triggered the largest reorganization of the Federal bureaucracy since World War II (the DHS being the third largest Federal Department in terms of employment), and its formation has opened the flood gates for a unprecedented set of administrative decisions both delegitimizing unions in the Federal government and privatizing government services, so that non-unionized corporations, in the future, can become recipients of Federal revenues in a wide variety of areas that civil service rules so far had prevented.

A foreshadowing of this transformation was the removal by the Bush administration, in January 2002, of about a thousand Justice Department lawyers from union jurisdiction. This move was justified with the argument that since a small number of these lawyers were involved in “terrorist” litigation, they all could be involved at one time or another in “terrorism” trials that would require them to be privy to “national security” information. Thus they were all subject to “national security” exemptions that barred unionization. This argument was possible because, after September 11, 2001, “terrorism” became defined as a matter of “war” and “national security,” instead of a matter of “crime.” This means that federal attorneys involved in terrorist cases are now treated as war combatants rather than as court officers responsible for determining who committed a crime. Indeed, after the HSA, “national security” considerations have been extended to the most innocuous activities, from librarians lending books to janitors repairing boilers in government buildings.

An even clearer example of the use of the Homeland Security Act to undermine government employees’ unions has been the fate of the airport baggage screeners. By 2000 baggage screeners working for private contractors had organized themselves, creating local branches of the Service Employees International Union (SEIU). But one month after September 11, 2001 Congress decided that screeners had to be federal employees and citizens, a move which expelled from the airports many immigrants workers and eliminated SEIU airport locals, as the new federal employees could not bring along their previous union affiliations. The screeners then tried to organize a federal employees’ union but were blocked by a Presidential decree barring them from unionizing, again in the name of “national security.”

An allied example of how “terrorism” is used to undermine workers’ rights is the plan Secretary of Defense Rumsfeld is promoting, which denies collective bargaining

rights to the Department of Defense's 640,000 workers (44 percent of whom are already unionized). The plan is presently being debated in Congress. But, whatever its fate, it is an important step in the Bush Administration's campaign to privatize government services and staff them with non-unionized workers, an effort that began with the November 2002 decision to open 15 percent of federal jobs, considered "commercial in nature," to competition between federal agencies and private corporations.

Much depends on the success of this operation. Privatization of government services would guarantee that the hundreds of billions of dollars increase in the Federal budget that has taken place since Sept. 11, 2001 would not result in an increase of the predominantly unionized government employment, but would instead consign hiring procedures to private contractors (from cleaning companies to "rent a soldier" operations) heavily relying on non-union labor. This anti-union privatization would be the solution to the Sphinx's riddle posed by the Bush Administration's revival of military Keynesianism that was voiced by Kalecki in the 1940s: how is it possible for the state to invest in social reproduction without strengthening the working class? Of course, the general preference is to invest in "disciplinary" branches like the police and military rather than in housing, medical care or education, but even military spending creates a guaranteed sphere of employment for millions of mechanics, secretaries and janitors. The massive use of non-union private contractors that would at the same time offer "national security" guaranteed jobs for US citizen workers would satisfy the conditions of the problem Bush faces. In effect, the Bush Administration is proposing a subtle mixture of neoliberalism (privatization) and Keynesian deficit spending to get and keep US capital out of a crisis for the near future, which would, at the same time, promise non-union jobs in a hugely expanded and privatized "national security" sector to citizen workers while further driving immigrant workers into illegality and wage slavery.

Conclusion

September 11, 2001 has been a turning point in the history of the US working class, marking a decisive crisis in the US workers' rights to legally resist exploitation. Through the Patriot Act and the Homeland Security Act, a powerful machine has been set in motion intended to undermine unionization and contain working class organizing drives and wage demands, especially in the case of immigrant workers, presently the most militant US workers.

This means that with the rhetoric of the “war on terror” and “national security,” the Bush Administration has offered a barbed deal to the US working class reminiscent of that offered to German workers in the Depression. A select part of the working class, mostly white or native-born, is being promised a future in an economy bloated by US anti-terrorist government procurements that foreign companies (and workers) could not compete for because they would be labeled “national security” contracts (and jobs). Meanwhile, the remaining non-citizen workers must live under the threat of being labeled “terrorists”—should their activism exceed what business can accommodate to—and of being stripped of their rights, at best deported, at worst incarcerated for an indefinite time in a concentration camp like Guantanamo.

Will the “citizen workers” of the US accept this deal and will non-citizen US workers silently suffer their condemnation to “wage slavery”? Their collective choice remains unclear. But what we know is that in the last two years, about one hundred cities and the Oregon State Senate have passed resolutions defending their residents’ civil rights from the threat posed by the Patriot Act, the Homeland Security Act and the related legislation, while organizations like the American Librarians Association have openly urged their members to oppose the provisions of the Patriot Act that applies to them. Moreover, immigrant workers are refusing to become invisible. In the face of enormous intimidation, hundreds of immigrant workers have undertaken a “Freedom Ride” that is taking them across the country, from Los Angeles to Washington, with stops in dozens of towns and cities, to make their case against the provisions of the Patriot Act and similar anti-immigrant legislation. These are small but significant harbingers of the decisive decisions that are to be taken by the US proletarians in the coming year that could lead to the rejection of the Bush Administration’s “war on terrorism” deal.

September 2003

Notes

1. There is now a standard genre of left wing or liberal descriptions of the “condition of the US working class” in the late 20th and early 21st centuries that reveal different outlines of the same rather dismal picture. Some of the most useful are (Yates 1994), (Wolman and Colamosca 1997), (The Public Health and Labor Institutes 1997), (Collins and Yeskel 2000), and (Prashad 2003).

2. The full title of the Act is: Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act. For a fine discussion of the legal aspects of the Act see, beside Nancy Chang's work, (Cole 2003: 57-69).
3. For a discussion of "sweatshop" see (Prashad 2003: 19-25), for "new enclosures" see (Midnight Notes 1992), for "multitude" see (Hardt and Negri 2000: 102-103). We might be tempted to ask at this juncture, "which of these phrases more adequately characterize the present?" But semantic discussions can have an Alice-in-Wonderland futility about them, unless we, as Alice did, wake up and put them to political test.
4. The identification of the working class with waged labor has been a staple of classical nineteenth-century Marxism as well as the assumption of the ILO after WWI and the UN Declaration of Human Rights in 1948. In Marx's revolutionary scenario, capitalism was supposed to have an innate tendency to expand the waged labor market across the planet and set the stage for a unification of the planetary working class that would prove to be capital's undoing—"Workers of the World Unite." For the reformist ILO and the UN, the totalization of the wage would set the stage for a "tame" capitalism that would recognize workers' rights and normalize the class struggle. But this common assumption of both the Marxists and international agencies has been critically undermined by analyses of wage labor in the last generation and by the recognition of the importance of unwaged labor for capitalist production: either in slavery or reproduction (housework). Some recent important works in this reanalysis are (Federici 2004) and (Linebaugh 2002).

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chapter twelve

Is Truth Enough?

The Bush Administration's Lies and the Anti-War Movement's Truths

Polls and Truth

I was preparing an update on the developments in the oil industry in Iraq since the US invasion last year when I noticed on the front page of the March 17, 2004 *Portland Press Herald* a graph showing the results of a poll taken in eight countries concerning the motives of the Bush Administration in launching the war on terrorism (which it elides with its invasion and occupation of Iraq). It was very disconcerting and has forced me to think again about politics and truth. Along with a little summary up-date of the situation of Iraqi oil industry one year into the occupation then, I want to look more carefully at the consequences of the truth for our political work.

For those who have not seen the newspaper, let me describe the results: 58% of the respondents in France, 60% in Germany, 33% in the UK, 71% in Jordan, 63% in Morocco, 54% in Pakistan, 51% in Russia, and 64% in Turkey claimed that "control of Mideast oil" was an important motivation for the Bush Administration's "war on terror" and hence its invasion and occupation of Iraq. In the US, however, only 18% claimed "control of Mideast oil" to be an important motivation.

Surely, one must take polls with a grain of salt, since they are so dependent upon what, how and of whom questions are asked (especially in any international poll). Another issue to keep in mind is that the respondents were asked about the *motivations* of the Bush Administration in invading Iraq, an inherently difficult question, given the notorious difficulty of determining the motivations "behind" the act of any agent. These caveats aside, the results are still striking, but it is equally hard to determine the motivations of those polled. Is it that US respondents are "brainwashed"

and the people in Europe, Russia and the Islamic world can see clearly on this matter? Should we just pack up our movement and sail across the Atlantic to more agreeable climates?

All joking aside, how do we account for the differences in interpreting the motivations behind the US government's actions? An answer to this question is important for our movement. For if a majority of people in the US did think that the "real reason" behind the Bush Administration's decision to invade Iraq was to control "Middle East" (while recognizing all the "orientalist" objections to the term) oil, they would then be forced to conclude that the hundreds of dead and thousands of wounded US troops (much less the tens of thousands of Iraqi casualties) were sacrificed for the profits of giant oil companies like Exxon, Mobil, ConocoPhillips, and ChevronTexaco. According to this reasoning: the truth (or more accurately, acknowledging the truth) will make us free (or at least help end the war)! If only we in the anti-war movement overcame the Bush Administration's propaganda and convinced our "fellow Americans" of the fact that the Iraq invasion and occupation was an "oil-driven war" (as Camilo Mejia, the Florida National Guard Staff Sgt. who has refused to return to Iraq and faces many years in prison, believes), then there would be a mass rejection of the war similar to what eventually happened during the Vietnam war.

Truth and Consequences

Yet, if Truth should make us free, then the anti-war movement would be enjoying Liberty itself. Let us consider what the "average" movement activist was saying to his/her fellows in the US in February of 2003:

- give the inspectors a chance to investigate whether Saddam was stupid enough to have weapons of mass destruction after such a long period of surveillance
- there is no credible evidence to link the Iraqi Ba'athist regime with Al-Qaeda, since there were decades of hostility between Bin Laden's and Hussein's politics and projects;
- there was neither reason to believe that Saddam Hussein's regime was any more capable to inflicting mass human rights abuses in the near future than any other Middle East government (Israel included), nor that the people in Iraq would welcome a US occupation.

On each of these points we were proven correct as was our slogan “NO BLOOD FOR OIL!” We argued in the run-up to the war that the justifications the Bush Administration was producing did not “add up” and that the war would lead to the creation of a US petroleum colony in the Middle East (with all the inevitable struggle and carnage that would follow). What we meant then (and now) by the slogan “NO BLOOD FOR OIL” had many levels and we should remind ourselves about them:

Level 1: No Blood for Oil, literally

The Bush Administration is planning war as a way to plunder and take control (first directly and later through proxies) the oil fields of Iraq.

Level 2: No Blood for Privatization of Oil Resources

The US has been the leader in imposing neoliberal/globalization policies around the planet. One commodity after another has been “neoliberalized,” but oil has escaped this fate. Most of the nationalizations of oil companies took place between 1969 and 1973, but it has been almost impossible for these companies to be reprivatized, even though the national telecoms and airlines were put on the auction block in many of these same countries (e.g., Nigeria). The US government wants to reverse the nationalization process and an occupied Iraq is a propitious place for this reversal. An added benefit of this privatization would be the undermining of the Organization of Petroleum Exporting Countries (OPEC), an cherished goal of those in the US who have been demanding the imposition of neoliberal globalization on the oil industry world-wide.

Level 3: No Blood for Neoliberalism

One of the main diplomatic failures of the Bush Administration has been to give the impression that this new “world domination” strategy is a product of a spontaneous Nietzschean will to power. Their claim that the urgency of the Iraq invasion and take-over is due to some imminent threat to national security posed by Hussein’s weapons of mass destruction has been rejected even by many of their most loyal defenders. There is an emergency the Bush Administration is responding to, but it is not a military one...it is political-economic one.

The neoliberal system of capitalist accumulation (what we in the US call “globalization”) that replaced the Keynesian one in the late 1970s has been in deep

crisis since 1997 and the Bush Administration must respond to this crisis or it too will be thrown out by its masters (if not by its subjects!) One of the most important questions of a neoliberal order is: who will be in enforcer when countries wish to opt out of the system (for whatever reason). The US government has decided that it is the only power capable to do the job and Iraq's Baathist regime was one of the glaring recalcitrants. Its destruction was to have a "demonstration effect" on all other actual or potential "rule breakers."

Let us see how each these levels have fared in the last year.

As for Level 1, the US did indeed get to plunder Iraqi oil fields on the basis of its invasion and occupation of the country *with the assistance of the UN*. For on May 22, 2003 the UN Security Council not only lifted trade sanctions against Iraq but it also placed the control of Iraqi oil revenues in US hands in Resolution 1483. The mechanism to accomplish this transfer is "the Development Fund for Iraq" in which all the UN oil-for-food moneys (approximately \$13 billion) and all future oil revenue go to. This Fund is managed by the US-controlled Coalition Provisional Authority (CPA) until an "internationally recognized, representative government of Iraq [is] properly constituted." Though there is an oversight board—composed of UN, IMF, World Bank, and Arab Fund for Social and Economic Development members—this board has no power over financial disbursement arrangements. The CPA has an absolute say over where the money goes. Consequently, US firms like Bechtel have had an inside track, especially since many of the contracts require a security clearance that only US citizens can acquire. (The fate of the Fund is unclear in the light of the creation of that chimerical being, the "transitional government," whose job is to write a constitution and prepare for elections by December 2005.)

Level 2 has a similar story. The US planners who followed in the van of the Abrams tanks and cruise missiles were certainly determined to create a post-Saddam Iraq that was a haven of free markets, "the best democracy money could buy," and privatization of government assets. The golden grail of such a quest, of course, was the privatization of the oil industry itself. A significant step in that direction was taken on September 19, 2003 when the CPA chief, Paul Bremer, promulgated Order 39 which called for the privatization of two hundred state companies; and permitted 100% foreign ownership of Iraqi banks, mines and factories as well as 100% repatriation of profits.

The unilateral invasion of Iraq and swift destruction of neoliberalism's favorite pariah, Saddam Hussein's Baathist regime, definitely emboldened those who claimed

that only the US can save the neoliberal order from a nation-state exodus (our Level 3). The invasion's success certainly created a sense of caution among neoliberalism's nation-state recalcitrants that were on "supporters of terrorism" and/or "failed state" lists in the State Department. There were many different reactions to the invasion in the vicinity of Iraq, from the Iranian theocrats' ratcheting up the hard-line repression of their "liberal" political opponents to the Libyan government's swiftness in revealing its nuclear program and settling the Lockerbie claims.

The US message from Baghdad was heard far beyond the confines of the Middle East, however. US troops continued to expand their bases into Central Asia, to return to the Philippines, and to reserve the right to intervene anywhere neoliberalism was in trouble. For example, in December 2003 Jean-Bertrand Aristide demanded as part of the bicentennial of the victory of the Haitian Revolution \$21 billion from the French government as repayment for the reparations the French forced the Haitian government for nearly a century to pay to the slave owners who were expropriated by the victorious slaves at the end of the revolution. Such a demand, of course, was an anathema to the neoliberal world order which only sees the past as the basis to impose debt on workers and not vice versa! Aristide's demand immediately led to the "uprising" of the Cannibal Army in Gonaïves and the return of convicted assassin Louis Hodel Chamblain to Haiti to initiate a *coup d'état* that the US military ended with the kidnapping of Aristide. Now there are thousands of US (and French) troops in Haiti enforcing the neoliberal order and stopping Aristide from "stirring up the past"!

However, the success of the Iraq invasion on these three levels was soon checked by the rise of one of the most remarkable military-political phenomena in recent history: the armed resistance to the US occupation in Iraq. This resistance is remarkable since it is an urban guerrilla without any significant foreign state support, no rural safe havens, no external funding of any obvious sort, no regular re-supply routes, no open political organization with a unified program, strategy and tactics. If the US, in a desperate effort to create a legitimate organ by which to rule Iraq and its oil has given birth to a political chimera, the CPA-IGC-transitional government, the resistance it has unleashed is the equivalent of an "invisible hydra."

This resistance has had important consequences for all these levels:

First, the resistance has, in effect, made almost one half of the pipeline system for Iraqi oil inoperable through sabotage for nearly a year. Iraq's operative oil fields are in the northern and southern parts of the country. Before the war, the southern oil was pumped to the Persian Gulf ports and shipped by tanker. This is still happening and

constitutes the bulk of Iraqi oil that is being exported. The northern oil was largely sent by pipeline through Kurdistan to the Turkish port of Ceyhan. This is the route that has largely been shut down due to the persistent attacks of the resistance. *The Wall Street Journal* (Europe) reported on March 1, 2004 that although exports from the southern ports are about 1.5 million barrels a day, "Iraq's only other major export route—a pipeline from the northern oil fields at Kirkuk to Turkey's Mediterranean port of Ceyhan—has yet to resume pumping on a regular basis due to sabotage." This fact puts into question many of the CPA's "Stalinoid"-smelling statistics being thrown around in the run-up to the first anniversary of the invasion that proclaim oil exports had passed the pre-invasion levels. Certainly, the effective loss of the northern fields to the resistance undermines any US claim to completely control the Iraqi oil production cycle.

Second, the resistance has largely enforced the Hague Convention of 1907 (which denied the right of conquerors to dispose of the non-military property of the defeated) and made most of the Bush Administration's ambitious privatization schemes "null and void."

Barely three months after Bremer's Order 39 was promulgated the resistance's attacks were credited (in an article in the December 28, 2003 edition of the *Washington Post* by Rajiv Chandrasekaran) as the reason why the CPA had to "retreat" from slash-and-burn privatizations and other "brilliant" neoliberal "solutions" to Iraq's many social and economic problems. Chandrasekaran gave as a salient example the fate of a state-owned Vegetable Oil company that was high on Bremer's privatization list. The company's director, Faez Ghani Aziz, agreed with Bremer and he began to "downsize" the operation and look for foreign investors. But in July 2003, as Chandrasekaran puts it:

After refusing to rehire dozens of workers who had been dismissed before the war, Aziz,...was gunned down on the way to work. His killing sent a wave of panic through the Ministry of Industry. All of a sudden, no one wanted to talk about privatization.

Indeed, by December 2003, Chandrasekaran reports, the CPA stipulated that privatizations would be authorized only if the purchasing corporations could guarantee that the new private firms would not lay off any workers.

A similar retreat can be seen from Bremer's and the Bush Administration's original goal of privatizing the Iraqi oil industry during the occupation. That goal is now on hold because of the resistance. Even the Iraqi Governing Council, whose members were

hand picked by the US, has rejected Bremer's repeated proposals to privatize the oil industry. At best, Bremer is now feverishly working on re-establishing the national company, Iraq National Oil Co. (INOC), which ran the oil sector from 1964 to 1987. The Hussein government dissolved the INOC into the Ministry of Oil, to have even more direct control over it at the end of the Iran-Iraq War. The idea behind reviving the INOC being, according to the Robert McKee, the oil chief in the CPA, that "a state oil company...allows a significant outside investment in the industry" (Reuters, 2/29/04, *Iraq Co. to Run Oil Sector by July*). Thus Bremer and Co. must settle for "half a loaf," due to the resistance.

This failure to privatize the Iraqi economy (especially the oil sector) will also have consequences on Iraq's future relation to OPEC. For the Bush Administration assumed that, under the supervision of the giant oil companies, the post-Saddam Iraq would either leave OPEC or become a "spoiler" from the inside. But with a resistance making such a privatization more problematic, the post-Saddam oil industry might very well find itself in alliance with one or more of its OPEC neighbors (Saudi Arabia, Iran and Kuwait). At any rate, the vision of an Iraq becoming the 21st century source for the profits of the major US-based oil companies and low gas prices for its SUVs is increasingly distant.

The Iraqi resistance has also put into question the US government's claim to be the SWAT team (or slave catcher) of the neoliberal world order (our Level 3). This claim was pumped up by the rapid collapse of the Hussein's regime (and his pathetic capture). Surely any "leader" of a Third World country thinking of declaring a debt default or a foreign policy initiative antagonistic to the US (like openly supporting the Cuban government) would remember those days in Baghdad in late March of 2003, when the maximum leader was turned into a mouse in a hole. But the fact that the resistance has tied the US military down for almost a year and has forced its leaders to strain their personnel to the limit has shown to the world that the Bush Administration is really not capable of the title it claims for itself: being the military arbiter of the world market. This failure will have tremendous consequences for the fate of the US imperial ambitions as well as the future of the neoliberal project.

Lies and Truth in Politics

The moral of this story, then, seems to be: *they* in the Bush Administration are liars, we in the anti-war movement are truth tellers, and that's that. *They* lied about the WMD, the al-Qaeda link, Saddam's dangerousness to the Iraqi people, and the lack of

resistance the US troops would face during the occupation. We told the truth about the Bushites' real economic motivations. In fact, the bulk of political discourse concerning Iraq in the last year has been ... philosophical, for want of a better word. The big issues have been epistemological (i.e., who knew what, when and how?) and/or semantic (i.e., who spoke falsehoods and who told the truth?).

Indeed, one of the most commented upon recent revelations did not have to do with sex scandals in the White House, but with the influence of a long dead political philosopher on the thinking of the people around Dick Cheney and Donald Rumsfeld: Leo Strauss! In Tim Robbins' latest play, "Embedded," Strauss's words are spoken by a mesmerized chorus of masked acolytes suggesting the figures of Paul Wolfowitz, Richard Perle, Condoleezza Rice and others in the Bush Administration's inner circle. What was so scandalous about Leo Strauss that would get a rise out of Robbins? It is very simple: Strauss transferred Plato's famous justification of the philosopher kings and queens lying to the lower classes in their utopia (what Plato called "the noble lie") to a contemporary democracy. Strauss—disdaining the rhetoric of transparency in democratic discourse—argued that it was perfectly ethical for wiser political heads to proclaim lies to the public as long as these lies made it possible to make the political decisions that should be made (but that the majority of people, knowing the truth, would have rejected).

The revelation of Strauss's ideology of ethical mendacity within the White House added to the importance of the politics of truth (and falsehood), at least to the opponents of the Bush Administration and the anti-war movement. We began to see the Bushites as not just occasional, but principled liars who cannot be "found out" simply because they believe that their lies are means to ethical ends, unlike Bill Clinton's purely utilitarian lies about his sexual relations with Monica Lewinski. Thus the question for us was, how can we in the anti-war movement counter these "super-lies"? But for all our efforts, we could still only get 18% of the population to believe that the Iraq War as an exchange of blood for oil one year later!

Something is wrong. Perhaps we are looking at the wrong end of the problem. Instead of studying the liar, we should also examine the "liee," i.e., the gullible one. The latter, not the former, might be the source of the problem. Is there a will to believe lies which is stronger than the will to lie? Is there something that Leo Strauss forgot? Are the ignorant masses more cunning than their lying masters? In order to explore this question, we will have to confront another question: why do so many support the war, when they can clearly see the mendacity it is based on? What could their interest

be in being gullible? Is it that many of the 82% of the poll's respondents who do not believe that "control of Mideast oil" was a motivation for the Bush Administration's war on terrorism-based invasion of Iraq are saying something to us? What could it be?

The Bush Deal

In order to begin to answer these questions about that enigmatic sphinx, the US working class, let me return to the poll I started with. As I said, polls are very tricky things and depend upon what question is asked. In this case, the graph appearing in the *Portland Press Herald* was the product of a compound question. The first question asked was: *Do you think the US led war on terrorism is a sincere effort to reduce international terrorism or don't you believe that?* 67% of the polled in the US responded "Yes" to that question (whereas in Germany 29% answered "Yes"). The 27% in the US that responded "Not sincere" or "Both" were then asked a subsequent question: *Why do you think the US is conducting the war on terrorism? Is control of Mideast oil an important reason why the US is doing this or not?* A large part of that group answered "Yes." Indeed, it made up 18% of the total of the people polled in the US. Therefore, we are led to surmise that a large majority of people in the US see the war in Iraq is part of the sincerely motivated Bush Administration's "war on terrorism." Indeed, without September 11, 2001 there probably would not have been a March 20, 2003.

But why is this the case in the face of so much contrary evidence? Is there a will or an interest behind so many US workers' belief in the Bush Administration's war on terrorism? I think so, and it is important to isolate this interest, examine it, and suggest substitutes for it. One way of understanding the "the war on terrorism" and the military build-up it has justified (as well as the wars in Iraq and Afghanistan) then, is that they are parts of a "deal" the Bush Administration is offering to some workers in the US that will give them limited guarantees of wages in a period when there is a widespread perception that almost any job can be exported.

A key part of this deal is a tremendous increase in the traditional military and the new "homeland security" budgets which should lead to many new jobs. In one sense this increased expenditure (financed by enormous budget deficits) is a form of "military Keynesianism," i.e., the use of government funds directed to the military to "stimulate" economic activity in a period of decreasing private investment and profitability. But the Bush Administration is anxious that this increased expenditure is directed not to civil servants and government agencies, but to private firms contracted

to do the work that unionized government workers did. This privatization of government services would guarantee that the hundreds of billions of dollars increase in the Federal budget that has taken place since Sept. 11, 2001 would not result in an increase of the predominantly unionized government employment, but would instead consign hiring procedures to private contractors (from cleaning companies to “rent a soldier” operations) heavily relying on non-union labor.

This anti-union privatization would be the solution to the contradiction posed by the Bush Administration’s revival of military Keynesianism with the neoliberal agenda’s commitment to undermine any increase in workers’ power and security. The elements of this contradiction were evoked by Michael Kalecki in the 1940s in the question: how is it possible for the state to invest in social reproduction without strengthening the working class? Of course, capital’s general preference is to invest in “disciplinary” branches like the police and military rather than in housing, medical care or education, but even military/police spending creates a guaranteed sphere of unionized employment for millions of mechanics, secretaries and janitors. Indeed, government workers constitute the largest segment of unionized workers that whose rate of unionization (35%) has not declined in recent years.

The Bush Administration’s plan for a massive use of non-union private contractors that would at the same time offer “national security” guaranteed jobs for US citizen workers satisfies the conditions of the problem it faces. In effect, the Bush Administration is proposing a subtle mixture of neoliberalism (privatization) *and* Keynesian deficit spending to get and keep US capital out of a crisis for the near future, which would, at the same time, promise non-union jobs in a hugely expanded and privatized “national security” sector to citizen workers while further driving immigrant workers into illegality and wage slavery.

September 11, 2001 and March 20, 2003 together mark a turning point in the history of the US working class, initiating a decisive crisis in the US workers’ rights to legally resist exploitation and a temptation to turn against immigrants in the US and workers in lands occupied by the US military. Through the Patriot Act and the Homeland Security Act, a powerful machine has been set in motion intended to undermine unionization and contain working class organizing drives and wage demands, especially in the case of immigrant workers, presently the most militant US workers.

With the rhetoric of the “war on terror” and “national security,” the Bush Administration has offered a barbed deal to the US working class reminiscent of that

offered to German workers in the Depression. A select part of the working class, mostly white or native-born, is being promised a future in an economy bloated by US anti-terrorist and foreign war-related government procurements that foreign companies (and workers) could not compete for because they would be labeled “national security” contracts (and jobs) reserved for US companies and workers. Thus, Bechtel and Halliburton are given contracts in Iraq because they can meet “national security” clearance requirements foreign companies cannot. Meanwhile, the remaining non-citizen workers in the US must live under the threat of being labeled “terrorists”—should their activism exceed what business can accommodate to—and of being stripped of their rights, at best deported, at worst incarcerated for an indefinite time in a concentration camp like Guantanamo.

This complex “deal,” I claim, is increasingly being identified with the “war on terrorism.” Consequently, the use of this term is not simply an expression of some personal fear of actual terrorist attacks but is increasingly become a code term for the new form of military Keynesianism which promises jobs and a little job security to US citizen workers fearful of the international competition. In other words, the war on terrorism is less and less about images of the collapsing Twin Towers and more and more about billions of dollars of government contracts and millions of jobs that are going along with them.

Will the “citizen workers” of the US accept this deal and will non-citizen US workers silently suffer their condemnation to “wage slavery”? Their collective choice remains unclear as of the moment. But what we know is that in the last two years, about two hundred and sixty cities (including the city of Portland, Maine as of March 15, 2004!) have passed resolutions defending their residents’ (especially immigrants’) civil rights from the threat posed by the Patriot Act, the Homeland Security Act and the related legislation. Moreover, immigrant workers are refusing to become invisible. For example, in the face of enormous intimidation, in the Fall of 2003 hundreds of immigrant workers undertook a “Freedom Ride” across the country, from Los Angeles to Washington, with stops in dozens of towns and cities, to make their case to other workers against the provisions of the Patriot Act and similar anti-immigrant legislation. These are small but significant harbingers of the decisive decisions that are to be taken by the US proletarians in the coming year that *could* lead to the rejection of the Bush Administration’s “war on terrorism” deal. Can the anti-war movement use its resources to strengthen the rejection of the deal?

A Politics of Truth?

If we still want a politics of truth in a world of the master's lies and the precisely timed gullibility of many of our fellow US workers, then we must be truthful with ourselves, sober up and assess our situation and the possibilities for effective action.

First, we should recognize some of the unique elements of our situation, the most important being that we are opposing a war of occupation waged against an Iraqi resistance movement that has no discernable political program, strategy, or even tactics. This is quite different from the anti-Vietnam war movement of the 1960s and early 1970s and of the anti-Central America War movement of the 1980s (the training ground of many older militants of the present movement). In those previous movements the US government's opponent was well known. Whatever you thought of them, the Vietcong, the FMLN, and the Sandanistas were political organizations with a public, even international presence in contact with the US anti-war movements. This is not the case with the Iraqi resistance in 2004. We are ignorant about something we should know about. We must face the political vulnerability of our ignorance and work hard to turn this ignorance to knowledge.

Second, the situation is going to change on July 1, 2004. Using a classic "prestidigital" trick, the Bush Administration on that day will swiftly transform an occupying army into an "invited police force" asked to keep order by a "transitional" government concerned about terrorism in its borders. At that very moment, guerrilla resistance fighters will officially become terrorists, and hence open to the kind of treatment accorded to fighters in Afghanistan (including shipment to Guantanamo). Our movement will then have to face the consequences of this categorical slight-of-hand, since we will find ourselves attacked by the Bush Administration as supporters of terrorism. The key to the trick was the recent "constitution" "passed" by the US-hand picked Iraqi Governing Council and approved by the CPA. This constitution (*especially with all its attractive civil liberties trappings*) must be decisively deligitimated by our movement. In this fight, we should remember that "constitutions" are fetishized by many in the US working class, so we have to confront many of the prejudices that have "frozen" political change in the US for the last two hundred years.

Third, let me say this again, "respect your enemies." The antiwar movement's lack of interest in the Bush Administration is one reason why we fail to grasp the underlying imperatives propelling its actions. We look at the ungrammatical President, the secretive Vice-President, the Dr. Strangelovian Secretary of Defense and the Lady Macbeth-like National Security Advisor and conclude that they are "just" lackeys of a

right-wing conspiracy fueled by the “majors” in oil industry. Such reductionism is not completely accurate, for they are responding to a major crisis throughout the machinery of capitalism that goes beyond (but definitely includes) the profits of the oil companies and the “control of Mideast oil.” The Bush Administration has offered a “solution” to this crisis: a war on terrorism, and all that it means. Their political replacements (*perhaps* the Democrats) might offer a more multilateral, more union-friendly variant of “the war on terrorism” or a completely “new” solution, but either option must deal with the worldwide crisis of neoliberalism, because that is their business as residents of the White House.

Fourth, we not only must understand the “invisible hydra” of the Iraqi resistance. There is a Sphinx closer to home whose riddle needs to be answered: the US working class. It is a complex beast and bitterly divided within itself. Many of the 67% of US workers who attested in the poll to their belief in the sincerity of the Bush Administration’s commitment to the war on terrorism are terrorized all right, but not of al-Qaeda personally blowing them up. They are terrified of being made jobless and homeless by the power of capital to move beyond US borders and use foreign workers against them. That is why the “helping hand” from capital that the Bush Administration is offering white or citizen workers through the “war on terrorism” is so attractive. It holds out the possibility to them that they can escape the international competition for jobs in a globalized labor market through their status as “loyal” citizens that will make them “irreplaceable.” Can our movement offer a better answer to the real terror of the US working class?

March 20, 2004

chapter thirteen

Peak Oil and National Security

A Critique of Energy Alternatives

The discussion of energy politics in the US is now dominated by two competing paradigms. One is promoted by the Bush Administration and its corporate allies and the other by a wide assortment of liberal and left-wing NGOs and analysts (and occasionally by the corporate supporters of the “Gore-wing” of the Democratic Party which includes, from time to time, John Kerry). The Bush paradigm is all too familiar: the “real” energy crisis has nothing to do with the natural limits on energy resources, but is due to the constraints on energy production imposed by government regulation and the OPEC cartel. Once energy production is liberalized and the corrupt, dictatorial and terrorist-friendly OPEC cartel is dissolved by US-backed coups (Venezuela) or invasions (Iraq), according to the Bush folk, the free market can finally impose realistic prices on the energy commodities (which ought to be about half of the present ones), and stimulate the production of adequate supplies and a new round of spectacular growth of profits and wages.

This Presidentially-approved paradigm is receiving decisive practical criticism from millions of pro-Chavez demonstrators and voters in the streets of Caracas and from thousands of resistance fighters in Fallujah and Najaf. I will leave its fate in their hands.

In this article I examine the other, more sympathetic energy paradigm in the field. Its key components are: (a) the claim that the time when oil production permanently outpaces discovery of “new” oil is nearing (often called “the Peak Oil hypothesis”); (b) a view of the United States as being a powerful nation state whose government is moved by “national security” imperatives in its energy politics. This paradigm is politically problematic for those opposed to the Bush Administration’s imperialist

energy policy, not because its component parts are completely false, but because these parts come together to form a misleading and disarming totality.

In order to make good on my criticism, let me review the paradigm's component parts.

Peak Oil

Up until early modern times, miners, natural philosophers and other "experts" believed that gold, silver and other minerals (like coal) were vegetable-like in that when mined they would literally grow back like a snipped rose bush. This insight in the case of coal and its other hydrocarbon cousins in gaseous and liquid form was not wrong in principle (they *are* the residue of ancient organisms), but it was mistaken as a practical maxim, for the time it would take normal geological processes to transform organic matter into coal, natural gas and petroleum is in the order of millions of years. Consequently, these fuels are, for all intents and purposes, finite, non-renewable energy resources.

This finitude forms the theoretical basis of modern geology. But it has often haunted capitalists extracting profits from the production of the major energy-producing hydrocarbons (e.g., in the late 19th century there was a fear that coal supplies would soon run out), since the extent of this finitude was difficult to gauge. Is the exhaustion of coal, oil and natural gas near (a couple of decades) or far off (a couple of centuries)? The energy industry in the past tended to put the actual total exhaustion of coal, natural gas and oil reserves as far into the future as plausibly possible. But the industry's deferral of its death has recently been abandoned. (This was, perhaps, signaled by British Petroleum's retagging of its acronym as "Beyond Petroleum"). For it is increasingly recognized that the decisive question posed by the finitude of, for example, oil is not the *static* one: how much time there is from the present to the pumping of the last drop of oil out of the last extant field on the planet. The important question is *dynamic*: when will oil production *permanently* outpace new finds, *begin* to deplete the world's reserves and to *tendentially* decline? This inflection point, of course, will occur much earlier than the complete depletion of oil, gas and coal. It is often called "peak oil," since it is the point when production definitively outpaces the replacement of exhausted fields by newly discovered ones. Once this "peak oil" point is reached and passed, geology and economics dictate a new era of expensive oil.

Oil companies are now desperately trying to position themselves to be able to stake out and possess the remaining oil areas on the planet. According to the widely recognized reasoning, if the companies do not make their claims now, they will be left out of the price boom in the first half of the 21st century caused by a decline in production and an increase in demand. This consensus is based on the work of M. King Hubbert in the 1950s who accurately predicted that US non-Alaskan oil production would peak around 1969 (the actual peak was in 1972). Extrapolating Hubbert's work on the US to the whole planet, geologists like Colin Campbell, Jean H. Laherrere and Craig Bond Hatfield have noted that the number and size of new oil discoveries have been falling since the 1960s and are rapidly heading to zero. They also note that the larger fields are usually found first, while there are diminishing returns on new exploratory wells recently.

Since oil consumption is growing at approximately 2 percent per year, while the old oil fields are drying up and new fields are expensive to find and exploit as well as being objectively rare, a price hike of dramatic proportions looms.

It follows that the owners of large quantities of "old" oil still in the ground (mostly the governments of Middle East OPEC nations) are becoming notionally richer by each coming year even if they do not extract any oil during that year and that all the profit to be made out of the production of "new" oil now lies in the hitherto neglected geographical "margins" of the planet. Both invite scenarios licensing imperialist interventions. On the one side, the Middle East's government's nationalized "banks of 'old' oil" are becoming even more desirable objects of control and possession as the local "peak oil" points are met and passed outside the region. Thus the US government's sudden interest in invading Iraq and Iran and occupying them—as its troops are already stationed in Saudi Arabia, Kuwait, and Bahrain—is immediately understandable. On the other side, it is exactly in the drive to the margins to find "new" oil that all the horrors of the primitive period of the oil industry are returning. Indigenous people must be driven from their lands; previously uncontaminated waters and lands must be polluted; cultures, peoples and ecologies must be exterminated. But these peoples—from the Chiapans to the U'we to the Ogonis to the West Papuans—are resisting their own extinction by stalling the oil industry's self-proclaimed final advance through threatening to commit collective suicide (the U'we in Ecuador) or through armed confrontations (the Ijaws on the oil platforms in the Niger Delta).

The US as a Nation State and National Energy Security

The second basis of this anti-Bush paradigm is simple: the US is a nation state with recognized territorial borders and its government is presumably primarily interested satisfying its constitutional injunction: “form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty.” The state and citizenry are presumably put into danger when vitally necessary goods are imported from outside its territory, especially from states that are either ideologically or economically hostile to it. National security would therefore be increased by an import substitution policy that would produce these necessary goods at “home.” In so doing, of course, the need for engaging in foreign military adventures diminishes.

This argument (a sort of pacific mercantilism) holds good for energy in general and oil in particular. There is hardly any natural stuff more vital for social and capitalist reproduction in the US than oil. But beginning in the early 1970s oil production in the “lower 48” has fallen to the point that more than 50% of the oil burned in the US is now imported. Since oil reserves are increasingly concentrated in OPEC nations, especially in the Middle East, and these nations are becoming hostile to the US, the US faces a national energy security crisis.

Given these principles and facts, the supporters of this paradigm argue, the solution to national insecurity created by energy dependency is a strategy of import substitution, i.e., the US government should invest in an effort to derive most of the nation’s energy required for socio-economic reproduction from domestic sources. Such a result would eliminate the need for invading and occupying Iraq (and other belligerent OPEC countries) to directly control the oil fields there.

The paradigm’s supporters emphasize the urgency of implementing such an import strategy with the approach of “Peak Oil.” As the actual hydrocarbon “stuff” in the planet’s subsoil decreases, there is even more temptation for energy-importing countries (like China) to aggressively (and desperately) insure themselves a continuous supply. If the US continues on its path of increasing energy dependency, it too will be competing with other nuclear-armed states for the final pools of subterranean petroleum with delirious consequences.

Critique of the Peak Oil/National Security Paradigm

This anti-Bush paradigm, though correctly appealing to anti-imperialist fervor and ecological anxieties, is problematic since it poses the question as a matter of “oil dependency” and not of the inevitable consequences of the present system of commodity production. It does not recognize that: oil is a commodity (not a thing); the oil industry is devoted to making money profits (and not producing oil); the US government is essentially involved in guaranteeing the functioning of the world market (and not in the energy “security” of its citizens); and energy politics involves classes in conflict (and not only competing corporations and conflicting nation states). In brief, it leaves out the central players of contemporary life: capitalists and workers. Somehow, when it comes to writing the history of petroleum, capitalism, working class, and class conflict are frequently forgotten in a way that never happens with oil’s earthy hydrocarbon cousin, coal. Once we put capitalism and working class conflict into the oil story, the plausibility of the Peak Oil-National Security paradigm lessens. Let me breakdown my points of criticism:

(a) oil is a commodity

Oil in a capitalist society is not produced to satisfy human needs and desires (although as a commodity it must satisfy some desire, real or fancied). It is produced to make profit and to increase control over and accumulate human labor (which requires the creation of a universe of misery)! Even if oil was the elixir of life, as long as it could not make a profit on sale, it could just as well be sewer water as far as capitalism is concerned (or perhaps it would be even less valued, since sewer water, in Mexico at least, can be sold to fertilize fields!)

In other words, oil must be a commodity to have a value, but oil is not just like any other commodity. It creates even more mysteries and metaphysics than its average cousins. First, it is a *basic* commodity, since it is involved directly or indirectly in the production of most other commodities. Its price changes affect the prices of almost all other commodities and hence wages and profits throughout the world. Also, its production process has a *high organic composition*, i.e., it involves large amount of machines and equipment and relatively little direct labor. Finally, it has a *rent* component in its cost. All of these elements together make of oil a special commodity from the point of view of political economy and they undermine the Peak Oil/National Security paradigm.

Basic commodity. Surely, the price of oil can influence the rest of the capitalist system in the way interest rates can. Oil prices ultimately have a power much more general and diffused than it immediately appears simply because oil is involved in the production of most other commodities. The many economic models since 1973 that have correlated world and regional recessions with oil price hikes empirically express this connection. Consequently, those who control the nationalized oil companies of the OPEC nations are crucial to the functioning of contemporary capitalist production not only because of the importance of oil for actual production of plastics and transport of steel, but also because of the larger economic consequences of any change in oil prices they charge. When government and corporate officials in NY, Washington and London look at the composition of the OPEC leaders and see only Islamic terrorists and nationalist revolutionaries this clearly poses not only a political and military threat, it is most immediately an economic one for them.

Transferred value. Most commodities do not sell at their values, otherwise highly demanded commodities like oil would not be produced, since their almost labor-less production would not generate enough surplus value directly. Consequently, some value from branches of production which require less investment in machinery and plant (e.g., textiles) must be transferred through market competition into the branches like the oil industry which require much more investment in technology. This means that oil is a commodity that is the object of the collective interest of capitalists around the planet. Any attempt to run such an industry that would be detrimental to the general capitalist interest will face opposition from a vast assembly of individual capitalists around the world. (As Kissinger said in the early 1970s: "Oil is too important to leave it to the Arabs.") Thus oil companies are closely monitored (and regulated) by capitalists and their governments domestically and internationally. It is not only the US oil companies that are vitally interested in the fate of the oil reserves of Iraq, there are behind them many other kinds of corporations in the US, Europe and Japan whose profits will depend upon that fate as well.

Indeed, there is such a collective (almost communal) capitalist concern for industries that (a) produce commodities with high levels of machinery and little direct labor and that (b) are important to the production of commodities, they can easily be the object of political and military action by a capitalist class domestically and internationally. Sometimes this action can be legislative. For example, Rockefeller's oil operations were the initial target of the "anti-trust" movement in the late 19th and early 20th century US. But sometimes this action can be violent and prompt wars (as

can be seen from the British attack on the Ottoman Iraq in WWI to the 2003 US/UK invasion of Iraq.)

Rent. Rent is one of the categories of political economy that is clearly relevant to the oil industry. There is a rent that goes to the owners of the oil fields due to the fact that not all underground oil is the same. Some is “sweet” (i.e., it has a low sulfur content), some is not; some is deep, some is not; some is on land, some is not; some requires a lot of technology to find, some does not. Clearly, if the price of oil is the roughly the same throughout the world, then the owner of the territory where the oil has positive characteristics can charge rent (and expect to be paid it). Indeed, there is probably some “Absolute Rent” in the rental costs of oil that is paid simply as tribute to the regime of private property even when a company is producing in the worst oil areas. All this rental value comes from the transferred value from the rest of the capitalist system. Again, there is a collective capitalist interest in its part of the cost of oil.

Indeed, there has been a capitalist critique of “rent-seeking” throughout the history of political economy. Rent is presumably the epitome of unproductive income. This critique still goes on today in the text-books and among the ideologues of both Keynesianism and neoliberalism. However, for all the critique of the rentier, rent still is a decisive form of income in a capitalist society, as any New Yorker will attest to! But the productivist ideology that has its roots in John Locke’s defense of English colonialism in the late seventeenth century is always waiting on the horizon to be brought in to justify attacks on the rights of the rentier. If the rentier, though his/her right of exclusion, disrupts the productive development of a profitable industry, then there is a right of the “more productive” to lay claim to the right of exclusion. Therefore, war is always on the wings of all rental claims.

Since oil is a “peculiar” commodity in all these dimensions and is crucial to the functioning of the world capitalist production, the considerations appropriate to understanding its role in world economics and politics are not merely technical or scientific. US capitalists and the US government are vitally involved in the fate of the world oil industry independently of whether corporations based in the US import oil or not.

(b) The US is not a nation state any more, if it ever was

The primary function of the contemporary US government as far as energy policy is concerned is not defined in the Constitution’s famous preamble. Indeed, *even if the US*

economy was completely self-sufficient in energy production and no longer dependent on imports from OPEC countries, the US government would still be instigating “oil wars” for at least two reasons. First, the US government would still need to guarantee the profits of the major energy corporations that are involved in “foreign” production and often need US military assistance (cf. from the Iranian coup in 1954 to the Iraq invasion of 2003). Second, the US government (in both its Democratic and Republican embodiments) is “responsible” for the survival of the neoliberalism/globalization project as a whole. For profit making is now (and has always been) dependent on the world market and today this market’s rules are determined by the WTO, the World Bank and IMF, institutions that are committed to a neo-liberal doctrine.

The main problem with neoliberal/globalization is that for it to “work” the system must be global and the participating nations and corporations must follow the “rules of trade” (including trade in services, patents and copyrights) even when participation goes against their immediate self-interest. In a time of crisis, however, there is a great temptation for many participants to drop out of or bend the rules of the game, especially if they perceive themselves to be chronic losers. What force is going to keep the recalcitrants (both old—those who refused to be part of the game—and new—those who dropped out) from proliferating? Up until the 1997 “Asian Financial Crisis” most of the heavy work of control was done by the IMF and World Bank through the power of money, but since then it is becoming clear that there are countries that will not be controlled by structural adjustment programs (SAPs) and the fear of being exiled from the world credit market if they do not follow the instructions of the IMF and the World Bank.

The most illustrious recalcitrants are the Bush-baptized “axis of evil” nations—Baathist Iraq (one of the last of the national socialist states), Iran (one of the last fundamentalist states after the demise of the Taliban) and North Korea (one of the last of the communist states)—but there are many other Islamic, national socialist and communist governments that have not transformed their economies into neoliberal form. This list will undoubtedly grow unless there is a check, in the form of a world police officer that will increase the costs of an exit.

The neoliberal order needs the equivalent of the role Britain played for the liberal capitalist system of the 19th century in order for it to function properly. Bill Clinton and his colleagues believed that the UN could eventually be used by the US government as such a force. The Bush Administration disagrees and concludes that the US will have to act in its own name to enforce the rules of the neoliberal order (even though many of

its adherents are unwilling to do so) and that action must at times be military. In the end, it is only with the construction of a terrifying US Leviathan that the crisis of neoliberalism will be overcome and regime of free trade and total commodification will finally be established for its Millennium.

The invasion of Iraq is a crucial step in this construction process. It is seen by Bush as a sacrifice of US human and capital resources for the greater capitalist good (hence, perhaps, the continual evocation of "God" in the administration's rhetoric). There is some truth in the Bush Administration's claim that the present war on Iraq (and future wars on the remaining problematic OPEC countries, if the more "extreme" elements of the Administration have their way) is not about oil *per se*. It is about imposing a uniformly neoliberal structure on countries that, because of their ability to receive transferred value through their oil sales, have been able to evade the rules of the global market. Indeed, oil is the main internationally traded commodity that is not regulated by WTO rules to this day.

The Bush Administration's project of policing the neo-liberal order might have been possible, if there promised to be but a few recalcitrants to and migrants from the neoliberal order. However, this is not likely. For neoliberalism does not seem to be able to deliver on the "sustained growth" that rises all ships even in its halcyon days in the late 1980s. On the contrary, experience shows that it does not even raise the 20% of the "ships" it had claimed to do in its inception. This means that many millions in the Third World who aspired to membership in the local ruling class and the many billions who simply wanted an increased wage have been devastated by the course of neoliberal globalization and have become its implacable enemies in the 1990s and early 21st century.

Consequently, there will be neoliberal wars fought by US troops aplenty in the years to come, if the US continues to play the British Empire of 21st century neoliberalism. For what started out in the 19th century as a tragedy, will be repeated, not as farce, but as catastrophe in the 21st. At the same time, it is not possible for the US government to "retreat" from its role, without jeopardizing the neoliberal/globalization project itself. Thus the supporters of the Peak Oil/National Security paradigm are offering up a questionable connection between energy import substitution and the path of imperialism. As logicians would say, energy dependence might be a sufficient condition of imperialist oil politics, but it is not a necessary one.

(c) Peak Oil?

Are we actually witnessing the oil industry's "final advance" because the moment of "Peak Oil" is nigh? We should be as skeptical of the early 21st century Hubbertian version of "the end of oil" as we were of the Club of Rome's "limits to growth" scenarios of the late 1960s, for oil is inevitably surrounded by an ideological aura. It is impossible to read the lineaments of history from the limits and constraints of nature, especially not in a capitalist society where "nature" is often playing surrogate for the commands of a ruling class (cf. the long, continually revived career of "Social Darwinism"). The problem with the debate concerning the hypothesis is simply that although the geological reasoning Hubbert used is compelling for predicting oil use, the class consequences of such reasoning are far less compelling.

The point that I want to stress is that the "Peak Oil" hypothesis is now becoming an early 21st century justification for an attack on pensions, wages and workers' guarantees in the so-called advanced capitalist countries. Presumably, the increased cost of finding new fields and their increased rent in an era of Peak Oil will force an increase in the transferred value into the oil industry that would require an increase in the mass of exploited labor. The permanently increased energy costs presaged by the "Peak Oil" hypothesis are now a convenient way for capitalists to invoke the need for "austerity" (for their workers) long before the actual exhaustion of oil, natural gas and coal is on the horizon. Thus this hypothesis is an even more pernicious tool in class struggle than the energy limitation ideology of the 1970s. But the apparently logical connection between the "end of cheap oil" and reduced wages and working class expectations is simply a mirage. The hidden assumption of Peak Oil ideologists is that increased energy prices (for corporations) inevitably require a reduction of the wage rate instead of a reduction in the profit rate. In other words, Peak Oil politics assumes that the working class will finance the transition from cheap to expensive oil come what may. Given the present configuration of class forces in the US, this assumption is perhaps a good bet, but it is far from necessary outcome.

Conclusion

Given our critique of the Peak Oil/National Security paradigm, one can understand why the Bush Administration's paradigm is appealing to many in the US working class. First, it has a much more plausible account of the US's government's general role in the world economy and its specific role in controlling the average price of oil. No one seriously believes that the US capitalist class is going to abandon its "global reach" of

its profit making just for the sake of providing a reliable, domestically produced energy supply to US workers. Second, it offers to members of the US working class an understandable role in the future division of labor, i.e., as well-paid mercenaries and managers of the world market in energy. The horrible deaths of the four “contractors” in Fallujah in April of this year are increasingly to be seen as “work accidents” that go with the territory, and not as exceptional circumstances. Third, it seems to imply that the US’s presumed military dominance will be applied in the service of the working class’ need for oil energy.

Thus, the key issue of oil in contemporary class politics in the US is not the one addressed by the Peak Oil/National Security paradigm, viz., US corporations and workers are economic dependent on an imported commodity that is increasingly becoming more “expensive” and that the political project of our era is to have a US economy self-sufficient in energy. The problem is that a significant minority of US workers see their *only* future in a neoliberal/globalized world with its main recalcitrants—the OPEC countries—policed by a military recruited from the US working class. One cannot explode this enclosing vision of the future by offering a logically and politically unconvincing alternative project of national energy independence.

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chapter fourteen

The Petroleum Commons

Local, Islamic, and Global

1. All land and natural resources (including mineral resources) within the Ijaw territory belong to Ijaw communities and are the basis of our survival.
2. We cease to recognize all undemocratic decrees that rob our peoples' communities of the right to ownership and control of our lives and resources, which were enacted without our participation and dissent. These include the Land Use Decree and The Petroleum Decree.

—The Kaiama Declaration (December 1998)

Introduction: Oil and Water

The struggles over the ownership of the two most important political liquids of this era, petroleum and water, have had different fates. Though water has been proclaimed to be either private, state or common property throughout history, the novel feature of this neo-liberal period has been the move by corporations to totally privatize it. The powerful struggles waged against the corporate privatization of water from Cochabamba (Bolivia) to Soweto (South Africa) have focused world attention on the question: Who owns water? The consequent efforts to keep water as a common property on a local and global level are now among the most important initiatives of the anti-globalization movement.

Petroleum, on the other hand, has in the last hundred and fifty years been considered exclusively as either private or state property. Thus, the pages of the history books on the petroleum industry have been filled with “magnates” like John D. Rockefeller or government “leaders” like Saddam Hussain and Winston Churchill.

Similarly, the “struggle over oil” has been largely seen as a struggle between oil companies and governments, since its beginnings in the mid-nineteenth century.

However, over the last fifteen years, there has been a major shift in the physiognomy of the protagonists of the oil struggle. National governments and huge energy conglomerates no longer dominate the scene. The new protagonists include: “peoples” like the Ijaws, the Ogoni, the Chiapanecos, the U’wa, the Cofan, the Secoyas, the Huaorani, the people of Ache (Sumatra); border-transcending social movements under the star of Islam and subscribing to “Islamic economics”; elements of the UN system like the World Bank, claiming to provide the “global governance” of the “global commons.” These peoples, movements and global entities have entered the struggle for the control of oil production, legitimizing themselves with a new (and at the same time quite archaic) conception of property: common property.

Why is the notion of a petroleum common emerging now, and what are its consequences for the oil industry?

There are three levels of claims to petroleum as a common property, correlating with three kinds of allied communities that are now taking shape, for there is no common property without a community that regulates its use:

- First, some local communities most directly affected by the extraction of petroleum claim to own and regulate the petroleum under their territory as a common.
- Second, Islamic economists claim for the Islamic community of believers, from Morocco to Indonesia, and its representative, the 21st century Caliphate in formation, ownership of and the right to regulate the huge petroleum fields beneath the vast territory corresponding to the countries of the *ummah*.
- Third, UN officials claim for the “coming global community” the right to regulate the so-called global commons: air, water, land, minerals (including petroleum) and “nous” (knowledge and information). This imagined global community is to be represented by the dizzying array of “angels” that make up the UN system, from NGO activists to UN environmentalist bureaucrats to World Bank “green” advisors.

All these claims and their legitimizing discourse are displacing, with different results, the monopoly hold of governments and corporations over the ownership and regulation of the planet’s petroleum. There is much that is shared by these different conceptions of the petroleum commons, but they are also often in conflict. These

conflicts will determine how the ownership of petroleum and the regulation of its extraction and use will be transformed by the entrance of the “commoners” into a field dominated for over a century by nation states and global corporations.

The Local Petroleum Commons: Nigeria, Chiapas, the Amazon

One of the most important areas where the petroleum commons is emerging as a political reality is the Niger Delta. This area is at the meeting point of many crossroads in the world market. Three centuries ago the region from Escarvos to Calabar was the main place for the storage and transshipment of African slaves bound for the plantations of the Americas. The slave trade poisoned social relations in the Niger Delta, but the people of the Delta continue to be poisoned, physically, economically, as well as socially, today by the global oil industry. They have been resisting this fate with great courage and originality, taking a political road that has begun with the demand for reparations for the damages caused by petroleum extraction, and has evolved into the declaration that petroleum in the Delta is a commons.

The story of this struggle begins in the early 1990s, when the Ogoni people decided that the time was ripe to transform what had been a long-fought but largely unknown local struggle against the Nigerian government and the oil companies into an internationally-recognized one. The Ogoni are a relatively small ethnic group in Southeastern Nigeria (with a population of less than a million), but they have been at the center of oil production from its beginning and have suffered greatly for it. In the 1990s they realized that if they had to fight a global oil company—in this case, Royal Dutch Shell—to obtain reparations, they had to become global themselves. How could a small, impoverished ethnic group, in the midst of an “obscure” part of Africa, do that? Parochial, ethnic politics had to be transcended so that the Ogoni struggle could be connected to the worldwide ecological struggle against the oil companies. On the heels of the “No Blood for Oil” campaign against the 1991 Gulf War, the Ogoni proclaimed that they too had paid a high price to fuel Shell’s profits and the industrial machines of Europe and the US. With the help of one of their leaders, playwright Kenule Saro-Wiwa, who had built up an international audience with his writings, this message reached the environmental groups across the planet.

The Movement for the Survival of the Ogoni People (MOSOP) stimulated a recomposition of the anti-capitalist movement, as it made it clear that the Ogoni’s demand for reparations from Shell was an integral part of the broader demand by

grassroot movements internationally that corporations everywhere pay for the destruction caused by capitalist development. In 1995, Saro-Wiwa was arrested and hanged, together with another eight Ogoni leaders, on fabricated murder charges by the Nigerian military regime of General Sani Abacha. Simultaneously scores of Ogoni villages were attacked, often razed to the ground by the Nigerian army, plausibly with the complicity/assistance of Shell. In response to these events, which left many people dead on the ground and thousands of refugees, Greenpeace and other environmental groups organized a worldwide boycott against Shell, protesting the exchange of blood for oil in Nigeria as in the Middle East. Ken Saro-Wiwa paid with his life for connecting the Ogoni with a world environmentalist movement, but his organizational model has been used again and again by other small ethnic groups throughout the world.

In Nigeria itself, the high cost paid by the Ogoni for their struggle was noted by other militant groups in the Niger Delta, who have since de-emphasized the international aspect of their organizational efforts and focused, instead, directly on negotiations with the oil companies and with the Nigerian government, based upon their capacity to hinder or halt production or shipment of oil. These groups have also pushed the demands of the struggle to a new level. Instead of demanding reparations, as MOSOP had done, they have been claiming ownership of the petroleum underneath their territories, defining it as a common property.

The most prominent movement in the Delta after the decline of MOSOP has been the Movement for the Survival of Ijaw Ethnic Nationality (MOSIEN). It is one of the largest ethnic groups in the Delta (with a population of approximately eight million). The Ijaw have abandoned the non-violence tactics sponsored by the Ogoni and resurrected the militant symbols and memories of their collective past. The cult of Egbesu, their traditional war god, has been the recruiting ground for young militants who in its name have liberated their leaders from government prisons, taken over oil installations, and kidnapped oil workers.

Ken Saro-Wiwa and the other Ogoni leaders had been convinced that it was folly to presume that a small ethnic group could directly confront the mighty Nigerian army at the time controlled by a military government. Thus they had preached non-violent resistance. The Ijaw militants have rejected this path, though they have faced devastating attacks by the Nigerian military—including the horrendous Christmas massacre at Odi in 1999 that left 2,000 dead. This shift in tactics has put into question much of the international support that the Ogoni struggle and Saro-Wiwa's martyrdom had engendered for the struggles in the Niger Delta.

There were other important changes in the struggle of the Ijaw with the government and oil companies. As stated in the Kaiama Declaration, the Ijaw have formally declared the petroleum within Ijaw territory as common property of the Ijaw community. Presently, the idea of a petroleum common is at the center of the discourse of the resistance to oil companies in the Nigeria Delta. An example is the reply which the former president of the Ijaw Youth Council and current militia commander, Alhaji Mujahid Dokubo-Asari, gave to a *Financial Times* reporter when asked how much his men take from the pipelines each day. "As much as we can. It's free," Dokubo-Asari answered. Another example is the scornful graffiti that the invading army soldiers left behind after the Odi massacre: "Na you get oil? Foolish people." ("Does the oil belong to you? Foolish people.")

A further dramatic political development in the struggle for the "petroleum commons" was the entrance in it of women's organizations. Local women from the Ijaw and Istkeri ethnicities remembered in this context the old tactic of shaming soldiers by appearing before them collectively naked—which had been used to effect against the British in the Aba Women's War of 1929. In November 2002, after being brutally beaten by the oil company guards, one group of women protesters in the Delta threatened that "within 10 days from today, if our hospital and rehabilitation bills are not paid, we will all come out en masse fully naked, and we shall occupy not only their gates but their flow stations throughout the Niger Delta." The showing of one's genitals, especially for women past the age of reproduction, is a formidable curse, in many areas of Africa. But what was more threatening to the oil companies and the Nigerian government than the occupation of the oil installations by thousands of naked women was the fact that these women came from different ethnic groups, often in conflict with each other. The most powerful weapon in the hands of the government and the oil companies against the demand for reparations and the recognition of communal ownership of oil are the division existing between the different ethnic groups that populate the Delta, which have already resulted in thousands of deaths over the last decade. Thus the fact that women from the oft-warring Itsekiri, Ijaw, Ilaje and Urhobos groups could join in a united front is a troubling sign that women at least have understood the secret of power. Whether their unity will set the pace for the petroleum commons movement in the Delta remains however an open question.

The early 1990s was a turning point in the struggle to claim communal ownership of petroleum not in the Niger Delta alone. New organizations of indigenous peoples formed around similar demands in Mexico, Ecuador, and Colombia. At the time of the Zapatista rebellion in Chiapas, launched on New Years Day 1994—the precise moment

in which NAFTA took effect—*sub-commandante* Marcos frequently pointed out that when the indigenous cut firewood for their homes they are arrested and fined, but when oil developers cut huge swathes through the forest and destroy trees with dynamite, they are congratulated for their productivity!

As fate would have it, post-rebellion Zapatista communities are often located near or directly over oil deposits. Consequently, the San Andres Accords—the main document arising from the peace talks between the Zapatistas and the Mexican government—included the recognition of the indigenous communities’ “collective right to evaluate federal and state plans to exploit strategic resources in their region in order to determine those plans’ effects on indigenous territories.” This provision which, in effect, gave the indigenous communities a veto over oil exploration and exploitation, was certainly one of the main sticking points that prevented the approval of the Accords. Similar developments took place in Ecuador in the early 1990s. Although oil exploration and extraction began in the Ecuadorian Amazon in the 1960s, it took time for the indigenous peoples affected by the environmental pollution and the disintegration of social life caused by the oil industry to organize: first to demand a clean-up and reparations, and then to proclaim oil a common resource to be disposed of only by the community, and not by the states or the oil companies.

“The [community’s] Right To Say ‘No’” climaxed in the struggle of the U’wa in Colombia against Occidental Petroleum’s decision to drill for oil in their territory, beginning in 1993. The U’wa threatened to commit collective suicide if the company, which was granted exploration rights by the Colombian government, actually carried out this plan. Occidental Petroleum Company had calculated it could extract over a billion barrels of oil from this area, and was anxious to verify the estimate. But a combination of lawsuits in Colombian and international courts, shareholder resolutions, demonstrations in front of the company’s California offices and the home of its CEO, carried on by the U’wa and their allies—compounded by the threat of mass suicide by the entire U’wa community—put the plan to rest and avoided what promised to be an ecological as well as social disaster. Occidental Petroleum pulled out of U’wa territory without making a second try, in contrast to the standard procedure. Subsequently, Ecopetrol, the Colombian state oil company has also planned exploration activities in the region of the U’wa, but these too are likely to be resisted.

The U’wa are among the many peoples across the planet who now refuse to approach the oil industry as supplicants, demanding compensation for the harm oil extraction has caused on their lands. The growing activism by non-corporate, non-

state actors who claim communal ownership of petroleum is having a decisive impact on the oil industry's development. One outcome has been the expansion of oil exploration into the "margins"—areas that had previously been too distant from the main centers of the oil industry to be taken into consideration. But it is here that the oil industry comes continually in confrontation with people who still have a sense of the commons, since they often have common property resources such as land, and methods to regulate them. Consequently, the state and market paradigms of oil ownership are clashing with dozens of new, often "small," local movements and communities that, when integrated across the planet, are beginning to have an impact on the legal status of oil ownership.

The Islamic Petroleum Commons: From Morocco to Indonesia

Another conception of a petroleum commons has developed in Islamic economic theory and political practice since the 1970s. It claims that petroleum found beneath Islamic territory is the common possession of the worldwide Islamic community (*Ummah*) and consequently it is neither state nor private property. This conception is challenging the relations that have been worked out between the oil companies and Islamic nation-states since World War I.

A key event in the development of the international oil industry was the destruction of the last Caliphate, the Ottoman Empire, at the end of World War I. A Caliphate requires a secular military-political entity that is pledged to defend the worldwide Islamic community. The Ottoman Turks had been performing this role of "defenders of the faith" since the 15th century. Their imperial lands included Iraq, Kuwait, and parts of Saudi Arabia—i.e. the center of the main oil reserves of the planet. In order for the petroleum industry to operate on a capitalist basis, the large international oil companies and main imperialist powers at the end of World War I (US, Britain, France) tore up the Ottoman Caliphate and created a number of rentier states that were largely under their control.

The incompatibility between the existence of the Caliphate and the for-profit operations that were required by the oil industry is evident. An Islamic Caliphate had to be committed, at least in principle, to specific re-distributive economic principles (including the concept of a petroleum common owned by the *ummah*, the entire Islamic community) that were in contrast with the corporate control envisioned by the founders of the oil industry in the Middle East in period between 1918 and 1945. A

genuine Caliphate would have had to invest in ways that would have made it autonomous from the directives of the imperialist powers (governmental or corporate). Last, a genuine Caliphate would have had worldwide reach, and would have had to be committed to intervening in areas where the Islamic community resided. These areas, however, were often essential parts of the empires of Britain, France and Holland (e.g., India, Algeria, and Indonesia).

What is presently called Islamic fundamentalism, or political Islam, or Islamism, is in part an effort to revive the Caliphate almost a century after its end. This gives these social movements a “global reach,” as they claim to unite and “protect” the Islamic community presently stretching from Morocco to Indonesia and, through immigration, into the heart of Europe and North America. Whatever the ultimate fate of this type of patriarchal politics and whatever its class composition, this drive towards a Caliphate represents an important reality for the oil industry since both are operating at the center of the major oil reserves of the planet. Indeed, if one correlates the nation-state members of the Organization of Islamic Congress with the oil reserves that are estimated to lie in their territories, one sees that nearly two-thirds of the world’s petroleum is “Islamic.” Such a drive is toward an “imagined community”—but then, what community except the most intimate is not imagined?

Along with the revival of Islam as a political force has come the development of an “Islamic economics” that has a number of tenets relevant to the oil industry. First, since oil is a sub-soil resource, from an Islamic perspective, it is seen as a gift from Allah and hence a community good. Although Islamic economics respects private property—after all, Islam is a religion founded by a merchant—it also recognizes the role of communally shared resources. Islamic economics accepts the standard division of private, state, and common property, and oil is definitely included in the category of common property. It is now traditional to repeat at this juncture the famous statement of Mohammed: “The people are partners in three things: water, pastures and fire [today, petroleum].” The recognition of an Islamic petroleum commons is seen as a first step in the realization of an Islamic economics.

True, some common property must be mined (like oil, gold, silver, and iron), but the minerals themselves remain the common property of all Muslims. The Caliphate itself might mine them or sub-contract their collection, but all revenues gained from their sale should be kept in the *Bait al-Mal*—the same treasury that the *zakat*, or redistributive tithe, is destined for.

The second principle of Islamic economics is the redistributive one. Islam, for all of its respect of private property, instituted from its beginning a system of income transfers. Even non-Muslims know of the *zakat*, but there are many other redistributive mechanisms (e.g., the prohibition of charging interest) that make the doctrine of neo-liberalism anathema in Islamic discourse. A Caliphate is duty-bound to fund the poor, the needy, the travelers, the debtors and its jihad from the funds in the *Bait al-Mal*. This is especially true of revenues derived from oil, since they are directly derived from the sale of a communal good. Thus the charges of corruption hurled against the Saudi Arabian elite by Islamists are especially damning, since the Saudi elite's extravagant ways of living can be accused of denying bread to the mouths of the poor children Allah destined it for.

The third principle of Islamic economics is based on the prohibition of waste and the concern for conserving scarce resources. Islamists can plausibly argue that if the conspicuous consumption and self-protective expenditure on military hardware indulged in by the present elites are ended, more oil could be left in the ground. Such an economic policy would clearly have a significant impact on the price of oil, since oil would no longer be considered a state or corporate commodity to be sold to the highest bidder, and instead would be viewed as a common good whose conservation would be valuable in itself.

Common property in the Islamic tradition is often not emphasized in academic expositions of Islamic economics, where the pride of place is given to a symbolic *zakat* and a banking system that denies a role to interest. The works of Pakistani social thinker Savyid Abul-Ala Mawdudi (1903-79), martyred Egyptian Islamist Sayyid Qutb (1906-66) and Iraqi writer Muhammad Baquir al-Sadr (1931-80)—the intellectual progenitors of Islamic economics—are often taken to task for imposing unrealistic constraints on the development of capitalism in the Islamic world. Nevertheless, if the doctrine of the petroleum commons were implemented as the basis of social planning, in an Islamic world that counts more than a billion people, we can presume it would have a far greater impact than any other of its economic recommendations.

If Islamic nations turned their petroleum resources into a commons, then three major, even revolutionary changes would follow. First, this would lead to a tighter control of the pace of extraction and a willingness to exercise the "Right to say 'No'," resulting in much higher oil prices. Second, the surplus of the commons would flow into re-distributive projects in the Islamic world, rather than being channeled into the economies and financial systems of Europe and the US. Last, the neo-liberal program

for the Middle East (as outlined in George W. Bush's plan for the outcome of the Iraq war) would be challenged.

The Global Petroleum Commons of the Future and the United Nations System

If we combine the local claims to petroleum as communal property with those by Islamic economic theorists, we find that more than 70% of the oil on the planet is considered to be a part of a commons. There is, however, a third concept of petroleum as a global commons that incorporates all oil deposits, whether discovered or not. The proponents of this notion argue that the consequences of the exploration, extraction, distribution, and consumption of petroleum are so problematic for "humanity" that they cannot be left to the devices of private companies or nation states, but have to be managed by international organizations. According to this view, there exists a global petroleum commons that needs an adequate regulative community, most commonly identified with the United Nations system.

Thus, in the 1990s, the concept of a global commons has given new luster to the UN system, suffering from an identity crisis after the end of the Cold War. Increasingly, the UN system has claimed to represent a global community that does not exist, but presumably represent the horizon of UN activities. On this basis, the UN system has negotiated a number of accords with mining and energy companies according them ideological legitimacy. These include the Global Compact and the Global Mining Initiative, as well as the Kyoto Accords. This makes of the UN system—which includes the World Bank and International Monetary Fund (IMF)—the global "partner" to and regulator of the planetary oil, gas, and coal companies.

It is crucial to understand why, in the last fifteen years, the UN system has dared to claim the right to regulate petroleum as a global commons. During this time the extractive industries, with special emphasis on mining and oil, have been in crisis, mostly because of the refusal by millions of people across the planet to accept the social and environmental destruction caused by mining and oil drilling activities. What appears to be the "natural" limit of extraction (as explained by the Club of Rome's "asymptotic depletion curves" or by M. King Hubbert's "peak oil" graphs) is indeed the resistance of an ever-broader circle of people to suffering the consequences of private or state sponsored mineral or oil extraction with no compensation or redress. Global warming, environmental pollution and illness, hazardous working conditions have increasingly been the source of anxiety, protest, and disruption of operations in the

extractive industries. The loss of trust suffered by these industries has been due to such resistance and the problems it addresses, more than to the difficulty of finding new fields of coal, copper or petroleum. Thus, the need of the extractive industries for some “legitimate partner” to negotiate with, not posing threatening demands such as those workers’ organizations and local communities increasingly present.

Just as the extractive industries were undergoing their crisis, the UN system was facing it own. It had been set up to negotiate the conflicts between Capitalism and Communism, Colonialism and Anti-Colonialism. With the dissolution of the Soviet Union and the collapse of apartheid in South Africa, its mission seemed to vanish. Here is where the call of the extractive industries, especially the oil industry, provided a new lifeline, appointing the UN not only as the partner of the extractive industries but as their regulator as a representative of the coming global community, a task akin to the surrogate service the Catholic Church is expected to provide in anticipation of the “the City of God” in the period before the Second Coming!

The difficulties of such a surrogate global community have been brought to everyone’s attention in the course of more than a decade of activism by the anti-globalization movement. Central to this movement has been a critique of the UN system’s most powerful bodies besides the Security Council: the World Bank and IMF. As “No-global” activists have documented, the problems of the nation state have not been transcended by the rise of global forms of government such as the World Bank, IMF, and UN presume to provide. The neo-liberal turn of the World Bank and IMF demonstrates that the UN system magnifies the problems of nation-state capitalism. Indeed, the UN-based “coming global community” offers a classic solution to all distributive problems: “What’s yours is mine, and what’s mine is mine.” For instance, in the name of this “virtual community,” the UN-system and its satellite NGOs advocate themselves the right to demand that indigenous people in the South respect designated “ecological zones” or “conservation regions” to the point of ceasing to use them for their own sustenance and economic well-being, even when no other alternatives are available to them, and they have lived upon the now off-limit lands for time immemorial.

The Petroleum Commons as Conflict and Opportunity

The entrance of “commoners” (indigenous peoples, Islamists, UN officials) into the world of oil ownership and production on the three levels discussed here is undoubtedly creating major changes in the oil industry worldwide. The logic of both

market and state rationality is increasingly losing its compelling power to determine the future of oil extraction and, with it, the whole system of capitalist production it energizes.

Critics of capitalism, however, cannot be complacent about the rise of the petroleum commoners. This social reality also poses political problems that can easily divide the anti-capitalist movement as well as make neo-liberalism stumble. Every local commons requires a regulatory community with insiders and outsiders, and the outsiders might rightly demand to become insiders, with all the attendant possibility of conflict. Similarly, the regulation of the Islamic petroleum commons can conflict with the rules of local communities and their claimed commons. Finally, the demands of the global commons have already conflicted with the needs of local communities and the prescriptions of the Islamic *ummah*. Whatever the results of these actual or potential conflicts, the assumption that petroleum is a different political liquid from water has been put into doubt by the demands and struggles of petroleum commoners. Will petroleum become one day as common as water still is at least in our imagination? Or will water reach the market-price and give rise to the same conflicts, and undergo the degree of monopolization that has characterized the history of petroleum in our times?

(Based on the text of a talk given at the Fusion Arts Museum in New York City on November 7, 2004)