

## Reviewing Linda McQuaig's "It's the Crude, Dude"

war, big oil, and the fight for the planet

By [Stephen Lendman](#)

Global Research, August 03, 2007

3 August 2007

Region: [Canada](#)

Theme: [Oil and Energy](#)

Linda McQuaig is a prominent, admired, and award-winning Canadian journalist writing about vital issues of concern to everyone. She was a national reporter for the Toronto Globe and Mail before joining the Toronto Star where she now covers Canadian politics with her trademark combination of solid research, keen analysis, irreverence, passion and wit. She's easy to read, never boring, and fearless. The National Post called her "Canada's Michael Moore."

McQuaig is also a prolific author with a well-deserved reputation for taking on the establishment. In her previous seven books, she challenged Canada's deficit reduction scheme to gut essential social services. She explained how the rich used the country's tax system to get richer the way it's worked in the US since Ronald Reagan and then exploded under George Bush. She exposed the fraud of "free trade" (never called fair because it isn't) empowering giant corporations over sovereign states while exploiting working people everywhere.

She also showed how successive Canadian governments waged war on equality since the 1980s, and in her latest book, "Holding the Bully's Coat - Canada and the US Empire," she takes aim at the conservative Stephen Harper administration's allying with George Bush's belligerent lawlessness and phony "war on terrorism." Canada chose not to be part of Washington's concocted "coalition of the willing" in Iraq but partnered in its war of aggression and illegal occupation of Afghanistan.

Her last book before her latest one is another important tour de force and subject of this review. It's titled "It's the Crude, Dude: war, big oil, and the fight for the planet." It's no secret America's wars in the Middle East and Central Asia are to control what a Franklin Roosevelt State Department spokesman in 1945 called a "stupendous source of strategic power, and one of the greatest material prizes in world history" - the huge amount of Middle East oil with most of it believed to be in Saudi Arabia then. With it goes veto power over how it's distributed, to whom, at what price, for whose benefit and at whose expense. Today, one country above all others may be that "greatest material prize" making it target number one America intends to control for the strategic power and riches it represents.

The country is Iraq, and it's the reason US forces invaded and occupy it. McQuaig's book explained it stunningly, beginning on her opening page: The "oil motive" drives America's wars "given oil's obvious geopolitical significance, and the fact that Iraq is the last easily harvested oil bonanza left on earth." More on that below and also on the fact that with less than 5% of the world's population and 3% of its oil reserves, the US wastefully consumes one-fourth of all oil production with no plan to cut back. It means a reliable outside source is essential pointing directly at the Middle East where two-thirds of all proved reserves are

located. They're not inexhaustible, however, as oil is a finite resource. It means a crunch ahead is inevitable.

McQuaig cited a US Department of Energy National Energy Laboratory report saying: "The world has never faced a problem like this....Previous transitions (like 'wood to coal and coal to oil') were gradual and evolutionary; oil peaking will be abrupt and revolutionary," and may already have occurred. Further, with America waging two costly oil-related wars for much of what's left, gaining control has become violent with no letup in sight and more oil-rich nations in Washington's target queue. More on that below as well and the fact that oil consumption keeps increasing, two huge emerging nations (China and India) need growing amounts of it, just at a time production peaked and is declining. That's a combustible mixture now playing out in Iraq, Afghanistan, and Somalia. It also affects Iran, Venezuela, Sudan (for its Darfur oil riches) and other strategically important oil-rich nations that dare defy America by wanting control of their own resources along with the major share of revenue from them.

McQuaig deals with this timely and important subject in the part of the world where it matters most - the Middle East and especially Iraq where America came to stay. Her book is divided into 10 tantalizingly titled chapters. It was written in 2004, updated in 2006, and is just as relevant now as when first published. Some of the story is known, but much information covered isn't common knowledge and key parts aren't discussed at all in the mainstream. They include the rise of Big Oil and OPEC, Iraq's strategic importance, its potentially immense and easily accessible untapped oil riches, and America's intention to turn the nation into a centrally located Middle East military base with plans to stay as long as there's enough oil in the country and region to make it worthwhile. Current talk of future force drawdowns and withdrawal is baloney. That will be discussed further below as well.

McQuaig provides lots of relevant context for a full understanding of why oil centrally dominates geopolitics today:

- wars and the reason America fights so many of them - for the essential resources, mainly oil, to keep the heart of capitalism beating, without which it can't;
- the dominant media's vital hyperventilating lead cheerleader role selling them;
- the power of the oil cartel and how it developed and grew after Edwin Drake drilled the first commercially successful well in Titusville, PA in 1859.
- how John D. Rockefeller ruthlessly built a powerful Oil Trust he controlled; how it was nominally dismembered by Theodore Roosevelt's trust-busting efforts early in the last century; yet how it endured through joint ventures, interlocking directorates, mergers and "working (partial ownership) control" of its separate pieces, the largest of which was Rockefeller's Standard Oil of New Jersey, now called ExxonMobil. The old Oil Trust would fit in its back pocket.
- the role of the US auto industry and its addiction to gas-guzzling, hugely greenhouse gas emitting, high-profit SUVs accounting for one-fourth of all US auto sales;
- the rise, fall and reemergence of OPEC;
- the historical roles of Saudi Arabia and Venezuela as dominant oil producing nations and the central role Iraq plays today as the grandest of grand oil prizes;

— the hugely important issue of global warming fossil fuel burning causes; how transportation is over one-fourth of the problem with passenger vehicles the main culprit, and this industry's accounting for half of total oil consumption;

— and still more in McQuaig's powerful, riveting, and relevant account of oil's central importance in our lives. Her book reads like a thriller. But the story is real, and it's vital to know its contents. Read on for a detailed sampling. Then buy and read the book for the full account.

### Fort Knox Guarded by a Chihuahua

The title refers to language about oil-rich Canada that a US investment service, called Daily Reckoning, used in a provocative newsletter article. It said Canada owes us (their) oil. "Without our protection, (the country) is the natural resources equivalent of Fort Knox guarded by a 'No Trespassing' sign and a Chihuahua" because our military protects our northern neighbor. That's likely news to most Canadians for a country with no enemies. Canada, however, is extremely oil-rich, and counting its huge amount of hard to refine tar sands oil ranks second in the world in total reserves.

In her newest book, "Holding the Bully's Coat," McQuaig explains her nation is currently the US's leading energy supplier. Canada's importance will grow ahead as it plans to triple its oil sands production by 2015 to three million barrels daily, earmarking most of it for US markets. It's part of a secretly launched 2005 scheme called the Security and Prosperity Partnership of North America (SPP) or North American Union.

It's a tri-national agreement hatched below the radar, controlled by Washington, and advocates greater economic, political, social, and security integration between the US (as boss), Canada and Mexico. In fact, it's an ugly corporate-led plot against the sovereignty of three nations for greater profits, enforced by a common hard line security strategy already in play in each country. It's goal is a borderless North America under US control without barriers to trade and capital flows for corporate giants, mainly US ones.

It's also to insure America gets free and unlimited access to Canadian and Mexican resources, mainly oil, but Canadian water, too. That will assure US energy security while denying Canada and Mexico preferential access to their own resources henceforth earmarked for US markets. The scheme amounts to NAFTA on steroids combined with Pox Americana homeland security enforcement partnered with Canadian and Mexican contingents. It adds up to the worst of all possible worlds headed for an unmasked "deeply integrated" police state.

Canada is also currently hamstrung by a provision it agreed to in ratifying NAFTA in 1993. It gave up the right to reduce its US energy exports (should it need more of them) unless it cuts its own consumption by a comparable amount. Oil-rich Mexico, in contrast, agreed to no such provision and got an exemption Canada lacks. Canada has a loophole, though, SPP provisions will close if enacted. NAFTA can't prevent the country's use of its newly developed tar sands oil or the right to export them to other nations, as of now. With that in mind, Canada is building a 720 mile oil pipeline from northern (oil-rich) Alberta to British Columbia in the far west. When completed, it will enable resources to be exported to China or any other oil-consuming nation Canada chooses to trade with.

Meanwhile, back in the US, the Iraq war was launched in March, 2003. Dominant media fear

mongering helped sell it, giddy cheerleading accompanied its start, the reasons for going were reinvented when ones first given were exposed as lies, excuse-making now explains why things haven't gone as planned, and all the while we're told it had nothing to do with oil. And fish don't swim, and birds don't fly. Instead, as McQuaig explained "...the Iraq saga (was to disarm) a dangerous dictator (morphed into) a battle to bring democracy to the Middle East (with) oil remain(ing) strangely offstage, hidden in plain sight."

Clearly, oil drives US policy because of this nation's insatiable appetite for 25% of world production Washington feels it has a birthright to use excessively. We now compete with other growing economies for a dwindling supply of an irreplaceable resource we can't do without. McQuaig noted that prospect looms as "the world is much closer to running out of oil than most government or industry officials are willing to admit." We now compete with China and India along with developed nations, with China's prodigious growth alone devouring huge amounts of a fast-depleting resource at current rates of consumption.

McQuaig quoted Edmonton-based energy economist Mark Anielski saying: "There's not enough oil to feed two (voracious) superpowers." Enter Canada as already explained above and Venezuela to be addressed later in a separate chapter on that oil-rich nation under Hugo Chavez. For now, it deserves mentioning McQuaig brings him up because he made some "far-reaching deals with China to develop Venezuela's considerable oil reserves" and build a relationship with the Asian giant to supply it with increasing amounts of future output.

The problem is no matter how much more oil is left in the ground, we're now consuming more than we're producing. "Oil is finite and not recyclable," noted McQuaig, and past experience shows humans aren't smart or caring enough to figure a way out of this dilemma without making painful changes they haven't been inclined to do so far. Today, the world runs on oil. It touches nearly all parts of our lives from running our factories to powering cars and other means of transportation to growing the food we eat and much more. McQuaig explained "no energy source in view....is as effective, versatile, and potent as oil." Yet, the solution to our dilemma is to rely on lots less of it, substituting less ecologically damaging sources like wind, sun and waves.

We've already consumed around half the world's supply, according to many reliable estimates, and have done it mostly over the last 100 years. There may be about one trillion barrels left in the ground, but at current consumption rates it'll be gone in forty years or less. Also, the easy to find and produce oil is running out. It's nearly all been found except in Iraq, making that country so attractive. The vast remaining reserves elsewhere are hard to find, expensive to produce and more costly overall to bring to market, like Canada's tar sands and Venezuela's heavy oil.

McQuaig noted an oil industry rule of thumb is companies should bring on at least as much new oil as they produce. The industry, however, falls far short of that, and some analysts, like Matthew Simmons, believe the world's largest oil-rich nation, Saudi Arabia, has considerably less oil left than it claims because it used up so much supplying the West as its swing producer. As supplies get lower and scarcity grows in the face of rising demand, oil prices will also rise, and one Wall Street firm, Goldman Sachs, thinks they're not far from topping \$100 a barrel.

McQuaig also raised a central issue she devotes an entire later chapter to - a looming global warming crisis barely getting the attention it deserves although credible climate scientists

no longer debate what they know is a major problem demanding attention now. Here she cited a Pentagon-commissioned report describing global warming as a phenomenon “that could transform the world dramatically in the next twenty years....with major European cities (submerged) and Britain plunged into a Siberian climate.” The report also sees a coming plague of “typhoons, mega-droughts and famine” ahead that will bring “catastrophic changes” causing “widespread human strife and even nuclear conflict.”

The Pentagon’s concern is national security, so its top brass are planning ahead for what McQuaig called “the prospect of life on earth reverting to a primitive, desperate, brutal quest for survival” needing lots more Marines available to subdue. That’s no concern at the headquarters of the largest, most profitable company on earth – oil giant ExxonMobil. It earned a record \$39.5 billion in 2006 on sales of \$377.6 billion, more than double oil-rich Venezuela’s GDP the same year according to IMF data.

If ExxonMobil were a nation, it would rank number 20 in the world (based on GDP) for 2006 ahead of Switzerland and Indonesia and slightly behind Sweden and Turkey. It means this company has immense power and uses it to keep the world consuming increasing amounts of what grows its sales and profits and keeps elevating it higher in the world rankings of countries by size. Notions like global warming, climate control measures, and Kyoto agreements send chills through its boardroom. The company acts aggressively to deny a problem exists or that oil and other fossil fuels are a cause for concern.

Conservative think tanks like the Competitive Enterprise Institute echo the same claim with its director, Myron Ebell, calling Kyoto defenders “an animus against humanity.” Because it gets generous funding from ExxonMobil and other corporate interests, it has every incentive to be dismissive about what there’s virtual scientific consensus on.

Problem or not, the US intends to lock up control of as much of this resource as possible by any means and whatever the consequences. The need for it goes back decades as a “vital American policy objective.” Referring to Saudi oil, the FDR state department quoted above said their resources “must remain under American control (to supplement and replace) our dwindling reserves (when we had plenty of them), and of preventing this power potential from falling into unfriendly hands.”

All American presidents accept this notion, even Jimmy Carter in his January, 1980 State of the Union address as he was about to leave office. He laid out his Carter Doctrine (written by Zbigniew Brzezinski) stating: “An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.”

The same theme with a different emphasis came out of Dick Cheney’s 2001 energy task force. It acknowledged a dwindling supply of world oil reserves focusing on the Middle East as a stopgap solution “where the prize ultimately lies.” He had a plan to get it that’s discussed below.

### Along Comes Iraq

From inception, the US was always an imperial nation. It was in our DNA from the beginning when our earliest settlers slaughtered millions of Native Indians for their land and resources in our great push West and South “from sea to shining sea.” Jefferson even sanctified it in



our Declaration of Independence calling Native peoples “merciless Indian savages,” and our Constitution dismissed them as non-persons.

WW II changed everything, however, when America emerged as the only dominant nation left standing. We became the world’s unchallengeable economic, political and military superpower with designs for world hegemony. It emerged full-blown under George Bush post-9/11 whose administration-picked officials designed an imperial grand strategy in 1998 as members of the Project for a New American Century (PNAC). It revived Paul Wolfowitz and Dick Cheney aide Lewis Libby’s 1992 hawkish Defense Planning Guidance putting in new form a plan for “Rebuilding America’s Defenses: Strategies, Forces and Resources for a New Century. It also updated the Truman Doctrine (state department advisor George Kennan devised) for “Cold War containment” and an earlier strategy for US global military and economic dominance.

Today, the Middle East, Central Asia and all independent-minded oil rich and other states have replaced the Soviet bloc, and the new evil empire is “international terrorism” and “Islamofascist” threats to our national security. It’s the same old scheme for world dominance repackaged with new names and faces replacing old ones.

Enter Iraq, the Bush administration had designs on before settling into office. Treasury Secretary Paul O’Neill revealed it was topic one in the early weeks of 2001, months before 9/11 made attacking and occupying it possible. He was shocked to discover the scheme was being hatched secretly by Dick Cheney in the first meeting of the National Security Council held 10 days after the President’s inauguration. The decision was taken with talk moving on to logistics of “how” and “how quickly,” and whether Iraq or Afghanistan was number one or two in our target queue. The latter, of course, came first with Central Asia’s immense resources in mind, but it was just prologue for the “shock and awe” that began in March, 2003 in the land between two rivers in the cradle of civilization, now smashed by intent to free up its oil bonanza for Big Oil to exploit.

Pulling off this scheme meant getting the public on board that works best by scaring it to death with lots of help from round-the-clock dominant media hyperventilating. It made it easy selling the concocted notion of “Enemy Number One” Osama bin Ladin (a former CIA asset), Al-Qaeda terrorists and the “smoking gun threat” of WMDs showing up in the shape of a “mushroom-shaped cloud.” Former Dean of the University of Pennsylvania’s Annenberg School of Communications, George Gerbner, explained how it works: “Fearful people are more dependent, more easily manipulated and controlled, more susceptible to deceptively simple, strong, tough measures and hard-line postures....they may accept and even welcome repression if it promises to relieve their insecurities” and anxieties.

Paul Wolfowitz may have inadvertently revealed the Bush administration’s scheme to do it. He first said the WMD threat was chosen for “bureaucratic reasons.” Then he told Singapore journalists on an Asian visit it was the only reason everyone could agree on, and finally he admitted Iraq was chosen over North Korea because it’s swimming on a “sea of oil.” That went unreported in the mainstream where “the word ‘oil’ remained unmentioned and unmentionable.”

When no WMDs were found, the reasons for war were reinvented. Now the emphasis was to bring democracy to the country as a humanitarian intervention, and being wrong about WMDs was chalked up as faulty pre-war intelligence. Again, the real oil motive was kept off the table “in plain sight” as McQuaig observed. It was also to remove a leader unwilling to

let his nation become a US pawn, an unforgivable sin in Washington's eyes, especially if the state swims on a "sea of (mostly undeveloped easily accessed) oil." Iraq's oil treasure is the last bonanza of "low-hanging fruit" on the planet making it too rich a prize to pass up regardless of cost or degree of difficulty getting control of it.

McQuaig explained exploration of Iraq's oil potential remained "frozen in time" with almost no new development in over two decades because of intervening wars going back to the 1980s and economic sanctions in place following the Gulf war in 1991. Yet, even with dated information, it's known Iraq has at least 10% of world oil reserves. If its potential ends up doubling or tripling, as happened in Saudi Arabia in the last 20 years, it could, in fact, have the world's largest proved reserves. McQuaig noted that possibility is "staggering" in importance making the country "the most sought after real estate on the face of the earth" according to an oil analyst she interviewed.

In future years, with its production potential fully developed and oil at \$50 a barrel (it could be double that or more), it translates to revenue of \$70 billion a year pumping 5 million barrels daily and \$100 billion at 7 million barrels. Today, Saudi Arabia produces 8 million daily barrels or more if called on. Iraq is also strategically located between Saudi Arabia and Iran at the top end of the Persian Gulf. It's thus ideally positioned for a military base as McQuaig's quoted oil analyst observed saying: "Think of Iraq as a military base with a very large oil reserve underneath....You can't ask for better than that."

It makes the country so strategically important, Global Policy Forum's James Paul argued losing Iraq would have been devastating for Big (US) Oil. It represents "the whole future of the oil industry," frozen in time, hugely endowed, and easy pickings for the lucky companies able to harvest it and reap immense profits doing it. Because of its importance, the Cheney energy task force included Big Oil giants in its secret discussions making plans for war with Iraq and needing its input for parcelling out its resources afterward. The Wall Street Journal reported in October, 2002 Cheney's staff secretly met with ExxonMobil, ChevronTexaco, ConocoPhillips and Halliburton executives on plans to secure and rehabilitate Iraq's oil fields. Thereafter, they'd take them over and run them.

From the early 1970s, most Middle East countries and Venezuela's oil industries were nationalized, and state-owned oil companies still control most of the world's oil. McQuaig noted "major international oil companies control a mere 4 per cent" but adjusted and prospered under that arrangement nonetheless. In the Middle East, and most everywhere else, they do the drilling and pumping under revenue sharing contracts with host governments.

We now know what McQuaig may have been the first to report in her book - that Washington's plan for Iraq involved privatizing its oil industry along with everything else in the country already sold off to foreign investors by 2007 or will be. She noted a secret 100 page contracting document drafted by the US Agency for International Development (USAID), with Treasury Department help. It detailed a plan to replace Iraq's state-run economy with a privately owned one. It was a "Mass Privatization Program" calling for "private sector involvement in strategic sectors, including privatization, asset sales, concessions, leases and management contracts, especially in the oil and supporting industries." McQuaig said it was to "make the country a safe place for foreign investment," or put another way, a free-market paradise for corporate America.

A state department subtler form of oil privatization was drafted as well with heavy oil industry input. It laid out seven possible production models all involving Iraq's oil nominally remaining under state control with "operation and control of the oil fields....handed over to foreign oil companies."

Subtleties apparently were abandoned in the final US-Big Oil drafted "Hydrocarbon Law" scheme filled with secret provisions now before the Iraqi Parliament. It's hugely contentious as it grants Iraq's National Oil Company exclusive control of only 17 of the nation's 80 known oil fields. The others are set aside for Big US and UK Oil investors mainly in a shameless act of plunder. In addition, all new deposits found (the bulk of the country's oil) are to be set aside for foreign investor development with provisions allowing them to expropriate all earnings and invest nothing in Iraq's economy. They also have no obligation to hire local workers, respect union rights, or share new technologies. In addition, they'll be granted long-term contracts up to 30 or more years, dispossessing Iraq and its people of their own resources in a naked scheme to steal them.

Because Iraqi resistance to US occupation is so unrelenting, intense and violent, there's no way for sure to know how future events will play out. One thing is sure, however. Iraq's oil bonanza won't be as easy for foreign investors to exploit as once thought possible and may never be.

#### The Man to See

In this section, McQuaig details the lucrative business of war-profiteering showing why conflicts are great for business. For companies close to the Bush administration, it was a bonanza waiting to be reaped from huge no-bid contracts. First in line was Dick Cheney's former employer, Halliburton and its subsidiary Kellogg, Brown and Root. Since 2001 in Afghanistan and Iraq, it was awarded upwards of \$20 billion in war-related contracts the company then exploited to the fullest with shoddy work, massive cost-overruns and fraudulent billings, most barely drawing attention. Early on, Halliburton's Iraq oil field repairs were so poor the US Army estimated it cost the country \$8 billion in lost production. It also botched a simple job installing metering systems at ports in southern Iraq to protect against oil being smuggled from the country.

In all, well over 70 US firms, most well-connected and many with familiar names, shared in the contracting bonanza - companies like Bechtel, Fluor, Parsons, Shaw Group, SAIC, CH2M Hill, the Louis Berger Group, the Rendon Group, and at least 21 private security companies like DynCorp, Triple Canopy, Erinys and Blackwater USA supplying around 100,000 hugely overpaid paramilitary mercenaries (not the official phony 30,000 industry number). They supplement 170,000 US occupying forces providing protection for other war-profiteering companies and Iraqi officials.

Last year, Nobel laureate economist Joseph Stiglitz estimated the war's cost would ultimately exceed \$2 trillion when all factors related to it are included making it the most expensive war ever adjusted for inflation. Omitting parts of what Stiglitz included, the conservative Congressional Research Service (CRS) June 28, 2007 Report for Congress showed \$610 billion already approved through FY 2007 and May 25, 2007 supplemental funding covering Iraq and Afghanistan war related costs and other Global War on Terror operations since 9/11. At that level, it's approaching the inflation-adjusted \$650 billion Vietnam war cost it may, in fact, have already exceeded.



Add an administration requested \$148 billion more for FY 2008 and the cost jumps to \$758 billion. Projections will likely go higher still with monthly “burn rates” spiraling from about \$8 billion in 2005 to a Senate-estimated \$12 billion now. Add in an administration requested DOD FY 2008 budget of \$648.8 billion plus another \$148 billion war-related supplemental for a grand total \$796.8 billion – and rising for a bonanza of war-profiteering, waste, fraud and abuse. CRS conservatively under-projects a total cost up to \$1.4 trillion for the next 10 years at reduced troop levels ranging from 30 – 70,000 on the assumption America is in Iraq and Afghanistan to stay with major permanent base installations in place and being built to assure it.

Capable Iraqi professionals and workers haven’t shared in the spoils of war and were never part of Washington’s occupation plans. They’ve been denied an operational role rebuilding and running the country’s essential services they can do as well as foreign investors and for much less cost. McQuaig quoted former Iraqi oil minister under Saddam in the 1980s, Issam Al-Chalabi. He’s not Iraqi exile Ahmed Chalabi who conspired with the Bush administration to plunder his own country, wanted to run it, and is the current oil minister. Issam Al-Chalabi was incensed that companies like Halliburton got contracts to put out Iraqi oil fires and rebuild the country’s oil wells and production capacity. “Iraqi professionals have been doing this for decades,” he said. “They are among the best in the world.”

Iraq’s National Oil Company is also capable of running the nation’s oil industry but will only get a sliver of it if the new “Hydrocarbon Law” passes and becomes law. This was the key part of Washington’s plan for ownership and management that includes all of Iraq’s economy to pass largely into American business hands. McQuaig quoted a Jane Meyer New Yorker article explaining winning contracts in Iraq is the realm of Dick Cheney, and “Anything that has to do with Iraq policy, Cheney is the man to see.” She should have added anything to do with running America, Cheney’s also the man to see.”

Washington always acts in Big Oil’s interest, but the current administration is closer to the industry than any previous one. It’s staffed and run by former oil and other energy industry executives, including the President and Vice-President. Oil is central to US plans for world dominance, but Iraq is only one part of the overall international oil picture, though the most important one of all. Vitally important as well is OPEC, run by its member nations and seen as a threat to Big Oil interests unless co-opted.

McQuaig explained ever since it became an important player in the mid-1970s, Washington tried to “undermine its effectiveness and weaken its unity.” It succeeded because OPEC hurt itself and became less of a market influence after the early 1980s. One Wall Street analyst said “it was on its deathbed” by the late 1990s, until it suddenly began to revive. One man made it possible by 2000, “sav(ing) OPEC” – Venezuela’s Hugo Chavez. How it happened is covered below.

#### Revolution and Ice Cream in Caracas

McQuaig reviewed Hugo Chavez’s dramatic rise to become Venezuela’s president, his Bolivarian Revolution, the transformation of his nation’s oil policies, and his key role in the resurgence of OPEC. Chavez was first elected president in December, 1998 and assumed office in February, 1999. He proceeded to hold a national referendum so his people could decide whether to convene a National Constituent Assembly to draft a new constitution to

embody his visionary agenda. It passed overwhelmingly followed three months later by elections to the Assembly to which members of Chavez's MVR party and parties allied to it won 95% of the seats. They then drafted the revolutionary *Constitucion de la Republica Bolivariana de Venezuela*. It was put to a nationwide vote in December, 1999 and overwhelmingly approved changing everything for the Venezuelan people.

The Constitution established the foundation and legal framework for President Chavez's revolutionary vision for structural change. He's since transformed his nation into a model participatory social democracy serving the needs of all Venezuelans instead of the privileged few alone the way it nearly always had been in the past. It allowed the people to choose their leaders and gave them unimaginable benefits like free quality health care as a "fundamental social right and....responsibility of the state....to guarantee it." It banned discrimination, established the principle of participatory democracy from the grassroots for everyone, guaranteed free speech, a free press, free elections, equal rights for indigenous people, and mandated government make quality free education available for all to the highest levels, and much more. Venezuela under Hugo Chavez would never be the same again, and the great majority of Venezuelans won't accept it any other way.

Chavez had another goal as well - to resuscitate OPEC, give oil producing states more power over their own resources and be fairly compensated for them through prices they controlled, not Big Oil. It would thus allow him to implement his Bolivarian Revolution from the greater revenues he'd get from a stronger, more unified organization of 11 significant oil producing nations. Chavez became a mediator to do it and undertook a whirlwind tour of member states to sell his plan to their leaders.

McQuaig explained his idea was based on the simple notion that OPEC needed stable prices kept within a "price band" Chavez proposed to be between \$22 - \$28 a barrel that today seems low. It wasn't then with oil prices down around \$10 a barrel and less. Making the plan work was doable providing all OPEC nations agreed to abide by it and not cheat as was common for added revenue. The idea was for a united OPEC to cut production whenever prices dropped below its lower band and increase it above the upper one, thus letting basic supply and demand forces do their work. Chavez proposed an OPEC summit in Caracas in September, 2000, all its nations agreed to come, and after discussion signed on to implement the plan.

McQuaig summed up Chavez's achievement saying: "After being on the verge of extinction only a year earlier, OPEC was very much alive" and still is. Chavez's vision was "shaking up the international oil scene (but by doing it made) himself persona non grata in Washington." He's been at it ever since with his revolutionary social programs endearing himself to Venezuela's majority poor and working population who now receive essential services unheard of before and unimaginable in America now. He also promotes a bold new trade initiative called ALBA - the Bolivarian Alternative for the Americas. Unlike Global North one-way neoliberal schemes, it's an innovative "fair trade" alternative based on complementarity, solidarity and cooperation among participating Latin American states.

Chavez's policies are working. He built alliances with regional states and is using his nation's oil revenues responsibly with impressive results. He cut poverty in the country to around 25% of the population (when benefits from state-funded social programs are factored in) compared to its 1998 and 2003 post-management-led oil lockout high of 62%. Unemployment also fell from 20% in early 2003 to 8% in May, 2007, and inflation at, current high levels, is dropping as well with government measures being taken to combat it. All the

while, business is booming with economic growth the highest in Latin America. It averaged around 10% or more per quarter for over the past three years, and finance minister Rodrigo Cabezas told Venezuela's state-run ABN news agency the country will exceed 8% growth this year. It's coming mainly from the private sector that added over 1100 new businesses and industries in 2005 and 2006.

Nonetheless, Chavez is Washington's Latin American "enemy number one" having tried four times to remove him and failed. McQuaig covered the dramatic two day CIA-orchestrated April, 2002 aborted coup. It caused mass street outrage and unwillingness of the country's military to go along. Chavez returned to office, survived an economically devastating oil management-led industry lockout, and resuscitated his nation and people impressively enough to win reelection as president last December by a nearly 2 - 1 margin.

McQuaig sat down with him for an extended two and a half interview at the Palacio de Miraflores (presidential palace) in Caracas in March, 2004. Chavez eschews pomp and remains true to his part black, part Indian roots. On December 3, 2006 election day, he drove himself to his polling station in his signature red Volkswagen, accompanied by his grandson. For his interview with McQuaig, he showed up casually dressed, and near the end of the session ordered ice cream for his guest that came in the form of chocolate sundaes topped with cherries.

Addressing questions posed, Chavez stressed the Bush administration was "invaded by madness." He's also certain it tried ousting him in 2002, was behind the oil management lockout, the August, 2004 staged recall referendum to remove him that flopped badly, and several attempts to kill him with more planned. He covered much more as well, including his desire for closer cooperation among Global South nations in their common interest to shake off the yoke of longstanding Global North neocolonial domination.

McQuaig also briefly covered America's involvement with Venezuela after oil was discovered there early last century. Ever since, Venezuela's oligarch elites and foreign oil interests collaborated to see "the country's immense oil wealth largely disappeared into private hands, both at home and abroad." There were occasional flirtations with change with leaders like Juan Pablo Perez Alfonzo (a founding member of OPEC) asserting more control over his nation's resources. Aligned against him, however, were powerful business interests, and little success was achieved. Although the nation nationalized its oil industry in the mid-1970s (along with most other oil producing countries), its state oil company PDVSA was run by Venezuelan managers deferential to foreign oil interests, mainly US ones.

Chavez is changing that and making impressive progress doing it, but still has miles to go toward establishing his social democracy (or socialism) for the 21st century. His task is enormous and involves no less than reversing generations of entrenched privilege and institutionalized corruption in a nation beholden to capital interests closely tied to Washington. He has two vital things going for him though - mass people-power support determined to keep him as President as long as he wants the job and the country's military on board as well. If Chavez can survive Washington's aim to remove him, he may remain Venezuela's leader for many years to come.

From Coffins to World Destruction

Here McQuaig dealt with one of the most vital issues of our time getting increasing attention but few efforts to address meaningfully. Today, global warming looms large as an urgent,

pressing challenge demanding action now. It emerged on the political radar in the mid-1980s and got world attention at an international scientific conference in Toronto in June, 1988. Conservative Canadian Prime Minister Brian Mulroney, an unabashed corporatist, was its opening speaker. Astonishingly, he sounded an alarm saying “humanity is conducting an unintended, uncontrolled, globally pervasive experiment whose ultimate consequences are second only to nuclear war.”

Early persuasive evidence of trouble ahead began surfacing back then. Today, it shows conclusively that human activity in modern industrial states is warming the earth’s air and surface from fossil fuel burning greenhouse gas emissions causing:

- arctic ice cap melting;
- rising sea levels;
- changed rainfall patterns;
- increased frequency and intensity of weather extremes like floods, droughts, killer heat waves, wildfires, and hurricanes and cyclones;
- water scarcity;
- agricultural disruption and loss of arable land;
- as many as one-third of plant and animal species extinct by 2050 by some credible estimates; and
- increasing disease, displacement and economic losses from extreme weather-related events, lowering of ocean pH, reductions in the ozone layer, and the possible introduction of new phenomena unseen before or never extreme enough to threaten human life or ecological sustainability that will when we experience them.

There’s no longer a debate in the scientific community on global warming. The near-majority consensus is the urgency to address it. It was almost as true in 1990 when McQuaig noted the independent Intergovernmental Panel on Climate Change (IPCC) met. It was headed by Robert Watson whose credentials included having been a senior NASA scientist. IPCC’s first assessment report powerfully stated the problem. It said the “greenhouse effect” is real and the earth’s surface has become noticeably warmer since the inception of the Industrial Revolution in the 19th century.

IPCC was even grimmer in a 2007 report suggesting a worst case scenario of “devastating harvests, dwindling water supplies, melting ice and loss of species (that likely understate) the threat facing the world.” The London Independent’s Information Environment Editor, Geoffrey Lean, made things sound even worse in his article titled “Global Warming Is (accelerating) Three Times Faster Than Worst Predictions” based on new authoritative studies. One is by the US National Academy of Sciences (NAS) showing CO2 emissions increasing 3% a year now compared to 1.1% in the 1990s. It’s causing seas to rise twice as fast and Arctic ice caps to melt three times faster than previously thought. Another grim study was by the University of California’s National Snow and Ice Data Center. It showed “Arctic ice has declined by 7.8 percent over the past 50 years, compared with an average by IPCC computer models of 2.5 per cent.”

Global warming scoffers abound in a state of denial. They're in corporate boardrooms, halls of government and a few co-opted climate scientists and some in academia willing to sacrifice their integrity for whatever benefits they get in return. They say the evidence is inconclusive, more study is needed, and the financial costs of action will be prohibitive and hugely damaging to the economy. Watson's response is "The economic costs of inaction may be (far more) prohibitive," and many economists doubt addressing the problem will be harmful at all. McQuaig noted 2500 in the profession believe "(S)ound economic analysis shows that there are policy options that would slow climate change without harming American living standards, and these measures may, in fact, improve US productivity (more than making up the difference)."

McQuaig then mentioned a second 1995 IPCC report making their case even stronger, but not as strong as their latest one. Twelve years ago it said increasing atmospheric carbon dioxide buildup is seriously altering the world's delicate ecosystem. Since then, we got an important, if greatly inadequate first step, with the enactment of the Kyoto treaty. It went into effect in February, 2005 after 141 nations signed it, absent one vitally needed one to make it work - the US when the Bush administration brazenly withdrew from the process in March, 2001, barely after assuming office.

No other administration in US history is more closely aligned with dominant corporate energy interests showing they call many of the shots in Washington. One energy giant especially stood out in the rejection, and McQuaig put it this way: Giant "Exxon....found a friend. The most powerful government on earth had linked up with the richest (and likely most influential) company on earth - and the world no longer seemed invincible."

One of the leading causes of global warming is a popular product first introduced in the early 1980s, gained popularity in the 1990s, and now dominates the passenger car business. It's the so-called sport utility vehicle, or SUV, that McQuaig said has "less to do with sportiness and glamour, and more to do with security in an age of fear." She referred to them as a "mobile version of a gated community (with a) kind of me-first aggressiveness" pushing everything out of its way. Thanks to the power of advertising, their sales soared from a humble start. They now account for one-fourth of new car sales despite their cost, poor fuel efficiency, and the fact that families got along fine without them until Madison Avenue creative geniuses convinced millions they couldn't live without them.

Here's the problem. SUVs are huge gas guzzlers, and the transportation sector accounts for over one-fourth of US greenhouse gas emissions. SUVs are exempt from so-called CAFE standards referring to "corporate average fuel economy." The result is they emit around 40% more greenhouse gases per vehicle into the atmosphere causing enormous damage. And no one needs these vehicles in the first place except the auto industry earning huge profits selling them and not about stop voluntarily. Like the energy industry, the auto sector has powerful friends in Washington as well seeing nothing changes that hurts them.

The global warming issue is so serious it must be addressed and can be if Congress gets around to mandating it with a friendly administration willing to go along. One answer is greater efficiency to achieve what automakers won't address - making vehicles burn less gas using technology now known to exist. McQuaig noted the Union of Concerned Scientists (USC) said it can be done with current technology, and its engineers did it with their own SUV design that's 30% more fuel efficient than production models. Auto makers continue increasing vehicle efficiency but use it for more powerful engines and other new design features increasing profits. They reject fuel efficiency citing the cost, but it really comes



down to applying their technological expertise where it produces the greatest return.

McQuaig summed up the situation saying it's clear "the voluntary approach won't work with fuel efficiency." With stronger mandated CAFE standards for cars and light trucks, including SUVs, oil consumption will drop dramatically. US autos of all types are now projected to consume 12 million barrels of oil a day by 2020. With easily attainable CAFE standards, consumption could be cut to 7.5 million barrels or a 40% savings. The Bush administration made things worse, not better, by adding a generous new tax measure favoring SUVs in its 2003 \$350 billion tax cut. It allowed the self-employed to deduct the cost of a SUV purchase, thereby making them more attractive to all kinds of new customers like doctors, lawyers, accountants, the corner druggist, or anyone able to claim self-employment.

There's hope for change, however, based on recent Senate action. On June 21, that body passed the first comprehensive bill on new CAFE standards in over 20 years, and it was a bipartisan effort. It wasn't a perfect one but did raise the fleetwide average fuel efficiency standards for all cars, trucks and SUVs by 10 miles per gallon over 10 years or from 25 to 35 miles per gallon by model year 2020. So far, no action is scheduled in the House so it remains an open question what's ahead along with what can be expected if final legislation reaches an obstructionist President.

### The Great Anaconda

Enter the Oil Trust and man who built it and himself into a hugely rich and powerful business titan and king of the original "robber barons" – John D. Rockefeller. None had more power and wealth or used it more ruthlessly than this corporate predator whose central aim was crushing all competition and making himself omnipotent in the growing oil industry. He did it by "employing a mix of enticement, threats, coercion, double-dealing, lying, cheating, bullying and ultimately using (his Oil Trust's) massive financial resources to crush opponents" as McQuaig explained it. Sounds about the way corporate giants operate today, except they now have friendly governments and courts making it easy for them. John D. had to work for his power and wealth starting from the bottom and building his oil empire from the ground up.

Early on, he spotted an opportunity to do it shortly after oil was first discovered in Titusville. He and a partner first invested in an oil refinery in Cleveland that became one of the city's largest. He then bought out his partner and started a second operation, opened an oil-selling company in New York, and consolidated everything into what he called Standard Oil Company. From there, McQuaig traces his rise to the business heights he achieved that included entering into a phony, far-reaching "combination" with major railways called the Southern Improvement Company. It was a scheme for preferential rebates and eliminating competition.

The story goes on to cover a four decade-long account of how Rockefeller built and consolidated his empire, crushing competition along the way ruthlessly but effectively. It came to a head in a New York City courtroom in 1907 when Theodore Roosevelt-picked lawyers went head-to-head in what McQuaig called "a titanic legal battle." In the end, the government won when the Supreme Court agreed with an earlier guilty verdict. It gave Standard Oil six months to divest all subsidiaries that quickly dismembered the giant company into a number of smaller but still large entities. The largest retained half the value of the original conglomerate. It was Standard Oil of New Jersey, now giant ExxonMobil, the largest, richest, most powerful company on earth and still one of the most predatory and

ruthless in the spirit of its founder.

Today, the oil industry is more powerful than ever. It remains “a tightly knit club” through its extensive interlocking corporate ties and a cozy relationship with all administrations. None, however, are more accommodating than the current one run by former oil men and staffed by many energy industry officials making policies favoring them.

#### How Did Our Oil Get Under Their Sand

McQuaig continued the story as Rockefeller’s spawned corporate empire began eyeing opportunities abroad. There were plenty around with the Middle East as ground zero holding two-thirds of today’s proved reserves with most of Iraq’s still untapped and uncounted. She explained by the early 1950s international oil companies gained effective control of the region’s oil and sought to get back what they lost when countries like Iran nationalized their industries to get a larger share of their own revenues.

Mohammed Mossadegh was its force as the nation’s democratic leader. He no longer would tolerate the special concessions British-owned Anglo-Iranian Oil got in 1901 and had up to his tenure. It greatly advantaged Britain leaving Iran only a sliver of its own oil wealth. His government changed things by nationalizing the company, causing the British to feel he stole their property, that, in fact, belonged to Iran. In response, the international oil companies reacted together and imposed a worldwide boycott on the country’s oil. It succeeded by devastating Iran’s economy, cutting its oil revenue from \$400 million in 1950 to less than \$2 million in 1952. A Dwight Eisenhower-approved first ever CIA coup followed in 1953. It toppled the Mossadegh government, returned Shah Reza Pahlavi to power, and began his 26 year tyrannical rule that, by all accounts, was as repressive as Saddam’s and far less socially accommodative.

McQuaig called the coup “a defining moment in the Middle East.” It “became a powerful rallying point for anti-Western nationalism. It was embodied in Gamal Abdel Nasser in Egypt whose advocacy of Arab sovereignty and willingness to defy the West made him a hero throughout the region. It also arose in Iran in the 1970s that resulted in the 1979 revolution. It deposed the Shah, installed fundamentalist Islamic rule in his place, and sparked an anti-Western fundamentalist movement across the region.

McQuaig also traced how oil was discovered early in the last century in the Middle East with the international oil cartel moving in to capitalize on it. She detailed the wheeling and dealing that went on with oil giants jousting among themselves and with rulers of the countries whose oil they wanted favorable terms on to exploit. These powerful companies mostly worked in collusion carving up world oil markets and fixing prices among themselves to their advantage.

McQuaig described how three of the giants, Shell, BP and Exxon, met at Achnacarry Castle, Scotland in late summer, 1928 to end price competition and stabilize world markets. Their leaders “hammer(ed) out an agreement in writing that set the course for the international oil order for decades to come,” lasting through the early 1970s. It was not to compete, but rather to set quotas, maintain existing market shares, cooperate in sharing facilities, and avoid surplus production to keep prices stable.

They brought in Texaco, Gulf, Mobil and Atlantic to tighten their grip on world markets and eliminate competitors by acquiring them. The idea was to assure world production grew at a steady pace, and oil shortages and gluts were avoided. The cartel was in charge reaping enormous profits from their cozy arrangement. It was especially lucrative in the Middle East where oil is easily accessible and production costs very low. It's hard believe looking back to when Saudi oil sold for \$1.80 a barrel, but easy to understand with production costs in the Kingdom at just 8 or 9 cents leaving over \$1.70 profit with most of it going to the giants.

Things began changing when Libya's King Idris "was the first to figure out how to avoid becoming yet another powerless country in the oil companies' harem." He began using independents outside the cartel. Current Libyan leader Mu'ammer al Qaddafi took power in 1969 and upped the ante further demanding a 40 cent increase in the country's share of the revenue. He got it and broke the cartel's power to control the oil game. At the same time, he rewrote the rules in place to that time. As McQuaig put it: the "aura of (cartel) invincibility was shattered. Inside the harem, things would never be the same again."

### The Harem Takes On the Sisters - The Rise of OPEC

The "Libyan breakthrough" turned out to be prologue for 5 original oil producing member nations (that became 11) to assert control of their own resources through OPEC that was founded in 1960 but had no effective power until the 1970s. McQuaig reviewed its history explaining it "was the brainchild of two men - Juan Pablo Perez Alfonzo in Venezuela and Abdullah Tariki in Saudi Arabia. Alfonzo was given responsibility for his country's oil affairs after 1945 and set "guidelines (to redefine) the traditional (one-way) colonial relationship" the oil cartel had with his country. A 1948 military coup disrupted his plans until he reemerged as oil minister under a newly elected government with much more ambitious plans in mind. His idea was for oil producing states to control the international market for their essential product, and why not. It's their oil. The idea was simple. Individually, the countries were weak, but together they had collective strength.

Abdullah Tariki had similar ideas in Saudi Arabia. He opposed the oil cartel believing oil producing nations should control their own destiny and assert their sovereign rights. Tariki was highly educated and his country's only university trained oil geologist. He became minister of oil affairs for the country's eastern province that was the location of the cartel's Aramco important Ghawar oil field operations. In that capacity, he saw how little revenue Saudis retained, compared to the oil giants, and, as a result, wanted to change the rules. How? By having Arab oil states unite to assert their collective strength.

McQuaig noted, Tariki understood the advantage of making "common cause with Venezuela." He wanted and got a secret gentlemen's agreement between the two countries in 1958 that "constituted the first seed of the creation of OPEC" that was later born in Baghdad in September, 1960 with five original members having 80% of oil exports among them - Saudi Arabia, Venezuela, Iran, Iraq and Kuwait.

It was a beginning but not as auspicious as conceived as in March, 1962 Tariki lost his job as Saudi oil minister. It was after King Faisal decided to tilt more toward Washington and adopt more Aramco favorable oil policies as the way to do it. Tariki was out, and the more accommodating Sheikh Zahi Yamani was in. McQuaig described him as a "charming, urbane, thirty-two year old lawyer...who loved New York and Western culture," and enjoyed lots of it in his new job. Alfonzo in Venezuela lost his job as well, and OPEC would never live up to his vision for it. However, McQuaig explained "it would soon at least ensure that its

members were admitted to the feast.”

Things then changed dramatically in 1973. Supplies were tight, and the notion that oil producing nations should control their own resources gained prominence in the Middle East. Industry nationalizations began occurring, and in October, 1973 OPEC nations demanded much higher prices. They got them at a time of anger over the West’s support for what became known as the “Yom Kippur War.” Egypt and Syria fought it against Israel between October 6 – 26 and almost won, save for the help from America that turned Israeli defeat into victory. People old enough to remember recall the energy crunch and long gas lines when prices rose from \$3 dollars a barrel in steps to \$11.65 and Saudi Arabia cut off shipments to the US until March, 1974.

Angst and rising prices in America affected politics in Washington, but the oil companies loved it. Industry profits rose “beyond anything they’d seen in the previous thirty years (raising the speculation) what role the companies” may have had orchestrating the whole scheme that benefitted them and oil producing states hugely at the expense of oil consuming nations. As borne out later, they played an important role. In the face of recession, demand fell and production was adjusted down to meet it while keeping prices high. They’re now around \$70 a barrel that in 1973 dollars would only be in the mid-teens and would have to hit \$100 a barrel to match the \$38 dollar price in 1980.

McQuaig noted, all in all, “as pressure tactics go, the (1973 – 74) oil embargo was pretty mild (and long) gas lines may have been annoying, but nobody died in them.” Of greater significance was where the extra revenue ended up. It was in “the wrong part of the world” with it rising from \$22 billion in 1973 over fourfold to \$90 billion the following year and far higher after the huge additional price hikes following the 1979 Iranian Revolution. It made oil producing states rich but got them to recycle much of their surplus back into Western investments, and in the case of Saudi Arabia, in particular, into huge dollar purchases of US weapons as well.

McQuaig then explained OPEC’s reformist zeal waned after Saudi King Faisal’s 1975 death that had “far-reaching consequences for both OPEC and the world.” New Saudi King Fahd tilted toward a “special relationship” with Washington and became accommodating on the amount of oil it would produce to please his powerful ally responsible for his security. It meant OPEC’s power as a unified force was gone.

### King of the Vandals

In 428 AD, the title belonged to Geiseric the Lame (or Genseric) who ruled for 50 years and transformed his Germanic tribe into a major Mediterranean power after he invaded North Africa to pillage and plunder. A more notable predator, Alexander the Great, did it a century earlier and others like the Ottomans, Mussolini and Hitler took their turns later on. Fast forward to today and you get the picture about a modern-day plunderer doing the same thing for much greater stakes than Genseric or Alexander could have imagined.

For the past three decades, Washington’s attitude toward the Middle East hardened with some in the capitol believing America has a birthright to the region’s oil, and we’ll send in the Marines any time we choose to claim it. So we have, but with consequences partly anticipated in a 1975 US Congressional Research Service study assessing the difficulties of occupying the region for its resources. McQuaig explained it concluded “seizing oil installations intact, securing them (possibly for years), operating them without the owners’

assistance, and guaranteeing safe passage overseas of supplies and petroleum products....would be possible only if there were minimal damage to oil installations and no Soviet armed intervention” intervened, and no armed resistance now.

At first, the strategy was to arm and rely on local powers, like Iran under the Shah and Saudi Arabia, to serve as proxy forces along with neighboring Turkey and Israel. Chomsky notes these nations were to be what Nixon called our “cops on the beat – the local gendarmes” to keep order in the neighborhood. We still have them mainly in Israel and Turkey, but after the 1979 Iranian Revolution the decision was taken to assume a more direct role in managing our regional interests that moved us “a step closer to establishing...military control over the area.”

The Carter Doctrine, noted above, threw down the gauntlet in 1980. It led to the establishment of the Rapid Deployment (flexible, quick response) Force (RDF) that became the US Central Command (CENTCOM) in 1983, focused mainly on the oil rich Middle East.

McQuaig also reviewed the rise of Saddam Hussein in Iraq. It began with a violent Baathist party coup in 1963. Saddam took part in it that led to his assuming power in 1968. He was a nationalist unwilling to sell out Iraqi sovereignty to Western interests making him a target from the start. The lord and master of the universe tolerates no outliers, and Saddam was a considerable one. He began nationalizing Iraq’s oil fields in 1972 and finished doing it in 1975. The oil cartel saw this as “an unpardonable crime” requiring action that was delayed by the Iran – Iraq war of the 1980s. The Reagan administration saw an opportunity and used Saddam against its greater Iranian enemy hoping they’d both destroy each other, and we’d step in and pick up the pieces.

Once the war ended in 1988, things changed and plans were drawn for Saddam’s removal that resulted in the 1991 Gulf war, 12 years of hugely destructive economic sanctions, and the March, 2003 invasion and occupation. US control of the region’s oil as the goal was already explained above because it has the mother lode amount of world supply, and by 2010 Muslim states will have about 95% of remaining light oil. Bush administration belligerency has now raised the stakes. It increased Muslim anger against the West, Washington in particular. If it continues growing, the longer term odds are that America’s grip on the region will slip and could end up lost.

It’s hurtling that way today as the prospect of war with Iran looms that may be a nuclear one. If it happens, it may engulf the whole region and entire Muslim world. CIA’s assessment of the prospect is blunt. If the US attacks Iran, Southern Shia Iraq will light up like a candle and explode uncontrollably throughout the country. It will also affect the Shia oil rich part of Saudi Arabia producing a tsunami of Shia rage everywhere that may unite the entire Muslim world in fierce resistance to America that would have very dire consequences when it comes to oil and the interests of Big Oil giants that prefer peaceful negotiations to open confrontation they fear will make them big losers in the end. That’s the state of things today thanks to a modern day Genseric. He lasted 50 years. Mr. Bush may not finish out his term in office with growing cries for his head.

Vroooooom

It’s McQuaig’s last word on the subject referring to Americans insane belief we have a



birthright to drive hugely gas-guzzling “18-wheelers that accelerate like racing cars” and shove the world out of our way doing it. She focuses on Bush administration policies in the wake of the 9/11 attack. It changed everything but left the most important issues unaddressed. There’s little debate over how centrally important oil is that government and industry focus on but the major media ignore. Controlling world supplies tops the list of strategic aims starting in the Middle East and headquartered in the richest of prizes in Iraq. There’s no chance whatever we’d be there if the country’s main export was olives instead of oil. Then there are nonsensical issues of removing a dangerous dictator and bringing democracy to the region in the form of a humanitarian intervention. Unmentioned is America does no such interventions, and our aim is to subvert democracy, not bring or support it. That’s how the rules of imperial management work.

There are further vital issues unaddressed and unmentionable in public as well. What’s the real motive behind America’s “war on terrorism” that’s quite different from the fictional media account we’ve gotten since it was launched right after the 9/11 attack. Few in the West know “Enemy Number One” bin Ladin was a CIA asset (not an agent) recruited through Pakistan’s ISI to fight the Soviets in Afghanistan in the 1980s, and the idea one sickly man in a cave outwitted the entire \$40 - \$50 billion-a-year American intelligence establishment is preposterous.

He and Al-Queda have been assets ever since. They’re used to scare the public to death and provide a pretext for the Bush administration’s permanent war on the world and against the homeland. It’s in the form of hugely bloated military budgets and adventurism, oppressive police state laws and loss of civil liberties, the greatest ever wealth transfer in history from the public to the rich, and the systematic dismantling of what remains of an imperfect social state Americans were once proud of nonetheless. That’s all sacrificed for the greater aim of unchallengeable world dominance and an unrestrained use of military power maintaining it. It’s all for the sake of making the world safe for capital and limitless amounts of energy resources needed to make it hum and grow.

We know incontrovertibly the Afghan and Iraq wars were planned well in advance of September 11, 2001 to kick things off. We were practically signaled they were coming in 1998 by the Project for a New American Century schemers. They stated their wishes for a revolutionary hard line transformation of the nation that would be long in coming “absent some catastrophic and catalyzing event - like a new Pearl Harbor” that, low and behold, happened that fateful day. The “shock and awe” on Afghanistan began four weeks later, moved to Iraq in March, 2003, never stopped, and now everyone’s paying for it and targeted if we get in the way.

The danger today is greater than ever as the Bush regime may have more ominous schemes in mind to bail itself out of its disastrous Middle East adventure. It may even be extreme enough to be unthinkable - using another major terror attack some analysts and DHS Secretary Chertoff think is inevitable as a pretext to declare martial law in the name of national security and end a functioning democracy as we know it.

Consider that compared to our claimed birthright to control and consume limitless amounts of the world’s dwindling resources and emit enough greenhouse gases to destroy it way in the future that’s someone else’s problem. McQuaig concluded her important book explaining that “efficiency is our god (but) when it comes to the engine of the modern economy - energy” - efficiency is discarded. Workable solutions abound at least effective enough to mitigate our wasteful consumption habits, but volunteer methods to achieve

them won't work. Mandating them along with convincing the public they're important is the only approach that can succeed and will if implemented. If they are, the savings will be dramatic and enormous.

If not, we face an eventual ecological calamity too dire to imagine. In addition, they'll be huge economic costs according to one analyst McQuaig cited. He believed it could cost America 1 - 2% of GDP annually and the world \$1 trillion a year at least and likely much more. And it will only get worse in the out years. Global warming is far and away the single greatest environmental threat to the planet, second only to a nuclear winter. Rich and poor alike will be victims because "We're all in the big greenhouse together." It's the moral and survival challenge of our age with no time to waste implementing a solution. Everyone's future depends on it as does ending our resource wars that will destroy us if we don't. "It's (all about) the Crude, Dude," and we better not forget it.

*Stephen Lendman lives in Chicago and can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net).*

*Also visit his web site at [sjlendman.blogspot.com](http://sjlendman.blogspot.com) and listen to the Steve Lendman News and Information Hour on The [www.MicroEffect.com](http://www.MicroEffect.com) Saturdays at noon US central time.*

The original source of this article is Global Research  
Copyright © [Stephen Lendman](#), Global Research, 2007

---

**[Comment on Global Research Articles on our Facebook page](#)**

**[Become a Member of Global Research](#)**

Articles by: [Stephen Lendman](#)

#### About the author:

Stephen Lendman lives in Chicago. He can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net). His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III." <http://www.claritypress.com/LendmanIII.html> Visit his blog site at [sjlendman.blogspot.com](http://sjlendman.blogspot.com). Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived programs.

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will

not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)