



War and famine. Peace and milk.

– Somali proverb

### The 4th Anniversary of the Iraq War Issue

“{T}he Department  
of Veterans Affairs is  
buckling under a  
growing volume of  
disability claims and  
rising demand for  
medical attention.”

see page 6

#### INSIDE THIS ISSUE

Letter from the Director . . . 3

Don't Go Into Iran, George. . 4  
Niall Ferguson

The Battle of Iraq's  
Wounded . . . . . 6  
Linda Bilmes

Who Will Pay for this Puny  
Defense Budget? . . . . . 9  
Winslow T. Wheeler

Faslane Statement . . . . . 10  
Professor Sir Richard Jolly

The Costs of War to  
Occupied Countries . . . . . 12  
John Tepper Marlin

Falling Prices  
and Terrorism. . . . . 13  
William J. Baumol

## America's Bleeding 'Cakewalk'

Cyrus Bina

The fourth anniversary of the American invasion of Iraq coincides with the Persian New Year celebrated next door in Iran. This year any celebratory activity by Iranians is shrouded in anxiety and a peculiar sense of déjà vu, due to the fact that the Bush administration is escalating the war in Iraq and, at the same time, preparing for another war with Iran. The campaign of misinformation by the Bush administration is already under way against Iran. The covert activity within Iran's borders, the provocative actions against Iran's diplomatic mission in Iraq (including the kidnapping of an Iranian diplomat), and misinformation through Iranian compatriots associated with the former regime are already

in full swing. This, of course, is despite the progressive position of the Iranian-American community, which is adamantly against US military engagement with Iran. However, there are enough wanna-be Chalabis and would-be "Curve Balls" here in the exiled Iranian community to manufacture the needed "intelligence" for the Bush administration. In the meantime, just to name one, the American Enterprise Institute, which has already manufactured, merchandized and marketed the war and full-scale destruction in Iraq, is now reportedly working on the new assignment on Iran. This campaign is significantly exceeding in both magnitude and intensity the one against Saddam Hussein in the period leading up to the war against Iraq. And the Bush administration, which is now accustomed to a foreign policy via gunboat diplomacy, appears to remain undeterred, despite the serious repercussions raised by the Iraq Study Group and the

devastating US failure in Iraq.

The focus of this brief article is to identify the root cause of war and invasion of Iraq by the Bush administration, a would-be quagmire that was deceitfully described and anticipated by Kenneth Adelman as "Cakewalk in Iraq" in an Op-Ed in The Washington Post, February 13, 2002. In doing so, perhaps by reflection, I



**The campaign of  
misinformation  
by the Bush  
administration is  
already under way  
against Iran.**

wish to shed light on the issue of unilateralism, the dictum, "you are either with us or against us," and George W. Bush's vision of the "war on terror." For the sake of brevity, I deal with oil as the purported cause of the war and then with an alternative cause, at two different yet related and reinforcing levels of analysis. The first arena is the historical/structural level revealing the characteristic of the present epoch. The second arena reflects the more concrete political underpinning of the Bush-Cheney ticket and the ideological fingerprint of the Bush administration. I will show that George W. Bush, despite his simple and in-elaborate outlook, is nevertheless standing at the complex, intertwined and elaborate intersection of these two arenas.

The slogan "No Blood for Oil" has obfuscated the real cause of the invasion and occupation of Iraq by the Bush administration. This *axiomatic* aphorism care-

lessly leaves out the ideological motivation behind "The Clash of Civilizations," the political impulse behind the "Project for the New American Century," and, more importantly, the neoconservative's (neocolonial) vision of the Middle East, with a complete overhaul of geography and territorial integrity of the region as a whole. Instead, this self-styled, "radical" diagnosis attributes the cause of war to America's "addiction to oil." This slogan has a long history and a sizable following among the liberal and radical antiwar circles.

Ironically, this idea, in a different context, has also been alluded to by George W. Bush himself.

It is strange that the liberal/radical left did not realize that the oil crisis of 1973-74 was essentially more about the decartelization and globalization of (crude) oil than the "ascendancy" of OPEC. As I have demonstrated both theoretically and empirically for three decades now, no amount of "access" and/or "control" over the oil reserves in the Middle East, or elsewhere on the planet, has any significant effect on the price of oil. The price of oil is determined through the spot and futures markets, and OPEC prices, including the long-term contracts, all take their cue from the unified global oil market (see my *Global Economy Journal* article, March 2007).

First, I argue that "No Blood for Oil" is a misleading slogan that contradicts the globalization of oil and mischaracterizes the motivation for war. More specifically, it ignores the historical periodization of oil into: (1) the early period of cartelization; (2) the transitional period of 1950-72; and (3) the era of decartelization and globalization following the 1973-74 crisis. Second, this view overlooks the distinction between the cartelized regime of "administrative pricing" and "gentleman agreements," and pricing according to market. Third, it neglects the nature of property relations in the oil sector and the resultant differential oil rents through global competition from the mid-1970s onward. Fourth, mimicking the neoclassical fiction of competition and relying on the tautology of market-structure theory, it uncritically identifies OPEC as a cartel. Moreover, this way of looking at oil is not informed by the fact that OPEC prices are constrained by the worldwide com-

petitive spot (and futures) oil prices. Finally, the war-for-oil scenario does not realize that speaking of "access," "dependency," "control," etc., is redundant in today's oil sector and oil market.

Consequently, any sober analysis of the root cause of war should also be cognizant of the cottage industry, particularly via internet, that imputes the cause war to oil in a variety of bogus angles, such as "oil-for-armorament" conspiracy, US-China rivalry, "metaphysical

## **"No Blood for Oil" is a misleading slogan that contradicts the globalization of oil and mischaracterizes the motivation for war.**

commodity," "basic commodity," "peak oil," "OPEC cartel," "euro-dollar shift," "resource wars," etc., put forth by the majority of the clueless, theory-less and populist liberal/radical left (see my *International Journal of Political Economy* article, Summer 2006).

Once one's undue obsession with oil has been discounted, one can focus on the structural and institutional changes in the global economy and global polity. This also can lead to the root cause of the post-9/11 shift in US foreign policy, particularly US Middle East policy. Here, I argue, any serious examination of the Bush administration's conduct and behavior must include the study of two distinct yet overlapping trajectories. I would identify these trajectories as *epochal* and *temporal*. The *epochal* trajectory reflects the complexity of the socioeconomic/geopolitical/structural transformations. This, I would say, put an end to the (hegemonic) inter-state system of the *Pax Americana* (1945-1979), and, by implication, removed the United States from the seat of hegemony. This is what I define loosely as globalization. Thus, *globalization*, in its manifold transformative meaning, is both the cause and consequence of the evaporation of American hegemony. Consequently, my view differs significantly with the sanguine, right-wing protagonists of "global-

ization" (and their noted cheerleaders in the media), and the left-wing, frozen-in-time antagonists of "globalization" - plus, the right-wing xenophobic fringe.

The epoch of globalization is neither identifiable with the so-called Americanization of the world nor in step with the transient status of the United States as "the only superpower." Therefore, the challenges that arise from, say, the pipedream of the "Project for the New American Century" can be potentially damaging to world peace and security or harmful to global stability. These challenges are difficult to overcome, particularly if they are accompanied by use of preemptive strike, unilateral invasion, and flagrant military occupation. The loss of hegemony, it appears, has increased America's appetite for domination through military means, particularly after the fall of the Soviets. Therefore, contrary to frequent misuse of the term, "hegemony" is not a fancy word for "domination." It is rather the negation of domination and use of force. In this instance, from the epochal standpoint, the United States, despite its military might, is now beyond the point of (hegemonic) return.

The temporal aspect of the Bush administration is essentially an amalgam of the tripartite ideology of the neoconservatives, the cold-warriors, and the vast army of disciplined and organized Christian (Zionist) fundamentalists. And, to put it crudely, the Middle East for them either translates to Israel, oil, or the holy land. It is worth remembering that, for the neoconservatives, "the clash of civilizations" is a self-fulfilling prophecy, which carries with it the vision of "permanent war," while for "cold-warriors" and Christian Zionists the war is a patriotic duty in secular or biblical terms. To say that temporal aspect of the Bush administration was triggered by 9/11 is an understatement. On September 12, 2001 the "war on terror" decidedly obtained its malleable, fuzzy, and unending connotation. "The war on terror" turned George W. Bush into a war president. He used "the war on terror" to invade and occupy Afghanistan and Iraq. George Bush also gave the green light to Israel to destroy Hezbollah (and Lebanon) in the name of "war on terror."

*(continued on page 4)*

## America's Bleeding 'Cakewalk' (continued from page 2)

The signs are pretty ominous that George Bush will escalate the war into Iran. Sending the second Navy battle group (and probably the third) to the Persian Gulf, moving patriot missiles to Saudi Arabia and other countries in the region, and planning to double the strategic petroleum reserve all echo the drumbeat of war against Iran. In fact escalation in Iraq is a smokescreen. This is equivalent to abusing and preempting the UN Security Council (and the IAEA), defiance of international community, and what is already known as American unilateralism. Today the United States, under the Bush administration, has become the highest threat to world peace and security. International conventions and laws are not devised just for the weaker nations; their observance is duly incumbent upon the strongest nations as well. The abuse of UN (Bolton-style) as part of our foreign policy is morally imperceptive and practically obtuse because it backfires in our face and leads to disasters such as the one this administration has already created in Iraq. Sadly, 9/11 has practically handed the Bush administration a political coup d'état against the American people and the rest of the world. And George Bush used it in broad daylight while the US Congress and the rest of the political

establishment (albeit with a few notable exceptions) were timidly sitting on their hands. They sheepishly watched the abrogation of our civil liberties while consenting to this illegal, immoral, and embarrassingly self-defeating war. Only a few courageous souls had enough

### The escalation of conflict in Iraq could be a preamble, or rather a smokescreen, for another escalation toward a full-scale war with Iran.

integrity to challenge the administration.

In sum, the underlying cause of the war with Iraq is the epochal loss of the American hegemony combined with the temporal characteristic of George W. Bush's political base, particularly the complementary ideology of the neoconservative/cold-warrior axis. The question is not whether there have been irreparable mistakes committed in the past by this administration. The Bush administration behaves as if it has no regard for truth and accountability. George Bush was not even interested in letting the debate begin on the merit or demerit of

the seventy-nine-point recommendation by the Baker-Hamilton Iraq Study Group. But again such an expectation overestimates the courage and responsibility of this administration. In the meantime, the quagmire of Iraq is deepening, which almost certainly adds to the tragic American defeat in Iraq, the universal echo of which will be reverberating for generations. The escalation of conflict in Iraq could be a preamble, or rather a smokescreen, for another escalation toward a full-scale war with Iran. And the neoconservative/cold-warrior axis is relentlessly fighting tooth and nail in order to change the entire geography of the Middle East, piece by piece, country by country, debacle by debacle, not for oil (remember the /post hoc, ergo propter hoc/ fallacy in Economics 101!) but, in Richard Perle's, David Wurmser and Douglas Feith's faithful neocolonial rendition, for the sake of "A Clean Break; [a] Strategy for Securing the Realm."

*Cyrus Bina is Distinguished Research Professor of Economics at the University of Minnesota, Morris, USA. He is the author of "The Economics of the Oil Crisis" (1985) and co-editor of "Modern Capitalism and Islamic Ideology in Iran" (1992).*

## Don't Go Into Iran, George

Niall Ferguson

Two vignettes that say much about the American way of war. First, two trigger-happy reservist pilots making a lethal attack on a British armored convoy during the initial phase of Operation Iraqi Freedom, despite indications that their targets were, in fact, their own allies.

Second, agents of the Coalition Provisional Authority dishing out bundles of shrink-wrapped hundred dollar bills from the backs of trucks shortly before the handover of power to a transitional Iraqi government, despite the obvious risk that the money might end up in the hands of terrorists.

Friendly fire and money down the drain: it is very tempting to say that these two phrases sum up what has gone wrong in Iraq since 2003. The misdirected application of force has alienated not

only the millions of Iraqis who initially welcomed the overthrow of the tyrant Saddam Hussein, but also the equally large number of people in this country who used to see the United States as Britain's natural ally.

At the same time, the misdirected expenditure of money has achieved little more than the transformation of a nasty but fundamentally weak rogue regime into a failed state that may yet spread sectarian slaughter across the entire Middle East.

If military efficiency is best measured as the ratio of strategic objectives achieved to money spent - "bangs per buck" for short - then this looks like the least efficient military campaign in modern history.

Yet last week the Bush administration

unabashedly asked for yet more money to finance its chronically dysfunctional "War on Terror."

To be precise, Congress was asked to approve a supplemental budget request for \$98 billion on top of budget proposals for 2008 totaling \$145 billion. Although some of this money is supposed to be spent in Afghanistan and other countries, the lion's share is intended for Iraq. And although some is earmarked for training indigenous security forces, for diplomatic operations and foreign aid, 90 per cent of it is for "military operations and other defense activities."

The supplement takes Bush's request for war funding to \$243 billion - about £124 billion - pretty serious money by anyone's standards. It is more than the entire gross domestic product of South