

# Babylonian Times

Babylon hath been a golden cup in the Lord's hand, that made all of the earth drunken: the nations have drunken of her wine; therefore the nations are mad. Jeremiah 51:7



## THE CLIMATE IS SAFE WITH US

Great news! Climate Care, the carbon 'offsets' company has been bought by US bank JP Morgan: 'integrated into JPMorgan's existing world class Environmental Markets group'. Clearly the climate offsetting business has finally come of age. Climate Care has already been branded a greenwasher, after working with many travel companies and other corporations - including Barclays and a division of Shell - to 'offset' their polluting activities. Now Climate Care (sounds like a detergent to use on clouds, doesn't it?) joins one of the world's biggest banks, with \$71bn in revenue for 2007, and which boasts some of the top political, industrial and oil company figures among its advisory and management board. With the same financial companies investing in both CO2 production, and its 'offsetting' surely this climate change problem will get cleared up in no time.

## UNEMPLOYED LAYABOUT NETS MILLIONS

No, not another newspaper headline attacking the poor, but the pay-off for the former head of Northern Rock. According to the Financial Times, Adrian Applegarth will receive 'compensation of at least £760,000' while looking for another top job. These generous unemployment benefits from the UK state's bail-out of Rock will probably not be extended to the 2,000 Northern Rock staff set to lose their jobs. Applegarth will also receive 'a further £346,246 top-up to his pension, taking his pension pot to about £2.62m' - as well as a preferential rate on his Northern Rock mortgage. He has also received between £5,000-10,000 for added security at his Northumberland home. What on earth could he have done to make people resent him so?



## SUNK IN THE OCEAN

Terrible news, I'm afraid. Planktos, the brave, brave, company that had planned to sort out global warming (and make a healthy cash profit from carbon credits) by dumping up to 100 tonnes of 'iron slurry' in the ocean as part of a far-sighted and not at all potentially catastrophic 'carbon capture' scheme has itself been totally sunk. A Planktos press release states that 'Due to widespread opposition to plankton restoration in the environmental world, the Company has encountered serious difficulty in raising the capital needed to fund a series of ocean research trials.' with the result that the CEO, Russ George, has resigned, and the company's ship and headquarters are to be sold.

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# Corporate Watch

april/may 08  
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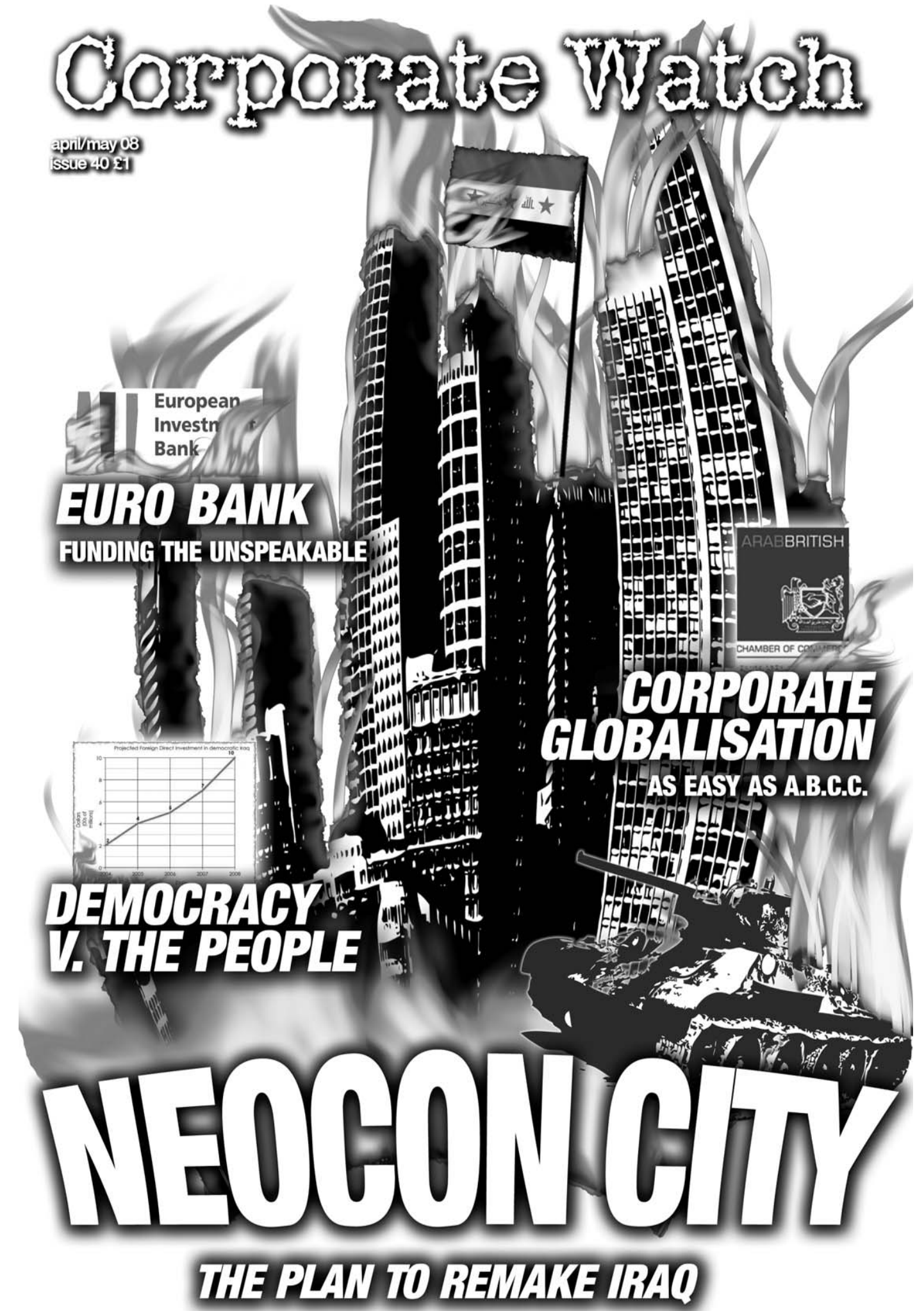
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**EURO BANK**  
FUNDING THE UNSPEAKABLE

**DEMOCRACY  
V. THE PEOPLE**

# NEOCON CITY

**THE PLAN TO REMAKE IRAQ**



# DIARY

## April

5 - **Day of action on the Climate Change Bill**, Brighton. Royal Pavilion Gardens, Brighton; 01273 727 877; [slambrighton@yahoo.co.uk](mailto:slambrighton@yahoo.co.uk); [www.wdm.org.uk/brightonandhove](http://www.wdm.org.uk/brightonandhove)

5 - **End the Siege of Gaza! End Israeli Occupation!**, London. Demonstration opposite No 10 Downing Street; 4pm-6pm; 020 7700 6192; [info@palestinecampaign.org](mailto:info@palestinecampaign.org); [www.palestinecampaign.org](http://www.palestinecampaign.org)

5 - **Benefit for Radio 4A**, Brighton. Concorde 2, Marine Parade; 7pm-10pm; £5; [info@radio4a.org.uk](mailto:info@radio4a.org.uk); [www.concorde2.co.uk](http://www.concorde2.co.uk)

6 - **Critical Mass and Ladies Bike Day**, Manchester. Pankhurst Centre; 1pm; Free/ donation; [info@ibikemcr.org.uk](mailto:info@ibikemcr.org.uk); <http://ibikemcr.org.uk/timetable.htm>

7 - **Benefit for The Anarchist Bookfair**, London. Cross Kings, 126 York Way, N1 0AX; 7pm; £5

7 - Demonstration against Israel's 60th birthday celebrations, Windsor. Main entrance to Windsor Castle, Henry VIIIth Gate, Castle Hill, Off High Street; 6pm; [www.palestinecampaign.org](http://www.palestinecampaign.org)

8 - **NO2ID Mayoral Hustings**, London. Friends Meeting House, 173 Euston Road, NW1 2BJ; 7pm; Free; [local.groups@no2id.net](mailto:local.groups@no2id.net); [www.no2id.net](http://www.no2id.net)

10 - **Iraq Occupation Focus**, London. Monthly Meeting: Indian YMCA, 41 Fitzroy Square, W1T 6AQ; 7.30pm; [www.iraqoccupationfocus.org.uk](http://www.iraqoccupationfocus.org.uk)

10 - **Europe's new unfair trade deals and the global struggle for trade justice**, London. Key campaigners from Africa, Asia and Latin America. Human Rights Action Centre, 17-25 New Inn Yard, EC2A 3EA; 7pm - 9pm; Free; 020 7820 4900; [trademeeeting@wdm.org.uk](mailto:trademeeeting@wdm.org.uk); [www.wdm.org.uk](http://www.wdm.org.uk)

11 - **Shut Down Guantanamo**, London. Demonstration and silent vigil to mark the fifth anniversary of the war in Iraq: US Embassy, Grosvenor Square, W1A 2LQ; 5pm-7pm; [london\\_gitmo@yahoo.co.uk](mailto:london_gitmo@yahoo.co.uk); [www.guantanamo.org.uk](http://www.guantanamo.org.uk)

11-Apr to 12-Apr - **Decentralized Days of Action for Squats and Autonomous Spaces**. Two days of action in defence of free spaces and for an anti-capitalist popular culture, Europe wide: [april2008@squat.net](mailto:april2008@squat.net); <http://april2008.squat.net>

12 - **Advisory Service for Squatters Benefit gig**, London. Live music, films, infostalls, cafe etc; Hackney Social Centre, Lower Clapton Rd; 8pm; [www.housing-matters.org.uk](http://www.housing-matters.org.uk)

12 - **Demo in defence of Autonomous spaces and freedom of movement**, Manchester. Assemble Urbis, next to Manchester Victoria railway station; Fayre: 1- 6pm, demo demo 6-9pm, party: late! [manchesternoborders@riseup.net](mailto:manchesternoborders@riseup.net); [www.april-12.blogspot.com](http://www.april-12.blogspot.com)

13 - **Global Day for Darfur**, London. Sudanese Embassy, 3 Cleveland Row; 12.30-2.30pm; 020 7431 9866; [hannah@jccclondon.org.uk](mailto:hannah@jccclondon.org.uk); [www.globefordarfur.org](http://www.globefordarfur.org)

15 - **April Biofools Day**. Protests around the UK, see <http://www.biofuelwatch.org.uk/>

15 - **Launch of Solomon Hughes' War on Terror inc**, London. Organised by IOF and Verso Books: Khalili Lecture Theatre, SOAS, Thornhaugh Street; 7pm; [www.iraqoccupationfocus.org.uk](http://www.iraqoccupationfocus.org.uk)

15 - **Picket of Border & Immigration Agency**, Cardiff. General Buildings, 31-33 Newport Road; 12 noon; [noborderswales@riseup.net](mailto:noborderswales@riseup.net); [www.noborderswales.org.uk](http://www.noborderswales.org.uk)

17 - **Hands Off Iraqi Oil - Protest at BP AGM**, London. Excel Centre, One Western Gateway, Royal Victoria Dock, E16 1XL; 9am; [www.handsoffiraqoil.org](http://www.handsoffiraqoil.org)

19 - **Shut Down Guantanamo**, London. Stall held by London Guantanamo Campaign: Ladbroke Grove tube station, Ladbroke Grove, W10 6HJ; 1pm-3pm; [london\\_gitmo@yahoo.co.uk](mailto:london_gitmo@yahoo.co.uk); [www.guantanamo.org.uk](http://www.guantanamo.org.uk)

19 - **Portsmouth Climate Festival**. Stalls, workshops, speakers, films; live bands in the evening: Students Union, Cambridge Road, PO1 2EF; 11am - 4pm and 7-11pm; [www.portsmouthcan.co.uk](http://www.portsmouthcan.co.uk)

24 - **Worthing Alliance Meeting**. Upstairs at The Rest, Bath Place; 8pm; [www.eco-action.org/porkbolter](http://www.eco-action.org/porkbolter)

25 - **Shut Down Guantanamo**, London. Vigil held by the London Guantanamo Campaign: US Embassy, Grosvenor Square; 6pm-7pm; [london\\_gitmo@yahoo.co.uk](mailto:london_gitmo@yahoo.co.uk); [www.guantanamo.org.uk](http://www.guantanamo.org.uk)

25 - **Roller Race and Critical Mass**, Manchester. 6pm Central Library; 8pm-4am Aqua Bar, Roller Race, Punk Bands; [info@ibikemcr.org.uk](mailto:info@ibikemcr.org.uk); <http://ibikemcr.org.uk/timetable.htm>

26 - **Stop St Athan Military Academy**, Cardiff. Demonstration against the proposed privatised military academy: Lawns opposite Cardiff Castle; 1.30pm; [no2militaryacademy@inbox.com](mailto:no2militaryacademy@inbox.com); [www.no2metrix.com](http://www.no2metrix.com)

26 - **World Day For Lab Animals**, Horsham, West Sussex. March and rally at Novartis, who experiment on monkeys and guinea pigs: Horsham Park; 11am; [www.shac.net](http://www.shac.net)

27 - **Radical History Walk around Spitalfields-Brick Lane**, London. South London Radical History Group excursion: Rag Factory, 16-18 Heneage St; 4pm; [mudlark1@postmaster.co.uk](mailto:mudlark1@postmaster.co.uk)

28 - **A march for International Workers Day** remembering those killed or injured at work, London. March to the Health and Safety Executive (HSE) headquarters in Southwark St and City Hall: Meet Holland St, beside Tate Modern; 10.30am; 07747795954; <http://www.hazards.org>

## May

1 - **Mayday** - Invasion Of The Climate Snatchers. Climate change protest somewhere in the UK, see website for details: <http://networkforclimateaction.org.uk>

02-May to 04-May - **Faslane Peace Camp punks picnic**. Bring a tent! 07835215787 or 07770893815; [www.myspace.com/faslanepeacecamp](http://www.myspace.com/faslanepeacecamp) or [www.faslane.co.nr](http://www.faslane.co.nr)

09-May to 11-May - **Big Blether 6**, near Glasgow. A gathering for activists to share ideas: Address: Talamh Life Centre, see web for details; [ellie@bigblether.org.uk](mailto:ellie@bigblether.org.uk); [www.bigblether.org.uk](http://www.bigblether.org.uk)

10 - **National Palestine Demonstration**, London. Temple Underground station/ Victoria Embankment, rally in Trafalgar Square; 1pm; [www.palestinecampaign.org](http://www.palestinecampaign.org)

30-May to 01-June - **Grassroots Gathering**, Dublin. Networking a 'movement of movements'; [www.indymedia.ie](http://www.indymedia.ie)

31 - **Demonstration Against Heathrow Expansion**. See websites for updates; [www.hacan.org.uk](http://www.hacan.org.uk); [www.campaigncc.org](http://www.campaigncc.org) [www.notrag.org](http://www.notrag.org)

# Corporate Watch

## Newsletter 40: April/May 2008

Corporate Watch is an independent not-for-profit group, which aims to expose how large corporations function, and the detrimental effects they have on society and the environment as an inevitable result of their current legal structure. Corporate Watch strives for a society that is ecologically sustainable, democratic, equitable and nonexploitative. Progress towards such a society may, in part, be achieved through dismantling the vast economic and political power of corporations, and developing ecologically and socially just alternatives to the present economic system. If you would like to help with research, fund-raising or distribution please contact us.

Disclaimer: The objectivity of the media is generally an illusion. Corporate Watch freely acknowledges that it comes from an anticorporate perspective. It attempts at all times to be factual, accurate, honest and truthful in its reporting. We welcome any comments or corrections.

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ISSN 14705842

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Corporate Watch is a member of INK, the Independent News Collective, trade association of the UK alternative press.  
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# WEST PAUPA FOCUS

Dear Corporate Watch,

*just recently students at Exeter University have set up a group that wants to highlight the cruelty and genocidal repression that the people of West Papua have suffered from at the hands of the Indonesian government in the last 40-50 years. Im trying to find out which companies from the UK (I have Rio Tinto and BP) and elsewhere have business investments in West Papua. I also want to find out whether the UK's Export Credit Guarantee Department has underwritten any investments made by British companies in West Papua.*

*I would be most grateful if you could give me tips on where I could get hold of this information and if you could send me any information you might have.*

Yours Sincerely,

Marc Herzog

*Hi Marc, that's good news, this is a very important issues.*

*Companies that we have covered in the past are Rolls Royce (<http://www.corporatewatch.org/?lid=2412>) and RTZ (<http://www.corporatewatch.org/?lid=2872>). For more recent information you could contact a group like Free West Papua (<http://www.freewestpapua.org/>).*

*Regarding the ECGD, they have ascertain amount of public information. For example, you can look at a recent list of guarantees here - [http://www.ecgd.gov.uk/list\\_of\\_guarantees\\_issued.pdf](http://www.ecgd.gov.uk/list_of_guarantees_issued.pdf). And from this file ([http://www.ecgd.gov.uk/ecgd\\_review\\_accounts\\_2004-05.pdf](http://www.ecgd.gov.uk/ecgd_review_accounts_2004-05.pdf)) it seems that, by 2005, the ECGD had guaranteed over one billion's worth of credits.*

*But that's just a quick look on my part. Have a good root around this section of their site: [http://www.ecgd.gov.uk/index/pi\\_home.htm](http://www.ecgd.gov.uk/index/pi_home.htm) and you'll be able to make a pretty good list of companies and of money guaranteed. Let me know what you find out!*

All the best

Loukas Christodoulou



Have a question or just something to say? Send your letter to:

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[news@corporatewatch.org](mailto:news@corporatewatch.org)

# NEW CW REPORTS COMING SOON...

- Public Relations
- Technofix
- Food & Agriculture

# LETTERS TO THE EDITOR

# EURO-BANK: FUNDING THE UNSPEAKABLE

By Pippa Gallop - CEE Bankwatch Network and Anders Lustgarten - Bretton Woods Project

Think of a recent bad UK infrastructure project. Got one? Who financed it? Any idea? If your project of choice was Heathrow Terminal Five, the M25 widening or London Underground Private-Public-Partnership, then a big part of the answer is the European Investment Bank (EIB) - the European Union's house bank.

Founded in 1958, by the Treaty of Rome, this secretive bank celebrates its 50th anniversary this year. You may never have heard of it, but by loan volume, the EIB is bigger than the World Bank, approving €53.4 billion of loans in 2006 alone. Based in Luxembourg, with offices around Europe - including London - the vast majority of its investments take place within the EU, though increasingly it also invests elsewhere. The EIB already has one of the largest Southern portfolios of any of the IFIs (international financial institutions), and, under new mandates, is now entitled to loan much more in Africa, Latin America and Asia.

Unlike the World Bank, the EIB is not independent, rather is legally part of the EU, and therefore has legal obligations to adhere to EU development policies and political priorities. However, these are often contradictory. Every politician talks about climate change, but not one wants to make car driving or flying more costly. The transport sector makes up around a third of the EIB's direct loans and in the last few years it has financed several of the most climate-bashing airport expansions in Europe, including Heathrow T5, Schiphol 5th runway (Amsterdam), Madrid Barajas Terminal 4, and Charles Gaulle-Roissy 3rd runway (Paris), as well as the near-doubling in capacity of Beijing Airport in China.

A 2007 report by CEE Bankwatch Network estimated that the total extra CO2 emissions caused by EIB airport expansion investments will likely top 45.15 million tonnes - more than the three highest emitting power stations in Europe combined. While the EIB may have invested huge amounts in public transport during the last few years, any

resulting decrease in emissions will pale in comparison with the huge increases from expanding airports and roads. In late 2007, the EIB renewed its transport policy, and will start quantifying CO2 emissions from the projects it plans to finance. However it doesn't say how it is



planning to take emissions into account, and refuses to stop financing airport and motorway expansion.

Outside the EU, the situation gets even trickier. In the EU, the EIB is at least bound by European law, but outside the Union that obviously doesn't apply. And the EIB stands alone among IFIs in having no binding environmental, social and human rights standards by which to evaluate the projects it backs. It says it uses the highest possible standards, but those who remember the disasters associated with earlier EIB 'development' projects like the Chad-Cameroon oil pipeline and the Lesotho Highlands water project will not be assured by such platitudes.

A scan of some of the likely EIB supported projects will hardly assuage those concerns. Take the Mopani copper mine in Zambia, where the Zambian government gets a woeful 0.6% of revenues and has tried unsuccessfully several times to kick out the Western consortium involved after repeated environmental problems; the most recent a mass poisoning of the local water supply that saw 800 people hospitalised. Or the Tenke Fungurume project in the DRC, the world's largest copper/colbalt mine, the dubious contract for which was signed during the civil war

and which an independent commission recommended be torn up—so the president disbanded the commission. Perhaps you prefer the Gilgel Gibe dam in Ethiopia, whose contract was awarded without tender to the Italian firm Salini, which is now under criminal investigation by the anti-Mafia department of the Roman magistrates. Hardly development superstars, any of them—yet the EIB is the only funder that will consider any of these projects. All the other IFIs have refused to touch them.

What is most extraordinary about all these projects, even more than their respective deficiencies, is the EIB's willingness to put public money into the hands of the people that need it least—huge Western corporations.

Tenke contractor, in the DRC, is Freeport McMoRan, the world's largest mining corporation. The main player in Mopani, Zambia, is Glencore, infamous for a string of repellent deals with governments ranging from the South African apartheid regime to Iraq under Saddam's oil for food program. Glencore was founded by Marc Rich, best known for being pardoned for tax evasion and illegal dealings with Iran by Bill Clinton as his last act as president. These are not organisations that need public subsidy; what they really desire is political risk insurance—a guarantee that if the project blows up in their face, they will still cash in fully.

More than any other IFI, the EIB is a public institution. It is a body of the European Union and can be held accountable as such. There is a growing tide of pressure on the EIB to reform, coming from the member states of the EU and the European Parliament as well as civil society. The newly formed Counter Balance: Challenging the European Investment Bank is a coalition of NGOs across Europe working to effect change in the EIB. To find out more, contact Desislava Stoyanova at [desislava@bankwatch.org](mailto:desislava@bankwatch.org).

# CRACKING THE CONTRACTS

by Tom Mills

In January 2003 Middle Eastern Peace Envoy Tony Blair, then Prime Minister, was planning a war. The media meanwhile debated imaginary threats and UN Resolutions; for the most part respecting the taboo that the planned invasion might have something to do with oil. When, nevertheless, Blair was confronted with that suggestion at Prime Minister's Question Time he decided to, as he put it, 'deal with the conspiracy theory'. If oil were the motive he reasoned, it would be 'infinitely simpler to cut a deal with Saddam' who he said, 'would be delighted to give us access'. And he was right. But the war was never about buying Iraq's oil; it was about selling it.

Five years later the big oil corporations are still waiting for Iraq's oil fields to open for business. Violence and instability have been one obstacle, but not the main one. After all, oil corporations often operate in hostile environments. As one British official recently put it, 'if you can successfully operate in the Niger Delta, that is a very different benchmark from imagining that Basra needs to be like London or Paris.' The real problem has been persuading Iraqi politicians to enact legislation which would guarantee corporate investments.

The Economist called post-invasion Iraq a 'capitalist dream', but although the occupation forcedly privatised pretty much everything, they were not foolish enough to attempt to privatise Iraq's most precious resource. Instead, the oil companies and the occupational powers have pushed for Production Sharing Agreements (PSAs), in which the state and the oil corporations 'share' the risk, ownership and profits of Iraq's oil wealth. But a groundswell of public opinion developed against the oil law, and against PSAs. In December 2006 Iraq's trade unions released a joint statement opposing 'the handing of authority and control over the oil to foreign companies that aim to make big profits at the expense of the people and to rob Iraq's national wealth by virtue of unfair, long-term oil contracts'. A year later the head of the Directorate of Licensing and Contracts would lament that 'the political

and economic culture and atmosphere in Iraq is not conducive to this contract'.

But as opposition grew, so did the pressure from oil corporations and the occupying powers. Only a month after the trade union statement, Washington announced a 'surge' in occupation troops, and a massive escalation in aerial bombardment. Slow movement towards a corporate-friendly oil law was a significant reason behind the new policy, and the passing of the oil law became one of the four 'bench marks' gauging the success of the 'surge' initiative.

That bench mark has so far not been met. In February 2007, as more foreign troops flooded into Iraq, the cabinet submitted a new oil law to parliament, but once again it came to nothing.

The Kurdish Regional Government (KRG), less hindered by public opposition, became as impatient as the occupying powers. In August 2007 it passed its own oil law and immediately began awarding contracts to foreign corporations. Before passing its oil law the KRG had already awarded concessions to several small companies including Turkey's Petoil, a Turkish/Canadian joint venture of General Enerji and Addax Petroleum, and the Norwegian company DNO. Some of these were granted before the Iraqi Constitution itself was signed, let alone an oil law. With the new law in place the KRG has granted contracts to at least another 20 foreign companies, including Heritage Oil (Canada), Hunt Oil (USA), Sterling Energy (Britain) and Gulf Keystone (Britain), OMV (Austria), Reliance (India), and SK Energy (Korea).

Washington's position on this is not clear. It is known to have opposed independent Kurdish moves in the past. In 2006 US officials met with oil companies to discourage them from dealing separately with the KRG, and Condoleezza Rice met the Kurdish president, Massoud Barzani, to encourage him to cooperate with Baghdad. Washington commented that the Kurdish contracts had 'needlessly elevated tensions', but according to the New York Times it 'hasn't leaned very

hard on the one American oil company involved, Hunt Oil'.

If opposition from Washington was relatively mute, Baghdad was furious. The Natural Resources Minister Hussain al-Shahristani condemned the concessions as illegal and called the companies involved 'opportunists who are seeking an opportunity where they think they can get a high profit'. In January the Iraq government halted its Basra oil exports to South Korea's SK Energy in response to its newly acquired Kurdish contract and in February it halted its exports to Austria's OMV.

Although not enough to discourage smaller companies who thrive in such niches, these threats are enough to discourage the big oil corporations. Iraq's greatest reserves are in Basra, and that remains the ultimate prize. Royal Dutch Shell commissioned research into Iraqi Kurdistan's fields but also has hopes for joint projects in the south in partnership with BHP Billiton. Total and Chevron have both teamed up on projects in the south, and BP has studied the southern Rumaila field which borders Kuwait. None of them want to risk alienating the Iraqi government; rather they have done their best to work on service contracts on existing fields, which although do not yield the enormous profits possible under PSAs, might bring them one step closer to searching for, owning and then selling Iraq's untapped oil.

Today the coveted national oil law seems no closer, but the Kurdish initiative does seem to have forced the central government closer to the oil corporations. In January the Iraqi government invited them to submit documents for a prequalification process pending the eventual planned licensing allocations. Companies involved in the Kurdish contracts were excluded. In February it was announced that as many as 115 companies had registered. The government also announced that Iraq was concluding negotiations for technical support contracts with large oil corporations including BP, Royal Dutch Shell, Exxon Mobil Corp, Total and Chevron.

# CORPORATE GLOBALISATION: AS EASY AS A.B.C.C

*Behind the Scenes of the Arab-British Chamber of Commerce, by Becca Fisher.*

On the surface, the Arab-British Chamber of Commerce is a company that facilitates relationships between businesses in Britain and Arab countries. It defines its role as offering:

a wide range of services to both Arab and British companies already involved in or planning to become a part of a long-standing bilateral trading relationship. These services include certification and legalisation of documents, business information and research, seminars and workshops, translation, language and cultural training, library facilities and a range of business publications.

'Friendship through trade' is the company's motto, but its role is far more sinister than that. As an organisation simultaneously representing government and business elites from the UK and Arab countries, it wields substantial power in creating the conditions, in both the UK and the Arab world, in which the needs of those government and business elites are met. It does this by trying to enhance connections across business, government, the media, academic and policy networks, publishing and civil society. It furthers British businesses interests in established and emerging markets – easing the difficulties of breaking into a foreign market, and greasing the wheels of corporate globalisation. Regarding Iraq, it is a crucial player in the attempts to embed corporations in the fabric of Iraqi society.

Unsurprisingly, the ABCC have been eager to promote Iraq as a place to do business. However they have done so in the language of philanthropy: 'We hope that our services can assist in the rebuilding of Iraq, and the strengthening of British Iraqi relations for the mutual benefit of both'. As part of the package for ABCC members, it produces a fortnightly

'Iraq Newsletter' (the only country-specific section of its fortnightly bulletin of MiddleEast-wide business information about investment opportunities), country profiles, and notice of tenders, conferences and trade fairs. It is also a major sponsor of the Iraq Development Program, which hosts a series of summits (held usually in London or Amman, Jordan) that provide 'the opportunity for Iraqi companies and business people to meet and form relationships with senior figures from the international business community.'

The ABCC also promotes similar events, such as 'Invest Basra', due to take place in Kuwait in March 2008. This is organised by the Basra Development Commission, described in the event flyer as the new 'independent business champion'. Set up by the Department for International Development (DfID), the Basra Development Commission is Gordon Brown's most recent contribution to the neo-liberal development of Iraq and has been created with the explicit purpose of encouraging private sector growth in the region.

The ABCC regularly organises visits from key Iraqi ministries looking to attract UK investors to Iraq. In January 2007 they hosted a visit from five Ministers and deputy Ministers from the Iraqi Ministry for Industry and Minerals. At this meeting, Minister Hariri outlined the purpose of his visit. It was 'to plug the experience and technology gap before moving on to privatization'. Elaborating further, he asserted that 'as the economy moves towards operating under free market conditions with the prospects of privatisation the aim...strategic partnerships with international firms in possession of much needed expertise would prove invaluable'. He wanted to use this as an opportunity 'to meet with



appropriate UK contacts as potential investors and partners' insisting that Iraq's 'reconstruction offered one of the greatest investment opportunities in the world today'. The ABCC also arranged for the delegation to meet other leading UK companies and business associations, such as Corus, Rolls-Royce, British Expertise, the Confederation of British Industry (CBI), International Financial Services London (IFSL), CEMEX, as well as the UK Department for Trade and Investment (UKTI), plus the Minister for the Middle East, Dr Kim Howells.

The ABCC is an embodiment of the current form of corporate 'democracy' existing in the UK, and is active in encouraging the development of a similar model in Iraq. All the directors are powerful figures inside government, international business and civil society, from Britain and from Arab countries. For example, several ABCC directors are, or have been, prominent diplomats with the UK FCO (Foreign and Commonwealth Office) to Middle Eastern countries, including their current chairman, Sir Roger Tomkys. Other ABCC directors include:

Christopher Wilton, a current advisor to both the Foreign and Commonwealth Office, as well as the Royal Bank of Scotland, and Selex Sensors and Airborne Systems

## NAOMI KLEIN'S THE SHOCK DOCTRINE: THE RISE OF DISASTER CAPITALISM

*Naomi Klein once again provides us with an engaging and easy to read account of the rise and rise of neoliberalism. However, her limited historical and analytical scope left this reader disappointed. By Rebecca Fisher*

Naomi Klein is at her best in explaining the relentless onslaught of neoliberal policies all over the world, and their genesis in academic circles in the USA, particularly surrounding the economist Milton Friedman. Her basic thesis is that the doctrine of neoliberalism has come to dominate the world by using periods of massive public disorientation following collective shock – wars, terrorist attacks, natural disasters – to push through unpopular neoliberal reforms. However, this thesis is not without its flaws.

Klein's strongest insight is the analogy between psychological damage through torture, and physical damage through neoliberalism. She quotes CIA manuals on torture practices and draws illuminative parallels with neoliberalism: 'Like the terrorized prisoner who gives up the names of comrades and renounces his faith, shocked societies often give up things they would otherwise fiercely protect.' This is a novel and instructive analogy – and goes some way to highlighting the close connections between psychological and physical damage that are neglected by so many other commentators. However, this analogy could be usefully applied much further. For Klein the 'disaster capitalists' lie in wait, ready to jump onto 'disasters' when they emerge. While this is no doubt the case for 'natural' disasters, most disasters are not natural, but are an intrinsic part of the economic, political and social system we live in, and are increasingly frequent as neoliberalism extends its reach across the world. I would argue for a greater degree of culpability of neoliberalism and its advocates for creating the shocks in the first place – a culpability akin to that of the torturer. Yet Klein shies away taking her own analogy to its logical conclusion. For torture is not merely about the creation of sudden terror, but the normalisation and generalisation of states of fear amongst all who would resist. Similarly neoliberal 'shocks' are merely particular moments in a much longer-term and more generalised attempt to control populations, by normalising fear and insecurity so much that they become part of our everyday experience. This seems to betray an overly narrow framework behind Klein's analysis; she does not seem to take into account the wider dimensions of how power as a whole operates within a political, social and economic system, wider than just neoliberalism or corporations. This makes the book, despite its 466 pages, feel disappointingly partial, and limited in its analytical and historical scope.

For Klein, neoliberalism is basically the rule of the market and corporations over the state, and therefore over the people. In this scenario, corporations and the state are in direct competition with each other, which leads her to neglect the role of states and state power in facilitating elite power using the market, and more recently, using neoliberalism. This makes



her explanation of neoliberalism's dominance seem incomplete; arguing, as she does, that it is based on the power of opportunistic shock, rather than other, more historically embedded mechanisms. Not everyone has been 'shocked' into submission to neoliberalism. There have also been a host of other, often more hidden and insidious attempts to make people give up what it is in their interests to hold onto. These include ideological apparatuses such as education, control of the media, knowledge and information, think-tanks, the co-option of civil society, and repressive apparatuses such as the police, the courts, governments, prisons etc. The power of corporations is enabled by a host of power mechanisms, stemming from a relationship of mutual benefit between elites, but this isn't evident in Klein's analysis.

Her oversight ensures that she does not analyse the wider context of the shock doctrine she dissects. For Klein, the use of shock is a sign of strength of the neoliberal project. However, it can also be argued to be a sign of weakness. Liberalism is no longer enough to keep populations in check and keep economic growth rising, so a more extreme form has emerged, one which it is increasingly difficult to secure consent for.

Iraq is a case in point: a country which had to be deliberately 'shocked and awed' into submission, making the companies and states behind it extremely unpopular, and unleashing a powerful Iraqi resistance, which puts the entire mission in jeopardy. Klein sees this as a shock operation, deliberately manufactured by neoliberal (and neo-conservative) architects, but she does not see this as a contradiction of her thesis, more a 'notable exception'. However, it seems more plausible to see the destruction and 'reconstruction' of Iraq as proof that neoliberalism is being pushed to its limit – forced to reveal itself as a force that creates the disasters required to shock subjects into releasing to corporations their resources, their wealth and their labour.

Capitalism needs to constantly expand: exploiting and creating 'disasters' with neoliberal shock treatment is the latest weapon to do this. But it is a weapon which weakens the enterprise by exposing its in-built violence, and risks the effectiveness of the other 'softer' weapons. Just as torture is an extreme form of repression, so neoliberal shock treatment is an extreme form of liberal capitalism. But Klein fails to locate 'disaster capitalism' more broadly in the historical continuities and systemic features of contemporary capitalism. In doing so, she downplays both the everyday violence and the weaknesses of the current world order.

# 8 DAYS TO WAR, BBC

BBC

Piece started showing on BBC March 13, 2008

COMMENT

*Masquerading as incisive political drama, this 10 minute piece pandered to, and reinforced, the lies about the UK in Iraq that the government and allied corporations have been spinning us since long before the war began.*

Review by Rebecca Fisher

The premise was a fictionalised account of one day - 13 March 2003 - in the life of General Tim Cross (UK deputy to the US led Office of Reconstruction and Humanitarian Aid). The program documents visits the General paid to the MoD, the FCO and DFID, proclaiming that not enough planning had been done for post-war Iraq, and the result would be a humanitarian catastrophe. My problem with this programme is not so much with the accuracy of the account, but with the selection of this account as a crucial and telling incident in the 10 days before the war, one which greatly illuminates the past, present and future.

For one thing, why only 10 days? The war was a lot longer in the making than 10 days. But inside the premise of the account the problems are more severe. Yet on the surface this seems to be an instance of the mainstream media being less than usually supine and deferential to the government by making some criticisms. Indeed, it purports to 'expose' the inner workings of three government departments. The camera is constantly doing close-ups of Tim Cross' face, as if to make the viewer feel like an intrusive, probing investigator. But the probing is, in reality, slight - so slight as to legitimise the Iraq war and reconstruction even through its criticisms.

The criticisms coming from the programme are basically that there was not enough planning, troops, money or staffing ascribed to the reconstruction before the war began. This approach strengthens several myths:

Firstly, the drama suggests that there were members of the government and the civil service who possessed the foresight and insight to highlight problems and mistakes, and to let them be known to the powers. The impression is created that robust and insightful criticisms can and do come from inside the corridors of power, suggesting that faults in the political order can be spotted and changed from within. But the criticisms are not robust or insightful; they amount to saying that the job wasn't done properly, never suggesting that they shouldn't have done the job at all - the

programme's basic message is that the destruction and 'reconstruction' of Iraq is justified. Moreover, the suggestion is to do it better, with more troops and more staff, and that there rests a moral responsibility to amend the 'mistakes' The 'reconstruction' is not only implied to have been a good thing to do, but something which we should, morally, continue, and maybe repeat if the circumstances arise again in another country.

Further, even the criticisms are defended in ways which excuse and legitimise the invasion. A fictionalised Clare Short suggests that she was unwilling to commit resources before the war was decided upon, and that she wanted to 'internationalise' it by pushing the UN to become involved. This gives the impression that the issue of whether to go to war was still in the balance 8 days before the invasion, something that we all know to be untrue. It also suggests that the venture would be legitimate if more countries and institutions were involved. The defence offered by the Minister of Defence was even more misleading. He suggested that the 'plan' had been that Iraqis would run the reconstruction themselves. This gives the impression that the problems stemmed from allowing Iraq a level of 'sovereignty' and 'democracy', which they weren't yet ready for, when they still needed us and the international effort. In fact, the 'reconstruction' was determined from before day one by external, occupying forces, rather than Iraqis. But according to the BBC, the 'mistakes' arose out of noble, just unrealistic, intentions of bringing democracy.

The underlying message of the programme is that Iraq needs the UK and that the UK has a moral responsibility to assist Iraq. That Iraqis are not capable of making decisions about the direction of their own country, that they need our help to be 'democratic'. This cultural supremacist contradiction owes a lot to the UK's colonial past and has been a key 'legitimation' of the invasion and occupation. It is not surprising to see the BBC repeat it on the anniversary of the invasion, when the legitimacy of the occupation is in dire need of moral resuscitation.

Limited (who make radar equipment for 'defence' and security systems). Until 2001 he was the Managing Director for the Middle East for BAE Systems.

Khaled El-Seif manages one of the largest business groups in Saudi Arabia, and has also been a Member of the Advisory Committee from the private sector (formed by the Ministry of Commerce) supporting the Saudi Arabian-World Trade Organization negotiating team.

Baroness Symons, an important architect of the New Labour project. She has served as Minister for Defence Procurement, Minister of State for the Middle East in the FCO and Minister of State for Trade in the Department of Trade and Industry, holding the last two positions simultaneously. It cannot be assumed that her influence and contacts were lost when she moved to the House of Lords. Indeed, she maintains her business connections as a member of the board of British Expertise, 'the leading private sector organisation for the promotion of professional services from the UK'.

ABCC directors also provide information and experience used by the UK government. For instance, Martin Patterson was employed as a translator for the British Army in Basra in 2003. He also displays good business connections, working as regional manager for De La Rue, who designed the new currency for Iraq. He also has company business in Iraq, Turkey, Afghanistan and the Balkans.

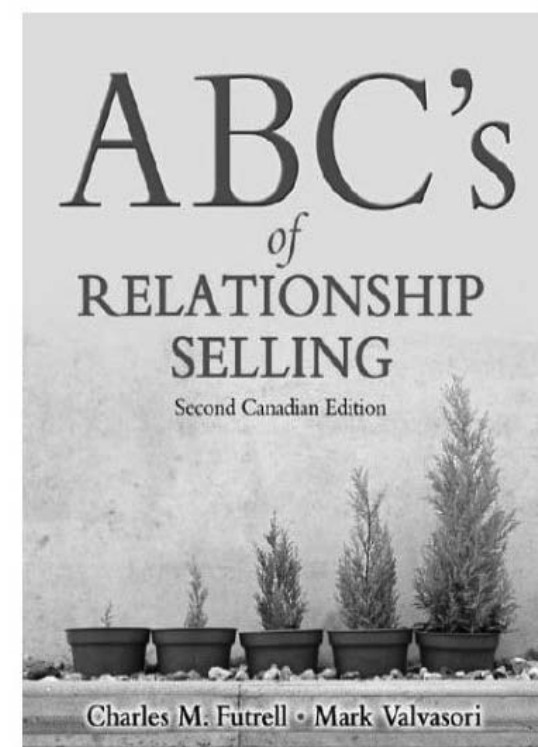
Sandy Shaw, another director, is head of the Middle East Team at Coutts and Co, (the private banking arm of RBS), and apparently 'pioneered the introduction of the private banking concept in the Middle East in the late 1980s' and her career has provided her with a 'personal client list [which] reads like a 'Who's Who' of the Arab world.'

The ABCC also provides members with access to powerful elite groups. For instance, Baroness Symons, is a member of the British-American Project, a networking organisation for corporate, political and intellectual elites, whose mission is to ensure that the left and liberal intelligentsia are not hostile to US foreign policy interests. It can be seen that working behind the scenes the ABCC functions as a crucial meeting point for elites to get together, make deals, discuss business, and influence government policy and business practice.

But the ABCC also wish to have a public impact. They state that they have

'Promoting a better mutual understanding be it in the political or cultural sphere, [...] at the heart of [their] media mission' and claim their directors can provide media interviews that give 'unique insight from both the UK and Arab States.' Some of the directors are themselves journalists or even media barons; Sir Alan Munro is the director of the Middle East International magazine. Mr Al Tayer, third vice chairman of the ABCC is also Partner and Managing Director of Al-Nisr Publishing which publishes an English daily newspaper, 'Gulf News' and a weekly magazine, and a partner in Motivate Publishing which publishes three specialist magazines, and various periodicals and books. He is also chairman of the Dubai Chamber of Commerce and Industry.

The ABCC also try to influence public



opinion via the production of information and knowledge on Arab countries, and to ensure that education on this subject is corporate friendly. Dr Humayon Dar, an ABCC director, is a banker with Deutsche Bank subsidiary and an expert in Islamic Finance. He helped establish a postgraduate degree course in Islamic economics, banking and finance. Sir Roger Tomkys, as well as a diplomat and current ABCC chairman, served as the President of the British Middle East Society, (the professional association of academics working in this field) Chairman of the Centre for International Studies, and at the Centre for Middle East and Islamic Studies. He is now on the international advisory group of the Centre for the Advanced Study of the Arab World

(a newly-formed research consortium based at the universities of Edinburgh, Manchester and Durham) and sits on the management committee of the Council for the Advancement of Arab British Understanding (CAABU).

Dr. Ghantous, current Secretary General of the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries, was also a lecturer in Economics at the American University of Beirut, and still writes articles and conference papers.

Several directors also seem to have close connections with NGOs, in particular the British Red Cross Society. For instance, Sir Alan Munro is the Vice-chairman of the British Red Cross Society, and Baroness Symons is a member. In this way, not only can the ABCC play a role in the decisions at the British Red Cross Society, but the two can lend moral weight to one another's activities. In addition, Humayon Dar is on the board of directors of Charity Bank Limited, whose stated purpose is to 'change perceptions of how personal and corporate wealth can provide finance for the benefit of society'. It is also a platform to facilitate business and NGO connections, accumulating moral capital that benefits both 'sides'.

It is clear that the main mission of the ABCC is to maintain and extend corporate power in Britain, the Middle East and North Africa. That the Arab country with most business connections to the ABCC and the most trade between ABCC companies is Saudi Arabia, puts into question the ABCC commitment to democracy. The destruction and 'reconstruction' of Iraq is in essence the attempt to build another US/UK friendly satellite in the Middle East like Saudi Arabia. Interestingly, the ABCC seem aware of the

inherent risks, and by extension their own culpability, in the establishment of such unequal and exploitative relationships between countries, and between people. The former head of external relations of the ABCC once commented that if the amount of Saudi money invested in London was known 'there would be riots on the streets of Riyadh and Jeddah'. But it is not so hard to hide the role of business elites in Iraq. A war opposed by the majority in the UK and an occupation actively resisted in Iraq - it seems unlikely that Iraq will ever be 'reconstructed' into the new Saudi Arabia.

n may be ruptured by the pressure on food production from climate change - which is already manifesting tangible results in the form of higher food prices.

# DEMOCRACY VERSUS THE PEOPLE

## AN INTRODUCTION TO THE UPCOMING CORPORATE WATCH ANALYSIS OF IRAQ'S SOCIAL AND POLITICAL RECONSTRUCTION

*The occupying forces invaded Iraq with high ambitions. Their 'reconstruction' of Iraq attempted to build in Iraq, almost from scratch, a version of the liberal capitalism we know in the 'West'. This 'reconstruction' is another example of capitalism's insatiable need to expand and capture untapped markets and resources. Labelled the creation of 'democracy' and 'freedom', 'justice' and 'peace' it is, in fact, antithetical to the true meanings of these words.*

The destruction and 'reconstruction' of Iraq constitutes a remarkable window onto the mechanics of the system of elite rule we live in, intensified to enable the invasion and occupation of Iraq. This is a window those with power have tried to obscure with concerted use of disinformation and doublespeak. But it is a window that can never be entirely obscured.

One of the fundamental mechanisms of that system is language. The words we are given to explain an event, and the narrative we are given to place the event in, determine how we understand the event, and therefore, how we respond to it. Words and narratives are therefore important weapons of the powerful, as destructive as their bombs and bullets, since physical force is not enough to secure power. Yet there is an inbuilt weakness in the use of language: if something has to be put into words, and expressed, it clearly is not something universally accepted. It reveals that there is an element of dispute in what is being expressed. The last bastion clung to by the occupiers to justify the invasion and occupation, after the discredited claim of WMDs, has been to claim they are 'bringing democracy' to Iraq. However, this veil of 'bringing democracy' aims to hide other powerful interests at work, as democracy - rule of the people by the people - cannot be imposed from above it has to be come from below. The 'democracy' masquerade grants 'the West' a moral responsibility to provide 'assistance' and 'support' to others, who are not sufficiently 'enlightened' or who 'lack' the requisite attributes to 'develop', 'progress' and 'modernise' along the 'universal' and 'right' track, already decided upon in advance. Any resistance displayed is then evidence of their inability to see the truth, or to see their 'need' for 'assistance', and in short, to see their inferiority. The white man's burden is still with us; the natives still need civilising.

However, in a 'post'-colonial world, there is no longer a moral justification for the supremacist belief that the 'Arabs' or 'working classes' are incapable of making their own decisions. Threatened by the struggles of various social movements, the powerful elites co-opt terms such as 'democracy', 'freedom', and 'justice' and turn them into doublespeak. So we are asked to believe that Iraq needed to be destroyed to be saved, occupied to be liberated, and that democracy can be imported. The words 'democracy', 'freedom', 'justice' and 'peace' are persuasive and powerful. However they have been emptied of their content, and now serve as masks for elite power and control. This report is a small part of the attempt to reclaim, recapture and restore those words, and to expose how they are used to deceive and oppress.

Looking at the destruction and 'reconstruction' of Iraq exposes what the occupying powers meant by 'democracy'. In Iraq the occupiers are attempting to build the societal structures

and practices necessary to support and enable neoliberal reforms benefiting a transnational capitalist class. And they are building what has worked to defend their privilege and enhance their power in the past: neoliberal economic reforms, state power defended by liberal democracy, and mechanisms to gain consent from the public via manipulation of civil society, the media and other knowledge-producing institutions. These impose particular constraints on people's actions, allowing for some freedoms, but always ensuring that the rule of the powerful is safe. Furthermore, the pretence of democracy is maintained, which in itself is a protection of power. There is 'freedom' for those who obey.

This report shows the building and hiding of these constraints in Iraq via three main pillars of elite rule.

First, the extension of corporate power through economic reforms which apply the rules of the market across all parts of society. This puts decisions in the hands of corporate elites beholden first and foremost to the demands of profit-making, and requires the majority to work in order to purchase their basic needs and wants.

Second, the establishment of the coercive powers of the state in order to provide an enabling environment for this unbridled corporate power by protecting the economic reforms and business interests through state institutions such as the government, the laws, the police, the army, the judiciary, the penal system, etc.

Third, the maintenance of both of these pillars is dependent on the management of potentially threatening elements further from the reach of either the market or the state, such as civil society, the media, and other knowledge-making institutions. These external parts cannot be suppressed without shattering the claim to democracy, so they must be managed. Too much force and the legitimacy of the use of force might be questioned and challenged. In managing these 'independent' forces, the attempt is made to make this 'democracy' appear natural, inevitable, and legitimate, as though it is 'common-sense'. The use of the word 'democracy' is crucial to this

attempt. Its discourse conflates freedom with economic freedom, protection with rule. In this way, consent to be ruled over is garnered, and resistance becomes hard even to imagine, let alone attempt. Who can disagree with democracy and freedom after all? This form of 'democracy' is designed to be built on more than physical force. It is also built on manipulating language and information, thoughts, and beliefs. In this way, the use of forces of constraint that negate democracy are disguised or legitimated, as part of the pretence of democracy and freedom.

What works so well for elites in the West is being exported around the world, and particularly at the moment in the Middle East. Yet this drive to expand is also a fundamental weakness. Capitalism is built on the internal logic of expansion: its requirement for more markets, more resources, more labour can never be satiated. That is the logic behind imperialism, behind globalisation, and behind the invasion of Iraq. While the justification is that 'Iraq needs us', in fact the elites needs

Iraq, because they need more resources, more markets, more labour. And increasingly, force is required, as the only environments left for capitalist expansion are increasingly hostile, and increasingly resistant.

Iraq is a case in point. Unsuccessful attempts had been made since the 1990s to integrate Iraq more fully into the neoliberal global economy. Unlike the regime in Saudi Arabia, Saddam Hussein maintained state restrictions on corporate investment in Iraq and bucked the neoliberal trend. Even the sanctions imposed failed to make Saddam Hussein release his grip on the command economy. In fact, it is hard not to believe that the cruelty of the sanctions did not have the result of intensifying anti-Western and anti-neoliberal sentiment in Iraq. The attempted coups, backed by the CIA and MI6, also failed to depose Saddam. It seems that tougher measures were required to bring Iraq into line with the neoliberal regime. Saddam Hussein was also conveniently easy to demonise, in the simple narrative of good and evil. There would also be massive advantages in securing another US-UK corporate friendly satellite in the Middle East. This could provide

strategically placed military bases, to add to the ones secured by the invasion of Afghanistan. It could also help combat the rising anti-US, and anti-Israel Arab nationalist movement. And of course, Iraq is the site of the world's third largest oil reserves, providing fuel for the world economy, control of which is necessary to maintain strategic power within that economy. But the 'reconstruction' of Iraq is about much more than oil. It is about the expansion of neoliberal economic policies around the world. This has required the 'reconstruction' of a whole new society in the mould of the system of liberal capitalist 'democracy' developed over centuries in the 'West'.

For all these advantages for elite power, the restructuring of Iraq remains a venture which has over-stretched and weakened the occupiers and the transnational elites, and reveals the contradictions underpinning late-capitalism. It has required a military invasion and ongoing occupation, massive costs in terms of both money and political legitimacy, and an immense public disinformation campaign. In fact it has exposed the hollowness of liberal democracy in the 'West'; for instance, by the avoidance of a vote on the decision to invade in all of the invading countries, by the degree of disinformation, and in particular by the intensification of 'security' controls in the domestic sphere. Fear has been invented, mobilised, and manipulated in the form of the 'War on Terror'. Physical and psychological weapons have been deployed to defend the attempts to expand capitalism through military force. These intensifications have angered even those who believe in 'our glorious democratic tradition', since they inevitably entail a more blatant admission of racism and social control on the part of the occupying governments than the new 'politically correct' variant of cultural imperialist discourse generally allows for.

The War on Iraq has therefore also been fought in the 'West'. Moreover, it has been fought with propaganda and business contracts as much as with bombs. It is a war over more than oil. It is a war that provides a window onto neo-imperialist capitalism, and onto its strengths and weaknesses. When Tony Blair says the war is fought for 'the freedom, democracy and tolerance that are the hallmarks of our way of life', he is in fact telling the truth. The war on and occupation of Iraq, and the consequent intensification of capitalist democracy in the West are to defend our corporate-dominated 'way of life' and its very peculiar forms of 'freedom', 'democracy' and 'tolerance', and to impose this way of life, this mode of power, elsewhere. Just as the material space, power and resources are being fought over, so are the terms used to define, and therefore understand, these battles. 'Freedom' or oppression; 'Democracy' or elite rule; 'Tolerance' or racial supremacy? 'Our way of life' needs to be exposed for what it is and resisted, rather than defended and exported.

