



Book Reviews

PETRODOLLAR WARFARE: Oil, Iraq and the Future of the Dollar

by *William R. Clark*
(New Society, 2005)

If you haven't guessed from the title, this book is about oil. More specifically it's about oil, neo-conservatism, U.S military power and where the three intersect. If you're thinking that could make for some not-so-cheerful reading, you might be correct, but *Petrodollar Warfare* can also be described as an insightful book that should be required reading for anyone seeking to understand the war in Iraq. And though the subject of how neo-conservatives mapped out and implemented their strategy for oil and empire may seem dark and depressing, the book points out the obvious fact that we have the option of pursuing a different course to secure our energy needs.

Petrodollar Warfare started as an online essay written by William Clark in 2003 which won an award from Project Censored. The book expands on Clark's original theme that the U.S economy relies heavily on the dollar's status as the world's reserve currency, accepted by the major oil producers and thus in demand by every nation that purchases petroleum. That dynamic was temporarily upset in October, 2000, when a leader by the name of Saddam Hussein abruptly announced that the euro would replace dollars as the currency for Iraq's oil sales. The decision was largely ignored by the mainstream media but, according to Clark, may have contributed to Hussein's downfall.

Clark's tale of oil and empire is an important one and surprisingly underreported. He explains how the United States has, in effect, switched from a gold standard to an oil standard which relies on the willingness of major oil producers to price oil in dollars. As the U.S has acquired more and more debt, it has begun to rely less on the traditional "fundamentals" which sustained our economy and more on the petrodollar system. We have also begun to rely more on "hard power," another term for unilateral military action. Clark suggests that our heavy reliance on the petrodollar system means that a sudden shift to the euro by oil producers could cause massive inflation in the U.S.

Clark's story of oil and empire would not be complete without mentioning the neo-conservatives who now make U.S policy. He explains how these disciples of Leo Strauss and Machiavelli went from outsiders writing obscure policy papers to insiders after the 2000 election. And of course, the events of 9/11/2001 provided an opportunity to test many of their theories.

While no one will accuse *Petrodollar Warfare* of being an overly optimistic book, it's obvious throughout that there is a flip-side to the neo-conservative strategy. For example, Clark notes that instead of an energy policy that seeks to maintain a lifestyle of excessive consumption by force if necessary, we could pursue an energy policy which includes some sacrifice but also new possibilities and innovation. And the U.S could have sought to address Iraq's switch to the euro and perceived threats from other nations seeking oil contracts in Iraq as a multilateral compromise.

The portrait that emerges again and again in this book is one of a nation not meeting the challenges of the future. There is no doubt that increasing demand for fossil fuels and declining reserves will require sacrifices in the future. The question is how will we meet that challenge. Will we use militarism and unilateral action to maintain our status in the world or will we make changes in our lifestyle while at the same time embracing the opportunities of a less fossil-fuel-dependent world.

William Clark has done an excellent job of researching a subject that has somehow slipped under the radar screen of our national discourse. But as the Iraq war drags on, it is more important than ever to have a clear understanding of the geo-political considerations which may be driving U.S. policy. Mr. Clark's narrative is an important contribution to that effort.

Brad Johnson is a frequent contributor and book reviewer.

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