

# Peak Oil and the working class

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September 2, 2005 — Let us be clear about this from the start. Government, as we know it, is the tool of the privileged class through which they control the masses and provide a favorable environment for their own businesses. To see the truth of this, you only have to review American history since the inception of the United States.

From the labor struggle of the 1800s to the North American Free Trade Agreement, the US government has always stood solidly in support of the privileged class. Fair wages, the eight-hour day and child labor laws were not the product of a wise and benevolent government, nor a humane and conscientious business world. They were concessions given to the working class to end long periods of labor unrest and the resulting marketplace turmoil. Every benefit of the working class has been paid for in full with the blood and suffering of previous generations.

The government and the privileged class have always sought to present the image that they are looking out for the little guy and serving humanity. From Henry Ford's philosophy of paying his employees enough to buy his own vehicles, to Ronald Reagan's trickle-down theory, our leaders have sought to show their magnanimity. Yet Henry Ford was an ardent supporter of Nazism and fascism in general, and Ronald Reagan was a bad actor and a stooge whose economic policy led to the phenomenon of downsizing and resulted in CEOs making over 300 times the average worker's stagnated wages.

Long ago, the government and the privileged class sought to subvert the labor movement. They learned the hard way that it pays to pacify the working class just enough that so that they will become soft and coercible. Any attempt to form a truly democratic workers' union was crushed or incapacitated. The classic example is the story of the Industrial Workers of the World, the IWW, which can be found elsewhere. Instead, the powers that be supported unions such as the AFL, or tamed unions such as the CIO. These were centralized, business unions whose leadership had more in common with corporate CEOs than with the workers they were supposed to represent. These are unions whose policy is to work with the corporations, resulting in a weak union leadership which easily caves in on issues such as outsourcing and downsizing while quibbling over crumbs. They have become a vehicle for the further subjugation of the working class. (I am aware that there are many dedicated unionists among the lower levels — just as there are some dedicated civil servants in the lower levels of government. And business unions do serve the labor force to some extent, however ultimately ineffectual.)

Meanwhile, the public is inculcated with the views and perspectives of the privileged class. In school, we are taught the history of the elite, with labor history serving only as a footnote — if it is mentioned at all. Our media report news from the viewpoint of the elite — business news. They give us the Dow Jones and NASDAQ averages, but not the true value of wages or the current ratio of CEO pay to average worker's pay. They report the unemployment rate without reflecting on the number of recipients who have exhausted their unemployment benefits or tracking the number of homeless. They report consumer spending without correlating consumer's debt. And all of these little tidbits are awash in a sea of community violence, which leaves many frightened of their neighbors and afraid to set foot out of their own homes. To top it all off, we are distracted with a flood of entertainment which is mindless at best and at worst subconsciously supportive of the approved view of reality.

Such is the matrix in which we exist nowadays. For those who are aware of all this, I apologize if this introduction seems pedantic, but this must be laid out before we can proceed to the subject of this article. For those who believe that this introduction is just propaganda, I am sorry that you cannot take off your blinders even for a minute. It is doubtful that you will glean anything from

the remainder of this article. For those who would like to learn more about labor history, I recommend Jeremy Brecher's *Strike!* (South End Press). Mr. Brecher offers a very good introduction to this subject.

Now that we have sketched a short yet honest appraisal on how the phenomenon of peak oil will impact this social structure, we will offer suggestions on how the working class should address the approaching crisis.

## Peak Oil & Class Struggle

The looting of the United States has been going on for some time; at least since the 1980s. And you could argue that it has been going on since the first Europeans came to this continent. However, the looting of the US is about to accelerate.

You can be sure the elite have already determined how to maximize their profit from peak oil. For all the blather of the economists, they know that our economy must start contracting as a result of diminishing energy production. And they know that in any form of capitalism — be it free market, state supported or highly regulated — continuous economic contraction is a euphemism for collapse. The smart money knows when to get out, and the smart money knows how to manipulate even a downturn for maximum profit.

Recent news items (\$380 Oil? Banks talk Oil Depletion, Michael Kane. From the Wilderness, June 7, 2005) indicate that the privileged class could use peak oil hysteria to prematurely drive up prices to artificial heights. While oil prices should currently be climbing, there is no good reason at this point for them to be as high as \$60/barrel. It is the result of speculation, and someone is making a big profit from it. As of yet, peak oil has only been whispered around the marketplace. The real market panic lies ahead of us, maybe a year away, but perhaps as soon as next month or next week — if it has not occurred before this article is published.

When the panic comes, it will be managed by the elite. They will extract their profits from it, and then they will liquidate their assets and move them offshore before the market crashes. They will fold up their tents and leave town, perhaps for the Cayman Islands, perhaps for safe havens in Asia and elsewhere. There they will convert their dollars to gold, or possibly to Chinese yuan, sparking a bottomless devaluation of the US dollar. And they will sit back in safety and comfort to watch the crash. Once the dust has settled, they will move back in — along with all the other vultures — to pick up what is left at pennies on the dollar.

Meanwhile, the working class will be hit by the brunt of this catastrophe. The jobless rate will soar as corporations shut their doors and declare bankruptcy. Whether wages rise or drop, the value of the currency they are paid in will render them worthless. There will be simultaneous crises in transportation, agriculture and public sanitation. There will be a steep rise in suffering, misery, starvation and death.

While businesses will be filing bankruptcy by the armload, the public will not be able to lighten its burden of private debt thanks to the new bankruptcy laws that Bush pushed through Congress. Millions could be forced into some form of debt servitude. Meanwhile, as Stan Goff has reported (The Global Battlefield — We are Standing on it, Stan Goff. From the Wilderness, July 8, 2005), the remaining businesses and services will be assured their workforce under the guise of national security. Many shocked, jobless debtors could find themselves shipped off to become farm laborers under the supervision of armed guards.

Two hundred years of labor gains could be reversed just that quickly. Don't kid yourself that it won't happen. The privileged class was not anointed; it obtained its privileges by theft and robbery. They climbed to prominence on the backs of others. No matter what platitudes of brotherhood and common interest they may mouth, the vast majority will do whatever is necessary to retain their positions. Corporations may say they are here to serve the public, but the maximization of profit is the bottom line.

All of the measures necessary for the final looting of the US, the pauperization of the US public, and the institution of debt servitude are already in place or are being prepared even as you read these words. All it awaits is a cue from the wings.

There is one thing which could prevent this scenario from taking place: an uprising of the working class. The working class has the power to bring everything to a screeching halt through the general strike. It is only the ignorance of and abdication of this ultimate power that gives the privileged class that power which they use to exploit us.

Right now they do not believe that we are capable of such unified resistance. Our labor unions are weak, bought off and corrupted. We are uninformed, indoctrinated and isolated. We are frightened of our own neighbors and quickly pushed back into line by the threat of terrorism. They have forgotten the battle in Seattle and have ignored similar protests since that time. So long as a protest is localized, they can keep it contained, minimize the media exposure and give it the proper spin, and squash it if necessary. The biggest thorn in their sides at present is our ability to communicate over the Internet.

I believe they underestimate us.

## Vision

Yet, we underestimate ourselves.

Overworked and underpaid, uninformed and atomized, fearful and insecure, the average worker has trouble perceiving that her or his problems are shared by millions of others, and so has difficulty understanding that these problems are not personal but systemic. These problems are the result of a system which seeks to maximize profit by maximizing the exploitation of the workforce.

Until the working class can see the commonality of this struggle, they will be unable to address the problems causing it. Each of us will be left to keep our heads above water as best we can, and as the water rises, we may even drown some of our neighbors in our panic. Even the perception of the systemic nature of the problem can lead to despair, resignation and blind anger, if the perceiver cannot see any alternative to the dominance of capital and the exploitation of labor.

One of the propaganda achievements of the last century was the idea that there are only two possible social systems, which are diametrically opposed: capitalism, where the moneyed elite hold the power, and totalitarian communism, where bureaucrats hold the power. Western propagandists were very loud in proclaiming that the collapse of the Soviet Union proved that totalitarian communism was a failure and, conversely, that capitalism is the only successful and healthy social system. However, both capitalism and totalitarian communism are based on power disparities, and as such are unsustainable. Perhaps our system is a little more dynamic than the Soviet system, but I do not expect it will outlast the latter by much.

The double-speak of western propagandists makes it very difficult to comprehend all of this. They avoid the word capitalism and in its place use the word democracy. What they mean by democracy is a system of representative democracy where the decision-making power falls overwhelmingly into the hands of the privileged class. Representative democracy is a fiction designed to pacify the masses while limiting their voice in the system. In reality, democracy and capitalism are antithetical. The true diametrical opposite of capitalism is workplace democracy.

This, then, is the vision disillusioned workers need: workplace democracy based not upon majority rule, but upon consensus or some similar mechanism to ensure that it does not become the dictatorship of the majority. At this point, supporters of capitalism like to assert that such forms of democracy are too slow for making business decisions. Where is there one single example of a robust workplace democracy, they ask.

This is very much like the bully on the playground demanding why no one will stand up to him. In our dominant system, governmental protectors of capitalism have stacked the deck against alternatives. And the business world will quickly eviscerate any worker-run company which appears poised for growth. Despite this harsh climate, there are a few worker-owned success stories. The Mondragoran collective in Spain provides what is probably the best known example. The Dutch company, Endenburg Electrotechniek, Inc., provides another example, along with a few other Quaker enterprises. For theoretical examples, Parecon and sociocracy portray how a democratic workplace could function smoothly and efficiently.

Supplied with the perception of the systemic problems at the basis of their struggle, and a vision of workable alternative systems, workers need only a push to impel them into action. This push may come with the realization that peak oil will dramatically worsen their current situation; their struggle is bound to become more frantic, and even tragic. With this observation will come the realization that they are no longer struggling just to stay afloat; they are struggling for their lives and the lives of their loved ones.

Given the perception of the true nature of their struggle, the vision of an alternative and the realization that peak oil will make this struggle a matter of life or death, the working class can galvanize virtually overnight, and they can put an end to this madness at dawn of the next business day. All that must be done to bring this barbarous system to a halt is to join together in a general strike.

What is needed now is organization and education, and a set of goals which will lead us toward systemic change.

## Goals

Here follows a progressive set of labor demands which, if they were enacted, would result in systemic change. Please note that all of these demands must be taken to the federal level. They simply are not the sort of demands which a labor organization could make of an individual company.

Labor could seek to have these demands enacted by lobbying our federal policymakers. However, this will be largely a wasted effort. Even though some politicians may pay lip service to labor, there is no way workers and unions can truly compete with the millions of dollars in campaign contributions provided by corporate donors and lobbyists. On top of this, the vast majority of federal policymakers are drawn from the privileged class and have little inclination to betray their

own class. Even if there were a group of congress members who truly were concerned about the working class and determined to legislate the following reforms, before any resulting bill could be signed into law, it would likely be rewritten and watered down until it was meaningless. Our entire legislative system and our much touted balance of power are designed to marginalize the voice of the people in favor of the voice of the privileged class.

These demands will only be heeded if they are shouted out by a large and unified labor movement. The privileged class will only concede to measures such as these if they know that there is no alternative, except the complete cessation of work as usual. Such is the power of the general strike. Without it none of these goals will come to fruition.

These, then, are the goals which the working class must seek in response to peak oil.

1. *End Globalization.* We must withdraw from NAFTA, the FTAA, the WTO, CAFTA, and put an end to the inhumanity of globalization as it is now practiced. Any corporation which seeks to flee offshore must be heavily penalized, and these penalties must be made retroactive — extended from the date when they are signed into law back to the date when they were first proposed.

We must also return to the localization of production. Due to peak oil, this will happen whether we want it to or not. It is better to begin the process now, in an orderly fashion. It is likely that, left to their own ways, corporations would plan to relocalize production after peak oil and the resulting economic collapse have impoverished the working class to the point that they will accept whatever wages and work conditions are offered. We need to demand this change now, while we still have the strength to do so.

2. *Corporate Infrastructure Tax.* Peak oil will necessitate major changes in our infrastructure, Barring all of the nonsense about hydrogen fuel cell powered cars and biodiesel, we will need to restructure our communities, revamp our railroads for freight, and build up from scratch an effective public transportation network. It is well known that various corporations — mainly the auto and tire manufacturers — made a conscious effort to dismantle our public transportation in the 20<sup>th</sup> century, and to redesign our communities around the automobile and the diesel truck. As a result, these corporations made enormous profits, while we were left with an atomized society highly addicted to oil. To top it off, the construction and upkeep of the transportation system was subsidized by public tax dollars, at little or no cost to business. Corporations have benefited from this system long enough. It is only fair that they should pay for the restructuring during the decline of the oil age.
3. *The 4 Hour Day and the Living Wage.* With a four hour day, we could reach 100 percent employment while at the same time ensuring that workers are not so overworked that it is impossible for them to have a meaningful life outside of work, or to be an informed participant in democracy. Furthermore, it is absolutely fair to expect a living wage for a 20-hour work week. Let us keep in mind that a living wage will likely be lower in a localized economy where each person is not required to pay all the expenses now necessary for personal transportation. The cost of a living wage may further be lowered by the next demand.
4. *The Right to Housing, Food, and Healthcare.* The United States is one of only two members of the UN who have repeatedly refused to sign the International Bill of Human Rights.

This is because of provisions in the agreement for every individual's right to housing, food and healthcare. Yet, you cannot have a healthy democracy where these basic needs are not guaranteed. The cost to do so is really minimal and is balanced by a lower required living wage. This issue approaches the basic question: how will we face the decline of the oil age, all for one or each man for himself?

5. *Workplace Democracy*. How can we ever hope to have a truly functioning democratic social system while the work world remains a dictatorship? This is truly the greatest and most fatal oversight of our founding fathers. Yet it is argued that this was no oversight at all, as our founding fathers were all members of the privileged class. In any case, it is time to rectify this situation.

These five demands are all progressive. While the corporate world would scream in outrage at any one of these demands, they have been listed here in the order of achievability. Items one and two concern necessary changes which will be required, in one way or another, in order to survive the decline of the oil age without a complete collapse of civilization. Faced with a general strike and the reality of peak oil, the privileged class will probably acquiesce to these first two demands.

Items three and four, while not absolutely necessitated by peak oil, would help to ease the decline of the oil age. While the privileged class may show more resistance to these demands, they will not be able to refuse them in the face of a general strike. As for the final demand, the full scale implementation of workplace democracy will probably require a complete revolution. But then, is this not the ultimate end of the general strike?

There are other demands which could be added to this list, but these are the five key demands related to peak oil and the decline of the oil age. There are certain jobs which simply won't be viable in the age of post-oil. The airline industry and the trucking industry come to mind immediately. Perhaps an additional demand for retraining and job placement for workers in obsolete industries could be added to this list.

## Implementation

The measures above listed would help to ease the general public down the path of diminishing energy supplies. They would not do away with the hardships entirely, but they would help to minimize them. We will all have to tighten our belts as energy supplies decline, and we will have to reduce our population. But these measures will help us to prepare, and will prevent one segment of society from holding their heads above water at the expense of everyone else. Given a more equitable system, with the assurance that no one will slip through the cracks, our population can contract at a natural pace, without undue hardship.

Yet, these measures will not be enacted simply by soliciting our government. Nor will they be successfully pursued by the major labor unions in existence today. The passage of these measures will require the involvement of a large number of workers outside of the traditional labor unions. It is even likely that traditional unions will aid in the suppression of such a movement. Undoubtedly, this movement would be vilified in the press, and members will be labeled as domestic terrorists by the government.



This movement needs to develop a network quietly but quickly, throughout every major industry in the nation. Then, at the appropriate time, it needs to rise up and state its case succinctly to the general public through every means possible. And it must move as soon as it has stated its case, either directly through a general strike, or through a series of strategic wildcat strikes which will culminate in a general strike. But first we need to communicate and organize.

This effort would be facilitated if it could utilize an organization which is already in existence with a communications network already developed and a democratic decision-making structure. The only such organization which comes to mind is the IWW. This union does have some problems, mostly due to power plays and mindsets of various members, but it is made to order as a surrogate organization for this movement. Moreover, the goals of the IWW agree perfectly with the goals of this movement. I, therefore, urge everyone to join the IWW and use its organization as a vehicle for this movement.

You can join the IWW through their website: [www.iww.org](http://www.iww.org), or by writing to this address:

Industrial Workers of the World  
General Headquarters  
PO Box 13476, Philadelphia, PA 19101, USA

Dues are a minimum of \$6/month (if you make less than \$1,000/month), \$12/month (if you make less than \$2,000/month, or \$18/month (if you make more than \$2,000/month). Dual membership in other unions is permitted. All that is required is that you take an oath that you are not a boss and do not have the capacity to hire and fire in your job.

For those of you who are not ready yet to join an organization, but who wish to further discuss the ideas mentioned here, there is an email group at yahoo: [peaklabor@yahoogroups.com](mailto:peaklabor@yahoogroups.com). You can join by going to its homepage. Click on the link to join the group and then follow instructions. Or you can send a blank email to [peaklabor-subscribe@yahoogroups.com](mailto:peaklabor-subscribe@yahoogroups.com). This group will be unmoderated, and I, myself, will likely just sit on the sidelines leaving the discussion to the rest of you.

## Conclusion

You have to get involved, for your own good and for the good of your loved ones. If we leave this matter in the hands of the privileged class, then we cannot complain when we find ourselves struggling under the yoke of debt servitude or — worse yet — starving to death. If we do not begin to act right now, it will be too late.

Without a doubt, the government will use every means at its disposal to suppress this movement and halt the general strike. The perceived leaders will be arrested as domestic terrorists. But, as this will be a decentralized, democratic movement, there will be no leaders. Or, more precisely, we will all be leaders. They can fill the jails and prisons to overflowing. So long as everyone refuses to work, they have lost.

All that is required to win is determination — determination that we want to live in a free world where everyone has an equal voice in society and in the workplace, and where everyone is assured of their right to a home, to food, to healthcare, and to the pursuit of happiness. Given this vision and armed with the general strike, we cannot lose. When the general strike begins

and for as long as everyone refuses to serve, we will prevail. For our future welfare, and for the lives of our loved ones, we will succeed.

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