

# The Gulf oil spill and the case for socialism

Jerry White  
8 June 2010

The ongoing disaster in the Gulf of Mexico and the US government's complicity and impotence in relation to energy giant BP reveal in the most striking manner the irrationality and socially destructive character of the capitalist system.

Even as the world reels from the consequences of the financial crisis and the spread of Wall Street's toxic assets, the same mad drive for profit, this time by the multinational oil conglomerates, has produced an ever-spreading toxic mix of crude oil and chemical dispersants in the Gulf that threatens to go up the eastern seaboard and travel as far as Europe.

Scientists are only beginning to calculate the long-term consequences of the catastrophe, which is ruining precious wetlands and beaches, threatening entire species with extinction and destroying the livelihoods of hundreds of thousands of workers in fishing, tourism and other industries.

Seven weeks after the explosion on the Deepwater Horizon drilling rig which killed 11 workers and set the catastrophe into motion, and after repeated failures to stem the torrent of oil leaking from the seafloor, BP and Obama administration officials claim a new containment cap is having success. One can only hope the gusher is contained as soon as possible, but the record of BP and the government suggests that nothing they tell the public should be accepted at face value.

On the contrary, from the beginning the overriding concern of BP executives and the White House has been to conceal from the public the extent of the disaster and protect the revenue and profits of the corporation. Last week, the Interior Department's Minerals Management Service (MMS)—which was complicit in ignoring the safety and environmental violations prior to the blast—deliberately distorted the findings of the scientific team commissioned to estimate how much oil was leaking into the Gulf.

In a press release, the government claimed the estimated range was between 12,000 and 19,000 barrels per day, even though scientists had concluded that “at least” 12,000 to 25,000 barrels per day were being released in what they called the “lower bounds” of their estimate. The maximum figure still needed to be determined, the scientists said, and it could very well be “significantly larger” than 25,000 barrels per day (See “BP and White House continue cover-up of oil spill”).

The Obama administration has consistently downplayed the extent of the spill not just to cover up for BP and its own responsibility. Most fundamentally, in the aftermath of the devastating economic meltdown caused by the financial speculators and other events such as the death of 29 coal miners in the April 5 explosion at the Upper Big Branch mine in West Virginia, the White House senses a growing anti-corporate and anti-capitalist sentiment that it is determined to deflect.

During the weekend news shows, the point man for the administration's response to the oil spill, Coast Guard Admiral Thad Allen, again downplayed the extent of the disaster, claiming that after a “final fix” was implemented in August with the completion of a relief well, “there will be oil out there for months to come. This will be well into the fall.”

Allen was later forced to backtrack from his ridiculous claim during a White House briefing Monday, admitting, “I agree with you, long-term issues of restoring the environment and the habitats and stuff will be years.”

As oil and dead animals washed up over 140 miles of spoiled coastline, Obama also downplayed the scope of the catastrophe, saying, “This is a resilient ecosystem” and there are “resilient people” in the Gulf. “I had a chance to talk to them, and they’ve gone through all kinds of stuff over the last 50, 100 years. They’re going to bounce back.”

The president's complacency and indifference is not simply a personal trait. It reflects the hostility and contempt that the political representatives of big business have for the masses of working people who are the victims of the profit system.

The well-paid politicians, journalists and academics have long defended capitalism by claiming that the "market" is the most efficient and rational means of organizing the economy and allocating society's resources. But the BP disaster has revealed to the world the terrible consequences of the anarchy and unplanned character of capitalism, and its subordination of human life to private profit.

Like his Republican predecessor in the White House, Obama identifies not with the plight of the victims of this disaster but with the corporate criminals responsible for it. Less than three weeks before the Deepwater Horizon explosion, Obama promoted his plan for the expansion of offshore drilling, telling a North Carolina audience, "oil rigs today generally don't cause spills. They are technologically very advanced."

In fact BP and other oil corporations were totally unprepared for what BP CEO Tony Hayward called "low-probability risk" of a leak one mile below the surface of the ocean. Like the Wall Street banks, the Big Oil companies are not driven by long-term and socially necessary considerations—including preserving the planet. Their overriding concern is ensuring the largest and quickest quarterly results and returns for their shareholders. How else can one explain the haste with which BP sought to wrap up operations on the Deepwater Horizon—ignoring and covering up the warnings of an impending disaster—and move on to the next multi-billion dollar drilling site.

Even in the midst of the disaster a central focus of the company has been to keep its stock value from falling. BP's share price actually rose 2.7 per cent on Monday morning, reportedly in response to statements by its Chairman Carl-Henric Svanberg late last week that the company executives "fully understand the importance of our dividend to our shareholders."

The most logical and necessary response would be to requisition the dividends and all of the productive and financial resources of BP—which made a \$17 billion profit last year—to effectively deal with the consequences of the spill and compensate those being

devastated by it.

However, the Obama administration has steadfastly defended the private property and profits of BP, presenting these as sacrosanct and inviolable. In the White House press conference Monday, Admiral Allen said the government had to "work in parallel, in a cooperative manner" with BP to "get things done, because they own the means of access" to the underwater drill site. This was a variation on his comments on May 24, when he said that the government could not push BP aside because the company "owned the means of production."

The question is why should a gigantic corporation—whose single-minded goal of augmenting the personal wealth of top executives and big shareholders has produced such a catastrophe—be allowed to maintain control of the means of production? Moreover, why should vast natural resources, such as petroleum and natural gas, "belong" to any private corporation? Instead, the assets of BP should be commandeered in the interests of society as a whole and utilized to address this emergency.

But the nationalization of the oil industry, no less than the nationalization of the banks, will not be carried out by a government—whether led by the Democrats or Republicans—which is owned lock, stock and barrel by the corporations themselves. The transformation of the energy conglomerates into publicly owned utilities and the establishment of a democratically, planned socialist economy, can only be achieved if the working class takes political power in its own hands.

Jerry White



To contact the WSWWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**