

US workers speak on gas prices related to renewed conflict in Iraq

Our reporters
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As a result of renewed conflict in Iraq, the price of oil per barrel has risen by several dollars in the last few weeks. The price of oil, and the price of gasoline along with it, are set to continue rising if the conflict continues to escalate.

The WSWS spoke to workers around the United States about the rising oil and gas prices and about the conflict in Iraq.

“You have to go back 10 to 15 years,” said Taswar Shah, a small business owner in the metro Detroit area. “Gas used to be \$1.89 per gallon. America was not in a war then. Now we’re paying more for gas, groceries—everything. We should have pulled out sooner. What good did the war do? Every time the price of gas rises it hurts everyone—small business owners, drivers, workers—everyone.”

In the early days of June this year, the Islamic State of Iraq and Syria (ISIS), an extremist Islamist offshoot of Al-Qaeda, began staging attacks in many northern Iraqi cities. Since then multiple cities have fallen to their control, including Mosul, and hundreds of thousands of civilians have fled the fighting. The city of Baiji, which ISIS took control of several days ago, contains the country’s largest oil producing facility for domestic usage. ISIS militants are currently fighting for control of that facility.

Though all of the major oil exporting cities lie in the south of the country, the ease with which ISIS was able to take over major northern cities like Mosul has raised fears that oil production in the country may be disrupted in the further course of the fighting, resulting in an increase in global crude oil prices.

The cost of oil on the New York Mercantile Exchange (NYMEX) had risen to \$106.91 per barrel as of last June 13th. This was a rise in \$4.25 from only a week before—the largest weekly gain of the year. The price now stands at about \$115/barrel according to the Brent Crude Oil Benchmark.

Iraq is the second largest producer in the Organization of the Petroleum Exporting Countries (OPEC), right after Saudi Arabia. It produces an average of 3.3 million barrels of oil a day and exports about 2.5 million per day.

According to the International Energy Agency (IEA), in order to meet global demand for the second half of 2014, OPEC will need to supply nearly 31 million barrels per day—which is one million more than the cartel’s production target for 2014. Because of the currently dismal state of oil production in Libya any interruption in oil production in Iraq could cause a skyrocketing in the price of oil.

Such a proportional drop in oil production in Iraq would also cause a rise in gasoline and food prices. According to the *Sun-Sentinel*, if the price of crude oil tops \$125 per barrel, the average price of gas in the US could surpass \$4 per gallon. Julian Jessop, the head of commodities research at Capital Economics, said that an increase in the price of oil to \$120/barrel would be likely if the Iraqi crisis continued.

“If the crisis in Iraq worsens, instability could increase further in other parts of the Middle East,” said Mr. Jessop. “In these circumstances, it would not be difficult to imagine the price of Brent surging to new record highs above \$140.”

Riaz, a worker in Chicago interviewed while gassing up at Citgo, expressed his frustration with the price hikes: “It’s all BS! It’s got a lot to do with what’s going on in the Middle East. But without any oversight the oil companies could be getting away with murder.”

Even before the recent development gas in Chicago is \$4.23 per gallon.

“People have shopping to get done, children to take care of, sometimes you have to drive out to places that may be far away, like the airport,” said Clarissa Butler, resident in the metro Detroit area. “The people who regulate gas prices are not concerned about those things at all—and that should tell you how much our votes count for. Maybe all of those people should try switching places with a worker and see how they get by with these outrageous gas prices.”

“These gas prices have made me drive less, or carpool,” said Paul, a Ford Systems administrator in the Detroit area. “When I was in a long distance relationship with my wife in Toronto, gas was so expensive I often couldn’t make the trip out there, even with a 4-cylinder car. There is a lot of turmoil in the Middle East. It could be greed on the part of

oil companies; it was a few years ago that they were making record profits.”

Kenneth Scarborough, who works in a security company in New York, spoke at length about the situation in Iraq and about rising gas prices.

“We have already been in that mess,” he said, “they wanted Saddam out to get the oil. But they were friends with Saddam; I have even seen a picture of Donald Rumsfeld shaking hands with Saddam.

“The invasion has completely backfired and they just want to go in again for the same reason. Now the president says he is going to send 600 military advisors. That is a military attack. He should say what is the plan for these people, what are the goals but he is not doing that. I think they are sending these troops only because ISIS took over an oil refinery.

“This country should not be destabilizing Middle Eastern countries. These are people with a thousand years of tradition, and we cannot impose our own will on them, which is what America has been trying to do in every conflict since World War II.”

“Saddam was a brutal dictator and there are other dictators but it is up to the people of those countries to create democracy. People claimed that we were bringing them democracy, but we don’t even have real democracy in this country. People are scared to say something against the war. The government is even tapping our phones. So why should I support war ‘advisors’ being sent there?”

“Every summer gas prices go up because every summer we have a new conflict in the Middle East. People are struggling here just to get by, and they are going to be pushed back by conflicts over there. Prices will go up and everything is going to get harder for them. The American people don’t support sending troops over there, but the government is going to do it anyway.”

“The government can’t help me get SSI [Social Security Insurance] disability when I need it, but they have money to spend overseas.” said Benjamin McNeil, a 58-year-old worker in New York City.

“This is why I don’t support the government. They don’t take care of the people who live and work here, and they don’t help the soldiers who come back from the wars they send them to overseas. If you are poor, and you don’t have money here, you don’t count for anything. If you don’t have money, and you go in the military to make a better life, they don’t take care of you. You get no job, no health care, no future if you get back. My niece went in the service to make a better life for herself. She is back now. She has to stay with her mother because they won’t take care of her.

“I think it is crazy they are sending troops back to Iraq. How long has this been going on? Twenty years now. What is it for? Oil. The people here feel we have nothing to do

with this war. The government shouldn’t be doing this.”

Ricky Hayes, a Detroit resident, stated: “What do I say about the gas prices? I say open up all the American gas reserves! I have been tremendously affected by gas prices. Sometimes it’s even a life or death situation—it’s either buy something to eat or get gas. It’s affected every aspect of my life.

“We’re going to send some more soldiers over there to take over cities and territories. How are we going to go over there to fight a war in a foreign land when we don’t have our own peace here? People are starving over here; even our vets are treated unfairly. This American justice system fights for the rich—rich men start wars, poor men fight them. That never changes. The bankruptcy is just a big setup for the power infrastructure to come in and take over.”

“Gas is high,” said Felecia, a Detroit resident who works at home in medical billing. “I have to shift my budget, and be much more careful based on gas prices. \$5 is not enough—my sister just put in \$5 and it’s just coming up to 1.2 gallons. When it’s this high I have to downgrade everywhere, like phone contracts. I have even downgraded on diapers two times—just to make sure I have enough money for gas.

“This new war in Iraq is unnecessary. Whatever point they tried to make has already been made—there have been enough young adults lives that have been lost. This government doesn’t stand for us! When they have their meetings, they don’t call us, they don’t call me and ask me what is my opinion. The bankruptcy of Detroit is BS. How can the city be bankrupt when the police are driving around in all new fleets? How can they give away all this money to sports teams and still claim they are broke?”



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