

# The political economy of American militarism in the 21st century

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*The following lecture was delivered by Nick Beams, Socialist Equality Party national secretary and a member of the WWSW Editorial Board, to public meetings in Sydney and Melbourne over the past fortnight.*

The Bush administration is now in the advanced stages of its preparations for war against Iraq. Intensive bombing is likely to start within the next few weeks, followed by an invasion of troops in the first part of next year. More forces are being steadily deployed into the region, command and control centres are being moved up, while British and US aircraft have stepped up their bombing raids that are aimed at knocking out the limited Iraqi defences and radar.

Within the United Nations, there is a certain diplomatic flurry. But so far as the military is concerned the attack will proceed, with estimates putting it no later than the second or third week of February next year.

The final stage of preparations involves the establishment of the immediate pretext or *casus belli*. The US is putting together a United Nations Security Council resolution which aims, not to enable weapons inspections to go ahead, but to do the exact opposite—that is, to scuttle the entire process thereby providing the justification for military action.

The manoeuvres in the United Nations expose the hypocrisy of the whole exercise. Last week, the US presented what it maintained was its last draft resolution to the permanent members of the Security Council, accompanied by warnings that time was running out. Iraq is to be attacked for failure to comply with UN resolutions. But the US asserts that unless the Security Council approves a resolution tailored to its demands, it will take military action anyway. There is one rule for a small, impoverished nation and a completely different one for the world's largest superpower.

When Iraq announced earlier this month that it would allow inspectors to return, a spokesman for the US State Department announced that Washington was going into “thwart” mode—doing everything to prevent the agreement from being carried out. The US policy is not weapons inspections, or disarmament, or containment. The policy is “regime change”—the overthrow of Saddam Hussein. Some ten days ago, the specific details were published in the *New York Times* on the basis of a leak from the Bush administration. They made clear that the US aimed to conquer the country and install a military proconsul—along the lines of General MacArthur's six and a half-year rule in Japan—before handing it over to a puppet government.

Meanwhile, the US president continues to rail against the great dangers posed by the Saddam Hussein regime. On October 5 he declared that Hussein was a “man who hates so much he's willing to kill his own people, much less Americans”. In a speech on October 7, Bush fulminated that Hussein was a “threat ... that could bring sudden terror and suffering to America.” Iraq, he warned, could decide “on any give day to provide a biological or chemical weapon to a terrorist group or individual terrorists.”

The CIA, however, appeared to have a different assessment. A letter from director George Tenet on October 8 stated: “Baghdad for now appears to be drawing a line short of conducting terrorist attacks with

conventional or CBW [chemical and biological weapons] against the United States.” The CIA also determined that “Should Saddam conclude that a US-led attack could no longer be deterred, he probably would become much less constrained in adopting terrorist actions.” The agency found that “Saddam might decide that the extreme step of assisting Islamic terrorists in conducting a WMD [weapons of mass destruction] against the United States would be his last chance to exact vengeance by taking a large number of victims with him.”

In other words, the CIA concluded that the greatest danger to the citizens of the United States would arise out of the actions of the Bush administration. In a secret hearing on October 2, the CIA representative was specifically asked whether, if Saddam Hussein did not feel threatened, he would be likely to initiate an attack using a weapon of mass destruction. The official replied: “My judgment would be that the probability of him initiating an attack—let me put a time frame on it—in the foreseeable future, given the conditions we understand now, the likelihood I think would be low.”

In the aftermath of the CIA assessment, the *Los Angeles Times* published a report on October 11, which stated: “Bush administration officials are pressuring CIA analysts to tailor their assessment of the Iraqi threat to help build a case against Saddam Hussein.”

An article in the *Sydney Morning Herald*, published under the headline “Rumsfeld seeks facts to fit his view on Iraq,” sets out the administration's *modus operandi* as follows: “The hawkish United States Defence Secretary, Donald Rumsfeld, has assembled a team of experts to scour intelligence data for links between Iraq and al-Qaeda, sidestepping the CIA, which is locked in conflict with the White House conservatives on whether such evidence exists. Intelligence officials said the team was part of an effort by Mr Rumsfeld and his deputy, Paul Wolfowitz, to force the facts to fit their version of reality, according to which Iraq's President Saddam Hussein is working closely with terrorists and poses a serious threat to the US.”

Given the close connections between Bush and members of his administration with Enron and other corporations involved in multi-billion dollar looting and swindling, it is perhaps not surprising to find “Enron methods” being transferred from the sphere of business to politics. Enron and the other corporate looters developed a method of accounting known as “backing in”. Instead of objective facts being brought together and reported in the balance sheet, the accountants started from the figures they wanted on the balance sheet and then worked back to make the accounting “facts” fit that outcome. The same method—outright lying—is being used on a daily basis to prepare for war against Iraq.

In his October 7 speech, Bush claimed that Iraq had developed unmanned aircraft capable of striking the US. According to the CIA, Iraq was conducting “experiments” with such a device that could reach targets in the region, but had no capability of crossing the Atlantic.

Bush also claimed that the International Atomic Energy Agency (IAEA) had determined that Iraq was “six months away from developing a nuclear

weapon.” But no such statement was ever made. In fact the agency, in its last report in 1998, said that it had found no indication that Iraq was able to produce nuclear weapons.

If we penetrate through the fog of lies created by the Bush regime and its international supporters, such as the Blair and Howard governments, and examine the historical record, we find that the Iraqi regime only became a danger to “world peace” when it began to conflict with US policy interests.

The chemical and biological weapons used by Saddam Hussein against the Kurds and Iranian soldiers during the Iran-Iraq war in the 1980s were supplied, in part, by the US and deployed with its support. The real reason for the impending war is not the danger posed by Saddam Hussein to the United States or to world security. It is oil: the drive by the US to control the second largest oil reserves in the world, comprising some 11 per cent of the world’s total supply.

In April 2001, five months before the terror attack on the World Trade Center, a report entitled *Strategic Energy Policy Challenges for the 21st Century* warned that the US energy sector was in a “critical condition” and that a crisis could erupt “at any time” having a “potentially enormous impact on the US and the world economy” and affecting “US national security and foreign policy in dramatic ways” (*Strategic Energy Policy Challenges for the 21st Century*, p. 4). Among other things, the report called for an immediate policy review toward Iraq “including military, energy, economic, and political/diplomatic assessments” (ibid, p. 22).

The report was commissioned by James A Baker, former secretary of state in the first Bush administration and one of the key operatives in George W Bush’s seizure of power in the 2000 election. It noted that in the past period the United States “has forged a special relationship with certain key Middle East exporters” who have adjusted supplies and prices at a level “that would neither discourage global economic growth nor fuel inflation.” In other words, these producers had toed the line on US demands.

“But recently,” the report continued, “things have changed. These Gulf allies are finding their domestic and foreign policy interests increasingly at odds with US strategic considerations, especially as Arab-Israeli tensions flare. They have become less inclined to lower oil prices in exchange for security of markets, and evidence suggests that investment is not being made in a timely enough manner to increase production capacity in line with growing global needs. A trend toward anti-Americanism could affect regional leaders’ ability to cooperate with the United States in the energy area. The resulting tight markets have increased US and global vulnerability to disruption and provided adversaries undue potential influence over the price of oil. Iraq has become a key ‘swing’ producer, posing a difficult situation for the US government” (ibid, p. 8).

The difficulty is this: the obvious solution to the supply shortage would be to lift sanctions on Iraq and increase the flow of oil to world markets. This would also strengthen Saddam Hussein’s regime. A solution to this dilemma would therefore be a “regime change” in Iraq. Then the supply of oil could be increased without augmenting the economic power of a regime hostile to the US.

A recent article by US academic Michael Klare points out that the growing US dependence on imported oil was highlighted in the *National Energy Policy Report* released in May 2001 under the direction of Vice-President Dick Cheney. This document revealed that half of US oil consumption in 2000 had to be imported and that this would rise to two thirds by 2020. Klare argues that Iraq has two attractions. Firstly, only Iraq has sufficient supplies to act as a backup for Saudi Arabia. Secondly, whereas most Saudi fields have been explored and claimed, “Iraq possesses vast areas of promising but unexplored hydrocarbon potential. These fields may harbour the world’s largest remaining reservoir of untapped and unclaimed petroleum—exceeding the untapped fields in Alaska, Africa and the Caspian” (Michael Klare, “Oiling the Wheels of

War”, *The Nation*, October 7, 2002).

At present, however, many of these promising fields have been allocated to oil firms in Europe, Russia and China. And the sums involved are not small. According to the International Energy Agency’s World Energy Outlook 2001, the total value of foreign oil contracts awarded by Saddam Hussein could be as high as \$1.1 trillion (See *The Observer*, October 6, 2002).

What the current negotiations in the UN Security Council between the US, Russia and France are really about is the carve-up of the oil contracts in a post-Saddam Iraq. According to former CIA director James Woolsey, one of the leading advocates of the overthrow of Saddam Hussein, those who refuse to back the US war will be excluded from enjoying the spoils in its aftermath.

Here are his exact words published in the *Washington Post* of September 16: “It’s pretty straightforward. France and Russia have oil companies and interests in Iraq. They should be told that if they are of assistance in moving Iraq toward decent government, we’ll do the best we can to ensure that the new government and American companies work closely with them. If they throw in their lot with Saddam, it will be difficult to the point of impossible to persuade the new Iraqi government to work with them.”

At the risk of belabouring the point, let me cite just one other publication dealing with this question. In 1995 the United States Central Command, with responsibility for military operations in the Middle East region, made the following assessment of its tasks: “The purpose of US engagement, as espoused in the NSS [National Security Strategy], is to protect the United States’ vital interest in the region—uninterrupted, secure US/Allied access to Gulf oil.”

While oil plays a decisive role in the plans of the United States for the conquest and colonisation of Iraq, it would be wrong to suggest that this is the sole motivation. The war against Iraq is only one part of what is a much wider agenda—the drive by American imperialism for domination of the entire globe.

This is not of recent origin. The plan for global domination by the US has been in development for the past decade—ever since the collapse of the Soviet Union saw the US emerge as the unchallenged global military power.

In 1992 the Pentagon issued a draft plan for the rest of the decade. It called for a sustained effort to maintain the pre-eminence of the US into the foreseeable future. “Our first objective,” the document stated, “is to prevent the re-emergence of a new rival either on the territory of the former Soviet Union or elsewhere, that poses a threat of the order of that posed formerly by the Soviet Union.”

This document caused something of a furore when it was first leaked. During the first years of the Clinton administration it was pushed, to some extent, to the background. But the forces behind it—including Paul Wolfowitz, who is now deputy secretary of defence and Dick Cheney, who was then defence secretary and is currently the US vice-president—did not pull back. Rather, they organised within American ruling political circles to have the plan implemented.

In 1997, they came together to form the Project for the New American Century to set forth “guiding principles for American foreign policy” to make the case and rally support for “American global leadership” on the basis of a program of “military strength and moral clarity.”

In September 2000, this organisation set out its perspective as follows: “Over the decade of the post-Cold-War period ... almost everything has changed. The Cold War was a bipolar world; the 21st century world is—for the moment, at least—decidedly unipolar, with America as the world’s ‘sole superpower.’ America’s strategic goal used to be containment of the Soviet Union; today the task is to preserve an international security environment conducive to American interests and ideals” (Rebuilding America’s Defences, p. 2).

The document pointed out that with the collapse of the Soviet Union, the first line of what is called the “American security perimeter” had expanded considerably. The Balkans region had become a virtual NATO protectorate, while in the Persian Gulf region, the presence of US troops, together with British and French units, had become a permanent fact of life. It then made the following important point: “Though the immediate mission of those forces is to enforce the no-fly zones over northern and southern Iraq, they represent the long-term commitment of the United States and its major allies to a region of vital importance.”

The ostensible reason given by the US for the no-fly zones—which are not authorised by any resolution of the UN—has been to “protect” the Kurdish population of the north of Iraq and the Shia people of the south. The real reason is outlined in this document.

It continues: “Indeed, the United States has for many decades sought to play a more permanent role in Gulf regional security. While the unresolved conflict with Iraq provides the immediate justification, the need for a substantial American force presence in the Gulf transcends the issue of the regime of Saddam Hussein” (ibid, p. 14).

Of course, it is one thing for the US ruling class to draw up definite plans to enhance its global position, it is another thing to implement them. Since the emergence of mass politics at the end of the 19th century, and the emergence of the working class as a distinct social force, the ruling classes of every country have always had to put forward some justification for their war measures. Accordingly, a vital part of preparation for war is propaganda aimed at convincing the mass of the population that any conflict will be fought for “democracy”, or to rid the world of a “tyrant”, or to preserve “our way of life.”

As Zbigniew Brzezinski, the former national security advisor under President Carter noted: “[T]he pursuit of power is not a goal that commands popular passion, except in conditions of a sudden threat or challenge to the public’s sense of domestic well-being” (*The Grand Chessboard*, p. 36).

The September 11 terrorist attack, therefore, came as something of a political godsend for the Bush administration. Its agenda for global advancement of US forces could henceforth be pursued under the banner of the “war against terror”. Within just one year we have seen the conquest of Afghanistan and the imposition of a puppet regime, along with the installation of US forces in the central Asian republics of the former Soviet Union. The next stage is the war against Iraq and the establishment of a US protectorate in that country.

Since the terrorist attacks there has been a continuous refrain: “Everything changed after September 11.” Certainly much has changed, but it is vital to grasp that what emerged after September 11 was a continuation, a deepening and further development of processes that had already been building up. What changed, above all else, was that the terror attacks now provided the opportunity to set in motion plans that had been drawn up well in advance. When the two airliners plunged into the WTC that morning there was already on Bush’s desk a plan for the invasion of Afghanistan. Rumsfeld and others immediately began speaking about the need to overthrow the Iraqi regime.

A year later, the same processes are at work in the aftermath of the Bali bomb blast. No evidence has been presented as to the perpetrators of this crime, but the US and Australian governments are calling for closer collaboration with the Indonesian military. This had been on their agenda for some time, but presented certain political difficulties, particularly in light of the well-known murderous role of the Indonesian military forces throughout the archipelago. But within days of the Bali massacre—in which layers of the Indonesian military may well have been involved, either directly or indirectly—Australian Defence Minister Robert Hill and Foreign Secretary Downer were engaged in talks with the Indonesian government over resuming training and collaboration with Kopassus, the notorious special security force. During the past period there have been

fears in Washington that the Megawati regime could prove far too weak to deal with a movement of the Indonesian masses. The Bali massacre provided the opportunity to bring forward the Indonesian military, again under the banner of the “war against terrorism”.

The Bush administration’s program was set out in the president’s National Security Strategy issued on September 17. This document asserts as a central policy the right of the US to use military force any time, anywhere, against any country it believes to be a threat to American interests, or which it believes may become a threat in the future.

As the chairman of the WWS David North pointed out in his lecture in Ann Arbor, Michigan of October 1: “No other country in modern history, not even Nazi Germany at the height of Hitler’s madness, has asserted such a sweeping claim to global hegemony—or, to put it more bluntly, world domination—as is now being made by the United States.”

Bush’s NSS document makes clear that the “war against terrorism”—the banner under which the drive for global domination is being waged—is a “global enterprise of uncertain duration.” It states that as a “matter of common sense and self-defence, America will act against such emerging threats before they are fully formed” and that in this new world “the only path to safety is the path of action.”

The document declares that the disintegration of the former Soviet Union has provided a “time of opportunity for America.” “The US national security strategy will be based on a distinctly American internationalism that reflects the union of our values and our national interests.” That is certainly a very distinctive internationalism—an internationalism based on the supremacy of the interests of the US over all the other “great powers.”

I do not intend to present an analysis of the entire document. That has already been done by David North in his lecture “The war against Iraq and America’s drive for world domination” [see, <http://www.wsws.org/articles/2002/oct2002/iraq-o04.shtml>]. Let me just make one point: our assessment that this is a program for global domination by the US is not the product of some fevered left-wing imagination. It is the conclusion drawn by any politically literate person—whether supportive of or opposed to US aims—upon reading it.

Take the position of the *Financial Times* (FT) for example. Some five days after the issuing of the NSS, the FT conducted a lengthy interview with Bush’s national security advisor, Condoleezza Rice, on the implications of the president’s new strategy. The interviewer wanted to know what would happen if China moved to increase its military power. Rice replied that, if China worked to encourage entrepreneurship, trade and commerce, then “they’re going to find a very good partner in the United States”—the implication being that if it did not, then something else would follow.

To which the FT interviewer replied: “So we’re in an Imperial Age—I don’t want to get too philosophical—but you’re saying that there should be one superpower in the world, which would be the United States, it’s a benign power, and the crucial thing is to maintain that lead?”

As I have said, the question of US global domination did not emerge as a response to September 11, but had been under discussion during the preceding decade within US foreign policy circles. On November 11, 2000, Richard Haas, now director of policy planning in the State Department, and a man considered something of a “moderate” compared to the likes of Wolfowitz and Rumsfeld, delivered a paper entitled simply “Imperial America.”

Summing up the international situation he said: “This is and will likely remain a world of distinct American primacy. No country or group of countries will be in a position to balance American economic, military, and cultural power for the foreseeable future. But this is only a description, not a purpose. Still missing is a post-containment foreign policy for the post-cold war world. The fundamental question that continues to confront American foreign policy is what to do with a surplus

of power and the many and considerable advantages this surplus confers on the United States” (“Imperial America”, p. 1).

Haas went on to say that an imperial foreign policy should not be confused with what he called “imperialism” and the actual establishment of colonies—that was no longer possible. But a rose by any other name ... And he made clear that what he was advocating was definitely a form of empire.

“To advocate an imperial foreign policy is to call for a foreign policy that attempts to organize the world along certain principles affecting relations between states and conditions within them. The US role would resemble 19th century Great Britain.... Coercion and the use of force would normally be a last resort; what was written by John Gallagher and Ronald Robinson about Britain a century and a half ago, that ‘The British policy followed the principle of extending control informally if possible and formally if necessary’ could be applied to the American role at the start of the new century” (ibid, p. 4).

In other words, global mechanisms such as international financial markets, the World Trade Organization, the International Monetary Fund, would work to ensure the dominance of US interests, with the military operating as a kind of mailed fist within the free market glove to ensure discipline where necessary.

This brings us to the most important question of all: What are the implications of the drive for global dominance by the US? What consequences will follow from the dawning of a new age of imperialism at the beginning of the 21st century? To find the answer, one must examine the historical experiences of the 20th century. In other words, to understand what the future has in store, one has to delve more deeply into the past.

This connection to the history of the past century is provided by the NSS document itself. Bush—or, rather, those who wrote it for him—claims that the US is seeking to “take advantage of an historic opportunity to preserve the peace.” “Today, the international community has the best chance since the rise of the nation-state in the seventeenth century to build a world where great powers compete in peace instead of continually prepare for war. Today, the world’s great powers find ourselves on the same side—united by common dangers of terrorist violence and chaos” (op.cit., p. 2).

The very use of the term “great powers” takes us back to the era prior to World War I, when the great powers emerged on the global stage. In the first half of the 19th century, the developing global capitalist economy had developed under the hegemony of Great Britain. But in the last quarter of the century, a vast transformation was under way. The formation of the unified German state after 1870 was the prelude to, and pre-condition for, a vast economic expansion. The old balance of power in Europe was being undermined. And in the West, a new power was on the rise as the United States underwent an explosive economic transformation following the civil war.

At the turn of the 20th century, the great over-riding political question of the day concerned the relationship between these great powers. Was it possible to ensure a peaceful and harmonious development, or did the emergence of rival powers mean that sooner or later war would erupt between them?

The Marxist movement explained that so-called peaceful competition—the struggle for markets, for profits, access to raw materials, the development of outlets for investment capital—leads inexorably to military conflict. After all, as Marx had pointed out, the logic of competition is not to continue competition, but to develop a monopoly. As each of the capitalist powers sought to advance their own position, they came into conflict with each other.

The opposing view was that such were the interconnections between the major economic powers—they exported to each other, invested in each others economies, were dependent on each other for markets and

resources and so on—that a war between them would be too damaging to undertake.

The answer to the question, of course, came in July-August 1914 when, after a series of international crises over the previous decade, war finally erupted.

The Marxist movement explained that the historical significance of the war, and the untold destruction it wrought, was that it demonstrated that capitalism as a system of social production, as a form of human social organization, had reached the end of its progressive epoch. Rather than advancing human civilisation, as it had in the past period, it now threatened mankind with the most terrible forms of barbarism. The answer to the great question of the origins of the war was not to be found in discovering “who fired the first shot” or which nation was the “guilty party,” but in discovering the deep-going social and economic processes that had led to it.

From this standpoint, Leon Trotsky explained that, at the most fundamental level, the war was a revolt of the productive forces developed by capitalism against the political form of the national state. The great industries of capitalism, the economic processes it had fostered, had completely outgrown the division of the world into national entities. Just as the rise of capitalism centuries before had proclaimed the downfall of feudalism, with its patchwork quilt of kingdoms, dukedoms and principalities, so the further growth of the productive forces had rendered completely anachronistic the national-state as a political form.

But capitalism could not solve this great problem of the nation state to which it had given rise. The very growth of the economy—the fact that productive processes stretched across borders, and across continents—posed the necessity for the conscious cooperation of all the world’s producers in the running of what had become a global economy. Capitalism, however, based on the struggle for markets, resources and profit, was unable to undertake this task. Each of the capitalist great powers, in order to enhance its position, had to push back its rivals—to transform itself from a great power into a world power. This brought all of them—Britain, Germany, Austria, France, Japan, their satellites and allies, and eventually the rising great power in the west, the United States, into open conflict with each other.

What conclusion flowed from Trotsky’s analysis? “The only way,” he wrote, “in which the proletariat can meet the imperialistic perplexity of capitalism is by opposing to it as a practical program of the day the socialist organisation of world economy. War is the method by which capitalism, at the climax of its development, seeks to solve its insoluble contradictions. To this method the proletariat must oppose its own method, the method of the social revolution.”

Lenin’s struggles were directed to the same end. Whatever the outcome of the war, he insisted, and even if a new period of peace were established, it could only be a temporary phenomenon. The capitalist great powers were locked in an unending struggle for the division and redivision of the world—the outcome of a fundamental transformation in the economic foundations of the capitalist mode of production. Capitalism of the 19th century, in which competition for markets and profits took place among numerous relatively small firms, had been replaced by the formation of monopolistic corporations.

“Private property based on the labour of the small proprietor, free competition, democracy, all the catchwords with which the capitalists and their press deceive the workers and peasants—are things of the distant past,” he wrote. “Capitalism has grown into a world system of colonial oppression and of the financial strangulation of the overwhelming majority of the population of the world by a handful of ‘advanced’ countries” (Lenin, *Collected Works*, Volume 22, p. 191).

Lenin, Trotsky and the other great Marxists of the time sought to demonstrate that socialism was not the realisation of some desirable ideal, but a necessity. Otherwise mankind would be plunged into the type of

unspeakable barbarism that had accompanied the First World War, a war that had arisen from the contradictions of the capitalist mode of production itself.

On the basis of this historical perspective, the Bolsheviks organized and led the Russian Revolution. The revolution was aimed, not at building socialism in one backward country, but at providing the opening shot of the world revolution. History had proceeded in a contradictory manner: the working class had been presented with the opportunity of taking power first, not in a relatively advanced country, but in one of the most backward. It had to seize the opportunity in order to point the way forward for the working class and masses of the entire world.

Against this perspective, President Woodrow Wilson, leader of the dominant imperialist power to emerge from the war—the United States—advanced another one. Wilson came to the Versailles negotiations in 1919 armed with his 14-point program based on open diplomacy, freedom of trade, democracy, self-determination of nations and a League of Nations to regulate international order and render conflicts such as World War I a thing of the past.

But for all the high-sounding principles and universalist character of Wilson's program, its purpose was to advance the interests of a particular "great power"—the United States—which had now become a world power as a result of the war. Above all else, the 14-point program sought to counter the threat posed to the entire capitalist system by the very existence of the first workers' state in the Soviet Union. That is why, as the Versailles peace conference was being held, the armies of intervention, involving all the major powers, were seeking to overturn the Soviet government. The principles of self-determination, democracy and freedom lay at the foundation of the 14 points, but they did not apply to the Soviet Union, or, indeed, to the masses of India or any of the other colonies of the victorious imperialist powers.

Far from providing the conditions for harmonious development, the Versailles Treaty of 1919 created the conditions for new disasters—the Great Depression of 1929-32, the rise of fascism in Germany and the eruption of World War II—just two decades after its signing.

The US emerged from the Second World War in an even more powerful position than it had enjoyed at the end of the First. It was still not, however, in a position to re-organise the world according to its dictates. The existence of the Soviet Union constituted a continuing barrier to its global ambitions.

Sections of the American ruling class and military wanted to overturn the USSR. They were constrained by two factors: the opposition this would have provoked in the international working class, and the armed forces of the USSR itself. The US had hoped that, with the dropping of two atomic bombs on Japan in 1945, it would have been in a position to dictate to the rest of the world. But its plans were dealt a severe blow with the development of nuclear weapons by the Soviet Union and the overturn, in 1949, of the Chiang Kai Shek regime in China.

A conflict emerged within the US ruling class over what strategy to pursue. One faction favoured "rollback"—the overturn of the Soviet Union and the Mao regime in China, at whatever the cost. Another favoured "containment." The conflict between these two tendencies was to erupt at significant points over the next period. During the Korean War, the Truman administration came close to using nuclear weapons. MacArthur advocated the use of as many as 30-50 nuclear bombs on the Korea-Manchuria border. In the Cuban missile crisis in 1962, sections of the military were prepared to go to all-out nuclear war with the Soviet Union. Again in the Vietnam War there were those in the military who advocated the use of nuclear weapons.

The "containment" faction was able to predominate. Nevertheless, as David North explained in his lecture, an examination of the history of the Cold War reveals the real meaning of "deterrence" and "containment". It was not, as the stuff of propaganda has it, that the expansionist Soviet

Union was deterred and contained by the US but, rather, the reverse. The possibility of retaliation from the Soviet Union deterred the US from pursuing a policy of total global domination.

What were the driving forces behind the shifts in US foreign policy? In general, one can say that the program of "containment" enjoyed the upper hand while ever the economic and political order established at the conclusion of World War II provided conditions for the expansion of the major capitalist powers.

This period, which lasted from 1945 to around 1973, has gone down in history as the post-war boom. It saw the greatest economic expansion in the history of capitalism. To shortsighted observers, it appeared that the injunctions of Lenin and Trotsky about the historic necessity for the socialist transformation, along with Lenin's writings on imperialism, belonged to a by-gone age.

But the post war equilibrium was destined to breakdown. By the middle of the 1970s, world capitalism had entered a new period of disequilibrium; from which it has not emerged.

The change in the economic situation underlay a turn in US foreign policy from containment to rollback. The Carter administration developed a policy of inciting Islamic fundamentalism in the Central Asian republics of the Soviet Union. This was when Osama bin Laden and the other anti-communist Islamic fundamentalist groups got their start. They were financed by Saudi Arabia and worked closely in line with the aims and objectives of the US.

In the 1980s, the Reagan administration intensified the destabilisation program with a huge military build-up directed against the USSR. In the US itself, it implemented a parallel economic and social program, aimed at wiping out the reforms won by the working class in the wake of the New Deal of the 1930s and the post-war expansion.

The decision of the Stalinist bureaucracy to eventually liquidate the USSR in 1991 presented the US ruling class with an unprecedented situation. It could now pursue its foreign policy objectives without external constraints. This transformed situation was to have a major impact in the Middle East.

Already, in 1973-74, the US had been hit by the oil price hikes organised by the OPEC countries. In 1975 there was discussion in ruling circles about the possible need for military intervention. Then came another blow in 1979 with the overthrow of the Shah of Iran, who had been installed some quarter of a century earlier through a CIA-backed coup against the nationalist regime of Mossadegh.

During the 1980s, in order to weaken Iran, the US increasingly threw its support behind the regime of Saddam Hussein in its reactionary war against Iran.. The US supplied the Iraqi regime with satellite pictures of troop movements and helped it manufacture and use chemical and biological "weapons of mass destruction".

The war ended with the Iraqi regime in a weakened position. It desperately needed oil revenues to repair the economy and sustain its military. But its revenues were being undermined by the actions of the Kuwaiti regime, which was forcing down the price of oil by increasing supplies and literally taking oil from Iraqi fields. The Iraqi regime moved to teach the Kuwaitis a lesson. Checking with the US—US ambassador April Glaspie indicated that America had no position on inter-Arab conflicts—the Iraqi regime launched its invasion. Saddam Hussein quickly found that, like other US assets, he could be dumped with a change in US policy.

The US had sought to apply pressure against Iran via Iraq. Now the global situation was changing and the US found itself in a stronger position. The Iraqi invasion of Kuwait, for which Saddam Hussein could realistically expect US backing—given that he had been supported for eight years in the war against Iran—became the pretext for the US organised war of 1990-91.

The situation at the beginning of 1991, however, was still somewhat

fluid. The US was not sure whether it could move outside the framework of UN resolutions and carry out a full-scale invasion of Iraq. Moreover, it believed that with military defeat, the Saddam Hussein regime would collapse.

In his column in the *Sydney Morning Herald* on October 14, Gerard Henderson thought he had scored a telling point against those who maintain that the war against Iraq is about oil. "But if oil is the prime consideration of the Administration," he wrote, "how come the US did not invade Baghdad during the Gulf War? Regime change could have been imposed on Iraq then—leaving the US in effective control of Iraqi supplies."

Mr Henderson's rhetorical question can be easily answered. At that stage, the US considered it too risky to go beyond the UN mandate. But the decision to hold back provoked a furious response in sections of the ruling class who were determined to seize the next opportunity.

Over the ensuing decade, one can trace the increasing unilateralism of US foreign policy and its military interventions. In 1990-91, the Gulf War was conducted within the framework of the United Nations. In 1999, the war against Yugoslavia took place outside the framework of the UN, under the auspices of NATO. In 2001-2002 the war against Afghanistan was conducted unilaterally by the US, outside the framework of both the UN and NATO. Now it is planning an invasion of Iraq and the installation of a puppet regime against the open opposition of some of its NATO allies.

We have pointed out that the increasingly aggressive character of US foreign policy—from containment, to rollback and now the establishment of new forms of colonialism—is bound up with changes in world capitalism stretching back some three decades to the beginning of the 1970s and the breakdown of the post-war economic boom.

The social consequences of these changes can be summed up as follows: the growth of inequality, both between countries and within them. The Bush National Security Strategy is replete with phrases such as "respect for private property", "freedom of markets" and "market incentives"—the very programs that have had such a devastating impact on the lives of billions of people all over the world.

More than half the human race is forced to eke out an existence on less than \$2 per day. I read somewhere the other day that the cows in Europe receive considerably more than this under the agriculture policy of the European Union.

Within all the major capitalist countries the past two decades have been marked by the growth of social inequality and a redistribution of wealth up the income scale. Nowhere is this more apparent than in the United States.

An article by the economist Paul Krugman in the *New York Times* last Sunday referred to the "tectonic shifts" that had taken place in the distribution of wealth and income. It was not possible, he insisted, to understand what was happening in the United States "without understanding the extent, causes and consequences of the vast increase in inequality that has taken place over the last three decades, and in particular the astonishing concentration of income and wealth in just a few hands." According to one recent study, cited by Krugman, in 1998 the top 0.01 per cent received more than 3 per cent of all income. That is, the 13,000 richest families in America had almost as much income as the poorest 20 million households, and those 13,000 families had incomes 300 times those of average families.

This process of enrichment is bound up with a vast expansion of financial parasitism over the past 20 years and the plundering of financial and economic resources. It is easy to get confused by the details of the corporate scandals—insider loans, stock options, etc.—but, in reality, the issue is very simple. All of these complicated arrangements are a means of disguising outright looting and criminal activity as sophisticated corporate strategies.

The emergence of this gangster element should not be considered as a case of a few bad apples. It is, in the final analysis, the expression of a deep-going crisis within the very functioning of the capitalist economy itself. Politically, this crisis finds consummate political expression in the Bush administration, which is, quite literally, flesh of one flesh with these layers.

And, if foreign policy is the continuation of domestic policy, is it any wonder that the looting of Iraqi oil is at the heart of US foreign policy objectives. Or, as William Seidman, a commentator for the US business TV channel CNBC and a senior economic advisor to four US presidents, recently put it, a war against Iraq is "probably the most bullish thing I can think of."

It would be a grave mistake to believe that these processes are confined to the US, and that it is possible to counterpoise to rampant American capitalism some kinder, gentler, European, Asian or even Australian capitalism. The economic and social processes in the US are a particularly sharp expression of tendencies of development within the global capitalist order.

In order to develop the struggle against imperialism and war, it is vital that this is understood. Such a struggle, if it is to be sustained and not reduced to a mere protest—allowing the ruling classes to proceed in the knowledge that the storm will pass—must be directed against the very socio-economic order that gives rise to imperialism and war—the global capitalist system.

Moreover, the struggle against imperialism and war must be based on the sole social force that can oppose this outmoded and reactionary social system and which embodies, in its very social being, the material possibility of constructing a new and higher social system, capable of resuming the advance of human civilisation. That is why it involves, at its heart, the building of the world party of socialist revolution, aimed at the unification of the international working class. This is the perspective of the International Committee of the Fourth International, of which the Socialist Equality Party is the Australian section. I urge that you give the most urgent consideration to joining this international party.



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