

# The US war against Iraq: the historical issues

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*The following speech was delivered by Nick Beams, Socialist Equality Party (Australia) national secretary and a member of the WSWs Editorial Board, to public meetings in Sydney and Melbourne last week.*

The eruption of the US onslaught against Iraq is clearly one of those turns in world history, from which point on one can truly say: nothing can ever be the same again. It will be met with shock and revulsion by hundreds of millions of people all over the world, not least in the United States.

Millions of people have already voiced their opposition to this eruption of imperialist violence, sensing, quite correctly, that not only is the future of the people of Iraq at stake, but of the whole world.

A new era has dawned. Or perhaps it would be more correct to say that the inherent tendencies of world capitalism, which gave rise to two world wars, imperialist violence and colonialism, fascism and militarism have erupted to the surface of world politics once again.

Almost a century ago, the great revolutionist Rosa Luxemburg defined the issues of the day as: socialism or barbarism. For a long time it might have seemed that those words, written as World War I was unfolding, belonged to a past historical epoch. But now a new generation must define its stand as it is confronted with the same issues which in the past led millions of people to commit their lives to the struggle for the socialist future of mankind.

Within the antiwar movement, the exposure of the lies and falsifications of the imperialist powers—the false documents, the continuous recycling of bogus assertions, the hypocrisy and double standards—has led to a search for the real motivations for this war. Consequently, there is a widespread sentiment that the US drive to control and acquire oil resources lies at the heart of the war.

The amounts are considerable. Nearly one out of every three barrels of oil reserves lie under two countries: Saudi Arabia, with 259 billion barrels of proven reserves and Iraq with 112 billion barrels. The Iraqi reserves could in fact be much higher, with some estimates putting the total reserves at 432 billion barrels.

Long before the events of September 11, key elements of the US ruling elite made it clear that control of Middle Eastern oil involved an attack on Iraq.

In April 2001, the Bush administration received a report on “energy security” from the James A. Baker Institute for Public Policy. Baker had been secretary of state in the administration of Bush Senior and had played a key role in orchestrating the power grab that saw Bush Junior hoisted into the White House by the Supreme Court. The report, which had been commissioned by Vice President Cheney, stated:

“Iraq remains a destabilising influence to US allies in the Middle East, as well as to regional and global order, and to the flow of oil to international markets from the Middle East.... The United States should conduct an immediate policy review toward Iraq, including military, energy, and political/diplomatic assessments.”

Already, in 1998 key elements of the incoming Bush administration had waged a campaign to ensure that “regime change” was placed at the centre of US policy on Iraq.

The question of oil, however, goes far beyond the acquisition of Iraqi

resources, important as they are. It is bound up with a much broader question—the drive by the US to ensure the maintenance of its global hegemony, to reshape the world in its interests and, above all, to prevent the emergence of a challenge from among its rivals in Europe and Asia.

As the US academic Michael Klare, author of the book *Resource Wars* has put it: “Controlling Iraq is about oil as power, rather than oil as fuel. Control over the Persian Gulf translates into control over Europe, Japan, and China. It’s having our hand on the spigot” (cited in Robert Dreyfuss, “The Thirty Year Itch”, *Mother Jones*, March/April 2003).

A study of post-war history shows that control of oil in the Middle East has always been a central component of US foreign policy with far-reaching political consequences.

In the aftermath of the war, the US worked to cement its relationship with the Saudi regime and sought to establish client regimes in the region. In 1953, the CIA intervened in Iran to overthrow the nationalist Mossadegh government. In the 1960s, the US provided support to Saddam Hussein and other elements in the Ba’ath Party as they attacked the Communist Party and other left-wing forces. In the 1970s, when oil prices were quadrupled, US Secretary of State Henry Kissinger canvassed the possibility of a US takeover of the Middle East oilfields.

James Askins, a former US diplomat, has recently recalled how when he was ambassador to Saudi Arabia an article appeared in Harper’s magazine under the title “Seizing Arab Oil”. Similar articles began appearing elsewhere. Askins said on television that anyone who proposed such a course was either a madman, a criminal or an agent of the Soviet Union. It turned out that the deep background briefing for the article had been provided by Secretary of State Henry Kissinger.

In the wake of the overthrow of the Shah of Iran in 1979, the US stepped up its preparations for direct military intervention. As President Carter declared in his State of the Union address in January 1980: “Let our position be absolutely clear. An attempt by any outside force to gain control of the Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.”

Carter created a Rapid Deployment Force that had the capacity to rush several thousand US troops to the Middle East. Throughout the 1980s the Reagan administration pressed countries in the region to allow access for bases and support facilities. But no permanent bases could be established until the Gulf War of 1991. Imposition of the no-fly zones over Iraq after the war was a means of maintaining a permanent US military presence.

Then came September 11 and the war in Afghanistan. The outcome has been an enormous build-up of the US military and the establishment of military bases in regions that the military planners could only have dreamt of.

The defence budget is now \$400 billion and it is estimated that around \$60 billion of that is devoted to support US forces in and around the Persian Gulf. The US now has a string of bases and facilities from the perimeter of the Gulf, the Horn of Africa, to Diego Garcia in the Indian Ocean and bases in the former central Asian Soviet republics of Uzbekistan and Kyrgyzstan. Central Asia is the eastern link in a chain of US bases and facilities from the Mediterranean and the Red Sea into the

## A new American empire

Iraq will provide a key component of a new American empire. It will be ruled by American pro-consuls and US bases will be established there. But it will not stop there. The key figures in the Bush administration speak openly about the need to completely re-organise the entire Middle East.

According to Richard Perle, chairman of the Defense Policy Board, an influential Pentagon advisory committee, the US could deliver a short, two-word message, to other states in the region: "You're next."

Supporters of the US war drive argue that opposition from the European powers and Russia is motivated by their own oil interests. According to former Liberal MP Michael Baume, writing in the *Financial Review* of February 24:

"Both France and Russia have a far greater commercial, particularly oil-driven, motivation to maintain the Hussein regime than any US oil-driven desire to change it, especially after years of deliberate US policy to reduce its dependence on Middle Eastern oil, which now only totals about one quarter of its usage. The US relies far less on supplies of Iraqi oil than Europe does, particularly France and Germany...."

Now it is true that the US has sought to diversify its sources of oil. And it is certainly true that Europe and Japan are dependent on oil supplies from the Gulf. But that is just the point: whoever controls the Gulf will maintain leverage over oil supplies to the rest of the world for decades to come.

Vital financial questions are involved in this issue. According to those who maintain that oil has no part of the US motivation, it does not matter who controls the oil supplies. What is important is the price on the market. Even if one were to accept this claim for the sake of argument, it certainly matters what currency the bill is settled in.

And here we come to a crucial concern of US foreign policy—the financial position of the US economy. A vast transformation has taken place in the past 20 years. At the beginning of the 1980s, the US, while it had experienced a certain economic decline relative to its rivals in Europe and Asia, was still the largest creditor nation in the world—the source of the majority of the world's international capital.

Today, the US is the world's most indebted nation. The balance of payments deficit, now running at about 5 percent of gross domestic product each year, requires an inflow of capital of at least \$1.5 billion a day to maintain it. The US external debt is at present around \$2.8 trillion, that's more than 25 percent of GDP. It will rise to more than 50 percent of GDP by the end of the present decade if present trends continue.

How can such a position be maintained? The ability of the US to run up such enormous debts is dependent on the position of the US dollar within the international financial system.

The dollar is the pre-eminent international currency, comprising some 73 percent of currency reserves. All countries need reserves of dollars to finance international transactions and consequently invest in US assets.

But what if the euro was able to function as an international reserve currency particularly under conditions where the dollar began to fall in value. This would see a massive flow out of dollars into the euro—the US would be caught in a financial storm of enormous proportions.

What could start such a shift? There are a number of possible causes. But certainly there would be a major shift if oil-producing countries started to demand payments in euros instead of dollars. There have even been suggestions that the impetus for the attack on Iraq flows from the decision in November 2000 to demand payment for its oil in euros rather than dollars.

## US-European rivalry

The conflict between the US and its European rivals has been brewing for the past decade, well before the attacks of September 11 and the drive for "regime change" in Iraq.

As the plans for a single currency were being put in place, former German Chancellor Helmut Schmidt warned: "Americans do not yet understand the significance of the euro, but when they do it could set up a monumental conflict ... it will change the whole world situation so that the United States can no longer call all the shots" (See "Washington's New Interventionism: US hegemony and inter-imperialist rivalries", David N. Gibbs, *Monthly Review*, September 2001).

Others shared this opinion. In an article published in the influential journal *Foreign Affairs* in November 1997, Martin Feldstein, former head of the President's Council of Economic Advisors commented that European monetary integration could "change the political character of Europe in ways that could lead to ... confrontation with the United States." European monetary integration could make "the world a very different and not necessarily safer place."

The National Security Strategy, set out by Bush in September 2002, based on the doctrine of pre-emption, makes clear that the goal of US foreign policy is to prevent the emergence of any single power or group of powers that could challenge its global pre-eminence.

The document was drafted in the main by Bush's national security advisor Condoleezza Rice. In an article written for *Foreign Affairs* in 2000 she noted that it was very difficult for the United States to define its "national interest" in the absence of the Soviet Union.

Interviewed for an article in the *New Yorker* magazine in January 2002 she was asked whether that was still the case.

"I think the difficulty has passed in defining a role," she said immediately. "I think September 11th was one of those great earthquakes that clarify and sharpen. Events are in much sharper relief."

Rice revealed that in the wake of the September 11 attack she had called together senior staff on the National Security Council to ask them "how do you capitalise on these opportunities" to fundamentally change American doctrine and the shape of the world.

It was a period, said Rice, akin to that of 1945-47—when the doctrine of the Cold War developed. After September 11, the tectonic plates in international politics had started to shift "and it's important to try to seize on that and position American interests and institutions and all of that before they harden again" (*New Yorker* January 4, 2002).

Leaving aside all the unanswered questions about what the US security forces knew about September 11, this remark makes clear that within US ruling circles the terrorist attack was an opportunity—to push ahead with a definite agenda for the reorganisation of the world in accordance with US interests.

What are these objectives for the re-ordering of the world? There is no secret about them—they are quite openly discussed. Nothing less is required than the organisation of an American empire.

Let me quote from a paper presented by Richard Haass, now Director of Policy Planning in the State Department, at a conference held on November 11, 2000. It was entitled simply "Imperial America".

The fundamental question that confronted US foreign policy, according to Haass, was what to do with the US surplus of power and the many and considerable advantages this surplus confers on the United States.

It was necessary, Haass argued, that the US reconceive its role from that of being a nation-state to an imperial power. "An imperial foreign policy is not to be confused with imperialism," he wrote. That was something

from the past. “To advocate an imperial foreign policy is to call for a foreign policy that attempts to organise the world along certain principles affecting the relations between states and conditions within them. The US role would resemble 19th century Great Britain.”

Now, as any student of history knows, the nineteenth century British Empire rested upon the overwhelming supremacy of the British economy. When the other capitalist powers began to grow and develop—Germany, Japan, Italy and the United States—and demanded their “place in the sun,” the conflicts between the great powers and their struggle to establish themselves as world powers led inevitably to world war. The attempt of US imperialism to re-organise the world will be no less bloody for it faces fully developed capitalist powers with their own interests and agendas, which by no means coincide with those of the US and in many cases directly conflict with them.

That is the meaning of the conflict on the Security Council over Iraq. It is not that the France, Germany and the other powers opposing US military action disagree with military interventions to remove regimes, or that they are concerned with the suffering of the Iraqi people. Their concerns centre on what a US invasion of Iraq portends for the future relations between the major powers. They know full well that the agenda does not finish with Iraq—it is only the beginning. In short, what we see in the clash over Iraq are the conflicting interests of the major imperialist powers which must sooner, rather than later, lead to a third imperialist war.

### **The struggle against imperialist war**

How can such a catastrophe be prevented? What way forward for the future of mankind? These are the burning issues raised by the struggle against war. Answers to these great questions can only be discovered by an historical study and analysis of the present situation. To find the way out of the present impasse, we need to understand how we got here.

It will not be possible to traverse the history of the twentieth century in the time we have available here. But we can draw out the essential thread of development through an examination of the theoretical and political struggles of the Marxist movement, for here are concentrated all the central historical questions.

The eruption of World War I, which had long been predicted by Marxists, resulted in a deep-going split in the socialist movement. The majority of the leaders of the Second International, who themselves had previously warned of the onset of war and called for the united struggle of the international working class against it, supported their own ruling classes.

Internationalism, said their theoretical leader Karl Kautsky, applied only in times of peace not in war when the working class in every country was involved in national defence.

It was left to a handful of revolutionists to defend the perspective of socialist internationalism. The war, they insisted, was not an accident or an aberration but was a violent expression of the organic and irresolvable contradictions of the capitalist system.

In the final analysis, Trotsky explained, it was the revolt of the productive forces, which extended on an international scale, against the nation-state system within which they had hitherto developed.

Each capitalist power attempted to resolve this contradiction by attempting to transform itself from a great power into a world power, to establish its global hegemony. But in doing so the imperialist powers came into collision with each other, leading inevitably to war.

The global economy, Trotsky explained, had to be re-organised, but the productive forces could henceforth only be developed harmoniously by

overturning the profit system and establishing a socialist economy. Herein lay the objective basis of the socialist revolution, the necessity for which announced its arrival with the opening of the war.

Lenin insisted that it was necessary to turn the imperialist war into a civil war. That is, the working class had to begin the struggle for the socialist revolution. Lenin’s analysis was developed above all in the struggle against Kautsky.

On the very eve of the war, Kautsky published an article in which he maintained that militarism and war were not inevitable products of the capitalist system, but were the result of policy decisions made by various governments—the implication being that they could be averted within the framework of the capitalist system.

The serious conflicts between the capitalist powers, Kautsky wrote, resulted in tremendous competition in armaments which finally resulted in the long predicted war. “Is this phase of imperialism necessary to the continued existence of capitalism? Will it disappear only with capitalism itself? There is no economic necessity for the continuation of the great competition in the production of armaments after the close of the present war. At best such a continuation would serve the interests of only a few capitalists groups. On the contrary, capitalist industry is threatened by the conflicts between the various governments. Every far-sighted capitalist must call out to his associates: Capitalists of all lands, unite!”

In other words, according to Kautsky, there was no objective necessity for imperialist war arising from capitalist economy itself. Hence it followed that the overthrow of capitalism was not an historical necessity if imperialist war were to be ended. It was possible for the capitalist powers to come together, overcome their differences, and initiate a period of peaceful development in which they agreed to divide up the world among themselves.

In his refutation of Kautsky, Lenin insisted that the various inter-imperialist, ultra-imperialist alliances, or coalition of one group of imperialist powers against another, and even a general alliance were nothing more than a truce in the period between wars. “Peaceful alliances,” he wrote, “prepare the ground for wars; and in their turn grow out of wars; the one conditions the other, producing alternating forms of peaceful and non-peaceful struggle on one and the same basis of imperialist connections and relations with world economics and world politics.”

Why were all alliances temporary and merely the preparation for new wars? The reason, Lenin explained, is rooted in the very nature of the capitalist system itself, which develops not evenly, but unevenly.

Hence an alliance formed at one point will inevitably be disrupted at another because of the uneven development of the different capitalist economies. After all, 50 years earlier Germany had been a miserable country compared to Britain. Now she was the central economy of Europe.

World War I failed to resolve the conflicts and rivalries that had given rise to it and they erupted again barely two decades later.

### **The post-war order**

However, the second post-war period of the twentieth century assumed a different character from the first. On the basis of the economic and military supremacy of the United States, a kind of ultra-imperialist alliance of the type envisaged by Kautsky was established.

The political framework was provided by the Cold War, through which the conflicts among the different capitalist powers were contained and regulated. The international “struggle against Communism” provided a kind of political and ideological glue that was used to bind together the

major capitalist powers.

An important political component of the post-war order was the United Nations. Its significance lay not so much in that it assumed some independent role, but in the ideology that surrounded it.

Here was the embodiment of the pledge by the major capitalist powers that, having dragged humanity through three decades of unprecedented slaughter, a new order of peace and prosperity would be constructed and, henceforth, aggressive war was to be outlawed as a means of foreign policy.

### **The end of the post-war order**

The fact that this doctrine has now been overturned has vast historical implications. It signifies that international relations have returned to the form of the first decades of the twentieth century.

The economic foundations of the post-war period lay in the spread of the more productive methods of American mass production to the rest of the advanced capitalist countries. Markets and economic relations were reshaped to accommodate them resulting in the expansion of expanding capitalist profits in the world economy as a whole. This brought to an end the fratricidal struggle for markets and profits, which had so characterised the depressed economic conditions of the two decades between the wars.

The past 30 years, however, have been characterised by the progressive breakdown of the mechanisms of the post-war capitalist order. The first blow was struck in 1971 when President Nixon, confronted with a worsening US balance of payments deficit, removed the gold backing from the US dollar and ended the system of fixed currency relationships that had formed such a crucial component of the post-war international monetary system.

At the same time, the expansion of profits that had underpinned the post-war boom was coming to an end. Profit rates began to turn down from the end of the 1960s and, as a result, world capitalism was engulfed in the most serious recession since the 1930s in 1974-75.

Capital responded to this situation in two ways: an offensive against the social position of the working class and the development of new technologies and techniques associated with the application of the computer in production processes. The struggle to overcome the re-emergence of falling profits was the driving force behind the globalisation of production processes that began in the late 1970s.

The emergence of worsening economic problems brought with it a marked change in the attitude of the US towards the Soviet Union. The post-war policy of containment was increasingly replaced with a far more aggressive orientation which attempted to destabilise the USSR. The US operations against the Soviet Union in Afghanistan, launched with the aim of sucking the USSR into a Vietnam-type quagmire and costing some \$6 billion were part of this shift, as was the massive arms build-up carried out under the Reagan administration.

The result of these pressures, combined with the inability of the autarchic Stalinist regimes to keep pace with the rapid economic changes brought about by the increasing globalisation of production and the development of new computer-based technologies, led eventually to the collapse of the Soviet Union at the end of the 1980s.

But for all the celebrations of the triumph of the market and the claims of a new era of prosperity neither the enormous increases in productivity resulting from new technologies nor the demise of the Soviet Union has given capitalism a new lease of life, so far as the expansion of profits is concerned.

It is not possible here to detail all the processes that mark the political economy of the 1990s. The main trends, however, are clear. The decade

began with the collapse of the Japanese share-market bubble, from which it has failed to recover. Then came the end of the Asian economic miracle. Now the financial bubble in the US has collapsed as stock markets enter their fourth year of decline; a situation not seen since the 1930s.

What these mounting financial storms indicate above all else is the deepening crisis of capital accumulation on a global scale, in which the struggle for markets and profits among the major powers becomes ever-more intense. And the greater the pressure on the rate of profit, the more capital tries to overcome this tendency by attacking the social position of the working class. Herein lies the origins of the widening social inequality of the past two decades.

At the same time, all kinds of measures are developed to accumulate wealth through fraud, financial manipulation, speculation and outright criminal activity. These changes are reflected in the physiognomy of the ruling circles in processes so vividly described by Marx some 150 years ago.

“Since the finance aristocracy made the laws, was at the head of the administration of the state, had command of all the organised public authorities, dominated public opinion through the actual state of affairs and through the press, the same prostitution, the same shameless cheating, the same mania to get rich was repeated in every sphere ... to get rich not by production, but by pocketing the already available wealth of others. Clashing every moment with the bourgeois laws themselves, an unbridled assertion of unhealthy and dissolute appetites manifested itself, particularly at the top of bourgeois society.... The finance aristocracy, in its mode of acquisition as well as in its pleasures is nothing but the rebirth of the lumpenproletariat on the heights of bourgeois society” [ *Class Struggles in France*, Karl Marx, page 30-31, Moscow (1968)].

Could there be a more apt description of the criminal gangster Bush regime, the members of which have the closest ties with firms such as Enron, WorldCom and others at the centre of the financial plunder of the past period.

It is said that one of Defence Secretary Don Rumsfeld's favourite expressions comes from Al Capone: “You get more with a kind word and a gun than with a kind word alone.” What does it signify about the nature of a government when the words of a gangster are invoked as one of its guiding principles?

No one, however, should fool themselves that this regime is some kind of aberration. It is a political expression of the decay and rot at the heart of the crisis of the capitalist economy. The Bush regime represents the deepest needs of American imperialism, in the same way that Hitler represented the needs of German capitalism in the 1930s.

We can now see clearly the political economy of the US war drive. It represents the desperate attempt to use military means to overcome a worsening economic and social crisis.

The attack on Iraq, as representatives of the Bush regime have made clear, is just the beginning. Once again the contradictions of capitalism find their expression in imperialism and war. The political response that must now be developed flows from the analysis of the crisis itself.

War cannot be prevented by supporting one or other of the imperialist powers, or bodies such as the United Nations. French and German imperialism do not represent the interests of peace. They are motivated by concerns for their own global interests which are threatened by the US. Accordingly, the European governments are drawing the conclusion that they must build up their military strength to combat the US.

The post-war order within which the conflicting interests of the imperialist powers were reconciled has been shattered. Once again the contradiction between global economy and the nation-state system, between the development of socialised production and private appropriation of wealth through the profit system takes the form of the most ruthless struggle between the imperialist powers, threatening the whole of mankind with a catastrophe.

The world must be re-organised. There is only one social force which can carry this out on a progressive basis—the international working class. It must fight for a socialist perspective in which the profit principle is replaced with conscious planning in the interests of all. A new international revolutionary party must be constructed to this end. This is the perspective of the WSWs.



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