

WSWS/SEP international conference

# The eruption of militarism and the crisis of American capitalism

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*The World Socialist Web Site and Socialist Equality Party held an international conference entitled “Political Lessons of the War on Iraq: the way forward for the international working class” on July 5-6 in Sydney, Australia.*

*On July 9, the WSWS published a summary account of the conference [See: World Socialist Web Site holds conference on the political lessons of the war on Iraq] and, on July 10-11, the opening report by Nick Beams, member of the WSWS International Editorial Board and national secretary of the Socialist Equality Party in Australia [See The political economy of American militarism Part 1, Part 2]*

*The conference resolutions—“End the US-led occupation of Iraq!”, “Australian troops out of Iraq and the Solomon Islands!”, “For the international unity of the working class”, “For the Political Independence of the Working Class”, “War, the social crisis and the assault on democratic rights” and “Support and develop the World Socialist Web Site”—were published on July 14-16.*

*Below we are publishing greetings to the conference from Barry Grey of the SEP (US), a member of the WSWS International Editorial Board. Other greetings to the conference will be published over the next few days.*

On behalf of the Socialist Equality Party of the US, I am pleased to extend to this conference the warmest fraternal greetings. This conference is one in a series of public meetings organized by the *World Socialist Web Site*, the Socialist Equality Party and the International Committee of the Fourth International on three different continents to draw the political lessons of the US/British invasion of Iraq—an event that marks a turning point in world politics.

As most of you are aware, previous meetings have been held in the US, Germany and Britain. The purpose of these meetings is to take forward the work of the WSWS in informing and politically educating an international cadre and a growing readership around the world that is looking for answers to the burning questions of the day: the growth of militarism, the assault on democratic rights, the increasingly brutal attack on the conditions and living standards of the working masses. The meetings, the daily postings on the WSWS are all part of a concentrated practice whose purpose is to create the conditions for the forging of an international workers movement based on the great legacy of Marxism and a revolutionary socialist program. This series of international conferences marks an important advance in this struggle.

The events that are unfolding in the aftermath of the US-led invasion of Iraq seem to vindicate the aphorism of the ancients: whom the gods will destroy they first make mad.

In Iraq, the United States has landed itself in its greatest international crisis since Vietnam. The statements coming from Washington oscillate between bluster and bewilderment to incoherence. Bush’s macho remark, “Bring them on,” has not pleased the families of US troops who suddenly

find their sons and daughters caught up in an open-ended police action that promises to grow ever more bloody.

Stark evidence of the growing anger and disillusionment within the ranks of the military itself appeared on the front page of the July 4 edition of the *New York Times*, in an article headlined “Anger Rises for Families of Troops in Iraq.” The article stated:

“Frustrations became so bad recently at Fort Stewart, Ga., that a colonel, meeting with 800 seething spouses, most of them wives, had to be escorted from the session.

“They were crying, cussing, yelling and screaming for their men to come back,” said Lucia Braxton, director of community services at Fort Stewart.

“The signs of discomfort may be growing beyond the military bases. According to a Gallop poll published on Tuesday, the percentage of the public who think the war is going badly has risen to 42 percent, from 13 percent in May. Likewise, the number of respondents who think the war is going well has dropped, from 86 percent in May to 70 percent a month ago to 54 percent...

“The soldiers were supposed to be welcomed by waving crowds. Where did these people go?” said Kim Franklin, whose husband is part of an artillery unit...”

The Bush administration has been clearly caught off guard by the rapid deterioration in the military situation for the US in Iraq. The chasm that separates the clique of militarists in Washington and the sentiments of the population at large was underscored by recent remarks made by Secretary of Defense Donald Rumsfeld, who, in his inimitable and cynical way, epitomizes the blinkered and politically disoriented outlook of those who hold power.

Rumsfeld quipped that US losses in Iraq have thus far been “negligible” and suggested that troops in Iraq were safer than citizens walking the streets of many American cities at night. This remark, which belongs to the “Let them eat cake” species of verbal provocations, is a commentary both on the arrogance and blindness of the leading personnel of the Bush administration, and the state of the American cities.

US proconsul Paul Bremer and other leading spokespersons, civilian and military, insist at one and the same time on two opposite theories: that the armed resistance to the US-British occupation is not centrally organized and merely the work of scattered groups, and that the old Baathist elite is pulling the strings, perhaps under the personal direction of Saddam Hussein.

It is, despite everything we know about the backward and ignorant character of Bush and company, amazing how little forethought and preparation were given to the colonization of one of the most important countries of the Middle East. This recklessness and blindness, however, are symptomatic of something very fundamental and objectively rooted in

American capitalist society.

Two things about the situation in Iraq can be predicted with confidence: first, the US will resort to ever more brutal and barbaric methods, including assassination programs, massacres and Nazi-style reprisals; second, in the end, the entire adventure will end in a disaster for US imperialism.

### The consensus for US global hegemony

Why has there been so little opposition within the political and media establishment to the illegal and unprovoked invasion and occupation of Iraq? Why have all wings of the political elite, despite tactical differences and often heated disputes, united behind the so-called “war on terrorism”? Why have they embraced an openly imperialist and colonialist foreign policy?

The lead article in the current issue of *Foreign Affairs* sheds light on this question. The topic of this issue of the magazine, probably the most widely read establishment journal on US foreign policy, published by the Council on Foreign Relations, is “After Saddam.” The lead article is entitled “Securing the Gulf” and is authored by Kenneth Pollack, director of research at the Saban Center for Middle East Policy at the Brookings Institution. The Brookings Institution is considered, by contemporary American political standards, a liberal think tank. Pollack, a Democrat, served in the Clinton administration as director for Persian Gulf Affairs on the staff of the National Security Council.

He writes, under the heading, “It’s the Oil, Stupid”: “America’s primary interest in the Persian Gulf lies in ensuring the free and stable flow of oil from the region to the world at large.”

Having thus acknowledged that the Iraq war was above all about oil, he proceeds to deny what he has just conceded: “This fact has nothing to do with the conspiracy theories leveled against the Bush administration during the run-up to the recent war. US interests do not center on whether gas is \$2 or \$3 at the pump, or whether Exxon gets contracts instead of Lukoil or Total. Nor do they depend on the amount of oil that the United States itself imports from the Persian Gulf or anywhere else.”

Of course, Pollack presents a very narrow conception of a US oil conspiracy, the easier to discount it, but even on his own terms, is it really so unimportant to US interests whether gas is selling for \$2 or \$3 at the pump, or Exxon gets the Iraqi oil contracts rather than Lukoil or Total? Hardly. For one thing, the political existence of the Bush administration could hinge on the price of gasoline at the pump, not to mention the prospects of a renewed recession, with all of its social and political implications.

Pollack continues: “The reason the United States has a legitimate and critical interest in seeing that Persian Gulf oil continues to flow copiously and relatively cheaply is simply that the global economy built over the last 50 years rests on a foundation of inexpensive, plentiful oil, and if that foundation were removed, the global economy would collapse.”

In other words, the US is occupying Iraq for the disinterested and altruistic purpose of safeguarding the world economy. (As always, in the writings of such experts, it is assumed as a matter of course that the universal interests of mankind happen to coincide with the interests of America—as conceived of by the corporate and political elite.)

Pollack then writes: “Today, roughly 25 percent of the world’s oil production comes from the Persian Gulf, with Saudi Arabia alone responsible for roughly 15 percent—a figure expected to increase rather than decrease in the future. The Persian Gulf region has as much as two-thirds of the world’s proven oil reserves, and its oil is absurdly economical to produce, with a barrel from Saudi Arabia costing anywhere

from a fifth to a tenth of the price of a barrel from Russia.” (At this point a mental image arises of Pollack rubbing his hands and fairly salivating.)

“Because of the importance of both Saudi production and Saudi slack capacity,” he continues, “the sudden loss of the Saudi oil network would paralyze the global economy, probably causing a global downturn at least as devastating as the Great Depression of the 1930s, if not worse. So the fact that the United States does not import most of its oil from the Persian Gulf is irrelevant: if Saudi oil production were to vanish, the price of oil in general would shoot through the ceiling, destroying the American economy, along with everybody else’s.”

From here Pollack proceeds to present, in summary form, the rationale for American military and political hegemony in the Middle East and Persian Gulf: “But the United States is not simply concerned with keeping oil flowing out of the Persian Gulf; it also has an interest in preventing any potentially hostile state from gaining control over the region and its resources and using such control to amass vast power or blackmail the world.”

Note the formulation “any potentially hostile state.” Whom does he have in mind? (Further on in the article he singles out China as an “outside” power that might be tempted to “fish in the Gulf’s troubled waters.” Notice that the US is not an “outside” power.) In any event, the phrase “potentially hostile state” covers—everybody and anybody! In other words, the US must establish unilateral domination over the region. Of course, the US could not be accused of “amassing vast power” or “blackmailing the world.”

Pollack goes further: “And it [the US] has an interest in maintaining military access to the Persian Gulf because of the region’s geostrategically critical location, near the Middle East, Central Asia, eastern Africa, and South Asia. If the United States were denied access to the Persian Gulf, its ability to influence events in many other key regions of the world would be greatly diminished. (Much of the war against Afghanistan, for example, was mounted from bases in the Persian Gulf).”

Finally, as an afterthought, he adds: “The tragedy of September 11, 2001, finally, has demonstrated that the United States also has an interest in stamping out the terrorist groups that flourish in the region.”

What is reflected here is a conception of global American hegemony. It contains a powerful element of political disorientation and derangement. How is the US to establish and maintain such an empire? As is already clear in Iraq, the American ruling elite does not know the answer to this question, and, indeed, cannot, because the project is unrealizable.

Nevertheless, the maniacal vision outlined by Pollack represents the consensus within the American ruling elite. From the *New York Times* to the *Washington Post* to the *Wall Street Journal*: whatever differences they may have, they all accept as legitimate the drive for US global hegemony. As does the Democratic Party. Its support for the war and its prostration before Bush are not only a matter of cowardice. On the fundamental thrust of foreign policy—it agrees. Had the Democratic candidate Gore secured the White House in 2000, there is little reason to believe that war with Iraq, while perhaps taking a somewhat different form, would have been averted.

### Contradictions of American capitalism

What underlies this colossal hubris?

At the most fundamental level there is the underlying crisis of the world capitalist economic system, whose contradictions find their most concentrated expression in the crisis of American capitalism. For nearly four decades now the bourgeoisie has been confronted with a chronic state of stagnation and decline in the rate of profit, particularly in basic

industry. Beginning with the Carter administration in the late 1970s, and then in earnest under Reagan and his successors, the US ruling elite has sought to offset this problem by ripping up the relations of relative class compromise that predominated in the 1950s and 1960s and enormously intensifying the rate at which the American and international working class is exploited.

On the domestic front this entailed the deliberate introduction of mass unemployment and a campaign of union-busting and wage-cutting, combined with the deregulation of industry, tax cuts for big business and the wealthy, and attacks on social programs. In the field of foreign policy it meant a vast buildup of the military and a far more aggressive policy of confrontation with the Soviet Union and military intervention around the world. At the same time the US pursued a deliberate policy of driving down the market price of raw materials imported from abroad, in the process bankrupting the economies of the so-called Third World.

In the end, however, this policy of intensified militarism abroad and social reaction at home did not, and could not, resolve the underlying crisis. As a result, the business boom of the 1980s and 1990s was increasingly fueled by outright fraud and criminality. Swindling, corruption and accounting fraud grew to unprecedented proportions as the corporate elite generated much of its profits by “cooking the books.” This not only produced the inevitable collapse of the speculative bubble in 2000, it brought to the fore of American corporate and political life the most backward, predatory and reactionary social elements.

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The collapse of the Soviet Union removed a significant restraint on the global imperialist ambitions of the American ruling elite. It left the US in a position of unchallenged military supremacy, and encouraged those elements within the political establishment who believed that American capitalism could resolve all of its problems by means of military force. This was notoriously summed up after the first Persian Gulf War by the *Wall Street Journal*, which editorialized that the central lesson of that intervention was, “Force works!”

The impact of these processes on the structure and dynamic of American society has enormously intensified the social and political crisis within the United States. The recklessness and “go-for-broke” radicalism of the Bush administration cannot be understood apart from the explosive contradictions that dominate American society and lie just beneath the surface.

The most important aspect of the social and political crisis in America is the colossal concentration of wealth and growth of social inequality. Just last week the Internal Revenue Service issued a report showing that the top 400 taxpayers in the US accounted for over 1 percent of all income earned in the year 2000. All told, these 400 individuals took in \$70 billion in this one year. This is more than double the share of the national income accounted for by the 400 largest taxpayers only eight years earlier.

Their average income was \$174 million, quadruple the \$46.8 million average in 1992. The figure of \$174 million is 3,500 times the yearly average income (\$27,000) of the bottom 90 percent of the population.

To cite another series of figures recently published: the average household income (in after-tax 1997 dollars) of the lowest quintile of Americans fell from \$9,300 in 1979 to \$8,700 in 1997. The income of the middle quintile rose slightly in the 18 years from 1979 to 1997, from \$31,700 to \$33,200. Over the same period, household income for the top 1 percent soared from \$256,400 to \$644,300—an increase of more than 150 percent.

These figures provide only a pale and schematic indication of the enormous growth of social polarization in the US. The result of this process—well under way for a quarter century—is the consolidation of a financial oligarchy. All of the official institutions in the US—the three branches of government, the two establishment political parties, the

media, academia—have become quite openly the servants of this oligarchy. They function to defend the wealth of this thin and compact elite, and further enrich it.

Thus the government and both bourgeois parties are neither willing nor able to address a social crisis that assumes malignant proportions: almost all of the state governments are insolvent, cities face massive budget deficits, well over 40 million Americans have no health insurance coverage, the public schools are in a state of near-collapse, hunger and homelessness continue to rise... One could go on and on.

Under such conditions, democratic institutions and methods cannot survive, and the past quarter century has seen an ever-escalating putrefaction of democracy in the US. Events of the past decade—the impeachment conspiracy against the Clinton White House, the theft of the 2000 election, the assumption of vast and unconstitutional powers by the executive branch in the aftermath of the September 11, 2001 terror attacks on New York and Washington—demonstrate that there is no section of the ruling elite or political establishment that is seriously committed to the defense of democratic rights. The Bush administration embodies the most right-wing sections, for whom parliamentary procedures and constitutional restraints on power are encumbrances to be tolerated only so long as they provide a fig leaf for implementing policies that are opposed by the vast majority of the people.

The decline of the middle classes and proletarianization of the vast majority of the population on the one side, and rise of a financial oligarchy on the other, underlie a process of atrophy of bourgeois institutions that has led to a breakdown in the political system as a whole. Neither the Republican nor the Democratic party has a significant mass base of support in the general population. Fewer and fewer Americans even bother to vote, a symptom of the pervasive alienation of the broad masses from the entire political system and the de facto disenfranchisement of the working people.

Resting on the narrowest of social bases, insulated from the concerns and experiences of the general population, the political elite—including its media arm—increasingly inhabits a hothouse environment, in which ferocious political and factional struggles rage, but there is only the tenuous connection to the reality of social processes going on below.

This accounts, in large part, for the disoriented and delusional character of so much of what transpires in the world of politics and what passes for political debate and commentary in the US. What predominates—as exemplified in the most perfected form by the Bush administration—is the solipsistic view that objective reality is unimportant. Or, to put it more precisely, reality is what one constructs on the basis of lies, propaganda, media manipulation and the silencing of all dissenting views. If, for example, you can drag the nation into war on the basis of lies, then the existence of mass popular opposition does not matter. Nor does the history of anti-colonial struggle of the Iraqi masses. What counts is what you can get away with at any given moment.

This, of course, is the mentality of criminals and charlatans, and the present government in the US is a composite of the two. Is it an accident that Bush’s biggest financial backer in the corporate world was the disgraced former CEO of Enron, Kenneth Lay? The same basic outlook that sanctioned cooking the books, defrauding investors and ignoring financial realities and led to the collapse of Enron is reproduced and expressed in political form in the modus operandi of the Bush administration.

The elevation of the lie to the pinnacle of American politics is the surest sign that the existing system has come to the end of its rope. The entire political set-up has become so dysfunctional that no serious question can be openly discussed. Among the topics that are banned from official political discourse and may not be broached by the media are: the impeachment conspiracy against Clinton, the stolen election of 2000, the events of September 11, 2001 and what led up to them, the anthrax attacks

in the fall of 2001, corporate corruption and its connection to the leading personnel in the Bush administration, the litany of lies used to justify the war in Iraq, the social implications of Bush's tax windfall for the rich, the war on democratic rights.

The surreal character of US politics is an expression of the intensity of the social crisis wracking American capitalism. There are, of course, many important differences between the present situation in the US and the position of the tsarist autocracy in turn-of-the-century Russia. But the basic thought contained in a passage from Leon Trotsky's brilliant analysis of the first Russian Revolution applies to the morbid crisis of the American social and political system today.

At the conclusion of the first chapter of his book *1905*, Trotsky explained the inevitability of a revolutionary crisis as follows:

"The financial and military power of absolutism oppressed and blinded not only the European bourgeoisie but also Russian liberalism, robbing it of any faith in the possibility of fighting absolutism by means of an open trial of force. It seemed as if the military and financial power of absolutism excluded every possibility of a revolution in Russia.

"What actually took place was the exact opposite... Thus the administrative, military, and financial might of absolutism, which enabled it to continue existing despite and against social development, not only did not exclude the possibility of revolution—as the liberals thought—but, on the contrary, made revolution the only possible way of development; moreover, the fact that the growing power of absolutism was constantly widening the gulf between itself and the popular masses engaged in the new economic development guaranteed that the revolution would bear an extremely radical character.

"Russian Marxism can be truly proud of the fact that it was alone in pointing out how things were likely to develop, and predicted the general forms of that development at a time when Russian liberalism was living on a diet of the most utopian of 'realisms' and Russia's revolutionary populists nourished themselves on fantasies and a belief in miracles."

Similarly today, the breakdown of bourgeois democracy in the US and the discrediting of all of its institutions, the manifest inability of the political system to address any of the issues confronting the masses of working people, and the manifest corruption and rot of the political parties and the media point to the coming of a social and political crisis of revolutionary proportions. We must anticipate and prepare politically for the greatest crisis in US history, one that will propel many millions into struggle. The task of the *World Socialist Web Site* and the Socialist Equality Party is to create the political, intellectual and moral preconditions for this mass movement to be endowed with a level of political clarity that will enable it to assume the form of a conscious struggle for power.

We too can be proud that we have followed and analyzed the mounting crisis of American and world capitalism and, in contrast to a debased and fraudulent liberalism and a demoralized "leftism" of refuges from the old protest movements, grasp the revolutionary role that the working class can and will play in the historic struggles ahead.



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