

# The historic decline of the United States and the eruption of militarism

## Part two

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Having lost its economic dominance, the US is increasingly resorting to the one area where it does enjoy overwhelming superiority—the use of military force—in order to maintain its hegemony.

It is upon this point that the plans of various critics for a “reform” of the Bush foreign policy founder.

Consider the editorial published in the *Financial Times* of January 12, 2007, under the title “Surge towards debacle in Iraq and MidEast.” The FT, which represents the interests of the City of London, but which would like to think of itself as the voice of reason, warned that the new policy, far from succeeding in fixing a traumatised Iraq “may end with the US ‘surging’ into Iran—and taking the Middle East to a new level of mayhem that will spill into nearby regions and western capitals.”

The editorial scathingly dismissed Bush’s rationale for the new offensive, dismissing his portrayal of Iraq as a “young democracy fighting for its life”. “The invasion has solidified a system divided into sects and operating on the basis of patronage and intimidation. The composition of the parliament is two-thirds Islamist. There are no institutions. Ministries are sectarian booty and factional bastions. The one institution that did more or less survive Saddam Hussein, the national army, was disbanded by the occupation and current attempts to reconstitute it have failed to move beyond rebadged militia.”

It concluded: “The only feasible way forward is the approach of the bipartisan Baker-Hamilton commission—which the new US Congress should embrace and insist on. This would make support for the Iraqi government and army conditional on their real effort to promote national reconciliation, which would in turn, as it progressed, be rewarded with billions of dollars in long-term aid from the US and Iraq’s neighbours. This external support—from Turkey to Saudi Arabia and Iran to Syria—would be built up within a wide-ranging diplomatic offensive in the region that would include Tehran and Damascus. Mr Bush is instead threatening to expand the war.”

Similar proposals have been made before. They all rest, in the final analysis, on the United States instituting some kind of Marshall Plan in the Middle East, involving the outlay of billions of dollars. But who would benefit from such a scheme? Above all, US rivals, including the old capitalist powers such as France and Germany, as well as the newly emerging ones such as China and even Russia. In the new “free market” Middle East, it would not be American firms that would benefit from the exploitation of the huge oil resources, but their competitors.

Moreover, as former national security adviser Brent Scowcroft noted in a recent article, a US retreat would have far-reaching global consequences. He emphasised that while the ISG report pointed to the “grave and deteriorating” situation in Iraq, it failed to advance a perspective beyond withdrawal of American forces. Such a withdrawal would represent a “strategic defeat for American interests, with potentially catastrophic consequences both in the region and beyond.”

“The effects would not be confined to Iraq and the Middle East. Energy resources and transit chokepoints vital to the global economy would be subjected to greatly increased risk. Terrorists and extremists elsewhere would be emboldened. And the perception worldwide would be that the American colossus had stumbled, was losing its nerve and could no longer be considered a reliable ally or friend—or the guarantor of peace and stability in this critical region.”

In other words, there are vital interests at stake, necessitating military action.

### A new colonialism

Former US national security adviser Zbigniew Brzezinski is one of those in foreign policy circles who has been continuously critical of the Bush administration. He developed further criticisms of Bush’s State of the Union speech of January 10. Writing in the *Washington Post* of January 12, he concluded: “The speech reflects a profound misunderstanding of our era. America is acting like a colonial power in Iraq. But the age of colonialism is over. Waging a colonial war in the post-colonial age is self-defeating. That is the fatal flaw of Bush’s policy.”

Brzezinski is correct. Notwithstanding all the trials and tribulations and setbacks of the past 100 years—all the vicissitudes of the class struggle—the world in 2007 is a vastly different place than in 1907. It is characterised, as Brzezinski himself has noted on other occasions, by the intervention of the masses on a world scale.

But this only raises the question: why has the United States, which throughout its whole history has cast itself as an anti-colonial power, now undertaken the colonisation of Iraq?

Let us try to answer this question through a consideration of the origins and history of colonialism itself, especially the burst of colonisation that took place at the end of the nineteenth century and the first decades of the twentieth.

In the 1840s, the future British prime minister Disraeli referred to the colonies as “millstones around our neck”. This was the high point of British free trade. Britain had no need of a colonial empire because it had

established a commercial empire based on free trade. By the last quarter of the nineteenth century, however, the situation had changed dramatically. Britain was now challenged by new powers—on the continent of Europe by Germany, as well as Italy and France, and in the West by the United States.

The basis of colonialism was exclusivism. Whichever great power took control of a colony was able to exclude all the others from its markets. This fear of exclusion, in turn, provoked a rush for colonies.

In the twentieth century, the United States entered the world arena under the banner of the “open door”—the breaking down of old empires and restrictions; the establishment of the free movement of goods and money. This policy reflected the economic superiority of the US over its rivals, just as the free trade agenda of Britain in the nineteenth century was an expression of the superiority of British industry.

Now, the US is confronted by economic rivals in every corner of the globe, as a series of recent reports confirm.

In February 2001, the Center for Strategic and International Studies (CSIS) produced a report entitled “The Geopolitics of Energy in the 21st century”. It was the product of a bipartisan committee that included former Senator Sam Nunn and former Secretary of Energy James Schlesinger.

The report noted that “the geopolitical risks attendant to energy availability are not likely to abate” and that, under these circumstances, “the United States, as the world’s only superpower, must accept its special responsibilities for preserving access to worldwide energy supply.”

The CSIS report concluded that world energy demand would increase by over 50 percent during the first two decades of the twenty-first century.

“The Persian Gulf will remain the key marginal supplier of oil to the world market, with Saudi Arabia in the unchallenged lead. Indeed, if estimates of future demand are reasonably correct, the Persian Gulf must expand oil production by almost 80 percent during 2000-2020, achievable perhaps if foreign investment is allowed to participate and if Iran and Iraq are free of sanctions.”

The report underlined the contradiction between this demand and Washington’s policies.

“Oil and gas exports from Iran, Iraq, and Libya—three nations that have had sanctions imposed by the United States or international organizations—are expected to play an increasingly important role in meeting growing global demand, especially to avoid increasing competition for energy with and within Asia. Where the United States imposes unilateral sanctions (Iran and Libya), investments will take place without US participation. Iraq, subjected to multilateral sanctions, may be constrained from building in a timely way the infrastructure necessary to meet the upward curve in energy demand. If global oil demand estimated for 2020 is reasonably correct and is to be satisfied, these three exporters should by then be producing at their full potential if other supplies have not been developed.”

In other words, ending the embargo imposed on Iraq was critical if the energy demands of US capitalism were to be met and if the US was to remain in control of global supplies. But there was a problem here. Simply to lift the embargo would benefit US rivals.

This issue, as we now know, was under active discussion in Cheney’s office from the spring of 2001. Among the documents being studied was a two-page chart entitled “Foreign Suitors for Iraqi Oilfields”. It identified 63 oil companies from 30 countries and specified which Iraqi field each of them was interested in. Baghdad had “agreed in principle” with the plan by French company Total Elf Aquitaine to develop the rich 25-billion-barrel Majnoon oil field. Prior to the US invasion in March 2003, foreign oil companies were nicely positioned for future investment in Iraq, while the major US companies were largely out of the picture. US firms would have been the big losers if sanctions had simply been lifted. As a report by

Germany’s Deutsche Bank noted in October 2002: “The US majors stand to lose if Saddam makes a deal with the UN (on lifting sanctions).”

The US faced a dilemma. Lifting the sanctions would hand over the rebuilding project to Moscow and Paris. The only way to cut the Gordian knot was to implement “regime change” in Iraq and the setting up of a colonial regime, based on the exclusion of US rivals.

## **Energy supplies and US foreign policy**

During the past five years, the position of the US has only worsened, as a study prepared by the Council on Foreign Relations and published in 2006 makes clear. In its report, the CFR panel, also co-chaired by Schlesinger, sets out the problem as follows: “The lack of sustained attention to energy issues is undercutting US foreign policy and US national security. Major energy suppliers—from Russia to Iran to Venezuela—have been increasingly able and willing to use their energy resources to pursue their strategic and political objectives.”

The report insisted that the US had not only to coordinate energy issues, but to integrate them into its foreign policy.

One of the problems the CFR panel identified was the role of China in oil rich countries and its attempts to “lock up” particular supplies for the Chinese market. In addition, some governments “use revenues from hydrocarbon sales for political purposes that harm US interests. Because of these realities, an active public policy is needed to correct these market failures that harm US economic and national security. The market will not automatically deliver the best outcome.”

The report said the high price of oil and its impact on the US economy, as well as the impact of the build-up of petro dollar surpluses on US capital markets, were not the only causes for concern.

“Our concern is not primarily with the economic consequences of this adjustment process but rather with the reduced freedom of action and influence for the United States in the conduct of its foreign affairs. In addition to constraining US action, the revenues and dependencies in the world oil market empower oil-rich countries—such as Iran and Venezuela—to carry out foreign policies that are hostile to that of the United States.”

Oil, the report said, was not going to run out in the immediate future but “supply is expected to continue to concentrate in the Persian Gulf, which holds the world’s largest geologically attractive reserves, and is a region that has been unstable and includes countries that have periodically used their oil exports for political purposes unfriendly to the United States.”

The report sums up the problems confronting the US as follows:

“... the control of enormous oil revenues gives exporting countries the flexibility to adopt policies that oppose US interests and values. Iran proceeds with a program that appears to be headed towards acquiring a nuclear weapons capability. Russia is able to ignore Western attitudes as it has moved to authoritarian policies in part because huge revenues from oil and gas exports are able to finance that style of government. Venezuela has the resources from its oil exports to invite realignment in Latin American political relationships and to fund changes such as Argentina’s exit from its International Monetary Fund (IMF) standby agreement and Bolivia’s recent decision to nationalize oil and gas resources. Because of their oil wealth, these and other producer countries are free to ignore US policies and pursue interests inimical to our national security.”

Furthermore, oil dependence caused political realignments that impinged on the ability of the US to form partnerships with others to achieve common objectives.

“Perhaps the most pervasive effect arises as countries dependent on imports subtly modify their policies to be more congenial to suppliers. For

example, China is aligning its relationships in the Middle East (e.g., Iran and Saudi Arabia) and Africa (e.g., Nigeria and Sudan) because of its desire to secure oil supplies. France and Germany, and with them much of the European Union, are more reluctant to confront difficult issues with Russia and Iran because of their dependence on imported oil and gas as well as the desire to pursue business opportunities in those countries.

“These new realignments have further diminished US leverage, particularly in the Middle East and Central Asia. For example, Chinese interest in securing oil and gas supplies challenges US influence in central Asia, notably in Kazakhstan. And Russia’s influence is likely to grow as it exports oil and (within perhaps a decade) large amounts of natural gas to Japan and China.”

What a picture this adds up to: everywhere in the world—Latin America, Central Asia, the Far East, Europe, the Middle East—the influence of the US, either directly or indirectly, is on the decline and is being jeopardised either by the oil producers or by rising powers such as China.

And even this stark picture was not drawn sharply enough for two of the participants in the team of experts that prepared the report. They presented an additional view, declaring that while they subscribed to the report’s analysis and recommendations they found that it “understates the gravity of the threat that energy dependence poses to US national security.”

“Energy is a central challenge to US foreign policy, not simply one of many challenges. Global dependence on oil is rapidly eroding US power and influence because oil is a strategic commodity largely controlled by regressive governments and a cartel that raises prices and multiplies the rents that flow to oil producers. These rents have enriched and emboldened Iran, enabled President Vladimir Putin to undermine Russia’s democracy, entrenched regressive autocrats in Africa, forestalled action against genocide in Sudan, and facilitated Venezuela’s campaign against free trade in the Americas.”

Here we have presented a graphic account of the decline in the global position of the United States, under conditions where it confronts rivals and potential enemies on all fronts—in the sphere of economy, of politics and even militarily.

In order to retain its global dominance, the US is turning to military measures. But the use of such measures is increasingly incompatible with the forms of bourgeois democracy that prevailed in the past.

In the 1930s, Trotsky made the point that the maintenance of democratic forms in the US and Britain, as opposed to the emergence of right-wing authoritarian and fascist regimes in Germany, Italy and across Europe, had nothing to do with the democratic proclivities of the American and British ruling classes. In England, democracy rested on the resources amassed by the ruling elite from its plunder of the empire, while in America it rested on the resources derived from the exploitation of a whole continent.

At the beginning of the twenty-first century, the situation is very different. The institutions of bourgeois democracy are now being stretched to the limit.

*To be continued*



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