



Washington's Wars and Occupations **Month in Review #41**

by Max Elbaum, War Times/Tiempo de Guerras

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THE FINANCIAL MESS & WASHINGTON'S WARS

Last month the prime example of Washington's hypocrisy was John McCain's remark about Russia's military action in Georgia: "In the 21st century, nations don't invade other nations."

This month it's U.S. hypocrisy about economic policy that makes front page news. Covering the opening of this year's U.N. session *The New York Times* reported:

With a pillar of American power – its financial leadership – so badly shaken, there was a certain satisfaction among some of the attendees that the Bush administration, which had long lectured other nations about the benefits of unfettered markets, was now rejecting its own medicine by proposing a major bailout of financial firms.... 'They are all remembering the unforgiving advice they got from American financial institutions to let your banks go to the wall'.... 'There is resentment at what they see as evidence of double standards'.... The extraordinary nature of the outpouring was that it came from some of America's closest allies and trading partners.

Of course there are more links here than just hypocrisy:

- Both Washington's Middle East invasions and its 25-year deregulation crusade were largely ideology-driven, fueled by the right-wing belief that American Free Markets Are Ordained to Rule the World.
- Wars and deregulation – and now the bailout – are justified by lies, fear-mongering (the-sky-will-fall-if-we-don't-invade/bailout!) and "Trust Us!" demagoguery. ("This goes back to the Iraq War," Rep. Sam Farr said about the bailout Sept. 23. "Nobody on the Hill, of either party, has confidence in the White House.")
- Oil is central to both crises: real petroleum in the case of Washington's drive to control the Middle East; and fictitious capital snake-oil in the form of exotic "financial instruments" that Wall Street has used to boost profits, swindle home-buyers, and now dump it all into the public debt.
- Structurally, both Washington's militarism and the financial crisis are connected to deep underlying features of U.S. capitalism and its role in the world. Maintaining the global empire that is such a source of corporate profit requires a huge military – and entrenches a tendency to use that military to gain control of other countries' resources. With the spread of manufacturing and industrial might to rising powers (China, India, Brazil, and more), U.S.

capitalists have become increasingly dependent on financial speculation (one bubble after another) to maintain the flow of profit.

SEVERE BLOW TO U.S. HEGEMONY

Finally, there is the parallel between neoliberal financial policies and the Iraq War that now dominates the news: Both have crashed. Now the people who are responsible for these messes are scrambling to find a way to limit the damage to their fortunes and their power (and cover their butts).

As with Washington's debacle in Iraq, the impact of this now-exploded financial mess will not be limited to the next few weeks. It will take months and even years for its ripple effects to sink in. Much of what lies ahead is unpredictable. But already two things seem all but certain:

1. The bailout of the big financial institutions now working its way through Congress is a swindle on U.S. workers and the poor. We will end up holding most of the bag for the financial elite's two-decade long party. The extent of public outcry meant that the current bailout version is not as horrific as the administration's original proposal (and the fightback is continuing as of this writing). But it comes nowhere near meeting even the minimal standards of a fair-to-ordinary-people measure. For one outline of a progressive response go to: www.sanders.senate.gov/news/record.cfm?id=303313.
2. Even with such a giveaway to Wall Street, this crisis is a huge blow to U.S. global power. Against the background of failure in Iraq, this financial meltdown marks another big step away from U.S. international hegemony toward a multipolar world.

The essence of the new situation was laid out bluntly by Germany's finance minister Peer Steinbrück in Berlin Sept. 24. Steinbrück laid responsibility for the crisis right in Washington's lap: "the conditions that gave rise to the current turmoil in the markets were allowed to develop because of a reckless pursuit of short-term profit and huge bonuses in Anglo-Saxon financial centers." He went on to say:

"The U.S. will lose its status as the superpower of the world financial system. The world financial system will become multipolar."

This is no isolated statement or reckless boast. An official U.S. government intelligence forecast being prepared for the next president envisions "a steady decline in U.S. dominance in the coming decades" according to Thomas Fingar, the U.S. intelligence community's top analyst. The report also concludes that the one key area of continued U.S. superiority – military power – will "be the least significant" asset in the increasingly competitive world of the future.

From the left, Immanuel Wallerstein comes to the same conclusion via assessing the aftermath of the Ossetia-Georgia-Russia conflict:

It would be a mistake to underestimate the importance of the agreement on Sept. 8 between Nicolas Sarkozy of France and the President of Russia. It marks the definitive end of Act I of the new world geopolitical order. This accord was reached between Europe and Russia; the U.S. played no diplomatic role whatsoever. What is the bottom line? Russia has gotten more or less what it wanted in Georgia. The U.S. has no real cards to play. Ignored in Georgia and under attack by its closest allies in Iraq, Afghanistan, and Pakistan, the U.S. is somewhat unhappily entering the realities of the post-Cold War world, in which it has to play by new rules... [all this] has sealed the reality of a true multilateral geopolitical arena.

IMPACT ON U.S. WARS

These blows to U.S. power weaken, but far from end, U.S. capacity to invade, occupy and make war on other countries.

The latest crisis almost certainly takes the possibility of a military strike against Iran off the table, at least for the duration of the Bush presidency. Washington is being blamed worldwide for jeopardizing the whole global economy. Even conservatives lack any confidence in the Bush White House. So this President is in no position to start a war that everyone knows would throw the oil-based world economy into a whole new level of crisis.

Regarding Iraq, Washington's new troubles have hardened the stance of Prime Minister Nouri al-Maliki regarding a timetable for U.S. withdrawal and Iraqi jurisdiction over U.S. troops' actions. Anti-occupation sentiment among Iraqis is stronger than ever. Iran's capacity to influence events in Iraq has risen. Washington's is steadily declining. So is the U.S. capacity to re-escalate with additional troops. It will still require great pressure (no matter who wins the election) to get the U.S. totally out, much less hold Washington to account for all the horrors it has inflicted on Iraqi society. But Neocon bluster notwithstanding, the main drama centers around how far the U.S. can be forced to retreat, not whether any of its original strategic goals (pro-Western government in Baghdad as part of a "new Middle East") will be met.

Washington is also more out on a limb than ever in Afghanistan. That war is being lost. Each civilian death in a U.S. bombing is turning the population ever more against foreign occupiers. The U.S. is responding by expanding the war in a futile attempt at victory, which in this case means military raids into Pakistan. The result is weekly reports of armed clashes between U.S. and Pakistani troops. There is nothing but disaster at the end of this road. And with the U.S. stymied in regard to Iran and Iraq, the whole enterprise now makes little strategic sense even from an imperial point of view. A few voices in the policy-making elite are beginning to cautiously call for a change of course here. After the melodrama now pre-occupying Washington ends, such voices are likely to grow even louder.

Regarding Israel-Palestine, no one even pretends any more that Bush's goal of a peace agreement by the end of 2008 has a ghost of a chance. New Israeli settlement building plus the uptick in Jewish settler terrorism (see "Radical Settlers Take on Israel," *The New York Times*, Sept. 26) make any possible deal less likely than ever. U.S. policy is still hostage to the give-Israel-a-blank-check mantra of the Israel lobby and Christian right (among others). So even a U.S. administration forced to retrench and make some serious compromises regarding Iraq, Iran, Afghanistan and Pakistan will be extremely difficult to budge on Israel-Palestine. Even here though, anti-occupation voices such as Jimmy Carter's are being raised on the edges of mainstream politics. And now lame-duck Israeli Prime Minister Ehud Olmert admits himself that Israel must withdraw from the West Bank and East Jerusalem if there is to be any hope of peace (*The New York Times*, Sept. 29). Such statements provide openings for the grassroots Palestine solidarity movement to reach an expanded audience with its anti-colonial, anti-racist, self-determination message.

DANGER FROM THE NEOCONS & RACIST, RIGHT WING POPULISM

The far right is not reconciled to the new balance of world power. An alignment of the most militarist wing of the ruling elite and true believers from the Christian right insist that victory everywhere can be won – if only the "soft-on-our-enemies-appeasers" get out of the way and "America's full power" is unleashed.

McCain-Palin is today's political expression of this. Conservative blogger Andrew Sullivan lays out the reality (Sept. 22) more bluntly than most left-of-center pundits are willing to do:

It's very important for people to realize that the McCain-Palin ticket is explicitly running on war against Iran.... It isn't a matter of if but when. For McCain, it is a matter of fighting wars to win, instead of accepting any limits on American power. For Palin, it is a matter of theological destiny.

What's especially dangerous is that this attitude toward war is tucked into a larger set of beliefs characterizing a re-energized, racist, right-wing populism. The threat is visible in the populist right's response to the financial crisis: in their view, the culprits are "eastern elites" who devote themselves to "coddling Blacks and immigrants" while ignoring the difficulties – and disrespecting the values – of "hard-working white ordinary Americans." (Tales about Jewish bankers running the country are in the mix too, though these are kept in the background lest they disrupt the cozy alliance between the Christian right and many hard Zionist Jews.)

Sarah Palin is emerging as the know-nothing public point person for this dangerous trend. And this current won't go away even if they are beaten this year in the electoral arena. On the contrary, if a Black man occupies the White House it is likely to get all the more strident in its appeals to jingoism and racism, doing all it can to make military confrontation with the entire Muslim and Arab world (and Russia too) a litmus test of any political figure's patriotism and "real American-ness." Especially in the hard economic times ahead, no one should underestimate the appeal of such demagoguery to significant layers of the white population.

A DIFFERENT DIRECTION

These dangers noted, at present the stronger tide seems to be flowing in a different direction. The majority of the country is sick of the Iraq war, inclined toward some kind of more equitable response to the financial crisis, and hungry for a change from eight years of Bushism (and in many cases 25 years of conservative dominance). A new generation is jumping into politics with its majority having a different sensibility than their elders on issues of global warming, war and peace, race and sexuality.

For the popular majority, the electoral arena has become a key site of battle against the far right. But not the only one. In response to the financial crisis, as in response to Washington's wars, opposition voices – including broad coalition efforts – are taking to the streets as well as the electoral campaign. There were nationwide anti-bailout actions Sept. 25; called by TrueMajority, USAction and UFPJ; also note the statement by a broad array of trade union and community leaders at: www.commondreams.org/newswire/2008/09/24-19.

It remains to be seen if this progressive motion can cohere into a grassroots movement that can hold every politician's feet to the fire and drive the country in the direction of peace, equality and justice. Future historians will likely see the last few years as a turning-point, when the U.S. empire peaked and went into decline. But what will come after is still up for grabs.

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