

Promoting Plutocracy

US-Led Regime Change Operations and the
Assault on Democracy

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I. What the West's Position on Iran Reveals about its Foreign Policy

A glance through the U.S. Library of Congress's country study on Iran reveals a truth that Western officials rarely, if ever, mention: Iran is partly closed to outside business interests. This reality, from the perspective of bankers and major investors, is lamentable. For as The New York Times points out, Iran is "a tempting prospect for foreign investors," representing "one of the last untouched markets in the world."¹ But under the current government in Tehran, the allure of the country to foreign businesses and investors as a field for profit-making remains unfulfilled. Instead, the "public sector dominates the economic scene,"² squeezing out opportunities for private investment. Even worse from the perspective of Western investors salivating at the prospect of the generous profits Iran might disgorge, "Public-sector investments in transportation...utilities, telecommunications, and other infrastructure have grown over time,"³ not diminished. "The government plays a significant role in Iran's economy, either directly through participation in the production and distribution of goods and services, or indirectly through policy intervention."⁴ Indeed, Iran's constitution defines the public sector as primary, and "the private sector as the means of furnishing the government's needs rather than responding to market requirements."⁵ Democratic socialists will be shocked to discover that this is the very same economic model that such New Left socialists as Ralph Miliband defined as emblematic of what a democratic socialism might look like (which isn't to say that Iran is a democratic socialist state, only that economically it is very close to what many socialist thinkers have envisaged for Western socialism.) In any event, it will be conceded that any economy that bears even a passing resemblance to that favored by radical democratic socialists is not likely to get a ringing endorsement from the kinds of people who formulate Western foreign policy.

Other reasons why Iran's economic policies are likely to have provoked the animosity of Western foreign policy decision-makers: Despite its leaders making noises about going on a privatizing binge, Iran's public sector has soberly grown rather than shrunk.⁶ What's more, large sectors of Iran's economy remain off-limits to private ownership. "Since the Revolution, the government has retained monopoly

¹ Thomas Erdbrink, "Economic pain looms large for Iranians in nuclear negotiations," The New York Times, October 28, 2014.

² The Library of Congress. Iran: A Country Study. 2008. p. 143. <http://lcweb2.loc.gov/frd/cs/irtoc.html>

³ Ibid., p. 145.

⁴ Ibid., p. 150.

⁵ Ibid., p. 151.

⁶ Ibid., p. 152.

rights to the extraction, processing, and sales of minerals from large and strategic mines.”⁷ Iran’s “agricultural policy is intended to support farmers and encourage production of strategically important crops,”⁸ not to open doors to Western agribusiness. “After the Revolution, many transportation companies, banks, and insurance companies were nationalized”⁹ while price controls and subsidies have been used to make important consumer goods affordable.

Western corporate communities and the states that serve them dislike state-owned enterprises that serve the self-directed development goals of independent foreign countries. They abhor the practice of foreign governments subsidizing and protecting local business enterprises because it makes the task of Western firms competing in overseas markets more difficult, and thereby limits the overseas profits of the West’s corporations. They revile regulations that protect local populations from pollution, desperation wages and deplorable working conditions, because they cut into profits. Some or all of these practices form significant parts of the economic policies of every country in the cross-hairs of Western foreign policy, including Libya under Gaddafi, Iran, Syria, the Democratic People’s Republic of Korea (DPRK, or North Korea), Venezuela, Zimbabwe and Cuba.

Western governments don’t want to bring about a change of regime in Tehran to install a pliant government that will help expand Western power for power’s sake. They want to bring about a change of regime in Tehran that will cancel economic policies aimed at Iran’s self-development and replace them with policies that will open the country’s resources, markets, labor and land to the West’s banks, corporations and investors. They want free-trade, free-enterprise and free-markets and not what Iran currently offers: protected trade, state-owned and subsidized enterprises, and trade barriers.

To reach the goal of turning Iran into a country that can disgorge a bonanza of profits to Western corporations and investors, the regime must be changed. Iran must first be denied the capability of mounting an effective defense against military intervention by the United States and its allies. This is part of the reason why the United States, Canada, the European Union and Israel have embarked upon a program of sanctions, sabotage, assassinations, cyber-warfare and threats of aerial bombing aimed at crippling even the possibility of Iran acquiring a nuclear deterrent.

Additionally, Western hostility forces Iran to divert critical resources to its military and self-defense, distorting and undermining the country’s economic development. Sanctions also act to sabotage Iran’s economy. This is part of a low-level campaign of warfare.

The goal of low-level warfare is the same as the goal of terrorism: to foment fear, misery and discontent, in order to goad a civilian population into pressuring its government to change the policies the terrorist

⁷ Ibid., p. 167.

⁸ Ibid., p. 170.

⁹ Ibid., p. 181.

(in this case, the West) objects to. And the policies the West objects to in Iran are the policies which deny Western banks, corporations and investors access to Iran's markets, labor and natural resources.

But hasn't Iran established a nuclear program with the intention of building nuclear weapons to wipe Israel off the map? Not according to the US intelligence community. It says there is no evidence that Iran's uranium enrichment program exists to serve military ends. Top U.S. state officials have endorsed the intelligence community's view.¹⁰ Even "Mossad, Israel's intelligence service, agrees with the American intelligence assessments"¹¹ Instead, Iran's network of centrifuges appears to exist for the legitimate and entirely legal purpose of producing fuel to power a civilian nuclear energy industry. What's more, the idea that Tehran is bent on lobbing a few nuclear-tipped missiles toward Israel, to complete what the Fuhrer had left undone, is demagogic nonsense, intended to provide a compelling justification for aggression against Iran. Evoking Hitler's campaign of genocide against the Jews to invest contrived existential threats with gravitas has been a standard operating procedure of Israeli leaders dating to 1948, the year Zionist forces used terrorist methods to ethnically cleanse parts of Palestine to create a Jewish state.¹² It's true that Tehran is opposed to Zionism, the idea that the original inhabitants of a country (Palestine) can be expelled from their homeland and replaced by an alien population (mainly European Jews.) But that doesn't mean that the Iranians are bent on attacking Israel. Iran may have opposed Russia as a communist state, but it hardly harbored ambitions to attack it. To do so would have been suicidal. Likewise, the chances of Iran attacking Israel are vanishingly small. Israel's U.S.-funded military, supplemented by an arsenal of an estimated 200 nuclear weapons, is far more formidable than is Iran's. An Iranian attack on Israel would be militarily foolhardy. And if history is a guide, an Israeli attack on Iran is far more likely. Israel has, in its short history, launched numerous wars of aggression against its neighbors. Iran hasn't instigated a war in centuries.

All to say that in order to understand the foreign policy of Western countries it's necessary to examine who rules in these societies, who formulates their foreign policy, and how the policy the rulers formulate intersects with their economic interests. This is an inquiry into class. For if an economic elite dominates foreign policy, we should expect to find that the outcomes of foreign policy favor elite economic interests, and that foreign countries that pursue economic policies that are not agreeable to those interests will be harassed, sabotaged, sanctioned, destabilized, subjected to cyber-warfare, and possibly bombed or invaded, until the policies are changed.

The low-level war on Iran is a class war, in two respects. First, it is waged on behalf of a class of bankers, major investors, and corporate titans, to knock down walls in Iran that deny this elite access to markets and investment opportunities. Second, it is a war carried out on the backs of the bottom 99 percent in

¹⁰ James Rizzen and Mark Massetti, "U.S. agencies see no move by Iran to build a bomb," The New York Times, February 24, 2012; Jay Solomon, "North Korea eclipse Iran as nuclear threat," The Wall Street Journal, March 31, 2013.

¹¹ James Risen, "U.S. faces a tricky task in assessment of data on Iran," The New York Times, March 17, 2012.

¹² Ilan Pappé. **The Ethnic Cleansing of Palestine.** Oneworld Publications. 2006.

Western countries who bear the cost through their taxes and the diversion of resources to the military that they could otherwise retain in the form of higher incomes or better public services or both.

II. Democracy

A note on the word “democracy,” and the sense in which I use it. Democracy can be construed as a set of procedures (voting, political parties, secret ballots, universal suffrage and so on) or as a type of society. I use “democracy” in the second sense, because it is more meaningful and closer to the sense in which the word has always been understood. We think of democratic societies as operating in the interests of, and on behalf of, the bulk of the people who make them up. And indeed, this has always been how the word democracy has been understood. Democratic societies reflect and promote mass interests. In contrast, societies that exist to serve the interests of a tiny elite at the apex of society, or foreign masters, can hardly be said to be democratic, even if they have elections, secret ballots, and so on.

Confusion arises, however, when voting, political parties, and universal suffrage are taken to be equivalent to democracy rather than possible routes to it. It’s as if we said that a person who eats a balanced, low-fat, plant-based diet, doesn’t smoke, drinks in moderation, and exercises regularly is healthy by definition, without paying any attention to whether he or she is free from disease. It’s possible to be sickly, despite leading an abstemious, seemingly salubrious life-style. And there are plenty of people who lead long healthy lives despite a lax attitude to diet and exercise.

So too with democracy. It’s entirely possible to run scrupulously clean multi-party elections on a regular basis without producing a democratic society. Indeed, as I’ll show in Chapter IV, public policy in the West’s lead procedural democracy, the United States, is dominated by an elite of business owners and investors. In the U.S. “plutocracy”, the bulk of US citizens has little to no influence on public policy, despite regular elections at the municipal, state and federal levels; a privately-owned press; and guarantees of political and civil liberties. On the other hand, societies exist which have rejected the procedural democracy lionized in the West but which appear to be more democratic than their Western counterparts, in the sense that the interests of the bulk of people are prioritized.

Another analogy may help illustrate what I mean. There are three approaches to the treatment of cancer: chemotherapy, radiation therapy, and surgery. Each is a possible pathway to the successful treatment of the disease. But neither approach is appropriate for all cancers. Which approach is most likely to succeed depends on a multitude of factors, from the type of cancer and its stage of development, to the age and condition of the patient, and so on. We wouldn’t say that someone who has undergone a round of radiation therapy is free from cancer, simply because he has undergone a round of radiation therapy. There would need to be an independent test of the patient’s condition before determining whether he is cancer-free. What’s more, the type of cancer the patient has, the stage of its development, and the patient’s age and general health, may indicate that another form of treatment is more likely to succeed.

Likewise with democracy. We can’t say a society is democratic simply because it has multi-party elections, anymore than we can say a patient is cancer-free simply because he has gone through a

course of radiation therapy. Similarly, we shouldn't say that multi-party elections have the greatest chance of successfully producing a democratic society without taking into consideration the society's economic system, its history, and its level of development, any more than we should say that radiation therapy has the greatest chance of successfully treating cancer without taking into consideration the type of cancer, its stage of development, and the age and general condition of the patient. Depending on the conditions, other means of creating a democratic society may work better, just as methods other than radiation for treating cancer may be more successful.

Thinking specifically of the West, the conditions of Western society militate against multi-party elections creating a democratic society. This is because all Western societies rest on an economic system, capitalism, which concentrates wealth in the hands of the few. The result is that the tiny elite that owns and controls the economy uses its vast resources and economic power to dominate the electoral process and to virtually monopolize the formation of public policy of interest to it in the state. If we were to set out the conditions under which multi-party elections would be appropriate pathways to the production of a democratic society, we would have to exclude capitalist societies. Indeed, we could say that capitalist societies cannot, by definition, be democratic, since they are oriented toward capitalists and their interests—not toward people who sell their labour to capitalists, the bulk of the population in Western countries. Capitalism and democracy, therefore, can be seen as polar opposites and the term "capitalist democracy" an oxymoron.

In short, what I mean by democracy is not set of procedures but a type of society that is organized in the interests of the bulk of people, rather than in the interests of an economic elite or a foreign power.

III. Foreign Policy and Profits

Foreign policy is a difficult subject to grasp. It pertains to events in, or policy with respect to, countries that are often remote and distant, with which we almost always have little familiarity and no direct experience on which to draw to make sense of what's going on. We don't often know the history or context. For example, if you're trying to understand the conflict in Korea between the DPRK and the Republic of Korea (South Korea), it's helpful to know Korea's history and the context within which critical events have developed. But if you rely on the mass news media for your understanding, you'll very likely be presented with ahistorical analyses and facts free from context, filtered through the prism of the goals of Western foreign policy. To paraphrase one specialist on Korean history, Western mass media accounts of the conflict on the Korean peninsula are half-truths and prevarications notable for their utter contempt for the intelligence of the public.¹³

Whether we know it or not, we're often presented with theories or points of view about foreign policy to shape our understanding of events. We don't recognize these theories as theories, because they're often presented as common sense, or dispassionate, neutral analyses. For example, we're told that the

¹³ Franklin Baldwin (Editor). **Without Parallel: The American-Korean Relationship since 1945**. Pantheon Books. 1973.

world is a frightening place, filled with threats; that some countries (e.g., Israel) have a right to self-defense while others (e.g., Iran and the DPRK) do not; that the foreign policy of Western countries is motivated by lofty intentions; and that the world looks to Western countries to lead.

What I'm going to try to show is that what is presented as dispassionate, neutral, analysis, and common sense, is in fact an ideology that reflects the interests of a group of people—a class—that exerts an outsized influence on the state and its foreign policy. And that group, or class, is not labor, not ordinary citizens, not the voting public, but the corporate elite—the owners and high-level executives of major corporations i.e., the capitalist class.

The corporate elite uses think-tanks, advocacy organizations, public relations, lobby groups, political marketing, the mass media and injection of its members into high-level positions in the state, to shape public policy in its interests. These interests are exploiting labor, land, natural resources, and markets—here at home and abroad—to turn a profit and expand their capital.

Were the foreign policy of the world's richest countries a game, the object could be described as: compelling others, through force or other means, to surrender what is legitimately theirs. One definition holds that the foreign policy of rich countries amounts to the exertion of coercion abroad, through one means or another, to extort profit beyond what simple commercial exchange can procure. According to this definition, foreign policy is ultimately about the economic relationships between countries. It may involve war, and it may involve diplomacy, but war and diplomacy are only means to an end. The end is inhere in economics, and narrowly in profits.

The identification of the extortion of profits as the ultimate end to which foreign policy tends is important. Wages and salaries go to workers, profits to owners. Foreign policy is aimed at promoting the interests of owners, the recipients of profit. Coercion isn't exerted abroad to increase the wages and salaries of workers at home; it's exerted to increase profits. The word "coercion" indicates that it is aimed at forcing people abroad to do something they wouldn't do otherwise or to refrain from doing something they would otherwise do.

There are good historical examples of this. Rich countries have always tried to impose free trade agreements on poor countries. Ask an underdeveloped country to compete against a developed one, free from subsidies for local firms, free from protective trade barriers, free from the requirement that local labor be hired—in short, on a level playing field—and it will remain poor forever, for the exports and investments of the rich country will flood the poor one, undermining existing local industry and preventing new domestic industry from taking root. The only countries that have ever become rich are those that had an effective monopoly, as the British once did because they were the first to industrialize, or as did those that built their industry through subsidies, public investment, and protection from foreign competition—that is, countries that used public policy to nurture infant industry behind protective trade barriers along with generous subsidies and state assistance to develop domestic industry.

The United States did that. One of the reasons the United States is rich, is because between its civil war and WWII, it had the world's highest tariff barriers. It consciously adopted a policy which rejected free

trade, and was able to do so because it had achieved political independence from Great Britain and was strong enough to resist British pressures to open its borders to unfettered trade—trade that would have relegated the United States forever to the status of an agrarian and natural resources provider.¹⁴

But most poor countries didn't have the option of breaking free from an imperial orbit. Instead, free trade was forced upon them, either because they were colonies, and because rich countries therefore controlled their politics and could coerce them into accepting free trade, or because they were forced to adopt free trade policies at the point of a gun. One element of the foreign policy of the rich countries, then, was to coerce poor countries to adopt a free trade policy that was hostile to the poor countries' interests but congenial to the rich countries' economic elite.

It is rich countries uniquely that are in a position to use coercive means to induce poorer and weaker countries to adopt policies that are hostile to their interests. It is the greater relative wealth of the rich countries that places them in this enviable position. Their greater wealth allows them to build powerful militaries to threaten foreign governments that refuse to adopt trade or investment policies that are beneficial to the rich countries' wealthiest citizens. Their powerful militaries allow them to topple governments of weak foreign countries that are unable to defend themselves and that refuse to accommodate the profit-making interests of the rich countries' wealthiest citizens. And the greater wealth of rich countries allows them to loan money to poor countries on conditions that suit the profit-making interests of the rich countries' corporate elites, for example, through the removal of restrictions on foreign investment.

IV. The State in Capitalist Society

There has been a long tradition in some parts of sociology, political science and economics that says that the laws and policy of a society reflect the interests of the owners of the society's productive assets—slave owners in slave society, landowners in agrarian societies, and the owners of business enterprises and money capital in capitalist societies.

In the 17th century Gerard Winstanley argued that governments were established to protect the interests of landlords. Winstanley's theory formed the basis of what would later become known as the instrumental view of the state—the theory that the police, military, courts, prisons, and justice system are instruments of the owners of productive property to defend their interests. In the 18th century, Adam Smith, the first classical economist, argued that: "Civil government, so far as it is instituted for the security of property, is in reality instituted for the defense of the rich against the poor, or of those who have some property against those who have none at all."¹⁵ In the 19th century, Karl Marx and Friedrich

¹⁴ Erik S. Reinert. **How Rich Countries Got Rich and Why Poor Countries Stay Poor**. Public Affairs. New York. 2007; Ha-Joon Chang. **Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism**. Bloomsbury Press. 2008.

¹⁵ Adam Smith. *The Wealth of Nations*. Book 5, Chapter 1. Part 2.
<https://www.marxists.org/reference/archive/smith-adam/works/wealth-of-nations/book05/ch01b.htm>

Engels wrote in the Communist Manifesto that the executive of the modern state is nothing but a committee for organizing the common affairs of the business community. Writing in the early 20th century, the economist Thorstein Veblen insisted that: “The chief—virtually sole—concern of the constituted authorities in the democratic nations is a concern about the profitable business of the nation’s substantial citizens.”¹⁶ And in the latter part of the 20th century the sociologist William Domhoff set out to find out who rules in the world’s major capitalist country, the United States.¹⁷ He reasoned that whatever group was pointed to by the answer to the following three questions must be the group that rules in America:

1. What group has the most of what people want?
2. What group is over-represented relative to its numbers in key positions in the state and in important decision-making processes?
3. What group successfully initiates modifies or vetoes public policy alternatives?

Domhoff’s analysis found that the answer to the three questions was the corporate elite. As a group, major investors and high-level executives are the wealthiest people in capitalist society. They enjoy an abundance of all the good things capitalist societies have to offer: comfort, security, entertainment, sybaritic pleasures, freedom from toil and drudgery, the finest food, palatial residences, the best educational opportunities, and so on. They benefit most from the way in which U.S. society is organized. This is almost axiomatic. It stands to reason that in a capitalist society the class that benefits is the capitalist class.

The corporate elite is also over-represented in key positions in the state and important public policy decision-making processes. For example, most members of the US Congress are millionaires, whose millions have come from their connections to business enterprises. (The median net worth of US senators in 2012 was over \$2.7 million¹⁸.) Most of the people appointed to U.S. cabinet positions come from high-level positions in the corporate world.

What’s more, the corporate elite successfully initiates, modifies and vetoes public policy alternatives. It dominates the public policy sphere by sponsoring and directing an extensive network of policy-formation and advocacy organizations that press the government to adopt pro-corporate policies.

Domhoff identified various mechanisms which allow the corporate community to rule. First, the corporate elite has a vast network of lobbyists representing its point of view to government. Large corporations, for example, have entire departments dedicated to pressuring government officials to accommodate the interests of individual enterprises. Industries have lobbyists to represent their

¹⁶ Cited in “On the Nature and Substance of Fascism,” *Science, Class and Politics*, Summer, 1985, No. 30.

¹⁷ G. William Domhoff, **Who Rules America? Power & Politics**. Fourth Edition. McGraw Hill. 2002

¹⁸ Russ Choma, “Millionaires’ club: For first time, most lawmakers are worth \$1 million-plus,” *opensecrets.org*, Centre for Responsive Politics, January 9, 2014.

common interests. And there are lobby groups, spanning multiple industries that advocate on behalf of the corporate community as a whole, including the Business Roundtable, an association of chief executive officers of leading U.S. companies which works to promote public policy positions representing the interests of corporate America.

The corporate community owns the mass media and has a vast public relations network to get its point of view across to the public. It finances political campaigns. And it shapes the behavior of politicians by holding out the promise of very lucrative post-political careers in the executive suite and positions on corporate boards of directors to politicians who champion interests of the corporate community while in power.

High-level executives frequently rotate between senior jobs in the corporate world and important posts in public service. For example, the connections between the New York investment bank Goldman Sachs and the U.S. Treasury Department are so multifarious that the firm was once known by its competitors as Government Sachs. The former governor of the Bank of Canada, now head of the Bank of England, David Carney, had a 13 year career at Goldman Sachs, rising to managing director of investment banking, before joining the Canadian Department of Finance and later the Bank of Canada. Former Goldman executives who moved on to government positions, in addition to Carney, include: Robert Rubin and Henry Paulson, who served as U.S. Secretaries of the Treasury, and Mario Draghi, President of the European Central Bank. The list includes numerous other Goldman Sachs alumni who have held less visible, though still very important positions in the state. The New York Times wrote that the investment bank “has a history and culture of encouraging its partners to take leadership roles in public service”¹⁹ and that “it is a widely held view within the bank that no matter how much money you pile up, you are not a true Goldman star until you make your mark in the political sphere.”²⁰

But it’s not only Goldman Sachs that has a significant footprint in the state. Former high-level executives from scores of major enterprises hold senior positions in the bureaucracy. For example, in Canada, Prime Minister Stephen Harper’s former chief of staff Nigel Wright was managing director of Onex, the Toronto-based investment and holding firm, and held positions on various corporate boards, before joining the prime minister’s office. He easily transitioned back into corporate life after leaving public service, and is now managing director of Onex’s London, England offices.

The view that capitalist democracies are dominated by the super-rich is not as heterodox as may be imagined. Consider the following passages from the Nobel Prize-winning economist Paul Krugman’s New York Times’ columns:

“You see, the rich are different from you and me: they have more influence. It’s partly a matter of campaign contributions, but it’s also a matter of social pressure, since politicians spend a lot of time hanging out with the wealthy. So when the rich face the prospect of paying an extra 3 or

¹⁹ Julie Creswell and Ben White, “The Guys from ‘Government Sachs’,” The New York Times, October 19, 2008.

²⁰ Ibid.

4 percent of their income in taxes, politicians feel their pain — feel it much more acutely, it's clear, than they feel the pain of families who are losing their jobs, their houses, and their hopes.

“And when the tax fight is over, one way or another, you can be sure that the people currently defending the incomes of the elite will go back to demanding cuts in Social Security and aid to the unemployed. America must make hard choices, they'll say; we all have to be willing to make sacrifices.

“But when they say ‘we,’ they mean ‘you.’ Sacrifice is for the little people.”²¹

Krugman again:

“...assured paychecks for the ideologically loyal are an important part of the system. Scientists willing to deny the existence of man-made climate change, economists willing to declare that tax cuts for the rich are essential to growth, strategic thinkers willing to provide rationales for wars of choice, lawyers willing to provide defenses of torture, all can count on support from a network of organizations that may seem independent on the surface but are largely financed by a handful of ultrawealthy families.”²²

In another of his New York Times' columns, Krugman seeks to explain why Washington has “no political will to do anything about...America's job drought.” He lands on the following explanation: “policy makers are catering almost exclusively to the interests of...those who derive lots of income from assets.” The “only real beneficiaries” of government economic policy, concludes Krugman, are “bankers and wealthy individuals with lots of bonds in their portfolios.”

“And that explains why creditor interests bulk so large in policy; not only is this the class that makes big campaign contributions, it's the class that has personal access to policy makers — many of whom go to work for these people when they exit government through the revolving door.”²³

Krugman publicized a study that re-discovers the view that the wealthy owners of productive property dominate policy-formation and the political process. It's a study by Martin Gilens of Princeton University and Benjamin Page of Northwestern University that appeared in the Autumn 2014 issue of *Perspectives in Politics*.²⁴ Gilens and Page examined over 1,700 policy issues, concluding that “economic elites and

²¹ Paul Krugman, “The angry rich”, The New York Times, September 19, 2010.

²² Paul Krugman, “Fear and favor”, The New York Times, October 3, 2010.

²³ Paul Krugman, “Rule by rentiers”, The New York Times, June 9, 2011.

²⁴ Martin Gilens and Benjamin I. Page, “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens,” *Perspectives on Politics*, Fall, 2014.

organized groups representing business interests have substantial impacts on government policy, while average citizens and mass-based interests groups have little or no independent influence.” In other words, they had produced data consistent with what Gerard Winstanley had intuited in 17th century England, Adam Smith had observed in the 18th century, Karl Marx and Friedrich Engels had argued in the 19th century, and Thorstein Veblen and William Domhoff had talked about in the 20th century: the economy’s owners have extraordinary influence over the state and everyone else has virtually none.

The sway over public policy that the corporate community exercises is exerted just as strongly, if not more strongly, in foreign policy as it is in domestic affairs. People have a stronger interest in domestic policy because it has more immediate and direct effects on them. They’re more likely to understand domestic policy because the matters with which it deals are closer to home and directly affect them. In contrast, for most US citizens, the effects of, say, US military missions abroad are remote and indirect. Therefore, they’re more likely to mount opposition to domestic policy that is hostile to their interests (because they’re more likely to see and feel and understand it) than to foreign policy (whose effects are often distant and indirect and difficult to discern.) As a consequence, the corporate community’s domination of foreign policy encounters less popular opposition. This can be seen in virtual absence of public policy differences between conservative and liberal/social democratic parties in the Western world. While there are some discontinuities among the parties on domestic policy, with liberal/social democratic parties occasionally mildly pushing back against corporate interests on behalf of workers, there are virtually no differences of substance on foreign policy. To be sure, there are some differences, but on examination, the differences turn out to be largely cosmetic. And the differences are preponderated by the foreign policy similarities.

There are a number of high-prestige, corporate-funded think-tanks which deal with foreign policy, the most important of which is the Council on Foreign Relations. The CFR and most other foreign policy think-tanks receive corporate funding, are directed by members of the corporate community, and make foreign policy recommendations to the government reflecting the interests of the corporate community.

Corporate community-controlled think-tanks and advocacy organizations also provide so-called “experts” to the media to comment on matters of public policy. Journalists consult them for background on public policy stories. Because opinion is swayed the most by voices perceived as authoritative and utterly independent, think-tank experts pose as disinterested savants with special knowledge and thus serve a role of leading public opinion in directions that are favorable to the corporate community.

To illustrate, consider the Institute for the Study of War, or ISW, a U.S. foreign policy think tank. The ISW is funded by the U.S. arms industry. Its sponsors include a who’s who of weapons manufacturers from Raytheon to General Dynamics, Northrop Grumman to DynCorp. The think-tank is headed by Jack Keane, a retired U.S. general. Keane sits on the boards of MetLife, Allied Barton Security Services, and

<http://www.princeton.edu/~mgilens/Gilens%20homepage%20materials/Gilens%20and%20Page/Gilens%20and%20Page%202014-Testing%20Theories%203-7-14.pdf>

weapons industry giant General Dynamics.²⁵ Anyone of an unbiased mind would recognize that the ISW and its corporate sponsors have an interest in promoting the use of the U.S. military as an apparatus of U.S. foreign policy. War is good for the profits of the think tank's sponsors.

The ISW plays two roles: a policy formation role and a public opinion shaping role. As part of its policy formation role, it creates policy recommendations for the government that favor a robust military and its frequent use. As part of its public opinion shaping role, it runs advocacy campaigns to support a muscular military. Keane plays a lead role in public advocacy through the cooperation of the mass media, which enlist his services as an "impartial" military analyst. Keane has appeared frequently on CNN to promote U.S. military intervention in Iraq and Syria.

There are dozens of other representatives of the weapons industry who appear regularly in the mass media as "impartial" experts. The list includes retired Marine Corp general James Mattis, who's on the board of General Dynamics; retired U.S. general Anthony Zinni, who's on the board of the British arms company, BAE Systems; John Garret, a retired Marine colonel who works as a military analyst for Fox News, and who's a lobbyist for the Pentagon provider Patton Boggs; and James Marks, a retired U.S. Army general who was CNN's military analyst for three years while working as a senior-level executive at the weapons manufacturer McNeil Technologies.²⁶

Another organization that illustrates the connection between the corporate community and the U.S. state was the Committee for the Liberation of Iraq, which lobbied the U.S. government to wage war on Iraq. Two of NBC's most prominent military analysts, Barry McCaffrey and Wayne Downing, were both members of the committee and board members of several major arms suppliers. Their connections to the weapons industry were never acknowledged by NBC.

Military analysts like McCaffrey and Downing often have direct connections to the state. This was revealed in a 2008 New York Times expose by reporter David Barstow. Barstow found that mass media military analysts were receiving talking notes directly from the Pentagon.

Barstow wrote:

"To the public, these men are members of a familiar fraternity, presented tens of thousands of times on television and radio as 'military analysts' whose long service has equipped them to give authoritative and unfettered judgments about the most pressing issues of the post-Sept. 11 world. [But most] of the analysts have ties to military contractors vested in the very war policies they are asked to assess on air. [They represent] a vast assemblage of contractors scrambling for

²⁵ Lee Fang, "Who's Paying the Pro-War Pundits?", *The Nation*, September 16, 2014.

²⁶ *Ibid.*

hundreds of billions in military business generated by [the Pentagon and often get] more airtime than network reporters...framing how viewers ought to interpret events.”²⁷

An important part of the corporate community’s public opinion shaping network, then, is the provision to the mass media of misleadingly labelled “independent analysts” who frame how viewers and readers ought to interpret events in order to persuade the public to back policies that favor corporate community interests. The parallel in domestic policy is the mass media’s reliance on bank economists and CEOs as experts on economic policy. To be sure, there are some left voices given access to the mass media, but the viewpoint of labor and the left is overwhelmed by an avalanche of pro-corporate views, and the inclusion of a few voices from the other side allows the media to claim that they offer a variety of views across the political spectrum.

The most important element of the corporate community’s public opinion-shaping network is the mass media. The mass media are large corporations themselves, and are an integral part of the corporate community. They promote positions that are compatible with and conducive to their own interests and to the interests of the larger corporate community to which they belong. This view is almost axiomatic. There would be no controversy in the claim that a newspaper owned by labor unions would promote positions that are compatible with the interests of labor. Nor would there be much disagreement with the view that a news network owned by environmentalists would have a certain point of view on fracking and pipelines. Clearly, then, we should expect media owned by wealthy business owners to reflect the viewpoint of wealthy business owners. And that means that since most people get most of what they know about foreign policy from the mass media, most of what they know about foreign policy reflects the viewpoint of the corporate elite.

It’s useful, at this point, to draw a distinction between class politics and party-partisan politics. There is a politics of class, which involves a struggle between owners and workers, which goes far beyond the workplace, into art, ideas, education, and the way the news is reported. And then there is a party-partisan politics, which is the way we’re encouraged to think about politics. We’re supposed to view politics as the struggle for votes between political parties. If you think about politics this way then media impartiality and balance becomes a question of whether one political party is favored in news coverage over another. But if politics is thought about in the broader sense as a struggle between different groups to shape public policy, then it becomes clear that the mass media, by virtue of being owned and controlled by one of the groups in the struggle, is hardly impartial or unbalanced with respect to that struggle. As an instrument of a community of business owners who are engaged in a struggle with other groups, principally labor, the mass media are necessarily political. And their politics is the politics of class and of the top one percent against the bottom 99 percent.

The corporate community’s public opinion shaping network also includes polling firms to monitor the opinions of the public, and public relations firms to develop programs to shape public opinion. Additionally, the corporate community draws on its expertise in commercial marketing to do political

²⁷ David Barstow, “Behind TV analysts, Pentagon’s hidden hand,” April 20, 2008.

marketing, to shape the opinions of voters, legislators, and political decision-makers to favor policies that promote the corporate community's interests, in the same way they shape the brand choices of consumers. A community that has developed marketing into a science uses the same science to mobilize public opinion in support of policies of interest to it in the state.

A rival theory of the state to the instrumental view presented above holds that capitalism as a system structures the environment in which governments operate, compelling them to formulate policy in the interests of the corporate community. This is the structural view. One implication of the structural view is that the political orientations of the people who hold high-level positions in the capitalist state are largely irrelevant. According to the theory, the logic of capitalism structures the policy boundaries within which policy- and decision-makers operate, forcing conservatives, liberals, social democrats, and even communists who elect to work within the capitalist system, to operate within the same narrow policy space. Critical to this view is the idea that the prosperity and stability of a capitalist society depends on the private owners of capital earning sufficient profits. If they cannot generate enough profits, they cease to invest, and economic activity grinds to a halt. To maintain stability, governments must pursue policies to support the profit-making activities of their business communities. To do otherwise, would precipitate an economic crisis, and the government would lose the support of the public. Hence, governments either support the profit-making activities of the private owners of capital, and avoid crises that can challenge their continued rule, or pursue policies which interfere with capital accumulation, in which case they fall into crisis, are defeated at the next election, and are replaced by a successor government which reinstates policies to support profitability and restore capitalist economic stability. This explains why the Labour Party in the United Kingdom and Socialist parties in Western Europe long ago abandoned their commitments to socialism and have become indistinguishable from conservative parties except occasionally on matters of social policy. It also explains why they are overtly and unabashedly pro-business. The same can be said of the New Democratic Party in Canada and the Democrats in the United States.

The structural and instrumental theories represent complementary processes by which the state in capitalist society is forced to operate in the interests of a social upper class based in the business community. Not only does the need for governments to maintain stability and prosperity within a capitalist society limit the realistic range of policy alternatives to those that are supportive of profit-making, but the immense wealth of the corporate community allows the business elite, at the same time, to dominate the political process to shape policies of interest to it in the state through think-tanks, advocacy organizations, lobbyists, and the placement of its representatives in important public policy decision-making posts.

V. Concealing the Influence of the Corporate Elite on Foreign Policy

If the business elite uses its wealth to dominate the state and policy, it might be expected that foreign policy will reflect its interests and will be supportive of its profit-making activities. This, however, presents a dilemma. How can public support for a country's foreign policy be mobilized if foreign policy

aims are tied to the sectional interests and profit-making activities of a tiny elite? The answer is to conceal the pursuit of corporate elite goals behind public interest and other lofty considerations.

To understand this point consider the parallel of an industrial strike. The political scientist Ralph Miliband wrote that “On innumerable occasions, and in all capitalist countries, governments have played a decisive role in defeating strikes, often through the coercive power of the state and the use of naked violence, done so in the name of the national interest, law and order, constitutional government or protection of the public rather than simply to support employers.”²⁸ Hence, the state has routinely used its coercive powers to put down strikes, and it always says it is doing so for such high-sounding reasons as the national interest, law and order, and protection of the public.

Likewise in foreign policy. On innumerable occasions, governments have played a decisive role in deposing foreign governments that were against free enterprise, or free trade, or free markets, often through the coercive power of the state and the use of naked violence, done so in the name of the national interest, or international law, or stability in the region, or protection of the public from some threat, rather than simply to support investors looking for new markets and investment opportunities overseas. In both cases, the state acts on behalf of the business community but, in order to secure the consent of the public, says it’s acting on behalf of the national interest.

An uprising in Libya, supported by NATO forces, ultimately led, through Western intervention, to the overthrow and murder of the Libyan leader Muamar Gaddafi. A Sunni Muslim rebellion in Syria (which has since spread to Iraq), quickly morphed into a civil war, and then into a proxy war involving foreign jihadists equipped and financed by Western governments, Turkey and the Persian Gulf oil monarchies. Western countries said they were against Gaddafi and Syrian president Bashar al-Assad because both leaders were dictators, and because the dictators used violence against their own people. But at the same time, the West did not support Arab Spring uprisings in Egypt, Bahrain, and Saudi Arabia, though these countries have authoritarian, non-democratic governments that brutally cracked down on pro-democracy demonstrators.

Egypt, one anti-Arab Spring state supported by the West, is effectively a military dictatorship. The current head of state, President Abdel Fattah el-Sisi, led a military coup against the legitimately elected government of President Mohammed Morsi. When Morsi’s supporters peacefully protested against the ouster of the president, Sisi violently cracked down, killing over a thousand, wounding many more, and jailing tens of thousands. Human Rights Watch concluded that Sisi’s violent crackdown was a crime against humanity. And yet Sisi continues to be supported by Western governments. No Western leader has said that Sisi must step down; that he has lost legitimacy; or that he’s a brutal dictator. However, all these charges were leveled against Gaddafi and Assad. How is it, then, that Egypt continues to command the West’s support despite being led by a dictator, who staged a coup against a legitimately elected president, used violence against his people and committed crimes against humanity? If the foreign

²⁸ Ralph Miliband. **The State in Capitalist Society**. Merlin Press Fernwoow Publishing. 2009.

policies of Western countries seek to promote democracy abroad, even if only a procedural democracy, this couldn't possibly be.

The degree of Western support for Egypt is evident in the \$1.3 billion in military aid Cairo receives from the United States every year.²⁹ The aid takes the form of the Pentagon using U.S. taxpayer-provided funds to buy weapons for the Egyptian armed forces—effectively a transfer of money from U.S. taxpayers to the owners and high-level executives of such companies as Lockheed Martin, General Dynamics, Northrop Grumman, Raytheon and Boeing.

Bahrain, another Western-backed anti-Arab Spring state, is a hereditary monarchy. The monarch, King Hamad bin Isa Al-Khalifa, is the head of state. He appoints the head of government and the cabinet. The head of government, the king's uncle, Khalifa bin Salman Al-Khalifa—the longest serving prime minister in the world—has been prime minister for the last 43 years. The first deputy prime minister is Salman bin Hamad Al Khalifa. The other deputy prime ministers are all named Khalifa. Bahrain is a family-run dictatorship. Western powers complain that both the DPRK and Syria are family dictatorships. Assads have ruled Syria since 1971. Kims have ruled the DPRK since the late 1940s. But Western officials don't complain that the Khalifas have been heads of state and heads of government since Bahrain achieved independence over four decades ago. Somehow this family dictatorship is okay.

Of Arab Spring countries Bahrain had the largest protests per capita. Some 400,000 people took to the streets in one demonstration out of a total population of 1.3 million, denouncing Bahrain as a police state and demanding a transition to a constitutional monarchy, in which the people would elect the government, rather than the government being appointed by the king. The protests were violently crushed. And the crackdown was carried out with the aid of the troops and tanks of another family dictatorship, Saudi Arabia.

Here is veteran Middle East foreign affairs correspondent, Patrick Cockburn, on Bahrain:

“The Sunni monarchy in Bahrain...mercilessly crushed demands for democracy and civil rights from the island's Shia majority during the Arab Spring in 2011. Even by the standards of the time, repression was excessive. Shia mosques and holy places were bulldozed. Doctors at the main hospital in Bahrain that treated injured protesters were tortured by being forced to stand without sleep for days on end. Other prisoners were told that unless they sang the praises of the king their interrogators would urinate into their mouths.

“[E]ven the United States State Department, normally cautious when it comes to highlighting the failings of the Sunni monarchies of the Gulf, said that the abuses in Bahrain included "citizens' inability to change their government peacefully; arrest and detention of protesters on vague charges, in some cases leading to their torture in detention; and lack of due process in trials of political and human rights.

²⁹ Aram Roston and David Rohde, “Business side of Egypt's army blurs lines of aid from US”, The New York Times, March 5, 2011.

“Bahraini human rights activist Zainab al-Khawaja was sentenced to three years in prison for ‘insulting the king’ by tearing up his photograph....Her father, Abdulhadi al-Khawaja, is...in jail serving a life term for his role in encouraging the Arab Spring protests.

“Nabeel Rajab, one of Bahrain's leading human rights activists, was arrested...because he ‘offended national institutions’ by his comments on social media. Mr Rajab had criticised the government for using counterterrorism laws to prosecute human rights defenders, and had accused the Bahraini security forces of encouraging violent beliefs similar to those of IS.

“There has always been a strong strain of hypocrisy in the claims of the US and Britain to support secular democracy and civil rights in countries such as Libya and Syria. They do so in alliance with Sunni theocratic absolute monarchies such as Saudi Arabia, Kuwait, Qatar, Bahrain and UAE which understandably have no interest in spreading secular democracy anywhere.”³⁰

How is it that Western foreign policy is not against the Khalifa family dictatorship but is against family successions in Syria and the DPRK?

The New York Times wondered how Bahrain managed to maintain the support of the West.

“On March 14, White House officials awoke to a nasty surprise: the Saudis had led a military incursion into Bahrain, followed by a crackdown in which the security forces cleared Pearl Square in the capital, Manama, by force. The moves were widely condemned, but Mr. Obama ... offered only veiled criticisms.

“The reasons for Mr. Obama’s reticence were clear: Bahrain sits just off the Saudi coast, and the Saudis were never going to allow a sudden flowering of democracy next door... In addition, the United States maintains a naval base in Bahrain...crucial for maintaining the flow of oil from the region.”³¹

This is revealing. It acknowledges that Western foreign policy’s support for pro-democracy uprisings and the Arab Spring is selective, and that the selectivity has something to do with oil profits and U.S. military bases.

Here’s Michael H. Posner, U.S. assistant secretary of state for (wink-wink) democracy, human rights and labor, on why Washington refuses to do anything meaningful to back Bahrain’s protestors demanding that the monarchy be replaced with an elected government: “We have been very clear from the get-go

³⁰ Patrick Cockburn, “Building a British naval base is a ‘symbolic choice’—for no clear reason,” *The Independent*, December 7, 2014

³¹ Helene Cooper and Robert F. Worth, “In Arab Sprint, Obama Finds a Sharp Test,” *The New York Times*, September 24, 2012.

that we have a strong national security interest in Bahrain, a 60-year military history, and they are a key ally. We are going to continue to engage on that level.”³²

As will be shown later, Gaddafi’s Libya wasn’t as accommodating of Western oil companies as Saudi Arabia and Bahrain are. The U.S. State Department complained that the Libyan leader was practicing resource nationalism—which meant he was trying to make Libya’s petroleum resources work for Libyans rather than only Western oil company shareholders. Had Gaddafi been friendlier to the profit-making interests of Western oil companies and less concerned about the interests of Libyans it is very likely he would be alive today. Similarly, if Syria opened its territory to U.S. military bases, it’s likely that Western powers wouldn’t be providing arms and training to violent fundamentalist Sunni Muslims bent on overthrowing the country’s secular government

From the point of view of liberal democrats and anyone to the left of them, Saudi Arabia is perhaps the most repellent country in the world. There are no elections. State-sanctioned beheadings and lashings occur on a regular basis. Over a three-week span in the summer of 2014 Saudi authorities beheaded at least 19 convicted criminals, nearly half of them for nonviolent offenses, including one for sorcery.³³ Women have no rights. They’re not allowed to go out in public without a male relative. They’re banned from driving. The sexes are segregated. The country is a major source of funding for violent fundamentalist Sunni Muslim organizations. Fifteen of 19 9/11 operatives were from Saudi Arabia. Osama bin Laden was connected to the Saudi elite. According to the New York Times³⁴, hard-line Islamic jihadists in Syria are funded by Saudi Arabia and other Persian Gulf oil monarchies. In fact, the misogynist, head-chopping, anti-Shia, sectarian ideology of al-Qaeda and its outgrowths, ISIS and Jabhat al Nusra, is based on Wahhabism, the harsh 18th century brand of Islam long propagated by Saudi authorities.

Arab Spring protests in Saudi Arabia were brutally put down by Saudi authorities. Indeed, demonstrations are banned. Human Rights Watch and Amnesty International accuse the Saudi government of systematic human rights abuses in its treatment of protesters. Amnesty International says the government commits “widespread human rights violations against individuals exercising their rights to freedom of expression and assembly” and concludes that Saudi security forces arbitrarily detain protesters, hold many without charge or trial, beat and torture some, and engage in a “state policy” of firing protestors from their jobs for demonstrating against the Saudi government.³⁵

³² Kevin Sullivan, “In Bahrain, anti-government violence rising again amid calls for more forceful U.S. policy”, The Washington Post, November 2, 2012.

³³ Rick Gladstone, “Saudi Arabia: Executions draw rebukes”, The New York Times, August 21, 2014.

³⁴ October 14, 2012.

³⁵ Kevin Sullivan, “Shiite protests pose major problems for Saudi Arabia,” The Washington Post, October 18, 2012.

With a record this abhorrent one might think that Western powers would shun the Saudi regime, impose sanctions on it, and demand that the Saud family step down, if indeed Western foreign policy is predicated on a moral foundation of promoting democracy and respect for human rights. Yet Saudi Arabia remains a key ally of North American and European powers. From this, one can only conclude that Western foreign policy is not based on what we're led to believe it's based on.

VI. Why Libya and Syria but not Bahrain and Saudi Arabia?

“Led from behind” by the United States, the NATO coalition intervened militarily in Libya, it was said, to prevent the Gaddafi government from crushing an uprising and killing its citizens. But while Western powers were doing this they tacitly approved a military intervention in Bahrain by Saudi Arabia and other Gulf powers to put down a peaceful rebellion. The double-standard reflects dramatic differences between Libya and Bahrain in their relationship the West's dominant investor and corporate class. Bahrain is home to the U.S. Fifth Fleet. It has long-standing warm relations with the political and economic elites of Western countries. Its ruling royal family strongly caters to Western corporate elite interests. Libya, under Gaddafi, unlike Bahrain, provided no military bases for the U.S. or other Western powers. On the contrary, when Gaddafi came to power he ejected the U.S. and British militaries from his country and closed their bases. Nor was he fully accommodating to Western corporate and investor interests.

One measure of the degree to which countries are regarded as building economic climates that comport with the profit-making interests of the West's corporate elite is provided by the Index of Economic Freedom, compiled annually by the Wall Street Journal and Heritage Foundation. The index ranks countries from most to least free based on:

- How closely they regulate businesses;
- Whether they maintain trade barriers;
- How low their corporate tax rates are;
- How much of their economy is in state hands;
- Whether their central bank is insulated from democratic control and pursues a low-inflation policy;
- Whether foreign investment is welcome and treated the same as domestic investment;
- Whether private property rights are protected;
- Whether workers can be easily dismissed from their jobs.

The index is more aptly called an index of capitalist freedom. Governments that score the highest on the index: welcome foreign investment; treat foreign corporations as they would domestic ones; have a low—and sometimes non-existent—corporate tax rate; keep regulations to a bare minimum; keep inflation low (regardless of the effects on employment levels); shun state-ownership; and give businesses maximal flexibility to dismiss workers and decide their conditions of work and pay.

Governments that score lowest: keep strategic parts of their economy (or all of it) under state-control; limit and impose conditions on foreign investment; maintain trade barriers in order to protect strategic

domestic enterprises from foreign competition; expropriate private productive property (including farmland) for redistribution or state ownership; regulate businesses closely; and establish minimal standards of working conditions and pay.

Here are the countries that are ranked lowest on the Heritage Foundation/Wall Street Journal index, and the reasons why.

The DPRK. The economy is centrally planned and under the control of the state.

Cuba. Private enterprise is limited.

Zimbabwe. The government pursues a policy of indigenization, i.e., placing ownership of the country's land and mineral resources in the hands of the indigenous population. These policies restrict the size and scope of foreign investment opportunities.

Venezuela. The government imposes high taxation rates and expropriates land and other private holdings to serve public policy goals.

Eritrea. The country has a strict command economy in which most private investment has been eliminated.

Myanmar. The economy is dominated by state-owned enterprises (though the government has recently embarked on a program of opening its economy to foreign penetration, to the delight of foreign investors and governments in the West.)

Libya under Gaddafi. Foreign investment was screened and managed by the government. The government retained the power to renationalize any property that had been privatized.

Iran. Foreign investment is barred in banking, telecommunications, transport, oil, and gas. Also, labor laws protect employees from easy dismissal.

Significantly, governments that are perennially targets of Western regime change efforts rank at or near the bottom of the index. Seven of the bottom 10 are, or not long ago were, the targets of open regime change operations by the United States and its allies, carried out ostensibly because the targeted countries do not respect human rights, or because they threaten regional stability, or in the case of Gaddafi's Libya, because the government was said to be attacking (or on the cusp of attacking) its own people. That these countries happen to be considered the least receptive to exploitation by foreign corporations and investors is no accident.

Significantly, not one of the top ranking corporate-elite-friendly countries of the Heritage Foundation/Wall Street Journal capitalist freedom index is a target of Western regime change campaigns. If regime change were linked to human rights concerns and not unfavorable investment and export conditions, we might expect to find regime change targets scattered throughout the rankings, rather than bunched up at the bottom and none at the top. One counter-explanation is that economically free countries, that is, those that cater to capitalists, tend to respect human rights, which

is why the world's worst offenders on both counts are found at the bottom of the list. However, this couldn't possibly be the case, for the United States, which has an atrocious human rights record (Guantanamo, Abu Ghraib, torture and rendition of prisoners, arrest and detention without charge, extrajudicial assassination, including of U.S. citizens, massive spying on its own citizens, restrictions on travel to Cuba, and so on)—ranks as one of the friendliest countries in the world to capitalist freedoms, while jihadi-promoting, beheading-practicing Saudi Arabia, the least free country in terms of political and civil liberties, and perhaps the most contemptuous of human rights, ranks in the top half.

Bahrain, as it turns out, is ranked near the top of 179 countries on the Heritage Foundation/Wall Street Journal index. Regionally, Bahrain is top ranked in North Africa and West Asia, while Libya under Gaddafi was ranked dead last regionally and near the bottom globally. Bahrain's higher ranking is based on an array of government policies which indulge foreign businesses. Property ownership is secure and expropriation is unlikely, whereas in Libya foreign companies were vulnerable to expropriation by the Gaddafi government. Bahrain welcomes foreign investment and allows 100 percent foreign ownership and control of new businesses, while Libya under Gaddafi screened and managed foreign investment. Additionally, Gaddafi's government demanded that Libyans have a 35 percent stake in foreign companies that operated in Libya. And while Bahrain imposes no restrictions on repatriation of profits, Libya under Gaddafi did.

On trade, Bahrain imposes few restrictions on imports, while Gaddafi's Libya maintained a variety of tariff and non-tariff barriers to help local firms develop. With the exception of oil companies, businesses that operate in Bahrain pay no corporate income tax, while businesses in Gaddafi's Libya were subject to a tax rate as high as 40 percent. Personal income tax is extremely low in Bahrain, but in Libya under Gaddafi could reach as high as 90 percent. And while Bahrain provides businesses maximal flexibility in dealing with employees, even allowing them to pay desperation-level wages, Gaddafi's Libya insisted on maintaining protections for workers on pay and working conditions.

A year after Gaddafi's overthrow, The Wall Street Journal reported that private oil companies had been incensed at the pro-Libyan oil deals the Gaddafi government was negotiating and "hoped regime change in Libya...would bring relief in some of the tough terms they had agreed to in partnership deals"³⁶ with Libya's national oil company. For decades, many European companies had enjoyed deals that granted them half of the high-quality oil produced in Libyan fields. But Gaddafi had renegotiated the companies' share of oil from each field to as low as 12%.³⁷

Gaddafi had also kept Libya's crown jewels off limits to foreigners. The huge onshore oil fields that accounted for the bulk of its production remained the preserve of Libya's state companies. Western oil

³⁶ Benoit Faucon, "For big oil, the Libya opening that wasn't", The Wall Street Journal, May 4, 2012.

³⁷ Guy Chazan, "For West's oil firms, no love lost in Libya", The Wall Street Journal, April 15, 2011.

companies were also frustrated that Libya's state-owned oil company "stipulated that foreign companies had to hire Libyans for top jobs."³⁸

A November 2007 U.S. State Department cable had warned that those "who dominate Libya's political and economic leadership are pursuing increasingly nationalistic policies in the energy sector" and that there was "growing evidence of Libyan resource nationalism."³⁹ The cable cited a 2006 speech in which Gaddafi said: "Oil companies are controlled by foreigners who have made millions from them. Now, Libyans must take their place to profit from this money."⁴⁰ Gaddafi's government had also forced companies to give their local subsidiaries Libyan names. Worse, in the view of the oil companies, "labor laws were amended to 'Libyanize' the economy," that is, turn it to the advantage of Libyans. Oil firms "were pressed to hire Libyan managers, finance people and human resources directors." The New York Times summed up the West's objections. "Colonel Gaddafi," the U.S. newspaper said, "proved to be a problematic partner for international oil companies, frequently raising fees and taxes and making other demands."⁴¹

To sum up: The corporate community exercises an outsize influence over state policy. Oil companies were frustrated with Gaddafi's economic policies, as was the U.S. State Department, which complained about Gaddafi's resource nationalism, as was the corporate community as a whole, as evidenced by Libya's low ranking on the Heritage Foundation/Wall Street Journal Index of Economic Freedom. Western governments said they intervened militarily in Libya to protect protestors, but at the same time, the same Western governments condoned a brutal crackdown on demonstrations by Bahraini authorities that was carried out with the help of Saudi tanks and troops. Significantly, oil companies, and the larger corporate community, have no complaints about Saudi Arabia and Bahrain, and to the contrary, welcome the corporate-elite-friendly policies of these countries. The double-standard practiced by Western countries in intervening militarily in Libya but not Bahrain, shows that the stated reasons for the Libyan intervention were a sham. Western states acted to replace resource-nationalist Gaddafi with a regime that would provide access to Libyan oil on terms that are favorable to the owners and high-level executives of Western oil companies, not to protect Libyans.

VI. Syria: Eradicating an Ideological Fixation on Socialism

Since the beginning of the unrest in Syria, the Syrian "government has said that while some protesters have legitimate grievances, the uprising is driven by militant Islamists with foreign backing."⁴²

³⁸ Steven Mufson, "Conflict in Libya: U.S. oil companies sit on sidelines as Gaddafi maintains hold", The Washington Post, June 10, 2011.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Clifford Kraus, "The Scramble for Access to Libya's Oil Wealth Begins," The New York Times, August 22, 2011.

⁴² Anthony Shadid, "Assad says he rejects West's call to resign", The New York Times, August 21, 2011.

There's no question that there has been a longstanding Islamist opposition in Syria to Ba'athist rule. The Arab Socialist Ba'ath Party has been in power since 1963. The party's roots are in Pan-Arabism, non-Marxist socialism, and liberation from colonialism, imperialism and religious sectarianism. Being secular, with many of its leading members belonging to a heterodox Shiite sect, the Alawi, Syria's lead party has held no appeal for the Muslim Brotherhood and other Islamists in a country in which the majority is Sunni.

Neither is there any question that Islamist uprisings have become a habitual occurrence in Syria. Condemning the Alawi as heretics and resentful of the Ba'athists' separation of Islam from the state, the Muslim Brotherhood organized riots against the government in 1964, 1965, 1967 and 1969.

On coming to power in 1970, Afiz Assad—the current president's father—tried to overcome the opposition by encouraging private enterprise and weakening his party's commitment to socialism, and by opening space for Islam. This, however, did little to mollify the Muslim Brothers, who organized new riots and called for a jihad against Assad, denigrating him as “the enemy of Allah.” His “heretical” government was to be brought down and the secular character of the state overthrown. By 1977, the ideological forbears of today's jihadists were engaged in a guerrilla struggle against the Syrian army and its Soviet advisers, culminating in the 1982 occupation of the city of Hama. The Syrian army quelled the occupation, killing 20,000 to 30,000.

In an effort to win the Islamists' acquiescence, Assad built new mosques, opened Koranic schools, and relaxed restrictions on Islamic dress and publications. At the same time, he forged alliances with pro-Islamist countries and organizations, including Sudan, Iran, Hezbollah, Hamas and Islamic Jihad. While these measures secured some degree of calm, violent fundamentalist Sunni Muslims remained a perennial source of instability and the government was on continual guard against them.⁴³

As the late Patrick Seale, a leading British writer on the Middle East, observed in his study of Afiz Assad, “The Muslim Brothers in Syria were a sort of fever that rose and fell according to conditions at home and manipulation from abroad.”⁴⁴

The U.S. government was one source of manipulation from abroad. While not creating an opposition, Washington acted to strengthen one that already existed. U.S. funding to the Syrian opposition began flowing under the Bush administration in 2005⁴⁵, if not earlier. The Bush administration had dubbed

⁴³ U.S. Library of Congress. A Country Study: Syria. <http://lcweb2.loc.gov/frd/cs/sytoc.html>

⁴⁴ Patrick Seale. **Asad of Syria: The Struggle for the Middle East**. University of California Press. 1988.

⁴⁵ Craig Whitlock, “U.S. secretly backed Syrian opposition groups, cables released by Wikileaks show”, The Washington Post, April 17, 2011.

Syria a member of a “junior varsity axis of evil,” along with Libya and Cuba, and toyed with the idea of making Syria the next target of its regime change agenda after Iraq.⁴⁶

Washington’s motivation for ousting Assad has nothing whatever to do with his handling of the rebellion, as evidenced by the reality that U.S. efforts to oust Assad antedate the Arab spring rebellion. Moreover, concurrent rebellions in Bahrain, Saudi Arabia, and Egypt were crushed in those countries with no serious repercussions from the West. Significantly, these states are satellites of the United States, while Syria, a former French colony and Ottoman possession zealously committed to its independence, is not. Assad’s reaction to the uprising is only relevant as raw material to be shaped, twisted and manipulated into a pretext for overt intervention. Washington’s concerns lie elsewhere, unrelated to the welfare of Syrians or attachment to spreading democracy. Indeed, were Washington impelled by humanitarian concerns and a desire to overturn tyranny, it would be difficult to explain its support for Egypt, Bahrain, and Saudi Arabia.

The U.S. state has been keen to install a pro-imperialist government in Damascus since at least 1957, when it tried unsuccessfully to engineer a coup there. In 2003, the United States initiated a program of economic warfare against Syria, and in 2005, started to funnel money to opposition elements to mobilize energy for regime change.

Apart from Syria’s irritating Washington by allying with Iran, backing Hezbollah, and providing material assistance to the Palestinian national liberation movement, the country exhibits a tendency shared by all Western regime change targets: a predilection for independent, self-directed, economic development. This is expressed in state-ownership of important industries, subsidies to domestic firms, controls on foreign investment, and subsidization of basic commodities. These measures restrict the profit-making opportunities of foreign corporations, banks and investors, and since it is their principals who hold sway in Washington and other Western capitals, Western foreign policy is accordingly shaped to serve their interests.

The U.S. State Department complains that Syria has “failed to join an increasingly interconnected global economy,” which is to say, has failed to turn over its state-owned enterprises to private investors, among them financial interests based in New York, London, Paris, Frankfurt and Toronto. The State Department is aggrieved that “ideological reasons” continue to prevent the Assad government from liberalizing Syria’s economy. As a result of the Ba’athists’ ideological fixation on socialism, “privatization of government enterprises is still not widespread.” The economy “remains highly controlled by the government.”⁴⁷

⁴⁶ Moshe Ma’oz, “Damascus vs. Washington: Between the ‘Axis of Evil’ and ‘Pax Americana’”, in Bruce Cumings, Evarand Abrahamian and Moshi Ma’oz. **Inventing the Axis of Evil: The Truth about the DPRK, Iran and Syria**. The New Press. 2004.

⁴⁷ U.S. State Department website. <http://www.state.gov/r/pa/ei/bgn/3580.htm#econ>. Accessed February 8, 2012.

The Wall Street Journal and Heritage Foundation are equally displeased. “Hafez al-Assad’s son Bashar, who succeeded him in 2000, has failed to deliver on promises to reform Syria’s socialist economy,” they complain.

Moreover,

“The state dominates many areas of economic activity, and...marginalizes the private sector and prevents the sustainable development of new enterprises or industries. Monetary freedom has been gravely marred by state price controls and interference...[H]eavy state intervention, continues to retard entrepreneurial activity... Labor regulations are rigid, and the labor market suffers from state interference and control...[S]ystemic non-tariff barriers severely constrain freedom to trade. Private investment is deterred by heavy bureaucracy, direct state interference, and political instability. Although the number of private banks has increased steadily since they were first permitted in 2004, government influence in the financial sector remains extensive.”⁴⁸

The U.S. Library of Congress country study of Syria refers to “the socialist structure of the government and economy,” points out that “the government continues to control strategic industries,” mentions that “many citizens have access to subsidized public housing and many basic commodities are heavily subsidized,” and that “senior regime members” have “hampered” the liberalization of the economy.⁴⁹

All in all, Syria remains too much like the socialist state the Arab Socialist Ba’ath Party founders envisaged for it, and too little like a platform for expanding the capital of overseas banks, investors and corporations. Accordingly, its regime of self-directed, independent, economic development must, from the perspective of the Western foreign policy elite, be changed.

VII. Ukraine: Improving the Investment Climate

A favored leftist explanation of the West’s intervention in Ukraine on behalf of the Maidan uprising revolves around the geopolitical imperative for Washington of containing a U.S. military rival, Russia, and bringing NATO up to its borders by integrating Ukraine into the U.S.-led military alliance. What’s rarely mentioned is that the United States’, Canada’s and the European Union’s support for the Maidan uprising, overthrow of the previous president, Viktor Yanukovich, and his replacement by a new pro-Western, anti-Russian government, has also been motivated by the goal of building a more congenial climate in Ukraine for the profit-making activities of Western corporations and investors.

While Ukraine’s economy is understood to be capitalist and therefore not to raise a red flag in Western capitals, it is far from true that Ukraine’s economic policies under Yanukovich were warmly accepted, even tolerated, in Western foreign policy circles. Indeed, from the point of view of the West—which

⁴⁸ Index of Economic Freedom 2012. <http://www.heritage.org/index/country/syria>. Accessed February 8, 2012.

⁴⁹ U.S. Library of Congress. A Country Study: Syria. <http://lcweb2.loc.gov/frd/cs/sytoc.html>

means from the point of view of the corporate elite which dominates Western foreign policy—Ukraine’s economy left much to be desired. It needed, IMF managers said, to be reorganized by “structural reforms” to “improve the business climate.”⁵⁰

The Heritage Foundation/Wall Street Journal Index of Economic Freedom rated Ukraine’s economy under Yanukovich as “repressed” along with those of such perennial Western regime change targets as the DPRK, Cuba, Zimbabwe, Venezuela and Iran—all unfriendly to the idea that economic policy should be formulated to pad bank accounts and bottom lines in New York, London, Frankfurt, Paris and Toronto. Ukraine’s economic freedom—which is to say, its adherence to free enterprise, open markets, and free trade—was even ranked behind that of Belarus, a former Soviet republic reviled in Western foreign policy circles for its nostalgic attachment to Soviet economic forms. Of 43 countries in Europe, the index ranked Ukraine’s friendliness to Western corporate interests dead last, and only a little better than that of communist DPRK and Cuba, socialist Venezuela, and economically nationalist Zimbabwe and Iran. So where, in the view of the West’s corporate elite, had Ukraine gone wrong?

The Heritage Foundation and the Wall Street Journal had a number of complaints. Contracts were not well enforced, and expropriation was always a possibility. The labor code, they groused, was outmoded and lacked flexibility—meaning it offered too many protections to workers. Government procurement policies were denounced for sometimes favoring domestic firms, and hence, limiting the profit-making opportunities of North American and European corporations. Exception was taken to Ukraine’s state-owned firms, which displaced private enterprise, and Kiev’s restrictions on foreign investment, which gave a leg up to domestic businesses but cut foreign corporations out of the action.

Some of these barriers to profit-making would have been dismantled had Yanukovich not backed away from an agreement with the European Union that would have seen Ukraine get preferential access to EU markets in return for turning over Ukraine’s labor, markets and resources to Western business interests. But Yanukovich balked and the West took advantage of the ensuing protests against his volte-face to foment an uprising to bring a biddable pro-foreign-investment government to power.

The new government quickly signed on to an IMF economic reform program. Reza Moghadam, director of the IMF’s European Department, explained that “the program...is expected to...help restore confidence among private investors,” to which he might have added, investors of the sort who own mansions in and around Manhattan and other Western financial capitals. Moghadam added that “Ukraine needs to undertake deep-reaching structural reforms” to improve Ukraine’s business climate. This roughly translates into holding the line on wages, laying off public sector workers, gutting protections for employees, hiking taxes on ordinary people, bringing them down for businesses, rolling back social services, and throwing open the doors of the economy to Western corporations.

Here are the details. Public sector wages will be held in check while increases in the minimum wage will be capped. At the same time, “expenditure restraint will be exercised through the suspension of” (what

⁵⁰ Interview with Reza Moghadam: Ukraine Unveils Reform Program with IMF Support, IMF Survey, April 30, 2014.

the IMF calls) “unaffordable wage and pension increases planned by the previous” (Yanukovych) “government, public employment reduction...and rationalization of social assistance spending.” So far this is shaping up to mean that “24,000 state workers and 80,000 police officers nationwide” are set to be laid off,⁵¹ with more austerity to follow. And while public expenditures are being reined in—in the interests of creating an improved business environment—tax revenues will be hiked, not through increases in corporate taxes and income tax, but on regressive consumption taxes, which fall most heavily on those with the lowest incomes. The wealthy will be spared the burden of contributing to state coffers by measures to “facilitate value-added tax refunds for businesses.” And while ordinary Ukrainians are being squeezed to give more to businesses and investors, a new procurement law will be adopted to deny domestic firms preferential treatment in the awarding of government contracts. North American and European firms will be the principal beneficiaries.

The new government’s principals, explains the IMF, “believe there is a window of opportunity for bold and ambitious reforms in order to transform Ukraine” into “a vibrant business environment.” Petro Poroshenko, an ultra-wealthy business owner and the new president, announced that “We will do the absolutely unique transformation of our country...with a very good investment climate...with all the necessary things to attract business.”⁵² Leading the transformation is the new finance minister, Natalie Jaresko, the CEO of a private equity fund, who, as a US citizen, once worked for the US State Department representing US business interests in Ukraine. She was given Ukraine citizenship by Poroshenko, an attempt to conceal what is in effect a US corporate elite takeover of the country.

VIII. Kosovo: Privatizing the Economy

NATO’s 1999 78-day campaign of bombing the former Yugoslavia was professedly undertaken to bring an end to the alleged oppression of ethnic Albanian residents of the then Serb province of Kosovo and to prevent what was said to be a genocide planned against them by the government of Slobodan Milosevic. However, while these were the ostensible reasons for the intervention, the behaviour of NATO forces, and subsequent events, have called into question whether these were the alliance’s true motivations, and whether they were simply professed reasons, offered for public relations purposes.

It is now clear that stories of Serb forces slaughtering tens of thousands of ethnic Albanians and disposing of their corpses deep within the Trepca mines were deceptions. The charge sheet against Slobodan Milosevic, who was tried by an ad hoc tribunal set up and controlled by the principal intervening countries, numbered only 391 deaths (well below genocide levels), and all of the crimes of which he was charged were committed *after* NATO began its bombing campaign.⁵³ Milosevic’s alleged crimes could not, therefore, have been the real reason for the intervention. When the bombing

⁵¹ Anthony Faiola, “In Ukraine, a crisis of bullets and economics,” *The Washington Post*, April 16, 2014.

⁵² David M. Herszenhorn, “Pro-European businessman claims victory in Ukraine presidential vote”, *The New York Times*, May 25, 2014.

⁵³ Michael Parenti. **To Kill A Nation: The Attack On Yugoslavia**. Verso. 2000. P. 186.

campaign was brought to a close after two and a half months, forensic pathologists rushed to the purported killing fields of Kosovo to unearth the tens of thousands of corpses NATO officials assured the world would be scattered throughout the territory. What they found was consistent with a low-intensity civil war, not a campaign of genocide. About two thousand bodies were uncovered, some Albanians, others Serbs. Realizing they had been played for fools, many pathologists left in disgust.

While imperialist military interventions may be undertaken for a variety of claimed reasons, some or all of which the interveners may believe to be true, the interventions almost invariably have the consequence of expanding the interveners' sphere of exploitation. This is no less true of NATO's 1999 intervention. At the time, three-quarters of Yugoslavia's economy was publically owned and President Milosevic was denounced by the U.S. foreign policy elite for his "commitment to orthodox socialism" and "public ownership of the means of production...as the best guarantee for prosperity."⁵⁴ It is a matter of some importance that Milosevic, a communist, led a party that took the name socialist, that the party was the successor to Yugoslavia's communist party, and that its policies were of the sort that state officials in Western countries would consider socialist and certainly not friendly to free-enterprise.

The pretext NATO ultimately used for its military intervention was Milosevic's rejection of the Rambouillet ultimatum. This ultimatum set out various conditions the Milosevic government would have to accept to avoid war, most of which it was willing to accede to. But there were some conditions that would represent such a flagrant violation of the country's sovereignty that they were likely introduced with the express purpose of eliciting a rejection and thereby handing NATO a justification to intervene militarily. The offending conditions effectively allowed NATO forces free run of the country, in effect, a military occupation. Milosevic rejected the conditions, and NATO warplanes almost immediately went into action. But there were curious elements of the ultimatum, little remarked upon in the mainstream media, which revealed NATO's true motivations. One was that the bountiful Trepca mines, worth at least \$5 billion, would be removed from public ownership and placed in the hands of private investors. The other was that the Kosovo economy would be made-over to work in accordance with "free market principles."⁵⁵

Milosevic was eventually dragged before an ad hoc criminal tribunal established by the main powers that tried to force him to step down. Asked by Canadian lawyer Christopher Black why he thought he had been brought up on charges by the tribunal, Milosevic said there were two reasons. He was a communist. And he told the Americans to go fuck themselves.⁵⁶

After the ousting of Milosevic in September 2000, a government led by a party that been created with the heavy involvement of the US State Department, embarked on a program of dismantling the

⁵⁴ Michael Parenti, "The Demonization of Slobodan Milosevic," December 2003, Michael Parenti Political Archive, <http://www.michaelparenti.org/Milosevic.html>

⁵⁵ Michael Parenti. **To Kill A Nation: The Attack On Yugoslavia**. Verso. 2000. pp. 110-111.

⁵⁶ <https://www.youtube.com/watch?v=iEYWSBZ1C7w>

country's socialism, removing trade tariffs and subsidies and privatizing publically-owned enterprises, including telecommunications and small- and medium-size firms. Today, The Wall Street Journal and Heritage Foundation laud Serbia's low, flat tax rates and "flexible employment regulations" which allow employers to dismiss employees easily and inexpensively. Foreign investment is no longer screened, most sectors of the economy are open to foreign investment, and domestic firms are expected to compete against larger foreign firms without assistance from the state. The rate of unemployment is high and household incomes are stagnant. Because IMF conditions prohibit the government from using fiscal policy to stimulate the economy and the government's commitment to low-inflation has removed monetary policy as an option for doing so, the Serb economy is stagnant.⁵⁷

As for Kosovo, it has been broken off from Serbia, and is run now as what amounts to a NATO colony, and home to a large U.S. military base, Camp Bondsteel. The country's prime minister, Hashim Thaci, was the political leader of the Kosovo Liberation Army (KLA). At the time of the NATO intervention, it was pointed out that the KLA was a criminal organization as much as it was a guerrilla outfit. The guerrillas were said to be involved in drugs and prostitution. An inquiry carried out by the Council of Europe in 2010 found these allegations to be true.⁵⁸

While it cannot be said with complete certainty that the transfer of publically-owned enterprises into the hands of private investors would not have happened had NATO not intervened militarily, it seems very likely that the process has at least been accelerated as a consequence. Western powers may have found other ways to hurry Milosevic and his successors along the path to dismantling Yugoslavia's socialism, but it is clear that the successor government, which NATO powers largely created and supported, was committed to a capitalist make-over of Yugoslavia.

IX. Afghanistan: Investment Opportunities in Pipelines and Natural Resources

The U.S. military intervention in Afghanistan in late 2001 followed upon and was in direct response to the September 11 attacks on the World Trade Center and the Pentagon. The 9/11 attacks were planned and carried out by mainly Saudi nationals, but Afghanistan was the home base of al-Qaeda, the organization led by Saudi-born Osama Bin Laden. The group seeks to bring the historically Islamic regions of Northern Africa and Western and Central Asia under Islamist political control, by liberating these regions from: Zionism in historic Palestine; Western military bases; and Arab puppet governments of the United States. With a goal so utterly inimical to U.S. domination of the Middle East, it is no surprise that al-Qaeda has provoked the fierce enmity of the United States. The organization was founded on the belief that if Mujahedeen guerrillas could drive the Soviet Union from Afghanistan, then

⁵⁷ 2001 Index of Economic Freedom; CIA World Factbook.

⁵⁸ Doreen Carvajal and Marlise Simons, "Report names Kosovo leader as crime boss", The New York Times, December 15, 2010.

committed Islamist “freedom fighters” can drive the United States, and its Zionist protégée—what al-Qaeda calls the Crusaders and the Jews—from Islam’s traditional territory.

Western military interventions are often accompanied at home by a program of demonization in which hatred is whipped up against a single individual. These wars, in the way they are sold to the public, are understood to be carried out against singularly evil men and never against whole populations. Bin Laden, with his long beard and swarthy complexion, looked to Westerners the perfect spit of Satan, though his Semitic features bore a closer resemblance to what Jesus Christ might have looked like than does the blond-haired, blue-eyed depiction favored in Europe and the Americas. U.S. president George W. Bush made sure that U.S. citizens understood that Bin Laden hated them and “their freedoms.” (What Bin Laden really hated was the presence of U.S. troops, puppet governments and Zionist settlers in the Middle East.) Yet only two decades earlier, at a time Bin Laden was helping the United States mire the Soviet Union in the USSR’s “own Vietnam,” the future al-Qaeda leader and his Mujahedeen comrades were lauded by U.S. state officials and newspaper editorial writers as “freedom fighters,” and not hated as enemies of “America’s freedoms,” as many of them were to become when they turned against their temporary ally of convenience.

Pinning blame for the 9/11 attacks on Bin Laden, Washington demanded that he be handed over to the United States. The fundamentalist Muslim rulers of the country, the Taliban, were agreeable, or said they were, so long as the United States could provide evidence that Bin Laden was behind the attacks. Washington refused, either because it had no evidence, or because it did not want to establish the principle that a Third World country could establish conditions for complying with U.S. demands, or both. In any event, when the Taliban failed to yield to Washington’s ukase, the Pentagon went into action, subjecting Afghanistan to a fierce bombing campaign and ground invasion. The proffered reasons for the intervention regularly shifted. All had a necessary surface plausibility, but none stood up to scrutiny. At first, the capture of Bin Laden was said to be the aim of the intervention, but with the Qaeda leader’s summary execution by U.S. Navy Seals, the fact that the NATO mission in Afghanistan continued exposed the reason as false. Another aim was said to be the denial of a “safe haven” from which al-Qaeda could operate, but the movement can operate anywhere and planning for the organization’s operations had often taken place outside of Afghanistan.

The promotion of democracy and protection of women’s rights were sometimes said to be the intervention’s goals, but Washington’s unflagging support of absolute monarchies, chief among them Saudi Arabia’s, called this into question. An extreme form of misogyny is practiced in Saudi Arabia. The country is the only place in the world where women are not allowed to drive automobiles. And the lives of women are subjected to severe restrictions and indignities. Yet, the United States remains on excellent terms with the Saudi monarchy, and has no intention of intervening in the country militarily or otherwise to topple its monarchical dictatorship or to liberate women from its misogynistic backwardness. Indeed, far from threatening Saudi Arabia militarily, the United States dotes on the country’s crowned dictators. This is so because Saudi Arabia holds many attractions for the West’s corporate elite. It provides the shareholders of Western oil concerns access to a fabulous source of wealth, and uses royalties paid to it by Western oil companies to buy weapons from Western arms manufacturers and to send money to Western investment banks. In return, Western powers support the

Saudi monarchy, protecting it from internal and external threats. This symbiotic relationship between wealthy Western investors and wealthy Saudi despots is immune to concerns about democracy and human rights, which need not prevail in Saudi Arabia so long as the country remains a source of magnificent profits.

It may be, however, that while the intentions of U.S. state officials in intervening militarily in Afghanistan were based on no lofty considerations that all the same, some progressive outcomes have been brought about. For example, it could be said that the representative democracy Washington has imposed on Afghanistan is an advance over the preceding obscurantist rule of the Mullahs. However, while this may be so, we should not exaggerate the degree to which it is an advance. It is clear from the punishment the United States, the European Union, Israel and some Arab satellites of Washington have meted out to Palestinians in the form of an initial financial blockade and continuing physical blockade of the Gaza Strip for the 2006 election of Hamas, that the United States is only prepared to accept a multi-party democracy that produces outcomes it deems acceptable. Time and again, when an election abroad has either produced an outcome not to Washington's liking, or has threatened to do so, Washington has deployed a series of manoeuvres to steer foreign voters along a path more acceptable to the United States, and where that has failed, has sought to overturn the outcome of the election itself. The U.S.-engineered coup against Chile's president Salvador Allende on the other 9/11, the one in 1973, was a manifestation of this imperialist tendency, as was interference in post WWII Western European elections with the aim of blocking Communist electoral victories. Letting it be known that the *contra* guerillas would continue their counter-revolutionary war in Nicaragua if Nicaraguans voted for the Sandinistas, is another example of Washington subverting in other countries the exercise of the electoral democracy it claims (insincerely) to hold dear.

Even Afghanistan's president, Hamid Karzai, whose accession to power owes everything to the U.S.-led intervention in Afghanistan, could not long conceal the intervention's true nature. The countries that comprise the coalition cobbled together by the United States to dominate Afghanistan are "here for their own purposes, for their own goals, and they're using our soil for that,"⁵⁹ complained Karzai. The U.S. ambassador, Karl Eikenberry, fired back that U.S. citizens do not like to "hear themselves compared with occupiers, told that they are only here to advance their own interest and likened to brutal enemies of the Afghan people."⁶⁰ Significantly, Eikenberry did not contest Karzai's claim that NATO powers are occupying Afghanistan to further their own interests. He only noted that U.S. citizens do not like to be told so. At his valedictory address, on the eve of stepping down from power, Karzai complained that the intervention of Western countries in Afghanistan was driven by "their personal interest—the Western

⁵⁹ Ray Rivera and Ginger Thompson, "U.S. ambassador responds to Karzai's criticisms", The New York Times, June 19, 2011.

⁶⁰ Ibid.

countries and the United States had their personal goal.” The war in his country, he objected, was “for the personal interest of the foreign policies of others.”⁶¹

It is certainly true that the United States and its NATO underlings are in Afghanistan to pursue their own interests, and only the weakly naive would believe that vast sums of money have been spent for selfless and humanitarian reasons. More realistically, if foreign policy is overwhelmingly influenced by the profit-making interests of bankers, investors and corporations, it might be expected that the agenda pursued by NATO in Afghanistan has some connection, even if distant, to profit-making. There are a good many reasons to believe it has.

First, Washington’s claim can be accepted at face value that one of its reasons for invading Afghanistan and leading a war against the Taliban has been to weaken al-Qaeda. Some have argued that al-Qaeda is simply a pretext Washington has used to occupy Afghanistan, but it must be recalled that the Islamist organization is dedicated to thwarting a principal U.S. foreign policy goal: domination of the Middle East. It is not unreasonable to expect that Washington would use military force to counter this threat, considering that the Middle East is a rich source of profits for U.S. investors and businesses.

No matter how much al-Qaeda’s program is dressed up in religious language, at root, it is anti-imperialist, in the sense of struggling against political domination from without. In Bin Laden’s view, the United States is an enemy because it “...has been occupying the lands of Islam in the holiest of places, the Arabian Peninsula, plundering its riches, dictating to its rulers, humiliating its people, terrorising its neighbours, and turning its bases in the Peninsula into a spearhead through which to fight the neighboring Muslim peoples.”⁶² As Pape has noted “...every suicide campaign...has had as a major objective—or as its central objective—coercing a foreign government that has military forces in what they see as their homeland to take those forces out.”⁶³ In other words, al-Qaeda works to topple the United States from its position of ascendancy in the Middle East.

Second, Afghanistan is a potential source of vast profits for mining, pipeline and oil companies. U.S. officials estimate that there are \$1 trillion to \$3 trillion in untapped mineral deposits in Afghanistan, including gold, iron, uranium, copper, coal, coltan (used in the manufacture of cell phones and computers), marble, gemstones, rare earths and niobium (a soft metal used in producing superconducting steel.) Afghanistan could eventually become one of the most significant mining centers in the world and a source of vast profits for Western mining companies.⁶⁴ On top of its vast mineral

⁶¹ Rod Nordland, “In farewell speech, Karzai calls American mission in Afghanistan a betrayal,” The New York Times, September 23, 2014

⁶² Robert A. Pape, “The Strategic Logic of Suicide Terrorism”, American Political Science Review, Vol. 97, No.3, August 2003.

⁶³ Ibid.

⁶⁴ Socialist Project, E-Bulletin, No. 113, June 14, 2008; Joshua Partlow, “Afghan minister accused of taking bribes,”

deposits, Afghanistan also has enough oil to meet its own needs with enough left over for export.⁶⁵ Plus, the country could become a pipeline route for pumping the vast petroleum resources of the Caspian basin to port for shipment to Western Europe, bypassing Russian pipelines.⁶⁶ It is important to Western investors and mining, oil and pipeline companies that a stable and secure environment be created to allow them to take advantage of Afghanistan's rich opportunities. Achieving this end means eliminating the disruptive force of al-Qaeda and bringing a trustworthy local ruler to power who is prepared to open his country to exploitation by Western capital.

Third, control of Afghanistan allows the United States to tighten its circle around Iran. Iran is charting an independent course that denies Western investors, banks and corporations a number of investment and export opportunities and accordingly is on the U.S. radar for regime change. With the U.S. Fifth Fleet headquartered in Bahrain and the United States maintaining other military bases in Kuwait, Qatar and the United Arab Emirates, directly facing Iran across the Persian Gulf, a U.S.-led military presence in Afghanistan to the immediate east, means that Iran is surrounded by hostile forces on two sides. Hence, military intervention in Afghanistan offers the West a way of tightening its circle around Iran—and enclosure contributes to the project of ousting an economically nationalist government that limits U.S. free enterprise and rejects free trade.⁶⁷

Fourth, Afghanistan offers a captive market for sales of U.S. arms. From 2005 through 2008 alone Washington agreed to buy more than \$10 billion in arms from U.S. arms manufacturers for Afghanistan.⁶⁸

The Washington Post, November 17, 2009; James Risen, "U.S. identifies vast riches of minerals in Afghanistan", The New York Times, June 12, 2010; James Risen, "World's mining companies covet Afghan riches", The New York Times, June 17, 2010.

⁶⁵ Ernesto Londono, "Cautious optimism as Afghan oil starts pumping", The Washington Post, December 14, 2010.

⁶⁶ "One of our goals is to stabilize Afghanistan, so it can become a conduit and a hub between South and Central Asia so that energy can flow to the south ...", said Richard Boucher, Assistant Secretary of State for South and Central Asian Affairs in 2007. Talk at the Paul H. Nitze School for Advanced International Studies, Washington, DC, September 20, 2007, cited in William Blum, The Anti-Empire Report, December 9, 2009.

⁶⁷ As an example of the opportunities that Iran's nationalist policies deny investors and corporations of rich countries, consider the country's automobile industry. It operates behind steep tariff walls which allow two domestic firms to absorb 97 percent of all automobile sales in the country. Sales reached 1.6 million units last year. ("Iranian car lines keep rolling despite sanctions", Reuters, June 29, 2011.) Were Iran's doors pried open, U.S., European and East Asian automobile manufacturers could add handsomely to their bottom lines.

⁶⁸ The New York Times, September 13, 2008.

X. The Military-Industrial Complex, Foreign Aid, and Marionettes

The Military-Industrial Complex

Force isn't the only instrument of foreign policy, but it is often used, and there are two reasons that recommend its use to rich countries. First, force, or even the threat of it, especially when exercised against weak countries, can be an effective means of coercion. But the second, less obvious point, is that the production of the equipment that militaries use to intervene in other countries—warships, warplanes, tanks, missiles, and so on—is a significant source of profits. There are, then, compelling profit-making reasons, apart from the usefulness of militaries to secure investment and export opportunities, to maintain militaries far beyond what is necessary for self-defense, and to deploy armed force unnecessarily, for reasons unrelated to protection from genuine external threats, in order to create a demand for more weapons and opportunities for the accumulation of more profits. Already, we've seen how former high-ranking military officers with connections to the weapons industry pose as authoritative, neutral, military analysts, with the aim of mobilizing public support for increased military spending and new wars—and we've seen how this is done with the collusion of the mass media.

One justification for inflated spending on arms is provided by the dishonest amplification of minor threats into major and imminent ones. For example, the threat posed by Saddam Hussein's Iraq to the United States and Britain was, in reality, vanishingly small, but it was distorted by the executive branch of these two countries to build Iraq and its leader into significant threats that had to be eliminated by military means. Seven years after the 2003 invasion of Iraq, the director general of Britain's domestic intelligence agency at the time of the invasion, Lady Manningham-Buller, confessed that Iraq had posed little danger, and that the invasion itself created a threat by radicalizing Muslims.⁶⁹

Similarly, no end of effort has been exerted to build the DPRK, a small country with a tiny military budget, into a dire military threat. What little threat the DPRK poses to the United States and the Western world is entirely a reaction to Washington's own sabre-rattling. The DPRK would almost certainly never have embarked on the development of nuclear weapons had the United States not first targeted its own nuclear missiles on it. Washington's virtual declaration of war on the east Asian country in designating it part of an axis of evil, along with Iraq and Iran, has only reinforced the DPRK's resolve to build a nuclear arsenal for self-defense.

George F. Kennan, who had served as the U.S. ambassador to the Soviet Union, wrote in 1987 that, "Were the Soviet Union to sink tomorrow under the waters of the ocean, the American military industrial complex would have to remain substantially unchanged until some other adversary could be

⁶⁹ Sarah Lyall, "Ex-Official says Afghan and Iraq wars increased threats to Britain", The New York Times, July 20, 2010.

invented. Anything else would be an unacceptable shock to the American economy.”⁷⁰ Kennan’s prediction that some other adversary would need to be invented was borne out when, following the collapse of the Soviet Union, the top U.S. military official at the time, Colin Powell, complained that “I’m running out of demons. I’m running out of villains. I’m down to (then Cuban president Fidel) Castro and (then DPRK leader) Kim Il-sung.”⁷¹

I would amend Kennan’s observation to say that the absence of a threat to be used as a pretext for unnecessary military spending would be an unacceptable shock to the *profit-making interests* of the owners and high-level executives of the weapons industry, and not to the American economy *per se*. It is entirely possible to conceive of an economy that does not depend on military expenditures. But inasmuch as the key figures in the weapons industry belong to a dominant social upper class based in the corporate community, and considering the corporate elite’s enormous influence over public policy, significant reductions in military spending are not in the cards. New threats are regularly invented and small threats frequently magnified to mobilize public support for a robust program of military expenditures to support the profit-making requirements of the owners and high-level executives of arms companies. Colin Powell may have been down to Kim Il-sung and Castro as demons, but the pool of villains was quickly filled with Slobodan Milosevic, Saddam Hussein, Muamar Gaddafi, Bashar al-Assad, Kim Jong-il and Kim Jong-un, the Taliban, and so on.

Another way in which large military budgets have been justified is by invoking the spectre of threats to “our” interests abroad as the reason budgets large enough to station troops and military hardware throughout the world need to be maintained. The phrase “our interests” is used by government officials and journalists to suggest that the interests are national ones. Consider that the decision of the Zimbabwe government to expropriate farmland acquired illegitimately by European settlers, and to do so without compensation, is characterized by the U.S. government as a threat to the foreign policy of the United States. The expropriation of farmland in a sub-Saharan African country can hardly be a threat to the vast majority of U.S. citizens, an infinitesimal fraction of whom, if even that small number, owns farmland in Zimbabwe. Nor is it a threat to the physical safety of anyone in the United States. All the same, it is deemed formally by Washington to threaten the United States as a whole, and is the justification for the actions of representatives of the United States on world banks to deny credit to the government in Harare.

Who, however, is really threatened by Zimbabwe’s attempt to redress the historical iniquities of colonialism? Whether expropriation of productive property is a threat depends on whether one has any, and inasmuch as the bulk of people in rich countries do not, expropriation stands as a threat only to those who do—and those who do are business owners. For capitalists, the principle of expropriation is

⁷⁰ James Bisset, “NATO at the heart of a new Cold War, says former Ambassador,” *The Ottawa Citizen*, September 9, 2014.

⁷¹ Quoted in Carl Kaysen, Robert S. McNamara and George W. Rathjens, “Nuclear weapons after the Cold War,” *Foreign Affairs*, Fall 1991.

intolerable, and without compensation much more so. That a government should be able to get away with so blatant an affront to the principle that private productive property must never be expropriated is not a development that a state dominated by the owners and managers of private productive property is prepared to accept. Consequently, Washington declares the actions of the Zimbabwe government to constitute a threat to the United States and vilifies Zimbabwe's leadership and squeezes Zimbabwe economically to force it to recant.

Foreign Aid

Military intervention is not the only way rich countries seek to expand opportunities in poor countries for their high-level owners and managers of capital. Establishing conditions for loans and foreign aid that profit the creditor country's bankers, investors and corporations has long been used as a means of securing investment opportunities and new markets for the creditor country's capitalist class. While misunderstood as a hand-out to the poor, foreign aid is often used as a method of expanding markets abroad. Poor countries receive loans to buy goods and services which must be purchased from the creditor country's businesses. The creditor insists on being re-paid in full with interest, while its corporations reap the bounty of increased sales. Foreign assistance, then, is not a hand-out to poor countries, but a hand-out to high-level executives and shareholders of corporations. It is corporate welfare. The effect in the country that receives the aid is to stifle the development of its local industry. George W. Bush's strategy to combat AIDS in Africa involved \$5 billion in loans to African countries to purchase drugs from U.S. pharmaceutical concerns, rather than from generic drug manufacturers closer to home. The benefits accrued to U.S. pharmaceutical companies, not African ones.

Foreign aid is also made contingent on the recipient country adopting economic policies that benefit the corporate community of the creditor country. The recipient country is asked to remove barriers to foreign investment and to make its economy "competitive", which is to say congenial to the interests of investors at the expense of workers, who are expected to accept lower wages, less secure working conditions, cuts in social programs and benefits, and higher personal and consumption taxes, in order to fatten the bottom lines of corporations

Marionettes

Another way in which rich countries seek to expand opportunities in poor countries for their investors, bankers and corporations is to install a local ruler in power and provide him the security apparatus and diplomatic and other support he needs to govern. These are, in the words of one song, "local bottom feeders."⁷² In exchange, the protégé runs his country as a sphere of exploitation for his backers' bankers, investors and corporations. He removes barriers to trade, lifts restrictions on foreign investment, keeps corporate taxes low, ensures low-wage labor is available for exploitation, cooperates

⁷² Bruce Cockburn, "Call it Democracy". <https://www.youtube.com/watch?v=68zccrskOqQ>

militarily with his imperialist masters, and becomes a client of the Western arms industry. There are more than a few such protégés of Washington, many of them Arab tyrannies.

Similarly, talented people from poor countries receive incentives to study at universities in wealthy countries, where they are instilled with a world-view that favors corporate and investor interests. Talented people are thus drained from poor countries or, in other cases, return to their home countries to take up important positions in government and the state—sometimes after careers in the World Bank and IMF. Their Western educations equip them with an ideological orientation which inclines them to sympathy with Western corporate values and interests.

XI. How Foreign Policy Hurts Workers

The goal of the foreign policy of rich countries is to coerce poor countries into maintaining or creating accommodating climates for the pursuit of profit-making activities by the owners and high-level executives of major corporations. Profit-making is, in the first instance, hostile to the interests of workers, since what goes to profits does not go to workers. The owners of corporations incessantly pressure high-level executives to be unflagging in their pursuit of opportunities to minimize the share of production allocated to workers in order to maximize the share directed to shareholders. Owners are equally insistent that their high-level managers pursue every opportunity to minimize the share of revenue that goes to taxes, a pursuit whose only outcome, if successful, must mean higher taxes for workers or degraded public services or both. For wealthy corporate owners and high-level executives the degradation of public services is a matter of little moment since their generous incomes offer private alternatives. An inferior public transportation system, clogged highways, long waits for medical service, and underfunded public schools, hardly matter to people who move about in private helicopters, are attended to immediately by doctors in private clinics, and send their children to expensive private schools. Since the enlargement of the interests of the corporate elite depends on opposing the interests of workers, and workers' gains can have substantial negative consequences for profits, the interests of the two groups are at variance. There is, in short, a class war.

Part of the politics of the corporate elite is to deny the existence of a class war and indeed to deny the existence of classes altogether. Members of the upper class prefer that people (themselves excepted) develop identities based on affinities with race, gender, religion, linguistic community, occupation, region, their country—anything but class. Identifying as a member of a class is a necessary condition of recognizing the existence of a class war, and that the interests of the contending class are inimical to one's own. Members of upper classes are typically conscious of their membership in a class, and that their privileges and wealth depend on the exploitation of others. While class normally remains a dirty secret that the upper class keeps to itself, occasionally, one of its members gives the game away. Warren Buffet, the billionaire chairman, CEO and largest shareholder of the holding company Berkshire

Hathaway—which has interests in a who’s who of U.S. corporations—famously remarked that, “There’s class warfare all right, but it’s my class, the rich class, that’s making war, and we’re winning⁷³.”

It may be objected that while the interests of capital and labor are mutually hostile, there also exists a complementarity of interests between the two classes. For example, higher wages may result in an increase in demand for goods and services, with a resultant growth in profits. Similarly, laws governing industrial relations which establish agreed-upon methods of resolving industrial disputes can be seen as promoting the interests of both workers and owners by reducing industrial strife and thereby safeguarding the tranquil digestion of wages by workers and the tranquil digestion of profits by owners. While this is true, it does not in any way deny the reality that the interests of the two groups remain in conflict, that “there’s a class war, all right,” as Buffet put it, and that mutually beneficial arrangements between the classes are only temporary truces in an ongoing struggle. While collective bargaining as a means of routinizing industrial relations may be mutually beneficial for labor and capital, it does not mean that when labor and capital sit down at the bargaining table that their interests are complementary. Were this so, there would be no need to bargain.

Moreover, it is important to recognize that the private ownership of productive assets is neither inevitable nor necessary. Enterprises can be owned collectively, by their workers, or by all of us jointly, in which case earnings are not shared out between workers and an elite of owners, but are distributed wholly to the workers or the public, and the existence of a struggle between the competing interests of capital and labor disappears. Workers, therefore, must struggle against the hostile interests of owners within the system, but the struggle is entirely a function of the existence of the system itself. Under an alternative system of collective ownership, no such struggle exists. In other words, a class war presupposes the existence of classes, and the only reason classes exist is because the economy is owned privately, not collectively. Absent private ownership, classes, and class war, go away.

Foreign policy is as much a part of the class war as economic policy and industrial relations are. Formulated in the interests of investors and high-level executives by a social upper class based in the corporate community, the foreign policy of rich countries seeks to secure advantages for bankers, investors and corporate titans, not workers. On the contrary, whatever benefits accrue to workers, if any, are incidental, not intended, and are simply collateral products of the pursuit of corporate owner and executive profit-making interests. For example, coercing foreign countries to reduce tariffs and cut subsidies to local firms could benefit Western workers by opening new markets abroad, but it’s doubtful that the aim of opening new markets in other lands has anything to do with a desire to strengthen employment opportunities for workers in the West. In point of fact, the corporate community would prefer that Western workers remain menaced by employment insecurity to keep them pliant and willing to work for as little as possible. On the other side, the consequences for a poor country forced to abandon a policy of government-aided industrial development might very well be continued poverty. And continued poverty means desperate people willing to take jobs at extremely low levels of pay in

⁷³ Ben Stein, “In class warfare, guess which class is winning,” *The New York Times*, November 26, 2006.

competition with Western workers whose wage demands (in the language of the corporate community) become unsustainable against the low-wage opportunities available in poor countries. With this comes pressure, through global competition for jobs, on Western workers to expect less and accept less.

An important aim of the foreign policy of rich countries is to intensify the competition of worker against worker, by expanding the pool of labor available to capital on a global scale. The collapse of communism in Eastern Europe, China's opening of its labor markets to foreign investment, and the abandonment of industrial development policies in India, flooded the global labor market with hundreds of millions of workers, who are now available to work for Western corporations, or their contractors, at low wages in competition with workers in North America, Western Europe and Japan. Western corporations play off workers in the newly open, low-wage, labor markets of Eastern Europe and Asia against workers in Western countries. Production facilities are relocated abroad, and workers in the West accept lower wages, meaner benefits, and more precarious working conditions, to keep the jobs that weren't moved to off-shore locations from following those that were. A larger pool of labor and access to low-wage workers at a global level has obvious benefits for business owners and high-level executives of Western business interests, including those that operate strictly within the West, since displacement of Western workers from enterprises that move operations to the global south simply swells the pool of labor available for jobs that remain in the global north, with a concomitant downward pressure on wages in the global north and reduction in labour's bargaining power.

Divide and Rule

The strategy of divide and rule has long been used by ruling classes to deepen fissures among those they dominate to prevent peoples or classes from unifying in opposition to their rulers. If workers, or people under rule by a foreign power, can be encouraged to fight among themselves, they won't fight against their common enemy. Failing that, if their attention can be focused on what sets them apart rather than on what binds them together, they can be prevented from perceiving their common interests and coming together in pursuit of them.

The strategy of divide and rule works at multiple levels to undermine solidarity among people linked by common interests. For example, occupational divisions and gradations in income and prestige inhibit the formation of the awareness of common interests among workers as a class. Despite the reality that they belong to the working class, white collar workers have long considered themselves to be outside, and above, the working class. Supervisory employees are likely to see themselves as set apart from other workers, and as representatives of management and business owners, and therefore to identify with a class to which they do not belong. Workers with higher level incomes and better than average job security often identify with those who share their elite status, seeing little in common with less handsomely paid workers.

Worse, many members of the working class do not self-identify as workers. Indeed, it could be argued that many people do not self-identify as members of any group, except perhaps, at very high levels of aggregation, such as Americans, for example. Others may see themselves as sharing interests in

common with people who have similar jobs, but not with the larger category of people who depend principally or solely on employment income for their livelihood.

An encouraging counter-development to atomization is the concept, which emerged from the Occupy movement, of the top one percent and the bottom 99 percent. To be sure, the thinking that underlies the idea is not explicitly class-based. The bottom 99 percent is not defined as the working class and the top one percent is not called the capitalist class. And we can quibble about whether the elite represents the top 1/10th of one percent, or the top 10 percent, rather than the top one percent, as some people do. But the idea of class lurks within the concept, and importantly, the idea of contention—that an economic elite exists whose interests are hostile to those of the vast mass of people—is strongly present. Equally encouraging is the inclusion of a diverse collection of people with varying levels of income across a vast range of occupations under a single label, the bottom 99 percent. This suggests that despite the multiple divisions within the working class that the idea that there is a class which comprises the bulk of people is intuitively grasped.

Divide and rule can also be used to create barriers to unity by pitting workers in one enterprise against workers in another. The employees of one company may be told they need to make concessions because the employees of a competing company are paid less or have less generous benefits or less attractive working conditions, and that the company cannot remain competitive unless concessions are made. The same happens on an international scale, when workers in country A are forced to compete with workers in country B for access to jobs. At the national level, such agencies as the IMF and World Bank which manage the global capitalist economy can offer advice to governments on how to make their economies more “competitive”—code for making them more attractive to the owners and high-level executives of corporations. The inevitable outcome of this process of intensifying competition is, for workers at one end, a race to the bottom, and for the corporate community at the other, a vast expansion in wealth.

Pitting the unemployed against the employed is another form of divide and rule. A labor surplus and numerous unemployed suit the interests of the corporate community (though obviously not those of workers.) Governments use fiscal, monetary, and immigration policy to manage the supply of labor, building sufficient slack into the labor market to create enough unemployment to discipline those who hold jobs. For example, central banks manage the supply of money to influence the rate of economic growth and hence the rate of unemployment. Monetary policy is nowadays tasked with keeping inflation low, and does so by tamping down growth when necessary to prevent the economy from overheating. The effect is to drive up the number of jobseekers—that is, to deliberately create unemployment, to protect the wealthy from the erosive effects of inflation on their assets. On fiscal policy, governments can scale back their expenditures, or raise taxes, to achieve the same effect. Additionally, immigration policy is used to regulate the flow of labor into the country, and therefore to manipulate the supply of workers, always ensuring there are more workers than jobs available. It suits business owners to have enough unemployment to maintain strong downward pressure on wages and to keep workers ductile enough to accept their wages and working conditions but not so much unemployment as to destabilize the society and galvanize workers to change the system.

To avoid unemployment, workers are compelled to toe the line and accept the little they're offered. Foreign policy is used to the same end. Other countries are coerced to open their labor markets to Western investors. Workers in the West, as a consequence, are further disciplined by an army of workers abroad who are available to take their jobs.

Countries that exercise political domination and control over other countries regularly deepen existing cleavages within the subordinate countries' population to prevent the latter's citizens from identifying themselves as members of dominated countries, and therefore, possibly acting in unison to throw off their oppressors. Various means are used to encourage identification along whatever sub-national lines are available: in Iraq, for example, as Arabs versus Kurds, Shiite versus Sunni, Muslim versus Christian. Political parties organized along religious or ethnic lines are often created to deepen sectarian divisions, preventing oppressed people from coming together as a nation, and exploited people from coming together as a class. Today, political parties in Iraq are largely divided along sectarian lines. But until the 1970s, they were divided along policy and class lines. The largest political party in Iraq from the 1940s to the 1970s was the communist party. The party's membership cut across religious, ethnic and sectarian divisions and included Arabs and Kurds, Christians and Muslims, Sunnis and Shiites⁷⁴.

Additionally, positions in the state are often assigned to members of various ethnic, religious or other groups by a constitutionally defined formula. For example, a constitution might require that the office of president be occupied by a Christian, that the prime minister be a Sunni Muslim, and that the post of parliamentary speaker be given to a Shia Muslim. Codification of cleavages within a society is a centrifugal process which fosters the fragmentation of the society into competing groups. The groups often find themselves vying for access to scarce resources and the patronage of an imperial overlord. There is an exact parallel in members of the working class being divided along national and occupational lines and vying with each other for scraps from the table, rather than joining forces to pursue their common interests against their exploitation.

Socializing the Costs, Privatizing the Benefits

Expenditures on weapons and the military have a significant connection to foreign policy. First, force, or its threat, is frequently used to coerce other countries to surrender their independence and control over their economic affairs and foreign policies. Second, external threats are often invented or exaggerated to justify expenditures on weapons and the military, with benefits for the shareholders of weapons manufacturers. In both cases, military expenditures exceed what is necessary for self-defense. In the first case, military spending is used to support the imperialist aims of the rich countries—namely, securing economic benefits for the owners and high-level executives of corporations that have overseas interests. In the second case, military appropriations are used as corporate welfare for the shareholders of military contractors.

⁷⁴ Sami Ramadani, "The sectarian myth of Iraq", The Guardian, June 16, 2014.

There is no question that the U.S. defense budget is far larger than is necessary for the Pentagon to defend U.S. territory. U.S. military expenditures surpass the combined expenditures of the next 14 highest spenders—China, Russia, the United Kingdom, France, Japan, Saudi Arabia, India, Germany, Brazil, Italy, South Korea, Australia, Canada and Turkey.⁷⁵ Most of these countries are U.S. allies that pose not the slightest danger to the United States. The combined military expenditures of the United States' potential rivals, China and Russia—and they are military rivals only in a remote sense and only because they are large enough that they cannot be easily intimidated militarily—are dwarfed by U.S. spending by more than a factor of three.

The allocation of funds to the military beyond levels necessary for self-defense hurts workers by diverting part of their current or future private or social income to a wealthy elite based in what the former U.S. president Dwight Eisenhower called the “military-industrial complex.” One or the other or both of the following outcomes will happen as a result of this diversion: (1) Taxes will increase, reducing the amount of goods and services workers can purchase out of their private incomes. (2) Public services will be scaled back to make room for military expenditures, reducing the amount of publicly-provided services workers can consume.

Eisenhower warned that,

"Every gun that is made, every warship launched, every rocket fired signifies in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children. This is not a way of life at all in any true sense. Under the clouds of war, it is humanity hanging on a cross of iron."⁷⁶

Well over \$1 trillion dollars was spent by Western governments on military intervention in Afghanistan. This yielded no discernible benefit for working people in the West. The real purpose of the intervention, lying beneath rhetoric about fighting a war on terror, was to install a pro-Western, pro-foreign investment, pro-free-enterprise government in a country that offers a potential cornucopia of profits for mining corporations, pipeline companies, and the petrochemical industry. But even these aims have not been achieved, and may never be. Afghanistan remains in chaos, destabilized by fighting between supporters of the former rulers, the Taliban, and a U.S.-backed government which lacks sufficient legitimacy among the local population to stand on its own without massive political and military support from NATO countries.⁷⁷

⁷⁵ Stockholm International Peace Research Institute, 2012.

⁷⁶ Peters, Gerhard. "Dwight D. Eisenhower: 50 - Address "The Chance for Peace". The American Presidency Project. Gerhard Peters - The American Presidency Project. <http://www.presidency.ucsb.edu/ws/?pid=9819#axzz2iR459CFj>

⁷⁷ The Wall Street Journal reports that “the Afghan government and security forces rely on the largess of the U.S. and its allies to survive” (Margherita Stancati and Nathan Hodge, “Karzai’s Afghan legacy rests on fragile unity,” September 28, 2014) and that Western governments provide “billions of dollars in aid that the Afghan government

Similarly, the NATO intervention in Libya has created a failed state and the collapse of civil order. Resource nationalism may have been overthrown in Libya along with its exponent, Muamar Gaddafi, but Libya is in too much of a shambles to be a safe place for the West's corporate elite to invest its lucre, free from the burden of resource nationalism.

Iraq, torn apart by sectarian war, ultimately the consequence of a wholly illegitimate military intervention by the United States and Britain, is similarly in chaos and in no position to disgorge the bonanza of profits the planners of the intervention had hoped for.

The expected downstream benefits of these interventions in new investment opportunities have not materialized. This does not mean, however, that rich rewards have not accrued to the corporate elite. Owing to the U.S.-led "war on terror" wealthy investors with interests in Lockheed-Martin, Northrop Grumman, Boeing, Raytheon, General Dynamics, and other weapons manufacturers have made off like bandits. The profits of the top five weapons companies in the United States rose from \$2.4 billion in 2002, adjusted for inflation, to \$13.4 billion in 2011, a 450 percent increase.⁷⁸ Bloomberg reports that "Led by Lockheed Martin Corp. (LMT), the biggest U.S. defense companies are trading at record prices as shareholders reap rewards from escalating military conflicts around the world."⁷⁹

That section of the corporate elite which has interests in civil engineering corporations has also profited. Bechtel, a giant engineering firm with connections to the U.S. State Department through George Shultz—Shultz had served as the company's president and on its board of directors and also as U.S. Secretary of State under Ronald Reagan, and held other cabinet level positions earlier in his career—has benefited from reconstruction contracts. Bechtel and other Western engineering companies received contracts to rebuild the infrastructure that U.S. bombers and cruise missiles destroyed in Afghanistan and Iraq. By late 2003, Bechtel alone had received over \$1 billion in reconstruction contracts.⁸⁰ A charmed circle was created in which the U.S. government gave taxpayer money to the arms industry to build bombers and missiles to destroy civilian infrastructure in foreign countries, while shelling out money to U.S. engineering firms to rebuild the civilian infrastructure the Pentagon destroyed. As the Pentagon stepped up its preparations for war on Iraq, Shultz led a committee to mobilize public support for the intervention, dishonestly selling a war from which he and Bechtel stood to gain.

and its armed forces need to survive" (Margherita Stancati and Nathan Hodge, "Afghanistan signs security pact with U.S., NATO," , September 30, 2014.)

⁷⁸ Study co-written by Lawrence J. Korb for the Center for American Progress, cited by Walter Pincus in "Excess-profits tax on defense contractors during wartime is long overdue", The Washington Post, December 31, 2012.

⁷⁹ Richard Clough, "Syria-to-Ukraine wars send U.S. defense stocks to records," Bloomberg News, September 25, 2014.

⁸⁰ Kellogg, Brown and Root (Halliburton) received over \$2 billion. Daniel Drezner, "Fables of the reconstruction," slate.com, November 3, 2003.

One implication of military spending in excess of what is necessary for self-defense is dramatically illustrated by the growth of the U.S. public debt. According to World Bank figures, from 1999 U.S. military expenditures steadily increased as a share of national income, rising from 3.0 percent of GDP to 4.7 percent by 2011.⁸¹ By 2011, the Pentagon's budget was "the highest in absolute and in inflation-adjusted, constant (for any year) dollars since 1946, the year after the Second World War ended. Adding non-Pentagon defense-related spending, the total may (have exceeded) \$1 trillion."⁸² The wars on Afghanistan and Iraq had cost over \$1 trillion, "second only in inflation-adjusted dollars to the \$4 trillion price tag for World War II, when the United States put 16 million men and women into uniform and fought on three continents."⁸³ The war on Afghanistan alone was costing \$2 billion a week.⁸⁴ All of this was being paid for with borrowed money, not increased taxes, presumably to avoid over-burdening U.S. taxpayers and provoking anti-war opposition, and to spare corporations the burden of paying for wars that, in reality, were being fought in their interests. This was the first time since the American Revolution that a levy hadn't been raised to pay for war. The arrangement was especially attractive for people with money to lend. Rather than being taxed to cover the cost of military missions abroad, the super-wealthy received interest payments from the government on the money they were lending to finance wars they uniquely benefited from. Many of these same people had financial interests in the arms companies that were enjoying a bonanza of profits from growing military expenditures and in businesses with international operations that could potentially benefit from the profit-making opportunities the wars were intended to open up.

The inevitable consequence of excess military spending was a growth in the ratio of debt to national income. Eventually someone would have to pay, but who? Experts connected to the corporate community deflected attention from out of control military spending, the real cause of the United States' ballooning debt, and focussed it squarely on expenditures on public services, which were identified, erroneously, as the culprit. The prescription, from the corporate elite's point of view—which, as usual, was dishonestly presented as neutral "expert" advice, free from politics and class interest—was obvious: the working class would have to accept reductions in public spending, and accept higher taxes, which, it was argued, there was no point burdening the wealthy with, since there were too few of them to make a difference.⁸⁵

⁸¹ The World Bank, <http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS>

⁸² Thom Shanker and Elisabeth Bumiller, "Weighing Pentagon cuts, Panetta faces deep pressures", *The New York Times*, November 6, 2011.

⁸³ Elisabeth Bumiller, "The war: A trillion can be cheap", *The New York Times*, July 24, 2010.

⁸⁴ David E. Sanger, Eric Schmitt and Thom Shanker, "Steeper pullout is raised as option for Afghanistan", *The New York Times*, June 5, 2011.

⁸⁵ See the analysis of Harvard economist N. Gregory Mankiw, presidential economic policy adviser to George W. Bush, and author of a widely used introductory university economics textbook. N. Gregory Mankiw, "Wishful thinking and middle-class taxes", *The New York Times*, December 29, 2012.

Similarly, Mitt Romney, former governor of Massachusetts, and the 2012 Republican presidential candidate, argued that the United States needed to establish hegemony over the world otherwise the U.S. “economy would be devastated by the disruption of trade routes” and “turmoil in global markets.” To pay for the robust military that was necessary to enforce global hegemony, Romney recommended that spending on domestic programs be curbed so that spending on waging wars could be boosted.⁸⁶ Given that U.S. military expenditures already strained U.S. public finances and were significantly above levels necessary for self-defense, Romney’s recommendations made no sense, except from the point of view of a social upper class based in the corporate community that has interests in weapons manufacturing on top of using military means to pry open economies abroad that are currently unwelcoming to U.S. free enterprise.

The Assault on Substantive Democracy in Korea

Expenditures on the military in excess of what is necessary for self-defense not only hurt workers at home but cripple the economies of countries which the United States and its allies designate as targets for potential military action, forcing these countries to divert substantial resources from economic development into their militaries as a means of self-defense. One example is the DPRK.

The DPRK has long been vilified and condemned by the Western news media as bellicose, provocative and unpredictable. Accordingly, it’s difficult to cut through the fog of vituperation that obscures any kind of dispassionate understanding of the country to grasp that the DPRK represents something praiseworthy: a tradition of struggle against oppression and foreign domination, rooted in the experience of a majority of Koreans dating back to the end of WWII and the period of Japanese colonial rule. This tradition found expression in the Korean People’s Republic, a national government, created by, for, and of Koreans, that was already in place when U.S. troops landed at Inchon in September, 1945. The new government was comprised of leftists who had won the backing of the majority, partly because they had led the struggle against Japan’s colonial occupation, and partly because they promised relief from exploitation by landlords and capitalists. The USSR, which occupied the north of the country until 1948, worked with the KPR in its occupation zone, but the United States suppressed the KPR in the south, worked to exterminate leftist forces in its zone, and backed conservatives reviled by Koreans for their collaboration with the Japanese. By 1948, the peninsula was divided between a northern government led by guerrillas and activists who fought to liberate Korea from Japanese rule, and a southern government led by a US-installed anti-communist backed by conservatives tainted by collaboration with colonial oppression. For the next nearly seven decades, the essential character of the competing regimes has remained the same. Park Geun-hye, the current South Korean president is the daughter of a former president, Park Chung-hee, who came to power in a military coup in 1961. The elder Park had served in the Japanese Imperial Army. Kim Il-sung, grandfather of the DPRK’s current leader, Kim Jong-un, was an important guerrilla leader who, unlike the collaborator Park, fought, rather than served, the Japanese. The DPRK represents the traditions of struggle against foreign domination,

⁸⁶ Mitt Romney, “The need for a mighty U.S. military,” The Washington Post, September 4, 2014.

both political and economic, while the Republic of Korea represents the tradition of submission to and collaboration with a foreign hegemon. Significantly, there are no foreign troops stationed in the DPRK, but are in South Korea. DPR Korean troops have never fought abroad, but South Korea's have, odiously in Vietnam, in return for infusions of mercenary lucre from the United States, and later in Iraq. As regards repression, South Korea's authoritarianism on behalf of rightist causes is long and enduring, typified in the virulently anti-communist National Security Law, which metes out harsh punishment to anyone who so much as publicly utters a kind word about the DPRK. The South Korean police state also blocks access to pro-DPRK websites and imprisons anyone who travels to the DPRK, while the South Korean military bans books, including volumes by Noam Chomsky and heterodox (though pro-capitalist) economist Ha Joon-chang.

Since the Korean War the United States and South Korea have maintained unceasing pressure on the DPRK through subversion, espionage, propaganda, economic warfare and threats of nuclear attack and invasion. It's not a full-blown war, but it's war nonetheless, best characterized as "low-intensity warfare." The ultimate objective of this aggression is the collapse of the DPR Korean government. Unremitting military pressure forces Pyongyang to maintain punishingly high expenditures on defense (formalized in the country's Songun, or "army first" policy). Large defense expenditures divert critical resources from the civilian economy, retarding economic growth. At the same time, trade and financial sanctions heap further harm on the economy. Economic dislocations disrupt food supplies, make life harsh for many DPR Koreans, and breed discontent. In response, Washington disingenuously deplores Pyongyang's military expenditures at a time that DPR Koreans "are starving"; denounces Pyongyang's nuclear weapons program as a "provocation" (rather than a defense against US military threat); dishonestly attributes the country's economic difficulties to allegedly inherent weaknesses in public ownership and central planning (rather than sanctions and financial strangulation); and chastises the DPRK for human rights violations (an egregious hypocrisy given the United States' numerous odious human rights violations, not least of which was its use of torture in its "war against terror," including the deaths by torture of at least 100 people in its custody⁸⁷.) In other words, the regrettable features of the DPRK that Washington highlights to demonize and discredit the country are the consequences, not the causes, of the United States' policy on the DPRK. To view U.S. policy as a reaction to the DPRK's nuclear weapons program, economic difficulties, and repressions is to get the causal direction wrong.

U.S. foreign policy aims to secure and defend access to foreign markets, natural resources and investment opportunities and deny communists, socialists and nationalists control because access might be blocked, limited or freighted with social welfare and domestic development considerations.

"As a general rule, the American government's attitude to governments in the Third World ...depends very largely on the degree to which these governments favor American free enterprise in their countries or are likely to favor it in the future...In this perspective, the supreme evil is obviously the assumption of power by governments whose main purpose is

⁸⁷ Glen Greenwald, "The suppressed fact: Deaths by US torture," salon.com, June 30, 2009.

precisely to abolish private ownership and private enterprise...Such governments are profoundly objectionable not only because their actions profoundly affect foreign-owned interests and enterprises or because they render future capitalist implantation impossible [but also] because the withdrawal of any country from the world system of capitalist enterprise is seen as constituting a weakening of that system and as providing encouragement to further dissidence and withdrawal.”⁸⁸

The DPRK is one of the few countries left that commits “the supreme evil.” Allowed to develop in peace, unimpeded by military pressure and economic warfare, it might become an inspiration for other countries to follow. From the perspective of the U.S. ruling class, the United States’ DPRK policy must have one overarching objective: the DPRK’s demise. Asked by The New York Times to explain the aim of U.S. policy on the DPRK, then U.S. undersecretary of state for arms control John Bolton “strode over to a bookshelf, pulled off a volume and slapped it on the table. It was called ‘The End of North Korea.’” “‘That,’ he said, ‘is our policy.’”⁸⁹

On top of profit-making goals, and crippling the DPRK economically, politically, and socially to prevent its emergence as an inspiring example to other countries, Washington seeks to maintain access to its strategic position on a peninsula whose proximity to China and Russia provides a forward operating base from which to pressure these two significant obstacles to the United States’ complete domination of the globe.

According to declassified and other US government documents, some released on the 60th-anniversary of the Korean War, from “the 1950s’ Pentagon to today’s Obama administration, the United States has repeatedly pondered, planned and threatened the use of nuclear weapons against North Korea.”⁹⁰ These documents, along with the public statements of senior US officials, point to an ongoing pattern of US nuclear intimidation of the DPRK.

- The United States introduced nuclear weapons to the Korean peninsula as early as 1950.⁹¹
- During the Korean War, US president Harry Truman announced that the use of nuclear weapons was under active consideration; US Air Force bombers flew nuclear rehearsal runs over Pyongyang; and US commander General Douglas MacArthur planned to drop 30 to 50 atomic bombs across the northern neck of the Korean peninsula to block Chinese intervention.⁹²

⁸⁸ Ralph Miliband, **The State in Capitalist Society**, Merlin Press, 2009, p. 62.

⁸⁹ “Absent from the Korea Talks: Bush’s Hard-Liner,” The New York Times, September 2, 2003.

⁹⁰ Charles J. Hanley and Randy Hershaft, “U.S. often weighed N. Korea nuke option”, The Associated Press, October 11, 2010.

⁹¹ Ibid..

⁹² Ibid.

- In the late 1960s, nuclear-armed U.S. warplanes were maintained on 15-minute alert to strike the DPRK.⁹³
- In 1975, US Defense Secretary James Schlesinger acknowledged for the first time that U.S. nuclear weapons were deployed in South Korea. Addressing DPR Koreans, he warned, “I do not think it would be wise to test (U.S.) reactions.”⁹⁴
- In February 1993, Lee Butler, head of the U.S. Strategic Command, announced the United States was retargeting hydrogen bombs aimed at the old USSR on the DPRK (and other targets.) One month later, the DPRK withdrew from the Nuclear Non-proliferation Treaty.⁹⁵
- On July 22, 1993, U.S. President Bill Clinton said that if the DPRK developed and used nuclear weapons “we would quickly and overwhelmingly retaliate. It would mean the end of their country as we know it.”⁹⁶
- In 1995, Colin Powell, who had served as chairman of the U.S. joints chiefs of staff and would later serve as U.S. Secretary of State, warned DPR Koreans that the United States had the means to turn their country into “a charcoal briquette.”⁹⁷
- Following the DPRK’s first nuclear test on October 9, 2006, U.S. Secretary of State Condoleezza Rice reminded the DPRK that “the United States has the will and the capability to meet the full range—and I underscore *full range* of its deterrent and security commitments to Japan [emphasis added].”⁹⁸
- In April 2010, U.S. Defense Secretary Leon Panetta refused to rule out a U.S. nuclear attack on the DPRK, saying, “all options are on the table.”⁹⁹
- On February 13, 2013, Panetta described the DPRK as “a threat to the United States, to regional stability, and to global security.” He added: “Make no mistake. The U.S. military will take *all necessary*

⁹³ Ibid.

⁹⁴ Ibid.

⁹⁵ Bruce Cumings, **Korea’s Place in the Sun: A Modern History**, W.W. Norton & Company, 2005. p. 488-489.

⁹⁶ William E. Berry Jr., “the DPRK’s nuclear program: The Clinton administration’s response,” INSS Occasional Paper 3, March 1995.

⁹⁷ Bruce Cumings, “Latest the DPRKn provocations stem from missed US opportunities for demilitarization,” Democracy Now!, May 29, 2009.

⁹⁸ Lou Dobbs Tonight, October 18, 2006.

⁹⁹ Hanley and Hershafft.

steps to meet our security commitments to the Republic of Korea and to our regional allies [emphasis added].”¹⁰⁰

As DPR Koreans put it, “no nation in the world has been exposed to the nuclear threat so directly and for so long as the Koreans.”¹⁰¹

“For over six decades since early in the 1950s, the U.S. has turned South Korea into the biggest nuclear arsenal in the Far East, gravely threatening the DPRK through ceaseless manoeuvres for a nuclear war. It has worked hard to deprive the DPRK of its sovereignty and its right to exist and develop....thereby doing tremendous damage to its socialist economic construction and the improvement of the standard of people’s living.”¹⁰²

But U.S. aggression against the DPRK isn’t limited to incessant military threat. It is also economic. The breadth and depth of U.S. economic warfare against the DPRK can be summed up in two sentences:

- The DPRK is “the most sanctioned nation in the world” — George W. Bush.¹⁰³
- ...“there are few sanctions left to apply.” – The New York Times¹⁰⁴

From the moment it imposed a total embargo on exports to the DPRK three days after the Korean War began in June 1950, the United States has maintained an uninterrupted program of economic, financial, and diplomatic sanctions against the DPRK.¹⁰⁵ These include:

- o Limits on the export of goods and services.
- o Prohibition of most foreign aid and agricultural sales.
- o A ban on Export-Import Bank funding.
- o Denial of favourable trade terms.
- o Prohibition of imports from the DPRK.
- o Blocking of any loan or funding through international financial institutions.
- o Limits on export licensing of food and medicine for export to the DPRK.
- o A ban on government financing of food and medicine exports to the DPRK.

¹⁰⁰ Choe Sang-hun, “New leader in South criticizes the DPRK,” The New York Times, February 13, 2013.

¹⁰¹ “Foreign ministry issues memorandum on N-issue,” Korean Central News Agency, April 21, 2010.

¹⁰² Korean Central News Agency, February 13, 2013.

¹⁰³ U.S. News & World Report, June 26, 2008; The New York Times, July 6, 2008.

¹⁰⁴ Neil MacFarquhar and Jane Perlez, “China looms over response to nuclear test by the DPRK,” The New York Times, February 12, 2013.

¹⁰⁵ Dianne E. Rennack, “the DPRK: Economic sanctions”, Congressional Research Service, October 17, 2006.
<http://www.au.af.mil/au/awc/awcgate/crs/rl31696.pdf>

- o Prohibition on import and export transactions related to transportation.
- o A ban on dual-use exports (i.e., civilian goods that could be adapted to military purposes.)
- o Prohibition on certain commercial banking transactions.

In recent years, U.S. sanctions have been complemented by “efforts to freeze assets and cut off financial flows”¹⁰⁶ by blocking banks that deal with DPR Korean enterprises from accessing the U.S. banking system. The intended effect is to make the DPRK a banking pariah that no bank in the world will touch. Former U.S. President George W. Bush was “determined to squeeze North Korea with every financial sanction possible” until its economy collapsed.¹⁰⁷

Washington has also acted to sharpen the bite of sanctions, pressing other countries to join its campaign of economic warfare against a country it faults for maintaining a “Marxist-Leninist” system and non-market economy.¹⁰⁸ This has included the sponsoring of a United Nations Security Council resolution compelling all nations to refrain from exporting dual (civilian-military)-use items to the DPRK (a repeat of the sanctions regime that led to the crumbling of Iraq’s healthcare system in the 1990s.) Washington has even gone so far as to pressure China (unsuccessfully) to cut off the DPRK’s supply of oil.¹⁰⁹

On the day Baghdad fell to invading U.S. forces, John Bolton warned Iran, Syria and the DPRK to “draw the appropriate lesson from Iraq.”¹¹⁰ There can be no doubt that Pyongyang drew a lesson, though not the one Bolton intended. The DPR Koreans did not conclude, as Bolton hoped, that peace and security could be achieved by disarming. Instead, the DPRK couldn’t fail to grasp the real lesson of the U.S. assault on Iraq. The United States had invaded Iraq only after Saddam Hussein had cleared the way by complying with U.S. demands to destroy his weapons of mass destruction. Had he actually retained the weapons he was falsely accused of hiding and holding in reserve, the Americans would likely have never attacked.

Subsequent events in Libya have only reinforced the lesson. Muammar Gaddafi had developed his own weapons of mass destruction program to protect Libya from Western military intervention. But Gaddafi also faced an internal threat—Islamists, including jihadists linked to Al Qaeda, who sought to overthrow him to create an Islamist society in Libya. After 9/11, with the United States setting out to crush al Qaeda, Gaddafi sought a rapprochement with the West, becoming an ally in the international battle

¹⁰⁶ Mark Landler, “Envoy to coordinate the DPRK sanctions”, The New York Times, June 27, 2009.

¹⁰⁷ The New York Times, September 13, 2006.

¹⁰⁸ According to Rennack, the following US sanctions have been imposed on the DPRK for reasons listed as either “communism”, “non-market economy” or “communism and market disruption”: prohibition on foreign aid; prohibition on Export-Import Bank funding; limits on the exports of goods and services; denial of favorable trade terms.

¹⁰⁹ The Washington Post, June 24, 2005.

¹¹⁰ “U.S. Tells Iran, Syria, N. Korea ‘Learn from Iraq,’” Reuters, April 9, 2003.

against al Qaeda, to more effectively deal with his own Islamist enemies at home. The price of being invited into the fold was to abandon his weapons of mass destruction. When Gaddafi agreed to this condition he made a fatal strategic blunder. An economic nationalist, Gaddafi irritated Western oil companies and investors by insisting on serving Libyan interests ahead of the oil companies' profits and investors' returns. Fed up with his nationalist obstructions, NATO teamed up with Gaddafi's Islamist enemies to oust and kill the Libyan leader. Had he not surrendered his weapons of mass destruction, Gaddafi would likely still be playing a lead role in Libya. "Who would have dared deal with Gaddafi or Saddam Hussein if they had a nuclear capability?" asked Major General Amir Eshel, chief of the Israeli army's planning division. "No way."¹¹¹

Having unilaterally disarmed, Gaddafi was hailed in Western capitals, and world leaders hastened to Tripoli to sign commercial agreements with him. Among Gaddafi's visitors was the South Korean minister of foreign affairs, and Ban Ki-moon, later to become the UN secretary general. Both men urged the "rehabilitated" Libyan leader to persuade the DPRK to give up its nuclear weapons.¹¹² Whether Gaddafi acceded to the Koreans' request is unclear, but if he did, his advice was wisely ignored. In the DPRK Korean view, Gaddafi fell prey to a "bait and switch." The lesson the DPRK drew from Libya was that the only guarantee of peace on the Korean peninsula is a powerful military, backed by nuclear weapons.¹¹³

This is neither an irrational view, nor one the West, for all its pieties about nuclear non-proliferation (for others), rejects for itself. Britain, for example, justifies its own nuclear weapons program with reference to the need "to deter and prevent nuclear blackmail and acts of aggression against our vital interests

¹¹¹ Ethan Bronner, "Israel sense bluffing in Iran's threats of retaliation", The New York Times, January 26, 2012.

¹¹² Chosun Ilbo, February 14, 2005.

¹¹³ Mark McDonald, "North Korea suggests Libya should have kept nuclear program", The New York Times, March 24, 2011.

A February 21, 2013 comment by Pyongyang's official Korean Central News Agency ("Nuclear test part of DPRK's substantial countermeasures to defend its sovereignty") noted that,

"The tragic consequences in those countries which abandoned halfway their nuclear programs, yielding to the high-handed practices and pressure of the U.S. in recent years, clearly prove that the DPRK was very far-sighted and just when it made the option. They also teach the truth that the U.S. nuclear blackmail should be countered with substantial countermeasures, not with compromise or retreat."

An article in the February 22, 2013 issue of Rodong Sinmun, the official newspaper of the Central Committee of the DPRK's ruling Workers Party ("Gone are the days of US nuclear blackmail") observed that "Had it not been the nuclear deterrence of our own, the U.S. would have already launched a war on the peninsula as it had done in Iraq and Libya and plunged it into a sorry plight as the Balkan at the end of last century and Afghanistan early in this century."

that cannot be countered by other means.”¹¹⁴ If the UK requires nuclear weapons to deter and prevent nuclear blackmail and acts of aggression, then surely the DPRK—long on the receiving end of these minatory pressures—does as well. Indeed, the case can be made that the DPRK has a greater need for nuclear arms than the British do, since the latter are firmly ensconced within the U.S. security orbit.

General Kevin P. Chilton, head of the US Strategic Command from 2007 to 2011, told Washington Post columnist Walter Pincus in 2010 that, “Throughout the 65-year history of nuclear weapons, no nuclear power has been conquered or even put at risk of conquest.”¹¹⁵ On the other hand, countries that comply with demands to abandon their weapons of mass destruction soon find themselves conquered by countries with nuclear weapons aplenty and no intention of giving them up. Pincus used Chilton’s words to advocate a pre-emptive strike on the DPRK to prevent the country from developing a large enough nuclear arsenal to make itself invulnerable to conquest. That no nuclear power has been conquered or put at risk of conquest is “a thought others in government ought to ponder as they watch Iran and North Korea seek to develop nuclear capability,” Pincus wrote.¹¹⁶

Nuclear arms have political utility. For countries with formidable nuclear arsenals and the means of delivering warheads, nuclear weapons can be used to extort political concessions from non-nuclear-armed states through terror and intimidation. No country exploits the political utility of nuclear weapons as vigorously as the United States does. In pursuing its foreign policy goals, Washington threatened other countries with nuclear attack on 25 separate occasions between 1970 and 2010, and 14 occasions between 1990 and 2010. On six of these occasions, the United States threatened the DPRK.¹¹⁷ There have been more US threats against the DPRK since. (The United States’ record of issuing threats of nuclear attack against other countries over this period is: Iraq, 7; China, 4; the USSR, 4; Libya, 2; Iran, 1; Syria, 1. Significantly, all these countries, like the DPRK, were under communist or economically nationalist governance when the threats were made.)

Nuclear weapons also have political utility for countries menaced by nuclear and other military threats. They raise the stakes for countries seeking to use their militaries for conquest, and therefore reduce the chances of military intervention. There is little doubt that the U.S. military intervention in Iraq and NATO intervention in Libya would not have been carried out had the targets not disarmed and cleared the way for outside forces to intervene with impunity.

¹¹⁴ http://www.mod.uk/NR/rdonlyres/AC00DD79-76D6-4FE3-91A1-6A56B03C092F/0/DefenceWhitePaper2006_Cm6994.pdf

¹¹⁵ Quoted in Walter Pincus, “As missions are added, Stratcom commander keeps focus on deterrence,” The Washington Post, March 30, 2010.

¹¹⁶ Ibid.

¹¹⁷ Samuel Black, “The changing political utility of nuclear weapons: Nuclear threats from 1970 to 2010,” The Stimson Center, August 2010, http://www.stimson.org/images/uploads/research-pdfs/Nuclear_Final.pdf

A DPR Korean nuclear arsenal does not increase the chances of war—it reduces the likelihood that the United States and its South Korean marionette will attempt to bring down the communist government in Pyongyang by force. This is to be welcomed by anyone who opposes imperialist military interventions; supports the right of a people to organize its affairs free from foreign domination; and has an interest in the survival of one of the few top-to-bottom, actually-existing, alternatives to the global capitalist system of oppression, exploitation, and foreign domination.

The Terrorism of the Weak

Seven years after the 2003 invasion of Iraq by U.S. and British forces, the director general of Britain's domestic intelligence agency at the time of the invasion, Lady Manningham-Buller, confessed that Iraq had posed little danger, and that the invasion itself created a threat by radicalizing Muslims.¹¹⁸ Thirteen years after the United States launched a “war of terror” in the wake of the 9/11 attacks, al-Qaeda, once a small group with a few bases in Afghanistan, had metastasized into the Islamic State in Iraq and al-Sham (ISIS), a militarily sophisticated organization which controlled an area in Iraq and Syria the size of Britain.

Al-Qaeda has come a long way, despite the war on terror (or, as we will see, because of it.) Jihadist militants now challenge Western domination of traditionally Sunni Muslim areas from North Africa to Afghanistan. They do so in various ways: with weapons captured from the regular armies of Iraq, and of the independent, secular, nationalist governments of Libya and Syria, or provided to them by Gulf monarchies subservient to the United States; through suicide bombings, kidnappings, and beheadings; and through terrorist attacks on Western countries.

In the film, *The Battle for Algiers*, a journalist asks the Algerian liberation leader Ben M’Hidi: “Don’t you think it’s a bit cowardly to use women’s baskets and handbags to carry explosives that kill so many people?” M’Hidi replies: “And doesn’t it seem to you even more cowardly to drop napalm bombs on defenseless villagers so that there are a thousand times more innocent victims? Of course, if we had your airplanes it would be a lot easier for us. Give us your bombs and you can have our baskets.”¹¹⁹

Victims of Western foreign policy fight back. And since many of them do not have access to sophisticated weapons, they use whatever is at hand, which often means low-level attacks on civilian populations to induce them to press their governments to end policies the terrorists object to. Terrorist attacks are not random, irrational, unplanned events, without concrete goals. Political scientist Robert A. Pape, who studied every case of suicide terrorism that occurred over a two decade span, beginning in the 1980s, points out that the terrorism of the weak is invariably aimed at pressuring target countries to

¹¹⁸ Sarah Lyall, “Ex-Official says Afghan and Iraq wars increased threats to Britain”, *The New York Times*, July 20, 2010.

¹¹⁹ *The Battle of Algiers*, Quotes, <http://www.imdb.com/title/tt0058946/quotes>

withdraw their military forces from territory the terrorists consider to be their homeland.¹²⁰ For example, Osama bin Laden attributed his campaign of terrorism against the United States to Washington “occupying the lands of Islam in the holiest of places, the Arabian Peninsula, plundering its riches, dictating to its rulers, humiliating its people, terrorising its neighbours, and turning its bases in the Peninsula into a spearhead through which to fight the neighbouring Muslim peoples.”¹²¹ Other programs of suicide terrorism have pursued similar goals of national liberation. Pape notes that “Suicide terrorists sought to compel American and French military forces to abandon Lebanon in 1983, Israeli forces to leave Lebanon in 1985, Israeli forces to quit the Gaza Strip and the West Bank in 1994 and 1995, the Sri Lankan government to create an independent Tamil state from 1990 on, and the Turkish government to grant autonomy to the Kurds in the late 1990s.”¹²²

Bulking Up the Police State

The increased threat of terrorist attack has led police states in the Western world to become police states on an elevated scale. Calling the United States, Germany, France, Britain, and Canada, police states may seem odd. We are so thoroughly imbued with the notion that North American and Western European countries are liberal democratic counter-examples to the police state, that the idea of calling them police states seems as nonsensical as calling night, day. Even critics who are acutely aware of the parallels between Canada, for example, and the archetype of the police state, East Germany (with its notorious Stasi) find it difficult to put “Canada” and “police state” together in the same sentence. Canadian social scientists Reg Whitaker, Gregory Kealey and Andrew Parnaby wrote a long history of the police state in Canada¹²³, but couldn’t bring themselves to use the phrase “Canada’s police state.” Instead, they noted that “the state in a liberal democracy like Canada” has behaved remarkably like a police state. It has “persistently spied on its own people, run undercover agents and maintained secret sources of information...and kept secret files that categorized people in terms of their personal beliefs.” All the same, in the hands of Whitaker et al., Canada escapes the police state designation. Similarly, the journalist Patrick Cockburn complains that Western governments have adopted the methods of police states, but doesn’t say they are ones.¹²⁴ It’s as if it’s all right to acknowledge that Canada and its liberal democratic cohorts behave like police states, but not to label them as such.

¹²⁰ Robert A. Pape, “The strategic logic of suicide terrorism,” *American Political Science Review*, Vol. 97, No. 3, August 2003.

¹²¹ *Ibid.*

¹²² *Ibid.*

¹²³ Reg Whitaker, Gregory S. Kealey, and Andrew Parnaby. **Secret Service: Political Policing in Canada from the Fenians to Fortress America**. University of Toronto Press. 2012.

¹²⁴ Patrick Cockburn. **The Jihadis Return: ISIS and the New Sunni Uprising**. OR Books. 2014.

Yet consider the facts: The political police in Canada have shown “remarkable energy and zeal in spying on larger numbers of citizens. (An official) commission (of inquiry) discovered in 1977 that the RCMP (Royal Canadian Mounted Police) security service maintained a name index with 1,300,000 entries, representing 800,000 files on individuals,” at a time the country had a population of only 24 million.¹²⁵ Among the Canadians the police state spied on was Tommy Douglas, revered by Canadians for his contributions to the creation of Canada’s public health insurance system. Although Douglas died three decades ago, Ottawa refuses to publicly disclose its file on the social democratic politician to protect the informants who secretly passed on information about him to Canada’s police state. The informants may still be alive, and Ottawa doesn’t want to reveal their names to assure future informants that their anonymity is guaranteed and that it is safe to spy on fellow Canadians.¹²⁶

Ken Stone is a Canadian who has spent a lifetime organizing on behalf of workers and for various progressive causes. After graduating from the University of Toronto in the 1960s—where he ripped up his Bachelor of Arts degree at his graduation ceremony, telling the audience “This piece of paper is meaningless”—he sought out a working class job, settling in the gritty industrial city of Hamilton to drive trucks for Canada’s postal service. He became active in his union, and politically engaged, “protesting, organizing, rallying, struggling, demonstrating, sitting in, agitating, voting and even running for office.”¹²⁷ That was enough to bring Stone to the attention of Canada’s police state, which amassed “a 700-page long RCMP and (Canadian Security Intelligence Service) file, detailing every meeting he attended between 1968 and 1986.”¹²⁸

Between 1950 and 1986 Canada’s political police compiled a list of 66,000 Canadians who were active in working class causes, who would, in the event of a leftwing threat to the established order, be arrested and interned in concentration camps. Stone was on the list.¹²⁹

The leftwing U.S. intellectual Noam Chomsky has pointed out that politics is far more than voting, and that voting is only a very small part of politics. Politics is doing what Stone has done most of his life: organizing, struggling, pressuring, agitating, educating, rallying, and demonstrating, on top of voting and participating in the electoral process. Chomsky, and other leftwing intellectuals, criticize elections “as a

¹²⁵ Whitaker, Kaley, and Parnaby.

¹²⁶ Colin Freeze, “CSIS fights to keep Tommy Douglas spying file under wraps,” *The Globe and Mail* (Toronto), February 10, 2010.

¹²⁷ Jeff Mahoney, “Working the shop floor of democracy,” *The Hamilton Spectator*, October 27, 2014.

¹²⁸ *Ibid.*

¹²⁹ This was the RCMP’s ProFunc (prominent functionaries of the communist party) list. See Kimball Cariou, “Profunc questions remain unanswered” *People’s Voice*, October 16-31, 2011.

method of marginalizing the population”¹³⁰ by encouraging people to think that the political process is limited to casting a ballot every few years, and that elections play a significant role in policy formation.

The effect of believing that politics equals voting, full stop, is to yield the political field to the corporate elite. Gilens’ and Page’s examination of over 1,700 public policy issues (mentioned above), found that “economic elites and organized groups representing business interests have substantial impacts on government policy, while average citizens and mass-based interests groups have little or no independent influence.”¹³¹ Voting makes little difference.

Economic elites exert an outsize influence on public policy because they recognize that politics is far more than voting and use their wealth to buy resources that allow them to influence policies of interest to them in the state. They overcome their disadvantage of holding only a tiny fraction of all votes (they are, after all, only the one percent) by pressuring politicians directly, shaping public opinion to favor corporate positions, and becoming directly involved in public life. They lobby; fund public policy think-tanks and advocacy organizations to promote pro-corporate positions; dominate the funding of political campaigns; rotate their members in and out of key positions in government and the state; provide lucrative job opportunities to former politicians who supported corporate elite positions while in office, thereby encouraging sitting politicians to aspire to the same opportunities and to act accordingly; and shape public opinion to support pro-business positions through their ownership and control of the mass media. As the novelist Arundhati Roy has remarked, “Tidal waves of money crash through the institutions of democracy—the courts, the parliament—as well as the media, compromising their ability to function in the way they are meant to.”¹³²

Stone wasn’t marginalized by the deception that politics is voting and nothing more—the misconception that allows the corporate elite a free hand to dominate the country’s political life. But the reality is that people who recognize that politics is more than voting and act accordingly come to the attention of the police state, *if* they work on behalf of progressive, popular, or working class interests. On the other hand, if you promote corporate interests, or limit your political activity to voting, or if you’re politically inert, you’ll very likely never know that a police state exists, and wonder about the sanity of those who say it does.

Already strong, the police state has been strengthened further in the wake of 9/11. Laws which once set limits on the political police have either been weakened or done away with. Additionally, Edward Snowden, the former U.S. National Security Agency contractor, has revealed that the United States and

¹³⁰ In Andre Vltchek, “Down with Western democracy,” counterpunch.org, May 23, 2014.

¹³¹ Martin Gilens and Benjamin I. Page, “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens,” Perspectives on Politics, Fall 2014.
<http://www.princeton.edu/~mgilens/Gilens%20homepage%20materials/Gilens%20and%20Page/Gilens%20and%20Page%202014-Testing%20Theories%203-7-14.pdf>

¹³² Arundhati Roy. **Capitalism: A Ghost Story**. Haymarket Books. 2014.

its anglosphere partners in the so-called Five Eyes signal intelligence network, Britain, Australia, New Zealand, and Canada, operate a massive electronic surveillance program that scoops up personal information on virtually everyone. There is no doubt that information collected through ubiquitous surveillance could be used to provide protection against people with malicious designs (but not from terrorists who are sophisticated enough to take effective measures to minimize the risks of their communications being intercepted.) But Snowden's revelations have shown that the surveillance program is also used to spy on world leaders, including allies, and to gather information related to trade and business deals¹³³, while there's little evidence that it has actually prevented terrorist attacks.

While the strengthening of the police state might seem to be a matter of indifference to ordinary people—after all, isn't disrupting a terrorist plot the worst that could happen?—the political orientation of the political police should worry anyone who works to advance the interests of the 99 percent. The history of the police state is one of monitoring and disrupting people who organize on behalf of the exploited and oppressed in the economic and political spheres. A stronger police state, then, means the state is in a stronger position to use its surveillance apparatus to undermine unions, working class political parties, and groups and individuals advancing progressive causes which challenge the rich and powerful.

Echoing the entanglements of Ken Stone with Canada's police state, Whitaker, Kealey and Parnaby point out that security services have a long history of surveillance "on the side of the political/economic status quo" and against those "who challenge the powerful and the wealthy." They add that the history of the political police in Canada is one of "conservatism" where the "the targets of state surveillance form a kind of roster of Canadian (working class) radicalism" and where those who pursue the class war from the bottom up have been seen as subverting "the proper political and economic order" and therefore are deemed legitimate subjects for surveillance and disruption. They adduce "evidence that the secret police may have played an active role in covertly disrupting, dividing and defeating unions." Accordingly, they brand the activities of Canada's security police as "an activist conservatism on behalf of capital against its perceived enemies" and note that the intervention of the security services against working class activists challenges "the standard rhetoric about the neutrality of the democratic state."

Obviating the Terrorism of the Weak

Terrorism is the use of political violence against civilians to pressure governments to bring about changes in policy. Used by the weak, it almost invariably aims at pressuring target countries to withdraw their military forces from territory the terrorists consider their homeland. But it is not exclusively the tool of the weak. Terrorism is also used on a massive scale by Western countries and their allies, whose bombing campaigns and economic warfare against foreign targets deliberately create misery among

¹³³ James Glanz and Andrew W. Lehren, "N.S.A. spied on allies, aid groups and businesses", New York Times, December 20, 2013.

civilian populations in order to pressure these populations to overthrow their government or demand that it capitulate to the ultimata of Western powers. No better evidence of the terrorist intent of Western bombing campaigns is provided than in U.S. Air Force Lt. General Michael Short's explanation of the objectives of the 1999 U.S.-led NATO air war on the former Yugoslavia. Explained Short, "If you wake up in the morning and you have no power to your house and no gas to your stove and the bridge you take to work is down and will be lying in the Danube for the next 20 years, I think you begin to ask, 'Hey, Sloba?'¹³⁴ How much more of this do we have to withstand?"¹³⁵

The most effective way to deal with the terrorism of the weak is to treat its causes. If it aims to force a foreign military to withdraw from territory the terrorists consider their homeland, and foreign military forces are in the territory on illegitimate grounds, it follows that morally and politically, but also with regard to safeguarding the personal security of people in the countries contributing troops to a foreign occupation, that troops should be withdrawn. A country's military forces ought to be deployed to protect its citizens, not to endanger them by unnecessarily provoking retaliatory attacks by people bearing legitimate grievances against foreign military occupation of their homeland.

Consider the U.S.-led war against ISIS in Iraq. Western politicians deliberately confuse cause and effect. They would like their populations to believe that the threat of terrorism against the West has *caused* them to undertake a military campaign against ISIS as a measure of self-defense. However, the truth of the matter is that ISIS poses no threat to the West, except insofar as the West seeks to degrade and ultimately destroy it. The deployment of troops and warplanes to Iraq has caused the ISIS terrorist threat against the West, not the other way around.

Consider Canada. Security analysts had warned that the threat against Canada had been increasing for more than a decade, "after Canada sent the military into Afghanistan and amid (Prime Minister Stephen) Harper's robust support for Israel and strong criticism of Iran." Ray Boisvert, a former senior official with Canada's intelligence agency, CSIS, explained that "We have been in the top five of al Qaeda targets now for over a decade." He didn't explain, however, that this is because al-Qaeda views Canada as contributing to the U.S.-led project of occupying Muslim territory, plundering its riches, dictating to its rulers, and humiliating its people, as bin Laden put it. More specifically, CSIS warned that Canada's joining the fight against ISIS would increase the chances that ISIS or its sympathizers would strike Canadian targets.¹³⁶

The security agency didn't have to uncover hidden information to learn that Ottawa's declaration of war on the Islamic State raised the terrorism threat level. ISIS announced it. The militant organization's spokesman, Abu Mohammed al-Adnani, urged sympathizers to carry out attacks on the nationals of

¹³⁴ A reference to the country's leader, Slobodan Milosevic.

¹³⁵ "What this war is really about," *The Globe and Mail*, May 26, 1999

¹³⁶ Paula Vieira, Alistair MacDonald and Ben Dummet, "Two dead in Canada shootings," *The Wall Street Journal*, October 22, 2014,

countries taking part in the mission against ISIS. He said, “If you can kill a disbelieving American or European — especially the spiteful and filthy French — or an Australian, or a Canadian, or any other disbeliever from the disbelievers waging war, including the citizens of the countries that entered into a coalition against the Islamic State, then rely upon Allah, and kill him in any manner or way, however it may be.”¹³⁷

One month later—and just one day after Canadian warplanes were dispatched to an airbase in Kuwait to take part in the U.S.-led campaign to degrade and destroy ISIS—Michael Zehaf-Bibeau, a convert to Islam, and possibly inspired by al-Adnani’s exhortation, shot and killed a soldier standing guard at a war memorial in Ottawa, before making his way to the Parliament Buildings, where he fought a gun battle with security officers before being fatally wounded. A week earlier, Martin Couture-Rouleau, a convert to Islam who aspired to travel to Iraq to fight with ISIS, used an automobile to run down two Canadian soldiers, before being shot and killed by police. The Canadian government seized on these incidents to justify its decision (which had been taken before these incidents occurred) to join the coalition against the Islamic State. The prime minister announced that Canada would continue to “fight against the terrorist organizations who brutalize those in other countries with the hope of bringing their savagery to our shores.” This was tantamount to poking at a hornets’ nest, getting stung, and then using the fact you were stung as a reason to continue poking.

Clearly, ISIS was not calling for terrorist attacks on Canadians out of random, irrational, lust for violence. It did so to pressure Ottawa to reverse its decision to send special forces to northern Iraq to train Kurdish Peshmerga forces to fight ISIS and warplanes to the Middle East to attack ISIS positions in Iraq’s Anbar province. Significantly, Ottawa raised no objection to ISIS when the violent Sunni Muslim militants were slaughtering their way across Syria and threatening to topple the independent secular nationalist government of Bashar al-Assad. Indeed, ISIS’s successes were largely attributable to aid received, both directly and indirectly, from Ottawa’s allies, Turkey and Saudi Arabia. It was only when ISIS threatened U.S. domination of Iraq and was poised to seize control of some of Iraq’s important oil fields that ISIS was transformed from a rebel group fighting to overthrow the Syrian government into an unparalleled evil.

The appeal of the Islamic State to many Arab Sunni Muslims lies in their sympathy for what they see as the organization’s goals: (1) to erase the artificial divisions in the Arab world created by Britain and France after WWI when the two European powers carved up Arab territory into multiple states to suit their own purposes; (2) to overthrow the corrupt dictators of the Arab world who rule at the pleasure of the United States; and (3) to return the region’s oil wealth to the people.¹³⁸

¹³⁷ Ian Austen and Rick Gladstone, “Gunman panics Ottawa, killing soldier in spree at capital,” *The New York Times*, October 22, 2014.

¹³⁸ David D. Kirkpatrick, “New freedoms in Tunisia drive support for ISIS,” *The New York Times*, October 21, 2014.

Britain announced in the fall of 2014 that it was about to establish its first permanent military base in the Middle East in four decades. The site would be Bahrain, home of the Khalifa tyranny, and of the US Fifth Fleet. Seumas Milne, a columnist with the British newspaper *The Guardian*, wondered how this would protect the British public from terrorism since the “presence of western troops and support for dictatorial Arab regimes were, after all, the original reasons given by al-Qaeda for its jihad against the west.”¹³⁹

Milne went on to spell out the real reasons Britain was setting up a permanent military base in Baharin, “In reality,” he wrote, “the British base’s main job won’t be to prop up the Bahraini regime, but to help protect the entire network of dictatorial Gulf governments that sit on top of its vast reserves of oil and gas—and provide a springboard for future interventions across the wider Middle East.”¹⁴⁰

Like Britain, Canada’s contribution of military resources to the Middle East has nothing to do with preventing terrorism and much to do with protecting the profit-making interests of the Western corporate elite—the class, which, according to Gilens and Page, has substantial impacts on government policy, while average citizens and mass-based interests groups have virtually none. The price of this decision—apart from the direct costs of maintaining military forces abroad and replenishing their ordnance—is an increased risk of retaliatory attacks from ISIS and its sympathizers.

XII. The West’s Foreign Policy Priorities

The aims of the foreign policies of Western states can be quickly discerned by visiting the web site of one is trusted principals, Canada’s Department of Foreign Affairs, Trade and Development. Canada’s foreign policy bureaucrats have helpfully spelled out their priorities on the department’s web site. The emphasis is on promoting and protecting investment opportunities abroad. For example, the Canadian government wants to increase the number of Canadian firms doing business in overseas markets. It asserts that it seeks to “deepen commercial engagement in Africa, Latin America and Asia, with a focus on investment promotion and protection.” This might include promoting the access of investors in Canada to natural resources, say, oil in Libya, and protecting those investments against, for instance, the resource nationalism of a Gaddafi, who might insist his people derive tangible benefit from the investment.

The department also seeks the ratification of the Canada-EU Comprehensive Economic and Trade Agreement, which Toronto Star columnist Thomas Walkom calls “an investors’ bill of rights aimed at penalizing government actions that interfere with profitability.”¹⁴¹ CETA is Canadian foreign policy writ small. Writ large, the foreign policy of the Canadian government can be described as an action plan on

¹³⁹ Seumas Milne, “Sending troops to protect dictators threatens all of us,” *The Guardian*, December 10, 2014.

¹⁴⁰ *Ibid.*

¹⁴¹ Thomas Walkom, “CETA a much-announced trade pact of dubious value,” *The Toronto Star*, September 30, 2014.

behalf of investors whose ultimate purpose is to prevent foreign governments from interfering with profitability. The Canadian government goes about this in two ways. First, it relies on the actual or threatened use of force, through its participation in NATO, to penalize and prevent militarily weak countries from taking actions that interfere with the profitability of the investments of wealthy Canadians. When dealing with other rich countries, whose military prowess is great enough that they cannot be coerced by force, Canada relies on negotiating trade and investment agreements to achieve the same ends. While CETA may seem worlds apart from Canada's participation in the NATO air campaign to overthrow the resource nationalist Muammar Gaddafi, it is not so in its goals, and is only so in the means of achieving them.

The department also says that it seeks to "promote democracy and respect for human rights," and while it may aspire to do so under some limited conditions, the goal, as evidenced by the actions of the Canadian government in the foreign sphere, is secondary to promoting and protecting business and investment opportunities in other countries for wealthy Canadians. Canada has done nothing of significance to promote democracy and respect for human rights in such countries as Saudi Arabia, Bahrain and other Gulf oil monarchies and nor in Egypt or Israel. These countries are either strategically important to the coalition of Western powers to which Canada belongs or offer immensely lucrative investment and export opportunities. Saudi Arabia, Bahrain and other democracy-abominating Gulf tyrannies offer many attractions to the corporate community. They're important clients for weapons manufactured in the West, immense sources of oil wealth, markets for goods and services produced by Western firms, and sites for military bases (necessary to enforce Western hegemony over the Middle East to prevent the rise of economically nationalist or socialist governments which would divert the region's labor and resources to domestic development away from the enlargement of Western investor and business interests.)

The only countries in which the West has intervened with the professed aim of promoting democracy and respect for human rights are economically nationalist, socialist and communist in orientation—that is, countries that place a premium on democracy in its original and substantive sense as a type of society which emphasizes the interests of the bulk of people over those of foreign states and foreign investors. What distinguishes these countries from the pro-foreign investment, authoritarian non-democracies that the West supports is that they are unwilling to turn over their land, labor, markets and resources to private profit-making concerns, either wholly, or on terms the corporate community demands. They also deny foreign militaries access to their territories. The procedural democracy and respect for human rights that the West insists on in these countries amounts to nothing more than the political openness necessary to bring governments to power that look kindly on foreign investment, free enterprise, and investors' interests. Liberal democratic transitions in the DPRK and Cuba, for example, would provide the West's corporate community with space to dominate the political life of these countries by using its wealth to influence electoral outcomes and shape policies of interest to it in the state, as they do at home. The corporate elite favors open societies, because they can dominate them.

In countries where the policies of significance to the corporate community are already shaped in its interests, Western foreign policy is indifferent to procedural democracy and respect for human rights and is quite content to overlook tyranny, dictatorship, and human rights violations. Hence, even

conceding that the West may aspire to promote procedural democracy and human rights in some countries, but not others, may be going too far. Realistically, the West cares not one whit about procedural democracy and respect for human rights in any absolute sense. Its attachment to these institutions is instrumental. Insofar as they support profitability and rule by people who rely on profits and lending as their predominant sources of income, they're endorsed by Western powers. Where procedural democracy, political freedoms, and civil liberties impede the accumulation of capital, or where robust profits can be piled up in the absence of these institutions, the West is completely indifferent. Profits matter, not democracy. This is predictable from the domination of Western states by a corporate elite, and by the reality that the *raison d'être* of capital is accumulate more capital.

There is, then, a U.S.-led global order which Western foreign policy supports. It is an order based on the primacy of the corporate community, in particular, that based in the United States, and its requirements for access to cheap labor, markets and investment opportunities around the globe. The corporate community uses its policy-formation and public-opinion shaping networks to influence policies of interest to it in the state. These include policies in the sphere of foreign relations. A principal concern of the corporate community is that foreign policy promotes and protects its overseas profit-making activities. This can include the development of investors' treaties to protect the profitability of investments or the use of force or economic warfare to overthrow foreign governments that favor policies that are unfavorable to the interests of foreign investors. Interventions to destabilize foreign governments that prohibit, restrict, or endanger foreign investment are misleadingly presented by Western states and Western mass media as motivated by humanitarian or other lofty goals, such as promoting democracy or preventing genocide. This is done to mobilize broad public support, or at least public acquiescence, for policies that yield an economic benefit for a tiny elite of business owners at the apex of Western society. It is necessary to hide the sectional interests which lay at the root of such interventions, for if acknowledged, the interventions would not command the backing of the public, and their execution could be disturbed by the opposition of the public.

As Western foreign policy promotes and protects the interests of owners and investors, it weakens and degrades the interests of workers. Policies to open access to low wage labor abroad and to persuade foreign governments to improve their climates for foreign investment, help Westerners who derive their income from profits and lending to accumulate more wealth. Their growing wealth at one pole is accompanied by our leaner and meaner lives at the other. Business climates congenial to foreign investment limit wages and salaries; remove barriers to easily dismissing workers from their jobs; weaken labor market regulations; gut unemployment insurance and public assistance programs; and maintain a large army of unemployed workers to keep those who have jobs in line and willing to work for little. Business-friendly, worker-hostile policies drive down the wages of workers in the West, degrade their working conditions, weaken their benefits, and erode their social programs. Western foreign policy fosters the creation of conditions in which workers in one country can be played off against workers in other countries, in a vicious competition of all against all. The only winner is a parasitic elite of investors and bankers.

Policies of intervention abroad, typically carried out against militarily weak countries that have virtually no defense against aerial attack, hurt workers, since these policies often mean an increased risk of

attack against Westerners at home by foreigners who object to their domination from abroad. To mitigate the risk, Western states have increased their secret police powers. These powers have historically been used against those who organize on behalf of the interests of workers and the state's capability to covertly monitor and disrupt workers, their unions, and political organizations has been strengthened.

A syllogism may suffice to sum up. The interests of the capitalist class, the upper social class rooted in the corporate community, are against the interests of workers. To the extent more is expropriated from workers, more is paid out in dividends, interest and capital gains to investors and to high-level executives in the form of stock options, bonuses and other emoluments. There is a class war, and according to at least one highly placed member of the capitalist class, his class is winning. But, then, this is obvious. The corporate elite has more of the good things in life than anyone else has; is over-represented in the political decision-making process relative to its numbers; and usually wins political contests in which its interests are at stake. Owing to its ownership of the economy and command of vast wealth, the capitalist community has considerable sway over the state and is able to dominate the political life of the world's richest, most powerful, countries. It uses Western states as instruments to advance its interests against those of workers, not only at home, but also abroad.

The measures workers must take to protect themselves from foreign policy (and from the other policies of the state) seem clear, though unquestionably difficult. To advance our interests, to end our exploitation, and to eliminate the scourges of unemployment, overwork, economic insecurity, parasitism, and aggressive wars, we need to end the domination of private wealth, by eliminating the private ownership of the economy altogether. No longer should the bottom 99 percent exist to serve the profit-making interests of the top one percent. The economy should exist to serve the human needs of us all. Fulfilling this imperative requires a system of rational planning to ensure there are jobs for all, affordable housing, inexpensive and efficient public transportation, free high-quality education, universal access to free healthcare, protection against environmental degradation, and a foreign policy based on peace rather than exploiting the land, labor, markets, and resources of other countries.

The key to achieving these gains is a system of public planning to produce goods and services to satisfy human needs, in place of an economy guided by the imperative and logic of profit-making. This, in turn, requires public ownership of the most important sectors of the economy—for if the economy remains in private hands, it cannot be brought under the control of a democratically conceived plan.

Moreover, the vastly unequal distribution of wealth that private ownership of productive assets inevitably gives rise to places immense influence in the hands of a business elite, which uses its material advantages to shape public policy in its interests and against those of the bottom 99 percent. What is needed, then, is a real, substantial, and meaningful democracy in place of the current plutocracy. But getting there won't be easy. To paraphrase Edward Dowling, the two greatest obstacles to democracy are the widespread delusion among ordinary people that we have one and the fear among the rich that we might get one. But get one, we must.