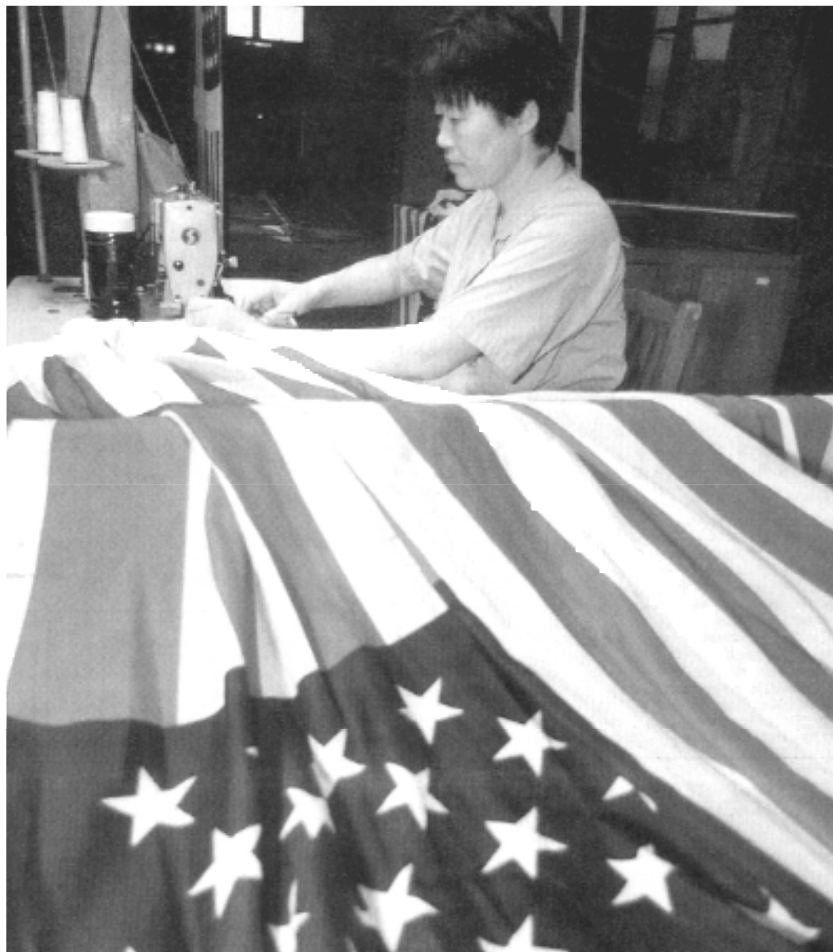


# The USA as hyperpower



By Colin Foster

“**R**OME FELL. Babylon fell. Scarsdale’s turn will come”. The super-plutocracy of the US rich, symbolised by such posh commuter towns as Scarsdale (near New York), is fated to decline. Thus Paul Kennedy summed up the message of his book *The Rise and Fall of the Great Powers*, which was the central reference point for discussions of the shape of the world at the time it was published, in 1987.<sup>1</sup>

The USA would still be a big power for the indefinite future, wrote Kennedy. But soon it would be one big power among many. It was suffering “relative industrial decline, as measured against world production”; “turbulences in the nation’s finances”, expressed in its shift, within only a few years, from being the world’s largest creditor to the world’s largest debtor nation, and its federal budget deficit; and economic-military “imperial overstretch”. The true strategic task for US leaders was “to ‘manage’ affairs so that the relative erosion of the United States’ position takes place slowly and smoothly”, rather than being made more convulsive and damaging by unrealistic diehard attempts to resist it.<sup>2</sup>

Fifteen years on, the USA’s military spending exceeds (since 1997) the total of the world’s *nine* next-biggest powers. The US has military bases in around 60 countries around the world. The US government is so little bothered by the cost of such firepower that it plans large increases in military spending. The USA claims the right to wage what it calls “pre-emptive” war to keep the world in what it considers proper shape, and has named Iraq as the first target for this doctrine.

The USA justified its war in Afghanistan in 2001 on grounds of self-defence against the terrorist-Islamist Al Qaeda. Its war with Serbia over Kosova (1999) aided the Kosovars to survive the Serbian attempt to massacre them and drive them out. It said that the Gulf War of 1991 was to liberate Kuwait from the Iraqi conquest of 1990. In Vietnam, between 1965 and 1975, the USA claimed it was helping supposedly free South Vietnam resist external Stalinist aggression.

The official rationales were never the whole story, and sometimes very far from it. Nevertheless, the new doctrine, according to which the USA can bomb and invade a state to get “regime change” whenever it thinks it might do harm in future, is a step on from doctrines of self-defence or aid to peoples resisting conquest.

It is not quite the old high-imperialist doctrine according to which Britain and other powers claimed the right to conquer territories and rule them in the cause of taking civilisation to the “lesser breeds”. But it is not far off it. Putting the new military doctrine together with the pattern whereby, since the Mexican foreign debt crisis of 1982, economic policies in more and more countries have been set by IMF debt-management plans, many socialists now see the global story of the last decade or two as one of US “reconquest” of the ex-colonial world.

What are the facts and prospects? Are there underlying weaknesses beneath the USA’s current hyperpower, just as there were underlying strengths beneath its apparent relative decline in the 1970s and 80s?

Kennedy, in 1987, saw the world as moving to a “multipolar system”, with, probably, five main poles: the USA, the USSR, China, Japan and the European Union. He saw the USSR in difficulties, but emphatically “not... close to collapse”.<sup>3</sup> He was wrong about that. In 1989-91 the USSR and its whole empire in Eastern Europe did collapse.

Long term, the huge proportion of USSR resources given to the arms race with the USA surely sapped its economy. But the USSR’s military burden was not what was new. Its economy had been highly military-biased ever since the 1930s, including in times when its growth rates outstripped the USA’s.

Nor was it some sudden US renaissance that unexpectedly tilted the scales and brought down its Cold War adversary. The USA had suffered its biggest-ever stock market crash in October 1987; its biggest financial collapse to that date, that of its Savings and Loans industry (similar to building societies in Britain), in 1985-9. By 1990-1 the US economy was in outright recession. The boom which generated talk of a brilliant “new economy” did not pick up pace until the second half of the 1990s.

No, the USSR and its bloc collapsed because of its internal contradictions and

weaknesses. Its collapse was the collapse of the always-illusory programme of “socialism in one country”. Marxists had always argued that the cooperative commonwealth, the free association of producers, the new and more rational society, could be built only on the basis of the technology generated by world-market capitalism and by the action of the working class also generated by that system. No socialism could be built through schemes on the margins of the world economy.

What the bureaucrats tried to build in one, or a few, countries, walled off from the world market by barriers of totalitarian state control, was not working-class socialism, but a variant of what Marx called “reactionary socialism”. The principal means of production were owned collectively, but by a privileged bureaucracy rather than the working people; the economy was planned, after a fashion, but to expand the wealth and power of the bureaucracy rather than for the common good; the workers were as exploited as in the most repressive capitalist state. This “socialism” was not post-capitalist, but a peculiar parallel to capitalism, a detour within the world-historical era of capitalism. It was doomed for the same reason that any “socialism in one country” was doomed.

In the fragmented, trade-bloc world between the two World Wars, it had plausibility. In the era after World War Two when middle-class forces leading independence battles in the ex-colonial countries were seeking schemes to build some autonomous industrial base for themselves, Stalinism could become, as an Algerian Marxist put it, “more and more the ‘theory’” — the philosophy, the ideology — “of the manager”.<sup>4</sup> But, by the side of an increasingly integrated world-market economy, its days were numbered.

Stalinist state power, once a tool for dynamic, terroristic forced-march industrial development, mutated into stifling, clogging, bureaucratic inertia. Mikhail Gorbachev’s efforts to shake it up ended up shaking it apart.

The USSR and its bloc collapsed. The USA became the world’s sole military superpower. But the windfall gains of the USSR bloc collapse went rather more to Germany and the European Union than to the USA. The European Union owns 60 to 80% of the stock of foreign investment in all the countries of Eastern Europe. In all the important countries except Romania Germany has the biggest share of the EU total. It has 30% of the overall total stock in the countries with the biggest stocks, the Czech Republic and Hungary. In Russia the USA is a slightly larger investor (34% of the stock, 27% for the EU), but the EU dominates trade (the USA has only 5% of trade with Russia).<sup>5</sup> Eight of the East European economies are due to be integrated into the EU in May 2004.

Meanwhile, many of the trends 1980s writers saw as proof of the USA’s relative decline have continued, or not been clearly reversed. The USA’s trade in manufactured goods went into deficit in 1983. That deficit has increased. By 2001 the USA was importing \$310 billion more manufactured goods from the rest of the world than it exported to the rest of the world. Its share in world exports of manufactures rose only slightly in its boom of the 1990s. The share was 13.0% in 1980, 12.2% in 1990, 14.0% in 2000. In higher-tech manufactures — machinery and transport equipment — the USA’s share in world exports was smaller in 2000 (16.1%) than in 1980 (16.4%). The USA’s share of world manufactured imports has soared, from 11.2% in 1980 to 20% in 2000, but those extra imports have been bought, essentially, on credit, by the flood of foreign investment money into the USA. The USA’s debts to the rest of the world have continued to balloon.

Yet, where many thought that the removal of the rigidities of the Cold War would accelerate movement to a “multipolar” world, in fact the world has become more unipolar. The unremarked surprise of the 13 years since 1989 is that the web of international regulatory institutions built up on the US side of

the Cold War, and mostly lynchpinned by the USA — IMF, WTO, G7, World Bank, NATO, European Union — has proved strong and flexible enough to integrate vast new territories. It has been able to do that despite the follies of the free-market ideologues who advised the ex-Stalinist state leaders on how to transform their economies; despite the pauperisation of many millions in the process; despite the shocks of the 1997-8 Asia-centred world economic crisis.

The G7 (“Group of Seven” leading states) was set up in 1975, and brought in Russia to become the G8 in 1998.<sup>6</sup> The World Trade Organisation was set up, as a higher-powered successor to the old General Agreement on Tariffs and Trade, in 1995 with 76 members. It now has 145 members and 26 other states applying to join. The IMF now includes 184 member states, up from 150 in the mid-1980s. NATO expanded in late 2002 to 26 members (it was 16). The European Union has not only increased its internal integration (clinching its Single Market in 1993, introducing a single currency in much of its territory from January 2002), but also expanded (three new members in 1995; eight eastern states, plus Cyprus and Malta, due to join in May 2004).

Contesting the thesis of US relative decline in 1987, Susan Strange argued that the USA’s decisive world-power was “structural power”, a different sort of power from the command over territories which characterised the old “high imperialism”. “Structural power is the power to choose and shape the structures of the global political economy within which other states, their political institutions, their economic enterprises, and... their professional people have to operate”.

The USA’s share of world production and world exports might have decreased. Exporters and investors from East Asia and Europe might have pushed into the US home market. The USA might have lost territory to the USSR sphere of influence (it did, notably in the late 1970s). Those trends might have created a perception in the US ruling class that they were losing out, and needed to take a more ruthlessly selfish point of view.

But “the structural power of the United States [was] not to be measured by the value of the goods and services produced within the territorial United States... Nor yet [was] it to be measured by the value of such goods... exported to the world market. If it can be estimated at all, it is the total value of goods and services produced by large companies responsive to policy decisions taken by the US government”. And the USA was the one country in the world where almost all big multinationals would do business. Military, financial, and informational-intellectual-technological power combined with that economic power to lead Strange to the overall conclusion that “the United States’ structural power has, on balance, increased”.

The world (or, before 1989, the West) was thus a sort of “empire with its imperial capital in Washington DC”. But this was a new sort of empire, a “non-territorial empire”, one that operated through structural power over global relations rather than political control over territory. Much of its running was not regulated by any state power, not even the USA’s, but instead by world-market mechanisms. It was more flexible and diffuse: thus the old remedies of secession, political independence, national liberation, effective against the old territorial empires, were disarmed.<sup>7</sup>

Strange’s arguments stand up much better, 15 years on, than the conventional wisdoms of the 1980s. At all the crunch points of world-economy disorder from 1971 onwards, when the big powers haggled over adjustments, the USA got its way. Even at the high point of talk about US decline, no-one could cite a case when the USA had been overruled or outmanoeuvred in such tussles by other states.<sup>8</sup>

So: US hegemony persists; was probably never really in decline.

The Gulf, with around two-thirds of the world’s oil reserves, is strategic terri-



tory for world capitalism in a way no other area is. Ever since its oil industry began, early in the 20th century, the big powers, first Britain, then the USA, have exerted themselves to keep dominance there.

Until the late 1970s that was relatively easy. The Baathist coups in Iraq, 1963 and 1968, closed off the threat of a radically anti-American regime in that country opened by the revolution of 1958. Saddam Hussein was a man with whom the USA could do business, even if he did also develop closer ties with the USSR than they would wish. The old monarchist regime in Iran flourished as a powerful and reliable “sub-imperialist” ally for the USA in the region.<sup>9</sup>

The Islamist revolution-cum-counter-revolution in Iran in 1979 shattered that stability. Iraq’s war with Iran, between 1980 and 1988, was motivated by Saddam’s fear of Islamist infection spreading to his country, and hope of grabbing territory from an Iran still in ferment. But it served the USA’s interests well. So long as the war continued in stalemate, neither regime could assert itself as

regional hegemon. The USA duly helped Iraq avoid decisive defeat by Iran. The war ended in 1988. The USA hoped it could do business with an Iraq keen to find ways to pay its war debts, and contain Iran.

Then Saddam invaded Kuwait in August 1990. The USA did not want a dictator who had proved himself unpredictable gaining control over a huge part of the world's oil reserves. It assembled a war coalition — easily, because of the collapse of the USSR's power — and, after five weeks of bombing and only a few days of ground war, smashed the Iraqi army.

After the US forces retook Kuwait on 27 February, the USA quickly agreed a ceasefire (3 March), instead of marching on to Baghdad. They feared protracted battles; they also feared (and their Saudi allies feared even more) a break-up of the Iraqi state which might leave Iran with a controlling influence in Iraq's mainly-Shi'ite south. For the same reason, the US forces stood by while Saddam's regime bloodily suppressed a popular revolt in southern Iraq in March-April 1991. They also let Saddam launch heavy counter-attacks against a revolt at the same time in Iraq's Kurdish north, driving masses of refugees to the Turkish border. Eventually, in April, the US-led coalition sent forces (briefly) and established a "no-fly zone" for Iraqi airplanes to create a "safe haven" for Kurds in the north-west corner of Iraq. The Baghdad government retreated, withdrawing all troops and administrative staff from that north-west area in October 1991.

According to the Middle East Research and Information Project (MERIP): "Arab states, led by Saudi Arabia, persuaded the US that a military coup in Iraq was preferable to an allied drive on Baghdad. The Saudis and other coalition members regarded the post-war uprisings in the Shi'ite south with fear because of Iran's influence on the rebels, and possible repercussions among their own Shi'ite populations... Washington [hoped] that Saddam Hussein could not survive the impact of war and punitive sanctions", and would soon be ousted by some general or other who would do business with the USA.

US strategists tabulated two major gains from the 1991 war: "military, political and economic containment of Iraq... the routinisation of American military presence throughout the states of the Gulf Cooperation Council" (Washington Institute think-tank report, December 2000). "It was... unforeseen a decade ago that... Middle Eastern states would remain as impervious to the appeal of the Khomeini model as they did, that Iran's revolutionary zeal would wane as precipitously and as thoroughly as it seems to have done, and that US soldiers, sailors and airmen would be deployed throughout this region as broadly as they are".

For the US strategists, all that was good. But for it to be solid and sufficient, Saddam had to fall and be replaced by a US-friendly regime.

It did not happen. Despite repeated US and British bomb attacks on Iraq from 1998 onwards, Saddam kept a tight totalitarian control over his people. MERIP again: "Each year sees credible reports... of hundreds — sometimes thousands — of killings and executions. The government has imposed mandatory death sentences for... 'crimes' such as recruiting a current or former Baath Party member into any other political organisation, or publicly insulting the president or the party. Since 1998... the government has conducted mass executions of political detainees..."

By the late 1990s, US strategists saw it all unravelling. The Washington Institute perceived the "crumbling of the Gulf War coalition" and "the growing political, diplomatic and economic acceptability of Saddam's Iraq... With the exception of Kuwait, every state bordering Iraq permits trade that flouts UN sanctions. Saddam's representatives are once again welcome in Arab League meetings..." The Institute concluded judiciously that "American regional domi-

nance remains in place”. But over time Iraq might reconstitute itself as a regional power openly defiant of the USA.

Iran was also troublesome. The Saudi monarchy was friendly to the USA, but its open corruption, and Saudi Arabia’s economic crisis consequent upon falling oil prices, signalled a danger of it being overthrown by anti-American Islamists. That vital US regional dominance was looking vulnerable. “Security threats to [Gulf] states... are serious and potentially regime-threatening... extremely high unemployment and underemployment... unsustainable social welfare systems... potential resurgence of radical Islamist opposition forces... The Middle East could until 1999 claim a leadership cohort older and longer-serving than any other region in the world... [But] by the end of the first decade of the new century, actuarial tables [alone] will make the Middle East look different from any time in the last generation... The byword will be uncertainty”.

By June 2001, France and Russia were openly proposing that sanctions be eased to allow foreign investment in Iraq’s oil industry. MERIP: “Most of Iraq’s neighbours, including its adversary Syria, and countries friendly to the West like Turkey, Jordan and some Gulf states, were involved in sanctions-busting trade with Baghdad... The resulting revenues were sufficient to keep the Iraqi regime well-financed despite sanctions. Illicit trade — especially oil smuggling — also forged economic ties of mutual advantage which made Iraq’s neighbours resistant to US and British schemes for ‘enhanced containment’. Since 1997, illicit revenues amounting to roughly \$2 billion per year have accrued to the regime in Baghdad”.

Naturally, Saddam has not used those billions to rebuild water and power supplies, or sanitation, shattered by US bombing. The death rate for children under five in Iraq has risen by 160% since 1990 (UNICEF figures, quoted by MERIP). Thus sanctions have come to mean great suffering for Iraq’s people, a political liability for the USA, a frustrating obstacle for the big oil multinationals, and no threat at all to Saddam’s power.

From early in the 1990s, and louder and louder as the decade went on, right-wing ideologues in the US ruling class argued for a new US war to install a new and friendly regime in Baghdad. The leading figures were Richard Perle, now chair of the Defence Policy Board (after whom this circle is known as the “string of Perles”); Paul Wolfowitz, now Deputy Secretary for Defense; and Donald Rumsfeld, now Defense Secretary. Vice-President Dick Cheney and National Security Adviser Condoleezza Rice are close to them.

Wolfowitz gave testimony to the US House National Security Committee in 1998 proposing a US invasion of Iraq. Presumably to make his views appear less off-the-wall, he argued that a full-scale assault, to culminate in US forces taking Baghdad, would not be necessary. The USA should just create “a liberated zone in Southern Iraq”, and set up a “provisional government of free Iraq” there. That government would control the largest oil field in Iraq, and all Iraq’s ports. From its initial beachhead, Wolfowitz assured the sceptical Congressmen, it could easily launch war to take the rest of Iraq. “This would be a formidable undertaking, and certainly not one which will work if we insist on maintaining the unity of the UN Security Council... [but] it is eminently possible for a country that possesses the overwhelming power that the United States has in the Gulf”.

Following up in *Foreign Affairs* magazine (78/2, Mar-Apr 1999) Wolfowitz spelled out that “the United States should be prepared to commit ground forces”; the alternative to such a “direct commitment of US force” would be “the gradual collapse of US policy” aimed at containing and undermining Saddam’s regime.

George W Bush’s presidency, from January 2001, brought the Perles from their

think-tanks and academic posts into government. The Islamist atrocity of 11 September 2001, and the USA's drive for revenge, put new wind in their sails. Straight after 11 September, Wolfowitz and Cheney came out openly with their long-held desire for war in Iraq.

Even in the Bush administration, the majority was still not willing to go along with them. The ease and speed of the US's military victory against the Taliban in Afghanistan gave them additional clout. By autumn 2002 the Perles had clearly won the argument in the USA's ruling circles, though much US opinion, both ruling-class and popular, remained sceptical.

The destruction of Iraqi "weapons of mass destruction" programmes is always mentioned as a US war goal, but is pure public relations. Unless US strategists go for permanent, direct, and total political control over Iraq — which they disavow — it matters little how many factories or laboratories they destroy. All that any Iraqi state will need in order to rebuild the fairly modest equipment required to develop chemical or biological weapons, let alone to provide base facilities for terrorist gangs, is the political desire to do it. Any serious antidote to such threats must be political, not military.

What are the other, more real, US war goals? Baker Spring and Jack Spencer of the Heritage Foundation suggest two: to prevent "the rise of Iraq as a dominant and hostile power in the Gulf" while simultaneously keeping it strong enough not to allow Iran to dominate; and to "ensure that US and world energy markets have access to [Iraq's oil] resources". Hulsman and Phillips, also of the Heritage Foundation, put the same ideas in different words: "ending [Iraq's] threats to the security and stability of the Persian Gulf region, and ensuring international access to its energy resources".

Two other Heritage think-tankies, Ariel Cohen and Gerald O'Driscoll, postulate, as a likely gain from the USA's planned war, that the future Iraq will leave OPEC, the Organisation of Petroleum Exporting Countries. That would scupper OPEC, which already, as of 2001, only has 39% of world oil production, and tilt the balance of the world's oil markets further in favour of the five big US, UK and French multinationals.

Bumper stickers in the boondocks of the USA support war with the frank slogan: "Kick Their Ass, Pinch Their Gas". Ahmed Chalabi, head of the Iraqi National Congress, the anti-Saddam group favoured by the Pentagon (though not by the CIA and the State Department, who prefer the rival Iraqi National Accord) says: "American companies will have a big shot at Iraqi oil".

Cohen and O'Driscoll want it to be a priority for Iraq after Saddam to "prepare state assets in the utilities, transportation, pipeline, energy and other sectors for privatisation... the timeline for this privatisation effort could be four to five years".

Patrick Clawson of the Washington Institute has warned that "for 75 years, modern Iraqi nationalism has defined itself around the issue of control of oil and resistance to foreign oil intervention. If a US military occupation government of Iraq announces that it is going to privatise Iraq's oil resources, there could well be a strong nationalist backlash".<sup>10</sup> But his seems to be a minority voice of caution in the conservative ruling circles of US politics.

France and Russia are hesitant about the USA's war plans because they have good economic ties with Saddam's regime and fear being squeezed out after a US victory. MERIP: "Paris-based companies [have] negotiated an (unsigned) agreement to develop the 18 billion barrel Majnoon field, as well as the smaller Nahr bin Umar field, while a Russian consortium inked a deal to develop the West Qurna field, containing an estimated 15 billion barrels. Baghdad also signed contracts with Chinese firms".

The solution favoured by the Washington think-tanks seems to be to have the





Anti-IMF protest, Washington

Iraqi oil industry developed by multinational consortia involving French, Russian and Chinese firms alongside the US and British giants, and maybe to make special provision for Iraq's debts to Russia (about \$12 billion) to be given priority over other debts.

The Perles see what they are doing now — the “war on terrorism” after 11 September 2001 — as a new version of the victorious USA's reordering of its half of the Cold-War world after World War Two. Thus National Security Adviser Condoleezza Rice: “The great advantage that we have going for us this time, as opposed to... 1947, is that the United States isn't alone. In 1947, Europe was flattened. We were talking about the rebuilding of Europe. We were talking about the rebuilding of Asia. Now we're talking about the extension of the paradigm of progress... to a whole range of people, but with real partners who have prospered...”

They also feel urgency about grabbing the moment while the “war against terrorism” is still warm, before the US population's stomach for war becomes weaker. Rice is anxious to “fulfill this historic moment in which we get to extend to the rest of the world what we and Europe have enjoyed for this last 50 years”.<sup>11</sup>

They want to keep war sentiment warm. “What people are not grasping here”, says John Pike of GlobalSecurity.org, “is that after Iraq they [the Perles] have got a long list of countries to blow up. Iraq is not the final chapter, it's the opening chapter”. Pike thinks that the USA may in fact be able to conquer Iraq with fairly limited US casualties. That does not reassure him. “Then Perle and his crowd will say, ‘That didn't hurt so much, let's blow up Iran and North Korea and Saudi Arabia’. And we'll spend the rest of the decade blowing up countries on a preemptive basis to make us safe”.<sup>12</sup>

In other words, tens of thousands will die so that the USA can replace the Saddams and other dictators with whom they have conflicts by new and more pliant dictators. Socialists detest Saddam as much as the Perles do — in fact, much more so, since ours is a detestation of principle, and theirs is just a grievance that Saddam will not reliably do business with the USA. But the Perles will

not target only regimes that we also detest. Any regime disrupting the fabric of the USA's "non-territorial empire" will be under the gun, as the Sandinistas were in Nicaragua. Any working-class or revolutionary-democratic government is under threat.

Scarily, the Perles' writings suggest that they simply cannot understand how anyone can be anti-USA except through moral depravity, dumb credulousness, or mental derangement. This, presumably, is a carry-over from their Cold War mindset in which all "Communists" or "Communist dupes" were similarly demonised. The collapse of the USSR bloc will have confirmed them in their general view that every sane person everywhere just naturally loves "American values".

The feistier right-wingers thus argue that there is no real danger of the planned war in Iraq destabilising the Middle East, or provoking an Islamist backlash. "The one truly unsettling thing a second Persian Gulf war might unleash is Iraqi democracy", writes Reuel Marc Gerecht of the American Enterprise Institute.<sup>13</sup>

Yet Gerecht also has to reproach his soul-mates in the Bush administration. He writes bluntly: "While promotion of democracy is high on the [US] administration's list of ideas, it is low on the list of priorities".

The strategists who have looked more soberly at "regime change" conclude that post-Saddam Iraq is unlikely to be democratic.

Spring and Spencer urge that "a US military presence in post-war Iraq" must not be used "as an exercise in so-called nation-building". To commit US forces to securing a viable Iraqi democracy is unsustainable. Troops must be pulled out as soon as very limited objectives are met.

They note that "from 1992 to 2000, the UN approved 34 [peacekeeping] missions involving 182,000 troops, compared with 22 missions using 61,000 troops in its preceding 44-year history". They don't like it. It is "unsustainable". They like US military action — but want it to be more choosy, based on specific and limited "security-interest" goals.

Hulsman and Phillips advocate a federal structure for a new Iraq — with three units, south (mostly Shi'a), central (mostly Sunni), and north (mostly Kurdish) — but insist that: "Under no circumstances should the United States advocate the kind of top-down, highly centralised 'nation-building' experiments that the Clinton Administration tried unsuccessfully in Haiti, Somalia, Kosovo and Bosnia".

Condoleezza Rice is careful to promise no more than "an Iraq that is at least on the road to democratic development".<sup>14</sup>

Patrick Clawson, reflective and dispassionate in a Washington Institute report, argues that Iraq's regular army — excluding Saddam's special elite forces — should be the USA's major vehicle in constructing a friendly new regime in Iraq. "Few Iraqi institutions would have more potential value in the immediate aftermath of regime change than the regular army... [It] could play a key role in maintaining order" (in case Iraqi workers and peasants should use the crisis to assert themselves). "Yet", warns Clawson, "the army could become a den of coup-plotters". That is the logic of states where government oil revenues dominate. "Immense oil riches are such a tempting prize that groups contest for control over the state... Occupying Iraq would be a challenge, but preserving Iraqi stability and friendship without occupation could prove even more difficult, unless some way were found to minimise the threat of successive post-Saddam coups".

What way? Clawson does not say. A new US-built regime in Iraq, even one extremely bad from our socialist and democratic viewpoint, may be able to get sizeable popular assent by virtue of being less hideously terroristic than Saddam, reopening the regular oil-revenue flow, and rebuilding the country's infrastruc-

ture. That may give it some solidity. But the condition of the Iraqi-exile opposition can give US strategists little room for confidence. Not even the Pentagon and the CIA can agree between themselves about which faction deserves support. The USA has no sure way “to minimise the threat of successive post-Saddam coups” other than to put the country under permanent US political control.

The US strategists do not want that. They know that a return to the old colonial imperialism, which ended in the West in 1975 with the independence of Portugal’s African possessions, would be full of risk. Inability to construct a stable and friendly new regime in Iraq may draw them into more than they have bargained for. Moreover, there are more potential problems in the Middle East than those of internal Iraqi stability. The USA’s Iraqi war could provoke wider disruption — mass expulsions of Palestinians from the West Bank by Israel? a new Arab-Israeli war? the fall of the regimes in Saudi Arabia, Jordan or Egypt? In that case the US military will have to risk being drawn in further, on pain of retreating in defeat and leaving “American regional dominance” not vulnerable but collapsed.

There is a historical analogy: Britain’s conquest of Egypt in 1882, which became the start of 70 years of semi-colonial control of the country. As late as 1956, Britain abortively invaded Egypt in an attempt to reverse the nationalisation of the Suez Canal and restore some of that semi-colonial control. Yet the initial conquest was made by a government which saw imposing British rule on Egypt as risky, costly and immoral. It was drawn in, despite that, by the progressive collapse of its efforts to get a stable government of Egypt by Egyptians as a reliable business partner.

Even the Tory leaders Disraeli and Derby saw the idea of occupying Egypt as “moonshine” and insisted that “we want nothing and will take nothing from Egypt”. They said that, not in soundbites to deceive the public, but in private correspondence with their colleagues.

The Liberal leader Gladstone, who took office in 1880, denounced the Tories as “jingoist”. His principles were to “avoid needless and entangling entanglements... acknowledge the equal rights of all nations” — and, more specifically, “Egypt for the Egyptians”.

Yet the influx of foreign capital into Egypt was dissolving the sinews and structures of the old Egyptian polity. It was ruled by the Khedive, a local sort of king subordinate to the Sultan of the Ottoman Empire in Constantinople. In 1876 the Khedive defaulted on his debts. Lacking confidence in his ability to run a reliable system of finance, the bondholders made it part of the bail-out agreement that foreign controllers, English and French, should supervise Egyptian government finances.

At first the English controller was supposed to be just a private representative of private bondholders, nothing to do with the British government. But mere supervision did not work. Other schemes were attempted: European ministers in an Egyptian government (1878), official British and French “Controllers-General” and “Debt Commissioners” with decisive control over the whole Egyptian government budget (1879).

A rebellion was led by an army officer, Arabi Pasha. By mid 1882 Arabi was supreme in Egypt. Step by step, the British government was drawn into full-scale conquest, accomplished in September 1882. Even then the Liberal government’s stated and sincere intention was to withdraw as soon as it could. It never did. It never constructed an Egyptian government it considered solid enough to be left fully in charge. The logic of the capitalist penetration of Egypt had drawn Britain into semi-colonial rule despite its politicians’ views.<sup>15</sup>

Friedrich Engels commented on Egypt in a letter to Eduard Bernstein (9 August 1882). “You [the German Marxists] are making too much of the so-called

National Party [led by Arabi]. We know little about Arabi, but I am prepared to wage ten to one that he is an ordinary pasha who does not want to concede tax collecting to the financiers because in the old Oriental fashion he prefers to put the taxes into his own pocket... Repudiation of the khedive's debts is, of course, good, but the question is: what then? We West-Europeans should not be so easily led astray as the Egyptian fellahs [peasants] or all the Romanic people... We can well be on the side of the oppressed fellahs without sharing the illusions they nurture at the time... and be against the English brutalities while by no means siding with their military adversaries of the moment".

What would Engels say about those who today side with Saddam Hussein under slogans like "hands off Iraq" or "defend Iraq", at a time when there is no evidence that Saddam has a popular movement behind him as Arabi, in his own way, did?

In fact, the looming war between the USA and Iraq embodies the complexities and contradictions of world capitalism at the start of the 21st century. The USA is a hyperpower. For now, it has something like world dominion. Things may change, for example as a result of the USA being challenged by a more integrated Europe which engages in an arms race with it. But for now that is a long way down the road. For now, American predominance is an all-defining reality.

It does not follow that socialists and consistent democrats should adopt a stance of mechanical opposition to the USA — "Yankophobia", saying yes when the Yankees say no and no when the America says yes — still less that we should give positive support to all and any forces opposing the USA.

Iraq is a regional imperialist power. It is a savage dictatorial regime, based on a communal minority in the country, among the Sunnis of central Iraq. It has on its record the systematic mass murder of its "own" state's Kurds and marsh Arabs. It is as predatory and expansionist as it is strong enough to be. It initiated a terrible war against Iran in 1980 in the hope of winning territory. Its present relations with the rest of the world, including the USA, are still defined by its occupation of Kuwait in 1990 in an old-fashioned garrison-imperialist grab for oil.

Compared to the USA, this brutal regional imperialist power is hopelessly out-matched in terms of wealth and military technology, let alone capacity to put together world-wide coalitions.

Do socialists then just say that these, the USA and Iraq, are just two imperialist powers with no meaningful distinction between them? If not, why not?

Can we say that "the imperialism of the smaller power is not the same as the imperialism of the superpower"? But even in World War Two there was an enormous disparity between the combatants. Japan was, in Trotsky's words, "the weakest link in the imperialist chain. Her financial and military superstructure rest[ed] on a foundation of semi-feudal agrarian barbarism". It was far behind the USA. Trotsky, writing in the 1930s, had no doubt that Japanese imperialism was heading for disaster.

He had no doubt that Germany was doomed, too, although Germany was qualitatively more developed and stronger than Japan. Italy was hopelessly weak, underdeveloped, and outmatched by its opponents.

But socialists did not side with the weaker imperialisms.

When Germany and Japan were defeated in 1945, international socialists advocated the withdrawal of the Allied armies from those countries. To have raised similar calls in 1940, in anticipation of the defeat, would have turned socialists into apologists and stooges for those weaker imperialisms. In fact the parties of Stalin's Communist International did just that between the signing of the Hitler-Stalin pact in August 1939 and the German invasion of the USSR in June 1941. As a "fraternal service" to Stalin's ally Hitler, they made one-sided

propaganda calling for the Allies to refrain from war against peace-loving Germany. That is not a good example for socialists to follow.

In some parts of the left, Iraq is seen as still the quasi-colony it was a few decades ago. That conception will be used to dispel the problem that between the USA and Iraq it is a conflict between big and little, super-strong and comparatively weak, imperialist states.

That way of looking at it infected *Workers' Liberty's* analysis in the US-Iraq war of 1991, though we also registered the imperialist dimension of Iraq.<sup>16</sup>

Iraq is not a semi-colony. Nevertheless, the hugeness of the inequality between it and the USA, and the sweeping nature of the USA's plans for conquest, makes the impending war something other than just inter-imperialist. However you classify it, Iraq faces the prospect of being pulverised if the USA needs to do that to secure the control that they want.

The nearest historical parallel is the clash between Austria and Serbia in 1914. When Serb nationalists assassinated the Austrian Archduke Ferdinand and his wife, Austria gave Serbia an ultimatum. Austria's demands effectively destroyed Serbian independence. Serbia nonetheless complied. Austria was determined on war, and proceeded on a course of aggression that, within days, brought World War One on the suffering peoples of Europe. Perhaps one Serb in four died in that war.

Yet Serbia too was an imperial power — a weak, marginal one, to be sure. It had fought wars for regional hegemony. It occupied Kosova. Trotsky, a war correspondent during the Balkan wars, described Serbia as an imperialist state.

That did not stop the Marxists from opposing Austria's demands and "defending" Serbia. Karl Kautsky, who would soon start rationalising and excusing the German Social Democratic Party's support for Germany's entry into the world war on the side of Austria, denounced the Austrian ultimatum as "demands whose fulfilment would mean Serbia spitting in its own face, delivering itself to the whim of Austria-Hungary, and making itself a satrapy of the Hapsburgs" (the Austrian royal family).

In fact, of course, the Austro-Serbian conflict very soon merged into the world war, and there the international socialists denounces both sides. They responded to indignant British patriots, for example, who pointed in outrage to what the Austrians were doing in Serbia, or the Germans in Belgium, that England was doing similar things in India and other colonies.

But, even in the heat of polemic with supporters of the war, Lenin was careful to admit that if either Serbia or Belgium could be taken in isolation from the world war, then socialists would be on Serbia's side, and on Belgium's side too. Belgium had a gigantic African colonial empire in the Congo (present-day Zaire), administered with savage brutality. Yet Lenin wrote: "Let us suppose that all the states interested in the observation of international treaties declared war on Germany with the demand for the liberation and indemnification of Belgium. In such a case, the sympathies of socialists would, of course, be on the side of Germany's enemies. But the whole point is that the [Allies are] waging war *not* over Belgium... England is grabbing Germany's colonies and Turkey; Russia is grabbing Galicia and Turkey; France wants Alsace-Lorraine... In the present war waged by the present governments, it is *impossible* to help Belgium *without* helping to strangle Austria or Turkey, etc..."

In the war now looming, Iraq will not merge into anything like the greater imperialist bloc into which both Serbia and Belgium merged in 1914. We have to oppose the USA's war militantly and sharply. In the circumstances that cannot but imply some species or degree of support for Iraq against the Americans and British. That political stand has to be taken without any sort of support for the Iraqi regime.

Any talk by US apologists of bringing democracy to the Iraqi state remains hypothetical and on the other side of a probably very large slaughter of Iraqis. To give it any credit or weight would amount to an idiotic extension of confidence to the goodwill and democratic intentions of one of the most brutal administrations in modern US history..

It is, however, scarcely possible that the USA's war in Iraq will be the start of a huge new triumphant American empire, in the same way that 1882 proved to be the start of the rise-to-apogee of the British empire. The expanding working class, and other urban classes, even in the world's poorest countries, have developed too much confidence and assertiveness for that. Even before the war, even before a single American casualty, even with little more than a year having elapsed since 11 September 2001, support in the USA for Bush's war plans is far from overwhelming or enthusiastic. In Europe and elsewhere in the world there is mass opposition to those war plans. Even in the case of a relatively quick victory over Saddam, the war may well bring US power more problems and conflicts than glory.

If US hegemony could persist in the 1970s and 80s despite crises and defeats for the USA in particular countries, then the converse holds, too. Crisis and defeats for the USA in particular countries can persist despite US hegemony. That Paul Kennedy was wrong about "imperial overstretch" in 1987 does not mean that the USA's rulers will not overreach themselves in 2002-3.

Their "new economy" has withered into a quite old-fashioned recession. Their debts are huge, their ability to mobilise popular consent outside patriotic emergencies limited. They face a growing world working class and a growing if diffuse "new anti-capitalist" mood. Scarsdale's turn will come.

1. Paul Kennedy, *The Rise and Fall of the Great Powers*, Unwin Hyman, London 1988, p.533. (The first US edition was 1987). Kennedy was adapting George Bernard Shaw, mocking the relative decline in the world of the British plutocracy in 1909. Shaw's original: "Hindhead's turn will come", Hindhead symbolising the City rentiers.

2. Kennedy, pp. 525-7, 515, 534.

3. p.513.

4. Tahar Benhouria, *L'économie de l'Algérie*, Maspéro, Paris, 1980, p.426.

5. Figures for end 1999 for central Europe, end 2001 for south-eastern Europe, early 2000 for Russia. The exceptions are Bosnia and Moldova, where Kuwait (Bosnia) and Russia (Moldova) are the main investors.

6. It was only six states in 1975. Canada joined in 1976.

7. Susan Strange, *Authority and Markets*, Palgrave, Basingstoke, 2002, pp. 132, 147, 123, 149. The quotations from pp. 147 and 149 are from a 1989 article, not 1987. The interpolation and elaboration here, between the quoted passages, is mine, not Strange's.

8. It may even be that the expansion of formal international institutions, lynchpinned though it is by US hegemony, paradoxically gives the openly hyper-imperial USA of today less unilateral clout now than the "declining" USA of the 1980s, because it is more locked into to formal procedures of negotiation and consultation. That thought certainly bothers some US strategists, as we can see from their worries about UN Security Council procedures holding them back from blitzing Iraq.

9. See two books by Fred Halliday: *Iran, dictatorship and development*, Penguin, Harmondsworth, 1979; and *Arabia without sultans*, Penguin, Harmondsworth, 1974.

10. American Enterprise Institute website.

11. Condoleezza Rice, interview with *Financial Times*, 22/09/02.

12. *Salon.com*

13. *New York Times*, 26/11/02.

14. Same *Financial Times* interview.

15. This account from Ronald Robinson, John Gallagher and Alice Denny, *Africa and the Victorians*, Macmillan, London, 1981, pp.82ff.

16. A number of comrades, notably Stan Crooke, objected to that infection at the time, rightly. See *Socialist Organiser* no.459.