

Why the U.S. Destroyed Iraq

anon.

1991

At 6:46 p.m. Eastern Standard Time on January 16, 1991, George Bush, Commander-in-Chief of the Empire's armed forces, announced in Washington DC, "The liberation of Kuwait has begun." And, at that moment half a world away in Iraq, the most furious air assault in history commenced against a nation which fit perfectly into the larger schemes of the United States.

Not unsynchronistically, less than a week later, the major oil companies, led by Exxon and Amoco, reported fourth quarter earnings up by a staggering average of 281% and profits by 69%. This, coupled with the information that Saudi Arabia will gain from the Gulf crisis at an annual rate of \$50 billion has understandably confirmed the widespread notion that the war against Iraq always was a war for oil, or more precisely, a war for oil profits.

Most importantly at stake in the Middle East is U.S. control of the vast, surplus profits generated by the Gulf states from their crude oil sales, but this conflict was also necessary as a war for war, one which will continue to enshrine militarism as a key component in the U.S. economy. These two elements are inextricably linked through an understanding in Washington that regardless of American superpower strength in war making, the U.S. must give acceptance to a new tri-polar world. It is one in which wealth and power are shared with Japan and Germany while the U.S. handles the worldwide military "problems."

Economy in Near Shambles

This recognition by the U.S. of a new reality in the affairs of nations means that American military might will be the enforcer for an international empire of capital, not just its own. Having exhausted itself in a four-decade rivalry with the Soviet Bloc, the U.S. now has an economy in near-shambles-with significant sections of its former vaunted industrial and financial might lodged in the economies of its World War II enemies.

Those who command the New World Order hope to move away from the military rivalries which have plagued nation states since their inception and create an integrated world system based on industrial capitalism and elite political domination in which there is a place for all nations, and most importantly, each nation knows its place. To assure this arrangement, U.S. military prowess stands as guarantor.

Sir Peregrine Worsthorne stated it succinctly in London's *Sunday Telegraph*, Jan. 20, 1991: "...if the Gulf War ends as it has begun, there can be no doubt who are the masters now—at any rate for another generation. We have the laser beams and they have not. And the we who matter are not the Germans or the Japanese or the Russians, but the Americans." So, it is written. This delighted Englishman knows his nation must ride the coattails of the Yanks if London banks are ever to see Kuwaiti investments again, hence his enthusiasm.

This is not to suggest the U.S. will serve solely as an international thug on call for guard dog duty by other world powers. Quite the contrary. Along with its enormous resources, markets and wealth, the U.S. plans to continue to play superpower even in diminished economic form by virtue of its military strength and the fact that the price of

oil will remain expressed in petro-dollars, not petro-yen or petro-marks. Herein lie the dual reasons for war in the Gulf.

Bush, crass and venal as he is, would not take the nation to war for Amoco's profits, but he did in order to guarantee that a fair-sized portion of the Gulf states' oil profits continue to be invested in Wall Street and to see that the international stability of the U.S. dollar is defended by being tied to oil. It was never feared that Iraq would price oil so high it would be too expensive to consume by the industrial nations.

Whoever sells oil must keep it at a somewhat reasonable price or conservation measures and alternative fuel usage will reduce consumption and hence, price anyway. The fear was of disproportionate control of oil and its profits by a power hostile to the U.S. which could use it to bargain for what currency oil would be priced in. A war which demonstrates unwaveringly the lengths to which the U.S. will go to defend its economic interests gives warning to other Middle East nations, plus the maintenance of American control allows important leverage in Washington's dealings with its allies of the New World Order.

A War for War

Besides these crucial factors of the geopolitics of oil, the Gulf conflict is a war for war, in many ways:

A successful prosecution of this conflict will establish the U.S. as a permanent warfare state, a warrior nation, as its role in the international division of labor within the New World Order. A victory even over a third-rate Third World army (one incapable of vanquishing Iran in an eight-year war) is important to overcome the so-called "Vietnam Syndrome"—the reluctance of the American people to support endless overseas military adventures which drain the national treasury and expend young lives.

This attitude is considered syndromatic—disease-like—by the rulers. They expect the public's distaste for war will be "cured" by a military triumphalism spread by television's electronic Nuremberg rallies.

This is a war for war in that its intent is "hiroshimic." Like the Japanese city destroyed by the U.S. atomic bomb, the attack on Iraq is less about the conflict at hand and more about a warning to future enemies and potential rivals. Just as the bombs which destroyed Hiroshima and Nagasaki were warning shots fired at the Soviet Union with little to do with ending the military conflict at hand, so the Gulf war is less about "aggression" and more about the intentions of the United States to destroy malefactors who may protest or contest their domination by the New World Order.

Specifically, as at Hiroshima, the U.S. is testing weapons systems in Iraq previously unused in actual battle. It is illustrating the awesome weaponry the Empire possesses, an armory far in excess of any nation, and, perhaps most importantly, the readiness to use them ruthlessly against any enemy.

This is a war for war which will maintain massive arms expenditures as the cornerstone of the American economy even though the disastrous consequences of such a strategy are almost universally recognized. This moment then emerges as one of great significance for the U.S. in terms of the direction its politics and economy will take in the coming period.

A Watershed Moment

The necessity for such a decision came during the lull between the collapse of the Soviet Bloc in late 1989, as a rival to the U.S., and the assumption of hostilities against Iraq. This period was a watershed moment, similar to that which followed World War II when the U.S. faced another prospect of not having an enemy to justify its wartime economy.

Then, as now, the American ruling class knew that the transformation to a permanent war economy was a necessity. The U.S. had only been able to escape the 1930s Depression through state expenditures for war following the Japanese attack in 1941 and a great fear loomed among the elite of a slide back into another depression if war production ceased.

They also knew a permanent war economy necessitated a permanent enemy.

The Soviet Union fit the bill perfectly. Occupying a large land mass, ruled by a ruthless dictator and having troops occupying all of Eastern Europe, the transformation from war-time ally to peace-time foe was easily accomplished. It mattered little that the Soviet Union neither desired nor had the capacity to confront the U.S. until much later, but what did matter was that the engines of war were once again fueling the American economy.

The entire Cold War, like the “threat” from Iraq, was a politically generated, media propagated myth that served the immediate needs of the economy and the aspirations of opportunistic politicians. Claims by the U.S. of Soviet plans for global expansionism were, in fact, a mask for American intentions of the same nature and the U.S. establishment of itself as the dominant world superpower. Virtually destroyed by the five-year war it fought and won against the Nazis, the Soviet Union desired only Western aid for reconstruction and a recognition by its wartime allies of its sphere of interest in Eastern Europe.

Quite simply, the Soviet Union lacked both the will and capacity to threaten the U.S. or Western Europe, but by the early 1950s Americans had been worked up by anti-communist hysteria, and a terrified populace was preparing for imminent nuclear attack from the Russians with air raid drills and “duck-and-cover” sessions.

In reality at that time, the Soviets had only 20 to 30 nuclear weapons in their arsenal and no delivery system to speak of, while at the same time the U.S. possessed 1,000 atomic bombs and bomber fleet capable of striking deep into the Soviet heartland. It was the American military which had strategies for a nuclear strike against the Soviets on the planning boards in the Pentagon war room while the Russians lived terrified of a U.S. attack they knew they were incapable of preventing.

Cold War a Fraud

Also, with the advent of glasnost and opening of Soviet records, documents have confirmed what critics of the Cold War contended all along, that the Russians never contemplated, let alone planned an invasion of Western Europe, and the U.S. knew this. Hence, the Cold War was a purposeful fraud whose sole intent was to justify a massive transfer of public funds to a permanent war economy, and one which would bring little dissent from a public who felt a risk from a demonic foreign enemy.

To be sure, once the ersatz battle was joined, the Soviets, with an empire of its own to manage and a desire to expand its influence against the United States, acted out its enemy status by aiding national liberation movements in the Third World, dominating Eastern Europe, and finally, by the early 1960s, gaining the nuclear and conventional military ability to become a credible imperial rival in the mold that had been set out for it.

Saddam Hussein’s elevation to Hitler status came about just as the reduction of the military budget and the idea of a “peace dividend” to meet domestic needs was being seriously considered. Even the closing of a small percentage of U.S. world-wide military bases, the cancellation of a few exotic weapons systems and the refusal of Congress to expand the \$300 billion arms budget had the militarists in a panic.

Was peace going to break out? Even the fact that all of the above mentioned items along with the so-called nuclear arms reduction treaties are nothing more than a streamlining of the U.S. war machine, the possibility of a political challenge to huge war expenditures in times of relative peace remained open.

Oliver North, writing in a recent *Wall Street Journal*, put it thusly: “The lesson of Desert Storm is to restore the funding for the systems eliminated in last year’s defense budget.” Besides asking when was the last time U.S. weaponry was used for defense, one wonders why this road has been embarked upon at a time when many hoped a conversion to a peacetime economy was possible? It has long been recognized that an economy with a heavily disproportionate investment in armaments has a shaky foundation since war production is high tech and capital intensive where there is little circulation of commodities except in times of military conflict.

Imperial Overstretch

Yale University professor Paul Kennedy places it in even stronger terms in his 1987 book, *The Rise and Fall of the Great Powers*, in which he chronicles a patterned sequence he calls “imperial overstretch.” This uniformly occurred

within the empires of the past—France, England, Spain and others—when they found the cost of defending far-flung empires greater than their economies could endure.

Kennedy, a free-market conservative, was widely read within the Reagan/Bush administration when his book was published, so one must ask, is the decision to bull forward with a strategy that has historically always spelled decline for great powers a fool's game, the last gasp of a dying empire, or does the U.S. have no other choice?

Although elements of all are present, it can be said that among the choices which present themselves, the U.S. has little option other than to continue on the path of warrior nation. Its decreased industrial capacity, capital flight, and enormous multi-trillion dollar foreign and domestic debt make America incapable of doing much more than it currently is.

The ruling class intends to operate with a permanent debtor nation status assuming the remaining vibrant sectors of the economy can make the monthly payments and in any event, no one is going to call in the debt on the country which is protecting everyone else's interests. Just as the U.S. forgives debt to its sub-vassals such as Egypt for lining up behind it in the Gulf war, so Japan may be asked some time in the future to forgive U.S. indebtedness for similar services rendered. Will it work?

There are at least short term benefits for such a strategy. U.S. industrial capacity utilization has dropped since 1989, another indication of capitalist decline. This leaves room for expanded wartime production since much of what has been expended in Iraq must be replaced. Factory orders for machines and other durable goods equipment was up in the last quarter of 1990 due to orders for military goods.

Still, a capitalist nation with an economy faltering in domestic production and finance will have to realize the consequences of having less wealth to share with the same number of people, and one can be assured the ruling class has no intention of making that split more equitable. Instead, a battlefield triage strategy for the economy can be expected with at least one third of the population relegated to permanent poverty while the remaining wealth is split in the traditionally disproportionate manner, but still in such a way as to maintain a core of political support for the empire among the middle- and working-classes.

Empire In Decline

It has been said that empires in decline provide bread and circuses as diversions—for the population to turn them away from the internal rot, but this time around it's only going to be the circus of televised wars, as bread becomes increasingly scarce for many. Viewed from the vantage point of Detroit, this becomes evident when General Motors and Ford announce their largest quarterly loss in history and GM plans closings for nine auto plants, laying off tens of thousands of workers. Or, when the Salvation Army in Detroit has 3,000 people in line on a bitterly cold February morning waiting for food baskets, one knows the poor will not be part of the New World Order except as its barely maintained wards.

This process began in earnest with the Reagan decade although the standard of living of the working class had been eroding since the mid-1970s. The unrestrained yuppie greed and corruption let loose in the 1980s exacerbated a worsening situation, so by decade's end, the U.S. was a debtor nation wracked with scandal, its banking system near collapse, real estate prices tumbling, and productivity declining.

However, amidst the wreckage, the richest sector of the population managed to increase their wealth at the expense of the working class and poor. One can almost trace percentage point by percentage point the looting of wealth from the poor by the rich as one examines the statistics of advance and decline of each class. The fact that the upper 10% only enriched themselves to the extent they did had less to do with restraint and more to do with the flight of wealth to foreign bondholders.

Also, as financial speculation replaced domestic investment and whole industries exited the industrial cities of the Northeast and Midwest for Mexico and Asia, this left a once relatively prosperous working class in a state of penury. This has produced a crime wave of unprecedented dimensions, skyrocketing unemployment, a physical deterioration of the cities in which thousands of beggars and homeless are a permanent feature, and a desperate sense of hopelessness for what the future augurs. Even the U.S. life expectancy rate has dropped continuously over the last four years as AIDS and other diseases connected to poverty take a grim toll.

As it is, income distribution, heavily skewed to begin with by racial considerations, saw the top 20% of U.S. households gain wealth by 14% in the 1980s whereas those in the bottom 80% (making under \$46,600) stayed even. These figures, though, belie an increase in poverty among the lowest rung of families which can best be seen in the figures pertaining to household net worth. 29% of black households reported no wealth, meaning they owned no assets. Overall white households had an average net worth of \$43,280, a figure ten times the average of black and hispanic families which logged a \$4,170 and \$5,520 net worth respectively. Even these figures from the government General Accounting Office are deceptive, since surveys by the Federal Reserve Board suggest the top 1% of all U.S. households have a full one-third of the wealth.

As I write, the smoke of battle is lifting in the Persian Gulf, but only barely. The Kuwaiti oil wells burn unchecked. Even as the wreckage created by the great imperial war machine stands exposed, the image of the state as the great destroyer is giving way to another phase of the capitalist cycle—reconstruction.

American and international corporations are drooling at the prospect of multi-billion dollar contracts to repair the war damage done to Kuwait by Iraq and the United States. Perennial war profiteers like General Motors and the construction giant, Bechtel, along with numerous other companies will reap a fortune in profits in the war's aftermath.

A deliriously happy New York Times Business section for March 3, 1991 crowed in its headline, "The Big Spoils from a Bargain War," predicting "cheap oil for years to come" and "a quicker end to the recession."

Bush's political gamble in the Persian Gulf may have a short term pay-off for him and the social agenda he hopes it defines. It remains to be seen whether Lincoln's dictum stating that all of the people can't be fooled all of the time will hold true in the coming period. For those of us outside the ugly consensus of war triumphalism, never has it been more imperative to maintain our projects and our communities based on resistance to the New World Order.

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See "The U.S. War against the Iraqi People: American sanctions are weapons of mass destruction," FE #354, Spring, 2000.



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