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Nine Eleven: One year of empire building

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Introduction

In the year since 9/11 the Bush Administration has been engaged in a massive, second effort to impose a New World Order which Bush's father attempted in the aftermath of the 1991 Gulf War a decade earlier. To understand the current Administration's effort at empire building it is essential to locate it historically, particularly in the context of the previous decade and the failed effort of Bush's father and the limited imperial advances of the Clinton presidency.

The second part of the essay will present a theoretical and analytical framework for understanding the particularities of empire building in the new millennium, particularly the big push in the year following 9/11. This section will then be followed by a discussion of the new themes, policies and strategic goals enunciated and their application to specific regions. This requires an elaboration of the inter-relation between empire building and the particularities of the Bush regime and the changing nature of U.S. capitalism. The concluding section will focus on the internal political and economic contradictions of the second effort at creating a New World Order as well as the new international context, particularly the conflicts with allies-competitors in the European Union and mass popular movements in Latin America, the Middle East and Europe.

Historical Context for Changes One Year After 9/11

The key to understanding the changes in the year since 9/11 is the second effort to build a New World Order, one that Bush (senior) and the Clinton regime envisioned but were not able to successfully impose.

New World Order One according to a high level strategy paper prepared for top officials of the Bush (senior) Administration envisioned a world in which the U.S. would be able to dominate its European and Japanese allies, isolate its adversaries and sustain its client regimes. The U.S. would be the undisputed world power capable of securing absolute control over strategic resources and a privileged place in the world market ("Defense Planning Guidance for the Fiscal Years 1994-99", *New York Times*, March 8, 1992, p. 14). Written in the first flush of the military victory in the Gulf War, the document projected the conjunctural U.S. dominated military coalition as the basis for stable, long-term empire building. As was predictable (*Empire or Republic*, Petras and Morley 1995), the New World Order failed to materialize. The wartime alliance weakened, boycotts of adversaries were undermined, and while the empire advanced in the Balkans, it was challenged in the Middle East, Latin America and in the streets of Europe and the U.S. Iraq was accepted in the pan-Islamic councils, OPEC, while most of Europe, and practically all the Arab and Muslim countries opposed U.S. military aggression. Iran and Libya developed diplomatic and economic ties to Europe, Middle Eastern countries, Africa and Japan. The European Union improved its competitive position by penetrating Eastern Europe and Russia, outbidding U.S. firms in Latin America and the Middle East while overseas Chinese capital gained a big slice of the Chinese market. International protests beginning in Seattle and expanding throughout the world challenged the U.S. and European dominated World Trade Organization, and their plans to divide up the world economy. Even in the U.S., the public rejected Bush and his vision of a "New World Order" (NWO) voting for Clinton, mistakenly thinking that he would turn to rebuilding (rather than destroying) the social safety net. In place of a U.S.-centered NWO, public pressure and mass movements successfully pressured for international controls on corporate pollution, restrictions on the use of land mines, disarmament agreements and limitations of corporate exploitation of Third World labor. The Palestinian intifada, the advance of the Colombia guerrillas and the crises in the neo-liberal client states further weakened the notion of a N.W.O. Internally the crash of the speculative economy, particularly the IT sector in the early 21st century, certainly weakened the attractiveness and centrality of the U.S. as an investor haven. While Clinton was able to expand the Empire into the Balkans via the war against Yugoslavia, conquer Kosova, and dominate Macedonia, and in the course recreate a U.S.-led war coalition, the gains took place in non- strategic regions with greater geo-military than economic significance.

9/11 was the starting point for re-launching the second version of the N.W.O. The differences between N.W.O. I and II are found in the "lessons" drawn by the strategists from the failure of the first attempt and the writings of Brzezinski (Brzezinski 1997). Many of the same members of Bush senior's team were in the second Bush Administration. The major lesson drawn by the empire- builders from the earlier failure was that one could not assume the loyalty of allies, that the earlier, Gulf War did not go far enough (the conquest of Baghdad, occupation of the oil wells complete direct colonization) and that the war was too "localized" and "time-bound."

In launching the new empire-building project, the Bush Administration took decisive steps to destroy all restraints on the exercise of power, blaming international treaties and human rights legislation for the failure of N.W.O.I. In systematic fashion, in the months prior to 9/11 and the launching N.W.O.II, the Bush Administration abrogated the Kyoto Agreement, the anti-missile agreement, the International Court and numerous other accords. The purpose of these unilateral actions was to create optimal conditions to favor U.S. MNCs, to engage in wars of conquest and to expand military operations. There were several domestic restraining factors that had to be overcome in order to launch N.W.O.II. The Bush Administration was a minority presidency-based on a questionable voter count. The domestic economy was mired in a recession. The stock market was falling and the trade deficit was growing. Against this, the Bush Administration could count on the precedent of Clinton's Balkan Wars, rationalized as Humanitarian Intervention, as a building block for new military invasions. Secondly, the influential Israeli lobby, solidly behind the ultra-rightwing Sharon regime, could be counted on to back any U.S. military attack, particularly against any Arab or Muslim regime critical of Israel. Moreover, Sharon's use of "anti-terrorism" to justify massive state terrorism would fit nicely with Washington's empire building strategy.

The N.W.O.II needed a trigger event that would overcome the domestic restraints, shock allies into subordination, and justify unilateral U.S. military intervention: 9/11 fit the bill. Through skillful mass media imagery, repeated endlessly throughout the world, a localized terrorist incident was transformed into a world- significant event which in turn was used as the basis for launching a real worldwide military crusade, whose ultimate goal was a N.W.O.II. On October 7, 2001 the new, more virulent empire-building project was launched. Afghanistan was bombed on the basis of tendentious arguments: that the terrorists of 9/11 were directed by Bin Laden, and Al Qaeda and Afghanistan the country in which he resided were ultimately responsible. Afghanistan's request for negotiations, and offer to turn Bin Laden over to the U.S. if evidence was provided, was rejected outright. The N.W.O.II could not bother with mere reasonable offers when a higher reason was afoot; a worldwide empire building enterprise.

The mass propaganda media played a major role in support of N.W.O.II a deeply ideological effort. From the moment that the Bush Administration announced open-ended "anti-terrorist war" against a worldwide terrorist conspiracy that threatened every transport vehicle, public or private building, each and every city, town or village, the mass media in every locale magnified and repeated the message. President Bush was transformed from a minority President into the father and protector of the Nation, and entitled to restrict freedoms, to spend endless sums on the military and intelligence and to engage in unlimited warfare.

The events of 9/11 effectively secured the ascendancy of the military empire builders in foreign policy and the pre-eminence of the crony capitalists embodied in Enron in domestic policy.

Theoretical and Analytical Framework

Imperialism Lenin wrote was the final stage of capitalism, in which gigantic fusions between competing cartels of bankers and industrialists would set the stage for a final showdown between capital and labor on world stage. World political- economy since 9/11 exhibits some of the fundamental characteristics described by the Russian revolutionary, many the result of

large-scale historical tendencies preceding the terrorist event. The methodological difficulty in discussing the evolving structures, policies and events one year after 9/11 is precisely to recognize that much of what emerged "full blown" in the year since 9/11 has present on a less virulent form over the past several decades. It is important, in evaluating and analyzing the nature and processes since 9/11 to note these continuities in processes and structures as a benchmark to be able to understand the past year.

To start with, since the end of World War Two, Washington expanded its military, economic, political presence around the world via its multi-national corporations, banks, military interventions, wars and bases. Imperial expansion was not a linear process, rather it was a period of stop and go, aggressive push and forced (temporary) retreat.

The decade preceding 9/11 combined an explosive combination of military conquests, wars, large-scale speculative expansion, pillage and a relative decline in political-diplomatic influence in key sectors of the world economy.

While Washington was able to control Iraqi airspace and one third of its territory via Kurdish client regime it was not able to overthrow or isolate the Saddam Hussein regime. Iraq recovered its position in international organizations OPEC, the Islamic organizations, relations with many key Gulf States and open or barely "covert" trade relations with European, Middle Eastern and even U.S.-owned multi-nationals. The same decline of U.S. influence was evident in the cases of Iran, Libya, Sudan and Palestine each country either broke the U.S. boycott or in the case of Palestine, was engaged in a major confrontation with Israel the principal U.S. ally in the region. Likewise armed Islamic groups engaged in successful attacks on major U.S. diplomatic and military targets in Sub-Sahara Africa and the Middle East. The U.S. in turn, advanced its presence in the Balkans conquering Kosova and establishing client regimes in Macedonia, and Serbian Yugoslavia. Clearly Washington's empire was expanding in strategic military areas and losing ground in strategic economic regions.

Latin America remained contested terrain. Almost all regimes were loyal clients of the U.S., facilitating and promoting large-scale, long-term pillage; while at the sub-national level, class and national anti-imperialist and class-ethnic movements were gaining strength, particularly in Colombia, Argentina, Bolivia and Venezuela. In the latter case, the nationalist foreign policy of President Chavez, particularly important as a key U.S. oil supplier, drew special attention from Washington's destabilization experts.

Internally severe economic strains and a political legitimacy crises, weakened the foundations of the global empire. The speculative bubble burst and the "new economy" went into a steep decline carrying in its wake hundreds of billions of dollars in investor losses. The elections of 2000 were decided by electoral fraud and a partisan judicial decision, handing victory to a minority president without a mandate to rule. Illegitimacy of the Presidency was a serious problem in managing and expanding the empire. The internal political and economic constraints on empire building a weak Presidential mandate and a severely weakened and recessive economy ran contrary to the ultra-empire building ideology of the leading voices in the Bush Administration Rumsfeld, Cheney, Wolfowitz, Rice, etc. There was an obvious need for a dramatic "trigger event" which would allow the Bush regime to overcome these internal constraints and re-launch his father's vision of a New

World Order dominated by the U.S.

The event was 9/11 and the circumstances preceding it, indicate widespread foreknowledge among allies and top officials in the Bush Administration that a major attack on U.S. installations was in the works.

The events and U.S. responses to 9/11 revived the vision of a New World Order, and resulted in far-reaching domestic and foreign policy measures in pursuit of it. Three lessons were learned from the failed quest of Bush's father. Empire building cannot be based on shared decision-making with European or Asian allies. Only unilateral decision-making will build a unique U.S. empire. Secondly, a world empire requires continual wars, without limits to time and place, which lead to conquest and occupation, and not merely the military defeat of an adversary (as Bush's father's defeat of Hussein) who can arise from the ashes. An ideology which mobilizes continuous public support for permanent war has to be elaborated to avoid the ebb of support and a return of public attention to the domestic crises and the discredit of the regime such as happened to Bush senior following the Gulf War, and his electoral defeat in the midst of the recession of 1991- 92 (Furedi 1994).

There are two types of imperial appeals; one that mobilizes public identification with empire, based on race or national superiority, and overseas colonial employment opportunities such as took place during 19th and early 20th century European colonialism. The second imperial ideology designed to secure domestic support is not based on national affirmation as much as national paranoia, cultivated and promoted by the state and magnified by the mass media. The Bush regime's anti-terrorist propaganda campaign, focuses on a world-wide terrorist conspiracy always on the verge of attacking any location in the U.S. (or overseas) any individual, at any time. This has served to unite the country behind the permanent world-wide empire-building project.

A whole series of institutions, Homeland Security, police state decrees, executive and Congressional legislation (the Patriot Act) and vast increases in military, intelligence and police spending on surveillance and control have created a generalized sense of mass insecurity and public willingness to support the new authoritarian measures and the overseas military intervention. Psychological terror domestically is reinforced by widespread and arbitrary attacks on domestic Islamic institutions and Arab immigrants or Arab-American individuals "demonstrating" to a frightened public that terrorists exist close to home.

The political changes since 9/11 bring to bear some of the main characteristics underlying U.S. political culture and institutions: the reassertion of the Imperial Presidency of the Cold War era, a paranoid style of politics reminiscent of the McCarthy-Truman era, an expansive arbitrary police state apparatus similar to the era of J. Edgar Hoover and an ideology of permanent warfare comparable to world-wide anti-communist crusades of the past half century. What is unique in the present/past year is the combination of all these characteristics in the brief period of one year and their context a period of deepening economic crises and increasing loss of political allies.

Empire: Military Strategy and Economic Foundations

Empire begins with military and/or political conquest but ultimately rests on the economy. The current effort at building a world empire rests on fragile foundations and a voluntarist military concept in which, initial military costs are more than compensated by ultimate economic benefits. The ultra-voluntarism of the Bush regime is found in the unilateralist posture, the breaking of many international treaties and the demand for impunity for soldiers, spies and public functionaries committing war crimes in pursuit of empire building. The military drive for world power has severely distorted the domestic and overseas economy of the U.S. provoking a huge budget deficit to match the unsustainable external account deficits, and severely weakening the dollar. The terrorism doctrine generates large-scale flight from the dollar along with other causes.

The deeper structural effects are a declining economy, vast depletion of U.S. pension funds and the impoverishment of tens of millions of present and future pensioners. Empire building is accompanied by deepening inequalities. Expanding the capacity for war in a time of a shrinking economic base, increases domestic malaise. Bush's worldwide "will to power" cannot be sustained in the context of enormous losses in financial resources by the majority of the middle and better-paid working class. The mass media have openly embraced the role of chief propagandists for the regime's various campaigns: propagating the paranoid terrorism-is-everywhere campaign, uncritically passing on the regime's imperial view of the world and defending all the authoritarian clients of the empire. At the same time the mass media have been forced to take a stand against the corrupt crony-capitalists linked to the Bush regime, undermining the Administration's credibility and capacity to mobilize public support for new imperial undertakings.

Empire: Cost and Benefits

The question of who benefits and who loses from empire building is not easily answered at least from the perspective of long-term, large-scale development.

At first glance, the Bush Administration benefited from the Afghan War and anti-terrorism campaign. The regime's popularity increased, military bases were extended, repressive legislation was put in place, large-scale military appropriations were secured and allies were bludgeoned into submission. However, over the medium run many of these apparent benefits have a powerful negative side. The budget went into the red, almost \$200 billion from a previous surplus; war and anti-terrorism funding did little to increase U.S. competitiveness in world markets resulting in another unsustainable trade deficit of close to \$500 billion, and to prevent the fall of the dollar and a sharp decline in the inflow of essential foreign investment. The Bush Administration's economic failure and its incapacity to improve the competitive position of domestic industries led to a sharp increase in protectionist measures and agricultural subsidies, which antagonized more efficient European and Third World competitors and called into question the commitment of the U.S. to free trade, thus weakening the position of more competitive sectors of the U.S. economy. The further attempt by Congress to impose billion dollar taxes on foreign-owned (European) subsidiaries and use the funds to favor U.S. firms, has led to threats from the European Union that investments from the EU multi-nationals might dry up, causing a collapse in the dollar. Finally, Washington's paranoid propaganda campaign has led to general investor insecurity

and the flight of overseas capital to safer havens outside the U.S. The so-called anti-terror campaigns, the strict controls envisioned over money laundering threatens to undermine significant overseas financial transactions and undermine the banking system.

In addition, the ties between the Bush Administration and the leading CEOs in the Texas-based energy industry a clear example of crony-capitalism and the massive fraud and collapse of Enron and other energy giants has adversely affected investor confidence and millions of pensioners. The dual phenomena of corrupt crony- capitalism and permanent war policy have weakened the pillars of the U.S. empire and the Bush Administration.

In the middle range, the economic and political costs of empire building outweigh the short-term political advantages. The Bush Administration has gambled on the "big play" to establish the U.S. as the center of a New World Empire. The leading planners and strategists have projected their future expansion and conquest on the early advances (Afghanistan, Central Asia), based on positive outcomes in marginal areas of the world economy, and on the basis of a narrow focus military calculus, devoid of any strategic knowledge of how the world economy functions and how dependent the U.S. is on external economic centers.

The criteria of the success of the empire builders are almost exclusively built around achieving the following goals. 1) *Changing the world agenda*: In the months preceding 9/11 in Europe and the rest of the world there were clear signs of deteriorating U.S. influence, rising popular opposition to European/U.S. capital, and increasing willingness of Third World governments to break U.S. boycotts of select Middle Eastern countries (Iraq, Iran, Syria and Libya) and Cuba. Within the U.S. public concern about medical and pharmaceutical costs, the crash of the IT speculative bubble and the huge loss of savings, increased pressure for Congressional action. The turn toward regulating corporate power, controlling drug prices and in general focusing government attention on social reform was clearly in ascendancy. The reaction of the Bush Administration to 9/11 was specifically and overwhelmingly to bury the emerging anti-corporate, social agenda in favor of a militarist-police-war definition of the world political economy. Under a relentless propaganda campaign orchestrated and amplified at all levels of government via a homogeneous mass media the Bush Administration was able to shift public debate from the failures of speculative capital to the threats of terrorism; from the allocation of funds for health and drugs to vast increases in military and security spending; from domestic corporate reform to external wars; from investments in revitalizing the productive economy to state spending on a vast new network of military bases in the Balkans, Central Asia, the Philippines, the Middle East and Latin America.

The military definition of reality led to vast increases in sales and profits for the military industrial complex. The *Financial Times* headlined an article "U.S. Defense Sector Cashes in on Bush's War on Terrorism" (FT, July 18, 2002, p. 16). Corporate reform was buried as national hysteria over imminent terrorist incidents was cultivated by the members of the Bush Administration and Democratic Party leaders like Senator Joseph Lieberman. In the short-term the military-terrorist definition of world politics favored Washington for several reasons. The U.S. was most prepared and interested in extending its global power via military and intelligence networks, military bases and repressive authoritarian client regimes. Secondly, the terror hysteria syndrome and mass propaganda campaign raised the Bush Administration out of its minority status into a "massively popular presidency" and created

the illusion of a premier ruler fit to lead the North American people (and the rest of the world) in a global campaign against terrorists.

Manipulating the terror threat to the utmost, the Bush regime simultaneously declared war and promoted a series of anti-terrorist legislation that undermined most of the democratic rights guaranteed by the Constitution. Repressive legislation and mass propaganda in turn led to the capitulation of many progressive intellectuals and celebrities and their embrace of the Afghan invasion and the global definitions of terror.

The military definition of world politics was spread to all international forums and meetings and dominated agendas, temporarily subordinating all socio-economic issues and regional conflicts to the anti-terrorist campaign. By setting the agenda, Washington was able to further its military-political expansion and subordinate its "allies" in Europe/Third World to its project of global domination, euphemistically referred to as "world leadership."

The Bush administration utilized 9/11 to emphasize the particular terrorist threat to the U.S. and therefore, the right to act unilaterally in taking military action and breaking international treaties. In the months preceding 9/11 the Bush regime had already indicated its unilateralist posture in a desperate attempt to secure comparative advantages for declining U.S. business (reneging on Kyoto agreement) and to increase military spending (reneging on the missile agreement) to promote its aerospace industry. However, with 9/11 the Bush Administration combined greater state intervention at several levels:

greater military/intelligence intervention, increased state control in U.S. society via the Home Security Act; heightened state protectionism (steel) and subsidies (agriculture) to favor U.S. capitalists against world competition. The military-mercantilist empire could only be constructed unilaterally as it adversely affected allies and competitors. Anti- terrorism, following 9/11, became the political instrument to raise unilateral state action to the dominant principal in defining Washington's empire-building project. Multi-level trade agreements were violated, the World Trade Organization was ignored, and NATO was marginalized as Washington marched forward under the banner of the war against terrorism.

The rules, agreements, and treaties governing U.S. relations to Europe, Russia and the Third World were radically changed. With Europe the *fait accompli* replaced consultation. The International Court of Justice signed by the EU would not apply to U.S. soldiers. They would continue to have impunity against charges of crimes against humanity. Logical: whoever heard of an empire being built without genocide and military crimes against non-combatants? The U.S. threatened to withdraw its troops from Bosnia and along with that the implicit threat to unleash its Bosnian Islamic clients, and engulf the EU in Balkan War. Europe capitulated. In the Mid-East, Bush's unconditional support for Sharon's genocidal war undermined any effort at EU or client Arab state mediation. No pretext of consultation, just impositions and friendly dismissals of visiting allied political dignitaries.

With Russia, the Bush Administration simply tore up the anti-missile agreement on the basis that Russia had become a third rate power and Putin was a ready client waiting to cut economic deals for his mafia allies in the oil industry ("Cheney Firm won \$3.8 b in Contracts from Government", *The Observer*, July 21, 2002).

In the Third World, Washington increasingly backed non-elected authoritarian rulers and

organized coups to expand its military, political and petrol empire. The Bush regime backed the Musharraf dictatorship in Pakistan, the non-elected regimes in the Philippines, Indonesia and Argentina, a failed military-rightwing coup in Venezuela (whose first act was to dissolve all elected and judicial bodies) and backed a prominent supporter of the Colombian death squads as President. In other countries the Bush Administration blatantly intervened in the electoral process, in efforts to impose pliant candidates. In Bolivia, U.S. Ambassador Rocha threatened to cut off U.S. aid and close the U.S. market if the electorate voted for peasant-indian leader Eva Morales, a move that backfired, as Morales doubled his vote in the last two weeks of the campaign. In Palestine, Secretary of State Powell called for the ouster of Arafat and the installation of a new client ruler. In all regions of the Third World, Washington used the threat of terrorism to urge new harsh repressive legislation, the establishment of U.S. military bases and special "anti-terrorist" police-military apparatus, most of which were used to repress popular movements. The "anti- terrorism" doctrine served to "legitimate" intervention throughout the world and to abolish democratic rights. The lead figures of this wave of authoritarianism in Western Europe were English Prime Minister Tony Blair and President Aznar of Spain. Blair eliminated 800-year-old legal conventions, which barred double jeopardy and the right to a prompt trial, based in evidence (hearsay and criminal background information is now considered legal in trying a suspect).

The rise of authoritarianism in the East and the Third World is closely linked to the economic collapse of neo-liberalism and the burgeoning political crises. Increasingly the popular movements have identified the IMF as an instrument of Western bankers, speculators and their local counterparts. The ability of the IMF and the other IFI (International Financial Institutions) to "discipline" (impose measures redistributing wealth upward and outward) the majority of mankind has been weakened. Client regimes have in some cases, like Argentina, been overthrown or are being challenged (as in Brazil).

In the face of declining markets, deflated speculative activity, and increased competition between the EU, Japan, and Southeast Asia, Washington has attempted to use the national security doctrine to intervene to prop up failed neo-liberal states (the doctrine of a new imperialism) and to gain enclaves within the strategic port cities of Western Europe. The U.S. has established custom inspection offices in Canada, Holland, France and has plans to extend its operations to other countries of Asia.

The Political Framework of Empire Building Since 9/11

The particularities of the Bush regime and its empire-building project have given it a very marked militarist and leaderless quality. In the first place, the over- representation of the energy sector and the military-industrial groups have fueled a decided push to conquer strategic oil regions in Central Asia (Caspian Sea) Iraq/Iran/Libya (the Bush designated axis of evil countries) and install a puppet regime in Venezuela. The tight links between the extractive capitalist sectors and the Bush regime are very visible in the presence of two central figures: Vice President Cheney and Secretary of Treasury O'Neil. Extractive capitalists depend heavily on political and/or military intervention to secure privileged access in exploiting the sub-soil of nations, particularly in the Third World.

Secondly, the Bush regime has been heavily immersed in klepto-corporate activity, whose structure and culture is based on deceptive propaganda, concentrated executive power,

large-scale pillage of private investors and state protection (or at a minimum tolerance). It is not a regime of successful entrepreneurs linked to bona fide capitalist innovators. Rather the success of its leading members (including Bush, Cheney and others) and backers (Enron, Sun Oil, Halliburton, etc.) is based on fraud, deception, and stock manipulation. Surrounded by practicing kleptocrats, who know more about market manipulation and cooking the books, it is not a regime capable of competing in markets and realizing earned profits. The road to economic power is political influence, monopolization and control. In the international economy, a kleptocratic capitalist elite finds it easier to secure market shares through military force and corrupt leaders, rather than product quality.

The profoundly corrupt and mediocre economic elite that surrounds and influences the Bush Administration is totally incapable of imposing hegemonic rule it must seek domination through force. The paradigmatic case is the U.S. imposition of the Kardzai regime in Afghanistan, based on the overt buying of delegates to the jerga, the so-called Council of Tribal Leaders.

The third characteristic of the Bush regime is its strongly regional character and the close corporate-personal ties with Texas/extractive capitalist. For example, Vice President Cheney's firm Halliburton won \$3.8 billion contracts from the government (*Observer*, July 21, 2002). If Clinton's ties to the IT swindlers led to the rise and collapse of the information, fiber optic, bio-tech bubble, Bush's ties to the energy and petroleum felons and their CEO accomplices across the board has led to the collapse of stock prices, the massive flight of investor capital and the sharp decline of the dollar.

The fourth characteristic of the Bush Administration is the total lack of capitalist leadership. In the midst of the dollar, investor and stock crises, Bush and his collaborators are incapable of structural initiatives to stanch the outflow of hundreds of billions of dollars. Empty rhetoric by the President, bizarre optimism by Greenspan (Central Bank President), seclusion by the Vice President facing congressional investigation for cooking the books have only deepened the crises. Immersed in the small world of Texas insider trading, Bush is at a loss in a world of big time swindlers, now under investigation. Bush lacks the external supporting cast to define an economic strategy to confront the crises of investment. Without external direction, Bush has little or no internal resources, basic knowledge, political skill, or organizational ability to put together a new team to avoid the fall. His only remaining external resource are his war ministers, the war machine, and the repressive apparatus. As the stock market weakens the real economy and his economic cronies run for cover, Bush relies more heavily on saving his regime via war a massive attack on Iraq, public backing for the Israeli war against the Palestinians. These particularities of the Bush regime its extractive capitalist background and crony culture, its immersion in a klepto-corporate milieu, its lack of a political economic strategy in the face of crises and its reliance on the war apparatus to resolve domestic crises makes it prone to see the world in a militarist ad mercantilist way and therefore, to act unilaterally and demand impunity.

The Bush Doctrine

The policies undertaken under the Bush Administration can be dubbed the Bush Doctrine, even if their formulation and implementation has been done by others, namely Secretary of Defense Rumsfeld, Vice President Cheney and Rumsfeld protg Wolfowitz.

Essentially the doctrine envisions empire building as a military project, and except for narrow economic concerns for control over petroleum and promoting the military industrial complex, no systematic consideration is given to the economic foundations of empire or to the economic consequences of global military commitments. There is little in the way of coordination between the military/anti-terrorist campaigns and the interests of multi-national corporations. At its root the Bush Doctrine largely assumes that a global military framework under U.S. domination will ensure a stable and favorable context for U.S. economic expansion. An assumption that is totally inadequate given the growing economic competition, the high and prejudicial costs of military/anti-terrorist (Homeland Defense spending) on the economy and the deepening domestic economic crises.

The Bush Doctrine is essentially a highly voluntarist "will to power" project. Voluntarist in several inter-related senses: it assumes that by projecting military power it can ensure domestic backing, force Euro-Asian compliance and support and intimidate adversaries. The Doctrine relies heavily on subjective responses, under the notion that objective reality can be redefined, and instrumentalized to serve U.S. empire building.

It is in this voluntarist, subjective and will to power context, that the Bush Doctrine (BD) defines its key concept of permanent war a war not limited in time and space nor qualified by any set of strategic economic priorities or domestic fiscal or financial limits. Permanent war assumes unlimited economic resources and unconditional, enduring public support and perpetually compliant allies/competitors.

The second key concept of the BD is unilateral action. Washington will not consult, negotiate, and share power or gains. The highly voluntarist nature of unilateralism is evident in the notion that creating facts will force eventual compliance by skeptical allies who will then be brought on board to police and pay for maintaining the conquered territory. Unilateralism is essentially about imposition imperial conquest of adversaries and the forced submission of European allies. Unilateralism is clearly the hallmark of a military-based empire and the unilateral abrogation of disarmament and human rights treaties. It is designed to give a free hand to the military as the driving force in empire building. Prior to 9/11 unilateralism was an instrument to reject international environmental accords and limits in weapons use. Subsequent to 9/11 it has become the modus operandi in formulating and directing foreign policy. The invasion and conquest of Afghanistan was a unilateral U.S. decision; the selection and support of the puppet regime was made in Washington. The forthcoming military attack on Iraq follows the same pattern. The organization and support for the coup against the constitutional government in Venezuela was exclusively in U.S. hands. NATO has outlived its usefulness as it implies some level of European consultation before overseas engagement. The new international framework is total U.S. control and European and client state provision of funds and policing.

The third key concept is the notion of international impunity. Military strategists know full well that imperial conquest and occupation inevitably involves crimes against civilians. The new military doctrine includes the bombing of all life-sustaining infrastructure, the torture and execution of political prisoners, the targeting of civilians in conflictual regions and the forceful maintenance of a client regime. Washington's total, definitive rejection of the jurisdiction of the International War Crimes Tribunal over its imperial armies is in essence the right to use all means including crimes against humanity for empire building. The

Afghan invasion is emblematic: the bombing of hospitals, neighborhoods, weddings, the torture and interrogation of captured soldiers, the denial of any responsibility for documented violations of the Geneva accords, speaks clearly to the reason for U.S. rejection of any international court of justice. Impunity is especially important because of the overwhelmingly military nature of empire building.

The fourth component of the BD is intimately related to the dominant voluntarist mood: the idea that the U.S. can engage in numerous wars at the same time in different locales as well as sequential wars. While it is true that the wars are not of the same dimensions, the U.S. military operations in the Philippines, Colombia, Iraq are not at the level of Afghanistan yet they indicate a generalized war strategy without economic priorities and a sense of unlimited resources and public support. The doctrine of permanent war involves a vast increase in the state apparatus; a growth of state spending and greater state intervention in the economy crowding out productive private investment by competing with the private sector for financial resources. BD is, whether intended or not, highly statist and thus potentially antagonist to significant sectors of the free market sectors of his coalition ("Land of the Unfree", *Financial Times Weekend*, July 20/21, 2002, p.1). Statism is also pervasive in the economy with huge \$185 billion subsidies to agriculture and upward of 40% tariffs on imported steel to protect U.S. steel producers. War, imperialism and statist economics to sustain them are the operational codes of the BD.

The anti-terrorist ideology legitimates the BD and in turn is one of the doctrine's driving forces. Ideology is a key element in the drive to empire via military conquest. From the perspective of military empire builders the beauty of the ideology is that it is open-ended in the sense that it allows maximum intervention in all regions against any opposition since it targets not only identifiable terrorist groups but includes suspected countries from which they allegedly operate, and any groups with whom they have interacted. Even more ominous the term terrorist is used so loosely that any group engaged in opposing militarism, imperialism (so-called globalization) or local authoritarian regimes could be labeled terrorist and targeted. Popular insurgencies like the Colombian FARC and ELN have already been labeled terrorist resulting in a massive inflow of U.S. Special Forces and arms.

The BD has deeply ideologized its empire building moving away from the ad hoc formulations of his imperial predecessors. The anti-terrorist ideology as stated by Bush has totally polarized the world. Washington tries to force the world to choose between empire and terrorism, between the militarist ultra-right in Washington and the fundamentalist right in the streets of the Middle East.

The BD has dictated a new political division of labor in which the U.S. invades and conquers and the Europeans and Third World clients are designated to provide internal security (policing the occupied territory) and subsidize the economic reconstruction.

In the year since 9/11 a new belligerent imperial doctrine has been formulated and applied, changing relations with allies and clients and moving toward conquest of territory as well as resources. Paradoxically the imperial leadership is increasingly parochial, lacking any broad economic vision of the needs of the capitalist class as a whole and lacking elemental respect for the basic rules of the market.

The Structure of Empire

While the Bush Administration has given some attention to securing privileged positions in oil rich countries in Central Asia, the driving force of empire building has been a new type of colonialism, built around occupied countries and the construction of an extensive network of enclaves and military bases at strategic geo-military locations. While the new wave of military base building began with Clinton, in that period it was directed at specific geo-political targets. For example, in the late 1990s the Clinton Administration mounted military bases in Manta, Ecuador, San Salvador, Aruba and Columbia to complement the counter-insurgency war undertaken under Plan Colombia. The Bush Administration has extended military bases throughout the world; new bases have been built in the Central Asian republics of Turkistan, Kazakhstan and adjoining countries. The biggest self-contained military base in Europe has been established in occupied Kosova, to complement the bases in Macedonia. New bases have been established in northern Brazil, northern Argentina, alongside the previous U.S. base in Chapare, Bolivia. The so-called anti-terrorist campaign has converged with the anti-drug campaign and the counter-insurgency operations to give a powerful thrust toward widespread base building and penetration of the domestic repressive apparatus, securing the free circulation of U.S. intelligence and military operatives throughout the one time sovereign nations.

The application and replication of U.S. anti-terrorist legislation and executive decrees by client regimes, has facilitated U.S. entry and made U.S. legislation the de facto law of the land. U.S. customs officials are now operating at the major ports of Europe and Asia usurping functions typically performed by nationals of the countries. New military agreements have been signed in the Philippines, Eastern Europe and Latin America providing for joint military operations under U.S. command.

The peculiarities of the U.S. empire today is found in the fact that this expansion of power is a cost and provides at least for the moment, few economic benefits. The outflow of military spending benefits, in part, U.S. construction companies, but overall the effect is to further unbalance overseas accounts. None of the major bases in the Balkans, Southeast Asia or Latin America is located proximate to or related to profitable regions susceptible to exploitation. The only possible exceptions are the bases in Central Asia near to the Caspian oil deposits.

The dissociation of U.S. military expansion from profitable exploitation of economic resources is neither an accident nor a result of personal failure. It is largely the result of a leadership crisis embedded in the changing nature of U.S. capitalism.

Political Leadership: Speculation and Crime in the Suites

Over the past 25 years, U.S. capitalism has evolved from a regulated-industrial capitalism to a speculative-kleptocratic capitalism. Beginning with the Carter Presidency and accelerating thereafter, the state ceased to regulate the economy to benefit the capitalist class as a whole. Particularly with the Bush (father) and Clinton Presidency deregulation was accompanied by a speculative fever and wholesale swindles. First with the 500 billion dollar savings and loans collapse and then by the IT bubble burst, and then, in the latest stage, the most far-reaching cases of high-corporate swindles and fraud in the history of the U.S. The whole

political class including leaders of both major political parties were deeply involved in seeking funds and supporting the bankrupt S and L, promoting the IT bubble and receiving campaign contributions from the leading CEOs involved in corporate fraud. Crime is the norm among the political and economic elite and impunity is an important corollary.

The accumulation of private wealth and the protection by the political elite deeply enmeshed in promoting special capitalist interests undermined the capacity and will of the political leaders to formulate a coherent global economic strategy to promote the corporate empire. By will and default empire building fell in the hands of the military strategists, while the speculator and swindler based politicians provided ideological cover. The inability of the U.S. political leadership to respond to the massive flight of capital out of stocks and out of the dollar and out of the country was due to their being captives of kleptocratic crony capitalism dependence on financing by special interests. The Bush appeals to corporate responsibility or a corporate conscience rings hollow to the great majority of investors, who have experienced the failures of corporate self-regulation. CEO criminal behavior and investment banking deception has seriously undermined the stock market and violated the fundamental rules of the marketplace. Equally important it has produced a set of political leaders who are remarkably incapable of seeing beyond the crony capitalist circle and rely on the military/intelligence apparatus to define the content and style of empire building.

The results are both dangerous to the world and an unsustainable empire. The ultra-voluntarism expressed in the unilateral projections of power isolates the U.S. from its allies. Despite the claims of the ultra-militarists like Rumsfeld and Wolfowitz the U.S. cannot rule the world alone, or even with its Israeli satrap. Military expansion cannot sustain its client regimes even if the civilian population is bloodied and battered. Equally important the weak and weakening domestic economic foundation of the empire are undermining political support for the regime and limiting the resources available for the escalating military-security budget. Finally, political opposition is growing against the corrupt and fraudulent corporate elite within the U.S. and on the outside, mass popular opposition is growing in Latin America, the Middle East And Europe. The lack of internal corrective mechanisms the pending voluntary or punitive legislation notwithstanding means that the economy is possibly moving in the direction of a major fall comparable to the collapse of 1929.

Theoretical Issues: Structure and Operation of the U.S. Empire

The empire-building project of the Bush Administration raises important theoretical issues. First and foremost is the relation between the military-intelligence sectors of the imperial state to the economic components; secondly, the relationship between the military sectors of the state to the multi-national corporations and the domestic economy; thirdly, the relationship between crony capitalism (sectors of the capitalist class with regional, personal and close political ties to the Administration) and the state and its impact on the economy and the capitalist class as a whole; fourthly, the relationship between the state and the economy in a period of war and unilateral empire building.

The most striking aspect of empire building today is the autonomy of the Pentagon from the capitalist class and most sectors of the capitalist class. The Pentagon has intervened in the most unprofitable regions, with the highest cost- lowest return ratios: Afghanistan, Kosovo,

Macedonia, Philippines, Pakistan, etc. Secondly, Pentagon military action has generated greater hostility in oil producing areas, which are currently lucrative areas for major U.S. investors mainly the Middle East. Thirdly, the Bush Administration has given unconditional support to Israel against hundreds of millions of Muslims, favoring a belligerent military expansionist colonial power over and against vital U.S. economic interests. Finally, the economic costs of military-based empire building are astronomical and the economic benefits are restricted to a narrow circle of military based industries. The budget deficit has soared, the security restrictions have raised the costs of trade via delays and bottlenecks, the travel industry has been battered, particularly air transport, the airplane industry, hotel and other services. Insecurity generated by the self-serving terror mongering which serves to expand the budgets of the military and intelligence apparatus, has undermined investor confidence in the U.S. While the Bush Administration speaks to and passes specific pro-business tax legislation, the pursuit of its global military strategy, tends to subordinate the economic aspects of empire building to the military.

While it would be wrong, theoretically, to speak of an absolute autonomy of the military in relationship to the capitalist class, their freedom of action certainly goes beyond the 'relative autonomy' usually ascribed to the capitalist state.

The economically most important sectors of the capitalist class and the interests of the system as a whole has been subordinated to a particular set of influential regionally based 'crony capitalists' with long-standing political linkages to the Bush Administration. The special favors, the deep corruption and privileged position of the Texas energy sectors in the Bush Administration define the nature of the regime. The collapse of Enron and the subsequent revelations of widespread billion dollar fraud and swindles resulting from cronyism has undermined investor confidence and put the entire equity markets under a cloud. The 'relative autonomy' of the crony sectors from the rest of the capitalist class has severely undermined the position of the capitalist class as a whole.

The ascendancy of the military in the empire building process has been accompanied by the general growth of statism state intervention in the economy, society and in personal lives and freedoms. The Bush Administration is probably the most protectionist regime in recent history: establishing protective tariffs for textile, logging, agriculture and other commodities while increasing agricultural subsidies and imposing quotas on imports. Favoring the military and pursuing conquest by force of arms, has weakened the U.S. economy and, in particular, public investments which would strengthen the competitive position of U.S. enterprises. The vast and all- pervasive state intervention in civil society via police state legislation like the Patriot Act, the Homelands Security Act and TIPS undermine personal freedoms and weakens public opposition.

Imperialism under Bush is closer to a Statist-Mercantilist than a neo-liberal model. While the "free market rhetoric" persists, it is increasingly overshadowed by the military-state rhetoric of "permanent war" and "anti-terrorism". As the economy is weakened and the capitalist class pressures the Bush regime to respond, the military empire builders take the lead in seeing war in strategic economic regions (Iraq and Iran) as the 'solution'. In the eyes of the military empire builders, a war and colonization of Iraq would result in economic benefits to the capitalist class and strengthen their support for their 'permanent war strategy'. It would also serve as a springboard for future wars and conquests in the Gulf region, namely Iran.

While war and economic crises have, in the past, frequently been interconnected, today the new wars will mostly benefit the crony sector attached to the energy-petrol interests and deepen the chasm between it and the rest of the capitalist class. War in this context is an extension of cronyism through military means.

Military-empire building is decidedly colonial in style and content. The emerging empire is built upon the occupation of territory, the imposition of rulers and the management of the colonized state and economy. The U.S. has established colonial relationships with former Yugoslav republics in Kosovo, Macedonia and Montenegro; it occupies airspace in two-thirds of Iraq and indirectly controls the Northern Iraq run by Kurdish clients. The empire has established military garrisons throughout Central Asia and in Pakistan and the Philippines. The empire has established military installations and bases in Bolivia, Brazil, Colombia, El Salvador, Ecuador and Aruba. It has established "extra-territoriality" for its security forces and secured "anti-terrorist" legislation from its client-states obligating scores of countries on the five continents to follow U.S. directives in pursuing adversaries.

Insofar as imperial economic interests are taken into account, they derive from the regional (Texas) crony oil interests. The empire builders are focused on conquering Iraq and probably Iran by military force, Central Asia and the Caspian Sea region via bribery and support for dictatorial regimes, and Venezuela via a military coup. The empire-builders are also keying in on military intervention in Saudi Arabia, which is "teetering on the brink of collapse" (*The Observer*, July 28, 2002).

As it is the U.S. empire which is at stake, and not the imperial system, Washington's military intervention is based on unilateral state action. The weakening of U.S. competitiveness has also led to unilateral decisions to impose tariffs and increase tariffs while vigorously calling on the rest of the world to eliminate its subsidies and lower their barriers (*Financial Times*, July 26, 2002, p. 1). Retro-colonialism and its corollary of military based empire building, unilaterally imposed protectionist and subsidized economic policy and the occupation of geo-strategic territories is the framework for understanding the key features in the year since 9/11.

The Left Strikes Back: The Contradictions of Empire-Building

Three sets of basic contradictions facing U.S. empire-builders have become exacerbated since 9/11: the *internal contradictions* between conflicting capitalist interests and the state; the contradictions between competing imperial interests (Europe and the U.S.); the contradictions between empire and powerful social-political interests in Latin America.

In the year since 9/11 serious inter-regime conflicts and economic contradictions have emerged. They can be listed in telegraphic form: (1) the pre-eminence of the state (namely, the military-intelligence apparatus) over the interests of large multinational corporations (heightened security against business profits); (2) the privileging of territoriality over markets (occupying marginal countries over increasing market shares in prosperous countries); (3) promoting kleptocratic sectors of capitalism (Enron, WorldCom, etc.) over domestic and foreign investors; and (4) increasing spending on an expanding state apparatus at the expense of shoring up the fragile productive foundations of empire.

To these internal contradictions must be added the intensifying external contradiction, particularly the intensified conflicts with the European Union. One of the basic external contradictions results from an internal contradiction, namely that overseas military power grows as the domestic economy declines leading Washington to increase protectionism rather than reduce costly external projections of power. The result is heightened tension between Europe and other exporters and Washington. For example, the 30-40% U.S. tariff on steel has provoked European threats to retaliate with similar tariffs and by taking the matter to the World Trade Organization, where the WTO ruled against Washington. More generally, the powerful role of the state since 9/11 has conflicted with the "free market" ideology, provoking a new round of protectionism.

U.S. military definitions of empire conflict with European market conceptions of empire building. This is particularly the case in the Middle East where U.S. unconditional support for the Israeli war machine undermines European efforts to stabilize the region for investment and trade.

The second contradiction is the monopolistic and unilateralist conception of empire building that has jettisoned the "power-sharing", consultative style favored by Europe. Unilateral monopolization of empire isolates the U.S. from essential economic and military support to sustain imperial conquests. In effect, monopoly power gives U.S. empire builders a tactical advantage, but undermines strategic consolidation only possible by European inclusion and profit sharing.

Heightened contradictions between the U.S. and Europe in trade, investment, colonial conquest, and strategic approaches (military versus market) will not lead to war (U.S. superiority makes that unlikely), but it can have more serious consequences: the crash of the U.S. economy because of the drying up of external flows of capital combined with an overextended military empire.

The third and even more decisive external contradiction is between empire building and the growth of powerful socio-political movements overseas, particularly in two strategic regions (but not confined to them): the Middle East and Latin America.

Since 9/11 Washington has proceeded to aggressively pursue war policies beyond Afghanistan, westward toward Iraq and Iran and secular and Muslim resistance movements in Saudi Arabia, Lebanon and elsewhere. Washington's massive military and unconditional political support for Sharon's re-conquest of the Occupied Territories has provoked a rising tide of mass mobilization infused with anti-imperialist consciousness throughout the Arab world. Popular revolts threaten key U.S. client states particularly Saudi Arabia, racked by inter-regime conflicts and nationwide protests of its pro-U.S. policies. Likewise in Egypt and Jordan mass unrest threatens regimes that closely identify with U.S. retro-colonial policies. Bush's Middle Eastern "axis of evil" the Arab targets for the next imperial wars are precisely those located in regions forming as centers of anti-imperialist resistance.

However, it is in Latin America where the socio-political and military polarization between U.S. empire builders and the popular movements is most acute. While most of the movements preceded 9/11, in the year since, U.S. sponsored militarization and the virtual collapse of the neo-liberal economic strategy has deepened and widened popular resistance

and challenges to the client regimes defending the empire. Moreover, the U.S. military definition of political reality putting anti-terrorism at the top of the agenda has blocked any plans for an economic rescue package.

Popular challenges to imperial domination are located in a wide array of countries, including Colombia, Argentina, Bolivia, Ecuador, Venezuela, Peru, and Paraguay and, to a lesser extent, in Brazil and Uruguay. What is striking about the new wave of popular resistance is the degree to which all the political parties and leaders associated with pro-imperial policies have been discredited. In some cases the popular resistance is expressed in mass popular mobilizations (road blockages, demonstrations, etc.); in others it is expressed by a combination of mass mobilizations and new electoral formations, in Colombia it includes mass protest and guerrilla warfare.

In Argentina, since 9/11 four Presidents have been ousted and the fifth has less than ten percent support. The popular uprising of December 19/20, 2001 led to the overthrow of the discredited, pro-U.S. President De la Rúa and Wall Street favorite Cavallo. With poverty levels exceeding 52% and unemployment of 25%, the Argentine economy is declining by 15% in 2002 its fifth year of recession/depression. Over 6 million Argentines have lost all their savings and hundreds of thousands crowd the streets in assemblies, protests, road blockages and general strikes. The whole political class, judiciary and private elite are totally discredited. And the most popularly repeated slogan is, "Que se vayan todos" "All of you get out." Central to this struggle is a repudiation of foreign debt payments and the identification of the IMF and U.S. as co-responsible for the economic collapse.

In Colombia, the U.S. backed Colombia Plan and Bush's "Andean Initiative" is a large-scale military-paramilitary campaign to exterminate or displace the peasant social base of the guerrillas. The latter includes 17 to 20,000 in the Colombian Revolutionary Armed Forces (FARC) and 4-5000 in the National Liberation Army (ELN). In the course of the past year Washington, through its client Pastrana regime, engineered the collapse of the peace negotiations, re-launched "total war" and promoted the election of paramilitary supporter Alvaro Uribe to the Presidency. The result has been daily massacres of peasants, trade union activists, and Indian leaders, human rights spokespeople. Confrontation between the U.S. backed military-paramilitary forces and the popular civilian and armed groups occur in over 70% of the country on a daily basis.

In Bolivia, Evo Morales, the leader of the coca growing farmers for nearly two decades of struggles against U.S. directed eradication led his Movement to Socialism (MAS) Party into a run-off in the Bolivian Congress where all the capitalist parties joined forces to block Morales bid for the Presidency. The massive vote for two peasant Indian candidates exceeded the nearest neo-liberal candidate by nearly five percentage points. The electoral advance was preceded by mass marches and road blockages that created the anti-imperialist class and ethnic consciousness that advanced Morales to the Congressional run-off. Blatant U.S. intervention by Ambassador Rocha in the electoral campaign backfired. Rocha threatened Bolivian voters with a cut-off of U.S. aid and markets if they exercised their sovereign right and voted for Morales. Morales' popularity jumped from 13% to 21% in the last two weeks before the elections. The most significant aspect of the MAS campaign was that it explicitly repudiated the U.S. imposed coca eradication position, the regime's privatization of gas and oil resources and the U.S. military base and DEA operations in

Bolivia.

In Peru massive public demonstrations encompassing the major cities of Arequipa and Cuzco protesting the Toledo regime's privatization program led to the wholesale resignation of his Cabinet and, in particular, the neo-liberal Economic Minister Kuczinski. Toledo, a former employee of the World Bank, who donned the costume of highland Indian-peasants for the electoral campaign, saw his popular ratings decline from over 50% to less than ten percent in a year. A U.S. protégé who campaigned as a populist and acted as a U.S. client, Toledo faces severe difficulties in staying in power for the remainder of his term, given the intense hostility of a populace that feels betrayed. Toledo's avid support for U.S. "anti-terrorist" campaign relegated his purported concern with alleviating the poverty of 70% of Peruvians to the memory hole.

Ecuador has a pliant client regime led by President Noboa who has dollarized the economy and granted the U.S. a major military base in Manta. Yet his ruler-ship is very tenuous, rocked by general strikes, a hostile Congress and a third of the country ruled by a left of center coalition of Indian-peasant parties. Only two years ago a mass movement of Indian-peasants, urban trade unionists and urban poor joined with sectors of the military to overthrow Noboa's predecessor (Mahuad). The progressive junta was subsequently overthrown by the pro-US military and Noboa was installed in power. While the regime houses U.S. counter-insurgency forces along its borders, and its airspace is effectively colonized by U.S. surveillance planes engaged in the Colombian civil war, the social foundations of the regime are eroding quickly creating a volatile and unstable terrain for imperial advance.

In Paraguay massive demonstrations and road blockages succeeded in forcing U.S. client President Macchi to withdraw the privatization of the state electrical network. The formation of a broad coalition of peasant organizations, leftist parties and trade unionists organized in the Democratic Convergence Front emerged to give leadership to the struggle. U.S. plans to expand its military and intelligence bases and operations at the eastern Paraguayan-Brazilian-Argentina border has become the center of continuing confrontation.

In Venezuela a popular uprising inflicted a serious defeat for U.S. empire builders backing a right-wing military coup. Under the direction of the ultra-rightist Under-Secretary for Latin American Affairs, Otto Reich, the U.S. backed a military coup on April 11, 2002. The coup, supported by the Venezuelan economic elite, sectors of the military and almost the entire upper middle class, overthrew President Chavez and proceeded to disband all elected bodies and the judiciary and replace them with hard-line pro-U.S. functionaries. The first measures of the dictatorial regime were of foremost interest to the empire builders: breaking relations with Cuba and withdrawal from OPEC. However, within 48 hours a massive march of hundreds of thousands of Venezuelans, mostly from the ranchos, the slums in the hills overlooking Caracas, convinced important sectors of the military to come out in favor of the restoration of Chavez to the Presidential palace. The coup collapsed as the mass of the poor threatened to turn the political restoration into a social transformation. The defeat of the U.S. orchestrated coup demonstrated that the empire builders could be defeated and that mass organizations, even though loosely organized, were capable of restoring a President with a moderate nationalist foreign policy. As in Argentina, the Venezuelan populace demonstrated that the client regimes of the Bush Administration were vulnerable and capable of being

ousted at least temporarily. The march of empire building is not a linear process, inevitably destined to succeed.

In Brazil the leading candidate in the Presidential campaign is Lula Da Silva, a politician from the center-left Workers Party (PT). While the PT has dropped all of its anti-imperialist and anti-liberal programmatic demands, it is still perceived as an adversary by Wall Street bankers and the Bush Administration. The empire-builders' opposition stems from Lula's mass popular base of support who, in most cases, are to the left of the party leadership. Wall Street fears that Lula would respond to post- electoral pressure for social reforms, economic regulation and opposition to U.S. military expansion. Wall Street has responded by speculating against the real (Brazilian currency) and through capital flight a scare tactic to undermine or turn Lula further to the right. Washington's chosen candidate to be President Cardoso's successor is Jose Serra. Despite the backing of state apparatus, he lags behind in third place, more than 20 percentage points behind Lula and 13 points behind liberal nationalist Ciro Gomes.

In Mexico Washington's client President Fox has been unable to push through a massive privatization campaign because of Congressional opposition. His Foreign Minister Jorge Castaneda, has surpassed all previous government ministers in his servility to the U.S. empire-builders. His anti-Cuban policies have discredited him, both in the Congress and in the wider public. Though both Fox and Castaneda will continue to stay in office, their effectiveness as pliant clients of Washington is severely limited. The Zapatistas continue in Chiapas, while peasant and trade union struggles continue in some cases with great successes such as the blocking of Fox's airport plans.

Washington's empire builders have support among the regimes in Central America, in the Caribbean (except Cuba) and in Chile none of which have much strategic importance in terms of continental markets, population or strategic resources. Cuba still resists the Bush Administration's hardliners, mobilizing over 8 million demonstrators in favor of the socialist economy. In the Dominican Republic and Haiti significant extra-parliamentary popular movements oppose the U.S. and neo- liberal reforms.

It is abundantly clear that since 9/11 Washington has increased its military presence in Latin America. At the same time its client regimes have been severely weakened and their liberal policies have failed. The military empire builders have returned to the strategies of the empire building days of the Cold War era: military coups (Venezuela), state terror (Colombia), economic blackmail (Bolivia) and threats of direct intervention.

Nevertheless, the year since 9/11 has seen the collapse of the U.S. neo-liberal model and the emergence of powerful socio-political movements with a demonstrated capacity to defeat U.S. client regimes. With few exceptions, the Latin American left has struck back at the empire, the number of supporters has grown geometrically and demonstrated their effectiveness in blocking key legislation and isolating client presidents, reducing them to single digit support.

Despite Washington's bellicose posturing and its deepening military penetration, it has lost the hearts and minds of the great majority of Latin Americans. As we have seen, each U.S. intervention and attempt to impose its imperial agenda has provoked large-scale popular

resistance in the streets and at the ballot box.

The most striking example was President Bush's demand that Cuba surrender the socialist content of its revolution. Over 8 million Cubans marched and then voted overwhelmingly in favor of making socialism an irrevocable part of its Constitution.

Conclusion

Since 9/11 the empire-builders in charge of the White House have given themselves a free hand to act militarily and rejected any international constraints. They have repudiated all international treaties from Kyoto to the International Court. The result is that their unilateral politics have led to greater diplomatic isolation and weakened their capacity at "coalition building". Equally important, it has brought together and activated millions of people opposed to globalization, war and human rights violations. Washington's clear imperialist agenda has led to the re-emergence of anti-imperialist politics.

Washington's empire builders have abandoned all pretext of fighting for democracy. They rely on non-elected, authoritarian rulers to carry out their policies. Musharraf with his 99% of the vote in rigged elections in Pakistan. Macapagal in the Philippines taking power by deposing the incumbents; Karzai in Afghanistan elected through the purchase of votes. The Central Asian dictators in the ex-Soviet Republics are key allies. The coup leader for a day Carmona in Venezuela was a Washington protégé. Duhalde in Argentina was selected by Peronist bosses and approved by the Embassy. These authoritarian rulers and subjects of empire face rising opposition and increasing conflict. The struggle for democracy converges with the fight against the empire builders and their authoritarian clients.

The military-security definition of reality does not eliminate class and national conflicts, rather, it intensifies them. While the military-security empire builders consolidate the position of the far right in the Bush regime (Rumsfeld, Cheney, Reich, Boulton, Wolfowitz, Clark), they further polarize the European public and most of the Third World against their imperial pretensions. While the empire builders may flaunt their weapons systems, the economic foundations of the empire show severe fissures and cracks. The "security blanket" precludes the emergence of any self-corrective mechanisms from within the regime. In the post 9/11 period, it is the empire that counts and it is from those burgeoning anti-imperial movements abroad that change will come. If and when the economy cracks perhaps forces within the U.S. will gain sufficient support to transform the empire into a popular republic.

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