

Empire Building and Rule: U.S. and Latin America

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Introduction

Except for some intellectual dinosaurs, many writers, journalists and academics have re-introduced the concept of imperialism into their analysis of the structure of world power. The earlier discussions focusing on “hegemony” have proven inadequate in explaining the US empire builders’ new emphasis on military coercion, invasion and occupation and rule by force. Fifty years ago the Economic Commission on Latin America (CEPAL) described the world economy in terms of “center” and “periphery”, twenty years later world-system theorists added a semi-periphery. These terms, long devoid of any historical, class or state specificity are no longer found useful by most critical writers in the contemporary world.

All the major questions we face today regarding the nature and direction of international power relations, the nature of the multiplying conflicts, conquests and resistance revolve around the nature and dynamics of imperialism – particularly the most powerful and aggressive imperial power, the United States of America.

Fundamental questions have been asked about the sustainability of the US empire – at least in its present, military and economic structure. In its simplest form, the most common question is whether the US empire is in ascendancy or whether it is in decline. While on the surface this appears to be the ‘central issue’ in reality it obscures more fundamental questions that must be addressed, involving the relations between domestic politics and economy to the empire, the

class and political relationships sustaining and opposing the empire and the political capacity of the empire to sustain outward expansion and domestic decay. To argue as some academics do that the empire is declining because it is “over-extended”(Kennedy, Hobsbawm, Wallerstein) overlooks the capacity of the imperial ruling class to continue to re-allocate resources from the domestic economy to the empire, the durable state, media, and party institutions which gird the continuation of empire building and most important, the ability to recruit clients to service the empire.

The continuing dynamic imperial expansion, including the military conquest of three regions (Balkans, Afghanistan and Iraq) takes place with the active approval of the vast majority of US citizens who are suffering the worst social and economic cuts in governmental programs and the most regressive tax legislation in recent history. Clearly the impressionistic commentators who purported to see the occasional mass demonstrations in Seattle, Washington and other cities against globalization and the Iraq war as a challenge and weakening of the Empire were wrong. Once the war began, the large demonstrations ended and no mass movement exists to oppose bloody colonial occupation nor to support the anti-colonial resistance. Equally serious, from the methodological perspective, the critics of imperial power are unable to account for the world-wide nature of the imperial doctrine – of fighting imperial wars “everywhere and for the foreseeable future” according to the Bush doctrine. Latching on to the most visible and obvious objective – in the case of Iraq, oil – the activists critics overlook, the multiple sites of continuing imperialist military intervention, in Latin America, Africa and Asia (Colombia, Djibouti, and Philippines , etc..). Oil is an important component of empire building, but so is power, control and domination of clients, rivals and independent states.

To properly understand the world wide political and military aggression of the US empire builders, we must focus on the scope and extent of the US economic empire. To adequately understand whether the US empire is declining or expanding we must distinguish between the

domestic economy (what I will call “the republic”) and the international economy (what I call “empire”).

The U.S. Economic Empire

One of the key measures of the economic dimensions of the US empire is the number and percentage of its multi-national corporations (MNC) and banks among the top 500 firms in the world in comparison to other economic regions. Almost all economic analysts agree that the driving force of the world economy, the institutions central to international investments, financial transactions and world trade are the MNC’s. Equally important, no state can aspire to global dominance if its principle economic institutions, the MNC’s, do not exercise a paramount role in the world economy. Any serious discussion of the present and future of US imperial supremacy is obligated to analyze the distribution of power among the competing MNC’s.

There are several ways of measuring the “leading MNC’s”. I have followed the Financial Times approach – and have used the data they have compiled. The FT ranks companies according to their market capitalization, namely the stock valuation of a company. The greater the stock market value of a company the higher its ranking. Market capitalization is the share price multiplied by the number of shares issued. Only companies where the free float of stocks is over 85% are included thus excluding companies with large state or family holdings.

The US MNC’s dominate the listings of the top 500 corporations in the world. Almost half of the biggest MNC’s (48%) are US owned and operated, almost double its next regional competitor, Europe with 28%. Japanese owned MNC’s are only 9% of the total and the rest of Asia (South Korea, Hong Kong, India, Taiwan, Singapore etc...) combined possess less than 4 percent of the 500 biggest firms and banks. The concentration of US economic power is even greater if we look at the 50 largest MNC’s – where over 66% are US owned; and the power of the US economic giants is even more evident when we examine the top 20 MNC’s, where over 70% are US owned. Among the top 10 MNC’s US controls 80%.

Many impressionistic analysts citing the decline in stock market values of US MNC's as an indicator of a general decline in the US global position failed to recognize that the stock value of the MNC's of Europe, Japan and the rest of the world also fell – in equal or greater degree – thus neutralizing the effect of the decline of the US on the continued dominance by the US MNC's.

We can examine several other measures of the continued and consolidated economic power of the US empire. If we compare the net capitalization of the US MNC's among the top 500 firms to the MNC's of other regions we find that the value of US MNC's exceeds the combined valuation of all other regions. US MNC's valuation is \$7.445 billion to \$5.141 billion. The US MNC's have a market value more than double that of its closest competitor, Europe.

The argument for consolidated and growing US world economic empire is further strengthened if we examine the eight leading economic sectors of the world economy, namely banking, pharmaceuticals, telecommunications, information technology hardware, oil and gas, software and computer services, insurance and general retailers. US MNC's are a majority of the top ranked in five sectors, have 50% in one sector (oil and gas) and are a minority in one sector (insurance). The same pattern is true if we examine the so-called "old economy". The US owned MNC's in the old economy including mining, oil and automobile, chemical and consumer goods number 45 of the top 100 MNC's. Among the top 45 MNC's connected with manufacturing the US MNC's number 21, Europe 17, Japan 5 and the rest of the world 2. The US has the top ranked company in 23 out of 34 industry groups. US MNC's control nearly 59% of the leading manufacturing and mining firms – almost equal to the combined European and Japanese MNC's. The major area of US weakness is in the electronics sector where the US has only 2 of the top 23 firms.

In so far as the MNC's are the foundation and driving force for economic empire-building, it is clear that the US is still dominant, still controlling and shows little or no signs of "weakening", "declining" or losing ranking to either Japan or Europe. The thesis of an "over-extended" or "declining economy" has little bases. The recent speculative bubble has only affected sectors of

the IT (information technology) sector, but this is true for US competitors as well. Moreover while the IT sector declined, sectors of the “old economy” have expanded. And even within the IT sectors, there has been a process of concentration and centralization of capital – with Microsoft, IBM and a few other US giants advancing in ranking while many others declined.

While fraud and corruption have affected investor confidence in US MNC’s, it has also been the case in Europe and Japan. The result has been a general decline in market valuations of all MNC’s in all three competing imperial centers (US, EU, Japan). The worldwide decline in stock valuation is evident if we compare the totals between 2002-2003: in 2002 the net value was \$16,250 billion compared to \$12,580 billion in 2003 – a 22.6% decline. However approximately 50% of the decline took place in the IT hardware sector.

The indisputable fact is that the US economic empire is dominant and in an ascending phase – its depth and scope surpasses its European and Japanese rivals by multiples of two in most instances. The advocates of “declining empire” either fail to grasp the economic structural elements of the US empire or resort to long term forecasts based on historical comparison which conclude that sometime in the future the US empire will, like all empires, decline (Hobsbawm). Long time historical forecasting of an inevitable decline has the virtue of consoling the billions of people facing exploitation and destructive wars, and the rulers of nations threatened with military invasion and the takeover of their lucrative natural resources. But it is totally irrelevant in diagnosing the power of the empire today, its dynamic and the forces organized against it. The thesis of decline is based on abstract theorizing, wishful thinking at worst, and at best on extrapolations from the domestic economy of the empire.

What needs to be emphasized is that the “contradictions” that threaten the empire are not simple economic deductions from an assumed “overextended empire” which presumably will energize “the people” to topple the empire building elite, or force the imperial policy makers to rethink their imperialist project. The US empire is built by and supported by both major political parties, by all branches of the government and has followed an upward trajectory via imperial

wars, colonial conquests and MNC expansion, particularly since the defeat in the Indochina wars. Imperial defeats and moments of decline are directly the result of political, social and military struggles – most of which have taken place in Latin America and Asia, and to a lesser extent in Europe and North America.

Militarism and the Economic Empire

There is little doubt that the US global economic empire has had a long term, large scale positive relationship with the US military empire. The US has military bases in 120 countries around the world form the core of the military empire. US militarism, involving wars, proxy interventions via mercenaries, contracted combatants, special forces and covert intelligence operations have created, in many regions of the world over a prolonged period of time, favorable conditions for the expansion of the US economic empire. Regimes which impose restrictions or exclude US foreign investment, refuse to pay debts to US banks, nationalize US overseas holdings or support nationalist movements have been threatened into submission, subverted or invaded, resulting in the imposition of client regimes favorable to US empire building. There is no exact sequence between economic expansion and military action though there is a vast overlap of ties. In some cases, economic interests dictate military bases or CIA intervention (as was the case in Chile in 1973); in other cases military action, including wars, force countries or regions to submit to economic empire building (as in the case of Iraq in 2003).

Nor is there a “perfect symmetry” between imperial military engagement and spending and economic empire building. At times the military engagement “lags” behind the expansion of the US multi-nationals, as occurred during the mid 1950’s to the early 1960’s and later between the end of the Indo-China wars and the early 1980’s. In other moments the reverse takes place, where military involvement dominates the political economic agenda as during the Korean War (1950-53), the Indo-China War (1965-1974), the Reagan era (1981-1989) and today (2001-?). The “movement” and “construction” of empire-building does not follow a linear line of perfect symmetry between the economic and military components. The periodic, disproportionate

emphasis of one or the other does not lead to the demise of the empire, as a review of the past half century of US empire demonstrates.

The notion of an “over-extended” empire is a piece of ahistorical speculation which assumes that empire building must follow some “ideal pattern” where military costs and economic benefits go hand in hand. This is false for several reasons: the benefits of empire building go to the overseas and domestic corporate elite, the costs are paid by US tax payers and the low income families which provide the combat and occupation soldiers. In addition what appear to be military-economic “disproportions” in one period lead to “balance” in the following. For example US Cold War military expenditures and interventions contributed to the downfall of Communist regimes which later led to windfall profits, cheap labor and lucrative exploitation of mineral resources in the ex-Communist countries and their allies as well as reduction in social welfare programs in the West. In order to argue that “excess” military imperialism is harmful to economic-empire building, it is necessary to specify whether the scope and depth of US MNC control over the world economy has declined, that the access to strategic materials has diminished and that the US citizens are refusing to suffer the social cuts, the regressive tax burdens and budgetary allocations which sustain empire building.

The thesis of the “over-extension” of the US military empire overlooks the capacity of US empire builders to recruit subordinate allies and client states to accept police, administrative and financial duties at the service of the US empire. In the Balkans, the Europeans have over 40,000 troops serving under US dominated NATO command. In Afghanistan, European military forces, UN administrative personnel and a number of Third World client states supply the personnel to safeguard the US appointed Karzai puppet regime. In Iraq, subordinate allies like Britain and vassal states like Poland and other Eastern European clients supply military and civilian auxiliaries to enforce US colonial rule. Washington’s long term, large scale client building in Eastern Europe, dating back to at least the 1980’s with Solidarity in Poland, provide a large reservoir of political and diplomatic support, mercenary armies in the current drive for empire

building. Huge airbases and troop deployment platforms are currently being constructed in Rumania, Bulgaria to match those in Kosova and Macedonia. The US empire builders have shoved the Russians out of Central and Southern Asia, building airbases in Kazakhstan, Uzbekistan, Georgia and Afghanistan. The recruitment of client regimes from the Baltic to the Middle East, Central Asia and Southern Asia demonstrates the rapid growth of the US military empire and further new opportunities for US MNC's to expand the economic empire. This extended empire has led to the formation of regional imperial dominated alliances which provide new military recruits to bolster and consolidate the expanding empire. Instead of viewing US empire building as a process of "over-extension" it should be seen as a process of widening the pool for new recruits to strengthen the US military command. US power has learned to discard multi-lateral power sharing with its European imperial allies-competitors in favor of subcontracting military occupation and police functions to the new clients from Eastern Europe, Central and Southern Asia.

Throughout the growth and expansion of the US empire, the European Union has followed in the wake of its conquests, financing and providing military and civil administrators. The brief interlude of German, French and Belgian dissent, prior to the US invasion of Iraq was followed by almost total subservience to US imperial policies –bellicose and intrusive demands and attacks on Iran, North Korea and Cuba; commitments to follow the US lead in promoting a rapid deployment force; backing for the US occupation of Iraq (Security Council Resolution 1483) and more generally a recognition that in the words of compliant EU Foreign Secretary, Javier Solano, "We don't want to compete with the United States – it would be absolutely ridiculous – but see the problem jointly." The EU accepts its role (as defined by Rumsfeld or Wolfowitz) as a subordinated ally of the US drive for world wide domination, seeking to secure a place at the economic trough and delegated power and minority shares in any of the contracts and privatized companies. Those imperial theorists who argued for heightened European independence and competition as weakening the US empire should read Romano Prodi, President of the European

Commission, who in a press statement in Washington on June 2003 said, “When Europe and the US are together, no problem or enemy can face us; if we are not together any problem can be a crises”. Prodi and Solano represent the new thinking in Europe: better to collaborate with a winning imperialism and secure minority benefits rather than be chastised, bullied and left out of the new colonies. The US empire builders welcome and encourage the new thinking, given the EU promise of helping to foot the initial costs of occupation and colonial state building without challenging US supremacy.

To date, including the current phase of US wars of imperial conquest, there are no signs that global militarism is eroding economic empire-building in the US. US MNC’s continue to dominate key banking, manufacturing, IT, pharmaceutical and oil and gas industries. The Iraqi invasion has strengthened US control over and access to the second greatest reserves of oil and gas in the world. Thirdly, there is no imminent popular revolt or citizen rejection of empire building. In the midst of colonial conquest over three-quarters of US citizens – the highest proportion in the world – say they are “very proud of their country”; more that eight out of ten support the invasion of Iraq even when it is public knowledge that President Bush’s justification for the war – to destroy weapons of mass destruction -- has been demonstrated to be a pure fabrication. Despite the most regressive tax reduction in recent history, large scale slashing of social spending and huge budget deficits, the citizens of the US show no signs of mass protest. The anti-war movement of January-February 2003, almost completely disappeared with the successful military conquest and occupation of Iraq. In summary, the extension of military activity from the Balkans through the Middle East to South Asia has not adversely affected the international economic position of the US MNC’s, nor undermined the domestic political support of the architects of empire.

While the empire prospers and the US military bases proliferate, the “republic”, the economy within the boundaries of the territorial United States declines, its class society becomes more polarized, its politics become more repressive.

The Republic Declines

There are two distinct but interrelated “economies” and state activities in the US, the empire which encapsulates the world of the multi-nationals, the global military apparatus and the international financial institutions linked to the imperial state and the republic which is the economy, state institutions and social classes located in the US which provides the soldiers, executives, tax dollars and markets which sustain the empire. The growth of the empire has visibly impoverished the domestic economy in a variety of ways while enriching CEO’s (and their extended entourages) who benefit and direct the overseas activities of the MNC’s. US empire builders have added over \$100 billion to military spending to finance the Iraq and Afghanistan wars, cutting health, education and welfare programs. Today there are more than 50 million US citizens without any health coverage, another 50 million with partial, inadequate coverage and many more millions spending up to one-third of their net income for adequate medical coverage. Pension and social security funds are depleted to cover current expenses and to keep the budget deficit from ballooning out of control. Financing imperialism has led to an estimated \$400 billion budget deficit in 2003 which may increase as the military occupation of Iraq will run to at least \$80 billion. Domestic industrial production, particularly the auto industry has seen profit margins decline sharply, as Ford has taken several billion dollar losses while the majority of US manufacturers have invested abroad or subcontracted to local producers in Latin America and Asia. The result is that subsidiaries of US MNC’s have captured an important share of China’s exports to the US market but have increased the US external deficit for 2003 which has climbed toward \$500 billion and is rising. The high profits earned by the MNC’s relocated throughout the new colonial and semi-colonial economies of Asia and Latin America strengthen imperial institutions while weakening the domestic economy, its budget financing and its external accounts.

The “unbearable costs of global domination” (financier Felix Rohatyn) are indeed “bearable” – there is no mass revolt despite widening inequalities, declining living standards, depleted or non-

existent social services, extended working days and higher individual payments to health and pension funds, and massive corruption and fraud - scandals which rob millions of US investors and pensioners of their savings and pension funds. Growing unemployment is now over 10% in 2003 including those who no longer register.

The empire builders spend massive sums to conquer the world based on fabricated claims. They terrorize the population with paranoiac visions of imminent attacks in pursuit of endless wars, world conquest and horrific carnage of defenseless people. They sponsor or protect domestic anthrax terrorists who terrorized the US population and served to justify US state terror. By and large the great majority of the US population “sat back and watched” (Harold Pinter) or worse took pride and vicarious pleasure in being identified with the victorious rampaging armies. While the major US cities are bankrupt or heavily indebted, the Federal Government spends billions subsidizing agro-export elites to the tune of \$180 billion dollars over 10 years, handing giant MNC building contractors (Halliburton) with close ties to the empire builders lucrative billion dollar contracts while spending billions to subsidize mercenary armies in Afghanistan, Iraq and Colombia. In the midst of domestic stagnation, the empire builders give massive tax cuts to the corporate elite – those most likely to invest in MNC’s who operate abroad.

To attract billions of dollars from overseas investors, the imperial state allows US multi-national banks to launder tens of billions of dollars in illicit funds, from multi-millionaire tax evaders, corrupt bankers and elite political officials from Latin America, China, Africa and elsewhere (US Congress). The funds to sustain the empire is based in part on massive corruption by overseas clients who “invest” in the US economy while opening their countries to imperial pillage. Nevertheless the declining economy of the republic is no longer attracting the high levels of “foreign investment” as the dollar weakens and profitable opportunities shrink. Foreign direct investment has declined from \$300 billion in 2000 to \$50 billion in 2002. The republic needs \$2.7 billion a day in capital inflows to finance the external deficit. The answer to the strengthening empire and weakening republic is greater social sacrifices at home, more

protectionism, greater transfers of profits and interest payments from Latin America and other neo-colonial regions, more moralizing crusades, more forceful mass media blitzes, even more blatant official lies and new wars to charge up the endless supply of chauvinist juices.

The big corporate swindle of millions of US investors and pensioners enriched the CEO's and financed the expansion of the MNC's abroad. Corruption was not an anomaly of deviant CEO's – it is a structural feature of US empire building both abroad and at home.

Imperialist Wars and “The Republic”

Despite the occasional criticism by European leaders and inconsequential dissent within the legislature of “the republic”, the Bush regime has vastly expanded empire building on the political and military foundations and networks of their predecessors particularly the Clinton presidency. The empire builders under Clinton expanded the military empire from the Baltic to the Balkans and beyond to the partial occupation of Iraq. The Bush militarists expanded the US military empire to the conquest of Iraq, Caucasus, Central Asia, to Afghanistan and Southeast Asia, a vast archipelago of airbases, military supply zones and fortresses from which to attack and conquer the entire southern tier of Asia, up to and including North Korea. In the Middle East, Bush announces a ‘free trade zone’ – from North Africa to Saudi Arabia, including Israel -- controlled by the US. Never has the US military empire grown so widely, so quickly and with such ease – making talk about the “decline of the empire” idle chatter or self-indulgent exercises in “faith healing”.

There is no doubt that certain economic sectors have suffered from the empire's hysterical “anti-terrorist” propaganda designed to secure public support for imperial wars and conquests. Those sectors adversely affected include sectors of the civil aeronautic industries, tourism, and related service activities. However large scale state subsidies and interest-free loans have cushioned the effects for the corporate sector.

Empire building in our time is driven by systemic factors, reinforced by ideological extremism. The simplistic attempts to explain the war by references to the influence of the

military-industrial complex fails to take account of the relative decline in rankings of the major aerospace and defense sector between 2001-2002 among the top 500 firms. The imperial conquests today are based on the drive to conquer the world and to open future opportunities for US MNC's – the military empire is designed to secure future access to wealth, not to generate it in the process of conquest; war and the network of military satellites is designed to create a world-wide network to facilitate monopoly profits through client rulers disposed to offer exploitation rights to US MNC's.

“Empire building is no tea party”, a retired colonel from the US Marines once told me, referring to the systematic human rights violations which accompany imperial wars and conquests. Nothing captures the deliberate, planned, violent conquest and brutal occupation embedded in US empire building, than the US opposition to the international criminal court and the vicious arm twisting which has forced over 50 countries to sign bilateral pacts giving US military personnel impunity. But it is not the inhumane nature of imperial wars, nor the gross violations of international law, nor the fabrication of provocations to justify the colonial conquest which cause fissures in the ruling power bloc (state officials and corporate elite) but the relations between the governing military empire builders and the economic empire builders on the best approach to build the empire and consolidate rulership without undermining the republic's capacity to finance the imperial state.

Inter-Ruling Class Conflict

There are several levels at which the inter-elite struggle over empire building takes place. The first and most general issue in discussion is the question of the relationship of the militarists and the corporate empire builders. While they both share a common vision of a “dominant US empire”, they (or at least some) disagree over the degree of “autonomy” with which the militarists act – at times elaborating military strategies that concentrate on conquest rather than economic costs and benefits. The successful military conquests have increased the power and independence

of the militarists in shaping strategic global strategy over and against some of the concerns of the economic empire builders in the private sector.

The second issue is the distortions in US empire building generated by key empire strategists because of their ties to Zionism and the influence this has in shaping imperial policy in the Middle East and beyond. Zionists like Wolfowitz, Feith, Perle and a host of other architects of the strategy of global conquest, following Israeli policy, direct US policy toward destroying Israel's Arab adversaries throughout the Middle East, even when "negotiated" approaches to expanding the US empire are feasible. This is clearly the case with Iran and Syria, despite the emergence of liberal pro-US political movements and personalities who are pursuing non-violent methods.

Equally damaging, in the eyes of conventional military and intelligence strategists, the Zionists empire builders have projected the paranoid Israeli point of view of politics – a world full of enemies, Europeans who can't be trusted, Third World people as potential terrorists. Influential Zionists like Richard Perle follow the precepts of one infamous Israeli military-politician (Moshe Dayan) "the Arabs only understand force". While the Israeli-Zionist "philosophy" is deadly enough in the Middle East, its exponents in Washington have global power and the capacity to implement it on a world scale. The Israeli world view of "preventive" wars, "colonization", occupation, collective punishment, and unilateral use of force in defiance of international law has been adapted by US militarists who have long standing ties to Israel and have made Israeli practices the doctrinal guide for empire building.

The result of the "Zionist bias" in US strategic empire building has generated several points of conflicts within the imperial elite: among the economic empire builders who look toward alliances with Arab oil rulers to expand their domain; among the professional elite in the US military and intelligence agencies who have been castigated and marginalized by the Zionists for not providing the "right" intelligence to justify the wars of destruction of Israel's enemies. This led Under-Secretary of Defense Paul Wolfowitz to form a parallel intelligence structure

compatible with the Zionist policy of “destroying Israel’s enemies”. This bogus intelligence group calling itself a “cabal” is less an intelligence agency collecting reliable information as it is a propaganda agency to fabricate “reports” justifying pre-determined war policies based on the Israeli world view.

The third level of conflict is between Rumsfeld, the Secretary of Defense, and the military-intelligence professionals. Rumsfeld, as the key figure involved in the military empire building process, has been vigorously involved in concentrating power in his hands and that of his personal coterie led by Wolfowitz, Perle, Boulton and other extremist militarists. Rumsfeld has over ruled the Pentagon professionals on the reorganization of the armed forces, weapon procurement, war strategy and intelligence operations. He has promoted loyalist military officers over those with greater seniority and military experience, and humiliated those who express the slightest dissent. His tyrannical behavior toward high military officials is his method of stifling any elite discussions. His most loyal subordinates and influential advisers are those who adhere to his extremist military empire building strategy: sequential wars which overlap and combine with worldwide terrorist covert assassination programs. There is no doubt that Rumsfeld has been the controlling figure in the formulation and execution of the strategy of world military conquest – an imperial strategy which closely resembles that of Nazi Germany. Rumsfeld’s concentration of power within the imperial elite and the hostility toward the professionals was dramatically expressed by his nomination of retired General Schoomaker, former commander of the Special Forces "Delta", which was described to me by senior military officers at the Delta headquarters at Fort Bragg as a collection of “psychopaths trained to murder”. Clearly the ex-Delta general was selected precisely because his ideological and behavioral profile fits in with Rumsfeld’s own Nazi propensities.

The first major differences and internal conflicts between Rumsfeld and the military/intelligence hierarchies surfaced in the aftermath of the Iraqi war over the issue of the non-existence of weapons of mass destruction (WMD) in Iraq. As WMD was the Bush

Administration's major justification for the war, it provoked debate in the mass media and among some congresspeople. The inter-elite conflict surfaced when the "professionals" in the military and the intelligence agencies leaked reports and made statements which questioned the Rumsfeld allegations in the run-up to the war. Clearly the "professionals" were hoping to point to Rumsfeld and the personal "intelligence" coterie as responsible for "cooking the data" to justify the Rumsfeld-Wolfowitz war plans. In short the intensity of the inter-elite struggle for bureaucratic power had reached the point at which the pro-empire professionals were willing to call into question a successful imperialist war to rid themselves of a bureaucratic tyrant who they felt was jeopardizing empire building to advance his narrow personal power within the imperial state apparatus. However the militarists with the aid of Congress and the mass media were able to bury the issue – and even succeeded in securing public compliance with the war.

The fourth issue in debate within the governing imperial elite is the conflict over the relations between military and economic empire builders. The latter clearly see military action as a means to the end – a dominant US economic empire. For the military imperialists, a military definition of world conquest has become the strategic goal, which it is assumed will redound eventually to the benefit of the economic empire builders. This leads critics and ideologues among some economic empire builders to question the militarists knowledge of the economic costs – short and long term -- of an indiscriminant policy of military intervention and permanent wars. This may become an important debate over the methods of building empire, but not about the empire itself which both support. Added to this discussion is the dispute over "economic cronyism" which afflicts the militarists. They hand over lucrative post-war contracts to favored MNC's linked to the Rumsfeld-Cheney-Bush clique while ignoring the claims of other corporate sectors.

These disputes between capitalists and the military empire builders however are clearly secondary to the powerful interests and policies which unite them. Despite the occasional and passing concerns expressed by some capitalists of the imperialist war policies, the capitalist class, particularly the MNC's are powerful backers of Bush-Rumsfeld empire building.

There are at least eight reasons why the MNC's back the Bush Administration despite certain misgivings among individual capitalists concerning the neo-nazi doctrine of permanent warfare. While a few editorial writers in the financial press and individual capitalists have criticized the Bush regime's budget deficits, the weak dollar and the growing external accounts deficits, the majority of the capitalist class continue to provide solid support for the Bush empire building regime for very concrete reasons. The Bush regime has rejected all international treaties, including the Kyoto agreement, which imposes environmental controls on industry, thus lowering the costs of production for US firms. Secondly the Bush Administration provides billions in export subsidies particularly to big agro-business export firms, thus increasing their market shares, increasing their "competitiveness" and profits. Thirdly the Bush Administration provides protective measures for over 200 products, involving tens of thousands of non-competitive producers who sell in the republic's ("domestic") market, thus blocking or limiting the entrance of more efficient competitors. Fifthly the Bush regime has decreased taxes for the entire capitalist class – benefiting CEO's of the MNC's and the capitalists operating in the "republic", thus increasing gains from dividends, capital gains and salaries. Sixth the Bush Administration has largely tolerated (or participated in) the cover-up of billion dollar corruption, fraud and auditing felonies in most of the major MNC's and banks. Seventh the regime continues to tolerate loose banking regulations, in effect promoting billions of dollars of money laundering by US multi-national banks. And eighth the Bush Administration has refused to increase the minimum wage and has pursued an anti-labor agenda, lowering labor costs for big and small business groups engaged in sweatshops and the service sector.

These and similar policies provide the economic bases for long term, large scale structural linkages between the Bush Administration and the capitalist class as a whole. This explains why there is close collaboration between the economic and military empire builders, between the military empire builders and the business class operating in the republic. The 'trade off' (if there

even needs to be one!) involves state financial economic payoffs to the local business elite in exchange for the capitalist class's political and financial support for the military empire builders.

What allows the US military empire builders to proceed in their quest for world conquest, despite inconsequential and passing criticism from their European allies is the knowledge that they have the solid backing of Wall Street and "Main Street" (capitalists producing for the domestic market of the republic). Moreover the overseas power and corporate links of US MNC's and banks with their European counterparts has weakened European resolve to challenge US supremacy and strengthened the hand of the right-wing Berlusconi and Aznar regimes in Italy and Spain.

Imperialism: Circuses without Bread

US empire building does not provide payoffs for the workers, employees and small farmers and business people in the empire. Their support of the Empire is based on the consumption of state propaganda via the mass media, symbolic gratification in being part of a victorious 'world power' and a servile attitude to established state authority. The lack of a credible left wing political party or movement further undermines popular opposition. Even worse, what passes for left-wing or progressive journals or intellectuals was in large part supportive of the US wars against Yugoslavia, Afghanistan and to a lesser degree Iraq. What is even more telling, the great majority of the US intellectual left joined the Bush chorus in attacking Cuba over the execution of Cuban terrorists and the jailing of US financed propagandists. The US "progressive" movements and journals have with few notable exceptions never demonstrated solidarity with the current or past anti-colonial resistance movements, national liberation struggles or revolutionary regimes – whether it was the National Liberation Front in Vietnam, the Iraqi resistance or the Cuban revolution. Most of the US opposition is legalist (citing constitutional law), and moralistic (citing universal precepts) divorced from any practical examples, least of all from Third World revolutionary practices.

The state, the mass media and the corporate world encourage mindless, passive engagement in mass spectator entertainment which creates apolitical “identification” (sports and soap opera heroes and heroines) and reinforces the empire world view of “good” and “evil”, where the “good guys” defeat the “evil doers” through violence and destruction.

As the empire grows, corporate funded pensions disappear, medical and pharmaceutical costs skyrocket and unemployment and poverty grow beyond the flawed official statistical recordings. As of July 2003, the official unemployment rate was 6.5% -- the unofficial close to double. Empire building does not create a “labor aristocracy” which shares the crumbs of empire – at least if we exclude the several thousand trade union officials who draw hundreds of thousands of dollars in annual salaries, pensions and payoffs while the percentage of dues paying union members in the private sector is 9% of the labor force.. Inequalities widen: the ratio of CEO income to workers has gone up from 80 to 1 twenty five years ago to 450 to 1 today, and it is growing. US workers have less vacation time (on average three times less than European workers), a longer working life, more regressive taxes and no representation in the political system, as the two dominant parties are controlled by the empire builders.

The objective losses of the working classes has not led to any significant opposition to empire building except among blacks – who opposed the Iraqi war by a substantial margin. The decline of the welfare state and the transfer of wealth upward serves to finance empire building (the end of the Cold War was an “empire dividend”). Large scale corporate corruption in a stagnant speculative economy and rising unemployment has accompanied a dramatic right wing shift in imperial politics. There has been an increase in corporate crime, national chauvinism and the spread of the ideology of individual survival. Unemployed and under-educated minorities choose to join the imperial army, while many poor white workers express hostility to Muslims, Arabs and Middle Eastern peoples. The affluent leaders of the major Jewish organizations give unconditional support to the butcher Sharon and their ideological counterparts in the Bush regime as they plan for new imperial wars particularly aimed at Iran. Meanwhile US “progressives” once

again begin their perennial futile effort to transform the Democratic Party from an imperial to a democratic party of the republic.

The major challenges to the empire do not exist in the US, at least in the foreseeable future, neither from dissident capitalists (because of the growing gap between the empire and republic), nor from the working class. The main threat to the empire comes from outside, from the ongoing mass struggles in the Third World, namely Latin America, the Middle East and Asia.

Imperialism and Latin America

Nowhere in the contemporary world have economic relations between Empire and Third World regimes been so one sided – so beneficial to the United States and Europe and so detrimental as in Latin America. In discussing the empire-client state relationship it is important to establish a periodization, which distinguishes degrees of domination and control, the specific class collaborators of empire, and more important identifies the distinct forms of empire building of the last quarter of a century.

To speak of imperialism as “500 years of exploitation and domination” is both generally true and specifically misleading. While European and US empire builders have exploited many of the countries of Latin America most of the time over half a millennium, it is also true that Latin American popular movements, nationalist and socialist regimes have significantly modified or transformed their relations to empire at different moments. Imperialism is based on class and state relations which by their nature imply conflicts, confrontations and conquests, revolutions, counter-revolutions and transformations.

In recent history, national-populist regimes from the 1930’s to the 1960’s were successful in partially transforming Latin America from a raw-material based export economy to a diversified urban industrial economy producing for the domestic market. From the 1970’s to the present the imperial-led counter-revolution (led by the US imperial state and the IFI’s) in alliance with Latin American transnational capitalists (sectors of capital linked to international financial, trade and marketing networks) imposed a “neo-liberal” model through client regimes. By the end of the

1990's, the empire, having taken control of the strategic and dynamic sectors of the economy and consolidated its hold on a client political class, launched the transition toward the re-colonization of the region, dubbing the process the "Free Trade Area of the Americas". The process of re-colonization is well advanced, based on traditional right-wing leaders and the recruitment of new client rulers from the ranks of Latin America's renegade leftists and populists.

In brief we can identify three distinct periods of empire-client state relations. The 1930-60 period of relatively limited imperial domination was based on the eclipse (not displacement) of the liberal agro-mineral collaborator classes, and the emergence and expansion of national state and private industrial enterprises, foreign trade and exchange control regimes and national banks. The 1970-95 period included massive privatization of public enterprises and the denationalization of banks, industries, telecommunications, strategic energy services etc.. The third phase (the current period) involves the transformation of the strategic economic conquests into a new political-legal regime – the ALCA Commission – which vests the US empire builders with formal rulership of the region.

Empire Building: Phase I

The transition from national-populism to neo-liberalism was consummated through violent conflicts, military coups, massacres, forced exiles, and the establishment of a state apparatus (military and police) loyal to the empire and a political class of willing accomplices of imperial rule. The empire builders and their client rulers, both military and civilian, immediately opened the region to a massive invasion by US and European speculators and MNC's.

Economic empire building was made possible by the military empire builders who directly and indirectly intervened to repress, disarticulate and fragment popular opposition. Military coups in Brazil (1964), Bolivia (1971), Chile (1973), Argentina (1976) and civilian military coups in Uruguay (1972), and Peru (1993) created the political framework and international agreements with the IFI's which reversed the national industrializing project and opened Latin America to conquest by US and European MNC's.

During the mid 1980's under mass pressure the US brokered a "negotiated transition" from military to elite electoral authoritarian political rule, safeguarding the "neo-liberal" economic framework to further the expansion of the economic empire. Between the mid 1980's to 2000, the economic empires expanded – both European (mostly Spanish) and US as trade barriers fell and US, European Union and Asian commodities flooded the Latin American markets, displacing millions of small farmers, local producers, manufacturers and retailers.

The new authoritarian client regimes pillaged the economy, privatizing and selling off thousands of public enterprises, while the MNC's bought out local banks and manufacturers, land and real estate. According to a recent study (Minella), in Brazil in 1989 foreign banks owned 9.6% of bank stocks, by 2000 they controlled 33%. In 2001, foreign finance capital controlled 12 of the 20 biggest banks in Brazil. The growth of foreign capital is almost exclusively the result of the acquisition of national public and private banks, not the creation of new firms. In Latin America, a study of 212 directors of 19 financial associations representing banks in 14 Latin American countries, revealed that 55% were representatives of foreign banks. A majority of the leaders of financial networks in Latin American are North American or European bankers. These financial networks in turn directly or indirectly control industrial, commercial and real estate properties. Equally important, they establish the conditions for external financing in collaboration with the IFI's. US client ideologues in Latin America are mostly trained at elite propaganda universities like Chicago, Harvard, Stanford etc. Through state terror and coercion they imposed the imperial centered "neo-liberal model". The IFI's reinforced the "model" through their structural adjustment policies supporting the client regimes and benefiting the local financial elites linked to US multi-national banks.

The imperial centered model led to the long term, large scale systematic pillage of every country in Latin America. The latest study, for the year 2002, by the United Nations, Economic Commission for Latin America reveals that over \$69.2 billions of dollars in interest payments and profits were remitted to the US home offices. The study did not include the several billion in

royalty payments, shipping, insurance and other service fees and the billions more illegally transferred by Latin American elites via US and European banks to overseas accounts. The total pillaged from Latin America is closer to \$100 billion dollars. If we multiply this sum for the decade 1992-2002 we can conservatively estimate that Latin America was exploited to the tune of over \$1 trillion dollars.

A similar process of empire building is evident in the realm of the imperial takeover of trade, productive facilities and local markets. According to a study by the Banco Bilbao Vizcaya Argentina (BBVA) headquartered in Spain, over one third (56) of the 150 biggest enterprises are foreign owned, half are national private and almost 13% (19) are national state firms. However the 75 national private firms only generate 30% of the total sales of the 150 largest enterprises. The Latin American owned private firms account for only 22% of the exports of the 150 biggest firms, the foreign owned firms 15% and the public firms 63% of export earnings. In other words US and European MNC's control a substantial share of the domestic market, while public national firms are the major foreign exchange earners.

US, European and Japanese MNC's dominate the domestic markets and largely displace local producers. The imperial formula for Latin America is to export capital to capture domestic markets and to import raw materials from the publicly owned enterprises. In 2002, MNC's transferred \$22 billion in profits on direct investments of \$76 billion – almost a 35% rate of return.

With public enterprises accounting for \$245 billion in sales of which 35% represented exports it is clear that the strategic goal of US empire building is to seize control of this sector. The focus is on the state petroleum and gas companies of Mexico, Venezuela, Brazil, Ecuador, Colombia and Bolivia as well as the Chilean Copper Corporation (BBVA quoted in La Jornada June 15, 2003.)

Empire building then involves four stages: 1) ideological-military-political intervention to impose “the empire centered model” and the parameters of “realistic” political-economic debate –

with some “imperfections” (popular resistance, different timing of implementation, incompetent rulers etc.). 2) Implementation of the first wave of deregulation, privatization and de-nationalization leading to the dominance of local elites linked to the IFI and MNC’s. 3) The conversion from national privatization to foreign control via debt payments, loans and buyouts leading to the takeover of large market shares in sales and banking. 4) The drive for direct imperial political-military control to repress mass resistance resulting from the pillage of stages 1-3, and to extend and deepen privatization to include the lucrative energy, raw material and light and power public enterprises. Stage four is the preparation for the imposition of ALCA – the final stage of empire building – the re-colonization of Latin America.

How the Empire Rules

The key to empire-building – the dynamic of imperialism – is the dynamic role of the imperial state and its “quasi-private/public” auxiliaries in the private sector. The MNC’s and financial expansion in Latin America are crucial for accumulation, and to counter the tendency for the rate of profit to decline. But it is also important to recognize the role of the imperial state in resolving the fundamental question of the locations (geographic/economic) where these processes play themselves out, the timing of the resolution or attempted resolution of these economic crises and the necessary political social relations and framework which enable these economic contradictions to be resolved. Over-production may drive the capitalist to turn to the conquest of overseas markets, but the “markets” will not open if local regimes are not forced to lower barriers via military invasions, coups, and the placement of imperial centered economist-ideologues in decision-making positions. The leverage of IFI’s linked to the imperial state is also a basic component of market openness. The falling rate of profit of key economic sectors (and their leading MNC’s) cannot be reversed if labor legislation in the client states is not “reformed” through the IFI’s and mass organized resistance repressed by the police and military apparatus of the clients.

Thirty-five percent rates of return are not secured in democratic, participatory societies with full employment and labor rights. Exorbitant rates of return, pillage of public resources, saturation of markets, and prompt full payment of debt in the midst of mass poverty requires bloody repression by client rulers, which is far beyond the capability of “market forces”.

Strategic openings for the MNC’s clearly require the massive systematic involvement of the imperial state. Economic empire building is intimately related to client regime building (what imperial ideologues call “nation-building”). The imperial state operating in Latin America not only creates the initial foundations of empire-centered development but is deeply involved in controlling, disciplining, recruiting, corrupting, co-opting and threatening electoral politicians to serve as local collaborators.

The empire rules via the IFI’s which enforce economic discipline via loans, conditionality and threats – the purpose being to use debt obligations to deepen privatization and enforce compliance to the “open markets” policy.

The rule of the open market applies to Latin American but not for the US or the EU where selective protectionism reigns. The imperial state has established over 120 military bases throughout the world –including more than two dozen bases and operational locations throughout Latin America to recruit officials and to ideologically train them to identify with the empire, oppose anti-imperial adversaries and to intervene in time of regime crises. Most important, the imperial state intervenes to influence the political elites, financing candidates and parties, buying, co-opting, threatening, and seducing ascending political figures. Imperial policy makers encourage greater links with the MNC’s and greater distance from popular constituencies. The latter activity involves long term cultivation of opposition figures from what the State Department calls the “responsible” left or the “democratic left” who provide the “right signals” – supporting electoral as opposed to mass struggle, compromises favoring consequential concessions to MNC’s and an affinity for individual over collective mobility. The empire favors a personal

profile of personalistic rule which provides an authoritarian setting for implementing harsh austerity rule for the many and large scale concessions to the rich, particularly the foreign rich.

The most recent successes of the imperial state's strategy of client regime building is found in Brazil and Ecuador. In both cases political leaders, Ignacio Da Silva and Lucio Gutierrez were backed by radical popular movements before they "turned" or converted to empire-centered policies via the process of ideological persuasion in line with a rightward shift in the leadership of their party apparatus.

The imperial state through its formal and informal links to US-based cultural institutions – both private and public – recruits media "stars", upwardly mobile intellectuals, students and journalists to design and promote empire-centered cultural practices and institutes which train activists and influence public opinion. The head of US-AID recently demanded that US-funded NGO's drop their "non-governmental" façade and openly declare that they are "an arm of the US government." (Financial Times, June 13, 2003). There are many "arms of the US government", admitted or not, which combine cultural entertainment and ideological indoctrination, world news and imperial propaganda, scholarship and foundation grants with empire-centered thinking and acting. The imperial state has created and defended this "public-private" cultural universe for economic empire building in Latin America. In summary Washington spends US tax dollars to finance the expansion of the US economic empire - depleting the republic. Nowhere is the direct ties between political-military empire building and rulership more clearly related to economic empire building than in Latin America and the process marches towards imperial colonial rule.

New Directions of Empire

Empire building has taken a new and more aggressive direction in the new millenium – embarking on a series of imperialist wars and conquests driven by the imperial state and directed by militarist ideologues. In the course of two years the US has engaged in two wars of conquests, innumerable assassinations and interventions throughout the world through clandestine "special forces operations" and the recruitment and co-optation of client rulers throughout Asia, Africa,

Latin America and the Balkans. The empire builders have consolidated control over their Eastern European and Baltic clients and moved on to cement ties with the far right regimes of Spain and Italy. Under pressure, the initial resistance of the European Union has given way to becoming subordinated associates to the US, protecting US puppet regimes in Afghanistan, providing assistance to the US colonial regime in Iraq, backing the US threats and demands against Iran, and joining the attack on Cuba by supporting US funded Cuban agents.

The US empire builders have accelerated the process of colonization of Latin America via ALCA. There are several reasons why the US is pressing the colonization process: 1) clients and collaborators in Latin America are still in place, but their power is tenuous at best, 2) mass resistance is building up throughout the region, 3) the mercantilist, liberal-protectionist model of empire is provoking opposition among sectors of the Latin American export elites, 4) the US seeks to monopolize the takeover of the remaining major public enterprises as they are privatized – avoiding the losses to Europe, especially Spain, during the previous wave in the 1990's, 5) the military clients are still in place but they are not present everywhere and to the same degree particularly in Venezuela, Brazil, Ecuador, Bolivia , 6) the US has the “momentum” of its military-political conquests in Asia to pressure and blackmail conformity on Latin America political elites, 7) the surprise conversion of two regimes – Da Silva in Brazil, Gutierrez in Ecuador – to ALCA, and their vulnerability to mass opposition causes the empire builders to move with haste.

US empire builders have moved toward colonial domination with naked power and imperial-centered demands, ignoring any concessions to their client regimes, thus severely weakening their bases for compliance. The case of Mexico is clearest: The US has refused President Fox's request to legalize the status of 4 million Mexican migrant workers, or abide by reciprocity in trade agreements on transport, textiles and a number of other commodities. Instead Washington demands the complete privatization of Mexico's public petroleum industry (PEMEX) –the biggest revenue and foreign exchange earning firm in the country.

The historical precedent for the current process of US empire building in Latin America is the mercantilist system of the European colonial empires. The basic common features include: 1) overt imperial controls via a political authority (ALCA) which establishes the economic regulations and legal framework for US monopolization of a privileged economic position in Latin America; 2) Imperial military command structures, bases, direct involvement in field operations to repress popular insurgencies; 3) Non-reciprocal trade involving total liberalization of Latin American trade and selective protective measures to prevent competitive Latin producers from competing successfully in the US market; 4) The effective exclusion of European, Japanese and others from competing in Latin American markets.

The neo-mercantilist imperial system is explicitly being implemented via ALCA on the economic side, and by Plan Colombia, the Andean Initiative and the continental coordination of military economic for the senior military commanders on the military front.

The perspective for empire building, re-colonization and consolidation rests on three political legs: 1) the co-optation of ex “popular” leaders such as Lula in Brazil, Gutierrez in Ecuador and Kirchner in Argentina; 2) the acceleration of ALCA-military accords in the face of decaying clients (Toledo in Peru, Sanchez de Losada in Bolivia and Uribe in Colombia); and 3) the isolation and/or overthrow of the Venezuelan and Cuban regimes and the defeat of the growing popular opposition in Latin America. ALCA will provide the US empire builders control over an institution, the ALCA Commission, which will make policy on every aspect of trade, investment, public-private relations, services (including education, health, pension, etc.). Just as the debt re-financing of Latin American regimes facilitated liberalization, the current neo-liberal regimes facilitate re-colonization via ALCA. Under US colonial rule the Latin administrative structures will stay in place, reduced and reconfigured, to implement US colonial policies taken within the ALCA commission. The Latin American legislature, executive and judicial powers will be reduced to debating the methods, pace and application of the ALCA-US dictated policies. Like

all colonial systems vertical authoritarian structures will be superimposed over electoral institutions.

The growing military power of the US and its projections in Latin America have emboldened the empire builders to act more aggressively. In Venezuela a military-civilian coup and employers' lockout were orchestrated by US intelligence agencies. In Colombia, US military involvement has intensified the massacre and displacing hundreds of thousands of peasants to deprive the popular insurgents of recruits, food and logistical support. Against Cuba, Washington has openly organized nuclei of counter-revolutionary cadres (dubbed "dissidents") to engage in propaganda and recruitment, while explicitly including the revolutionary regime as its proximate military target. Throughout Latin America, US military bases have been established as beachhead for intervention in cases where client regimes might be overthrown by popular majorities.

Equally important are the political conquests of the empire builders. In Brazil, the Lula regime has been completely converted into a satellite of the empire – indiscriminately embracing the financial and agro-export elites which play an integral role in promoting ALCA and re-colonization. In Ecuador, Lucio Gutierrez and his partners, the Pachacutik party have moved swiftly to privatize the state petroleum and electrical companies, embrace dollarization, US military bases, Plan Colombia and ALCA, breaking strikes, and militarizing petrol refineries in the course of preparing the country for colonial status.

The "new perspectives" for colonization in Latin America pre-existed the events of 9/11 and the so-called US "war against terrorism". The new militarism after 9/11 accelerated the process of colonization and gave greater impetus to militarization and direct intervention. The most significant change since 9/11 was the total exclusion of any consultation and concessions to clients regimes – making for even more lopsided relations.

It is futile at best and misleading at worst to speculate and take consolation from the fact that in some distant future time "all empires decline". Before that unspecified time takes place millions

of lives are at stake, national sovereignty is at risk and popular struggles are taking place. To place “final judgments” in the center of analysis is to distance oneself from the actors for change and from the real power of empire today, its logic and direction. Tendentious truisms, like “empires decline”, provide us with no analytical framework for understanding the driving forces of imperialism and rising forces of opposition. Abstract and non-specific historical analysis and superficial discussion of the empire builders (their decisions are “frivolous”) is itself frivolous and superficial. The “long view of history” divorced from concrete analysis of the dominant power of the US empire today and its drive for world-wide conquest and class-based anti-imperialist struggles is a mirror of the style of the ideologues of the empire builders. There is no end of imperial pundits who write of the “American Century”, Pax Americana, Global Power and other vacuous “long views” of history.

To understand the current contradictions of empire we have to analyze concrete classes, ethnic-classes, the specific nature of regimes with their class configurations as well as the organizational capacities of the popular movements to mount challenges to imperial clients and the empire. To pontificate from abstract historical analogies and to discover the truism that empires eventually decline, has neither intellectual nor practical political relevance.

Empire: Class Relations and State

US empire building and decay is built on class and state relationships. Collaborator classes are formed through a complex process of internal class and political formation and external integration into subordinate but beneficial relations (for the elite). Hegemony and domination by transnational Latin American ruling classes is essential to shaping and supporting imperial client-states which implement the empire-centered “neo-liberal policies”. The role of the imperial state was central to the formation of client states – both in terms of financial and political backing as well as providing the threats and personal rewards which induced active implementation of the privatization of lucrative public enterprises and the one-sided elimination of foreign trade and investment barriers.

What appears to overseas academic critics as “irrational” imperial aggression is in fact a highly rational calculus based on the historical ease with which imperial policy makers have secured a dominant position in the colonized economy, the compliance of client states and the eager support of the financial and speculative transnational Latin elites. Easy success in imposing empire-centered “models”, in overthrowing and/or invading recalcitrant or nationalist Latin American regimes (in Chile, Brazil, Panama, Dominican Republic, etc.) has encouraged empire builders to act with greater violence, brazenly wielding force as the most reasonable weapon, given its efficiency in securing imperial goals. We should remember that the US interventionary success in Guatemala (1954) caused the US to repeat its policy with Cuba in 1961 – a policy which led to defeat. The successful US orchestrated military coups in Brazil (1964) and Indonesia (1965) and the invasion of the Dominican Republic (1965) encouraged the US to deepen and extend its military invasion of Indo-China which led to a historic but temporary defeat of imperial policymakers and the profound weakening of domestic political support.

The reconstruction of the empire building project under President Carter focused on political-ideological warfare on the favorable terrain of Eastern Europe and the USSR and the reconstruction of covert military surrogates in South Asia (Afghanistan) in alliance with fundamentalist Islamists. In Southern Africa (Angola and Mozambique) imperial policy makers financed and supplied tribalist surrogates backed by racist South Africa. In South and Central America (Argentina, Chile, Bolivia, El Salvador, and Guatemala) the US acted via client military regimes, and in Nicaragua via client drug-running mercenaries. From the late 1970’s to 1990, the empire builders reconstructed the US military imperial apparatus and gradually reconquered domestic political support for overseas conquests through military invasions of Panama and Granada.

The “ideological formula” for imperial conquest is very similar to those used by the Third Reich: opposition leaders are demonized, the invasion and imposition of client regimes are described as liberation and the restoration of democracy and the incorporation into the US sphere

of influence is described as becoming part of the “free world”. The Carter-Reagan military empire created the foundations for Bush Father’s launch into creating a new US centered “New World Order” with the Gulf War, a project which was premature and lacked a “colonial occupation” to insure uncontested control.

The Clinton decade (1992-2000) witnessed the massive expansion of empire building on a world scale –wars in the Balkans, conquest of third of Iraq via Kurdish clients in the north and ‘no-fly’ zones in the south (combined with punishing bombardments and economic blockades to destroy the state and economy) , military alliances with new clients and military bases from the Baltic states through Central Europe to the Balkans and the Southern Caucuses. Aggressive military conquest and colonization began under the banner of humanitarian imperialism under Clinton. The doctrinal radicalization came with Bush, Rumsfeld and Wolfowitz. It is a serious and egregious error to view the date ‘9/11/2001’ as the point of departure for military empire building. What occurred after 9/11 is the systematic, unilateral pursuit of empire building through a more explicit doctrine of global warfare, as opposed to the piecemeal but equally violent practice of humanitarian imperialism propounded by Clinton.

Empire and Class, State Relations: Inter-Imperialist and Class/National Conflict

In the first instance, imperial power is embedded in class and state relations: prior to the movement of capital and the imposition of imperial state power, a national-class struggle takes place, a struggle which varies in intensity but recurs throughout the period of imperial occupation and domination. As was pointed out earlier, in Latin America the imposition of the empire-centered neo-liberal regimes was established through a violent class-state struggle “from above”. The victorious transnational classes re-configured the state, in order to “reconstruct” social relations (labor-capital relations, public-private and foreign-national property forms) to conform to the empire-centered model. The neo-liberal regimes and neo-mercantilist empires were products of class

struggles as are the continuing antagonistic relations which confront the empire builders re-colonization project.

Antagonistic class relations are a constant of contemporary empire building. However the social relations, class, ethnic and gender forces which confront each other today are different from the recent past due to the transformation of the class structure wrought by a quarter of a century of neo-liberal rulership. It is important to summarize the changes in class formation in order to understand the contemporary social classes confronting the empire builders and local client states. The new class forces have in turn developed new tactics, strategies and leadership which are central to the efforts to overthrow imperial domination.

Basic Changes in Class Structure and Social Relations

Since the onset of neo-liberalism in the 1970's several key political and socio-economic changes have emerged in class structure. The opening of the economy to cheap foreign manufactured imports has had two major impacts on the class structure: it has reduced the size of the industrial working class, established a "captive workforce" in the free trade zones 'maquiladores'/assembly plants, reduced the number of skilled metal workers, and created smaller more exploitative decentralized 'contract labor' industries. As a consequence, the size of the employed stable industrial labor force has declined in most countries (like Bolivia, Peru, Colombia, Brazil and Argentina) while those who remain employed fear their replacement because of the willingness of employers to deploy the reserve army of unemployed. The relative social-political weight of the industrial workers within the working class has declined, as have the percentage of unionized workers and the number of strikes and labor militancy in the industrial sector. On the other hand, the number of unemployed and underemployed workers has increased geometrically, running from 40% to 80% in countries like Argentina, Peru, Bolivia, Colombia, Brazil, Venezuela and Mexico. The older maquiladora industrial regions – the Northern Mexican border regions, the Caribbean –have experienced plant closings as US capitalists relocate to China or to the "rural areas" (Southern Mexico) where salaries are lower and working conditions

even more exploitative (longer hours, less safety, health and environmental regulations. The growth of a “critical mass” of unemployed workers has led to the growth of autonomous movements of unemployed workers who attack the capitalist class outside of the site of production (the factory) in the streets, blocking the circulation of machinery and raw materials (inputs) and finished products (outputs) transported to the market, putting constraints on the realization of profit.

The promotion of an “export-growth strategy” along with the import of subsidized low-priced food, particularly grains, has led to the displacement of peasants and the bankruptcy of family farmers producing for local markets. Over 90% of state agricultural subsidies are channeled to large scale agro-exporters, denying small producers state credits and financing. Empire centered agricultural policies have increased the percentage and number of landless, rural workers, polarized the countryside and radicalized small family farmers facing extinction because of client state’s intervention in favor of food imports and agro-export elites. Growing land concentration, encroachment on indigenous people’s land, the high cost of farm inputs and low prices of food products have radicalized the peasant and Indian-peasant communities, depriving them of land, markets and profit margins. The growth of literacy and social interaction with progressive Church and trade union nuclei and the recent experiences of struggle has turned the countryside into a center of anti-imperialist movements.

Contemporary rural movements are not composed of “primitive rebels, backward looking “traditionalists” resisting “modernization”. The campesino movements are led by educated sons and daughters of downwardly mobile rural families, seeking to secure credits, and market shares, recover land occupied by capital, and state protection from subsidized cheap imports. Seekers of the modern means of production, market shares, inexpensive credits and ‘fair prices’, working and struggling collectively are the hallmarks of modern but impoverished rural classes. They are knowledgeable about the negative impact of empire centered policies (ALCA, neo-liberalism). In Brazil, the Rural Landless Workers Movement (MST), in Bolivia (the cocaleros), in Colombia

(the peasant and rural guerrilla movements), in Ecuador (sectors of the Indian-peasant movement) and to a lesser extent in Paraguay, Peru and Mexico, peasant-based movements have been the best organized and cutting edges of the anti-imperialist resistance.

The contradiction empire-peasantry has been the most acute, not because of greater exploitation and extraction of surplus value, but because of the threat of total displacement (land, home, family, community), violent appropriation of the means of production, and denial of a location to ‘earn a living’. The rural labor force is highly stratified and in many cases ethnically diverse, leading to socio-political divisions; however where these ‘differences’ have been overcome, the combative organized rural classes have been most successful in challenging the empire’s expansion – in the countryside as well as the cities. The MST has occupied big landholdings and settled 350,000 families in less than 20 years and currently has 120,000 families organized to occupy uncultivated estates (July 2003). In Bolivia over 40,000 families earn a living farming coca in vibrant communities with stable families thanks to the organization and struggles of the cocalero farmers’ union. The major military challenge in Latin America to client regimes and the US military empire builders is in the Colombian countryside, where the two major guerrilla groups (FARC and ELN) control over 40% of the countryside. Many of the major national organizations organizing urban demonstrations against ALCA are located, more often than not, among the militant rural organizations.

Given the visible and dominant role of modern rural based agrarian movements in opposing the US empire, it is surprising that no systematic discussion occurs in the writing of Hobsbawm, Wallerstein, and other prophets of eventual imperial decline. These writers emphasize inter-imperial rivalries, inter-elite conflicts (capitalists against empire), basing their arguments on specific trade disputes and differences concerning the modes of empire building or general, tendentious and emotionally gratifying notions that “all empires decline”, all “capitalist systems eventually go into crises” – leaving it to the magic of the marketplace to bring about what they call “systemic changes” from “chaos”. A visit to a meeting of peasants in an occupied estate is

likely to provide a sufficient stimulus for these armchair empire-centered prophets to re-think their theories of imperial decline.

The New Urban Proletariat --Public Sector Workers

In June-July 2003, in Ecuador, Bolivia, Peru, Brazil, Argentina and Colombia public employees – mostly public school teachers - were engaged in indefinite strikes, involving millions, and in some cases detonating work stoppages by private sector wage workers. In the cities the public employees have been at the cutting edge of the biggest and most militant urban struggles against the client regimes and their empire centered policies. This is necessarily the case because imperial expansion is premised on the privatization of public enterprises, resulting in massive firings, loss of pension and other social benefits and job tenure. Secondly the imperial creditors demand budget surpluses to pay the debt to foreign creditors, meaning cutbacks in all social services and public development spending which leads to further slashing of the number of public employees, the reduction of salary, pension and social benefits and greater intensification of workloads (teacher-student ratios and doctor-patient ratios). The loss of tenure and the hiring of contract workers (NGO's) have undermined the job security of public employees – making them subject to the same “market insecurities” as manufacturing workers. In sum, the empire-building strategies of privatization of public firms, the priority of debt payments in budget allocation and the proletarianization of living standards and working conditions are the objective factors driving the public employees into the streets and into prolonged nationwide strikes.

The principle coalition partners in all the major confrontations with client states and their imperial patrons are the public employees, especially the teachers and the peasants. The most militant trade union actions in the provincial and capital cities are led by the public employees, involving the occupation of municipal and federal buildings, the blocking of streets and ousters of public officials. Frequently, public employees have been reduced to near indigence because of delays in payments and/or payments in devalued currency. In Brazil, public employees have lost 20% of their real income as salaries were frozen from 1998-2003. In the Argentine provinces,

municipal workers are delayed payments for 3-4 months and then paid in local, provincial currency.

The new protagonists of anti-imperialist politics include : the rural landless, farmer and peasant movements, the urban unemployed and the self-employed (especially in Argentina, Venezuela, Bolivia and Peru) and the public employees throughout the region particularly the workers in the petroleum and gas industries targeted for privatization. Their specific demands are frequently linked to the rejection of ALCA, US military bases and the empire-centered policies of client regimes.

Empire-Building: Omnipotence is in the Eyes of the Observer

In the US mass media and in the public utterances by the Washington elite the advance of the US empire appears to be an inevitable, always successful, totally justified and irreversible process, to be applauded or suffered. To critics the “internal contradictions” or “over-extension” of empire will lead the empire-builders to their own downfall.

The sense of imperial omnipotence permeates both the celebrants and pessimists who take a long term view of empire. What both “long term” historical speculators and short-term apologists lack is any in depth understanding of the concrete struggles which shape the correlation of forces today which will determine whether empire is with us for a few years, a decade or a century.

The US empire-builders have suffered several important defeats in a series of important confrontations. In Venezuela, the urban poor, the unemployed, the self-employed in the hundreds of thousands came down from the ‘ranchos’ in Caracas and provided the impetus to military loyalists to overthrow the dictatorial Carmona regime imposed by a military-civilian coup orchestrated by the US and to restore the populist elected Hugo Chavez to the presidency. A year later, US backed economic, media and trade union clients attempted to overthrow the regime by paralyzing the petroleum industry. They also were defeated by an alliance of loyalist military officials, sectors of the working class and the mass of urban poor, many organized in “Bolivarian circles”, barrio-based mass organizations.

In Colombia, the US effort to establish dominance through paramilitary and state terror campaigns ordered by client President Uribe have been decisively contained by the Revolutionary Armed Forces of Colombia – People Army (FARC-EP) and the National Liberation Front (ELN), despite thousands of US financed mercenaries, contract workers and combat advisers working with a budget of over \$2 billion dollars and with the most up-to-date technology and helicopter gunships.

In Bolivia, the cocaleros have successfully resisted the US orchestrated campaign to destroy the coca farmers and their organizations. Despite US client President Sanchez de Losada's violent repression and direct intervention by the US Ambassador in Bolivian politics, the cocaleros have created, in association with miners, the urban poor, the factory workers and self-employed in Cochabamba, La Paz, Sucre and Oruco a formidable coalition capable of blocking neo-liberal policies – such as the privatization of water – building a national political movement which is the main opposition party in Congress, and a national leadership with the capacity to defeat Bolivia's entry into ALCA.

In Cuba, the urban and rural mass movements provided solid support to the revolutionary regime's successful effort to dismantle US-financed terrorist networks as well as embryonic propaganda cells promoted by the head of the US interest section.

The most successful challenges and defeats to US empire-building have taken place in the Third World, by autonomous organized class forces. The least consequential opponents of empire building are the former social democratic, center-left and populist electoral regimes who have largely adopted the empire-centered economic and social strategies and have allied with Latin American transnational capitalists and US and EU multi-nationals. The most striking example is the Inacio “Lula” da Silva and the Workers Party (PT) regime. The PT regime has been converted into a servile client of the US, appointing key economic ministers and a central banker who are totally integrated into empire-centered “development” project. Da Silva's monetarist economic program of reducing public employees' pensions, sharp cuts in social

spending, regressive taxation and pro-employer “labor reform” is only part of a pro-empire agenda. Similar processes have occurred with other pseudo-populist electoral politicians in Ecuador with Lucio Gutierrez and in Peru with Toledo. The most significant development is the speed with which the mass of the class-based movements – particularly the public employees, peasants and self-employed – mobilize to confront and attack these new clients of empire. In each instance, the masses who voted for the “center-left” are the identical forces in the streets demanding their resignation as collaborators of imperialism.

Throughout the Latin American continent, there is virtually no organized mass movement organized by the capitalist class – or for that matter by the small and medium sized business people or farmers, though a minority occasionally support particular protests on issues of debt payments, interest rates and protectionism. What precludes inclusion of the bourgeoisie into the mass struggles, is their support of neo-liberal anti-labor legislation, the low level of the minimum wage, the reduction in social security taxes and the regime’s tolerance of widespread tax evasion and corrupt links with lower level custom and trade officials regarding import duties and export licenses.

The socio-political movements which have close links with “center-left” regimes, converted into imperial clients, have been severely disoriented and in some cases are in the process of internal debates and discussions. The MST and CUT in Brazil, CONAIE in Ecuador, the unemployed workers movement in Argentina, the trade unions in Uruguay, all face the problem of choosing between anti-imperialist class struggle or collaboration with the new “center-left” electoral client regimes of the empire.

In contrast to the class-based, politically oriented struggle for state power, which have dealt blows to imperial expansion, the amorphous “anti-globalization” movements and World Social Forums have not defeated any of the empire building projects nor have they been successful in preventing a single military conquest. Moreover the “anti-globalization” leaders have not created any mass support for the popular anti-imperialist resistance to US military occupation and pillage

in the Balkans, Afghanistan or Iraq. The mass demonstrations are ritual events limited in time and space. They lack tactics or strategies which have a major impact on imperial expansion, war preparations, privatizations, structural adjustment policies or any other empire-centered measures. Only when US imperial rivals in Europe (particularly France, Germany, Italy and Spain) take measures to make their MNC's more competitive by lowering pensions or increasing retirement age or slashing social expenditures, do workers demonstrate. Only in France is there any effort by the workers' movement to go beyond limited "ritual" strikes – symbolic protests which may delay but certainly do not eliminate the imposition of domestic burdens to finance imperial expansion.

The orderly time-bounded mass anti-war demonstrations symbolically confront state power – they marched through the city of London to Hyde Park to hear anti-imperialist speeches by speakers but lack the capacity to paralyze the system or engage in serious political warfare. It is the nature of 'crowds' to come and leave as they please, lacking any organized political structures. The leftist sects are confined to selling their newspapers or distributing leaflets for radical forums while self-described anarchists (and police provocateurs) break a few shop windows to convince themselves that they are anti-capitalists.

The strength of the anti-imperialist movement is found among the guerrillas in the jungles of Colombia, the Bolivarian circles in the urban slums of Caracas, the street demonstrations of Cuba, the landless workers occupying the fazendas of Brazil, the coca farmers of Bolivia, the underemployed and unemployed urban poor of Peru and Argentina – in a word the organized classes, displaced, exploited and impoverished by the empire-centered client regimes.

Toward a Theory of Anti-Imperialist Movements

Any theory of anti-imperialism must be by its nature tentative and contingent as it attempts to deal with the fluid nature of class and national subjectivity – consciousness.

A theory of anti-imperialist movements (AIM) must take into consideration several contingent factors: 1) All mass popular AIM are linked to the struggle for immediate or concrete economic demands. For example, the coca farmers demand the end of the coca eradication program, the

expulsion of the US military bases and oppose ALCA. The Brazilian MST links the expropriation of non-productive land and an agrarian reform to its demands for protection of local food producers and opposition to ALCA. 2)AIM are build upon the structural weaknesses and economic losses of its constituent supporters. The Mexican farmers and peasants oppose the North American Free Trade Agreement (NAFTA) because it has permitted the entry into the Mexican market of subsidized US food exports which has impoverished and bankrupted millions of Mexicans. Collective socio-political mobilization and power compensates for the relative market or economic weakness of the Latin American producers. 3)Economic and objective structural conditions are universally necessary but not sufficient conditions for the emergence of AIM.

Throughout Latin America there are hundreds of millions of people exploited and displaced by the empire builders, but only a fraction are conscious and/or organized for struggle. Historical, organizational, structural, political, demographic and geographic factors play a significant role in creating anti-imperialist consciousness. What most AIM in Latin America have in common is their predominantly, but not exclusively, rural ‘center’ of organization. The peasants are at the center of AIM because imperialism has hit hardest at the rural economy even as one can see the negative impact of imperial centered policies on urban unemployment in Argentina, Colombia and elsewhere. The rural social movements are more advanced because their level of organization is stronger and political leadership has emerged which is not beholden to the power brokers of the client regimes. The reasons for stronger agrarian organization are not because the rural sector is larger in size – actually in relative and absolute terms it is declining-- but because the militant rural leaders are far more independent than the state subsidized urban trade unions, and because they have closer links to their peasant base (in fact most are of peasant or small farmer background). Moreover the rural movements are not confronted with reactionary trade union apparatuses linked to the bosses as is the case in the traditional industrial sectors. In other words, the subjective factor in the countryside is less encumbered with ministerial ties and

conservative trade union apparatuses which block the articulation of demands, demobilize popular sectors, and accommodate to the empire building strategies.

The cocaleros, the MST, the FARC, the Zapatistas, and until recently, the CONAIE, play a decisive role in confronting imperialism because their leaders and organizations are able to articulate popular demands free of state commitments, allowing them to mobilize and take direct action which advances the popular struggle. The urban based AIM movements are more diverse but usually linked to the left-wing trade unions of the public sector workers, the unemployed, the mass of worker-consumers and the beneficiaries of social programs promoted by anti-imperialist regimes in the case of Cuba and Venezuela. Downwardly mobile educated professionals (health workers, teachers), formerly skilled metal workers-turned unemployed, and impoverished consumers hit by declining incomes, rising prices and rising transport and utility rates (power, light, water, telephone, public transport, etc.) of privatized foreign-owned enterprises have spearheaded the urban AIM.

The North American and European “anti-globalization movements” organize in reaction to specific elite events (WTO meetings, European Union summits, etc.) but have no organized links to a mass base. As a result their activities have no real continuity in struggle apart from the specific elite events and have little impact on the ongoing economic and military expansion of empire. Even more seriously, only a very small minority of the northern anti-globalization movements are engaged in ongoing struggles against the imperial colonization and repression of the conquered peoples of Iraq and Afghanistan, and the economic colonization of Latin America via ALCA.

While the mass protests of the anti-globalization and anti-war movements are positive in the sense of demonstrating public opposition, they have no political perspective and little if any links to mass popular struggle or constituencies in contrast to the Latin American AIM. In other words, consequential AIM are decidedly a phenomenon of the oppressed nations -- and in particular the exploited rural and urban classes who are economically displaced, downwardly

mobile and linked to socio-political movements led by a new generation of grass roots leaders, autonomous of the state and the center-left electoral parties.

Future of Empire

It is difficult to speculate with any accuracy the moment when the US empire will begin to decline. It is even more difficult to determine if the decline is structural or conjunctural. The best that can be done is to delineate the principle contradictions. The major contradictions are political and social as much as they are economic. The fundamental contradiction and challenge today is between Latin America's organized rural and urban masses and the US empire builders and their client rulers, transnational capitalists and NGO/trade union auxiliaries. The second major contradiction is between the expanding empire and the declining republic – and the capacity of the imperial ruling class to transfer wealth, revenues and personnel to empire building. The third contradiction is between the conquest and occupation of colonized countries and the mass national anti-colonial resistance movements – as in Iraq and Afghanistan.

The fourth contradiction is between the growing military empire and the inability to extract profits from the newly colonized regions, future oil revenues notwithstanding.

The centrality of third world struggles to weakening the US empire is best illustrated by the effects of the Iraqi resistance on the US occupation army. The US colonial occupation forces are taking daily casualties – deaths and injuries throughout the country at the hands of the popularly backed Iraqi guerrillas. The most immediate effect is to lower the moral of the US occupying forces. The US military's rapid disenchantment and openly expressed hostility toward any long term occupation is one of the weakest links in the US empire – as it was in the aftermath of the Second World War, and the Korean and Indo-Chinese wars. This key weakness of the US imperial armed forces means that the militarists have a serious problem in sustaining colonial conquests – unless there is a major infusion of foreign legionnaires from India, Pakistan, Turkey, Eastern Europe and other client regimes.

The vast technological superstructure of the US imperial war machine, ultimately relies on the ground troops to occupy and consolidate imperial rule. The problem however is that the nature of US ground troops are not compatible with long term policing of colonies. First much of the occupying army is made up of reservists – not life time enlisted soldiers – who joined the military to supplement their civilian pay and secure health and pension benefits not otherwise available. The reservists’ idea of “military service” is one night a week training and short term summer exercises, with calls to short term active duty in times of national emergency. This outlook is incompatible with long term colonial occupation. This sector of the military has little stomach for prolonged absence from job, family, school and community, especially in Iraq and Afghanistan facing the harsh conditions of intense heat, lack of water and decent living facilities, widespread popular hostility and frequent sniper attacks. Secondly, many of the enlisted soldiers joined to escape unemployment or low income dead-end jobs with the hope of ‘learning a trade’ and returning to civilian life. Few volunteers expected face to face combat on hostile terrain. Thirdly the “professional soldiers” resent being assigned colonial police activities, particularly given the hostile day to day environment and the total incompetence of the higher echelons of the military command in reconstructing a basic infrastructure. Fourthly there is a profound gap in “soldiering” between the affluent, upwardly mobile, media savvy air conditioned generals and colonels, who fly to the occupied countries for reports, reviews and press conferences and fly out to their secure, well-serviced headquarters in Qatar, Florida or Washington, for fillet mignon dinners, while the occupation forces lodged in flea-bag tents, eating plastic wrap rations, lacking water for showers and toilets and facing the universal hostility of the conquered Iraqi people.

Fifthly, the occupation forces are increasingly resentful and frustrated by the lies and deceptions from the high command regarding their tenure of service. The gap between the ideals and promises and the reality is sending shock waves throughout the occupation forces. First, they were told they would be welcomed as a “liberating army”; instead they confront general hostility and are justifiably considered an army of oppressors. They were told they would work with “free

Iraqis” to rebuild the country, instead they patrol broken streets in armored carriers, engaging in housebreaking and massive military sweeps. Most significantly, they were told they would fight the war, conquer the country and return home as heroes. Instead, they are now told they will have to spend years ducking grenades and bullets to sustain an inept and universally hated colonial governor.

The US military, which was trained for a high tech war, faces urban warfare in the streets, universities, and neighborhoods where the Iraqi resistance has all the advantage of knowing the terrain and having the support of the local people. Rumsfeld’s propaganda about the urban resistance being simply a “remnant” of the defeated Baathist forces rings false to the soldiers who experience hostility from grammar school children to the millions of Muslims who were previously persecuted by Saddam Hussein.

The dilemma of the civilian militarists is that the 160,000 US troops in Iraq are inadequate to control 24 million Iraqis demanding self-determination. Given the fact that the US military requires at least 5 non-combat soldiers for every active combatant, and given the decline in recruitment of “volunteers” in the face of the harsh demands of being an occupying army, the civilian militarists have no choice but to limit the rotation of troops and to seek “multilateral” assistance from clients and allies. What the civilian militarists are not willing to do is to return to general conscription. As past draft dodgers, the militarists in the Bush administration have no desire to call up their children and grandchildren to risk their lives for their empire. Both upper middle class gentiles and Zionists have no desire to pull their progeny from the elite universities and professional schools or lucrative banking and financial careers to fight “international terrorism.”

Finally, the civilian-military rulers in charge of the colonial policy is itself totally divorced , not only from the swelling mass opposition in Iraq and from their own increasing rebellions ground troops, but from sectors of their own military officials. The Rumsfeld-Wolfowitz ideologues discredited and bypassed the military and CIA intelligence sources created their own

“inner circles” in order to impose their own highly politicized “intelligence” to justify military conquest. Their obsession with imperial conquest, military dominance is fueled with racist anti-Arab animus and driven by the idea of a greater US-Israel “co-prosperity sphere” in the Middle East. The organizational-ideological division at the top of the imperial military-intelligence organization can over time seriously erode the power of the civilian militarists.

As the “republic” is replaced by the empire, it is more than likely that one of the principle sources of conflict and rebellion may occur within the military and this may eventually have an impact on domestic politics. The war and the drive for colonial control has generalized strong anti-colonial popular resistance in the occupied countries and daily casualties to the imperial ground forces. These factors (resistance, casualties, military discontent) are beginning to effect the popularity of the colonial war. The negative image in the US results from the US casualties, the economic and political chaos in Iraq, the costs of conquest and the incompetence of the colonial rulers. Even noted imperialist apologists are bemoaning the lack of “preparation” or “capacity” of strategists for colonial domination. Unilateral US military action benefited the short term militarists intent on unrestricted warfare, but it undermines the bases for securing multi-lateral financial and military support in post-conquest colony building.

The highly charged and emotional diatribes of the civilian militarists with their neo-nazi “voluntarist” “will to world power” is crashing into the reality of reluctant vassal states, the resurgence of mass Iraqi opposition and the growing rebelliousness of US troops in the occupied lands. Those ideologues and politicians who take their cues from the Israeli-Sharon strategy of massive unilateral force to secure colonies, forget that Sharon cannot exist without the support of the US government and the Zionist Diaspora – the US has neither a supporting power nor affluent benefactors.

Some observers, focusing on discrepancies over tactical and commercial disputes argue for growing inter-imperialist rivalries between the EU and the US. What is significant about these

conflicts is how quickly they are defused, how small is their impact and more recently how quickly the disputants are reconciled to jointly pursuing empire building.

For example, the opposition of some European countries to the US-British invasion of Iraq was subsequently followed by an agreement within the European Union to build their own rapid deployment forces. France sent paratroopers into three African countries shortly after the Iraq war. Europe's decision to follow the US is illustrated by its decision to reduce relations with Cuba, collaborate with the US in isolating Iraq, approve US promoted resolutions against the spread of 'weapons of mass destruction', etc.. The imperial linkages between Europe and the US are far stronger than their competing interests. Equally important the strength of the US military and economic empire and its aggressive exercise has intimidated the would-be critics in France and Germany who are surrounded by US satellites in Eastern Europe, the Baltic nations and the Balkans.

The economy of the US republic is built on speculation, fraud, credit, debt, cheap immigrant labor, huge direct and indirect state subsidies, foreign borrowings and large and growing trade and budget deficits. When the economy moves from stagnation into a major recession it will weaken the empire if the state is unable to foist the burden of recovery on the backs of the wage, salaried and small business groups and if the state is forced to reallocate resources and personnel from empire-building to the republic. Unfortunately the record of the last quarter century tells us that the US public has shown little active resistance to military spending in times of war and only minority opposition to imperial conquest.

The trade unions are politically impotent and linked to the empire through their ties to the Democratic Party. There is no national political and social movement in existence capable of challenging the empire builders, today or in the foreseeable future. With more than 90% of the private sector work force non-union, the workers not only show little if any political influence, they do not even possess the social organization which could potentially reallocate the budget toward greater social instead of military spending. One of the great advantages of the US empire

builders over Europe and even Japan is precisely their capacity to exploit workers (longer hours of work, no national health, pension or vacation plans), fire workers easily and cheaply, and relocate firms. US empire builders key comparative advantage against its potential European and Japanese rivals is based on its control over the most backward working class in the industrialized world.

The highly exploitative social relations of productions in the US provide the surplus necessary for overseas expansion and limit the possibilities of the downwardly mobile wage and salaried classes from challenging the decline of the Republic.

The argument for the decline of empire cannot count on any automatic economic collapse or internal rebellion or consequential division between economic and military empire builders. The empire will be defeated from without or it will not be defeated at all. Only with external defeats will internal dissent or opposition emerge, activating the exploited and the poor, particularly the black and Hispanic population. The particularities of the US empire in contrast to Europe, Asia and elsewhere is that it totally lacks a tradition of working class or left-wing anti-imperialism. The opposition in the recent past was directed at “global capital” and the policies and practices of the MNC’s. Except for a small minority, there was no sense among the anti-globalization movement that the central issue was the US imperial state. Nor even at the height of the recent anti-war movement was there any understanding of the imperial-colonial nature of the war. This was evident in the subsequent virtual disappearance of the anti-war movement, once the war began. During the US occupation, colonial rule and massacre of Iraqis protesting the US occupation and destruction of their economy, there was virtually no anti-colonial movement. The only long-standing internal opposition to US imperial policy occurred during the Vietnam War because of the prolonged length and effectiveness of the Indo-Chinese resistance movements, the defeat of the US and the large number of US military deaths and casualties.

The current empire builders have learned from their previous defeats – they do not hesitate to launch massive aerial attacks, use mini-nuclear weapons (uranium-tipped shells) and mobilize

mercenaries from their new client regimes in England, Poland, the Ukraine, etc. They resort to recruiting thousands of private mercenaries subcontracted by the Pentagon in implementing Plan Colombia and the pacification of the Balkans. The problem of “over-extension” is then not an irremediable problem, particularly since the EU has implemented a similar program of rapid deployment forces to invade and occupy countries where clients are in danger or independent states or movements emerge.

The dynamics of the US empire-building are still in full force even as contradictions deepen and fissures appear. The imperialist state commands the allegiance of its domestic ruling class and substantial sectors of a fragmented, chauvinistic, downwardly mobile population despite growing unease among the public as the Iraqi resistance grows. The imperial economy continues to dominate key sectors of world investment, trade and finance through its multi-nationals. The military empire builders have established more military bases in more regions than ever before, openly embracing a doctrine of permanent warfare and military intervention anywhere in the world – with the acquiescence of Europe and Japan.

Has the US empire “peaked”? Perhaps. But the current imperial projections are for further wars. New imperial colonial networks are being consolidated. In Latin America the conversion of the Da Silva regime to ALCA and the formation of a US-Brazil-Mexico nexus assures the US of new bigger markets and the implementation of vast privileged opportunities for US MNC’s. The US-Israel nexus promotes a Middle East “Free Market Zone” dominated by the two powers.

The promoters US imperial-colonial conquest draw no limits, experience no internal constraints and possess willing accomplices among the other great and lesser powers, most of whom are eager to make amends for their meek dissent over US tactics in the run-up to the Iraqi conquest. The evidence is clear – EU has taken up the US cudgels in attacking Cuba, Iran, North Korea with unprecedented vehemence and threats, gaining merit points from Washington. On the bases of the US successful conquest of Iraq, the empire builders in the EU and Japan have

decided that it is better to join the US war machine and share the spoils of conquest rather than be excluded in the future.

If our evidence and arguments hold, it is clear that imperial rivalries, internal opposition and economic contradiction will not play a decisive role in the “decline of the empire”. Mass political-social struggles in the colonized nations and client states are the driving forces calling into question the durability of the empire, its longevity and its successes and losses. The mass popular resistance in Iraq is delaying oil deliveries, undermining military morale, bringing out all the ugly totalitarian feature of a murderous occupation force. The large scale guerrilla force in Colombia blocks US MNC’s expansion and undermines US military strategies. The continuing Palestinian resistance blocks the consolidation of Greater Israel and US-Israeli plans for a wider free trade zone. The urban mass uprising in Venezuela defeated the US-backed bosses lockout and undermined US efforts to monopolize petrol from Venezuela to Iraq. The Cuban revolutionary regime remains a model and hope of resistance to hundreds of millions in the Third World.

Only when these and other struggles detonate wider regional uprisings and radical struggles, increasing US casualties and costs, will opposition emerge in the US and the E.U. Rival imperial powers may take advantage of the decline to assert their own imperial interests and dissociate themselves from a weakening empire.

US empire building is not merely a product of US “accumulation on a world scale”, nor has the military empire builders exceeded the boundaries of economic possibility (‘over-reach’). The buildup of empire has proceeded with ups and downs for over half a century – accelerating in the recent period with the demise of the Sino-Soviet bloc and its nationalist allies in the Third World. Both Democrats and Republicans, Clinton and Bush Administrations eagerly seized opportunities to extend military bases, launch colonial conquests and impose client regimes, even as the ideological justifications varied between the rulers. Rulers from both major US parties have subordinated the economy of the Republic to the Empire. Both parties pursue ALCA – the first

promoted it, the second implemented it. The US political party system, congress, the court system and the mass media are totally embedded in the imperial system. The imperial values and interests of Christian fundamentalists, Zionist ideologues, civilian militarists, bankers and the CEO's of the MNC.s are embedded in the imperial state.

Most US citizens defending the empire do not receive the spoils of empire (rather they finance it), but they are still imbued with a racial-nationalist ideology which arrogates all good to themselves and evil to the critics and overseas adversaries of the state. Change will only come when the reality of Third World resistance and revolts undermine the US military will to conquer.