

The Crude Truth about the War in Iraq?

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I found this on soc.culture.turkish and thought you might be interested.

Mason C

quote:

The Crude Truth about the War in Iraq
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by Ahmed Amr, thousandreasons.org

Every day, without fail, containers arrive at American ports bearing the fruits of the world. Among other things, they deliver Japanese electronics, European cars, Chinese and Indian textiles and Arab and Venezuelan oil. Over land, manufactured products and raw materials flood across the border from Mexico and Canada – including four million barrels of crude. By the end of each and every day, five billion dollars of goods and services will have landed on American soil. The value of these imported products is further enhanced by the fact that much of it is produced by the blood, sweat and tears of third world workers who earn no more than a few dollars a day.

In consideration of this mountain of imported treasures, the United States sends back containers loaded with weapons, civilian aircraft, high tech and agricultural products and overpriced pharmaceuticals. In terms of their dollar value, America's daily exports amount to three billion dollars of goods and services. When you import more than you export, you end up with a trade deficit. So far this year, we are running a trade deficit that averages two billion dollars a day.

Contrary to popular myth, the United States is one of the least competitive producers in the world. Since 1976, Americans have run consecutive and exponentially rising trade deficits. By its very definition, a trade deficit measures the inability of a country to manufacture products that can compete in global market. So, for going on three decades, our manufactured goods have been judged by our trading partners to be either too expensive or of low quality or both.

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Keep in mind that if we excluded American exports of arms and ammunition – an industry in which we excel – our annual trade deficits would balloon by an additional 180 billion dollars.

You might ask yourself why the rest of the world would stomach such a huge trade imbalance from the largest economy on the planet. The answer is rather simple – America manufactures a unique currency – the dollar. And every day we export two billion newly minted dollar bills to make up for our daily trade deficit. In effect, the United States treasury manufactures forty percent of our total exports. Now, why would the rest of humanity take our paper money when they have no intention of using the proceeds to buy American goods? Again, the answer is simple – to buy corporate securities, to buy our treasury bonds and to buy oil. That last item might seem baffling. Why would the rest of the world need dollars to buy oil from a country that imports twelve million barrels of oil each and every day? Because oil is priced and sold in dollars, countries with a heavy dependence on oil imports – like China, Japan and Western Europe – are obliged to hoard dollars to purchase oil from the petro–kingdoms in the Gulf. A derivative benefit is that these oil dependent economies tend to hoard their dollars in instruments like short term US treasuries – in effect financing our budget deficit and providing easy credit that fuels the housing bubble.

Eventually, a substantial portion of the petro–dollars that pour into the coffers of the rulers of the oil plantations get re–cycled into American stocks, real estate and long term securities. British and American military contractors – like Halliburton – also manage to secure lucrative multi–billion dollar supply contracts with the Gulf monarchies.

The looting of Saudi and Kuwaiti oil revenues by these hereditary dictatorships involves money laundering on an epic scale – aided and abetted by investment firms like the Carlyle Group – a firm where former Secretary of State James Baker toils as a full partner. The senior George Bush and ex– Prime Minister John Major also work for this outfit.

It's fair to speculate on whether Tony Blair's resume is already being reviewed by Carlyle's management. The Prime Minister continues to babble incoherently about Britain's tradition of standing 'shoulder to shoulder' with America. Well, our British cousins conveniently abandoned that 'tradition' during the Vietnam War. They were not at our side when we invaded Panama and they were critical of our intervention in Central America. But they seem to be more than enthusiastic to accept invitations to our war parties in the Middle East, even though Great Britain is an oil exporting country. Why would that be? Could it have something to do with the \$50 billion dollar of British arm sales to Saudi Arabia? Or is Blair more interested in the attracting Saudi and Kuwaiti petro–dollar investments. I say Tony is looking out for Tony and hoping to become as wealthy as John Major.

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The Saudis have always understood the value of rewarding ex–Prime Ministers and ex–Presidents after they leave office.

If you digest that last couple of paragraphs, you will be well on your way to understanding the major reason the United States and Britain are so adamant about exercising hegemony over the Gulf region. 'No Blood for Oil' has long been the battle cry of those who oppose direct American military intervention in the Middle East. It is a slogan that doesn't ring true because American oil companies pay the going price for Arab crude. Those who market the war as an 'altruistic' mission can readily point out that the United States depends on Gulf oil for only 12% of daily oil consumption and less than 5% of total energy needs. They might add that we get 40% of our daily oil fix from Texas, Alaska and Louisiana and that most of our import requirements are satisfied by crude originating in Canada, Mexico and Venezuela. As for Downing Street policy makers, they can easily rubbish the 'no blood for oil' argument by issuing exact figures on British oil exports.

For a rational discussion of our Middle Eastern imperial obsessions, Americans need to understand that our military adventures in the region are not driven by mere 'crude' considerations. More precisely, our soldiers and marines are killing and dying in Iraq to coerce an oil starved world to horde American dollars for future purchases of Saudi and Kuwaiti crude. Now, that might seem like a distinction without a difference and it does make for a piss poor anti–war slogan. However, it is a distinction that allows for an iron clad rebuttal against those who still buy into the silly notion that we are in the region to promote democracy and export 'our values.' In reality, we place military garrisons in the region to maintain the status of the dollar as an international means of exchange and convince the world of accepting our trade deficits as an American entitlement program. It's our way of making the world an offer they can't refuse.

When it comes to our imperial project in the Gulf, Americans can be credited with inventing a very new kind of imperial racket –currency exporting on a massive scale. The dollar figures involved in this scam are staggering. This year alone, our annual trade deficit is projected to exceed seven hundred billion dollars. Without our cozy dollar pricing arrangements with the absolute monarchs in Saudi Arabia and Kuwait and our current control of Iraqi oil – it is unlikely that the world would continue to passively absorb our astronomical currency exports in exchange for their manufactured goods. Our military engagements in the Gulf are not about protecting 'our way of life' – but rather our standard of living.

One should never discount the right wing amoral minority that would accept our currency exporting racket as a sweet deal that justifies the cost in blood and treasure of invading Iraq. In previous published research, I have used facts and figures to argue that given the increasing economic cost of our military aggression – our little dollar racket no longer makes dollars or sense. If our 'national

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interests' in the region were soberly re-examined – we wouldn't have a single soldier deployed in the Gulf region. We shouldn't just get out of Iraq – we should get out of Kuwait and Saudi Arabia and Qatar.

When the big boys in high places rant about our 'national interest' in the Middle East, they are talking about the dollar. The currency exporting imperative is the crucial component of the undeclared American agenda in the region. But, like any other imperial business – the benefits need to be critically weighed against the increasingly ruinous cost. First of all, if we were not over there, the terrorists would not be over here. You don't see them attacking Sweden or Canada. Every dollar spent on homeland security needs to be tallied as part of the cost of our currency exporting racket. Add to that, the cost of the war in Iraq.

Second, because we have the world captive to our number one product – the petro-dollar – we don't produce much of anything else. Only 11% of the American work force is now engaged in manufacturing. Currency exporting is such a lucrative business. Why should America go to the trouble of doing real work? America is de-industrializing its economy at a rapid pace and the wreckage is on display in rust belt cities across the nation. What seems like a great deal for the American consumer – is a catastrophe for American labor.

Third, the dollars we export don't evaporate into thin air. The foreigners who take them – be they Chinese, Japanese, Europeans or Arabs – end up investing them in American financial assets – including government securities. It's nice of them to finance our national debt – but they will also be nice enough to collect interest from our children for decades to come.

It used to be argued that we could depend on the Saudis and Kuwaitis to keep oil prices reasonable by fending off the more militant members of OPEC. Now, with the increasing international demand for oil by emerging economic giants like India and China, the world will need another Saudi Arabia every decade to keep up with demand. Welcome to 'Peak Oil.' Even with the entire planet pumping oil at full capacity – every marginal barrel is fetching over sixty dollars in a very competitive market. OPEC no longer qualifies as a cartel. All they do these days is issue comforting press releases and post price guidance.

In terms of naked American economic interests, the empire is costing us more than its worth. The peace movement needs to start challenging the naïve members of the war party who think that the war in Iraq is good for business. We need to convince these people that – aside from being amoral vultures – they are also very bad students of economics. Let's see how they react when they realize that our invasion of Iraq is a money losing proposition that inflates our national debt without saving them a dime at the gas pump.

Naturally, there are people in high places that will have none of this

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talk about a permanent and swift withdrawal – regardless of the economic price to the nation. We need to be aware that our deranged policies in the Middle East are heavily influenced by the Israeli lobby. In polite circles, these lobbyists are now referred to as neo-cons. As far as they're concerned, when America loses a dollar and Israel gains a dime – it still makes for a profitable transaction.

As every politician in Washington knows, the neo-cons are a force to be reckoned with – if only because of their massive leverage in the mass media and their high caliber arsenal of think tanks. This tiny domestic constituency can never hope to market their alien agenda based on the merits of the bloody repression of the Palestinian people. America benefits nothing from Israel's military occupation of the West Bank, Jerusalem, Gaza or the Golan Heights. But the Israeli lobby can and does punish any politician who dares to stand up to their ludicrous demands for massive foreign aid to finance Israel's appetite for stealing other people's real estate. The neo-con stake in the invasion of Iraq was to destabilize the region and redraw the map of the Middle East to afford Ariel Sharon more elbow room to consolidate his grasp of the occupied territories and to deflect attention from Israel's vicious repression of the native people of Palestine. The neo-cons like to call their destabilization policies "creative destruction." It's an apt description of a policy that destroys Palestinian homes to create exclusive Jewish settlements. These arsonists are always standing around the inferno in the Gulf chanting "Burn Baby Burn".

American foreign policy in the region is hostage to two lobbies – the Saudi advocates who promote the virtues of 'currency exporting' and the Israeli lobby which is guided by the agenda of the Likudniks in Tel Aviv. The unholy alliance between Israel's Amen corner and the Saudi clan might seem far fetched. True enough, they don't share the same goals. But without the blessings of the Israeli lobby, the mass media might not be so enthusiastically silent about America's lucrative currency exporting racket.

It has always been my belief that most Americans can become experts in the Middle East with a little bit of reading and a two or three day seminar from academics who have no allegiance to either the Israeli or Saudi lobby. One of the greatest achievements in the annals of propaganda campaigns has been the ability of our media lords to make us dependant on neo-con and Likudnik experts to rationalize America's adventurous foreign policy in the region. The same think tank neo-con brigades that convinced us Iraq had weapons of mass destruction and ties to Al Qaeda are still paraded as credible authorities on the region. The neo-con gurus and oracles who forecasted 'cake walks' and 'flower showers' are now pedaling 'liberation theology' in the 'Greater Middle East' – knowing full well that the last thing that Bush wants is democracy in Saudi Arabia or Kuwait. Judith Miller who collaborated with her friends in high places to plan and execute a spectacular 'intelligence failure' is hailed as a hero of the free

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press – while Cindy Sheehan is accused of treason and self-promotion for demanding a few rational answers from Miller's accomplices in the White House.

It is easy enough to get tangled in the latest farcical Anglo-American response to the latest surprise Iraqi development. Let's face it – the architects of this war didn't even expect an insurgency. Just this week, the Bush administration let it be known that the Pentagon's strategy was working just fine. A few days later, they declared that American forces were changing their tactics. Go figure.

Moving in step with the administration, the Judith Miller clones in the mass media impertinently ignored the hundreds of thousands of peace demonstrators who descended on Washington to protest this insane and unprofitable war. Does it come as any surprise that the same Likudnik media operatives who marketed the invasion are intent on silencing the majority of Americans who want to end this bloody useless conflict?

Any honest observer needs to conclude that the war in Iraq was a major blunder and that both Bush and Blair are tangled in the unintended consequences of an immoral and illegal war motivated by crude economic calculations that turned out to be a formula for generating massive red ink and pools of innocent Iraqi blood. It is certain that the administration vastly underestimated American casualties – nearly two thousand fatalities and fifteen thousand wounded. In terms of costs, the expedition is already 300% over budget and the economic tab is piling up at the rate of five billion dollars a month. Most experts agree that the war has increased the threat of terror, radicalized a new generation of militants and ignited a civil war.

Bush needs to put aside this 'noble cause' charade and try to explain – even to his credulous right wing partisans – exactly what the United States gets out of this rotten deal. Let's challenge him to prove that America still derives any economic advantage that justifies the loss in Iraqi and American lives. If he can make a case that this bloody venture is such a sweet deal, the soldiers deployed in Iraq should be paid like the 20,000 foreign mercenaries we have hired to back us up against the insurgents. It would be an unfortunate precedent to have Americans doing the same dirty work for less pay. If we, as a nation, are willing to send our young to kill and die for their country's currency – they are certainly entitled to their fair share of the war booty. They are also entitled to know the exact nature of their 'dollar protection' mission. Because some of them might decide that their lives are worth more in Canadian dollars or in the private sector.

This war will end when Americans, especially those who support it, come to terms with the crude truth about the war in Iraq. It isn't about oil or spreading the blessings of democracy. It's about the trade deficit and the dollar. And even that excuse is a money losing

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proposition. At some point, we reached a consensus to end the war in Vietnam – based on rational considerations of our national interest. We gave up the Panama Canal and shut our bases in the Philippines and accepted an armistice in Korea based on an analysis of what was good for us – not them. The Cold War ended when both the Soviets and Americans sat down and re-evaluated the costs and benefits of prolonging the conflict. Military intervention in the Gulf is just bad business and we should withdraw immediately – because the cost will only increase and there is precious little reward in continuing this bloody affair.

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Alistair Sim

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