

## Barbarism or Civilization. Michael Hudson

By [Prof Michael Hudson](#) and [Luca Placidi](#)

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Theme: [Global Economy](#), [Intelligence](#), [US NATO War Agenda](#)

*Luca Placidi: Welcome, everybody. It is a great pleasure and honor to have with us today Professor Michael Hudson. For those who still do not know him, Michael is a professor of economics at the University of Missouri-Kansas City, and he is a researcher at the Levi Economics Institute at Bard College.*

Just to mention a few works published with the help of technology, we want to recall *Superimperialism, the Economic Strategy of the American Empire*.

Its third edition came out in 2021. Then we have “... *And Forgive Them Their Debts*,” published in 2018.

The latest is *The Collapse of Antiquity*, published in 2023.

Michael is also a former Wall Street analyst, a political consultant, and is hosting the Geopolitical Economy Hour together with Radhika Desai, which is broadcast at Ben Norton’s YouTube channel, Geopolitical Economy Report.

Professor, welcome, and thanks again for being with us today.

Video: Prof. Michael Hudson

Michael Hudson: Well, thank you for inviting me. I’m glad to be able to speak to an Italian audience.

Luca Placidi: That is very good. Thank you. To kick off our conversation, would you agree that the Ukrainian war and even more the latest NATO summit with its final declaration are showing us that we are now back in a multipolar war, in which the global South it is opposed to the Western world?

Michael Hudson: Well, it’s more than just a geographic split. We’re really in a civilizational split, and it goes much deeper. What’s at stake is what kind of economy is the world going to have?

Is it going to be a financialized, neoliberal post-industrial economy, which is what the United States and Europe are pushing? Or is it going to be the kind of economy that textbooks talk about, where economies produce agricultural and industrial goods to feed themselves and make everybody prosper? I almost would use Rosa Luxemburg’s phrase, Barbarism or Socialism, because the West no longer has the means of real economic control over trade and production. It only has military force, terrorist violence and corruption to maintain its control.

The NATO West does financial control by having loaded down the global South and even many Asian countries with dollarized debt for the last 70 years. That dollarized debt holds them in a financial neocolonialism, an international debt peonage. Besides that, the ultimate power that the United States and Europe have to maintain their unipolar control to prevent other countries from going their own way and pursuing their own interests is to bomb them and mobilize terrorism.

The NATO West has lost its basic industrial or agricultural control because it has outsourced its industry to China and other Asian economies, and its sanctions against Russia and other countries have obliged them to become self-sufficient instead of relying on the West for a widening range of their basic needs. So these countries are now in a position to use their labor, industry and agriculture to make themselves prosperous and regain control over their economies, not to make U.S. and European investors rich. They want to take control of their economies in a way that will raise their wages and living standards.

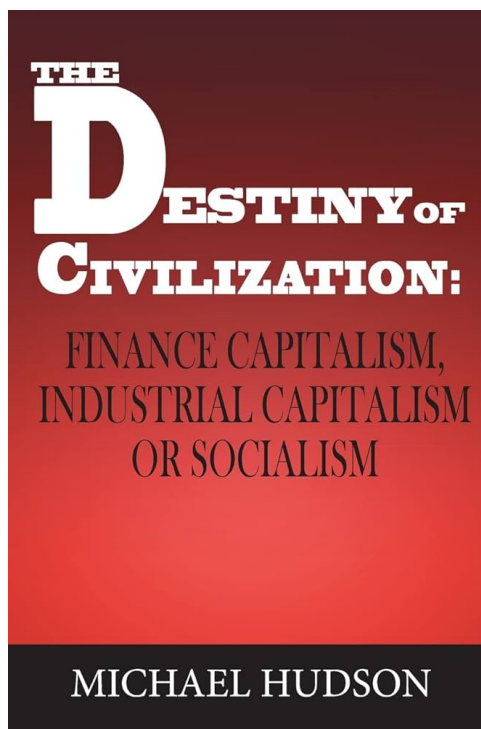
That can't be done if they follow a policy of privatization, World Bank advice and the IMF's instructions to sell off their land and raw materials, privatize and sell off their public infrastructure, communications, electrical systems and water rights to foreigners while getting rid of government regulation and social-support programs. The West's demand is to let the private sector run everything without government "interference." Well, there's no way that any economy can grow and get prosperous *without* being a mixed economy with strong public infrastructure providing basic needs at non-monopoly prices.

There are many natural areas for governments to operate more efficiently than the private sector. They can provide basic services that otherwise would be monopolized to charge extortionate prices to extract predatory monopoly rents for their owners. If a government doesn't provide education, the result will be what's happening in America, where the average cost of a college education is \$40,000 or \$50,000 a year. If you don't have public health, you're going to have a very expensive privatized health care that's not available to everybody. In the United States that absorbs 18% of GDP, more than any other country. That kind of monopoly overhead doesn't leave much room for the overall economy to be competitive with mixed public/private economies.

Most important, if you let money and credit be privatized by banks instead of doing what China has done and keep money as a public utility, then you let banks decide where the economy's credit will be allocated. That makes them the economy's central planners. Their preference is to supply credit not to finance industrial investment and growth, but to finance debt-leveraging to inflate prices for real estate, stocks and bonds, and for raiders to take over companies and empty them out, leaving debt-ridden shells in their place. Like Thames Water in Britain, Sears Roebuck in the United States. That is what has been happening since the 1980s under Thatcherism and Reaganomics.

So the split between the West and the rest of the world, the global majority, is really about what kind of an economy most of the world will have. That's why the United States is fighting so viciously to maintain its unipolar control. It's fighting against the global majority today in the same way that it fought against the Soviet Union after 1917. It doesn't want a rival kind of economic system to develop. So what we're seeing is a split with the global majority that is trying to decide how to design an economy that's going to help their member countries grow? That is the global fracture that is occurring, and it's a civilizational break.

How are Global South countries to grow if they remain obliged to pay all of the dollarized foreign debts that they've been loaded down. These debts are the legacy of being obliged to follow destructive International Monetary Fund advice to impose austerity and to privatize and sell off their assets in the public domain in order to obtain the dollars to pay their foreign creditors? The Western model is thus basically a form of financial colonialism. Its anti-government philosophy has devastated the West's economies as well as those of debtor countries.



The rest of the world thus has an object lesson in what to avoid if it does not want to end up looking like the United States, post-Thatcher/Blair Britain or Germany since its anti-Russia sanctions of 2022. I've discussed this in *The Destiny of Civilization: Finance Capitalism, Industrial Capitalism or Socialism* (2022). Today's civilizational break is not only against Russia and China. You can trace the break back to the Bandung Conference of non-aligned nations in 1955, seventy years ago.

In 1955, what was called the Third World or non-aligned nations recognized that they were being made poorer and poorer by the rules of the world economy that American diplomats and geopolitical strategists institutionalized with the International Monetary Fund, the World Bank and the dollar standard. That international trade and monetary system was exploitative, first and foremost against America's potential rivals in Britain and other European countries, and against the former colonial systems of these countries that the United States sought to appropriate and exploit for its own benefit.

The post-World War II order has been a new kind of imperialism. It basically is a financial imperialism, not the European-style colonial imperialism enforced by a military occupation. Financial control has proved less costly and hence more efficient for the neoliberal mode of international exploitation. Non-aligned victim countries couldn't break away in 1954 or since because Cuba, Indonesia and the other non-aligned nations were not large enough to "go it alone." If they tried to go it alone, they would have ended up looking like Venezuela has looked like in the last few years, or like Cuba looked like after its revolution. If the United States and Europe had imposed such sanctions, countries resisting this system would have

been obliged to surrender to the West to avoid economic disruption. But sanctions were not even necessary at that time under “free market” imperialism U.S.-style.

The United States was in a position to treat countries resisting this exploitation as outcasts. Its threat was to tell countries that acted to protect their economies, and especially their public enterprise, that the West would isolate them if they tried to go it alone. Their economies were indeed too small, even on a regional level, to survive on their own. They felt that they needed U.S. support and that of its IMF and World Bank.

What has changed is the remarkable growth of socialist China since the 1990s and post-neoliberal Russia since the late 1990s under President Putin. Today for the first time, Eurasian nations have enough economic self-sufficiency outside of the United States and Europe to be able to go it alone. They no longer need to depend on the NATO West, which is losing its ability to economically control them.

In fact, it’s the NATO West that has become dependent on China, Russia and the rest of Eurasia, along with the Global South if its people can resist their own client oligarchies to throw off their financial chains and adherence to the self-serving U.S. “rules-based order.”

What is so ironic is that U.S. diplomacy itself is spurring their break-away. One might have expected that China, the Global South and India, Latin America and Africa came to realize just how they’re being exploited, they would have taken the lead in breaking away. Yet it is the United States and NATO that have driven them to break away, by imposing trade and financial sanctions that have forced them to go it alone.

Ever since the war in Ukraine by the United States to break Germany and Europe away from their trade and investment relations with Russia and China began in 2022, the United States has mobilized its European and other English-speaking dependencies to impose economic sanctions that has devastated economies obeying these policies. The backlash resulting from German de-industrialization and America’s elbowing aside France as an arms supplier (e.g., for submarine sales to AUKUS and in trying to replace France in its former African possessions) is driving other countries away. America and Europe have isolated themselves *from* the Global Majority, replacing its prosperous trade and investment with Russia and China with economic dependency on the United States for oil and other higher-priced imports.

What’s so amazing is how self-destructive of its own global empire U.S. diplomacy has been. The focus of U.S. diplomacy on locking in its control over Europe, Australia, Japan and South Korea by obliging them to join its anti-Russian and anti-Chinese sanctions has obliged these designated U.S. enemies to replacing trade dependency on the West with their own mutual self-dependency.

They realize that they can never depend on the United States and European satellites for imports again. That should have been obvious to U.S. strategists. Once a country is blocked from importing its food, what’s it going to do? It’s going to grow its own food. When the United States imposed sanctions on Russia to block European exports of food to it, for instance, Russia was driven to produce its own butter, crops and other food instead of importing it from the Baltics and other former suppliers. And when U.S. officials demanded that its allies stop exporting computer chips to China, it moved quickly to develop its own domestic supply.

Other countries can't depend on the United States or Europe for their food because they may be cut off again. So they'll have to become self-sufficient. They can't depend on the NATO West for industry or technology because it can try to disrupt their economy by interrupting their supply chains to force it to follow pro-NATO policies. As for Europe, it is left dependent on the United States now that it has let itself be isolated from Eurasia and the Global South.

The global fracture that is occurring in today's world is not reversible. And it is all happening so quickly. Once a market is lost to countries able to free themselves and provide their own basic needs, that market is not recoverable. If the United States and NATO Europe stops exporting food and industrial products to sanctioned countries, they will make these products themselves. So when you sanction a country, it's as if you've provided them with tariff protection to nurture their own production. That's the "infant industry" argument that enabled the United States to rise to industrial power in the late 19<sup>th</sup> century. The logic was clearly spelled out by U.S. strategists. (I summarize this strategy in *America's Protective Takeoff: 1815-1914: The Neglected American School of Political Economy* (2010). Needless to say, U.S. neoliberal rhetoric has sought to erase this history so as to "pull up the ladder" so that its logic will not be used by other countries to emulate the U.S. economic success – the same government sponsorship of industry that made Germany, France and other countries so successful since the 19<sup>th</sup> century.

Latin America and Africa are seeing that it is time to liberate their economic from "free-trade imperialism." Instead of using their agricultural land to export plantation crops to the North, they're going to use their land to begin feeding themselves with their own grain, their own rice and other food crops so that they no longer have to depend on American and European farm exports.

The U.S. policy of bullying countries by imposing trade sanctions has cut its own economic throat, so to speak. It's almost humorous to see it dismantle the free-trade imperialism and dollar dependency that earlier generations of U.S. diplomacy tried so hard to impose on the rest of the world.

The meetings this year by the BRICS+ countries under Russian leadership this year and China next year are all about how to plan a trajectory for becoming independent from reliance on the West. That is what U.S. diplomacy itself has driven them to do.

Luca Placidi: As you were saying, Professor, it seems like the TINA Paradigm has been destroyed because now we have alternatives. It seems that the European political class is hopelessly submissive to the U.S. agenda. This is really disturbing, at least for us in Europe, because the war in Ukraine has destroyed the European economy.

Just think, as you've described, how the impact of the sanctions has penalized industrial production especially in Germany and Italy. Yet this has not been enough for Europe to reverse course and pull out of this conflict.

Michael Hudson: I think that you could call the war in Ukraine since 2022 an American war against Europe, because the great loser has been Germany, Italy, France and the rest of Europe. The United States has seen the writing on the wall and decided that if there's going to be a fight between North America along with NATO against the rest of the world, it had better start by solidifying its control over Europe as a profitable market and debtor instead

of its turning to Asia and being lost by the United States.

Image: Half a million tons of methane rise from the sabotaged Nord Stream pipeline. (Photo: Swedish Coast Guard)



Essentially, U.S. strategists are acknowledging that they know that America is not able to produce a real industrial surplus anymore. Its neoliberal trade policy has outsourced its industry to Asia. The only new market that it can secure if the Global Majority breaks away is that of Europe. That explains why the United States arranged for the Nord Stream pipeline to be blown up, and convinced Europe voluntarily to commit economic self-destruction by not buying low-priced Russian gas, oil and raw materials. While this has driven Russia and China together with their Asian neighbors, the losers have been European.

German industry has been moving out of the country to the United States and elsewhere for lower-cost energy. It's been emigrating largely to the United States, making it the beneficiary. If you're a German industrial company, what else are you going to do if its economy is shrinking?

If you look at labor productivity over the last hundred years, it goes parallel with energy use per worker. Energy is really the key. That's why a central aim of American foreign policy since 1945 has been to control other countries in two ways, starting with oil. The United States, along with Britain and Holland, have controlled the world oil trade so that they can turn off the electricity, turn off the lights of countries that try to break away and act in their own self-interest.

Along with oil, the second tactic that America has used is to control grain and food. Let independent countries starve in the dark. But here once again, the sanctions have mainly been to make Europe suffer. Remember, America has fought against the European Economic Community ever since it was created in 1958. From the outset, America fought against the Common Agricultural Policy (CAP). But for the EEC, the most important aim of integration was to protect its farmers and do for European agriculture what America had done for its agriculture.

Agricultural price supports enabled capital investment to raise farm productivity. Europe rationalized its agriculture and increased its capital investment to make it more productive. The result was that Europe has not only replaced its dependence on American food exports, but has become a major agricultural exporter. But now the expanded European Union is now suffering because of the sanctions not only against importing Russian gas to make fertilizer. And by supporting Ukraine, Europe is letting it dump its low-cost grain in Poland and other countries. Farmers already have staged riots to protest against their farm markets being undersold by the Ukrainians - with U.S. investors trying to buy up this land. That could roll back European agricultural independence and make it dependent once more on the United



States or on countries that U.S. investors control.

The effect of this Cold War III so far has been to drive Europe back into the American orbit. The United States insists that there's no alternative to this neoliberal geopolitics. Western textbooks indoctrinate students to believe that neoliberalism is the best way to run an economy efficiently – by not having a government to protect self-reliance and living standards, not to regulate against predatory monopoly and financial rent-seeking. The aim is to let capitalism evolve into monopoly capitalism, which is really finance capitalism, because monopolies are organized by the financial sector as “the mother of trusts.”

Although the United States has said there's no alternative, there obviously is. But if countries don't follow an alternative, they're going to end up looking like Germany. In fact, what's happened to Europe as a result of the war in Ukraine and U.S. sanctions is an object lesson for other countries to see what they don't want to happen to them.

The neoliberal program has broken down in the West just as it has long since broken down for the Global South. Its central aim is to privatize the public sector. Yet for centuries the European capitalist takeoff was funded by industrial capitalists themselves aiming to lower the cost of production so that they could undersell other countries by government subsidy of tangible capital formation.

How can economies lower their cost of production? For starters, if companies are obliged to pay wages high enough for their workers to pay for their own health care and insurance, to pay for their own education, for their own debt-leveraged housing costs, the high price of paying a living wage will eat into industrial profits. To avoid this, European countries, like the United States, had their governments provide inexpensive basic needs so employers wouldn't have to cover these costs.

The basic strategy of industrial capitalism was for governments to provide education, public health and basic infrastructure that otherwise would have been monopolized in private hands. Governments educated workers, trained them and helped raise their productivity by protecting and subsidizing capital investment. Governments provided water and electricity at subsidized rates so that labor would not have to spend its wages to buy high cost energy, high cost transportation and kindred basic needs. The result was to lower the break-even costs of labor, so that European and American industrialists could undersell other countries.

Image: Thames Water HQ By The Thames In Reading – Berkshire. (Licensed under CC BY 2.0)



Neoliberalism ended this seemingly obvious economic strategy. Margaret Thatcher and Ronald Reagan started a class war by the British and U.S. financial sectors against labor by privatizing their public utilities. Instead of England's government providing clean water, which everybody needs to live, it sold off rent-seeking rights to financial managers raising

prices to extract monopoly rents. To make matters worse, Thames Water and other privatized companies borrowed from banks and used the money to pay dividends to stockholders and buy their own stock to raise its prices to reap capital gains.

These *rentier* charges are now taking a big chunk out of the European wage earner's budget. That makes employers pay higher wages. You can say the same thing for telephone service and other basic infrastructure utilities that now are privatized and financialized. Privatizing formerly subsidized telephone service and communications makes workers pay much more. The result is a wage squeeze, but also a profit squeeze because of the high cost of living and doing business in a *rentier* economy.

So since 1980, the whole European model – in fact, the whole model of industrial capitalism – has been reversed. Instead of industrial capitalism trying to cut the costs of production, minimizing what Marx called the false costs, the *faux frais* of production, prices charged by privatized infrastructure monopolies have gone way up. Labor's living standards throughout Europe have been squeezed at the same time that their wages have had to be increased so that they can afford to pay for privatized services that used to be subsidized public services. Following the neoliberal model has made Europe uncompetitive, just as it has deindustrialized the U.S. economy.

The lesson for China has been to have socialism to restore the 19<sup>th</sup>-century industrial ethic that nearly all economic observers believed was leading to socialism of one kind or another. China's living standards have soared, yet its wages are lower than that of the neoliberal economies thanks to the fact that socialism provides inexpensive transportation, public health care and so forth as described above.

Most important of all, socialist China creates its own money and controls its credit system. Instead of the Bank of China lending money to financial predators to buy companies and load them down with debt and drive their stock prices before leaving them as bankrupt shells like Thames Water in England, the government spends money directly into the economy. It's overinvested in housing and real estate, to be sure, but it's also invested in modernizing its high-speed railroads, modernizing its communication system, modernizing its cities, and above all its electronic internet system used for monetary payments. China has liberated itself from debt dependency on the West – and in the process, made the West dependent on *it*.

This could only have been done by government investment and regulation under a long-term plan. The Western financial model lives in the short run. If you're going to allocate credit and resources to make fortunes by living in the short run by taking as much as you can as quickly as you can, you will not be able to make the capital investment to develop long-term growth. That's why American information technology companies have not been able to keep up with their Chinese counterparts. Financialized "market forces" oblige them to use their income for stock buybacks and to pay out of dividends. That is the case with U.S. technology across the board.

China's companies investing in information and internet technology plow their profits back into reinvestment in more research and development. Such innovation has shifted from the West to the East, which has rediscovered the logic of industrial capitalism developed by the 19th century's classical political economists.

To be sure, China and other BRICS+ countries are trying to reinvent the wheel. They know



that the Western model doesn't work. The question is, what is the best alternative to neoliberalized, privatized and financialized economies?

It is amazing to me that there has been so little discussion of classical economics in the West. The value, price and rent theory of Adam Smith, John Stuart Mill and their contemporaries came to a head with Marx. That has left almost the only people talking about industrial capitalism's economic reforms have been Marxists. Universities in America no longer teach the history of economic thought – or economic history, for that matter. It is as if there is only one kind of economy – the anti-government privatized “free market” that has taken over since the 1980s.

Students are taught that there is only one way to run an economy: the free enterprise neoliberal way. So when Asian and African countries send their students to the United States or England to study, they're not taught about how industrial capitalism took off by raising wages and living standards to make labor more productive. Instead, they learn the economics of class war – from the employer's short-term view.

Neoliberal trade theory is the most blatant example of today's junk economics being awarded by Nobel Prizes as if that can somehow legitimize it. The result is the International Monetary Fund's austerity plan masquerading as “stabilization plans.” Once a country like Argentina or Chile runs up a foreign debt, it is directed to obtain the money to pay this foreign debt by imposing anti-labor policies, dissolving labor unions, lowering wage levels while taxing labor (“consumers”) more, as if pauperized labor will make them competitive enough to earn enough export income to pay their foreign creditors.

When a policy like this has been shown to be destructive for the past century yet is still being imposed, it's obvious that this is not an innocent error. You might call it a very successful error. It has succeeded in preventing the Global South from earning its way out of debt and from developing its own self-sufficiency in food and other basic needs. It has succeeded in creating domestic client oligarchies whose interests are to become agents of this Western NATO-centered model instead of seeking to develop their own economies.

It is to avoid this destiny that today's geopolitical breakaway by the global majority in Asia, Africa and Latin America are moving to replace the finance-capitalist model. Their move to reinvent the wheel is following the logic of the original industrial capitalist takeoff that was evolving into socialism. If you look back to the late 19th century's flowering of classical political economy, not only by Marx but by political parties across the political spectrum, we can see that there was going to be socialism of one kind or another.

What kind of socialism is it going to be? There was Christian socialism, libertarian socialism, Marxian socialism and other kinds of socialism. This classical literature and political debate was rich, but it came to an end with World War I. That was a disastrous turning point in Western civilization. The *rentier* classes, the landlords, the monopolists and the bankers had been fighting back against the industrial reforms that were happening in the most advanced industrial economies of Europe and the United States. The wealthy elites were terrified that support for these reforms would lead in Europe to a revolution like that created Soviet Russia. The West was even more terrified of what seemed to be happening in Germany that was looking like it was likely to go socialist.

The vested *rentier* interests, especially the wealthiest classes, feared that this threatened to end the ability of a wealthy financial oligarchy of the One Percent, maybe even five percent

of the population. For the past century it has built up its financial wealth by forcing the rest of the economy into debt. The result has been a social malaise as Western populations in the United States and Europe, have come to believe that There Is No Alternative.

The lack of an alternative has enriched the One Percent. The U.S. economy has polarized, and so has Europe's economies. The wealth of Europe, Italy included, has been sucked up to the very top, to the financial layer that has taken control of economic planning and public policy as if their privatized self-interest is more productive and efficient than an alternative that would raise labor's living standards and self-reliance.

Financial elites throughout the world are a cosmopolitan class. It's not only wealthy Italians but wealthy Europeans, wealthy Americans draining money from their own industrial sectors, the agricultural and the commercial sector. This stateless international class has its law of motion in its drive to force the entire global economy into debt so as to use its debt leverage to foreclose, above all on the assets of the public sector by getting governments into debt.

Backed by the IMF, World Banks and U.S. courts, international bondholders (including domestic oligarchies keeping their wealth outside of their own countries) force debtor governments to sell off public infrastructure. In the case of corporate debt, creditors foreclose on companies and break them into parts.

This behavior has de-industrialized the United States and Britain. Yet while the economies of the United States and Europe have gotten poorer and poorer, the wealthiest One Percent have got richer and richer. That's why the United States and Europe have not joined the Global Majority but are trying to fight against its demonstration that there is a better alternative for civilization.

The NATO West's ruling elites have overplayed their hand. By treating the rest of the world as an enemy for resisting U.S.-sponsored control, this diplomacy has driven other countries together to create an alternative. That alternative involves creating alternative institutions to the International Monetary Fund in a BRICS central bank to deal with inter-government balance of payments relations. It involves a new Bank for Economic Acceleration as an alternative to the World Bank, a bank to finance their own economic development by creating its own credit system to the global majority increase its infrastructure, agricultural and industrial investment. It also requires a new International Court of Justice to prevent oil companies and mining companies from polluting countries and resist being charged to pay for the cleanup costs that they've caused in their drive for quick natural-resource rents.

Ultimately, the Global Majority needs to create an alternative to the United Nations itself. All these institutions - the United Nations, the IMF and the World Bank - are subject to American veto power. The United States has long announced that a central tenet of its foreign policy is that it will not join any institution that it can't control by vetoing if they do something that does not benefit the United States.



In the last few days, President Putin has proposed creation of a BRICS parliament. The aim is to create a large group of countries that will design a new set of the rules of how an international economy should work. President Putin also said that the United Nations has a good set of rules, but the United States has vetoed their application in practice. The fact that the United Nations doesn't have an army has left it powerless to resist the U.S., Ukrainian and Israeli violations of basic international law.

This emerging alternative BRICS group certainly will leave the United Nations to operate on the sidelines, but the "real" reformed United Nations will consist of the group of the global majority and its own set of institutions, acting as a unit in which the United States does not have veto power. That will transform the dynamic of how most of the world's economies operate.

All this is an area that economists don't talk about. Academic economics has become tunnel visioned, with simplistic ideas of government spending, inflation, money and credit, all without a concept of economic rent as unearned income to be minimized rather than made the foundation for financial fortunes.

The Western dynamic of "wealth creation" has been to raise real estate prices on credit. The middle class is told that it is getting richer as its housing prices rise, yet the effect is to prevent new wage-earners from joining the middle class unless they inherit their housing from their parents. The economic discipline no longer talks about how a country can actually enrich itself. So what the Global Majority needs is really a New Economics,

Luca Placidi: Thank you, Professor. There's one other topic that is very important and that we are seeing at this moment. That is what is happening in Palestine, between Palestine and Israel and the war that they call "against Hamas" while they seek to drive out or destroy the entire Palestinian population.

Michael Hudson: When politicians from the United States to Germany and other European countries talk about the Ukrainian war or what is happening to Palestinians right now, there is a uniform a bipartisan alignment. Trump is saying what Biden is saying, and so is Robert F. Kennedy, Jr. That is to support Israel up to the end, and also Ukraine.

Yet the whole world has been shocked by the genocide that the Israelis are waging not only in Gaza but on the West Bank. Their brutality, the bombing of the hospitals, the assassination of reporters and journalists so that the world can't see what is happening has catalyzed the world's moral outrage that is setting its identity against that of the NATO West.

Image: The funeral of two Palestinian journalists killed by Israeli forces in Gaza. (Photo: Mahmoud Ajjour, The Palestine Chronicle)



The attack against Palestinians is with American bombs, just as is the case with Ukraine's and NATO's attack on Russian-speaking territories. So it's not simply Israel that is attacking Palestine. This is primarily an American attack. You can think of it as a logical extension of the U.S. attacks on Iraq, Libya and Syria. The common denominator is the American view that Israel serves as a U.S. landed aircraft carrier to control Near Eastern oil. If the United States can maintain control of the Middle East and its oil trade, it will retain the power to turn off the power of other countries by cutting them off from oil. As I explained earlier, oil has been a key to American power for the past century.

That is the military reason why the United States is backing Israel in dropping American bombs on Gaza, while the U.S. intelligence spy network is telling them where to bomb. American strategists have long followed the strategy that in order to win, you have to bomb the hospitals first. The idea is not simply to kill the enemy population, but to cripple its members with anti-personal bombs to leave a lasting overhead cost in supporting women and men who are maimed for life. And most important is to bomb the children, so that they will not grow up to wreak retaliation.

The idea of making other Palestinians take care of crippled children who had their legs blown off or lost their arms is so inhuman, so against the most basic principle of civilization, that it has acted as a catalyst for other countries breaking away. On July 25, 2024, Israeli President Netanyahu was invited to the U.S. Congress to ask for its military support for his planned attack on Lebanon and his hope to drag America into an attack on Iran. He put the issue in a way that I think you and I can agree on: Having killed or wounded as many as 180,000 Palestinians in Gaza and accelerated settler murders and destruction of Palestinians and their property on the West Bank, he explained that, in words reminiscent of Rosa Luxemburg: "This is not a clash of civilizations, it's a clash between barbarism and civilization, between those who glorify death and those who sanctify life."

I think that this is precisely what is at stake. Netanyahu and his neocon supporters in the U.S. Congress who invited him indeed have thrown down the military gauntlet threatening the world with yet new U.S. and Israeli violence against the Middle Eastern oil-producing countries. Today's buildup to such a war threatens the entire world with a new barbarism.

There already was a sort of tendency for the rest of the world, for Asia and the Global South to hope that somehow they could make do without making the enormous intellectual and moral break from the West. The feeling was that somehow they could survive through all this at least for the short run, as if things might somehow go back to some semblance of normal instead of continuing to polarize.

But what is happening in Israel the joint Israel-American attack on Palestine has shocked

much of the world into realizing that this is what the United States might do them, just as it's what the US/NATO countries are doing to by fighting to the last Ukrainian. U.S. support for exterminating the Palestinians simply in order to use Israel as an arm to keep U.S. control of Middle Eastern oil is what is so abhorrent.

What is not to stop the Israelis from taking over Saudi Arabia and its oil, the Emirates, Kuwait, much as America did in Chile and Argentina to take over their minerals and land while assassinating labor leaders, land reformers and economics professors opposing Chicago School neoliberalism. The joint Israel and Ukraine wars have given a sense of urgency for other countries to realize that they have to act now in order to avoid a similar fate.

Other countries can't simply be passive, because what is happening to the Palestinians can happen to all of them. That's the degree to which Americans will go to maintain their global control. That's why they are funding the Israeli attack on Palestine and the Ukrainian attack on Russian speakers. The Americans are providing the bombs and other weaponry, subsidizing their armies. This is what is creating the sense of urgency that is catalyzing the World Majority to realize that they must act more rapidly and decisively to make a real break.

Luca Placidi: Professor, I know that you're extremely busy, so thank you very much. I want to thank you again, and I hope to have more time with you to go deeper on those topics. Thank you.

Michael Hudson: Well, thank you. I hope we'll have a chance to have a follow-up for all of this.

Luca Placidi: We will, absolutely. Thank you very much.

Michael Hudson: Well, thank you again for having me.

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