

Imperial Sunset?

Threats to US Hegemony

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Global Research, April 03, 2007

[Frontline](#) 3 April 2007

Region: [USA](#)

Theme: [US NATO War Agenda](#)

For the first time since its rise as a superpower the United States is facing a serious threat to its hegemony across the globe.

IN February this year, Russian President Vladimir Putin addressed a security conference in Munich that had 250 of the world's top leaders and officials in attendance, including such luminaries as the German Chancellor and the U.S. Secretary of State. He said some very rude words about the United States, denouncing its unilateralism and unipolar pretensions, its trampling of international law, its stoking of the arms race, its aggressions across the globe. These, Putin said, were factors that encouraged others to seek their own weapons of mass destruction and even commit terrorist acts.

He went further and warned Europe itself that the continuing eastward expansion of the North Atlantic Treaty Organisation (NATO) was "a serious provocative factor" and that the Organisation of Security and Cooperation in Europe (OSCE) had been converted into "a vulgar instrument for advancing the foreign policy goals of one country or a group of countries against other countries". The global missile defence system developed by the U.S. would, he said, "give it a free hand to launch not only local, but global conflicts" and the proposed deployment of U.S. missile interceptors in Europe to neutralise Russia's nuclear arsenals would trigger "another round of the inevitable arms race". Calling for a new "global security architecture", Putin reminded the Europeans that the BRIC countries (Brazil, Russia, India and China) had among them a larger gross domestic product (GDP) than the European Union. "There is no doubt that in the foreseeable future the economic potential of these new centres of power will inevitably get converted into political clout and will strengthen multipolarity," he said.

That Russia and Iran, the world's supreme energy giants and both countries in the eye of U.S. military designs, would seek military cooperation and an energy alliance - even perhaps an eventual "gas cartel" as no less a personage than Ayatollah Ali Khamenei has suggested - is entirely understandable. The real scandal of the situation is that soon after delivering that speech, Putin went off to seek energy cooperation with, and sell weapon systems to, such U.S. 'reliables' as the Saudi, Jordanian and Qatari royals.

The Financial Times, the premier newspaper for global capital, reacted to Putin's sweeping speech with a simple question: Imperial Sunset? The 'decline of U.S. hegemony' has been a favourite theme among many circles of the left since the early 1970s, not as an absolute event but as a relative decline, related to the growing power of its major capitalist competitors. Is that 'decline' now becoming a real 'sunset'?

A variety of factors have contributed to this question: the military debacle of the U.S. in Iraq and of Israel, its only 100 per cent ally, in Lebanon, which precipitated comprehensive domestic crises of confidence inside both countries; the immensity of U.S. deficits and instability of the dollar as the pre-eminent global currency; the challenges of the famous “pink tide” in Latin America; the resurgence of Russian power and high rates of growth in China and India; “resource wars”, that is, the emergence of giant energy producers and consumers on the one hand and, on the other, what Michael Klare calls “energo-fascism” in which, he avers, the Pentagon has increasingly become a “global oil protection service”. That is a very tall order, and no one article, or a set of articles as the current issue of Frontline is presenting them, can wholly answer questions of such magnitude. What follows here offers a basic outline, starting with the Achilles’ heel, the historically unprecedented and currently unrivalled military power of the U.S., which is proving to be the principal cause of its hubris.

THE KILLING FIELDS

On April 1, 2003, barely 10 days after the U.S. began its war of occupation in Iraq with a night of “Shock and Awe” in which its forces hit Baghdad with one thousand cruise missiles – exceeding the TNT equivalent of the atomic bombing of Hiroshima, and well before the U.S. troops entered that city, Immanuel Wallerstein began his Commentary No. 110 with these prophetic words:

“At a turning point in the Second World War, someone asked Winston Churchill whether the battle marked the beginning of the end. And he replied, famously, no, but it might be the end of the beginning. With the Iraq war, the world is marking the end of the beginning of the new world disorder that has replaced the world order dominated by the United States from 1945 to 2001. ... One week into the war, it is clearly going less well than the hawks had hoped and anticipated. It seems we are likely to be in for a long, bloody, drawn-out war. ... The fact that it goes badly for the U.S. hawks will make them only more desperate. They are likely to try to push harder than ever on their agenda. ... Their economic programme seems to be one that will bankrupt the United States.”

He also surmised that an attack on Iran and the creation of a “police state” in the U.S. itself formed a part of the agenda, and that the “hawks” would need two presidential terms to achieve these goals. Bush and his gang are now in the middle of that second term. Prophetic words, indeed. In the third week of April 2003, as U.S. forces completed their occupation of Baghdad and after former President Saddam Hussein and his men had vacated the city, I wrote a piece entitled “Wars Yet to Come” (Frontline May 9, 2003), in which I predicted that resistance to the U.S. occupation would take three to six months to get going and would then go on for as long as it took to get the U.S. out of Iraq. I had also predicted immediately after the occupation of Afghanistan that the Taliban would prove undefeatable and the combined forces of the U.S. and its allies would face a long, long war of attrition. However, in that same article, I also warned:

“What the Americans have brought with them is not only the gift of colonisation but all the paraphernalia of communalisation and fragmentation of Iraqi society: dividing the Turkoman against the Kurd, the Kurd against the Arab, the Sunni against the Shia, and indeed one Shia faction against the other, Ba’athist against the non-Ba’athist, the clients against the patriots. ... [C]ollapse into fiefdoms of local power in the name of primordial loyalties is very probable, and the colonial power is likely to do all it can to accentuate these conflicts [so

that] the presence of colonial authority, as keepers of the peace among communities, can be justified. ... A foretaste of the bloody nature of this communalisation can be seen in the ethnic cleansing of Arabs that is already under way in northern Iraq at the hands of Kurdish zealots.”

That too, alas, has come to pass, but on a scale that was wholly unimaginable when I penned that dire prophesy. This is not the place to elaborate on it, however.

Bush famously announced “Mission Accomplished” on May 1, 2003, a month after Wallerstein composed his commentary and a week after I sent my article to Frontline. That war of occupation has now entered its fifth year and continues with no end yet in sight. The war against Iraq began not in 2003 but in 1991, when the U.S. attacked the country in order to recover Kuwait and ruin Iraq. U.S. aircraft flew 110,000 sorties between January 17 and February 28 1991, averaging one aerial attack every 30 seconds, and dropped 88,500 tonnes of explosives, which is the TNT equivalent of seven and a half Hiroshimas. No accurate figures are available but many sources, including the United Nations Children’s Fund (UNICEF), estimated that perhaps as many as two million Iraqis died during the six years between 1990 and 1997, including more than half a million children. Under the four years of occupation from 2003 to 2007, estimates endorsed by such sources as the prestigious British scientific journal *The Lancet* suggest that approximately 650,000 Iraqis have died; some two million refugees have left the country; almost an equal number have become refugees within Iraq; over half of Iraq’s 4.5 million children are malnourished; and unemployment stands at over 70 per cent. These numbers should be seen in the perspective of the total population of the country, which was considerably less than 25 million at the onset of the war. We are talking of perhaps as much as half the population killed, maimed and injured, driven out of the country, driven into starvation, malnutrition, epidemic diseases, despair, and even crime.

What has the U.S. achieved? The U.S. embassy in Baghdad is the largest any country has built anywhere in the world. There is a network of military bases, some of which are as large as any in the world. Some 170,000 military personnel are in place, backed by perhaps an equal number of mercenaries and contractors who do a variety of military duties and civilian jobs. A client regime is now in place, confected by the U.S. in close cooperation with Iran, and quickly recognised by such stalwarts of global peace as the U.N. Security Council, the ‘international community’ and so forth. All sorts of new laws have been put on the books. For all that, the writ of the occupying power and the regime of its clients does not run beyond the narrow confines of the Green Zone in a portion of Baghdad where that ruling circle has garrisoned itself. All the Shia and Sunni factions, including those serving in the client regime, agree that the U.S. troops must leave. The question is, when and under what sort of arrangement.

Afghanistan is almost not worth talking about. It was invaded and occupied soon after the debacle of September 11, which served as a pretext for war even though the Taliban government was in no way involved and there is no conclusive proof that even Osama bin Laden knew of the event before it occurred. Subsequent developments have been essentially the same as in Iraq. Here, too, Iran helped persuade the Northern Alliance to accept the Karzai government, which was put together by the neocon stalwart, Zalmay Khalilzad, who was later despatched to Iraq, serving in both places as imperial proconsul. The transition was then made from U.S.-United Kingdom occupation to NATO occupation, implicating the whole of Europe; U.S. and British troops continue to serve. Five and a half years later, more than half of the world’s heroin comes from Afghanistan each year’s

aggregate amount breaking the record of the previous year; Karzai still has to be protected by NATO personnel as Afghans themselves are not trusted with the job; and the writ of the regime and its patrons does not run much beyond Kabul. On the other side, though, the Taliban, which controls vast swaths of the country and some slivers of Pakistan, are a much more pious and disciplined lot than the murderous Shia and Sunni militias of Iraq, so that Afghanistan is subject to the rule of the warlords but not the sort of sectarian killings which are the order of the day in Iraq.

TENGGU BAHAR/AFP



A protest in Sao Paulo against President Bush's visit, on March 8.

THE "HIZBOLLAH EFFECT"

The decisive event of the past six years may yet turn out to be the 34-day war between Israel, generally considered one of the world's six great military powers (after the U.S., Russia, U.K., France and China), and Hizbollah, a Shia militia that gained valuable experience in guerilla warfare during the 1990s when it participated in the Lebanese Resistance that drove the Israelis out of southern Lebanon, which they had occupied for two decades. Moreover, unlike the Americans and the Russians who were defeated in Vietnam and Afghanistan respectively, Israelis have enjoyed an unparalleled myth of invincibility since the birth of the state in 1948. Over the years, Israeli invincibility has been buttressed not only with the possession of over 200 nuclear bombs but also by the immense aid Israel has received from the U.S., especially since 1974: \$51.3 billion in military grants, \$31 billion in economic grants, \$11.2 billion in loans for military equipment, in addition to all sorts of loan guarantees and investments in joint military projects. That myth of invincibility is what lies shattered in the rubble of Lebanon, never to be wholly recovered. In 1967, Israel took a mere six days to destroy the Arab armies and capture vast swaths of territory, all the way from the Suez Canal to the Golan Heights, including all the remaining territories of historic Palestine, at the height of Nasserist and Baathist Arab nationalisms. In 2006, at the time of utter disarray in the Arab state system and with the major Arab country Iraq occupied by the U.S., a mere militia fought for 34 days, destroyed Israeli armour and shot down Israeli helicopters, inflicted a considerable number of casualties, and forced Israel to abandon its invasion in sheer disarray, in a war that Israel itself had initiated.

Israeli sources have generally conceded that preparations for the war began in late 2005, and Prime Minister Ehud Olmert has himself said in testimony before the Inquiry Commission headed by Judge Vinograd that he began such preparations immediately after taking over in January 2006, a full six months before Hizbollah's kidnap of two soldiers gave him the pretext. Hizbollah chief Sayyed Hassan Nasrallah has said, by contrast, that he misjudged the situation and did not anticipate that Israel would respond with a full-fledged war when he ordered the kidnappings. In short, Israel initiated the war with full preparations while Hizbollah was caught unprepared. Yet Israel failed to achieve even the smallest of its war aims while Nasrallah emerged out of the war as a hero across the Arab and Islamic worlds - and he shall remain so unless he squanders that prestige by provoking sectarian strife within Lebanon, which he may yet do.

The U.S. has been wholly complicit in all this. Olmert wanted the invasion from the beginning but had faced opposition from some of his senior colleagues; that opposition was

silenced when the U.S. authorised Israel to go into Lebanon and eliminate Hizbollah. The U.S. then shielded Israel from universal condemnation and made it possible for its forces to carry on for 34 days; and, as Israel was destroying villages, towns and infrastructure, U.S. Secretary of State Condoleezza Rice breezily described all that as the “birthpangs of a New Middle East”. A crisis for Israel is a crisis for the U.S. as well, and saner voices there are likely to become louder to insist that the U.S. must restrain, not encourage, Israel’s venal rulers and that it should not mortgage its own future in this strategic region to Israel’s whims.

New questions now arose. If Israel could not defeat even Hizbollah, can it eradicate armed Palestine resistance, which is backed by a population of millions that has been living under a humiliating Israeli occupation for 40 years? Since at least 2003, and with the full backing of the Israeli lobby in the U.S., Israel has been belligerently calling upon the U.S. to invade Iran and threatening to do so itself if the U.S. would not. It accuses Hizbollah of being merely a client of Iran and Syria. Can it successfully hit at Iran when it cannot even subdue the purported “client”? And, if a mere militia can defeat the invincible Israel, can the U.S., already pinned down and bleeding in Iraq, take on Iran, which is ruled by a generation that cut its teeth in the trenches of the war that Saddam Hussein, a friend of the U.S. in those days, had imposed on Iran upon U.S. promptings?

For six years, Bush has refused to talk directly to Iran, despite entreaties from the E.U. and the International Atomic Energy Agency (IAEA), and despite pressures from inside the U.S. at the highest levels (including Jimmy Carter and Zbigniew Brzezinski among the Democrats, and people as high up as James Baker among Republicans). Over the past two months, however, there is evidence of a new willingness; a first round of talks has taken place and another one is due in April. Could one say that the “Hizbollah effect” is part of this new-found prudence? Is that “effect” helping bring back a recognition of the fact that Iran helped the U.S. to put together client regimes in both Afghanistan and Iraq, and that the U.S. again needs Iran’s help in extricating itself from the Iraq debacle? Can the U.S. really invade Iran while asking it to help with the mess of the Iraq invasion? Or is this new willingness to talk just a charade and a prelude to actual invasion? We shall have to wait and see.

What can be said with fair certainty is that Israel, America’s most reliable ally in West Asia, is in a state of advanced internal crisis. For the first time in its history, more Jews are leaving Israel than are entering it, and those who are leaving are usually among the most skilled and privileged; another debacle, and this Jewish immigration out of Israel shall become a flood, and Israel’s worst nightmare – that the Arab citizenry of Israel will begin approaching demographic parity with its Jewish population – shall gain some basis in reality, releasing the genocidal tendencies of Israel which lurk barely under the surface. Meanwhile, popular ratings for its Prime Minister hover at around 10 per cent, the worst in Israeli history and considerably lower than Bush’s 25 per cent in the U.S., which too is just about as low as any U.S. President has ever sunk. Haaretz, Israel’s most prestigious newspaper, says that the government “lacks both direction and conscience”, while another writer for the newspaper concludes that Israel is just “stewing in its own rot”. Vardic Zeiler, a retired judge who headed an inquiry into the state’s operations, concluded that the Israeli police force resembled that of Sicily and the state was on its way to becoming a mafia-style regime. Gabriel Kolko, an eminent American historian, states baldly that “Israel today is well on its way to becoming a failed state”. This internal “rot” is both the cause and the effect of Israel’s occupation of Palestinian territories over 40 years (the longest such occupation in modern history), its will to treat the inhabitants of those territories like caged animals, and its will to turn Gaza into a vast prison camp, shooting and killing virtually at will. But this is

not the place to go into all that.

The U.S.-Israeli axis now has a choice to make. Realism demands that they forgo their grand illusions of free-fire invincibility, their will to cut and chop the region to forge a "New Middle East" to their own specifications, and instead find just solutions to their respective occupations. The alternative is that both keep sinking deeper and deeper into their respective quagmires. All available indications are that as their own crises worsen, the more desperate and warlike the venal leaderships of the two countries are becoming, compounding internal divisions. Numerous high officials in Israel, including its Prime Minister, are now under investigation for one kind of wrongdoing or another; not a day passes without yet another clash surfacing between the U.S. Congress and the U.S. President.

RESOURCE WARS

The wars of the post-Soviet era have tended to be 'Resource Wars'. Having bankrupted Iraq in the war with Iran, Saddam Hussein invaded Kuwait to seize its oil resources. The U.S. retaliated with a war to bring the sheikhs back to their throne so as to re-establish the status quo ante. Thus began its 17-year-old war against Iraq, with military conquest paving the way for the more lasting corporate conquest. Most U.S. soldiers shall leave Iraq sooner or later. Will the corporations also leave and the military bases be dismantled? That is the decisive question in judging whether or not Iraq shall be the graveyard of U.S. ambitions. None of the main players in current Iraqi politics seems keen to say goodbye to the U.S. corporations; all seem intent on seeing an end to the military occupation so that they can cut their own deals with the corporations. Thus it is that the privatisation law is the most basic of all laws promulgated under U.S. stewardship, started with the direct intervention of Bremer & Co, and now continuing through "negotiations" between the occupiers and the client groups, while the killings go on. It is the essence of the new oil law on the table now. The shooting war may end but Iraq may yet emerge as a playground for a rejuvenated "energo-fascism".

Iraq's oil reserves are said to be second only to Saudi Arabia's. Iran's combined oil and gas reserves are said to be quite the equal of Saudi's oil reserves, in total energy terms. The U.S. has waged a cold war against the Islamic Republic of Iran for almost 30 years now, and has threatened a hot war (outright invasion) for a full decade. The occupation of Iraq is designed partly to compensate for the earlier loss incurred when the Shah was overthrown, and partly to regain access to Iranian resources, either by invading it or by imposing upon it a peace on terms favourable to the U.S. in the energy sector. Iran has already served the U.S. well by helping it obtain client regimes in Afghanistan and Iraq. An accommodation between the U.S. and Iran in the energy sector is not inconceivable. The Security Council is ready with a draft for tighter sanctions against Iran. The U.S. Navy has assembled a vast armada in the Gulf and positioned all kinds of military forces to surround Iran for "psychological warfare" and also for invasion if necessary. Meanwhile, the two sides, plus Syria, will meet to see if a larger settlement is possible. It is not at all clear where this high-stakes brinkmanship by both sides is going.

The so-called "Shia crescent," which has been so much in the news lately, has less to do with religion or sect and much more to do with oil. Iran is predominantly Shia, and Shias are certainly in the majority among the Arab inhabitants of Iraq. Saudi Arabia and Kuwait are predominantly Sunni, but Shias are in the majority in those regions of the two countries

where oil resources are mostly concentrated. These are the four major oil-producing countries of the region, and having exacerbated the Shia-Sunni sectarian rivalries to the point of armed conflict among respective militias in Iraq, the U.S. fears (and Iran threatens) that an attack on Iran would rouse and unify Shia populations across the region, not only against the U.S. but also against its clients in Saudi Arabia and Kuwait, and elsewhere across the Muslim world. If prudence prevails in Washington, the U.S. shall concede Iran's security concerns in lieu of a normalisation of relations, get concessions in the energy sector and, in turn, learn to live with Iran's own interests in "multipolar" relations with the Euro-American bloc on the one hand and Russia and China on the other.

If the "Shia crescent" is about energy, so is "multipolarity" in a substantial degree. As neighbours and as global giants in gas and oil reserves, Russia and Iran are natural allies; they are also bound in a relationship of competitive collaboration in the Caspian region, itself rich in the same energy resources and extending up to China. At the other end of the Asian landmass, both Russia and China are geographically proximate to Japan and other centres of East Asian capitalism, all of them dependent on imported fossil fuels. As the financial power of Asian capitalism grows, it is bound to build its own energy supply systems independent of its European and U.S. rivals. East Asian countries are already pegging their currencies to the Chinese yuan; South Korea is drawing closer to China, and investments in China have helped Japan cope with its stagnating growth. The surest way for Russia and China to weaken Japan's historic dependence on the U.S. is to offer it a terminus for energy pipeline grids starting in Iran, Russia, and the Caspian Basin and running across the vast territories of Russia and China, as an alternative to the precarious sea lanes that run through the Indian Ocean and the Malacca Straits. It is good to recall that the first privatisations of Iraqi oil came not after the U.S. invasion but during the period of sanctions from Saddam Hussein, who gave concessions to Russia and China. The successor regime, put in place by the U.S., may take that particular leaf out of Saddam's book. That is why the U.S. shall not dismantle its vast military bases in Iraq. The methods are different but Russia too supplies advanced weapons systems to Iran with an energy partnership in mind.

Much else could be said. Suffice it to conclude that if the "multipolarity" that is now emerging in the world capitalist system as we now have it - with Russia and China emerging not as socialist powers but as capitalist giants - ever develops into full-fledged inter-imperialist rivalry between the old capitalist centres and the new ones, energy resources, currencies and debts shall be central to it.

LATIN AMERICA

I have published half a dozen pieces on Latin America in Frontline. Here I offer just a few generalisations, starting with the proposition that if the U.S. may potentially lose its wars in West Asia, it may lose the peace in Latin America as well. The only country that made a successful revolution against imperialism in the precise sense of the word (the "highest stage of capitalism", as Lenin called it), and which tried to build an alternative to it, was Cuba. The ongoing revolutionary process in Venezuela is an attempt to radically shift the nature of the relationships between the metropolitan countries, principally the U.S. and Venezuela and, by extension, between South (Latin) and North (Anglo-) America, but within the confines of the capitalist system. What Venezuelan President Hugo Chavez calls the 'socialism of the 21st century' looks, strictly speaking, a lot like 'capitalism with a human face'. Within these limits, Chavez has launched an immense, open-ended process of fundamental transformations within Venezuela and speeded it up since his recent re-

election. He has also launched a many-sided and increasingly influential continental project of Latin American unity, ranging from proposed multilateral pacts such as ALBA (Bolivarian Alternative for Latin America) to the projected Banco del Sur (Bank of the South), with the ambition of defeating U.S.-sponsored Free Trade Agreements and throwing the International Monetary Fund (IMF) and the World Bank out of Latin America.

Chavez has lent \$2.5 billion to Argentina and has offered \$1.5 billion to Bolivia and \$500 million to Ecuador, while IMF lending in Latin America has plummeted to a mere 1 per cent of its global portfolio; if IMF does not lend, it cannot influence policy. Banco del Sur is designed to supplant international lenders altogether and thus make the World Bank irrelevant, and also offer a credible alternative to North American and European private banks. His loan helped Argentina pull out of its IMF dependence, resolve its financial crisis and regain impressive growth rates. Venezuelan financial backing is indispensable to the success of President Evo Morales in poverty-stricken Bolivia. Rafael Correa, the newly elected leader of Ecuador, threatens to repudiate his country's \$10 billion debt, primarily because he expects Chavez to bail him out of the consequent crisis. Chavez has given oil at subsidised prices to the Caribbean countries (not to speak of the barter arrangement of 'cows for oil' with Argentina) and promises to finance a large number of ambitious projects (cross-continental highways and so on) with Brazilian and Argentine technological resources.

The main problem, however, is that his domestic and continental projects are highly capital-intensive and presume high and growing petrodollar incomes. Venezuela's oil exports amounted to \$58.4 billion last year, with reserves now amounting to \$34 billion – enormous for a small and largely poor country, but a pittance by global standards. His way of utilising oil incomes certainly holds up a mirror to the oil-rich countries of West Asia. But the question remains: how long shall this petrodollar-driven 'socialism of the 21st century' last in case international oil prices plummet? Venezuelan currency is the worst performing currency on the global black markets and the country's budget deficit rose 20 times last year to \$3.8 billion – still a tenth of the reserves. What happens to these deficits and the domestic currency, and his projected domestic and continental spendings, if his oil earnings fall precipitously and continue to fall for a few years? And what will happen to the solidarity of the bloc he is trying to lead at present?

Aside from these economic realities, three facts stand out. Chavez has made a revolution, now he has to make revolutionaries: cadres, organisations, institutions. He has made exhilarating advances but his is a race against time and he learns as he goes along. Meanwhile, the second fact is that aside from Cuba and Venezuela, Bolivia is the only other country where a revolution-minded leadership is in charge. The other major countries of Latin America are dominated by either the extreme right-wing (Colombia and Mexico), flamboyant mavericks (Peru), and moderate social democrats (Chile, Argentina, Brazil) who are playing along with Chavez while the going is good. Finally, the true revolts of Latin America, which involve millions upon millions of people and which reject neoliberalism and all other trappings of Yankee imperialism, are to be found not in state systems but among the masses. Fire is in the hills and the mountains, not in presidential palaces of even the so-called 'pink tide'.

IMPERIAL PRECIPICE

We should be cautious in predicting imperial sunsets. The heart of imperialism is its economy. The U.S. economy survived the defeat in Vietnam quite handsomely, all things

considered, and went on to gain for itself a unipolar global empire. The U.S. can survive a defeat in Iraq just as well, and, even under the best of circumstances, the new Iraqi bourgeoisie will still have to reconstruct the country over the next two decades and for that it will have to sell oil on the global market.

The U.S. helped post-War Europe and Japan rebuild themselves and learned to live very well with their growing economic power. It supported European integration and supported the Japanese export-based miracle by running trade deficits with it for decades. Europe has never materially opposed any of the U.S. military adventures and supported most of them, while many Japanese scholars still think of their country as a U.S. dependency. Today, the U.S. similarly supports the Chinese export-based miracle by providing a huge market for its products and absorbing much of Chinese money surpluses into its own deficits. The nightmare in Beijing is that the U.S. economy may enter a serious recession, even a mild depression, so that Chinese exports, along with Chinese growth rates, would just collapse. There is no major country in the world today that does not have a major stake in the health and stability of the U.S. economy.

The share of the U.S. in global wealth has been declining since the 1970s and the trend is irreversible; today's emerging "multipolarity" is just a more advanced stage of the Trilateral Commission. It is still by far the largest economy, however, and in such a commanding position that no economy could survive its terminal sunset. Its problems are of a different kind.

The external debt of the U.S. now stands at \$6 trillion, equivalent of \$20,000 an American. If domestic debt and future obligations are included, the total real debt rises to \$70 trillion, utterly unpayable by any standards. The dollar has lost 15 to 20 per cent of its value over the past five years and some analysts claim that it will have to be devalued by another 35 per cent or more, for the full range of U.S. products to become competitive on the world market: an inconceivable level of devaluation which would wreck the global economy anyway. Such fundamental and fundamentally irresolvable problems are then tied up with a financialisation of the global economy so extreme and uncontrollable that there is now relatively scant relation between the circulation of financial capital and its productive base; the whole system is skating on thin ice. Serious economists such as Joseph Stiglitz suggest that unless a completely new architecture is found quickly for macro-management of the world economy, a massive crisis shall start playing havoc in the very near future.

The Iraq and Lebanon wars have shown up the limits of the latest in military technology. Relatively small militias, armed with rudimentary weapons, fought the U.S. and Israeli armies to a standstill; one withdrew hastily, the other doesn't even know how to retreat or even avoid slow attrition. This imposes severe limits on U.S. capabilities and projects for seeking military solutions to political problems. If the U.S. repeats in Iran the folly it committed in Iraq, the myth of its military prowess shall be in full ruin. Stiglitz calculates the cumulative costs of the Iraq war at \$3 trillion or more. Hence the brewing revolt against the very idea within the U.S. itself.

On the other side of the globe are the mass movements of Latin America. They are neither "terrorists", nor "rogue states"; hence not even fictitious targets for invasions. Not even a spectre of communism. Just millions of the poor on the march for equality, justice, and redistribution of wealth. Not a cauldron of religious millenarianism, sectarian strife and ethnic divisions, as in so much of the Muslim world. But a direct revolt against neoliberalism and imperialism as such.

The mass movements of Latin America show us, one hopes, our own future.

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