

# Parasitic Imperialism

The economics of war profiteering

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*How recent U.S. wars of choice, driven largely by war profiteering, are plundering not only defenseless peoples and their resources abroad, but also the overwhelming majority of U.S. citizens and their resources at home.*

Although immoral, external military operations of past empires often proved profitable, and therefore justifiable on economic grounds. Military actions abroad usually brought economic benefits not only to the imperial ruling classes, but also (through “trickle-down” effects) to their citizens. Thus, for example, imperialism paid significant dividends to Britain, France, the Dutch, and other European powers of the seventeenth, eighteenth, nineteenth, and early twentieth centuries. As the imperial economic gains helped develop their economies, they also helped improve the living conditions of their working people and elevate the standards of living of their citizens.

This pattern of economic gains flowing from imperial military operations, however, seems to have somewhat changed in the context of the recent U.S. imperial wars of choice, especially in the post-Cold War period. Moralities aside, U.S. military expeditions and operations of late are not justifiable even on economic grounds. Indeed, escalating U.S. military expansions and aggressions have become ever more wasteful, cost-inefficient, and burdensome to the overwhelming majority of its citizens.

Therefore, recent imperial policies of the United States can be called *parasitic imperialism* because such policies of aggression are often prompted not so much by a desire to expand the empire’s wealth beyond the existing levels, as did the imperial powers of the past, but by a desire to appropriate the lion’s share of the existing wealth and treasure for the military establishment, especially for the war-profiteering Pentagon contractors. It can also be called *dual imperialism* because not only does it exploit the conquered and the occupied abroad but also the overwhelming majority of U.S. citizens and their resources at home.

Since imperial policies abroad are widely discussed by others, I will focus here on parasitic military imperialism at home, that is, on what might be called domestic or internal imperialism. Specifically, I will argue that parasitic imperialism (1) redistributes national income or resources in favor of the wealthy; (2) undermines the formation of public capital (both physical and human); (3) weakens national defenses against natural disasters; (4) accumulates national debt and threatens economic/financial stability; (5) spoils external or foreign markets for non-military U.S. transnational capital; (6) undermines civil liberties and democratic values; and (7) fosters a dependence on or addiction to military spending and, therefore, leads to an spiraling vicious circle of war and militarism. (The terms domestic imperialism, internal imperialism, parasitic imperialism, and military imperialism are used synonymously or interchangeably in this article.)

## 1. Parasitic Imperialism Redistributes National Income from the Bottom to the Top

Even without the costs of the wars in Iraq and Afghanistan, which are fast surpassing half a trillion dollars, U.S. military spending is now the largest item in the Federal budget. President Bush's proposed increase of 10% for next year will raise the Pentagon budget to over half a trillion dollars for fiscal year 2008. A proposed supplemental appropriation to pay for the wars in Afghanistan and Iraq "brings proposed military spending for FY 2008 to \$647.2 billion, the highest level of military spending since the end of World War II—higher than Vietnam, higher than Korea, higher than the peak of the Reagan buildup." [1]

The skyrocketing Pentagon budget has been a boon for its contractors. This is clearly reflected in the continuing rise of the value of the contractors' shares in the stock market: "Shares of U.S. defense companies, which have nearly trebled since the beginning of the occupation of Iraq, show no signs of slowing down. . . . The feeling that makers of ships, planes and weapons are just getting into their stride has driven shares of leading Pentagon contractors Lockheed Martin Corp., Northrop Grumman Corp., and General Dynamics Corp. to all-time highs." [2]

But while the Pentagon contractors and other beneficiaries of war dividends are showered with public money, low- and middle-income Americans are squeezed out of economic or subsistence resources in order to make up for the resulting budgetary shortfalls. For example, as the official Pentagon budget for 2008 fiscal year is projected to rise by more than 10 percent, or nearly \$50 billion, "a total of 141 government programs will be eliminated or sharply reduced" to pay for the increase. These would include cuts in housing assistance for low-income seniors by 25 percent, home heating/energy assistance to low-income people by 18 percent, funding for community development grants by 12.7 percent, and grants for education and employment training by 8 percent. [3]

Combined with redistributive militarism and generous tax cuts for the wealthy, these cuts have further exacerbated the ominously growing income inequality that started under President Reagan. Ever since Reagan arrived in the White House in 1980, opponents of non-military public spending have been using an insidious strategy to cut social spending, to reverse the New Deal and other social safety net programs, and to redistribute national/public resources in favor of the wealthy. That cynical strategy consists of a combination of drastic increases in military spending coupled with equally drastic tax cuts for the wealthy. As this combination creates large budget deficits, it then forces cuts in non-military public spending (along with borrowing) to fill the gaps thus created.

For example, at the same time that President Bush is planning to raise military spending by \$50 billion for the next fiscal year, he is also proposing to make his affluent-targeted tax cuts permanent at a cost of \$1.6 trillion over 10 years, or an average yearly cut of \$160 billion. Simultaneously, "funding for domestic discretionary programs would be cut a total of \$114 billion" in order to pay for these handouts to the rich. The projected cuts include over 140 programs that provide support for the basic needs of low- and middle-income families such as elementary and secondary education, job training, environmental protection, veterans' health care, medical research, Meals on Wheels, child care and HeadStart, low-income home energy assistance, and many more. [4]

According to the Urban Institute-Brookings Institution Tax Policy Center, "if the President's tax cuts are made permanent, households in the top 1 percent of the population (currently those with incomes over \$400,000) will receive tax cuts averaging \$67,000 a year by 2012. .

. . The tax cuts for those with incomes *of over \$1 million a year* would average \$162,000 a year by 2012.”[5]

Official macroeconomic figures show that, over the past five decades or so, government spending (at the federal, state and local levels) as a percentage of gross national product (GNP) has remained fairly steady—at about 20 percent. Given this nearly constant share of the public sector of national output/income, it is not surprising that increases in military spending have almost always been accompanied or followed by compensating decreases in non-military public spending, and vice versa.

For example, when by virtue of FDR’s New Deal reforms and LBJ’s metaphorical War on Poverty, the share of non-military government spending rose significantly the share of military spending declined accordingly. From the mid 1950s to the mid 1970s, the share of non-military government spending of GNP rose from 9.2 to 14.3 percent, an increase of 5.1 percent. During that time period, the share of military spending of GNP declined from 10.1 to 5.8 percent, a decline of 4.3 percent.[6]

That trend was reversed when President Reagan took office in 1980. In the early 1980s, as President Reagan drastically increased military spending, he also just as drastically lowered tax rates on higher incomes. The resulting large budget deficits were then paid for by more than a decade of steady cuts on non-military spending.

Likewise, the administration of President George W. Bush has been pursuing a similarly sinister fiscal policy of cutting non-military public spending in order to pay for the skyrocketing military spending and the generous tax cuts for the affluent.

Interestingly (though not surprisingly), changes in income inequality have mirrored changes in government spending priorities, as reflected in the fiscal policies of different administrations. Thus, for example, when from the mid 1950 to the mid 1970s the share of non-military public spending rose relative to that of military spending, income inequality declined accordingly.

But as President Reagan reversed that fiscal policy by raising the share of military spending relative to non-military public spending and cutting taxes for the wealthy, income inequality also rose considerably. As Reagan’s twin policies of drastic increases in military spending and equally sweeping tax cuts for the rich were somewhat tempered in the 1990s, growth in income inequality slowed down accordingly. In the 2000s, however, the ominous trends that were left off by President Reagan have been picked up by President George W. Bush: increasing military spending, decreasing taxes for the rich, and (thereby) exacerbating income inequality.

The following are some specific statistics of how redistributive militarism and supply-side fiscal policies have exacerbated income inequality since the late 1970s and early 1980s—*making after-tax income gaps wider than pre-tax ones*. According to recently released data by the Congressional Budget Office (CBO), since 1979 income gains among high-income households have dwarfed those of middle- and low-income households. Specifically:

- The average after-tax income of the top one percent of the population nearly tripled, rising from \$314,000 to nearly \$868,000—for a total increase of \$554,000, or 176 percent. (Figures are adjusted by CBO for inflation.)

- By contrast, the average after-tax income of the middle fifth of the population rose a relatively modest 21 percent, or \$8,500, reaching \$48,400 in 2004.
- The average after-tax income of the poorest fifth of the population rose just 6 percent, or \$800, during this period, reaching \$14,700 in 2004.[7]

Legislation enacted since 2001 has provided taxpayers with about \$1 trillion in tax cuts over the past six years. These large tax reductions have made the distribution of after-tax income more unequal by further concentrating income at the top of the income range. According to the Urban Institute–Brookings Institution Tax Policy Center, as a result of the tax cuts enacted since 2001, in 2006 households in the bottom fifth of the income spectrum received tax cuts averaging only \$20; households in the middle fifth of the income range received tax cuts averaging \$740; households in the top one percent received tax cuts averaging \$44,200; and households with incomes exceeding \$1 million received an average tax cut of \$118,000.[8]

## **2. Parasitic Imperialism Undermines Public Capital—both Physical and Human**

Beyond the issue of class and inequality, allocation of a disproportionately large share of public resources to the beneficiaries of war and militarism is also steadily undermining the critical national objective of building and/or maintaining public capital. This includes both physical capital or infrastructure (such as roads, bridges, mass transit, dams, levees, and the like) and human capital such as health, education, nutrition, and so on. If not reversed or rectified, this ominous trend is bound to stunt long term productivity growth and socio-economic development. A top heavy military establishment will be unviable in the long run as it tends to undermine the economic base it is supposed to nurture.

In March 2001, the American Society of Civil Engineers (ASCE) issued a “Report Card for America’s Infrastructure,” grading 12 infrastructure categories at a disappointing D+ overall, and estimating the need for a \$1.3 trillion investment to bring conditions to acceptable levels. In September 2003, ASCE released a Progress Report that examined trends and assessed the progress and decline of the nation’s infrastructure. The Progress Report, prepared by a panel of 20 eminent civil engineers with expertise in a range of practice specialties, examined 12 major categories of infrastructure. The report concluded: “The condition of our nation’s roads, bridges, drinking water systems and other public works have shown little improvement since they were graded an overall D+ in 2001, with some areas sliding toward failing grade.”[9]

Neoliberal proponents of laissez faire economics tend to view government spending on public capital as a burden on the economy. Instead of viewing public-sector spending on infrastructure as a long-term investment that will help sustain and promote economic vitality, they view it as an overhead. By focusing on the short-term balance sheets, they seem to lose sight of the indirect, long-term returns to the tax dollars invested in the public capital stock. Yet, evidence shows that neglect of public capital formation can undermine long-term health of an economy in terms of productivity enhancement and sustained growth.

Continued increase in military spending at the expense of non-military public spending has undermined more than physical infrastructure. Perhaps more importantly, it has also undercut public investment in human capital or social infrastructure such as health care,

education, nutrition, housing, and the like—investment that would help improve quality of life, human creativity and labor productivity, thereby also helping to bring about long-term socioeconomic vitality. Investment in human capital—anything that improves human capacity and/or labor productivity—is a major source of social health and economic vitality over time.

Sadly, however, public investment in such vitally important areas has been gradually curtailed ever since the arrival of Ronald Reagan in the White House in 1980 in favor of steadily rising military spending. Evidence of this regrettable trend is overwhelming. To cite merely a few examples: “The war priorities have depleted medical and education staffs. . . . Shortages of housing have caused a swelling of the homeless population in every major city. State and city governments across the country have become trained to bend to the needs of the military—giving automatic approvals to its spending without limit. The same officials cannot find money for affordable housing.”[10]

The *New York Times* columnist Bob Herbert recently reported that some 5.5 million young Americans, age 16 to 24, were undereducated, disconnected from society’s mainstream, jobless, restless, unhappy, frustrated, angry and sad. Commenting on this report, Professor Seymour Melman of Columbia University wrote: “This population, 5.5 million and growing, is the product of America’s national politics that has stripped away as too costly the very things that might rescue this abandoned generation and train it for productive work. But that sort of thing is now treated as too costly. So this abandoned generation is now left to perform as fodder for well-budgeted police SWAT teams.”[11]

### **3. Parasitic Imperialism Undermines National Defense Capabilities against Natural Disasters—the Case of Hurricane Katrina**

Neglect of public physical capital, or infrastructure, can prove very costly in terms of vulnerability in the face of natural disasters. This was tragically demonstrated, among many other instances, by the destruction wrought by Hurricane Katrina. In light of the steady cuts in the infrastructural funding for the city of New Orleans, catastrophic consequences of a hurricane of the magnitude of Katrina were both predictable and, indeed, predicted.

Engineering and meteorological experts had frequently warned of impending disasters such as Katrina. Government policy makers in charge of maintaining public infrastructure, however, remained indifferent to those warnings. They seem to have had other priorities and responsibilities: cutting funds from public works projects and social spending and giving them away to the wealthy supporters who had paid for their elections. It is not surprising, then, that many observers and experts have argued that Katrina was as much a policy disaster as it was a natural disaster.

The New Orleans project manager for the Army Corps of Engineers, Alfred Naomi, had warned for years of the need to shore up the levees, but corporate representatives in the White House and the Congress kept cutting back on the funding. Naomi wasn’t the only one who had warned of the impending disaster.

In 2001, the Federal Emergency Management Agency (FEMA) “ranked the potential damage to New Orleans as among the three likeliest, most catastrophic disasters facing the country,” wrote Eric Berger in a prescient article in the *Houston Chronicle* of December 1, 2001. In that piece, Berger warned: “The city’s less-than-adequate evacuation routes would



strand 250,000 people or more, and probably kill one of ten left behind as the city drowned under twenty feet of water. Thousands of refugees could land in Houston.”[12]

In June 2003, *Civil Engineering Magazine* ran a long story by Greg Brouwer entitled “The Creeping Storm.” It noted that the levees “were designed to withstand only forces associated with a fast-moving” Category 3 hurricane. “If a lingering Category 3 storm—or a stronger storm, say, Category 4 or 5—were to hit the city, much of New Orleans could find itself under more than twenty feet of water.”[13]

On October 11, 2004, *The Philadelphia Inquirer* ran a story by Paul Nussbaum, entitled “Direct Hurricane Hit Could Drown City of New Orleans, Experts Say.” It warned that “more than 25,000 people could die, emergency officials predict. That would make it the deadliest disaster in U.S. history.” The story quoted Terry C. Tuller, city director of emergency preparedness: “It’s only a matter of time. The thing that keeps me awake at night is the 100,000 people who couldn’t leave.”

But government representatives of big business in the White House and the Congress were not moved by these alarm bells; the warnings did not deter them from further cutting non-military public spending in order to pay for the escalating military spending and the generous tax cuts for the wealthy.

Some disasters cannot be prevented from occurring. But, with proper defenses, they can be contained and their disastrous consequences minimized. Katrina was not; it was not “because of a laissez-faire government that failed to bother to take warnings seriously,” and because of a skewed government fiscal policy “that is stingy when it comes to spending on public goods but lavish on armaments and war.”[14]

#### **4. Parasitic Militarism Costs External Markets to Non-military Transnational Capital**

U.S. military buildup and its unilateral transgressions abroad have increasingly become economic burdens not only because they devour a disproportionately large share of national resources, but also because such adventurous operations tend to create instability in international markets, subvert long-term global investment, and increase energy or fuel costs. Furthermore, the resentment and hostilities that unprovoked aggressions generate in foreign lands are bound to create backlash at the consumer level.

For example, A *Business Week* report pointed out in the immediate aftermath of the U.S. invasion of Iraq that in the Muslim world, Europe, and elsewhere “there have been calls for boycotts of American brands as well as demonstrations at symbols of U.S. business, such as McDonald’s corporation” (*Business Week*, 14 April 2003, p. 32).

A leading Middle East business journal, *AME Info*, reported in its April 8, 2004 issue that “In 2002, a cluster of Arab organizations asked Muslims to shun goods from America, seen as an enemy of Islam and a supporter of Israel. In Bahrain, the Al-Montazah supermarket chain, for example, boosted sales by pulling about 1,000 US products off its shelves, and other grocers followed suit.” The report further pointed out that “Coca-Cola and Pepsi, sometimes considered unflattering shorthand for the United States, took the brunt of the blow. Coca-Cola admitted that the boycott trimmed some \$40 million off profits in the [Persian] Gulf in 2002.”[15]

The report also indicated that in recent years a number of “Muslim colas” have appeared in the Middle Eastern/Muslim markets. “Don’t Drink Stupid, Drink Committed, read the labels of Mecca Cola, from France. . . . Iran’s Zam Zam Cola, originally concocted for Arab markets, has spread to countries including France and the United States.” In addition, the report noted that “US exports to the Middle East dropped \$31 billion from 1998-2002. Branded, value-added goods—all the stuff easily recognized as American—were hit the hardest.” Quoting Grant Smith, director of IRmep, a leading Washington-based think tank on Middle Eastern affairs, the report concluded: “Our piece of the pie is shrinking, and it’s because of our degraded image.”[16]

Evidence shows that foreign policy-induced losses of the U.S. market share in global markets goes beyond the Middle East and/or the Muslim world. According to a December 2004 survey of 8,000 international consumers carried out by Global Market Insite (GMI) Inc., one-third of all consumers in Canada, China, France, Germany, Japan, Russia, and the United Kingdom “said that U.S. foreign policy, particularly the ‘war on terror’ and the occupation of Iraq, constituted their strongest impression of the United States. Brands closely identified with the U.S., such as Marlboro cigarettes, America Online (AOL), McDonald’s, American Airlines, and Exxon-Mobil, are particularly at risk.” Twenty percent of respondents in Europe and Canada “said they consciously avoided buying U.S. products as a protest against those policies.” Commenting on the results of the survey, Dr. Mitchell Eggers, GMI’s chief operating officer and chief pollster, pointed out, “Unfortunately, current American foreign policy is viewed by international consumers as a significant negative, when it used to be a positive.”[17]

Kevin Roberts, chief executive of advertising giant Saatchi & Saatchi, likewise expressed concern about global consumer backlash against militaristic U.S. foreign policy when he told the *Financial Times* that he believed consumers in Europe and Asia are becoming increasingly resistant to having “brand America rammed down their throats.” Similarly, Simon Anholt, author of *Brand America*, told the British trade magazine *Marketing Week* that “four more years of Bush’s foreign policy could have grave consequences for U.S. companies’ international market share.”[18]

Writing in the October 27, 2003 issue of the *Star Tribune*, Ron Bosrock of the Global Institute of St. John’s University likewise expressed anxiety over negative economic consequences that might follow from the Bush administration’s policies of unilateral military operations and economic sanctions.

Concerns of this nature have prompted a broad spectrum of non-military business interests to form coalitions of trade associations that are designed to lobby foreign policy makers against unilateral U.S. military aggressions abroad. One such anti-militarist alliance of American businesses is USA\*ENGAGE. It is a coalition of nearly 700 small and large businesses, agriculture groups and trade associations working to seek alternatives to the proliferation of unilateral U.S. foreign policy actions and to promote the benefits of U.S. engagement abroad. The coalition’s statement of principles points out, “American values are best advanced by engagement of American business and agriculture in the world, not by ceding markets to foreign competition” through unilateral foreign policies and military aggressions ([http://www.usaengage.org/about\\_us/index.html](http://www.usaengage.org/about_us/index.html)).

Non-military business interests’ anxiety over the Bush administration’s unilateral foreign policy measures is, of course, rooted in their negatively-affected financial balance sheets by those actions: “Hundreds of companies blame the Iraq war for poor financial results in 2003,

many warning that continued U.S. military involvement there could harm this year's performance," pointed out James Cox of *USA Today*.

In a relatively comprehensive survey of the economic impact of the war, published in the July 14, 2004 issue of the paper, Cox further wrote: "In recent regulatory filings at the Securities and Exchange Commission, airlines, home builders, broadcasters, mortgage providers, mutual funds and others say the war was directly to blame for lower revenue and profits last year." Many businesses blamed the war and international political turbulence as a 'risk factor' that threatened their sales: "The war led to sharp decreases in business and leisure travel, say air carriers, travel services, casino operators, restaurant chains and hotel owners." The survey covered a number of airlines including Delta Airlines, JetBlue, Northwest Airlines and Alaska Airlines, all of which blamed the war for a drop in air travel. Related industries such as travel agencies, hotels, restaurants, and resort and casino operations all suffered losses accordingly.[19]

Even technology giants such as Cisco, PeopleSoft and Hewlett-Packard that tend to benefit from military spending expressed concerns that "hostilities in Iraq hurt results or could harm performance." For example, managers at Hewlett-Packard complained that "potential for future attacks, the national and international responses to attacks or perceived threats to national security, and other actual or potential conflicts or wars, including the ongoing military operations in Iraq, have created many economic and political uncertainties that could adversely affect our business, results of operations and stock price in ways that we cannot presently predict." Other companies that were specifically mentioned in the survey as having complained about the "whiplash from the Iraq conflict" included home builders Hovnanian and Cavalier homes, casino company Mandalay Resort Group, retailer Restoration Hardware, cosmetics giant Estée Lauder, eyewear retailer Cole, Longs Drug Stores, golf club maker Callaway, and H&Q Life Sciences Investors.[20]

## **5. Parasitic Imperialism Accumulates National Debt, Weakens National Currency, and Undermines Long-Term National Financial/Economic Health**

A major source of the financing of the out-of-control military spending has been borrowing—the other source has been cutting non-military public spending. This represents a cynically clever strategy on the part of the powerful interests that benefit from war and militarism: instead of financing their wars of choice by paying taxes proportionate to their income, they give themselves tax cuts, finance their wars through borrowing, and then turn around and lend money (unpaid taxes) to the government and earn interest.

Viewed in this light, the staggering national debt of nearly \$9 trillion, which is more than two thirds of gross nation product (GNP), represents a subtle redistribution of national resources from the bottom to the top: it represents unpaid taxes by the wealthy, which has to be financed by cutting non-military public spending—both now and in the future. This means that the wealthy has successfully converted their tax obligations to credit claims, that is, lending instead of paying taxes—which is in essence a disguised form of theft or robbery.

This cynical policy of increasing military spending, cutting taxes for the wealthy and, thereby, accumulating national debt cannot continue for ever, as it might eventually lead to national or Federal insolvency, collapse of the dollar, and paralysis of financial markets—not only in the United States but perhaps also in broader global markets.

Prospects of such developments has led a number of observers to argue that the profit-



driven military expansion might prove to be the nemesis of U.S. imperialism: the escalating and out-of-control militarization tends to gradually drive the once-prosperous U.S. superpower in the direction of a mismanaged and destructive military imperial force whose capricious and often purely existential military adventures will eventually become costly both politically and economically. While the top-heavy imperial military colossus tends to undermine its economic base, it is also bound to create many enemies abroad and a lot of discontentment and hostility to the established order at home. Unchecked, a combination of these adverse developments, especially a drained economy and an empty or bankrupt treasury, might eventually lead to the demise of the empire, just as happened to the post-Rubicon, Old Roman Empire.[21]

## **6. Parasitic Imperialism Undermines Democratic Control and Corrupts the System of Checks and Balances**

As noted earlier, powerful beneficiaries of war dividends (the military-industrial complex and affiliated businesses of war) have successfully used war and military spending as a roundabout way to reallocate national resources in their own favor. Appropriation of public finance by these war profiteers has reached a point where more than half of the discretionary Federal budget, or more than one-third of the entire Federal budget, is now earmarked for “national security.”

This perverse allocation of national resources in the name of national security has meant that while the increasing escalation of war and militarism have hollowed out national treasury (and brought unnecessary death, destruction, and disaster to millions), it has also brought tremendous riches and resources to war profiteers. Concealment of this subtle robbery of national treasury from the American people requires restriction of information, obstruction of transparency, and obfuscation or misrepresentation of national priorities—that is, curtailment of democracy.

Curtailment of democracy, however, is best achieved under conditions of war, which in turn, requires invention of enemies or manufacturing of threats to national security. Therefore, it is not fortuitous that, in the post-Cold War world, U.S. architects of wars of choice have become very resourceful in invoking all kinds of bogeymen (rogue states, global terrorism, axis of evil, radical Islam, and more) that are allegedly threatening “our national interests” in order to justify their plans of increased militarization of U.S. foreign policy. (Under the bipolar world of the Cold War era, “threat of communism” served the purpose of continued increases of the Pentagon budget.)

This means that U.S. wars of choice abroad are prompted largely by metaphorical domestic wars over allocation of public resources, or tax dollars. From the standpoint of war profiteers, instigation or engineering of capricious wars for profits help achieve two closely-linked purposes: on the one hand, they will help justify escalation of military spending, which means escalation of their share of U.S. treasury, on the other, they will help camouflage such a cynical robbery of public money by restricting information under the cover of war-time circumstances.

For example, only under conditions of war the Bush the administration could display an attitude of cavalier contempt for lawful norms, undermine constitutional balances, corrupt national institutions with nefarious special interests, smear dissent as unpatriotic, suspend traditional legal rights for certain citizens, obstruct the free flow of information, sanction domestic spying without legal warrant, institute military tribunals, and promote torture in

defiance of American and international law.

Likewise, only under conditions of war (and the self-fulfilling threats of imminent “terrorist attacks” on the U.S.) could the administration establish and manage a prison system outside the rule of law where torture can be used. With this system of prison camps in Afghanistan, Iraq, Cuba (Guantánamo), and a number of other undisclosed overseas places, where detainees are abused and kept indefinitely without trial and without access to the due process of the law, the United States now has its own gulags. President Bush and his allies in Congress recently announced they would issue no information about the secret CIA “black site” prisons throughout the world, which are used to incarcerate people who have often been seized off the street.[22]

From the vantage point of war profiteering militarists, such prison camps are an essential ingredient for the justification of war: they are portrayed as evidence of the existence of terrorists, of the “enemies of the people,” or of “enemy combatant” without, at the same time, having to show what the alleged evidence really is, or who the alleged “enemy combatants” really are—as would be required in an open court of law. Combined with warrantless wiretapping, electronic surveillance, and various types of illegal searches, this prison system serves yet another objective of the beneficiaries of war dividends: inspiration of fear and cultivation of silence and obedience among citizens, which means subversion of democracy and promotion of authoritarianism.

James Madison warned against such an ominous symbiosis of war and authoritarianism long time ago: “Of all the enemies of public liberty, war is perhaps the most to be dreaded, because it comprises and develops the germ of every other.” The Congress of the United States of America had earlier (1784) issued a similar warning against authoritarian consequences of maintaining a large military establishment during times of peace: “standing armies in time of peace are inconsistent with the principles of republican governments, dangerous to the liberties of a free people, and generally converted into destructive engines for establishing despotism.”[23]

But perhaps the strongest and most well-known warning against the baleful consequences of a large peace-time military establishment came from President Dwight Eisenhower: “The conjunction of an immense military establishment and a huge arms industry is new in the American experience. The total influence—economic, political, and even spiritual—is felt in every city, every state house, and every office of the federal government. . . . In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex” (Farewell Address, January 17, 1961).

Eisenhower’s warning that “we must guard against the acquisition of unwarranted influence” of the military-industrial complex is more relevant today than when it was issued nearly half a century ago. The steadily rising—and now perhaps monopolizing and overwhelming—power and influence of the Complex over both domestic and foreign policies of the United States is testament to the unfortunate realization of Eisenhower’s nightmare. As Howard Swint, Democratic candidate for Congress in West Virginia, put it: “The seat of power for formulating foreign policy and defense strategy is not in the White House but rather in the Pentagon. While a civilian Commander-in-Chief may tweak policy in four-year increments, it’s obvious that military careerists together with major defense contractors effectively control the Congressional budget process and drive defense appropriations.”[24]

## **7. Parasitic Imperialism Leads to Dependence on, or Addiction to, War and Militarism**

The fact that the Pentagon appropriates and controls more than one-third of the entire Federal budget has allowed it to forge the largest constituency and/or dependents nationwide. Tens of thousands of businesses, millions of jobs, and thousands of cities and communities have become dependent on military spending. While a handful of major contractors take the lion's share of military spending, millions more have become dependent on it as the source of their livelihood.

It is not surprising then that not many people are willing to oppose the continuing rise in the Pentagon budget—even if they might philosophically be opposed to militarism and large military spending. Because of the widespread presence of military installations and production sites nationwide, few politicians can afford not to support a continued rise in military spending lest that should hurt their communities or constituencies economically.

This helps explain the vicious and spiraling circle of war, international political convulsions, and military spending: Major Pentagon contractors and other powerful beneficiaries of war dividends are dependent on continued war and militarism in order to maintain and expand hefty profits. This dependence has, in turn, created a secondary (or derived) dependence; it is the dependence of millions of Americans on military spending as the source of their livelihood, which then plays into the hands of war profiteers in their perennial quest for ever newer enemies, newer wars, and bigger appropriations for the Pentagon—hence the addiction to and the vicious circle of war profiteering, international political tension, war, and military spending.

### **Concluding Remarks—Parasitic Imperialism: A Most Dangerous Type of Imperialism**

Dependence on, or addiction to, war and militarism for profitability makes U.S. military imperialism (that is, imperialism driven by military capital, or arms conglomerates, vis-à-vis non-military transnational capital) a most dangerous kind of imperialism. Under the rule of the past imperial powers, the conquered and subjugated peoples or nations could live in peace—imposed peace, to be sure—if they respected the interests and the needs of those imperial powers and simply resigned to their political and economic ambitions.

Not so in the case of the U.S. military-industrial empire: the interests of this empire are nurtured through “war dividends.” Peace, imposed or otherwise, is viewed by the beneficiaries of war dividends inimical to their interests as it would make justification of continued increases of their share of national resources (in the form of Pentagon appropriations) difficult.

Of course, tendencies to build bureaucratic empires have always existed in the ranks of military hierarchies. By itself, this is not what makes the U.S. military-industrial complex more dangerous than the military powers of the past. What makes it more dangerous is the “industrial,” or business, part of the Complex. In contrast to the United States’ military or war industries, arms industries of past empires were not subject to capitalist market imperatives. Furthermore, those industries were often owned and operated by imperial governments, not by market-driven giant corporations. Consequently, as a rule, arms production was dictated by war requirements, not by market or profit imperatives, which is the case with today’s U.S. armaments industry.

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