

# The Great Transformation: From the Welfare State to the Imperial Police State

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*What **Prof. James Petras** described nine years ago as a “highly intrusive and deeply entrenched police state” is unfolding (at a global level) under the corona crisis with the lockdown policies, the digital vaccine passport coupled with the militarization of law enforcement and the repeal of civil liberties.*

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## Introduction

The United States has experienced the biggest political upheaval in its recent history: the transformation of a burgeoning welfare state into a rapidly expanding, highly intrusive and deeply entrenched police state, linked to the most developed technological innovations.

The ‘Great Transformation’ occurred exclusively from above, organized by the upper echelons of the civil and military bureaucracy under the direction of the Executive and his National Security Council. The ‘Great Transformation’ was not a single event but a process of the accumulation of powers, via executive fiats, supported and approved by compliant Congressional leaders. At no time in the recent and distant past has this nation witnessed the growth of such repressive powers and the proliferation of so many policing agencies engaged in so many areas of life over such a prolonged period of time (a time of virtually no internal mass dissent). Never has the executive branch of government secured so many powers to detain, interrogate, kidnap and assassinate its own citizens without judicial restraint.

Police state dominance is evident in the enormous growth of the domestic security and military budget, the vast recruitment of security and military personnel, the accumulation of authoritarian powers curtailing individual and collective freedoms and the permeation of national cultural and civic life with the almost religious glorification of the agents and agencies of militarism and the police state as evidenced at mass sporting and entertainment events.

The drying up of resources for public welfare and services is a direct result of the dynamic growth of the police state apparatus and military empire. This could only take place through a sustained direct attack against the welfare state – in particular against public funding for programs and agencies promoting the health, education, pensions, income and housing for the middle and working class.

## **The Ascendancy of the Police State**

Central to the rise of the police state and the consequent decline of the welfare state have been the series of imperial wars, especially in the Middle East, launched by every President from Bush (father), Clinton, Bush (son) and Obama. These wars, aimed exclusively against Muslim countries, were accompanied by a wave of repressive 'anti-terrorist' laws and implemented through the rapid build-up of the massive police state apparatus, known as 'Homeland Security'.

The leading advocates and propagandists of overseas militarism against countries with large Muslim populations and the imposition of a domestic police-state have been dedicated Zionists promoting wars designed to enhance Israel's overwhelming power in the Middle East. These American Zionists (including dual US-Israeli citizens) secured strategic positions within the US police state apparatus in order to terrify and repress activists, especially American Muslims and immigrants critical of the state of Israel.

The events of 9/11/01 served as the detonator for the biggest global military launch since WWII, and the most pervasive expansion of police state powers in the history of the United States. The bloody terror of 9/11/2001 was manipulated to institute a pre-planned agenda - transforming the US into a police state while launching a decade-long series of wars in Iraq, Afghanistan, Pakistan, Libya, Somalia, Yemen and, now, Syria as well as covert proxy wars against Iran and Lebanon. The military budget exploded and government deficits ballooned while social programs and welfare were denigrated and dismantled as the 'Global War on Terror' swung into full gear. Programs, designed to maintain or raise living standards for millions and increase access to services for the poor and working class, fell victim to '9/11'.

As the wars in the Middle East took center-stage, the US economy tanked. On the domestic front vital public investment in education, infrastructure, industry and civilian innovations were slashed. Hundreds of billions of tax payer dollars flowed into the war zones, paying mercenaries (private contractors), buying off corrupt puppet regimes and providing a golden opportunity for military procurement officers and their private contractor-cronies to run up (and pocket) huge billion dollar cost overruns.

As a result, US military policy vis a vis the Middle East, military policy, which at one time had been designed to promote American imperial economic interests, now took on a life of its own: wars and sanctions against Iraq, Iran, Syria and Libya had undermined profitable oil contracts negotiated by US multi-nationals while enhancing militarism. Indeed, the Zionist-Israeli power configuration in the United States has become far more influential in directing US Middle East military policy than any combination of Big Oil - and all to the benefit of Israeli regional power.

## **Imperial Wars and the Demise of the Welfare State**

From the end of World War II to the end of the 1970's, the US managed to successfully combine overseas imperial wars with an expanding welfare state at home. In fact, the last major pieces of welfare legislation took place during the bloody, costly US-Indo-Chinese war, under Presidents Lyndon Johnson and Richard Nixon. The economic basis of welfare-militarism was the powerful industrial-technological foundations of the US war-machine and its dominance over world markets. Subsequently, the declining competitive position of the US in the world-economy and the massive relocation of US-MNC (and their jobs) overseas strained the 'marriage' of domestic welfare and militarism to the breaking point. Fiscal and

trade deficits loomed even as the demands for welfare and unemployment payments grew in part because of the shift from stable well-paid manufacturing jobs to low paid-service work. While the global US economic position declined, its global military expansion accelerated as a result of the demise of the Communist regimes in the USSR and Eastern Europe and the incorporation of the new regimes of the former Eastern bloc into the US-dominated NATO military alliance.

The demise of the Communist states led to the end of competing global welfare systems and allowed capitalists and the imperial state to slash welfare to fund their massive global military expansion. There was virtually no opposition from labor: the gradual conversion of Western trade unions into highly authoritarian organizations run by self-perpetuating millionaire 'leaders' and the reduction of trade union membership from 30% of the work force in 1950 to less than 11% by 2012 (with over 91% of private sector workers without any representation) meant that American workers have been powerless to organize strikes to protect their jobs, let alone apply political pressure in defense of public programs and welfare.

Militarism was on the ascendency when President Jimmy Carter launched his multi-billion dollar 'secret war' against the pro-Soviet regime in Afghanistan and President Ronald Reagan initiated a series of 'proxy wars' throughout Central America and Southern Africa and sent the US Marines into the tiny island of Grenada. Reagan oversaw the escalation of military spending boasting that he would 'bankrupt' the Soviet Union with a new 'arms race'. President George Bush, Sr. invaded Panama and then Iraq , the first of many US invasions in the Middle East . President Bill Clinton accelerated the military thrust, along the way slashing public welfare in favor of 'private workfare', bombing and destroying Yugoslavia, bombing and starving Iraq while establishing colonial enclaves in Northern Iraq and expanding the US military presence in Somalia and the Persian Gulf.

The constraints on US militarism imposed by the massive popular anti-Vietnam War movement and the US military defeat by the Vietnamese Communists, were gradually eroded, as successful short term wars (like Grenada and Panama ) undermined the Vietnam Syndrome -public opposition to militarism. This prepared the American public for incremental militarism while chipping away at the welfare system.

If Reagan and Bush built the foundation for the new militarism, Bill Clinton provided three decisive elements: together with Vice-President Al Gore, Clinton legitimized the war on welfarism, stigmatizing public assistance and mobilized support from religious and political leaders in the black community and the AFL-CIO. Secondly, Clinton was key to the 'financialization' of the US economy, by de-regulating the financial system (repealing the Glass-Steagal Act of 1933) and appointing Wall Street financiers at the helm of national economic policy. Thirdly, Clinton appointed leading Zionists to the key foreign policy positions related to the Middle East, allowing them to insert Israel 's military view of reality into strategic decision-making in Washington . Clinton put in place the first series of repressive police state 'anti-terrorist' legislation and expanded the national prison system. In sum, Bill Clinton's Middle East war policies, his 'financialization' of the US economy, his 'war on terror', his Zionist orientation towards the Arab world and, above all, his own ideological anti-welfarism led directly to Bush Junior's full scale conversion of the welfare state into the police state .

Exploiting the trauma of 9/11, the Bush and later the Obama regimes nearly tripled the

military budget and launched serial wars against Arab states. The military budget rose from \$359 billion in 2000, to \$544 billion in 2004 and escalated to \$903 billion in 2012. Military expenditures financed major foreign military occupations and colonial administrations in Iraq and Afghanistan , border wars in Pakistan and US Special Forces covert operations (including kidnappings and assassinations) in Yemen , Somalia , Iran and seventy-five other countries world-wide.

Meanwhile financial speculation ran rampant, budget deficits ballooned, living standards plunged, international trade deficits reached record levels and public debt doubled in fewer than eight years. Multiple imperial wars dragged on without end; the costs of these wars multiplied while the financial bubble burst. The contradiction between domestic welfare and militarism exploded. Finally, the massive roll back of basic social programs for all American topped the Presidential and legislative agenda.

Previous 'untouchable programs' like Social Security, Medicare, the US Post Office, public sector employment, services to the poor, elderly and handicapped and food stamps were all put on the butcher's block. At the same time the federal government increased its funding of private military and police contractors (mercenaries) overseas and extended the scope and depth of US Special Forces clandestine operations. Bush-Obama vastly increased spending for the military and espionage agents in support of wildly unpopular, brutal collaborator regimes in Pakistan and Yemen . They funded and armed foreign mercenaries in Libya , Syria , Iran , and Somalia . By the first decade of the new century it had become clear that imperial militarism and domestic welfarism were in a zero sum game: as imperial wars multiplied, domestic programs were slashed.

The severity and depth of the cuts to popular domestic welfare programs were only in part the result of imperial wars; equally important was the huge increase in the funding for personnel and surveillance technology for the burgeoning police state at home.

### **The Origins of the Conversion of the Welfare State to the Police State**

The precipitous decline of the welfare state and the dismantling of social services, public education and access to affordable health care for the working and middle classes cannot be explained by the demise of organized labor, nor is it due to the 'right-turn' of the Democratic Party. Two other deep structural changes loom large as fundamental to the proces: the transformation of the US economy from a competitive manufacturing economy into a 'FIRE' (finance, insurance and real estate) economy; and secondly, the rise of a vast police legal-political-administrative state apparatus engaged in permanent 'internal warfare' at home, designed to sustain and complement permanent imperial warfare abroad.

Agencies and personnel of the police state expanded dramatically during the first decade of the new century. The police state penetrated telecommunications systems, patrolled and controlled transport outlets; dominated judicial procedures and oversaw the major 'news outlets', academic and professional associations. The expanded police state covertly and overtly entered the private lives of tens of millions of Americans.

The loss to taxpayers in terms of citizen rights and the welfare state has been staggering.

As the biggest and most intrusive component of the police state apparatus, christened 'Homeland Security', grew exponentially, the budget and agencies providing welfare and public services, health, education and unemployment shrank. Tens of thousands of domestic

spies have been hired and costly intrusive spyware has been purchased with tax-payer money, while hundreds of thousands of teachers and public health and social welfare professionals have lost their jobs.

The Department of Homeland Security (as of the end of 2011) is composed of approximately 388,000 employees, including both federal and contracted agents. Between 2011-2013 the DHS budget of \$173 billion has faced no serious cuts. Homeland Security's rapid expansion occurred at the expense of Health and Human Services, education and the Social Security Administration, which currently face large scale 'retrenchment'.

Among the top officials, appointed by the Bush, Jr. Administration to key positions in the police state apparatus, there are two who have been the most influential in setting policy: Michael Chertoff and Michael Mukasey.

Michael Chertoff headed the Criminal Division of the Justice Department (from 2001 - 2003). During that time he was responsible for the arbitrary arrest of thousands of US citizens and immigrants of Muslim and South Asian heritage, who were held incommunicado without charge and subject to physical and psychological abuse - without a single resident alien or Muslim US citizen linked to 9/11. In contrast, Chertoff quickly intervened to free scores of Israeli spy suspects and 5 Israeli Mossad agents who had been witnessed filming and celebrating the destruction of the World Trade Center and were under active investigation by the FBI. More than any other official, Michael Chertoff has been the chief architect of the 'Global War on Terror' - co-author of the notorious 'Patriot Act' which trashed habeas corpus and other essential components of the US Constitution and Bill of Rights. As Secretary of Homeland Security from 2005-2009, Chertoff promoted 'military tribunals' and organized the vast internal spy network, which now preys on private US citizens.

Michael Mukasey, the Bush-appointed US Attorney General, was an enthusiastic defender of the Patriot Act, supporting military tribunals, torture and overseas assassinations of individual suspected of what he called 'Islamic terrorism' without trial.

Both Chertoff and Mukasey are zealous Zionists with longstanding ties to Israel . Michael Chertoff was believed to hold dual US-Israeli citizenship as he launched the Administration domestic war on US citizens.

A cursory review of the origins and direction of the police-state apparatus and the top echelons of the global war on 'Islamic terrorism' - code languages for military imperialism - reveals a disproportionate number of Israel-Firsters, who placed greater importance on persecuting potential US critics of the Middle East wars for Israel than in upholding Constitutional guarantees and the Bill of Rights.

Back in 'civilian' life, Michael Chertoff profited greatly from the bogus 'War on Terror' promoting radioactive and degrading body scanning technology in airports throughout the US and Europe. He established his own security consulting firm Chertoff Groups (2009) to represent the manufacturers of surveillance body scanners. Americans can thank Michael Chertoff every time they pass through the humiliation of an airport body scan.

The fusion of the police state apparatus with the industrial-security complex and its prominent overseas links with its corporate security counterparts in the state of Israel , underscores the imperial state's ties to the Israeli military establishment.

As the police state has grown it has created a powerful lobby of high tech surveillance industry backers and beneficiaries who push federal and state 'security' spending at the expense welfare programs.

The police state's squeeze on social programs, education and welfare has a powerful ally on Wall Street, which emerged as the dominant sector of US capital in terms of access to and influence over US Treasury and its budgetary allocations.

Unlike the manufacturing sector, financial capital does not need a population of educated, healthy and productive workers. Its own 'labor force' is composed of a small educated elite of speculators, analysts, traders and brokers at the top and middle levels and a small army of 'contract' office sweepers, secretaries and menial workers at the bottom. They have their own 'invisible' army of domestic servants, cooks, caterers, gardeners and nannies devoid of any 'Social Security', health coverage and pension plans. And the financial sector has its own private networks of doctors and clinics, schools, communications systems and messengers, estates and clubs, and security agencies and body guards; it needs not an educated, skilled public sector; and it certainly does not want national wealth to support high quality public health and educational systems. It has no interest in supporting this mass of public institutions which it views as an obstacle to 'freeing up' vast amounts of public wealth for speculation. In other words, the dominant sector of capital has no objection to 'Homeland Security'; indeed it shares many sentiments with the proponents of the police state and supports the shrinking the welfare state. It is concerned about lowering taxes on finance capital and increasing Federal bail-out funds for Wall Street while controlling the impoverished citizenry.

## **Conclusion**

The conversion of a welfare state to a police state is the result of militarized imperialism abroad and the ascendancy of finance capital at home, as well as the proliferation of security state agencies and related private industries and the strategic role of rightwing Zionists in top positions of the police state apparatus.

This convergence of international and domestic structural changes took hold during the 1980's and 1990's and then accelerated during the first decade of the 21st century. The downgrading of the vast public services of the welfare state was covered up by a massive government propaganda campaign to promote the 'global war on terror' together with a fabricated widespread domestic 'terrorist threat' involving the most hapless of suspects (including oddball Haitian millenarianists entrapped by FBI agents). The supporters and beneficiaries of the welfare state found themselves on the margins of any national debate. The mass media/regime propaganda campaign demanded and successfully secured massive increases in centralized powers of domestic policing, surveillance, provocations, disappearances and arrests. Throughout the past decade what the welfare state lost in support and funding, the police state gained. The rise of financial capital and the deregulation of the financial system crowded out any public subsidies to promote and sustain the competitiveness of the US manufacturing sector. This has led to a major break in the links between industry, labor and the welfare state. Huge tax write-offs to big business, combined with the growth in expenditures for a non-productive police state bureaucracy and the series of costly overseas wars, has caused unsustainable budget and trade deficits, which then became the pretext to further savage the welfare state.

Significant political, cultural and ideological shifts have aided the rise of the police state

over the public welfare state. The success of prominent American Zionists in securing power within key media propaganda mills and obtaining appointments to critical position in the top echelons of the police state apparatus, judiciary and in the imperial state bureaucracy (Treasury and State Department) has put Israel's colonial interests and its own police-state apparatus at the center of US politics. The US police state has adopted Israeli-styled repression targeting US citizens and residents.

US society is now split into two sectors: the 'winners' linked to the expanding and lucrative financial - security complex embedded in the police state while the 'losers', tied to the manufacturing - welfare sector, are relegated to an increasingly marginalized 'civil society'. The police state purges dissidents who question the 'Israel-First doctrine' of the US security-military apparatus. The financial sector, embedded in its own luxurious 'cocoon' of private services, demands the total gutting of public services directed toward the poor, working and middle classes. The public treasury has been taken over in order to finance bank bailouts, imperial wars and police state agencies while paying the bondholders of US debt.

Social Security is on target to be privatized. Pensions are to be reduced, delayed and self-financed. Food stamps, access to affordable health care and unemployment support will be slashed. The police state cannot pay for glitzy new repressive technologies, greater policing, more intrusive surveillance, arrests and prisons while financing the existing welfare state with its vast educational, health and human services and pension benefits.

In sum, there is no future for social welfare in the United States within its powerful financial-imperial-police state system. Both major political parties nurture this system, support serial wars, appeal to the financial elites and debate over the size, scope and timing for further cuts in social welfare.

The American social welfare system was a product of an earlier phase of US capitalism where US global industrial supremacy allowed for both military spending and welfare support and where US military spending was constrained by the demands of the domestic socio-economic sectors of manufacturing capital and 'labor'. In an earlier phase Zionist influence was based on wealthy individuals and their congressional 'lobby' — they did not occupy key Federal policymaking positions setting the agendas for war in the Middle East and domestic police state.

Times have changed for the worse: a police state, linked to militarism and perpetual imperial wars in the Middle East has gained ascendancy and now impacts our everyday life. Underlying both the growth of the police state and the erosion of the welfare state is the rise of an inter-locking 'financial-security power elite', held together by a common ideology, unprecedented private wealth and the relentless drive to monopolize the public treasury to the detriment of the vast majority of Americans. A confrontation and full exposure of all the self-serving propaganda, which undergirds the power elite is an essential first step. The enormous budgets for imperial wars are the greatest threat to US welfare. The police state erodes real public services and undermines social movements. Finance capital pillages the public treasury demanding bailouts and subsidies for the banks. Israeli Firsters, in key decision-making positions, serve the interests of a foreign police state against the interests of the American people. The state of Israel is the mirror opposite of what we Americans want for ourselves and our children: a free and independent secular republic without colonial settlements, clerical racism, and destructive self-serving militarism.

Today the fight to restore the advances in citizens' welfare established through public

programs of the recent past requires that we transform an entire structure of power: true welfare reform requires a revolutionary strategy and, above all, a grass-roots mass movement breaking with the entrenched 'two party' regime tied to the financial- imperial-internal security system.

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