

# US intelligence chief: World capitalist crisis poses greatest threat

By [Bill Van Auken](#)

Global Research, February 14, 2009

[World Socialist Web Site](#) 14 February 2009

Region: [USA](#)

Theme: [Police State & Civil Rights](#), [US NATO War Agenda](#)

In testimony before the Senate Committee on Intelligence Thursday, Washington's new director of national intelligence, Dennis Blair, warned that the deepening world capitalist crisis posed the paramount threat to US national security and warned that its continuation could trigger a return to the "violent extremism" of the 1920s and 1930s.

This frank assessment, contained in the unclassified version of the "annual threat assessment" presented by Blair on behalf of 16 separate US intelligence agencies, represented a striking departure from earlier years, in which a supposedly ubiquitous threat from Al Qaeda terrorism and the two wars launched under the Bush administration topped the list of concerns.

Clearly underlying his remarks are fears within the massive US intelligence apparatus as well as among more conscious layers of the American ruling elite that a protracted economic crisis accompanied by rising unemployment and reduced social spending will trigger a global eruption of the class struggle and the threat of social revolution.

The presentation was not only the first for Blair, a former Navy admiral who took over as director of national intelligence only two weeks ago, but also marked the first detailed elaboration of the perspective of the US intelligence apparatus since the inauguration of President Barack Obama.

"The primary near-term security concern of the United States is the global economic crisis and its geopolitical implications," Blair declared in his opening remarks. He continued: "The crisis has been ongoing for over a year, and economists are divided over whether and when we could hit bottom. Some even fear that the recession could further deepen and reach the level of the Great Depression. Of course, all of us recall the dramatic political consequences wrought by the economic turmoil of the 1920s and 1930s in Europe, the instability, and high levels of violent extremism."

Blair described the ongoing financial and economic meltdown as "the most serious one in decades, if not in centuries."

"Time is probably our greatest threat," he said. "The longer it takes for the recovery to begin, the greater the likelihood of serious damage to US strategic interests."

The intelligence chief noted that "roughly a quarter of the countries in the world have already experienced low-level instability such as government changes because of the current slowdown." He added that the "bulk of anti-state demonstrations" internationally have been seen in Europe and the former Soviet Union.

But Blair stressed that the threat that the crisis will produce revolutionary upheavals is global. The financial meltdown, he said, is “likely to produce a wave of economic crises in emerging market nations over the next year.” He added that “much of Latin America, former Soviet Union states and sub-Saharan Africa lack sufficient cash reserves, access to international aid or credit, or other coping mechanism.”

Noting that economic growth in these regions of the globe had fallen dramatically in recent months, Blair stated, “When those growth rates go down, my gut tells me that there are going to be problems coming out of that, and we’re looking for that.” He cited “statistical modeling” showing that “economic crises increase the risk of regime-threatening instability if they persist over a one to two year period.”

In another parallel to the 1930s, the US intelligence director pointed to the implications of the crisis for world trade and relations between national capitalist economies. “The globally synchronized nature of this slowdown means that countries will not be able to export their way out of this recession,” he said. “Indeed, policies designed to promote domestic export industries—so-called beggar-thy-neighbor policies such as competitive currency devaluations, import tariffs, and/or export subsidies—risk unleashing a wave of destructive protectionism.”

It was precisely such policies pursued in the 1930s that set the stage for the eruption of the Second World War.

Blair also raised the damage that the crisis has done to the global credibility of American capitalism, declaring that the “widely held perception that excesses in US financial markets and inadequate regulation were responsible has increased criticism about free market policies, which may make it difficult to achieve long-time US objectives.” The collapse of Wall Street, he added, “has increased questioning of US stewardship of the global economy and the international financial structure.”

The threat assessment also included evaluations of potential terrorist threats, the “arc of instability” stretching from the Middle East to South Asia, conditions in Latin America and Africa and strategic challenges from both China and Russia, centering in Eurasia. It likewise dealt with the war in Afghanistan, which the Obama administration is preparing to escalate, providing a scathing assessment of the Karzai regime in Kabul and the familiar demand for an escalation of the intervention in Pakistan. Nonetheless, the report’s undeniable focus was on the danger that economic turmoil will ignite revolutionary challenges on a world scale.

Blair’s emphasis on the global capitalist crisis as the overriding national security concern for American imperialism seemed to leave some of the Senate intelligence panel’s members taken aback. They have been accustomed over the last seven years to having all US national security issues subsumed in the “global war on terrorism,” a propaganda catch-all used to justify US aggression abroad while papering over the immense contradictions underlying Washington’s global position.

The committee’s Republican vice chairman, Senator Christopher Bond of Missouri, expressed his concern that Blair was making the “conditions in the country” and the global economic crisis “the primary focus of the intelligence community.”

Blair responded that he was “trying to act as your intelligence officer today, telling you what I thought the Senate ought to be caring about.” It sounded like a rebuke and a warning to

the senators that it is high time to ditch the ideological baggage of the past several years and confront the real and growing threat to capitalist rule posed by the crisis and the resulting radicalization of the masses in country after country.

It may have been lost on some of those sitting at the dais in the Senate hearing room, but when Blair referred to a return to the conditions of “violent extremism” of the 1920s and 1930s, he was warning that American and world capitalism once again faces the specter of a revolutionary challenge by the working class.

There is no doubt that behind the façade of Obama, the US national security apparatus is making its counter-revolutionary preparations accordingly.

Including Blair, Obama has named three recently retired four-star military officers to serve in his cabinet. The other two are former Marine Gen. James Jones, his national security adviser, and former Army chief of staff Gen. Erik Shinseki, his secretary of veterans affairs. This unprecedented representation of the senior officer corps within the new Democratic administration is indicative of a growth in the political power of the US military that poses a serious threat to basic democratic rights.

A report that appeared in a magazine published by the US Army War College last November, just weeks after the election, indicates that the Pentagon and the US intelligence establishment are preparing for what they see as a historic crisis of the existing order that could require the use of armed force to quell social struggles at home.

Entitled “[Known Unknowns: Unconventional ‘Strategic Shocks’ in Defense Strategy Development](#),” the monograph insists that one of the key contingencies for which the US military must prepare is a “violent, strategic dislocation inside the United States,” which could be provoked by “unforeseen economic collapse” or “loss of functioning political and legal order.”

The report states: “Widespread civil violence inside the United States would force the defense establishment to reorient priorities in extremis to defend basic domestic order... An American government and defense establishment lulled into complacency by a long-secure domestic order would be forced to rapidly divest some or most external security commitments in order to address rapidly expanding human insecurity at home.”

In other words, a sharp intensification of the unfolding capitalist crisis accompanied by an eruption of class struggle and the threat of social revolution in the US itself could force the Pentagon to call back its expeditionary armies from Iraq and Afghanistan for use against American workers.

The document continues: “Under the most extreme circumstances, this might include use of military force against hostile groups inside the United States. Further, DoD [the Department of Defense] would be, by necessity, an essential enabling hub for the continuity of political authority in a multi-state or nationwide civil conflict or disturbance.” The phrase—“an essential enabling hub for continuity of authority”—is a euphemism for military dictatorship.

The working class must draw its own urgent conclusions from the rapid deepening of the present crisis, above all the necessity of building a mass independent political party based on a socialist and internationalist program and fighting to put an end to the capitalist profit system. This means, above all, joining and building the Socialist Equality Party.

The original source of this article is [World Socialist Web Site](#)  
Copyright © [Bill Van Auken](#), [World Socialist Web Site](#), 2009

---

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Bill Van Auken](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)