

## US Empire Shifting on Unstable Financial Sands

*“A political unit that has overwhelming military power, and uses that power to influence the internal behaviour of other states, is called an empire. Our goal is not combating a rival, but maintaining our imperial position, and maintaining imperial order.”*

Stephen Peter Rosen, Olin Institute for Strategic Studies, Harvard University (cited in Golub 2002)

US COMMENTATORS DO not hesitate to identify their nation as an imperial power. Charles Krauthammer, a *Washington Post* columnist and a spokesman of the neo-conservative right, asserts that “no country has been as dominant culturally, economically, technologically and militarily in the history of the world since the late Roman Empire.” (cited in Golub 2002)

It is true that, at first glance, US dominance appears unassailable. However, a closer examination of two of the means the US uses to maintain its hegemony — trade



agreements and its role in international finance — reveals that the sands are shifting beneath the empire.

Part 1 of this report outlines what some analysts say about the USA's imperial posturing under President George W. Bush. Part 2 examines American economic and military relations with the rest of the world, especially its use of trade agreements to achieve its goals. Finally, in Part 3, we shall look at how the US has entered a period of “imperial overstretch” and see how the precarious nature of its international financial position threatens its power.

### I. Imperial Inclinations

Historian Paul Kennedy notes how “from the time the first settlers arrived in Virginia from England and started moving westward, this was an imperial nation, a conquering nation.” Kennedy goes on to assess contemporary US power as unprecedented in world history: “Nothing has ever existed like the disparity of power. The Pax Britannica was run on the cheap. Napoleon's France and Philip II's Spain had powerful foes and were part of a multipolar system. Charlemagne's empire was merely western European in

stretch. The Roman empire stretched further afield, but there was another great empire in Persia and a larger one in China. There is no comparison”. (cited in Eakin 2002)

Canadian scholar Michael Ignatieff describes how the US, depending on its “imperial objectives”, both uses and ignores multilateral treaties. “The empire signs on to those pieces of the transnational legal order that suit its purposes (the WTO), while ignoring or even sabotaging those parts (the International Criminal Court, the Kyoto Protocol, the

ABM Treaty) that do not.” (cited in Golub 2002)

Philip S. Golub, writing in *Le Monde Diplomatique*, maintains that under the administration of George W. Bush, the US hopes to achieve greater security and prosperity through the force of arms than through international co-operation. It is prepared to act alone, or in temporary coalitions, in defence of narrowly-defined national interests. Instead of dealing with the economic and social causes that nurture recurring violence in the South, the US is fuelling instability. The fact that its objective is control rather than territorial gain makes little difference.

Michael Klare, professor of peace and world security studies at Hampshire College, boldly states what others only whisper: “If the United States controls Persian Gulf oil fields, it will have a stranglehold on the world economy.” Washington is betting, Klare believes, that “controlling Gulf oil, combined with being a decade ahead of everybody else in military technology, will guarantee American supremacy for the next 50 to 100 years.” (cited in Diebel 2003)

## Growing Militarism

The recent occupation of Iraq demonstrates beyond any shadow of doubt that the exercise of military power lies at the heart of US imperial strategy, despite claims by officials such as Richard Haass, director of policy planning at the State Department, that “coercion and the use of force would normally be a last resort.” (cited in Bellamy Foster 2003)

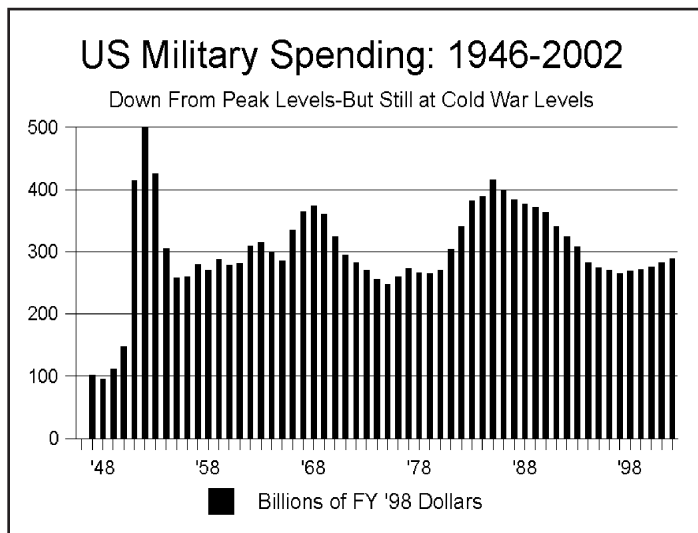
## II. The Economics of Empire

WHILE OPEN TALK OF A US EMPIRE MAY BE NEW, the longstanding domination of US economic policies is not. As John Bellamy Foster (2003) points out: “U.S. imperialism appears particularly blatant because it is linked directly with war ... and [may engage in] an endless series of wars in the future to achieve essentially the same ends [as the war against Iraq]. However, if we wish to understand the underlying forces at work, we should not let this heightened militarism distract us from the inner logic of imperialism, most evident in the rising gap in income and wealth between rich and poor countries and in the net transfers of economic surplus from periphery to center that make this possible.”

International economist Robert Hunter Wade (2003) describes how the United States rigs the international economic system to its own advantage, ensuring its dominant position through rules established within the World Trade Organization (WTO), other trade agreements, the World Bank and the International Monetary Fund (IMF). Trade agreements are especially important for its financial sector and for its high-technology, high value-added firms that rely on patent protection enforced through intellectual property rights. The chief instruments in trade agreements are:

Chart 1 traces the evolution of US military spending (adjusted for inflation by using constant 1998 dollars). These figures show an upward trend under the Bush administration whose spending will soon rival the Cold War levels reached during the Reagan years (1980-88). As of July 2003, the invasion of Iraq had cost US\$48 billion. Keeping US troops in Iraq and Afghanistan costs US\$5 billion a month. Bush’s 2004 budget calls for US\$399 billion in military spending, plus another US\$87.1 billion in supplemental outlays.

CHART 1



- the WTO’s Trade-Related Intellectual Property Rights (TRIPS) that protect corporations holding patents and copyrights from competition;
- investment rules that ensure that transnational corporations will be treated as favourably as local firms; and
- the WTO’s General Agreement on Trade in Services (GATS), which facilitates a global market in private health care, pensions and education services where US firms tend to have an advantage.

In an earlier era, Britain engaged in what has been termed “free trade imperialism”. Having used protective tariff barriers to establish its industrial supremacy, Britain then became an advocate of free trade to assure itself of a continued flow of cheap raw materials and markets for its manufactured exports.

The US pursued the same route and had the most protected industries in the world between 1870 and 1945. (Chang 2003) Now President Bush’s (2002) National Security Strategy rhetorically elevates free trade to the status of a moral principle: “The concept of ‘free trade’ arose as a moral principle even before it became a pillar of economics.

If you can make something that others value, you should be able to sell it to them. ... This is real freedom, the freedom for a person — or a nation — to make a living.”

## Hypocritical Behaviour

The actual situation is more complex than this rhetoric would suggest. As Walden Bello (2003A) observes, the Bush Administration practices protectionism at home while preaching free trade abroad. It has developed a growing ambivalence towards the WTO, having lost a number of cases there as well as suffering a major setback at the September 2003 Cancun Ministerial conference. Overall, the US wants the WTO to force others to liberalize while retaining protectionist tariff and non-tariff barriers for certain politically sensitive industries at home. For example, US anti-dumping duties on steel, found to be illegal by the WTO, continue while the case is under appeal. Bush’s “fast track” Trade Promotion Authority bill gives Congress the right to veto market access for citrus products and sugar in the Free Trade Area of the Americas, a concession to Florida agri-business interests. The US subsidizes its cotton growers to the tune of US\$3 billion a year, impoverishing ten million West African farmers by driving down world cotton prices. It refused heartfelt pleas by African nations at the Cancun meeting for elimination of these subsidies, saying it would only lower cotton subsidies as part of an overall deal with the European Union and China.

The US **Farm Bill**, which may increase agricultural subsidies by as much as US\$180 billion over 10 years is, in part, a negotiating ploy that gives the US something to trade off in the WTO talks on agriculture — without having to give up many of its existing subsidies. The initial US proposal in WTO agricultural negotiations “would cut American subsidies from \$19 billion to about \$10 billion a year, a reduction that is a bit more than the subsidies that the new farm bill provided.” (Andrews 2002)

In his September 2002 National Security document, President Bush situates his call for free trade within the wider national security doctrine. Rather than rely exclusively on the WTO, the document advocates a mix of multilateral and bilateral initiatives. US Trade Representative (USTR) Robert Zoellick elaborated on the administration’s trade policies a month later: “Our idea is to negotiate a series of trade agreements that will be mutually reinforcing in that success in one will lead to progress towards others. By negotiating on several fronts at the same time we will be able to create a ‘competitive liberalization’ within a network in which the USA will occupy the center.” (retranslated from citation in Brunelle 2003)

When multilateralism doesn’t work the Bush administration turns to bilateral (or plurilateral) agreements. The North American Free Trade Agreement (NAFTA) was implemented in 1994 and the US has since concluded bilateral Free Trade Agreements (FTAs) with Jordan, Chile and

Singapore to complement an earlier agreement with Israel. The US is now negotiating other deals with Morocco, Bahrain, Australia, the Southern African Customs Union and Central America (with the Dominican Republic about to be added to a deal originally involving Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica). Negotiations with the Andean countries as a bloc have been suspended while the US considers a bilateral agreement with Colombia.

This “competitive liberalization” approach puts the US at the centre of a “hub and spoke” arrangement that gives some countries preferential access to the US market while setting precedents that the US would like to see eventually written into multilateral agreements. For example, the US-Jordan, US-Chile and US-Singapore bilateral agreements have all established new intellectual property rights that go beyond TRIPS.

## Washington Consensus Imperialism

Rather than say that the US engages in “free trade imperialism” as the British did, it would be more accurate to say the US engages in “Washington consensus imperialism” using the WTO, the IMF and the World Bank to impose on others a larger set of neo-liberal policies that go beyond trade liberalization. The core tenets of the Washington consensus include deregulation, privatization, openness to foreign investment, unrestricted movement of capital and a reduced role for the state.

The Bush Administration treats free trade agreements as a way to make structural adjustments permanent. As USTR Robert Zoellick told the *Wall Street Journal*, trade agreements can work better than the IMF in forcing developing countries to adopt “reforms”, that is, neo-liberal policies. “Unlike the IMF, which has an aspect of G7 nations telling (borrowers) what to do,” says Zoellick “trade has a two-way aspect”

## GLOBAL Economic Justice REPORT

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KAIROS**

**129 St. Clair Ave. West,  
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which developing countries find less offensive. (Davis 2002) Moreover, unlike IMF letters of intent whose policies may be revoked by future governments, trade agreements tend to be more permanent since a government wishing to reverse a policy (e.g., a privatization) would have to compensate foreign investors or face trade sanctions.

US trade policy is increasingly linked to its security and broader foreign policy agenda. Zoellick openly proclaims that countries seeking bilateral or plurilateral (as in the case of Central America) free trade agreements with the US must support its foreign policy and national security goals. (*Inside US Trade* May 16, 2003) The criteria would take into account whether a potential partner supports US objectives in the WTO and the FTAA. (See accompanying article in this GEJR.) For example, the US is offering a bilateral Free Trade Agreement to Australia, its ally in the invasion of Iraq, but not to New Zealand which has refused to let nuclear powered vessels enter its waters. (*Inside US Trade*, May 16, 2003) A senior US Defence Department official asks, "Why shouldn't we use trade policy to reward our friends and hurt those who don't support us?" (cited in Lopatin 2003)

## Financial System is Key

The current international financial system enables the US to support its soaring military spending without forcing its own citizens to cut their consumption and boost their savings because it allows the US to draw in an inordinate amount of the savings of the rest of the world. The US enjoys enormous privileges by virtue of having the US dollar accepted as the *de facto* international currency. Unlike other countries, it is able to set its own exchange rate and monetary policy in response to its own national objectives.

Robert Hunter Wade (2002) notes three necessary conditions that make this system work in favour of the US. First, the US must have no constraints on its ability to create more dollars as has been the case since President Nixon delinked the greenback from gold in 1971. This allows the US "to finance almost unlimited deficits with the rest of the world by selling [its] debt securities." Secondly, the US dollar must remain the principal "international currency for foreign exchange reserves, international trade, and foreign exchange speculation. This ensures robust demand from the rest of the world to hold [its] assets, especially from the regions that are accruing the current account surpluses that are the other side of [its] deficits. [Its] ability to control, by force if necessary, the energy regions and the supply routes helps to bolster the dominance of [its] currency." Thirdly, there must be a unified international capital market "with no barriers to capital mobility and no barriers to financial services firms to enter and exit other countries' markets."

In addition to meeting these three conditions, the current international financial system also ensures that when there are financial crises in peripheral countries, the IMF, and sometimes the US Treasury, will come to the rescue. These rescues entail bail out loans that nominally go to the governments of the countries in crisis but in fact are used to repay foreign investors. Wall Street financial interests mobilized vigorously against the IMF's proposed Sovereign Debt Restructuring Mechanism in order to preserve the possibility of future bail-outs even though the absence of any kind of debt restructuring mechanism makes the whole system more fragile and vulnerable to crises brought on by speculative excesses.

The bail out loans saddle debtor countries with additional financial obligations as well as obligations to fulfill IMF structural adjustment conditions. The US, on the other hand, can and does ignore IMF advice. When an IMF review of the US economy in the mid-'90s advised an increase in interest rates because of a threat of inflation, the US Federal Reserve Board ignored its advice and kept interest rates low to stimulate the US economy.

## Wall Street-Treasury Complex Opposes Capital Controls

Jagdish Bhagwati, professor of economics at Columbia University, and one of the foremost advocates of free trade, criticizes what he calls the Wall Street-Treasury Complex for

## Fact File

### US MILITARY BUDGET (US \$ bn)

2002	350.8
2003	382.2
2003 (supplemental) <sup>1</sup>	62.4
2004	399.1
2004 (supplemental) <sup>1</sup>	87.1

US % of Global Military Expenditures:	43
2002 Global Arms Sales (US \$ bn):	29.2
2002 US % of Global Arms Sales:	45.5
2003 estimated % increase in profit for US military industry:	50
Number of Countries where US has a military presence:	140
Number of countries where US has significant deployments:	25
Number of foreign US military installations:	800

Sources: Smith (2003), Council for a Livable World ([www.clw.org](http://www.clw.org)), Inamdar (2002).

<sup>1</sup> Supplemental figures include \$2.8 bn (2003) and \$21.1bn (2004) for reconstruction and rehabilitation for Afghanistan and Iraq.

using trade agreements to achieve the removal of capital controls. This assault against capital controls is occurring at a time when even the IMF has come around to acknowledging that they were successfully used by Chile, Malaysia and other countries in the 1990s to avert financial crises. Bhagwati writes: “The United States is using clever tactics. In addition to aggressive safeguards to its [intellectual property], US negotiators are starting to impose strict financial conditions upon trading partners.” (cited in Lopatin 2003)

The recent bilateral agreements with Chile and

Singapore restrict the use of capital controls, removing the last line of defence a country has against destabilizing flows of “hot” money. “This is astonishing given the lessons we have learned from previous financial crises,” says Bhagwati. “The Wall Street-Treasury Complex is trading market access to the United States in return for guaranteed patent protection and financial liberalisation from trading partners. This has everything to do with collecting royalties for US corporations and securing capital mobility for Wall Street. It has nothing to do with trade.” (cited in Lopatin 2003)

### III. Imperial Overstretch

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*“The coin of empire is always bought dear.”<sup>1</sup>*

YALE HISTORIAN PAUL KENNEDY SUGGESTED IN the late 1980s in *The Rise and Fall of Great Powers* that empires in their waning years engage in “overstretch”. As they begin to decline, they resort to wars and end up accelerating their decline as they waste national resources on the military to the detriment of their own people. Roger Burbach notes signs that overstretch is now occurring as the hawks in the Bush administration try to maintain US dominance through military adventures.

Recently Kennedy observed: “[The United States’] armed forces look colossal (as did Britain’s in 1919), but its obligations look even larger. It is small wonder that while liberals protest soaring defence expenditures, the US military repeatedly warns of overstretch and is dismayed at the hawkish calls for further adventures.” (cited in Burbach)

Some Wall Street investors are also alarmed. Independent Strategy, a financial research firm, argues that the US empire is cresting. It foresees economic problems due to Bush’s \$350 billion in tax cuts for the wealthy over the next ten years and the cost of the invasion and occupation of Iraq. It says the dollar is falling “because the ... empire has the same fault lines as many other empires: unsustainable living standards at the core [that] depend on flows of wealth from the periphery. ... The costs of war and unilateralism will increase the thirst for capital, but reduce the return earned by it.” (cited in Burbach 2003)

Walden Bello, director of Focus on the Global South (2003B), detects a struggle between a more globalist faction of the US elite which stresses the common interests of global capital in a growing world economy and the “more nationalist, hegemonist faction that wants to ensure the supremacy of US interests.” The former were strongest during the Clinton administration while the latter group clearly dominates under Bush. Paul McNalley, a director of PIMCO, the world’s biggest bond investor, speaks on behalf of the first position when he criticizes “American imperialism [as] a retreat away from global capitalism. It’s a retreat from the

invisible hand of markets in favour of a more dominant role for the visible fist of governments.” (cited in Olive 2003)

#### Debt and a Weakening Dollar

Empires of old were traditionally the world’s largest creditors, ruling other lands through debt bondage backed up by military might. While the United States remains a significant holder of developing countries’ debts and thus exerts enormous sway over their policies, it is also the world’s largest debtor. It finances its own debts, in part, by selling securities to the elites from those same developing countries who buy US government securities and make deposits in US banks. Eric Toussaint (2003) of the *Comité pour l’annulation de la dette du Tiers Monde* has discovered that the capital flight deposited by developing country elites in Northern banks amounts to some US\$1.46 trillion which is twice as much as the US\$700 billion worth of developing countries’ debts held by those same banks.

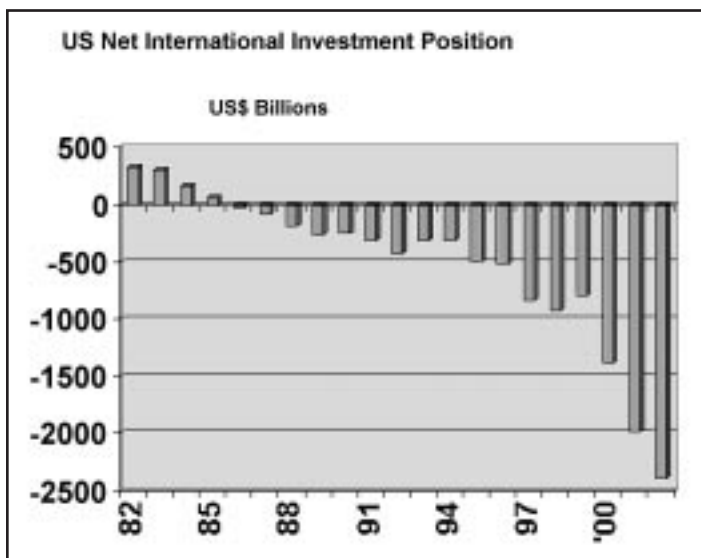
David Crane (2003) cites British historian Niall Ferguson who says, “Britain, the world’s banker before 1914, never had to worry about a run on the pound during its imperial heyday.” But the US, Crane adds, is vulnerable because it requires the savings of others.

Before its decline, Britain ran current account **surpluses** of around 4% of GDP. Now the US is running current account **deficits** of around 5% of GDP that absorb nearly 10% of the rest of the world’s gross savings. US imports of goods and services exceeded exports by US\$481 billion in 2002 (up from US\$393 billion in 2001, US\$412 billion in 2000 and US\$290 billion in 1999). To cover such huge current account deficits the US needs about US\$2 billion in capital inflows every working day. As a result of this reliance on foreign savings, its own foreign debt is growing by leaps and bounds.

Chart 2 shows the US net international investment position. This comprehensive measure of indebtedness includes foreign direct investment as well as debt in the form of bonds

<sup>1</sup> An expression that emerged from the great Irish Tithe War of the 1830s.

CHART 2



Source: US Department of Commerce web site

and loans as measured by the World Bank's tracking of developing countries' debts.

Until the mid-'80s, US foreign assets exceeded its foreign liabilities. In 2000, US foreign liabilities surpassed assets held abroad by US\$1.4 trillion. By 2002, its net liabilities were US\$2.4 trillion, comparable in amount to the US\$2.4 trillion in total foreign debts (excluding foreign direct investments) of all developing and Eastern European countries combined as of December 31, 2001. (World Bank 2002) US liabilities are projected to rise to US\$5.8 trillion by 2007, equivalent to 46% of US GDP and 15% of world GDP. The question is: how long will foreign investors be willing to go on funding such massive deficits?

Until 2002, the US was able to cope with its deficits, in part, because the return earned on its foreign investments exceeded the cost of its liabilities. That is to say, US investors earned higher returns abroad than the cost of payments to foreign holders of US bonds. But according to John Plender (2003) of the *Financial Times*, this is no longer the case. Martin Wolf (2003) points out that the 2002 deficit was covered through a combination of private foreign purchases of US bonds (worth US\$343 billion) and foreign governments' bond purchases (worth US\$220 billion). Asian governments accounted for about two-thirds of the latter bond purchases, earning just a 2% to 3% return on US Treasury bills. Will private investors and foreign governments go on purchasing US securities if higher returns can be earned elsewhere?

In addition to its ballooning foreign liabilities, the US economy must also cope with huge domestic debts. US corporations' financial liabilities soared from US\$53 billion in 1980 to US\$7.6 trillion in 2002. US consumers' household debts rose from US\$200 billion in 1964 to US\$7.2 trillion in 2002. (Clairmont 2003) Finally, there is the rising federal government deficit, officially predicted at US\$455 billion for the fiscal year ending September 30, 2003, and rising to US\$475 billion in 2004. (Rosenbaum 2003) About two-

fifths of the budget deficit is due to Bush's tax cuts which overwhelmingly favour the rich.

Former UN economist Frederic Clairmont notes how the unique ability of the US to borrow in its own currency also allows it to devalue its debts by lowering its exchange rate against other major currencies and then pay its creditors with dollars that are worth less than those it borrowed. Similarly, the US pays for imports by printing dollars that may lose value in the near future.

The Bush administration wants a controlled, gradual devaluation of the dollar to regain its competitiveness vis-à-vis Europe in particular. But the danger is that a gradual decline could turn into a rout. If a run on the dollar were to develop, the US Federal Reserve would no doubt immediately raise interest rates to bolster the dollar and attract investments back. Just as in the early '80s, the effect would be to plunge the world economy into a deep recession (or worse) and set off a global financial crisis.

When will investors start pulling their money out of US dollar denominated securities and buy more of those denominated in Euros, Yen or other currencies? Christian de Boissieu, a professor at the University of Paris, suggests that a psychological threshold may already have been crossed, causing investors to question the wisdom of investing in a country whose currency is falling and whose interest rates are virtually zero. Brazilian political economist Teotonio Dos Santos (2003) says, "If it were not for the difficulties in which other currencies find themselves and the generalized fall in interest rates, these investments would already have stopped."

Immanuel Wallerstein notes that a collapse of the US dollar will lead to an enormous geopolitical change. "A collapsed dollar is far more significant than an Al-Qaeda attack on the Twin Towers. The U.S. has clearly survived the latter. But it will be a vastly different U.S. once the dollar collapses. The U.S. will no longer be able to live far beyond its means, to consume at the rest of the world's expense. Americans may begin to feel what countries in the Third World feel when faced by IMF-imposed structural readjustment — a sharp downward thrust of their standard of living." (Wallerstein 2003A)

Astute money managers, wary of the possibility of a collapse of the US dollar, are keeping a watchful eye on developments in Asia since that region is responsible for most offshore purchases of US bonds. US money managers note a revival of interest in Asia for creating an Asian monetary unit like the Euro. "US dollar hegemony has got to go", says Henry C.K. Liu, chair of investment group for Citigroup Private Bank, writing in *Asia Times*. (cited in Wallerstein 2003B) Southeast Asian countries along with Japan, China and South Korea are developing debt instruments allowing for debts in their own currencies rather than US dollars. Liu calls this "a massive hammer poised above the US economy" and he foresees the creation of an Asian Currency Unit that could force the US into a "major debt workout."

George Monbiot adds: "Already, strategists in China are

suggesting that the yuan should replace the dollar as East Asia's reserve currency. The Euro has started to challenge the dollar's position as the international means of payment for oil. ... If the global demand for dollars falls, the value of the currency will fall with it, and speculators will shift their assets, with the result that the US economy will begin to totter." (Monbiot 2003)

## Deindustrialization in a Permanent War Economy

While the precarious US financial dependency on foreign funds is probably the biggest threat to US power, its military spending is also undermining its industrial strength. Two decades ago, Seymour Melman (1983) argued in *Profits Without Production* that US industry was losing its competitiveness because government subsidies to military-industrial corporations made them less cost conscious than their overseas competitors. With military contracts issued on a "cost plus" basis, corporations were guaranteed profits regardless of cost over-runs.

Now Melman (2003) writes about a "permanent war economy" as civilian manufacturing is disappearing from the US while the Bush administration sponsors military production. More than half of all manufactured goods sold in the US are imported, up from 31% in 1987. Only 11% of US workers are employed in manufacturing as opposed to 30% in the mid-'60s. Two of the 19 percentage point decline occurred during the Bush presidency. (Uchitelle 2003) Melman (2003) asserts that capital goods are particularly important and cites a study showing that 50% of all the production equipment used in the US will have to be imported by 2004.

Defenders of the current system argue that manufacturing jobs will be replaced by other jobs in services and advanced technology sectors such as software design. However, it is not just manufacturing jobs and services like call centres that are being shifted overseas from the US and Canada. Other knowledge-intensive functions including work done by managers, accountants, underwriters, computer programmers, IT consultants, biotechnicians, architects and designers is also being shifted abroad. Symbolically, General Electric, whose slogan "Progress is Our Most Important Product" was known to generations in North America, has relocated its largest research and development lab to India and is planning a similar centre in China.

Hence, unlike British "free trade imperialism" where the manufacturing plants stayed in Britain, American Washington consensus imperialism relocates manufacturing, industrial research, and development abroad. These shifts only reinforce the importance to the US of investment and intellectual property codes in trade agreements that protect the interests of their transnational corporations.

Melman (2003) concludes: "The United States is now a species of State Capitalism. The top federal government

executives are a partnership of top political and corporate managers who operate a war economy to enlarge their power as their main continuing goal. The idea that the U.S. can afford guns and butter without limit is proven false every day."

## US Citizens Face Greater Social Inequality

Finally, it is important to stress that unlike the corporate elite, most US citizens are also suffering the effects of the administration's fiscal and military policies. Melman notes that real unemployment in the US in 2003 is around 16%, double the official figure when people outside the labour force are counted.

Paul Krugman (2003) argues that the Bush fiscal policy of \$350 billion in tax cuts for the wealthy, accompanied by increased military spending, has a thinly veiled agenda of also undermining social programs, principally Medicaid, Medicare and Social Security, that the elites dare not attack openly. To pay for tax cuts for the wealthy and the invasion and occupation of Iraq, Bush is already cutting child nutrition, Medicare and veterans' benefits (the latter on the same day he praised US troops in Iraq!).

## Conclusions

The Bush administration's imperial ambitions have inevitably led to strong resistance movements in the South. On a visit to Toronto, sponsored by KAIROS, Adolfo Perez Esquivel, winner of the Nobel Peace Prize for leading non-violent resistance to Argentina's military dictatorship, stated: "What's happening with Iraq is not isolated, it's part of a global phenomenon. When we see the installation of U.S. military bases throughout Latin America, when we look at [American interference] in countries such as Venezuela and Colombia and Panama, we have to ask ourselves what's going on. Lots of people think it and won't say it, but I will say it: The United States is seeking to control the world. That's why we are seeing the reaction in so many countries." (cited in Appelby 2003)

Despite the immense threat to peace and stability posed by US imperialism, we can take heart from the movements of resistance across the globe. Mobilizations worldwide against the invasion of Iraq were unprecedented in scope.

Another significant sign of resistance was the refusal of developing countries to acquiesce to US demands at the Cancun WTO Ministerial meeting in September 2003.

In such events, we are witnessing the emergence of what has been called "the other superpower", i.e., world-wide resistance to imperialism. The KAIROS *Cultivating Just Peace* action program is but one part of this global movement for peace and justice (see p. 16). The premise of this campaign is that world peace cannot be won by tightening borders, nor by increasing military might, but rather by building a world of justice where all can enjoy freedom from want and freedom from fear. ■

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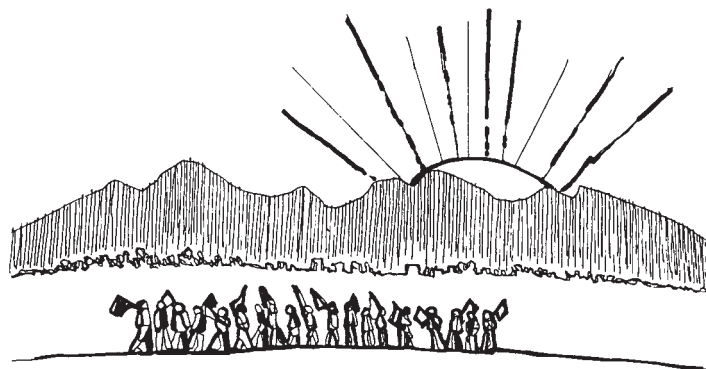


Illustration: Rini Templeton

# Free Trade & Rising Militarism: The American Empire Tightens its Grip on Latin America

*“The FTAA represents a clear and concrete annexation of Latin America by the United States. It is an example of the globalized totalitarianism that the US is attempting to impose on the entire world through commercial agreements, militarization and the so-called “single-thought.”*”

Nobel Laureate Adolfo Pérez Esquivel

SEPTEMBER 11TH, A day marred by tragic events. In Chile, on September 11th 1973 military forces toppled the democratically elected government of Salvador Allende. The coup — led by Army General Pinochet and supported

by the CIA — resulted in decades of military dictatorship and tens of thousands of cases of forced disappearances, torture, and murder. In Guatemala, on September 11th 1990 Myrna Mack, a noted investigative anthropologist was leaving her office at dusk when she was brutally assassinated by members of military death squads. It is believed that Myrna was targeted for her groundbreaking work uncovering the Guatemalan military’s role in destroying indigenous communities and pursuing genocidal policies. In the US, September 11th, 2001 close to 3000 people — Americans and others from across the globe and from all walks of life — died when hijackers flew planes into the World Trade Center Towers, the Pentagon and a field in Pennsylvania, triggering an ominous era of US Foreign Policy.

The *National Security Strategy of the United States of America*, released by the White House in September 2002, sets out the guiding principles of US foreign policy, post September 11, 2001. Although this document makes numerous references to the value of alliances and multi-lateral institutions, it makes clear the intention of the US to pursue unilateral, even preemptive, initiatives designed to protect the American empire and homeland.

“The US national security strategy,” it states, “will be based on a distinctly American internationalism that reflects the union of our values and our national interests. ... The United States has long maintained the option of preemptive actions



to counter a sufficient threat to our national security. ... In exercising our leadership, we will respect the values, judgment, and interests of our friends and partners. Still, we will be prepared to act apart when our interests and unique responsibilities require.”

US National Security Doctrine is based on the ideology that the US has a right, a Divine Right, to pursue and guarantee itself the largest share possible of the world’s riches while sharing with others the US way of life, democracy and freedom. As Bush states, “We will actively work to bring the hope of democracy, development, free markets and free trade to every corner of the world.” (White House, September 17, 2002) In practice, this often means that the US advances “free trade” in order to gain market access for US goods and services and boost its own troubled economy, including the American military industry.

Economic objectives have a long history of being linked with American political and military objectives. In 1823, through the Monroe Doctrine, the US served notice of its proprietary interest in Latin America and the Caribbean, which were “henceforth not to be considered as subjects for future colonization by any European powers.” By the early 1900s, President Theodore Roosevelt used the Monroe Doctrine to authorize a variation on “preemptive strikes”. To protect countries in Latin America from invasion by European powers who perceived their interests to be at risk, the US would itself intervene. Based on this “big stick” policy, the US sent troops into the Dominican Republic (1905), Nicaragua (1912) and Haiti (1915). By the 1930s, the Monroe Doctrine had taken a stronger trade focus, expressed through President Franklin D. Roosevelt’s “Good Neighbour

Photo: Asamblea Permanente por la Paz, Colombia

Policy” with its emphasis on increased trade with the countries of Latin America.

While aspects of the US National Security ideology vis-à-vis Latin America came to fruition following World War II and the evolution of the Cold War, it became fully established as a Doctrine when the Kennedy administration came into power in the early 1960s. The Kennedy administration mixed development and social goals with the advancement of US economic interests and US military counter-insurgency strategies. President Kennedy’s *Alliance for Progress* development plan encouraged private investment in Latin America and promised US government aid to the region. A less public aspect of the *Alliance for Progress* was the military component. A counter-insurgency program, run by US Army elite troops, was developed and advanced with far-reaching consequences.<sup>1</sup>

A variation on the Alliance for Progress is the *National Security Strategy’s* Millennium Challenge Account that “will reward countries that have demonstrated real policy change and challenge those that have not, to implement reforms.” More than ever before, US aid money is being directly tied to strict adherence to US financial, economic, military, and political goals by potential recipient countries. Moreover, aid goals like these are often connected to corporate America’s economic pursuits. (Sanger, 2002)

## A Post-September 11th Version of the Monroe Doctrine?

The September 11th tragedy has facilitated a US political-military strategy in Latin America that consolidates US corporate and economic interests, including those of the US arms industry. The means through which the administration is achieving its multi-goal strategy includes negotiating the Free Trade Area of the Americas (FTAA) and similar bilateral trade deals, all the while supporting increased militarization in the region.

The FTAA agreement covers 34 of the hemisphere’s 35 countries and is scheduled to be signed in 2005. For the US, the FTAA is not about opening up its own markets, protected industries or borders. Rather it is about pursuing a vision of economic integration that creates unfettered access to Latin America’s rich natural resources as well as new market opportunities for US business, US goods and US capital while protecting US investors through binding trade and investment laws that supersede national laws and undermine national sovereignty.

In the past, this type of hegemonic influence relied on states having strong national governments with the military capacity to impose US interests on their people. However, the current free trade model of integration requires small, minimalist governments that allow the unfettered flow of foreign, primarily US, capital and goods. Decades of IMF/World Bank-imposed Structural Adjustment Programs

have eliminated countless public services, leaving most Latin American infrastructures ripe for even more foreign corporate expansion in the guise of “free trade” agreements. US military strength, sometimes located on bases within a country, ensures complicity and cooperation.

Since the SOUTHCOM (Southern Command) Army Base in Panama was dismantled and moved to Miami in 1999, as per a decades-old agreement, the US has worked to increase its military presence in Latin America, using the US “campaign against terrorism” as its current justification. This includes the installation of new military bases, known as Forward Operating Locations (FOLs), “beefing up” US troop presence at existing bases, arms sales, and the training of regional armies. There are military bases or military operations in Guatemala, Cuba, Honduras, Panama, Dominican Republic, Puerto Rico, Bolivia, Ecuador, Colombia, Peru, Aruba and the West Indian island of Curaçao. The US has also expressed interest in constructing a base in El Salvador, two in Argentina and wants to take control of the Alcântara base in Brazil. (see MAP)

US forces also train Latin American soldiers and police, often using them for their own projects (such as countering drug trafficking and border patrols). Recently a contingent of Central American and Dominican soldiers, the Plus Ultra Brigade, was sent to Iraq. In addition to its famous School of the Americas (renamed the Western Hemisphere Institute for Security Cooperation in 2001), the US is trying to create



Source: Continental FTAA Campaign

<sup>1</sup> For an excellent historical account, see Penny Lernoux’s, *Cry of the People*. (New York: Doubleday, 1980).

a new institution, the International Law Enforcement Academy in Costa Rica — a country that abolished its own armed forces some 50 years ago. The signed agreement states that the new school would “strengthen criminal justice with an emphasis on the rule of law” focusing on “preventing internal violence ... and fighting drug trafficking and terrorism.”

Some have speculated that this new institution could become “an heir to the School of the Americas” — an institution which has trained countless soldiers across the Americas in methods of torture, forced disappearance, and unlawful execution (INFORPRESS: 2002). Training, engaging in talks about regional forces in Central and South America, visible presence at military bases, US controlled military bases, and US soldiers carrying out humanitarian projects all serve to increase militarization in the region. Gustavo Castro notes: “Any regional security force would be controlled by the US, under the pretext that the region’s own forces are unable to prevent and control terrorism.” (Central America Report, October 10 2003)

In December 2002, Argentina, Brazil and Paraguay agreed to the US proposal to carry out joint patrolling of their Triple Border area, with the Pentagon providing “personnel, speedboats and radar equipment.” (Gaudin: 2003b) “The population of the zone is estimated at 200,000 people, including 30,000 of Arab descent.” Although Argentina staunchly denies it, “both the CIA and the FBI have considered [this] zone as a haven for active and “ sleeper” cells of Al Qaeda, Hezbollah and Hamas.” (Gaudin: 2003).

In addition, there are plans afoot in Argentina for a US-led military maneuver entitled Operation Cabañas, now called Eagle III. This operation will rely on the participation of 1,500 officials from the US, Chile, Bolivia, Ecuador, Paraguay, Peru and Uruguay. This eerily echoes Operation Condor, the notorious covert operation in which five South American nations colluded to hunt down, torture, ‘disappear’, and punish dissidents across borders. Now, Operation Cabañas seeks to carry out joint training in order to “create [a] unified commando military to combat terrorism in Colombia alongside other potential aggressors.”

To date, Argentina has yet to authorize the entry of foreign troops into the country (Gaudin: 2003). As its new government negotiates innovative deals with the IMF and World Bank in order to avert future economic collapses, Argentina faces pressure to let US military operations go ahead and even more pressure to break its allegiance with Brazil when approaching the FTAA negotiations. Here is a clear example of how debt, trade and militarization are played off against one another to achieve US interests.

## Colombia: America’s Favoured Son

An even clearer example of how US economic objectives are pursued through military means is Plan Colombia. Rather than addressing social concerns and economic development goals, this \$1.3 billion aid package is directed at “combating

## Africa: Militarization and Oil

“Africa, the neglected stepchild of American Diplomacy, is rising in strategic importance to Washington policy makers, and one word sums up the reason: oil.” New York Times, Sept. 11, 2002

The US has a twofold interest in Africa. First, the events of September 11th have given rise to a global terrorism agenda, linking Al Qaeda operatives to several African countries. Second, the need to stabilize oil-rich regions on the continent is an investment priority. Not only are U.S. oil giants like ChevronTexaco and Exxon Mobil well established on the continent, but the African share of the U.S. oil supply is projected to rise from the current 15% to as high as 25% over the next decade.

Efforts to meet these two objectives include the establishment of a substantial military base in Djibouti, quietly reopening a U.S. embassy in oil-rich Equatorial Guinea and streamlining Nigeria’s armed forces using Military Professional Resources Inc., a privately owned U.S. company. Pentagon discussions and negotiations have also included the establishment of a navy base in Sao Tome e Principe, training for Equatorial Guinea’s coast guard and talk of relocating some of the thousands of US troops in European bases, made redundant by the end of the Cold War, to parts of West Africa from which they could be rapidly deployed.

US military analysts regard the so-called large uncontrolled and ungoverned areas in Africa as havens for terrorists. According to Maj. Gen. Jeffrey B. Kohler “What we don’t want to see in Africa is another Afghanistan, another cancer growing in the middle of nowhere.” (in E. Schmitt, “Pentagon Seeking New Access Pacts for Africa Bases,” Washington Post, July 4, 2003)

terrorism.” The Plan, and its goal of eradicating terrorists, justifies US military presence in the region, boosts the American defense industry, and facilitates US corporate access to the country’s oil, timber, precious metals, and electricity — all at the expense of its indigenous and poor. In 2002 alone, over 8,000 political assassinations were committed with an estimated 80% attributed to paramilitary forces. (Stokes: 2003)

Plan Colombia has facilitated the implementation of mega-hydro electric projects, oil exploration and mining projects, all supported by the World Bank and multinational corporations. Money from Plan Colombia also pays for aerial fumigation that purportedly destroys coca and poppy fields. However, it also destroys edible food crops and, increasingly, is having a negative effect on the health of indigenous peoples. When indigenous leaders protest, they are targeted by paramilitary forces. As KAIROS partner Hector Mondragon points out, the Colombian conflict is being used as a pretext to eliminate social opposition in Colombia and broader opposition movements like the movement against the FTAA.

Colombian officials, working directly with US officials, have been quick to define Colombia as a terrorist state in order to reap the riches afforded them through Plan Colombia. During parliamentary hearings on the human rights situation in Colombia (2002), Canadian parliamentarians heard testimony from ex-Colombian Ambassador Fanny Kertzman who stated, “Colombia is unfortunately the world’s number one producer of cocaine. Afghanistan, the safe harbour for Osama bin Laden, is the world’s top producer of

## Asia: Military Cooperation and Trade

"Asia is arguably the region that has been most dramatically affected by the shift in U.S. policy since the attacks of September 11. U.S. bases have cropped up in Central Asia for the first time in history. Five Japanese vessels participated in the multinational naval contingent that was part of Operation Enduring Freedom in Afghanistan, marking the first wartime dispatch of naval vessels for operations abroad since the end of World War II. The Bush administration has improved relations with both Pakistan and India at the same time, a feat never accomplished during the cold war. The administration has expanded military cooperation with Taiwan that is unprecedented since the normalization of relations with the People's Republic of China. And the U.S. has improved military relations with the Philippines to the closest they've been since the end of the cold war, and begun to re-engage in a significant fashion with the Indonesian military for the first time since ties were cut in 1999.

The aftermath of September 11 enabled the U.S. to expand its military presence throughout the Asia/Pacific region through military operations, exercises, aid, and training programs that have consolidated the U.S. hegemonic military presence and deepened military cooperation in the region. The net effect of these expanded ties has been to expand the capacity for U.S. force projection and has undermined democracy by strengthening unaccountable and repressive militaries in countries such as Indonesia and the Philippines. These developments were not "caused" by September 11 — i.e., these were not new policy initiatives—but the way the Bush administration responded to September 11 created a window of opportunity for already existing proposals to succeed."

"More recent developments, such as the expansion of U.S. efforts to negotiate bilateral and regional trade and investment agreements (including with Singapore and Australia), as well as various regional efforts (including an acceleration of the ASEAN Free Trade while China and India are both negotiating separately with ASEAN) have accelerated the possibility of a patchwork of bilateral and regional trade and investment agreements. Even Japan and South Korea, previously opponents of such agreements, have gotten into the act."

Excerpted from John Gershman, "Remaking Policy in Asia," *Foreign Policy in Focus*, November 2002 [www.fpif.org/papers/asia/index.html](http://www.fpif.org/papers/asia/index.html) and "President Bush in Asia," *Foreign Policy in Focus*, <http://www.fpif.org/commentary/2003/0310asean.html>

opium, the raw material for heroin. They provide 70 percent of the world's cocaine. Drugs and terrorists, the same pattern repeated in such distant and different countries." All accounts indicate that President Bush added Colombia to his "Coalition of the Willing" without even bothering to ask the Colombian government (Anderson: 2003b). Colombia's loyalty has been well rewarded. Bush invited Colombian President Alvaro Uribe to the White House in May 2003 after announcing that Colombia will receive an additional US\$105 million dollars. (*Miami Herald*, April 4, 2003)

On the other hand, when Colombia joined the G20+ Southern government alliance at the September 2003 World Trade Organization Ministerial Meetings, the US was quick to react. The G20+ put forward a united front to counter the US-EU-Japan heavy-handed and contradictory approaches to agricultural negotiations. Since then, the US has been

fracturing the alliance by offering countries bilateral trade deals and threatening to withhold aid. Recently, both Peru and Colombia withdrew from the G20+ after being offered the opportunity to negotiate bilateral deals with the US.

### Making the links: free trade and militarization

*A dream of free markets and free people, in a hemisphere free from war and tyranny. That dream has sometimes been frustrated — but must never be abandoned.*

George W. Bush (Curtis: 2003)

For many in Latin America, free trade deals are seen as an attempt at a re-colonialization of the region. In the same way that colonialism was an attack on people, livelihoods, culture and a way of life, so too corporate-led globalization, backed by military might, is a means of gaining social, economic, political and cultural domination of the region.

Mexico's experience with the North American Free Trade Agreement (NAFTA) most clearly demonstrates how increased militarization goes hand in hand with a free trade integration model. The day NAFTA came into effect, January 1st, 1994, the indigenous Zapatista Army for National Liberation rose up in protest against this neo-liberal trade agreement that they saw as a "death certificate for the indigenous peoples of Mexico". (Toronto Star, 1994)

The army's Chiapas Campaign Plan 1994 came to light only after the Acteal Massacre in 1997 when 45 Tzotzil indigenous people, seeking refuge from paramilitary forces operating in their communities, were brutally assassinated. "The document describes the army's counterinsurgency plan against the Zapatistas, noting it [the army] would advise and help self-defense forces, and other paramilitary organizations...[and] in the case that such self-defense forces do not exist, it will be necessary to create them." (ICCHRLA, 1998)

In the years since NAFTA came into effect, little effort has been made to address indigenous concerns, decrease militarization, or stop the low-intensity war in Chiapas. Indeed, recent activities in Mexico indicate increasing militarization, with reports that paramilitary groups are being re-activated. Communities such as Monte Azules, which had been displaced by the conflict, are now under threat in their new settlement (CIEPAC: 2003). Can there be any doubt that the FTAA will bring with it increased levels of militarization, violence and human rights violations?

### Using Economic Power to Achieve Military Goals

The US administration's pursuit of a "Coalition of the Willing" is a blatant example of how it uses economic power to threaten, bribe, or manipulate countries into supporting its foreign policy objectives — in this instance, the US attack on Iraq.

The governments of Brazil and Venezuela are lukewarm to FTAA negotiations and did not participate in the "Coalition

of the Willing.” Venezuela, in particular, has been decidedly skeptical when it comes both to US foreign policy and US trade policy. In turn, US Trade Representative Zoellick has warned in no uncertain terms that countries seeking free trade agreements with the United States “must pass ‘muster’ on more than trade and economic criteria. ... At a minimum, these countries must cooperate with the US on its foreign policy and national security goals” (*Inside Trade*, 2003).

When Chile refused to support the US war on Iraq, the administration briefly suspended the US-Chile Free Trade Agreement. In public address after public address, Zoellick, Secretary of State Colin Powell, and others expressed “disappointment” with Chile’s decision. “You know, people are disappointed,” said Zoellick, “I’m disappointed. We worked very closely with our Chilean partners. We hoped for their support in a time that we felt was very important.” (Becker, 2003)

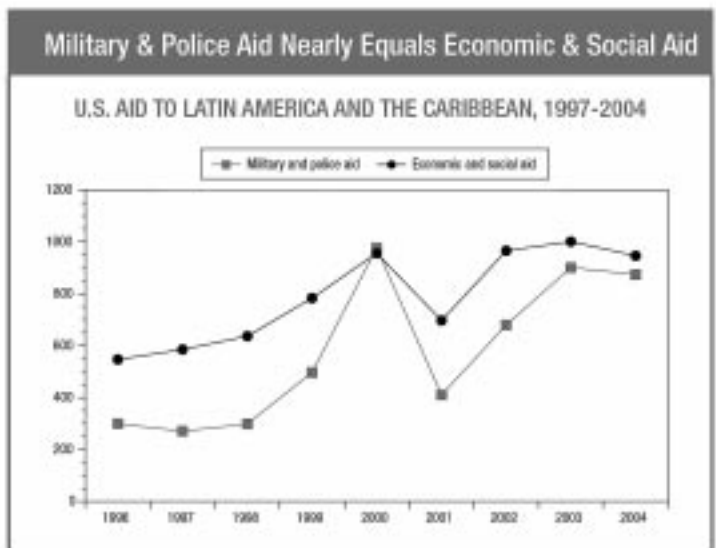
Singapore, on the other hand, whose bilateral trade agreement was before the US Congress at the same time as Chile’s, did join the Coalition and its trade agreement was ratified in early May. It should be pointed out that the Bush Administration did not hold out for long on ratifying the US-Chile FTA — a testament to the degree by which the US benefits from these agreements. By replicating NAFTA’s notorious investment provisions in the deal — including the eventual eradication of capital controls — the US bound the Chilean people to much the same path that Mexico has been forced to follow under NAFTA.

In addition to “punishing” those who did not join the Coalition, US officials also engaged in openly threatening those publicly opposed. When Caribbean Community nations (CARICOM) voiced concerns over the preemptive use of force, US envoy Otto Reich issued this blatant threat in a newscast: “The US would appreciate a little support from its friends, or at least not to be criticized in public ... I would urge CARICOM to study very carefully not only what it says, but the consequences of what it says ... What do I tell a member of Congress if I go asking for increased access for Caribbean products, for example, and he says, Well, they did not support us in our time of need.” (*Miami Herald*, April 4, 2003 AP)

Trade with the US is crucial for Central America. It “currently amounts to more than \$20 billion a year, including \$11.7 billion in Central American exports to the United States”. (Muoz, 2003) Four of the five Central American countries currently negotiating CAFTA, the US-Central America Free Trade Agreement — Costa Rica, Honduras, El Salvador, and Nicaragua — also supported the US war on Iraq, with Guatemala being the sole exception.

At the same time, however, the Central American nations have been quick to demand payback for their support. Shortly thereafter, Nicaraguan President Bolaños warned that CAFTA needs to protect sensitive agricultural sectors from liberalization (*Inside US Trade*: 2003) and receiving no guarantees, he is now threatening to pull out of negotiations. The Dominican Republic, another Coalition supporter, has expressed interest in negotiating a bilateral free trade deal with the US and will

**CHART 3**



most likely be “docked” onto the CAFTA when it is finished.

Like Colombia, Costa Rica, Guatemala and El Salvador participated in the G20+ Alliance led by Brazil, India and China. Before the end of the WTO meetings, the US had already convinced El Salvador to leave the Alliance and strong-armed Costa Rica and Guatemala into leaving shortly thereafter with threats of “kicking them out of CAFTA”.

### Using Military Power to Achieve Economic Goals

In spite of the noble sentiments of Robert Zoellick — “Trade also serves our security interests in the campaign against terrorism by helping to tackle the global challenges of poverty and privation” (Zoellick, 2003) — free trade has turned out to be about winners and losers. Poverty is steadily rising in Latin America and the region has the distinction of having the widest gap between rich and poor.

The Economic Commission for Latin America and the Caribbean (ECLAC), in its 2002 Social Panorama, reports that poverty grew in the region to 43.4% with 55 million people suffering from some form of malnutrition. Pursuing a trade integration agenda, combined with protection of US corporate interests, will undoubtedly require repressive and violent measures, further impoverishing the impoverished.

In Colombia, US marines are involved in the defense of US oil interests. The US intends to provide \$98 million to protect a pipeline operated by Occidental Petroleum that carries oil for export into the US. “US advisors plan to train three well-equipped 100-man army units ‘to act as rapid deployment forces’ when guerilla forces attack the pipeline.” (Youngers: 2003)

The Bush administration has requested \$874 million in military and police assistance for Latin America in FY 2004, and \$946 million in economic and social programs. As the authors of *Paint by Numbers: Trends in US Military Programs with Latin America & Challenges to Oversight* point out: “During the cold war and as late as 1998, military and police

aid totals were usually less than half as great as economic and social aid levels; today, the two are nearly equal. While military aid to the region has roughly tripled since the late 1990s, economic aid has grown much more slowly.” (Olson, Isacson and Haugaard, 2003) (see Chart 3)

This militarization of Latin America can be seen as a wider geo-political strategy on the part of the US which “has built a chain of military bases and staging areas around the globe, as a means of deploying air and naval forces to be used on a moment’s notice — all in the interest of maintaining its political and economic hegemony”. (*Monthly Review*, March 2002)

Another link between militarization and trade surfaces when the “security exemption” is factored into the proposed FTAA and other trade deals. As it stands now, the clause provides “a complete exemption from trade rules for activities that protect ‘essential security interests’ under GATT Article XXI.” (Grinspun, February 2002) Essentially government spending on military — including the many subsidies given to the industry — cannot be disputed or challenged under NAFTA or WTO rules or dispute settlement mechanisms.

In recent decades, many Latin American countries have been struggling to meet the human and social needs of their population due to policies imposed by the IMF/World Bank Structural Adjustment Programs. Now these countries will find it attractive to transfer further state resources into the area of military spending in order to take advantage of the “security exemption”. At the same time, the security exemptions in new trade agreements will continue to strengthen the military industry and boost the overall US economy as well as support the US capacity to act as global police force. That, in turn, will lead to a further undermining of Latin American sovereignty.

Undoubtedly, Canada and the Canadian defense industry will also reap rich awards from the links between free trade and militarization. A recent investigative report by the *Toronto Star* points out that more than 4,300 defense contracts worth \$2.5 billion were won by Canadian companies in the 1997-2002 period drawing the conclusion that “Canada didn’t go to war, but our businesses did.” (*Toronto Star*, October 11, 2003). It is no surprise that the US is the Canadian defense industry’s biggest client or that the Department of Foreign Affairs and International Trade believes that, “It is in Canada’s interest to pursue deeper integration with the American defense industry while looking for niches in the emerging transatlantic defense market.” (James-Kerr, 2003)

## Conclusion: cracks in the empire?

In the wake of the tragedy of September 11th, the US has charged ahead with increasing militarization in Latin America while working to ensure economic control through ongoing negotiations of the FTAA and bilateral trade and investment deals. Rather than counting on strong puppet states to facilitate American corporate access to expansive natural resources and untapped markets, the US sees itself as the region’s, if not the world’s, police. Leading neo-conservative thinkers have

proudly proclaimed the US to be the new Rome stating, “We should acknowledge we have an empire. We have power and we should do good with it.” (John Hulsman, Heritage Foundation, in Murphy April 5, 2003)

At the same time, we are witnessing a changing political landscape in the region triggered by a resistance to US unilateral actions. In a People’s Referendum in 2002, Brazilians voted against the Free Trade Area of the Americas agreement and against the possibility of US troops installing a radar spy vigilance system at the Alcântara base in the Amazon. Over 10 million Brazilians went to the polls in this unofficial referendum with an overwhelming 98% voting against paying back illegitimate debt, opposing the FTAA and US military installation/occupation in any part of Brazil. (Continental Campaign Against FTAA, 2003). Since then, a petition calling on the government to hold a similar but official referendum garnered millions of signatures.

Moreover, the policies of the governments of Brazil, Venezuela, and Cuba; public opposition to US actions by Mexico and Chile; new Southern government alliances like the G20+; and massive peoples’ mobilizations against militarization, free trade, and re-colonialization indicate that US imperial pursuits in Latin America will be hotly contested and broadly resisted.

Clearly, the struggle continues. ■

## KAIROS RESOURCES AND CONTACTS

### KAIROS network

KAIROS has a network of one hundred local “communities”, organised into five regions. We also have a francophone partnership with the Montreal-based Réseau Océanique justice et paix. For information on starting or joining a group, or to learn more about the Fall 2003 Regional Meetings, contact Sara Stratton, Communications/Networking Specialist, 1.877.403.8922 x241 or [ssatton@kairoscanada.org](mailto:ssatton@kairoscanada.org)

### Kairos Times newsletter

To subscribe to KAIROS’ free bi-weekly email newsletter, contact Julie Graham, Education/Website Specialist at [jgraham@kairoscanada.org](mailto:jgraham@kairoscanada.org) with your full name, email address, province or territory and a little information about your interests and affiliations.

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### Website

The KAIROS website offers our latest analysis and action ideas. Check it out at [www.kairoscanada.org](http://www.kairoscanada.org)

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# Cultivating Just Peace/Cultiver une paix juste KAIROS Action Campaign 2003-2004

*Justice is to peace as oxygen is to breathing*

## Just Peace... True Security

Join KAIROS as we launch our 2003-04 education and action campaign, Cultivating Just Peace. In this campaign, we challenge the idea that peace can be secured by force, recognising this as the vision that feeds the War on Terror. Cultivating Just Peace proposes an alternative vision, long promoted by the churches, in which universal respect for human rights and freedom from fear and want are seen as the path to 'true' security.

Every day, a host of community-based peace-building initiatives underway around the world walk this path and prove its possibilities. We invite you to join their efforts by:

- Promoting the Agenda for Just Peace postcard campaign to the federal government;
- Signing the Manifesto 2000 action for peace;
- Educating about just peace as an alternative to a "security" that is driven by fear.

## Why this campaign at this time?

In recent years, North Americans have begun to experience something of the violence and uncertainty that are commonplace for many around the world. Understandably, many of us feel afraid. Yet the resulting War on Terror has eroded, rather than enhanced, true security and peace. We are seeing an escalation in human rights abuses, as well as continuing high levels of violent conflict.

After 50 years of painfully slow progress, human rights and global agreements aimed at creating true security are now under serious threat both abroad and here at home. Some governments are countering terror with terror and as a result human rights abuses are increasing. Scarce resources are being used to further increase military capacity, widening the gap between rich and poor, powerful and powerless, and further wounding the Earth.

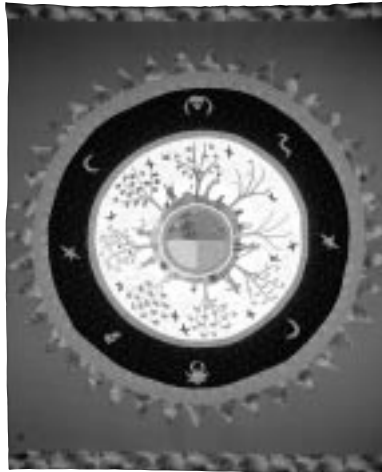
## What can we do?

We can dare to ask: What is true security? What is a just peace?

...nation shall not lift up sword against nation, neither shall they learn war any more; but they shall all sit under their own vines and under their own fig trees, and no one shall make them afraid.

**Micah 4:3-4**

Offered in a moment of repression by a powerful empire, Micah's ancient vision makes clear that we do not have to accept the destructive effects of the War on Terror, nor of economic globalization, as inevitable. There is another way. Everywhere small groups of people are confronting their fears, addressing the root causes of insecurity, and rejecting violence in favour of peaceful resolutions of conflict. They are the vision of another way; the



vines and trees in the desert. But community-based peace-making must be accompanied by advocacy efforts directed at governments. For many years, Project Ploughshares and the Canadian churches have argued for a vision of human security rooted in freedom from fear and want, rather than in repression or military power. We must work to nurture every small step towards a just peace and speak out loudly for a vision of security that truly reflects our values as people of faith.

## KAIROS invites you to:

**ACT!** Advocate for an Agenda for Just Peace.

Participate in the KAIROS postcard campaign, calling on the Canadian government to affirm its commitment to the primacy of human rights. Insist that our public spending put human and ecological needs before military might. Sign the UNESCO Manifesto 2000 calling for a Culture of Peace, and join with Nobel Peace Prize laureates and millions of ordinary citizens who have committed to taking local action for peace.

**EDUCATE!** Use workshop, drama and reflection materials to put on public events that challenge the prevailing view of "security". Explore human rights. Learn about peace-building alternatives. Ask hard questions and put forward alternatives. KAIROS, Project Ploughshares and their member churches have resources to assist you in acting for just peace in your own community.

**JOIN US!** KAIROS groups and communities across the country welcome your participation. Join, or form, a local group; plan events in your community and place of worship; contribute to cultivating a just peace. To find out about a local group near you contact Sara Stratton, Education and Networking Coordinator at [sstratton@kairoscanada.org](mailto:sstratton@kairoscanada.org).

KAIROS Just Peace resources available for churches and local groups:

- Full colour bilingual poster with education ideas on the reverse side.
- Education for Action guide: Designed for community, study, and faith groups, this 40 page book explores "just peace" and includes workshops for adults and children, play script, theological reflection, worship outline, and more.
- Agenda for Just Peace action postcards.

See the KAIROS website at [www.kairoscanada.org](http://www.kairoscanada.org) for more information on the Cultivating Just Peace campaign. To order resources, check out the website, call toll free to 1-877-403-8933 or email [orders@kairoscanada.org](mailto:orders@kairoscanada.org).