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Collapse: a Foregone Conclusion The Endgame of US Power

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Since 1971, the value of the US dollar, and with it the corporeal integrity of the US economy, has been tied to what we know today as the petrodollar system. This arrangement is the result of Nixon's abolition of the gold standard in 1971, the basis of valuing the US dollar since the end of WW2, coupled with a deal struck with Saudi Arabia and other OPEC nations for US military hardware and protection in return for oil sales exclusively in US dollars. Despite rendering the US dollar a fiat currency, in the short term at least this arrangement bolstered the dollar's flagging value by creating demand for it outside the country — thereby rendering what would have otherwise become inflation into a useful export. The concept of a 'petrodollar' arose as the volume of these fiat greenbacks outside US borders rose proportionally to those within, as a way of distinguishing between the two.

At the time the 'Nixon Shock' as it came to be known may well have seemed like a useful workaround for various problems associated with the disintegration of the postwar Bretton Woods system, which had set monetary policy on exchange rates and the like amongst industrialized states during the intervening period, not least of which being high rates of unemployment and inflation internal to the United States itself. At the same time as saving the dollar from what might be regarded as the inherent shortcomings of market ideology in the short term, however, it also appears to have been a fatal error to the extent that it tied the value of the

dollar to what was and remains a finite resource — a fact that would ultimately lead to the collapse of the petrodollar, and with it the US economy.

While none of Nixon's courtiers may have been willing to acknowledge that the king has no clothes, in retrospect it seems clear that Nixon was beset by myopia; in lieu of alternative means to maintain the value of the currency, then, the collapse of the dollar, with it the US economy, and with it the empire, was and remain a foregone conclusion. Even if though various wars of aggression the US military could establish control all the remaining oil reserves on the planet, under the pretext of protecting democracy from terrorist attacks etc., the finite nature of the oil supply meant were only so much to be controlled; that being the case, all that remained was to determine when collapse would in fact occur. It was only a matter of time. This was to become all the more pressing as other factors such as the peak oil phenomenon signaled the onset of the permanent decline in supply.

One might very well marvel at the hubris and hypocrisy informing this process. On the one hand, we can see the calculated and very conscious use of state power to prop up what was otherwise a purportedly free market not only capable of being supported through its own mechanisms, but whose acolytes scream bloody murder whenever anyone proposes regulation or taxation for the purposes of compensating for its antisocial and monopolistic tendencies. On the other, we have the pretense that one can depart even from ideological tenets that have little foundation in objective fact and are embraced because they function to rationalize institutional privilege and power, and still achieve successful or even simply functional outcomes in the long term.

By the same token, and in fact in this latter sense in particular, the real significance of these facts arguably derives from two points: (1) the fact that, barring the successful implementation of strategies to separate the maintenance of the value of the US dollar from the petrodollar system, they appear to define the parameters for the endgame of US military power; and (2) the broader lesson that may be drawn about the nature of power. We can best understand the first point by examining it in the context of the second.

If one of the reasons to marvel at the conditions surrounding the Nixon Shock and the creation of the petrodollar on their own terms was the pretense of being able to depart from professed ideological principles, even where these lacked basis in fact, and still achieve ultimately successful outcomes, this was also indicative of a failure to maintain a basic harmony between means and outcomes of a type that has a far broader and more notorious history in numerous contexts far removed from the United States of the early 1970s. One might even go so far as to describe it as one of the quintessential follies of state power — especially when governments begin to dismantle freedoms in the name of defending them in the name of protecting democracy from terrorism, as per some of the more draconian and infamous legislative products of the current and ongoing Terror Scare, or as they have done in the past, perhaps by conducting wars of aggression to conquer and kill in the name of 'love thy enemy' as in the Crusades, or using the Dictatorship of the Proletariat to exercise a dictatorship over the proletariat as in the ultimately catastrophic experiment with state communism in the USSR.

Where the health of any society at least claiming to be free is concerned, the destructive effects of 'ends justify the means' type morality is hardly news. It remains a truism of freedom and of

free societies that means determine outcomes, and that just as libertarian means will beget libertarian outcomes, so too will authoritarian means beget correspondingly authoritarian outcomes (libertarian in the technical sense of an advocate of individual freedoms). In this respect, the essential failing of the Nixon Shock — besides the lack of evidence to support the foundational myths of laissez faire ideology and the mountain of evidence against it notwithstanding — was that it would function ultimately to preserve economic and social order, root out crisis and chaos, and in so doing uphold the values of freedom and justice upon which the United States was purportedly founded. In other words, Nixon's pretense that he could fix what was in actual fact a systemic problem and preserve order and freedom through means apparently justified by the goal of defending the economy from disruption contained the seeds of its own demise.

It is this fact in particular that gives us a reasonable basis to expect that this endgame or slow-motion downfall of US economic and military power will unfold in ways manifesting this exact same lack of respect for the imperative to maintain a basic harmony between means and outcomes — to the extent that freedom and justice even remain values for those in high places at a rhetorical level. It gives us a reasonable basis to likewise expect that the 'ends justifies the means' morality characteristic of the exercise of US military and economic power will not only continue, but become more acute, especially where the refusal of those in power to reflect on the events that have created it in the first place is concerned.

We find all the more reason to believe this to be so in considering that a manifest lack of interest in the democratic imperative to maintain a basic harmony between means and outcomes appears to go much further back than 1971. While trying to predict the course the process of the degeneration of the petrodollar into collapse will take with any measure of accuracy would be a generally pointless exercise, we might anticipate the logic the response to it from the US government it will follow thanks to the following offering from George Kennan, Director of Policy Planning in the US State Department, in 1948:

We have about 50% of the world's wealth, but only 6.3% of its population. This disparity is particularly great as between ourselves and the peoples of Asia. In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security. To do so, we will have to dispense with all sentimentality and daydreaming; and our attention will have to be concentrated everywhere on our immediate national objectives. We should cease to talk about vague and unreal objectives such as human rights, the raising of living standards, and democratization. The day is not far off when we are going to have to deal in straight power concepts. The less we are then hampered by idealistic slogans, the better."

Nothing in the period since then has done anything to suggest that anyone in the State Department or anywhere else in the US establishment has changed their mind on this count, the Nixon Shock not least of all. The evidence tends strongly in fact towards the opposite conclusion, namely that 'concentrating everywhere on our immediate national objectives' and 'ceasing to talk about human rights, democratization and the raising of living standards, objectives' that are in any event 'vague and unreal' has become the sole determiner of foreign

policy — or better yet, that any desire to maintain any pretense to the contrary has all but disappeared.

It seems reasonable to assume then that the US establishment will continue to do all in its power to protect the petrodollar, and with it the corporeal integrity of its own economy, and that it will continue to do so even where this comes into conflict with human rights, democratization and the raising of living standards — much less to say international law, or anything approaching a coherent moral principle like the idea that everyone has the right and duty to control the conditions of their own lives as long as they respect the equal rights of others. The euphemistic language Kennan employs to sneer with such haughty disdain at cornerstones of civilization such as respect and regard for human rights and the freedoms of the individual are a clear marker in this respect; his moral disengagement from the rights and freedoms of his victims in the process of ‘maintaining the position of disparity’ upon which his economic and social privileges, and those of his establishment counterparts, depend, certainly sets the tenor for the rest of the century, if not for the next one as well.

One can anticipate then a general refusal to engage in any of kind of policy or institutional change that might potentially avert the social and human catastrophes that are a sure consequence of economic collapse, or at least offer some hope to those who would be obliged to bear the brunt of them (no prizes for guessing who that might be). This appears to be all the more true to the extent that the arrogant refusal to acknowledge the means by which this state of affairs has come to pass has established a pattern of blame-shifting and scapegoating that, rather than slowing down as the end of the petrodollar beckons, can only increase with the desperation of those responsible for maintaining it.

One need only look at the reaction of the US establishment to the 9/11 attacks and all that has transpired since to appreciate the extent to which this is true. The willingness to engage in the politics of scapegoating and blame-shifting in order to maintain positions of economic privilege within an increasingly overt imperial global order has become completely ingrained and normalized in political discourse to the point where the norms of free societies are not only history but so completely neglected in popular discourse as to be almost beyond recollection. In their place is not only a series of propaganda norms that set the meaning of freedom on its head, but also function to facilitate the kind dynamics necessary to maintain the ideological pretexts that what is now really an imperial establishment needs to operate without being revealed as such.

Therefore, as far as propaganda directed against the mass of humanity for the purposes of deception, we have seen, do see and will continue to see in the first instance a fundamental confusion — apparently a willing one — about the meaning of what freedom entails. Every tyrant and oppressor throughout history has believed in their own freedom and their own right to do as they pleased, the difference between themselves and those they oppressed being any limits to that freedom. This essentially defines the difference between the idea of freedom as a meaningful concept and the use of freedom as a propaganda tool with which to beat one’s enemies and smear or demonise those considered to be a threat to one’s social or economic privileges. Freedom defined as a meaningful concept that one actually cares about and wants to implement in practice entails rights that are limited, rather than absolute, on the grounds that

rights for each are possible only to the extent that rights for one end where those for another begin, and vice versa, to infinity.

On the other hand, freedom as a propaganda tool is defined as an absolute, in absolutist terms of black and white, such that any attempt to articulate the notion of rights of freedom in a multilateral or multifaceted sense is treated as a hostile manoeuvre. This nowhere more the case than when attempting to hold those who admit no limits on their own freedom, as in the manner typical of tyrants and sociopaths, to their contempt for the rights and freedoms of others. In this instance, rather than being something to stand in front of and defend for others, it becomes something to hide behind, and in the course of doing so those who claim absolute rights typically accuse those trying to reign in their abuses or hold them accountable for their actions in perpetrating abuses of trying to deprive them of their freedom — of themselves being oppressors who have no respect or regard for individual rights and no concept of the meaning of freedom.

In this manner of projecting one's own unconscious shame onto a scapegoat we see the most important mechanisms of moral disengagement: playing the victim, blaming the victim, abjuring oneself of responsibility for the consequences of one's actions, ignoring the consequences of one's actions, and articulating a defense on the ground of the 'those who aren't for us are against us' fallacy — one that traces back at least as far back as the Bible (eg. Matthew 12:30; Mark 9:40).

Therefore to doubt, question, challenge, not venerate the ideological orthodoxies to which the nation demands obedience with the requisite level of awe, which seems increasingly the case where the basic operating assumptions of neoliberal ideology is concerned, or even simply think for oneself is to give oneself over to the antagonists who threaten the mythical social consensus on which rests the order, freedom, security and sense of identity of the nation (as if any nation was ever best served by everyone bending over backwards to imitate hand puppets for the 1%ers who constitute the imperial establishment), or of western civilization writ large. In essence, if you think for yourself and question authority, the terrorists win. Or the communists, or whichever bogeyman happens to be handy at that moment in time.

In the second place, we can continue to expect to see the habit on the part of this neo-feudal global corporate aristocracy of constructing a series of self-justifications based on the self-serving assumption that the interests of the imperial establishment are the same as those as the interests of the nation as a whole, more or less irrespective of which one you happen to be a member of, or even more broadly of civilization writ large. On the basis of this assumption, the imperial establishment and those who serve them have create a self-serving interpretation of the causes of and remedies needed to fix political, social and economic trouble internationally in a way that has shifted, does shift and will continue to shifts blame away from themselves as controllers of the levers of power onto scapegoats. This they again have done, do do and will continue to do according to the process sociologists refer to as the production of deviance, as well as the subjective emotional mechanisms social psychologists refer to as moral disengagement.

The production of deviance is based on the fact that deviance itself is a completely subjective concept, and as such is a matter entirely of how those with the power to enforce their own

interpretation of the word on common usage choose to define it. It typically has very little or nothing whatsoever to do with the appearance, thinking or behavior of those so labeled. The process of producing deviance is notable for the fact that the interpretations of deviance that are chosen and imposed on common usage are generally self-serving for those creating them; in effect, they create a problem or threat for which the creator becomes both cause and cure. For this reason, the production of deviance is as much a matter of reasserting the authority of the definer of the term in the face of crisis and shifting the blame for the crisis away from them onto a physically or numerically weaker scapegoat who can then be silenced through whatever means are considered appropriate. The value of this process to a power structure facing ever more acute threats to its own existence by virtue of the finite nature of the substance upon which its existence depends is obvious.

Similarly too then we can see the importance for a power structure in crisis of the aforementioned mechanisms of moral disengagement that make the blame-shifting process possible — playing the victim, blaming the victims, a militant ignorance in the face of the moral imperative to acknowledge the consequences of one's actions for others and an ideological self-justification that purposefully confuses being criticized, contradicted, questioned or not worshipped with sufficient reverence and awe with being attacked via the 'with us or against us' fallacy.

All of the above were a necessary devices to justify either draconian state policy or military adventurism and aggression or both following or during such events as the blowing up of the USS Maine in 1898, the sinking of the Lusitania in 1915, the Red Scare of 1919-1920, the War Scare of 1948, the Red Scare of 1947-54, the Cold War of 1947-1991, the CIA-sponsored coup d'état that installed the Shah as leader of Iran in 1953, the CIA-sponsored overthrow of the Arbenz government of Guatemala in 1954, sponsorship of numerous proto-fascist client states throughout the world during the Cold War, the planned campaign of disruption and terror against Cuba contained in the Operation Northwoods document of 1962, the Gulf of Tonkin incident in 1964, the CIA-sponsored overthrow of the Allende government in Chile on September 11, 1973 and the continuing Terror Scare that constitutes the reaction of the imperial establishment to the September 11 terrorist attacks.

To illustrate several of these examples, the sinking of the Lusitania by Germany was used by the United States to justify entry into WW1 on the grounds of the necessity of stopping the barbarous Hun who had no respect for human life, though the German embassy in London put out an advertisement warning that the Lusitania was a potential target for u-boats and the ship itself later turned out to be carrying military supplies, and was therefore a legitimate target under international conventions on war crimes. The first US propaganda from the war invoked parallels with the Crusaders of the Middle Ages; we are somewhat unsurprised to find none other than Adolf Hitler praising the propaganda effort of the Committee for Public Information during WW1 and citing it as one of the primary reasons for the German defeat. None of this would have been possible either without the ability of the US war-mongers to maintain the pretense of being victims or to engage in the production of deviance via the motto of 'He who is not for America is against America' emblazoned on tens of thousands of 'America First Society' membership cards during the same period.

The mythology of the ‘domino theory’ as expressed in documents such as NSC-68 similarly utilized the same kind of dynamics and mechanisms we can expect to continue to see as the petrodollar becomes under great and more dire threat of extinction. As George Kennan noted above, the actual reasons for the Cold War were the maintenance of the ‘position of disparity’ upon which the economic wellbeing and growth of the US economy depended in the postwar period; as Frank Kofsky in particular demonstrated, the mythology of communist expansion which served as pretext for the military aggression upon which this policy depended was forestalled on the one hand by the doctrine of ‘Socialism in One Country’ Joseph Stalin had long adopted as a contentious response to the failure of communist revolutions in Germany and Western Europe. On the other, Russia was in the postwar years far too weak as a result of the hammering it had taken during the Second World War to even contemplate military expansion.

In this example in particular, the two Red Scares, domestic panics over the perceived menace of communist expansion within the United States itself, had served to thwart rather acutely the capacity of dissidents, critical thinkers and doubters of the magnificence of states as a general concept to get a fair hearing — the latter in particular. The stated policy of George Kennan did not apparently represent a dire threat to democracy around the globe, particularly in Asia where attempts to seek redress of the great (and expanding) gap between the global north and south in the name of promoting ‘human rights, the raising of living standards, and democratization’ were dismissed with sneering contempt as ‘vague and unreal objectives.’

Rather, according to the theory of the domino effect, it was attempts to see ‘human rights, the raising of living standards, and democratization’ through movements for independent nationalism that made a victim out of what after 1989 would be the sole remaining superpower. In addition to the ‘if you think for yourself the communists’ win logic of McCarthyism, brilliantly parodied by Arthur Miller during the period in his stage play *The Crucible*, one might also point to the blaming of the million of victims around the world for rejecting the logic of Kennan’s 1948 callous prescription for the maintenance of US power as well as the mythology of the domino effect as further evidence of moral disengagement, this time in the form of victim blaming. Is there any reason to imagine that the imperial establishment should be willing to reflect on this history or that any prospect exists of history not repeating itself further in this manner? Hardly.

Further doubt again is cast over the likelihood that the imperial establishment is likely to change mentality or policy in the face of the decline of the petrodollar when we consider that their response to the 9/11 attacks was to usher in a Terror Scare, or a moral panic over terrorism. History tends to forget these day that they did this by rehashing the ‘War on Terrorism’ rhetoric of George Shultz and other Reaganites during the 1980s, who apparently attempted to link movements for independent nationalism on the one hand, and the blowback from sending hundreds of millions of dollars of aid to often fanatical Muslim proxy combatants fighting the Soviet Union during the Afghanistan War on the other, to an overarching Communist conspiracy to bring down western civilization on the grounds of a logic so comprehensively and exhaustively binary in scope it could have hardly landed elsewhere than the ‘for or against’ fallacy.

This seems all the more significant when we remember that the ‘War on Terrorism’ mythology of today, the mythology that underwrites the Terror Scare just as the ‘Domino Theory’ mythology underwrote the Cold War, is based on half truths. In the former case, the fact that movements for independent nationalism have often been based on aspirations articulated in terms of ‘human rights, the raising of living standards, and democratization’ commonly associated with left wing politics has been used to associate them with the USSR, in the manner typical of one playing the victim treating the opposition or perceived enemy as a big, demonic, terrifying monolith. The same is true of the ragged renegades that Chalmers Johnson and many others have identified as blowback from the aforementioned CIA backing of the Mujahedeen during the 1980s, non-state actors who according to the mythology of the ‘War on Terror’ constitute the sum total of the phenomenon of terrorism writ large, when we know in fact — and as many of the examples above well illustrate — the main drivers of terrorism historically and in the present are states.

Naturally the imperial establishment is as silent on the subject of its own historical role in supporting and encouraging radical Islamic fundamentalists in the grounds that the enemy of my enemy is my friend, as it is on that of its continuing alliances with states such as Saudi Arabia and Qatar, many of whom continue to provide substantial aid to ISIS, and as it is for that matter on the policy articulated by George Kennan in 1948 that appears to have informed its attitude to the rest of the world ever since. Chomsky and others have well documented its militant ignorance in this respect, as well as its singular contempt for the aspirations of billions around the world for ‘human rights, the raising of living standards, and democratization,’ much less to say the autonomy of sovereign governments particularly throughout the course of the second half of the 20th century — all carried out in the name of preserving precisely the things they set out to destroy while engaging in the production of deviance and invoking various mechanisms of moral disengagement in order to avoid ever having to engage in concerted, comprehensive, principled, and above all critical reflection on self.

The authoritarian and even totalitarian strains of this line of thinking are not hard to decipher; they indicate the extent to which the democratic norms many still take for granted have been colonized by an imperialism that dare not speak its own name, but that defines the parameters of the conditions that beget the foregone conclusion that an empire built on a finite resource will eventually fall. Where one might argue that to bring about a free society you must use freedom as a means, on account of the fact that outcomes are generally determined by means, rather than the other way around, variations on the theme of moral panicking and scapegoating using the various mechanisms demonstrated above will continue to be rolled out to try to mask the actual assumptions about the world that inform the operations of power, such as those informing Kennan’s appraisal of international affairs in 1948.

Just as they represent a dominant theme in history and inform current practice, so too will these themes of scare mongering, othering and scapegoating define the parameters of the endgame of US power. As the crisis of the petrodollar becomes more acute, as it only must as the remaining supplies are slowly used up in the process of expediting military adventures and extravagant consumer lifestyles, the hunt for the ways and means of the production of deviance and thus pretexts to invoke the mechanisms of moral disengagement will only become more acute, the shrieking about perceived threats from Russia or Iran or China only ever more shrill. As Ronald

Wright once observed, “Each time history repeats itself, the price goes up.” This time around, with history repeating itself every which way, and apparently via the logic of ‘with or against’ as an excuse for a policy of ‘the ends justify the means,’ the ability to maintain a basic harmony between means and ends in contradistinction to this tendency may well prove to be the wellspring of the political ascendancy for anyone still able. Those who are not, on the other hand, may well choke on it.