ORIGINS OF THE RECENT WARS OF CHOICE AND THEIR IMPACT ON U.S. GLOBAL MARKETS

Ismael Hossein-Zadeh[*]

I. INTRODUCTION

While they may have been immoral, external military operations of past empires often proved profitable and, therefore, justifiable on economic grounds. Military actions abroad usually brought economic benefits not only to the imperial ruling classes, but also (through "trickle-down" effects) to their citizens. This was the case with both pre-capitalist empires of distant past and the capitalist imperial powers of Europe. The United States, too, has often used military power as a means for economic and territorial gains. These included not only the expansion of its territory from the Atlantic to the Pacific, but also the considerable non-territorial economic gains abroad, especially in the immediate aftermath of Word War II.[1]

This pattern of economic gains flowing from imperial military operations, however, seems to have somewhat changed in recent years, especially in the post-Cold War era. Moralities aside, U.S. military expeditions and operations of late are not justifiable even on imperialistic economic grounds. Indeed,

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* This paper draws heavily on the author's recently published book: THE POLITICAL ECONOMY OF U.S. MILITARISM (2006). The author is a professor of Economics at Drake University.

1. *See generally* PAUL KENNEDY, THE RISE AND FALL OF THE GREAT POWERS: ECONOMIC CHANGE AND MILITARY CONFLICT FROM 1500 TO 2000 (1987); CHALMERS JOHNSON, THE SORROWS OF EMPIRE: MILITARISM, SECRECY, AND THE END OF THE REPUBLIC (2004).

escalating U.S. military expansions and aggressions have become ever more wasteful and cost-inefficient in the post-Cold War period.

Evidence shows that even the widely-held claim that such expansions and aggressions are driven largely by concerns for fossil fuels seems increasingly dubious. Not surprisingly, official justifications for the post-Cold War military actions have become increasingly fuzzy and shifting: humanitarian concerns, international drug trafficking, global terrorism, militant Islam and, most recently, democratic ideals.

The fact that external U.S. military operations of late have become economically burdensome has also undermined traditional or classical theories of imperialism, which tend to explain imperial military expeditions and operations in terms of economic gains and objectives.

So, if it is not economic (or classic) imperialism, how are the escalating military aggressions of the United States in recent years to be characterized? What are the driving forces behind these military expansions, expeditions, and operations?

Official explanations such as weapons of mass destruction, threats to the national security or interests of the United States, or spreading democracy worldwide, can now easily be dispensed with as flimsy, harebrained pretexts for war and militarism.

Critics have offered a number of explanations. One of the most popular explanations attributes the rise of unilateral U.S. military adventures to the ascendance to power of the cabal of the so-called neoconservative militarists. A second widely-shared view, especially outside of the United States, attributes the recent rise of U.S. militarism, especially the invasion of Iraq, to the geopolitical imperatives of Israel. The third, and perhaps most widely-held, view of the surge in U.S. military expansions in the Middle East and central Asia is that the recently heightened military activities in those regions are prompted by U.S. designs to gain access to more and cheaper sources of gas and oil.

Without denying the contributory roles of these factors, this study points to a more crucial force behind the drive to war and militarism: the powerful beneficiaries of military industries and war dividends, or, as the late President Eisenhower put it, the military-industrial complex and related influential interests that are vested in the business of war and military expansion.[2]

Drawing on a number of preeminent theories and empirical accounts on imperialism and militarism[3], this study makes a clear distinction between

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2. Dwight Eisenhower, Farewell Address to the Nation (Jan. 17, 1961), *available at* http://mcadams.posc.mu.edu/ike.htm (last visited Oct. 24, 2006).

3. *See, e.g.*, KENNEDY, *supra* note 1; JOHNSON, *supra* note 1. *See generally* SIDNEY LENS, THE MILITARY-INDUSTRIAL COMPLEX (1970); ALFRED VAGTS, A HISTORY OF MILITARISM: CIVILIAN AND

"classical" or economic imperialism on the one hand, and militaristic, cost-inefficient, or parasitic imperialism on the other.

Historically, parasitic military imperialism has almost always evolved out of a higher stage of economic or classical imperialism—a prolonged reliance on military power for economic, territorial, or geopolitical gains gradually creates a dynamic out of which evolves a large standing military apparatus that tends to perpetuate itself—and develop into a bureaucratic military empire. Whereas military force in the economic sense of imperialism is usually a means for economic, territorial, or geopolitical gains, under parasitic military imperialism, it becomes an end in itself.

Accordingly, as the U.S. military establishment has grown in size, it has also evolved in quality and character: it is no longer just a means for economic or geopolitical gains but, perhaps more importantly, an end—nay, an empire—in itself. Rising militarization of U.S. foreign policy in recent years is driven not so much by some general or abstract national interests, as it is by the special interests vested in military industries and related businesses, which need an atmosphere of war and militarism in order to justify their lion's share of the public money. This helps explain why since World War II powerful beneficiaries of war dividends have almost always reacted negatively to discussions of international cooperation and tension reduction, or détente.[4]

Thus, for example, in the late 1940s and early1950s, the Korean War and the "communist threat" were used as pretexts by the proponents of military buildup to overrule those who called for limits on military spending following the end of World War II. Representatives of the military-industrial complex, disproportionately ensconced in the State Department, succeeded in having President Truman embark on his famous overhaul of the U.S. foreign policy, which drastically increased the Pentagon budget and expanded the military-industrial establishment.

Likewise, in the face of the 1970s tension-reducing negotiations with the Soviet Union, representatives of the military-industrial complex rallied around Cold Warrior think tanks, such as the Committee on the Present Danger, and successfully sabotaged those discussions. Instead, once again, by invoking the "communist threat," they managed to reinforce the relatively weakened tensions with the Soviet Union to such new heights that it came to be known as the

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MILITARY (Meridian Books, Inc. 1959) (1937); SEYMOUR MELMAN, PROFITS WITHOUT PRODUCTION (1983); ANDREW BACEVICH, THE NEW AMERICAN MILITARISM (2005).

4. *See, e.g.*, WILLIAM D. HARTUNG, HOW MUCH ARE YOU MAKING ON THE WAR, DADDY? (2003); JOHNSON, *supra* note 1; JAMES MANN, THE RISE OF VULCANS: THE HISTORY OF BUSH'S WAR CABINET (2004).

Second Cold War—hence, the early 1980s dramatic "rearming of America," as President Reagan put it.[5]

Similarly, when the collapse of the Soviet system and the subsequent discussions of "peace dividends" in the United States threatened the interests of the military-industrial conglomerates, their representatives invented "new external sources of danger to U.S. interests" and successfully substituted them for the "threat of communism" of the Cold War era. These "new, post-Cold War sources of threat" are said to stem from the "unpredictable, unreliable regional powers of the Third World," from the so-called "rogue states," and more recently from "global terrorism" and Islamic fundamentalism.[6]

This tendency of the beneficiaries of war dividends to foment international convulsions in order to justify the continuous hemorrhaging of the Pentagon budget, also helps explain why the Bush Administration, under the heavy influence of the Defense Department, viewed the 9/11 tragedy as an opportunity for further militarization. The monstrous attacks of 9/11 were treated not as crimes—requiring law enforcement, international police, intelligence gathering, and public diplomacy efforts and operations—but as war on America. Once it was thus established that the United States was "at war," military buildup followed accordingly.[7]

Viewed in this light, militaristic tendencies to wars abroad can be seen largely as reflections of the metaphorical fights over allocation of public finance at home; of a subtle or insidious strategy to redistribute national resources in favor of the wealthy; to cut public spending on socio-economic infrastructure; and to reverse the New Deal reforms by expanding military spending.

The economic burden of the recent wars of choice go beyond their opportunity costs in terms of undermining public capital formation (both human capital such as health and education, and physical capital for infrastructure such as roads, bridges, mass transit, dams, levees, and the like), which is crucial to the ideals of long-term economic growth and social prosperity. Equally burdensome, these wars also cost non-military U.S. transnational capital external sales markets and investment opportunities as a result of various blowbacks, especially consumer backlashes, abroad.

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5. *See, e.g.*, FRED HALLIDAY, MAKING OF THE SECOND COLD WAR (1983); TRILATERALISM (1980).

6. *See generally* SHEILA RYAN, *Power Projection in the Middle East, in* MOBILIZING DEMOCRACY 41–69 (Greg Bates ed., Common Courage Press 1991) (1990); SAMUEL HUNTINGTON, THE CLASH OF CIVILIZATIONS AND THE REMAKING OF WORLD ORDER (1997); MANN, *supra* note 4.

7. RON SUSKIND, THE ONE PERCENT DOCTRINE: DEEP INSIDE AMERICA'S PURSUIT OF ITS ENEMIES SINCE 9/11 (2006); MANN, *supra* note 4; THOMAS RICKS, FIASCO: THE AMERICAN MILITARY ADVENTURE IN IRAQ (2006).

In the first part of this study, I will examine the economic implications and consequences of the recent external military adventures for U.S. global markets. After showing that such military adventures cannot be justified on the grounds of broader national economic interests, I will then examine the powerful special interests that are dangerously vested in the business of war and are, therefore, responsible for the tendency to permanent war and militarism.

II. THE IMPACT OF RECENT WARS OF CHOICE ON U.S. GLOBAL MARKETS

Militarism has always tried to disguise its interests as national interests and justify its parasitic role and existentialist military adventures on grounds that such military operations will lead to economic gains for the imperium and the nation as a whole. This despite the fact that military adventures by beneficiaries of the business of war are often costly economic burdens that tend to be at odds, not only with the interests of the masses of the poor and working people, but also with those of non-military transnational capitalists who pay taxes to finance such adventures while losing sales and investment opportunities in foreign markets to international competition, and lose political and economic stability in global markets.

A. War and the Non-Military U.S. Transnational Capital

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

For example, the Iranian-made beverage Zam Zam Cola has in recent years made significant inroads into the traditional markets of the U.S. brands Coca-Cola and Pepsi, not only in the Middle East, but also in Europe and elsewhere.[8] A Business Week report pointed out in the immediate aftermath of the U.S. invasion of Iraq that the Muslim world, Europe, and elsewhere "there have been calls for boycotts of American brands as well as demonstrations at symbols of U.S. business, such as McDonald's corporation."[9] A leading Middle East business journal, *AME Info*, reported in its April 8, 2004 issue:

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8. Coke and Pepsi Battle it Out, AME INFO., Apr. 8, 2004, *available at* http://www.ameinfo.com/news/Detailed/37492.html (last visited Sept. 9, 2006) [hereinafter AME INFO.].

9. Michael J. Mandel, et al., *How War Will Shape the Economy*, BUSINESS WEEK, Apr. 14, 2003, at 29–32.

> [i]n 2002, a cluster of Arab organizations asked Muslims to shun goods from America, seen as an enemy of Islam and a supporter of Israel. In Bahrain, the Al-Montazah supermarket chain, for example, boosted sales by pulling about 1,000 US products off its shelves, and other grocers followed suit. Coca-Cola and Pepsi, sometimes considered unflattering shorthand for the United States, took the brunt of the blow. Coca-Cola admitted that the boycott trimmed some $40 million off profits in the Gulf in 2002.[10]

The report further pointed out that in recent years, a number of "Muslim colas" have appeared in the Middle Eastern/Muslim markets. "Don't Drink Stupid, Drink Committed, read the labels of Mecca Cola, from France. . . . Iran's Zam Zam Cola, originally concocted for Arab markets, has spread to countries including France and the United States."[11] The report also indicated that "US exports to the Middle East dropped $31 billion from 1998-2002. Branded, value-added goods—all the stuff easily recognized as American—were hit the hardest."[12] Quoting Grant Smith, director of IRmep, a leading Washington-based think tank on Middle Eastern affairs, the report concluded: "Our piece of the pie is shrinking, and it's because of our degraded image."[13]

Evidence shows that foreign policy-induced losses of the U.S. market share in global markets goes beyond the Middle East and/or the Muslim world.[14] According to a December 2004 survey of 8,000 international consumers carried out by Global Market Insite (GMI) Inc., one-third of all consumers in Canada, China, France, Germany, Japan, Russia, and the United Kingdom said that "U.S. foreign policy, particularly the 'war on terror' and the occupation of Iraq, constituted their strongest impression of the United States."[15] In addition, "[b]rands closely identified with the U.S., such as Marlboro cigarettes, America Online (AOL), McDonald's, American Airlines, and Exxon-Mobil, are particularly at risk."[16]

Furthermore, "[t]wenty percent of respondents in Europe and Canada said they consciously avoided buying U.S. products as a protest against those

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10. AME INFO., *supra* note 8.

11. *Id.*

12. *Id.*

13. *Id.*

14. Jim Lobe, *Poll: War Bad for Business*, ANTIWAR.COM, Dec. 30, 2004, *available at* http://www.antiwar.com/lobe/?articleid=4235 (last visited Sept. 9, 2006).

15. *Id.*

16. *Id.*

policies."[17] Commenting on the results of the survey, Dr. Mitchell Eggers, GMI's Chief Operating Officer and chief pollster, pointed out, "[u]nfortunately, current American foreign policy is viewed by international consumers as a significant negative, when it used to be a positive."[18]

Kevin Roberts, chief executive of advertising giant Saatchi & Saatchi, likewise expressed concern about global consumer backlash against militaristic U.S. foreign policy when he told the Financial Times that he "believed consumers in Europe and Asia are becoming increasingly resistant to having 'brand America rammed down their throats.'"[19] Similarly, Simon Anholt, author of *Brand America*, told the British trade magazine *Marketing Week* that "four more years of Bush's foreign policy could have grave consequences for U.S. companies' international market share."[20]

Despite these damages and threats to global U.S. market share, beneficiaries of war dividends claim that their military operations abroad would yield economic benefits for the nation as a whole because, they claim, such military actions would help spread unhindered market mechanism, remove obstacles to transnational corporations and keep foreign markets and resources open to their business operations. Recently, such assertions are frequently interspersed with claims of "spreading democracy worldwide." In this fashion, beneficiaries of war and militarism try to disguise the colossal military buildup, which has become an end—indeed, an empire—in itself, as a means for spreading democracy and achieving international economic advantage.

Such claims are made both directly through Pentagon policy documents and indirectly through militaristic surrogate think tanks such as the Project for New American Century (PNAC) and the American Enterprise Institute (AEI). In recent years, such allegations are also made through a number of policy papers written by the Bush administration.[21]

Evidence, as well as logic and common sense, suggest, however, that not only is the assertion that continued military buildup would help spread political and economic freedom is hollow and disingenuous, but that war and militarism, as strategies to achieve these lofty ideals, are counterproductive, especially in the era of integrated and interdependent global markets. Not only is militarism

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17. *Id.*

18. *Id.*

19. Lobe, *supra* note 14.

20. *Id.*

21. *See, e.g.*, GEORGE W. BUSH, THE WHITE HOUSE, THE NATIONAL SECURITY STRATEGY OF THE UNITED STATES OF AMERICA (Sept. 17, 2002), *available at* http://www.whitehouse.gov/nsc/nss.pdf (last visited Sept. 9, 2006); THOMAS DONNELLY, PROJECT FOR NEW AMERICAN CENTURY, REBUILDING AMERICA'S DEFENSES: STRATEGY, FORCES, AND RESOURCES FOR A NEW CENTURY (2000), *available at* http://www.newamericancentury.org/RebuildingAmericasDefenses.pdf (last visited Sept. 9, 2006).

inherently at odds with freedom, but it is also burdensome economically—except, of course, for the beneficiaries of the business of war.

Economic liberalism, which has in the last few decades been called neoliberalism, is in fact antithetical to militarism. It shuns militarism not only because militarism is costly and wasteful, but also because it is disruptive to international economics and would therefore undermine global capitalist profitability—except for military industries and war-related businesses. Accordingly, economic liberalism/neoliberalism tends to rely on market, not military, force to maintain international economic superiority.

As this strategy of relying on market efficiency, instead of military power, in pursuit of international economic advantage tends to expose a large military establishment as parasitic and redundant, it also helps explain the inherent conflict between militarism and liberalism/neoliberalism. The strategy further helps explain why beneficiaries of war and militarism, the military establishment and the neoconservative militarists in and around the Bush administration, were so hostile to Bill Clinton and his neoliberal economic policies. In addition, the conflicting interests of militarism and neoliberalism help explain why these beneficiaries stifled the widespread calls for "peace dividends" and military downsizing in the immediate aftermath of the collapse of the Berlin Wall.[22]

Perhaps more importantly, the conflicting interests of militarism and those of non-military transnational capital help explicate why representatives of the latter interests have not encouraged or embraced the Bush administration's policy of unilateral militarism. Although non-military transnational interests have not expressed a strong opposition to the administration's drive to war, they have nonetheless shown some tepid wariness toward it. As shown later in this study, even big oil, the major but largely incidental beneficiaries of war, did not support the war on Iraq.

This is not to say that the American oil companies, and other non-military transnational corporations, would not welcome the spoils of war in the form of oil price hikes, or in the form of acquisition of asset ownership that would result from privatization of previously-public industries and enterprises that might ensue from the policy of "regime change" in a country like Iraq. Indeed, there is evidence that, as soon as Iraq came under U.S. occupation, many such corporations from agribusiness, transportation, telecommunications, financial services, and power, rushed their representatives to Baghdad to participate in the contracting and privatization bonanza that followed the occupation.[23]

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22. *See, e.g.*, James Mann, *The True Rationale? It's a Decade Old*, THE WASHINGTON POST, Mar. 7, 2004, at B02, *available at* http://www.washingtonpost.com/ac2/wp-dyn/A35472-2004Mar6?language=printer (last visited Sept. 9, 2006); RYAN, *supra* note 6.

23. *See, e.g.*, Naomi Prins, *Making a Killing in Iraq*, LEFT BUSINESS OBSERVER, Aug. 2003, at 2–3.

Nonetheless, there is no evidence that major oil and other non-military transnational corporations, instigated or encouraged the invasion because non-military transnational corporations including big oil, prefers stability and predictability in global markets to short-term spoils of war.

Ordinarily, representatives of non-military, transnational capital prefer multilateral economic policies of neoliberalism to unilateral actions of the Bush administration because they are afraid that war and militarism might subvert international economics and undermine long-term U.S. competitiveness. Expressing such concerns of neoliberalism, *Business Week* carried an article on the eve of the invasion of Iraq that read:

> Washington's unilateral tendencies have also created nervousness in global financial markets on which the U.S. has become dependent. It has made the multilateral trade negotiations—in which so many American companies have a huge stake—a secondary priority. . . . Financing foreign wars and boosting homeland security is bound to erode U.S. economic vitality.[24]

Three weeks later, in another article titled "How War Will Shape the Economy" the magazine wrote: ". . . the real threat [of the war] is to the rapid productivity growth of the 1990s, which may be tough to sustain in an unsettled and hostile world. New Economy growth depends on globalization and innovation, both of which could be dampened by war and a potentially difficult aftermath."[25] Any slowdown in the free flow of trade, people, and technologies could significantly dampen innovation and growth in the U.S. and abroad. As stated in *Business Week*, "[w]hat we do know is that the market-driven growth the U.S. enjoyed in the 1990s thrived on an atmosphere of global peace. The war in Iraq, the tough rebuilding task ahead, and the rise in global tension all signal to an end to that fertile era."[26]

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

> In the meantime, the U.S. economy, in order to grow, will have to continue to expand into the global markets while dealing with this ever-increasing competition [from EU, China, India] . . . . If this new

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24. Geoffrey E. Garten, *Bush's Guns-and-Butter Dilemma*, BUSINESS WEEK, Mar. 17, 2003, at 66–76.

25. Mandel, *supra* note 9.

26. *Id.*

> U.S. foreign policy [of militarism] leads to decades of upheaval, how will U.S. businesses convince their future global partners that they should look to them for stable business opportunities—as opposed to all those new competitors waiting in the wings?[27]

Concerns of this nature have prompted a broad spectrum of non-military business interests to form coalitions of trade associations that are designed to lobby foreign policy makers against unilateral U.S. military aggressions abroad. One such anti-militarist alliance of American businesses is USA*ENGAGE. It is a coalition of nearly 700 small and large businesses, agriculture groups and trade associations working to seek alternatives to the proliferation of unilateral U.S. foreign policy actions and to promote the benefits of U.S. engagement abroad. The coalition's statement of principles points out:

> American values are best advanced by engagement of American business and agriculture in the world, not by ceding markets to foreign competition. Helping train workers, building roads, telephone systems, and power plants in poorer nations, promoting free enterprise—these activities improve the lives of people worldwide and support American values. Unfortunately the real difference made by American companies and workers through such day-to-day activity is lost in the emotion of political debates, where there is pressure to make a symbolic gesture [a unilateral foreign policy action], even if it won't work.[28]

Non-military business interests' anxiety over the Bush administration's unilateral foreign policy measures is, of course, rooted in their negatively-affected financial balance sheets by those actions: "Hundreds of companies blame the Iraq war for poor financial results in 2003, many warning that continued U.S. military involvement there could harm this year's performance," pointed out James Cox of *USA Today*.[29] In a relatively comprehensive survey of the economic impact of the war, published in the July 14, 2004 issue of the paper, Cox further wrote: "In recent regulatory filings at the Securities and Exchange Commission, airlines, home builders, broadcasters, mortgage

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27. Ron Bosrock, *The Project for the New American Century: Why American Business Should Care*, STAR TRIBUNE, OCT. 27, 2003, *available at* http://www.oldamericancentury.org/pipermail/poacnewsletter_oldamericancentury.org/2003-October/000059.html (last visited Jan. 7, 2007).

28. USA Engage, *available at* http://www.usaengage.org/about_us/index.html (last visited Sept. 11, 2006).

29. James Cox, *Financially Ailing Companies Point to Iraq War*, USA TODAY, July 14, 2001, *available at* http://www.usatoday.com/money/companies/2004-06-14-iraq_x.htm?POE=click-refer (last visited Sept. 11, 2006).

providers, mutual funds and others say the war was directly to blame for lower revenue and profits last year."[30] Many businesses blamed the war and international political turbulence as a 'risk factor' that threatened their sales: "The war led to sharp decreases in business and leisure travel, say air carriers, travel services, casino operators, restaurant chains and hotel owners."[31]

The survey covered a number of airlines including Delta Airlines, JetBlue, Northwest Airlines and Alaska Airlines, all of which blamed the war for a drop in air travel. Related industries such as travel agencies, hotels, restaurants, and resort and casino operations all suffered losses accordingly.[32]

The mutual funds managers who were interviewed in the *USA Today* survey included David J. Galvan of Wayne Hummer Income Fund who wrote (in a letter to shareholders), "The war in Iraq created a quagmire for corporations." Vintage Mutual Funds likewise concluded that "the price of these commitments [in Iraq and Afghanistan] may be more than the American public had expected or is willing to tolerate."[33] In a Securities and Exchange Commission (SEC) filing, Domenic Colasacco, manager of the Boston Balanced Fund, characterized the ongoing U.S. occupation of Iraq as "sad and increasingly risky."[34] Even technology giants such as Cisco, PeopleSoft and Hewlett-Packard that tend to benefit from military spending expressed concerns that "hostilities in Iraq hurt results or could harm performance."[35]

For example, managers at Hewlett-Packard complained that:

> potential for future attacks, the national and international responses to attacks or perceived threats to national security, and other actual or potential conflicts or wars, including the ongoing military operations in Iraq, have created many economic and political uncertainties that could adversely affect our business, results of operations and stock price in ways that we cannot presently predict.[36]

Other companies that were specifically mentioned in the survey as having complained about the "whiplash from the Iraq conflict" included home builders Hovnanian and Cavalier homes, casino company Mandalay Resort Group, retailer Restoration Hardware, cosmetics giant Estée Lauder, eyewear retailer

30. *Id.*
31. *Id.*
32. *Id.*
33. *Id.*
34. Cox, *supra* note 29.
35. *Id.*
36. *Id.*

Cole, Longs Drug Stores, golf club maker Callaway, and H&Q Life Sciences Investors.[37]

B. War and Military-Based Industries and Businesses

While thousands of non-military businesses have suffered from losses and stagnation due to war and militarism, war-based industries and related business have been reaping the benefits of a war-time bonanza thanks to drastic increases in military spending under President Bush—officially a forty-five percent increase in real terms over what he inherited in 2001. For example, the above-cited *USA Today* survey revealed that, as expected,

> Several companies have reported a boost from sales to the military or contracts stemming from the Iraqi reconstruction effort. The war has lifted sales of: gas masks from Mine Safety Appliances; bio-weapons detection kits and training from Response Biomedical; air cargo from Atlas Air; port dredging by JDC Soil Management; packaging by TriMas; body armor and vehicle protection kits from Armor Holding; telecom services and communications gear from Globalnet, CopyTele and I-Sector.[38]

Escalating Pentagon appropriations and the war-time "unity" on Capitol Hill have created an environment in which war industries can have their cake and eat it too: continuing to make money on the weapons systems of the Cold War era while reaping the benefits of a war time bonanza of new defense contracts. The surge in the Pentagon budget, and the need to replace weapons used in Afghanistan and Iraq, has prompted weapons manufacturers to drastically accelerate production. For example,

> Boeing added a second shift of workers to boost production of its Joint Direct Attack Munitions (JDAMs)—the most widely used smart bomb in the Afghan war. Raytheon, best known for its Tomahawk missile, added a third shift and announced that production for its laser-guided bomb has been accelerated by five months.[39]

While the giant manufacturers of warfare products are the obvious beneficiaries of the heightened war and militarism, there is also a whole host

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37. *Id.*

38. *Id.*

39. Michelle Ciarrocca, *Post-9/11 Economic Windfalls for Arms Manufacturers*, FOREIGN POLICY IN FOCUS, Sept. 2002, *available at* http://www.911digitalarchive.org/objects/50.pdf (last visited Sept. 11, 2006).

of war-related smaller businesses that have recently spun around the Pentagon and the Homeland Security apparatus in order to cash in on the Pentagon's spending bonanza. For example, "Air Structures is introducing fortified vinyl domes for quarantining infected communities in the aftermath of a potential bioterror attack, Visionics is looking into designing facial recognition technology, and PointSource Technologies is developing a sensor to detect biological agents in the air or water."[40]

There are also many less visible Pentagon contractors that are just as handsomely benefiting from military expansion. These are the somewhat surreptitious, private contractors that operate on the periphery of U.S. foreign policy by training foreign "security forces," or by "fighting terrorism." Often these private military firms are formed by retired Special Forces personnel seeking to market their military expertise to the Pentagon, the State Department, the CIA, or foreign governments.

For example, MPRI, one of the largest and most active of these firms, which "has trained militaries throughout the world under contract to the Pentagon,"[41] was founded by the former Army Chief of Staff Carl Vuono and seven other retired generals. The fortunes of these military training contractors, or "modern-day mercenary companies," like those of the manufacturers of military hardware, have skyrocketed by virtue of heightened war and militarism under President Bush. For instance, "the per share price of stocks in L-3 Communications, which owns MPRI, has more than doubled" in recent years.[42]

Referring to the fierce competition among these private military training companies to win Pentagon contracts, Pete Singer, an Olin Fellow in the Foreign Policy Studies Program at the Brookings Institution in Washington, points out, "[t]his is big business among these companies. They are furiously bidding on involvement in Afghanistan and the war on terrorism. The minute the Pentagon started to use the phrase 'a program to train and equip the Afghan army,' buzzers went off." [43] The Bush Administration's open-ended "war on terrorism" promises to be a boon for these companies.

The fact that the United States' war industry flourishes on war and international political tensions has also been reflected in the stock prices of the military-based industries in the aftermath of the 9/11 attacks. The attacks led to the collapse and temporary shut down of the Wall Street stock market. When it reopened several days later, the few companies showing increased value were

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40. *Id.*

41. Esther Schrader, *Companies Capitalize on War on Terror*, LOS ANGELES TIMES, APR. 14, 2002, *available at* http://www.latimes.com/news/nationworld/nation/la-041402trainers.story (last visited Sept. 11, 2006).

42. *Id.*

43. *Id.*

the giant military contractors: Alliant Tech Systems, Northrop Grumman, Raytheon and Lockheed Martin. As the U.S. military's biggest supplier, Lockheed Martin's share value rose by a staggering 30 percent. Other top gainers for the week of September 17-21, 2001, included military and space contractors like Raytheon (+37%), L-3 Communications (+35.8%), Alliant Techsystems (+23.5%), and Northrop Grumman (+21.2%).[44]

III. BEHIND THE DRIVE TO WAR AND MILITARISM

The sample evidence provided in the preceding pages shows that while military industries and war-related businesses have benefited substantially from the heightened pace of war and militarism, many more non-military transnational corporations are losing sales and investment opportunities in global markets due to an anti-American consumer backlash and the war atmosphere of uncertainty and instability. Not surprisingly, powerful beneficiaries of war dividends, the military-industrial conglomerates, have served as the major (but largely subtle or submerged) driving forces behind the heightened militarism of recent years and the concomitant rise in unilateral wars of aggression.

What makes this tendency of the military-industrial complex to war and militarism especially dangerous is that it is driven by existential, intrinsic, or systemic imperatives: the powerful interests that are vested in the complex get economic and political nourishment from war and international political convulsions. It is due to this inherently ominous threat to world peace and instability—as well as to the principles of republicanism and ideals of civil liberties at home—that the late President Eisenhower's prescient warning that "we must guard against the acquisition of unwarranted influence . . . by the military-industrial complex"[45] is even more relevant today than when it was issued nearly half a century ago.

Despite the crucial role of the beneficiaries of war dividends in the rising militarization of U.S. foreign policy, most critics of the Bush administration's policies of war and militarism seem to be oblivious to this perilous role. Instead, they tend to place the blame largely on: the oil and /or energy interests, the cabal of neoconservative forces, and the hard-line Zionist forces that lobby for the geopolitical interests of the state of Israel. In the following pages I shall challenge all these three widely-held views of the forces behind war and militarism, and argue, instead, that the roaring U.S. war machine is powered primarily by the military industry conglomerates.

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44. Ciarrocca, *supra* note 39.

45. Eisenhower, *supra* note 2.

A. The Role of Big Oil

A most widely-cited factor behind the Bush administration's drive to war is said to be oil. "No Blood for Oil" has been a rallying cry for most of the opponents of the war. Yet, such claims cannot be supported by facts. Major oil companies have come (in recent years and decades) to prefer peace, stability, and predictability in global markets to war and instability. It is true that big oil, like the arms industry, has handsomely benefited form the heightened tempo of war and militarism. There is no hard evidence, however, that major oil interests encouraged or embraced the Bush administrations drive to war and militarism.

On the contrary, evidence shows that for the last quarter century or so oil interests have not favored war and turbulence in the Middle East, including the current invasion of Iraq. Major oil companies, along with many other non-military transnational corporations, have lobbied both the Clinton and Bush administrations in support of changing the aggressive, militaristic U.S. policy toward countries like Iran, Iraq and Libya in favor of establishing normal, non-confrontational business and diplomatic relations.[46]

The claim that attributes the Bush administration's drive to war to the influence of major oil companies tends to rest more on precedent and perception than reality. Part of the perception is due to the exaggerated notion that both President Bush and Vice President Cheney were "oil men" before coming to the White House. However, George W. Bush was never more than an unsuccessful petty oil prospector and Dick Cheney headed a company, the notorious Halliburton, that sold (and still sells) services to oil companies and the Pentagon.

The larger part of the perception, however, stems from the fact that oil companies do benefit from oil price hikes that result from war and political turbulence in the Middle East. Such benefits are, however, largely incidental. Surely, American oil companies would welcome the spoils of the war (in the form of oil price hikes) in Iraq or anywhere else in the world. From the largely incidental oil price hikes that follow war and political convulsion, some observers automatically conclude that big oil must have been behind the war.[47] Yet, there is no evidence that, at least in the case of the current invasion of Iraq, oil companies pushed for or supported the war.

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46. *See, e.g.*, Cyrus Bina, *The American Tragedy: The Quagmire of War, Rhetoric of Oil, and the Conundrum of Hegemony*, JOURNAL OF IRANIAN RESEARCH AND ANALYSIS, (Nov. 2004), *available at* http://www.urpe.org/bina_oil_2.pdf (last visited Oct. 24, 2006); Melinda K. Ruby, Is Oil the Driving Force to War? (Spring 2004) (unpublished senior thesis, Department of Economics and Finance, Drake University) (on file with author).

47. *See generally* JOHNATHAN NITZAN & SHIMSHON BICHLER, THE GLOBAL POLITICAL ECONOMY OF ISRAEL (2002).

On the contrary, there is strong evidence that, in fact, oil companies did not welcome the war because they prefer stability and predictability to periodic oil spikes that follow war and political convulsion: "[l]ooking back over the last 20 years, there is plenty of evidence showing the industry's push for stability and cooperation with Middle Eastern countries and leaders, and the U.S. government's drive for hegemony works against the oil industry."[48] As Thierry Desmarest, Chairman and Chief Executive Officer of France's giant oil company, TotalFinaElf, put it, "[a] few months of cash generation is not a big deal. Stable, not volatile, prices and a $25 price (per barrel) would be convenient for everyone."[49]

It is true that for a long time, from the beginning of Middle Eastern oil exploration and discovery in the early twentieth century until the mid-1970s, colonial and/or imperial powers controlled oil either directly, or through control of oil producing countries—at times, even by military force. But that pattern of imperialist exploitation of global markets and resources has changed now. Most of the current theories of imperialism and hegemony that continue invoking that old pattern of big oil behavior, tend to suffer from an ahistorical perspective.

Today, even physically occupying and controlling another country's oil fields will not necessarily be beneficial to oil interests. Not only will military adventures place the operations of current energy projects at jeopardy, but they will also make the future plans precarious and unpredictable. Big oil interests know this, and that is why they did not countenance the war on Iraq:

> "The big oil companies were not enthusiastic about the Iraqi war," says Fareed Mohamedi of PFC Energy, an energy consultancy firm based in Washington, D.C., that advises petroleum firms. "Corporations like Exxon-Mobil and Chevron-Texaco want stability, and this is not what Bush is providing in Iraq and the Gulf region," adds Mohamedi.[50]

During the past few decades, major oil companies have consistently opposed U.S. policies and military threats against countries like Iran, Iraq, and Libya. They have, time and again, lobbied U.S. foreign policy makers for the establishment of peaceful relations and diplomatic rapprochement with those countries. The Iran-Libya Sanction Act of 1996 (ILSA) is a strong testament to the fact that oil companies nowadays view wars, economic sanctions, and

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48. Ruby, *supra* note 46, at 10.

49. *Id.* at 13.

50. *See* Roger Burbach, *Bush Ideologues vs. Big Oil: The Iraq Game Gets Even Stranger, available at* http://www.counterpunch.org/burbach10032003.html (last visited Sept. 11, 2006).

international political tensions as harmful to their long-term business interests and, accordingly, strive for peace, not war, in international relations.[51]

In May of 1997, for example, major U.S. oil companies such as Conoco, Exxon, Atlantic Richfield, and Occidental Petroleum joined other non-military U.S. transnational corporations to create an anti-sanction coalition.[52] Earlier that same year Conoco's Chief Executive Archie Dunham publicly took a stance against unilateral U.S. sanctions by stating that "U.S. companies, not rogue regimes, are the ones that suffer when the United States imposes economic sanctions."[53] Texaco officials have also argued that the U.S. can be more effective in bringing about change in other countries by allowing U.S. companies to do business with those countries instead of imposing economic sanctions that tend to be counterproductive.[54]

B. "Coalition of the Willing" to Pursue War and Militarism: The Military-Industrial-Zionist-Neoconservative Alliance

A widely-shared view attributes the Bush administration's militaristic foreign policy to the influence of neoconservative forces and the power of their ideology: the small but influential cabal of starry-eyed ideologues, bent on spreading the U.S. economic and political system, along with American power and influence, managed to single-handedly drive the country to war through lies and false pretexts. Some of these critics compare the "ideologically-driven" neoconservative militarists to the idealistic Jacobinic forces of more than two centuries ago in Europe, the eighteenth century French revolutionaries whose intention to remake Europe in revolutionary France's image launched the Napoleonic Wars. Proponents of this thesis further argue that the neoconservatives' domination of the Bush administration's foreign policy amounted to a political coup d'etat.[55]

While this argument may not be altogether false, it is woefully deficient. By placing an inordinately high emphasis on pure or abstract ideology and on political personas or the role of individuals, the argument tends to lose sight of the bigger, but largely submerged, picture: the powerful military-industrial-Likud interests—the real architects of war and militarism—that lie behind the

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51. Ruby, *supra* note 46, at 14–18.

52. David Ivanovich, *Conoco's Chief Blasts Sanctions*, HOUSTON CHRONICLE, Feb. 12, 1997, at C1.

53. *Id.*

54. *Id.*

55. *See, e.g.*, Paul Craig Roberts, *Neo-Jacobins Push for World War IV*, *available at* http://www.lewrockwell.com/roberts/roberts8.html (last visited Sept. 11, 2006); Gordon Prather, *Neo-Crazy Coup d'Etat*, *available at* http://www.antiwar.com/orig/prather.php?articleid=2343 (last visited Sept. 11, 2006).

façade of neoconservative figures in and around the Bush administration. There is clear evidence that the leading neoconservative figures have been long-time political activists who have worked through think tanks set up to serve either as the armaments lobby, or the Likud (militant Zionist partisans) lobby, or both—going back to the 1990s, 1980s and, in some cases, 1970s. These corporate-backed militaristic think tanks include the American Enterprise Institute, Project for the New American Century, Center for Security Policy, Middle East Media Research Institute, Washington Institute for Near East Policy, Middle East Forum, National Institute for Public Policy, and Jewish Institute for National Security Affairs. There is also evidence that the major components of the Bush administration's foreign policy, including the war on Iraq, were designed long before George W. Bush arrived in the White House—largely at the drawing boards of these think thanks, often in collaboration directly, or indirectly, with the Pentagon and the arms lobby. Even a cursory look at the records of these militaristic think tanks—their membership, their financial sources, their institutional structures, and the like—shows that they are set up to essentially serve as institutional fronts to camouflage the incestuous relationship between the Pentagon, its major contractors, and the Israeli lobby on the one hand, and militaristic neoconservative politicians, on the other.[56]

Take the Center for Security Policy (CSP), for example: "[a] sixth of the Center's revenue comes directly from defense corporations . . . CSP boasts that [there are] no fewer than twenty-two former advisory board members or close associates in the Bush administration."[57] The Center's alumni in key posts in the Bush administration include its former chair of the board, Douglas Feith, who served as Undersecretary of Defense for policy, Pentagon Comptroller Dov Zakheim, former Defense Policy Board Chair Richard Perle, and longtime friend and financial supporter former Defense Secretary Donald Rumsfeld.[58] In its 1998 annual report, the center listed virtually every weapons-maker that had supported it from its founding, from Lockheed, Martin Marietta, Northrop, Grumman, and Boeing, to the later 'merged' incarnations of same—Lockheed Martin, Northrop Grumman, and so forth.[59]

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56. *See generally* HARTUNG, *supra* note 4; William D. Hartung & Michelle Ciarrocca, The *Military-Industrial-Think Tank Complex*, 24 MULTINATIONAL MONITOR (Jan./Feb. 2003), *available at* http://multinationalmonitor.org/mm2003/03jan-feb/jan-feb03corp2.html (last visited Sept. 11, 2006); MANN, *supra* note 4; DILIP HIRO, SECRETS AND LIES: OPERATION IRAQUI FREEDOM AND AFTER (Nation Books 2004) (2003).

57. *See generally* Hartung & Ciarrocca, *supra* note 56.

58. *Id.*

59. *See generally* Hartung & Ciarrocca, *supra* note 56; MANN, *supra* note 4.

Likewise, the American Enterprise Institute (AEI), an influential Washington think tank and a major lobbying force for the military-industrial-Zionist alliance, can boast of being the metaphorical alma mater of a number of powerful members of the Bush administration. For example, Vice President Dick Cheney and his wife Lynne Cheney, State Department arms control official John Bolton (former U.S. ambassador to the UN), and former chair of the Defense Policy Board, Richard Perle, have all had long-standing ties with the Institute.[60] The Institute played a key role in promoting Ahmed Chalabi's group of Iraqi exiles, the Iraqi National Congress (INC), as a major Iraqi opposition force that the Iraqi people would welcome as an alternative to the Saddam Hussein regime once the Untied States had overthrown that regime.[61] "From 1998 on, when there was U.S. government money openly available to support the Iraqi opposition to Saddam Hussein due to the AEI-backed Iraqi Liberation Act, Chalabi's INC grabbed the bulk of the funding."[62] In return, the INC, working closely with the AEI, played an important role in the justification of the invasion of Iraq. It served, for example, as a major source of (largely fabricated) intelligence for the civilian militarists of the Pentagon whenever they found the intelligence gathered by the CIA and the State Department at odds with their plans of invading Iraq.[63]

Another example of the interlocking network of neoconservative forces in the Bush administration and the militaristic think tanks that are dedicated to the advancement of the military-industrial-Zionist agenda is reflected in the affiliation of a number of influential members of the administration with the Jewish Institute for the National Security Affairs (JINSA). JINSA is on record in its support of the Israeli occupation of the West Bank and against the Oslo Accord.[64] "In its fervent support for the hard-line, pro-settlement, anti-Palestinian Likud-style policies in Israel, JINSA has essentially recommended that 'regime change' in Iraq should be just the beginning of a cascade of toppling dominoes in the Middle East."[65]

JINSA has influential friends either as liaisons with or members of the Bush administration.[66] For example, Douglas Feith, Assistant Secretary of Defense during the first term of the Bush administration, is a former JINSA advisor.[67] General Jay Garner, the initial head of the U.S. occupation authority

60. HARTUNG, *supra* note 4, at 103.

61. *See id.*

62. *Id.* at 104.

63. *See generally id.*

64. *Id.* at 111.

65. *Id.* at.109.

66. HARTUNG, *supra* note 4, at 110.

67. *Id.*

in Iraq, is also a former JINSA advisory board member.[68] JINSA advisor Michael Ladeen, who also unofficially advises the Bush administration on Middle Eastern issues, has occasionally talked about the coming era of "total war,"[69] indicating that the Bush administration should expand its policy of "regime change" in Iraq to other countries in the region such as Iran, Syria, and Saudi Arabia.

In keeping with its role as a cheerleader for U.S. intervention in the Middle East, JINSA chose to honor Deputy Secretary of Defense Paul Wolfowitz . . . to receive the 2002 edition of its Henry M. 'Scoop' Jackson public service award. The corporate sponsor of the affair was Northrop Grumman, a company that Wolfowitz worked for as a paid consultant prior to joining Rumsfeld's Pentagon.[70]

The fact that neoconservative militarists of the Bush administration are organically rooted in the military-industrial complex and/or the militant Zionist supporters of "greater Israel" is even more clearly reflected in their incestuous relationship with the jingoistic lobbying think tank Project for the New American Century (PNAC). Like most of its counterpart institutes within the extensive network of neoconservative think tanks, PNAC was founded by a circle of powerful political figures a number of whom, including Dick Cheney, later ascended to key positions in the Bush administration.[71] As William Hartung describes,

> In many ways, the founding of PNAC in 1997 marked the opening salvo in the formation of the Bush policy of aggressive unilateralism. The signatories of PNAC's founding statement of principles are a rogue's gallery of intransigent hardliners, ranging from Iran-Contra re-treat Eliot Cohen, to ex-Pentagon hawks I. Lewis Libby, Paul Wolfowitz, and Donald Rumsfeld, to neo-con standbys Frank Gaffney, former Reagan drug czar William Bennett, and Norman Podhoretz, to the President's brother and partner in electoral crime, Jeb Bush.[72]

A closer look at the professional records of the neoconservative players in the Bush administration indicates that "32 major administration appointees . . . are former executives with, consultants for, or significant shareholders of top

68. *Id.*

69. *Id.* at 109.

70. *Id.* at 110–11.

71. *See id.* at 113.

72. HARTUNG, *supra* note 4, at 113.

defense contractors."[73] For example, James Roche, former air force secretary who took over the army, is a former president of Northrop Grumman; his assistant secretary Nelson Gibbs is another Northrop alumni. An under secretary at the air force, Peter Teets, was chief operating officer at Lockheed while Michael Wynne, a Defense Department under secretary, was a former senior vice-president at General Dynamics.[74] Defense Secretary Donald Rumsfeld himself is an ex-director of a General Dynamics subsidiary, and his deputy during the first term of the Bush administration, Paul Wolfowitz (now the head of the World Bank), acted as a paid consultant to Northrop Grumman.[75] Today, point out Hartung and Ciarrocca, the armaments lobby "is exerting more influence over policymaking than at any time since President Dwight D. Eisenhower first warned of the dangers of the military-industrial complex over 40 years ago."[76]

This sample evidence indicates that the view that the neoconservative militarists' tendency to war and aggression is inspired by an ideological passion to spread American ideals of democracy is clearly unwarranted. Their success in orchestrating the unprovoked war against Iraq stemmed largely from the fact they were working essentially on behalf of two immensely powerful special interests, the military-industrial complex and the influential Zionist lobby in the United States. Neoconservative architects of war and militarism derive their political clout and policy effectiveness largely from the political machine and institutional infrastructure of these two powerful interest groups. Thus, to the extent that the neoconservatives' ascendance to the commanding heights of U.S. foreign policy is comparable to a "political coup d'etat," as some observers have suggested, it is more a coup d'etat that is engineered by some highly influential special interests than one prompted simply by a handful of starry-eyed ideologues working out of a commitment to some abstract ideals of democracy.[77]

It is also necessary to note at this point that, despite its immense political influence, the Zionist lobby in the United States is ultimately a junior, not equal, partner of the military-industrial complex in the military-industrial-Zionist alliance. Without discounting the extremely important role of the Zionist lobby in the configuration of the U.S. foreign policy in the Middle East,

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73. *See generally* Hartung & Ciarocca, *supra* note 56; *see also* MANN, *supra* note 4; HIRO, *supra* note 56.

74. *Id.*

75. *Id.*

76. Hartung & Ciarocca, *supra* note 56.

77. *See generally* Pat McDonnell Twair, *Carl Boggs, Chalmers Johnson Discuss Neocon Ideology and American Empire*, WASHINGTON REPORT ON MIDDLE EAST AFFAIRS, June 2004, *available at* http://www.wrmea.com/archives/June_2004/0406018.html (last visited Sept. 11, 2006).

I would caution against simplifications and exaggerations of its power and influence over the U.S. policy in the region.

It is true that most of the neo-conservative militarists who have been behind the recent U.S. military expansion and aggression, and who played an instrumental role in the invasion of Iraq and Afghanistan, have long been active supporters of Israel's right-wing politicians and/or leaders. It is also no secret that there is a close collaboration over issues of war and militarism between militant Zionism, neoconservative forces in and around the Bush administration, and jingoistic think tanks such as the American Enterprise Institute (AEI), Project for the New American Century (PNAC), Middle East Media Research Institute (MEMRI), Washington Institute for Near East Policy, Middle East Forum, National Institute for Public Policy (NIPP), Jewish Institute for National Security Affairs (JINSA), and Center for Security Policy (CSP).[78]

It does not follow, however, that, as some critics argue, the U.S.-Israeli relationship represents a case of "tail wagging the dog;" that is, the U.S. foreign policy in the Middle East is shaped by the Israeli/Zionist leaders. While, no doubt, the powerful Zionist lobby exerts considerable influence over U.S. foreign policy in the Middle East, the efficacy and the extent of that influence depend, ultimately, on the real economic and geopolitical interests of U.S. foreign policy makers. In other words, U.S. policy makers in the Middle East would go along with the desires and demands of the radical Zionist lobby only if such demands also tend to serve the special interests that those policy makers represent or serve—if there is a convergence of interests over those demands.

Aggressive existential tendencies of the U.S. military-industrial empire to war and militarism are shaped by its own internal or intrinsic dynamics: continued need for arms production as a lucrative business whose fortunes depend on permanent war. Conjunctural or reinforcing factors, such as the horrors of 9/11, the Zionist lobby, the party in power, or the resident of the White House will, no doubt, exert significant influences. However, such supporting influences remain essentially contributory, not defining or determining. The decisive or central role is virtually played by the military-industrial complex.

C. The Military-Industrial Complex: the Major Force behind the War Juggernaut

So long as you have a military class, it does not make any difference what your form of government is; if you are determined to be armed to the teeth, you

78. *See generally* Hartung & Ciarocca, *supra* note 56.

must obey the only men who can control the great machinery of war. Elections are of minor importance.

— Woodrow Wilson[79]

The military-industrial-complex [would] cause military spending to be driven not by national security needs but by a network of weapons makers, lobbyists and elected officials

— Dwight D. Eisenhower[80]

Despite their expansionist tendencies, the Founding Fathers of the United States opposed the idea of maintaining large standing armies on grounds that, as George Washington put it, a large peacetime military establishment "hath ever been considered dangerous to the liberties of a country."[81] With varying degrees, this anti-militarist tradition was maintained until the second half of the twentieth century.

Thus, despite the fact that during that period of over 150 years the United States engaged in many wars, and the military force was expanded during each war, demobilization at the end of each conflict reduced the armed forces to their pre-war size. In keeping with this tradition, the United States embarked on a major demobilization of the wartime military structure when World War II hostilities ended in 1944.

But the demobilization did not last long. With the onset of the Cold War and the U.S. plunge into the Korean War in the late 1940s and early 1950s, remilitarization began in earnest and on a permanent basis—thereby reversing that long tradition of more than 150 years of anti-militarism. In constant (2002) dollars, military spending rose from $150 billion in 1950 (the last year of the ephemeral postwar demobilization) to $500 billion in 1953.[82]

The ensuing expansion of the military-industrial complex signified more than a quantitative growth. Perhaps more importantly, it also resulted, over time, in a qualitative change: change in the attitude, the sense of mission, and the historical outlook of the military establishment. As civilian policy makers relied on military power as the ultimate guarantor of their designs for the post-war world, the military establishment developed a heightened sense of identity—an added sense of autonomy, or existential mission, that went beyond the traditional responsibility for "national security" or for economic and geopolitical gains abroad. The military establishment gradually began to not only implement but also increasingly influence policy—to view itself not just

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79. SIDNEY LENS, THE MILITARY-INDUSTRIAL COMPLEX 69 (1970).

80. CHARLES BELL, ET AL., THE PERMANENT WAR ECONOMY: REAL SECURITY OR FALSE PROMISE?, NATIONAL JOBS FOR ALL COALITION, SPECIAL REPORT 4 (JAN. 2004), *available at* http://www.njfac.org/sr4.htm (last visited Oct. 1, 2006).

81. *See* LENS, *supra* note 79, at 13 *quoting* Congress of the United States of America (June 1784).

82. *See* JOHNSON, *supra* note 1, at 57.

as a means but also as an end in itself. In other words, protracted reliance on and steady expansion of the armed forces that started with the onset of the bipolar world of the Cold War era gradually gave birth to what is historically called militarism, or parasitic imperialism.[83]

As was pointed out earlier, there is a historical pattern to this evolution of militarism out of an over-extended superpower and its over-reliance on the armed forces for economic and geopolitical gains. Despite the importance of this distinction between imperialism in the usual sense, that is, economic and/or geopolitical imperialism, and parasitic/military imperialism, such a distinction is absent from most of the theories of imperialism in the context of the Bush administration's aggressive foreign policy, especially its invasion of Iraq. Whereas imperialism in the usual sense views military force as a means for economic, territorial, or geopolitical gains, under parasitic imperialism, instigation of international conflicts and military adventures abroad are often prompted not so much by a desire to expand the empire's wealth beyond the existing levels, but by a desire to appropriate the lion's share of the existing wealth and treasure for the military establishment. It is at such stages that military operations abroad, as well as gigantic military apparatuses at home, tend not to be cost effective even from the standpoint of the empire itself. Today U.S. imperialism seems to have degenerated to this status or stage of parasitic imperialism.[84]

The first open challenge to civilian authority by the military-industrial complex came in the mid-1970s. As the long economic contraction of that decade and the resulting budgetary constraints forced spending cuts on the government, policy makers seriously considered curtailment of the Pentagon budget. A faction of the ruling elite headed by the so-called Trilateralists argued that, in the face of financial challenges, coupled with the tension-reducing (détente) agreements with the Soviet Union, military spending could be significantly cut without compromising "national security or global obligations."[85]

Faced with the prospects of downsizing, the military-industrial complex reacted swiftly. The powerful beneficiaries of the Pentagon budget rallied around Cold Warrior think tanks such as the Committee on the Present Danger and successfully quashed discussions of military curtailment. Instead, once again, by hyping up the "threat of communism," they managed to effectively sabotage the short-lived détente of the first half of the 1970s with the Soviet Union and replace it with such heightened tensions between the two superpowers that came to be known as the Second Cold War in the late 1970s

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83. For an interesting and informative discussion of the rise of U.S. militarism, *see generally* LENS, *supra* note 3; JOHNSON, *supra* note 1; BACEVICH, *supra* note 3.

84. *See generally* KENNEDY, *supra* note 1.

85. *See generally* SKLAR, *supra* note 5.

and early 1980s. It was this successful political maneuvering of the champions of militarism that paved the way for the early 1980's dramatic "rearming of America," as President Reagan put it.[86]

Since the rationale for the large and growing military apparatus during the Cold War years was the "threat of communism," U.S. citizens celebrated the collapse of the Berlin Wall as the end of militarism and the dawn of "peace dividends"—a reference to the benefits that, it was hoped, many would enjoy in the United States as a result of a reorientation of part of the Pentagon's budget toward non-military social needs. Such hopes, however, were quickly shattered. Instead of declaring the end of the Cold war a victory and demobilizing the military structure that had been premised upon it, partisans of war and militarism used it for propaganda purposes and U.S. triumphalism in order to usher in a new, aggressive and imperial role for the United States.

To stifle the voices that demanded peace dividends, champions of militarism resorted, once again, to the oldest trick in the books of militarism: the tried and true pretext of "external threats to our national security/interests." Instead of the Soviet Union, the "menace of China, rogue states, global terrorism, weapons of mass destruction, the axis of evil and militant Islam" would have to do as new enemies—thereby justifying appropriation of bigger and bigger shares of national resources for military spending. Having thus successfully substituted "new sources of threat" for the "communist threat" of the Cold War era, powerful beneficiaries of military spending managed not only to maintain but, in fact, expand the Pentagon budget beyond the Cold War years.[87]

The Bush administration's invasion of Iraq can be better understood against this backdrop: the unilateral militarists' post-Cold War strategies to fend off demands for "peace dividends" following the collapse of the Berlin Wall.[88] Most of such strategies were drafted by Pentagon officials soon after the demise of the Soviet Union. In his relatively thorough study of the Pentagon's post-Cold War plans to prevent military/Pentagon downsizing, James Mann of the Center for Strategic & International Studies points out,

> The Berlin Wall came down in November 1989, effectively ending the Cold War and prompting the Pentagon to undertake a search for a new set of principles, in part to prevent Congress, then controlled by the Democrats, from slashing the defense budget. The key participants were Cheney, Wolfowitz and Colin L. Powell, then chairman of the Joint Chiefs of Staff... the three men worked closely together on forestalling cutbacks. The Soviet Union's collapse added

86. *See generally id.*; see also HALLIDAY, *supra* note 5.

87. *See generally* JOHNSON, *supra* note 1; BACEVICH, *supra* note 3; MANN, *supra* note 4.

88. *See generally* Mann, *supra* note 22.

> new urgency to their task. "What we were afraid of was people who would say, 'Let's bring all of the troops home, and lets abandon our position in Europe,'" recalled Wolfowitz in an interview.[89]

Mann further points out:

> Some of the most important and bitterly debated aspects of the war in Iraq—including the administration's willingness to engage in preemptive military action—can be traced to discussions and documents from the early 1990s, when Pentagon officials, under then-Defense Secretary Dick Cheney and then-Undersecretary of Defense Paul D. Wolfowitz, led the way in forging a new, post-Cold War military strategy for the United States.[90]

Most of what the Pentagon team crafted in the early 1990s as the post-Cold War military strategy is unclassified and well documented. The end product of those early drafts, which were originally written by Zalmay Khalilzad, then a Wolfowitz aide and now U.S. ambassador to Iraq, and by I. Lewis "Scooter" Libby, then principal Deputy Undersecretary of Defense for Strategy and until recently Vice President Cheney's Chief of Staff, eventually appeared in 1992 as the now well-known Pentagon document titled Defense Planning Guidance (DPG).[91] In January 1993, as the Bush Sr. team left the White House and Cheney's tenure as Defense Secretary came to an end, the document was published as a government document under Cheney's name as America's "Defense Strategy for the 1990s."[92]

Most of the Bush administration's military strategies—unilateralism, pre-emption, and regime change—can be clearly traced back to Cheney's "Defense Strategy for the 1990s" of a decade earlier.[93] For example, Cheney's document projected that the United States would build up its military capabilities to such an extent that there could never be a rival.[94] America would develop such enormous superiority in military power and technology that other countries would realize it would be self-defeating to try to compete.[95] Although the document gave lip service to collective responses to global conflicts, it also

89. *Id.*
90. *Id.*
91. *Id.*
92. *Id.*
93. Mann, *supra* note 22.
94. *See generally id.*
95. *Id.*

pointed out that collective action would "not always be timely."[96] Therefore, the document concluded, the United States had to be ready to protect its critical interests abroad "with only limited additional help, or even alone, if necessary."[97] And while the document did not mention preemption specifically, it noted that sometimes a measured military action can contain or preclude a crisis.[98]

The Pentagon's "Defense Strategy for the 1990s" also spoke about maintaining and expanding America's "strategic depth"—a term coined by the then Defense Secretary Dick Cheney.[99] "Strategic depth" had a geopolitical connotation, meaning that, in the aftermath of the collapse of the Berlin Wall, the United States must extend its global presence—in terms of military bases, listening and/or intelligence stations, and military technology—to areas previously neutral or under the influence of the Warsaw Pact.[100]

The Clinton administration basically ignored Cheney's "Defense Strategy for the 1990s" without actually or officially disclaiming it.[101] During the 1992 presidential election, Clinton's deputy campaign manager, George Stephanapoulos, aptly characterized the document as an effort by the Pentagon to "find an excuse for big budgets instead of downsizing."[102]

Clinton pursued a policy akin to multilateralism and economic liberalism, also called (in recent years/decades) neo-liberalism.[103] He sought to advance global U.S. interests through further integration of world markets, additional expansion of multilateral institutions (led by the United States), greater international free trade, and increased development of international alliances, including U.S.-led collective military actions.[104] While representatives of civilian or non-military transnational capital celebrated Clinton's policies of neo-liberalism, those of the arms industry and related business spurned those policies because they were not "sufficiently" lucrative for the beneficiaries of war dividends.

Clinton's modest increases of the Pentagon budget and his multilateralist foreign policies fell short of the militarists' expectations, despite the fact he too

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96. *Id.*

97. *Id.*

98. Mann, *supra* note 22; David Armstrong, *Dick Cheney's Song of America*, Montanapeaceseeker.org, *available at* http://www.montanapeaceseekers.org/common/documents/20021010/song.php (last visited Sept. 12, 2006).

99. *See generally* Mann, *supra* note 22.

100. *Id.*

101. *Id.*

102. Armstrong, *supra* note 98.

103. *Id.*

104. *Id.*

had his own share of military operations abroad—in Somalia, Iraq, Haiti, and various provinces of the former Yugoslavia, for example.[105] Not surprisingly, the Pentagon authors of the 1992 Defense Planning Guidance (Cheney, Wolfowitz, Lewis "Scooter" Libby and their collaborators) vehemently criticized his "defense" policies as inept and passive.[106] They called on the Clinton administration to "finish the job [of overthrowing Saddam Hussein after his military forces were driven out of Kuwait] by arming Iraqi opposition forces and sending U.S. ground troops to defend a base of operation for them in the southern region of the country."[107] In a 1996 editorial, Paul Wolfowitz, one of the authors of the 1992 "Defense Planning Guidance," raised the prospect of launching a preemptive attack against Iraq: "'[s]hould we sit idly by,' he wrote, 'with our passive containment policy and our inept covert operations, and wait until a tyrant possessing large quantities of weapons of mass destruction and sophisticated delivery systems strikes out at us?'"[108]

As expected, the Pentagon critics of President Clinton's military and foreign policies celebrated his departure from the White House, and the ascension of George W. Bush to the presidency, as the opportunity they were seeking to implement their long-shelved Defense Planning Guidance, including the plan to "finish the job" of ousting Saddam Hussein, was presented to them.[109] Even as the vote count was still being disputed in Florida, and the Supreme Court was deliberating George W. Bush's dubious claim to victory, Dick Cheney moved from Texas to Washington, D.C, with a huge entourage and fanfare, camped out next to the White House, and stacked the would-be Bush administration with other Pentagon hawks, including all of his co-authors of the 1992 Defense Planning Guidance.[110]

While Cheney's and his hand-picked civilian militarists' de facto occupation of the White House may not have played as an important role in George W. Bush's rise to the White House as the Supreme Court decision, it nonetheless played a key role in influencing the outcome of that controversial election—a role that largely skipped the attention it deserved.

Thus, with the accession of George W. Bush to the presidency, all the Pentagon contributors to the early 1990s Defense Planning Guidance also returned to positions of power in the government.[111] Cheney of course became Vice President, Powell became Secretary of State, Wolfowitz moved into the

105. *Id.*

106. *Id.*

107. Armstrong, *supra* note 98.

108. *Id.*

109. *Id.*

110. *See id.*

111. *See id.*

number two position at the Pentagon, as Donald Rumsfeld's deputy, and Lewis "Scooter" Libby, who served as Wolfowitz's Deputy during Bush Sr.'s administration, became the Vice President's Chief of Staff and National Security Adviser.[112]

Although George W. Bush's administration thus arrived in the White House with plans of "regime change" in the Middle East, it could not carry out those plans without a pretext. Before 9/11, the militarists in and around the administration were without tools and excuses to drum up public and political support for the war on Iraq. The 9/11 attacks provided the needed pretext. The administration wasted no time manipulating the public's fear of further terrorist attacks to rally support for the invasion of Iraq, which had nothing to do with the attacks. It heightened people's fear by constant terror warnings, while marketing the "war on terrorism" as an epic battle between "good and evil."

Soon after the heinous attacks of 9/11, the Pentagon dusted off the 1992 Defense Planning Guidance, replaced Cheney's name with Rumsfeld's, and promoted it as the Defense Planning Guidance for the "new, post-9/11 circumstance." James Mann, author of The Rise of Vulcans: the History of Bush's War Cabinet, describes:

> The Clinton administration set aside Cheney's vision without actually repudiating it. A decade later, as the second Bush administration moved toward war with Iraq, the ideas in the 1992 document took on heightened significance. What the Pentagon officials had succeeded in doing, within months of the Soviet collapse, was to lay out the intellectual blueprint for a new world dominated—then, now and in the future—by U.S. military power.[113]

The Pentagon's post-9/11 version of Defense Planning Guidance retains—indeed, strengthens—all the major elements of the 1992 version, although at times it uses slightly modified terminology.[114] The preemptive attacks projected in the original document are now called "unwarned attacks."[115] The old Powell-Cheney doctrine of military "forward presence," put forth in the early 1990s in response to the demise of the Soviet Union, is now called "forwarded deterrence."[116] And the use of overwhelming force to defeat an enemy called for in that old doctrine is now branded as "effects based" vision.[117] But the new

112. Armstrong, *supra* note 98.

113. *See generally* Mann, *supra* note 22; *see also* MANN, *supra* note 4; Armstrong, *supra* note 98.

114. Armstrong, *supra* note 98.

115. *Id.*

116. *Id.*

117. *Id.*

version also adds a few new ideas, including the incredibly dangerous concept of "preemptive strikes" with nuclear weapons: "[t]hese would be earth-penetrating nuclear weapons used for attacking 'hardened and deeply buried targets' such as command-and-control bunkers, missile silos, and heavily fortified underground facilities used to build and store weapons of mass destruction." [118] The new version also directs the military to develop cyber-, laser-, and electronic-warfare capabilities to enhance global capabilities of the U.S. military might.[119]

As the administration was preparing for the invasion of Iraq in early 2003, it also revealed the refurbished Defense Planning Guidance as the "Bush Doctrine" for the new, post-9/11 world.[120] After Rumsfeld's signing of the document in May 2002, the Pentagon leaked it to *The Los Angeles Times* in July and the administration officially endorsed it on the occasion of President Bush's 2002 West Point speech. It is worth noting that what was once called the "Wolfowitz Doctrine" by Pentagon insiders came to be re-labeled as the "Bush Doctrine."[121] As David Armstrong points out,

> Commentators parrot the administration's line, portraying the concept of preemptory strikes as a 'new' strategy aimed at combating terrorism . . . [yet] Preemption, of course, is just part of the Plan, and the Plan is hardly new. It is a warmed-over version of the strategy Cheney and his coauthors rolled out in 1992 as the answer to the end of the Cold War.[122]

That the U.S. military response to the collapse of the Berlin Wall in 1989 and its response to the collapse of the World Trade Towers in 2001 were basically the same should not come as a surprise to anyone familiar with the dynamics or market imperatives of the business of war: continued increase of the Pentagon budget and/or continued expansion of sales markets for the war industry and related businesses.[123] This also confirms the overriding argument of this study: that the pretexts or tactics for pursuing higher profits for the business of war may change (from the "threat of communism" to the "threat of rogue states, of global terrorism, of axis of evil, of militant Islam, . . .") but the

118. *Id.*

119. Armstrong, *supra* note 98.

120. *Id.*

121. *See id.*

122. *Id.*

123. *See generally id.*

objective or strategy remains the same—war and militarism and, consequently, further escalation of the Pentagon budget and war dividends.[124]

This brief review of the events that led to the invasion of Iraq in early 2003 clearly reveals that the plans for the invasion were drawn up nearly a dozen years earlier. As William Hartung and Michelle Ciarrocca of the World Policy Institute write:

> Each major element of the Bush administration's national security . . . was developed and refined before the Bush administration took office, at corporate-backed conservative think tanks like the Center for Security Policy, the National Institute for Public Policy and the Project for a New American Century. . . . Unilateralist ideologues formerly affiliated with these think tanks, along with the 32 major administration appointees who are former executives with, consultants for, or significant shareholders of top defense contractors, are driving U.S. foreign and military policy.[125]

This is a clear indication of the fact that the cabal of neoconservative militarists is more akin to the executive arm of some real, powerful special interests than a group of starry-eyed ideologues committed to the goal of spreading democracy worldwide.

IV. IN SUMMARY

By focusing primarily on the systemic or internal dynamics of the military-industrial complex as an existentially-driven juggernaut to war and militarism, this study provides a welcome challenge to most of the prevailing critiques that attribute the rising militarization of U.S. foreign policy to big oil, to the ideological power of the neoconservatives, to George W. Bush's unseasoned and near-missionary approach to Presidency, or to America's idealism to spread democracy.

124. Armstrong, *supra* note 98.

125. Hartung & Ciarrocca, *supra* note 56.