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Imperial Domination Updated

Chapter 2 of [Against Empire](#) by Michael Parenti

In this chapter we will look at the major methods and effects of present-day imperial domination.

Market Inequality

The economy of Third World nations typically is concentrated on exporting a few raw materials or labor intensive commodities. Since it is such a buyer's market, a poor nation finds itself in acute competition with other impoverished nations for the markets of more prosperous industrial countries. The latter are able to set trading terms that are highly favorable to themselves, playing one poor country off against another.

Attempts by Third World countries to overcome their vulnerability by forming trade cartels are usually unsuccessful, for they seldom are able to maintain a solid front, given their political differences, overall economic dependency, and lack of alternative markets. Trade between Third World countries themselves is increasingly retarded. In Africa, only about 6 percent of all international trade is between African countries--the rest is with European, Japanese, and North American firms.

Third World countries are both underpaid for their exports and regularly overcharged for the goods they import from the industrial world. Thus, their coffee, cotton, meat, tin, copper, and oil are sold to foreign corporations at low prices in

order to obtain--at painfully high prices--various manufactured goods, machinery, and spare parts. According to a former president of Venezuela, Carlos Andres Perez: "This has resulted in a constant and growing outflow of capital and impoverishment of our countries."

Raw materials that are unavailable or in short supply in the United States are usually allowed into this country duty free, while goods that have been processed are subjected to tariffs. Thus coffee bean and raw timber are admitted with no charge, while processed coffee and sawed lumber face import duties. The industrial powers also prohibit the transfer of technology and credit to native-owned enterprises by threatening trade embargoes against Third World countries that have the temerity to develop an industrial product. Multinational corporations crowd out local businesses through superior financing, high-powered marketing, monopoly patents, and greater managerial resources. The more profitable the area of investment, the more likely is the local entrepreneur to be squeezed out by foreign investors.

Debt Domination

In many poor countries over half the manufacturing assets are owned or controlled by foreign companies. Even in instances when the multinationals have only a minority interest, they often retain a veto control. Even when the host nation owns the enterprise in its entirety, the multinationals will enjoy benefits through their near monopoly of technology and international marketing. Such is the case with oil, an industry in which the giant companies own only about 38 percent of the world's crude petroleum production but control almost all the refining capacity and distribution.

Given these disadvantageous trade and investment relations, Third World nations have found it expedient to borrow heavily from Western banks and from the International Monetary Fund (IMF), which is controlled by the United States and other Western member-nations. By the 1990s, the Third World debt was approaching \$2 trillion, an unpayable sum. The greater a nation's debt, the greater the pressure to borrow still more to meet deficits--often at still higher interest rates and on tighter payment terms.

An increasingly large portion of the earnings of indebted nations goes to servicing the debt, leaving still less for domestic consumption. The debts of some nations

have grown so enormous that the interest accumulates faster than payments can be met. The debt develops a self-feeding momentum of its own, consuming more and more of the debtor nation's wealth.

By the late 1980s, in a country like Paraguay, 80 percent of export earnings went to pay the interest on foreign debt. Most debtor countries devote anywhere from one-third to two-thirds of their export earnings to servicing their debts. As early as 1983, the interest collected by foreign banks on Third World debts was three times higher than their profits from direct Third World investments.

To further exacerbate the problem, the national currencies of poorer nations are undervalued. As the economist Arjun Makhijani has noted, present exchange rates between prosperous and poor nations are not based on the comparative productivity of their labor forces and the domestic purchasing power of their currencies but are artificially pegged by the Western financial centers so as to undervalue the earnings of Third World inhabitants.

One might wish that the poorer nations would liberate themselves from this financial peonage by unilaterally canceling their debts. Fidel Castro urged them to do as much. But nations that default on their debts run the risk of being unable to qualify for short-term credit to fund imports. They risk having their overseas accounts frozen, their overseas assets seized, and their export markets closed.

To avoid default, the poor nations keep borrowing. But to qualify for more loans, a country must agree to the IMF's restructuring terms, which entails cutting back on domestic consumption while producing more for export in order to pay off more of the debt. As part of the restructuring program, the debtor nation must penalize its own population with cuts in food subsidies, housing, and other already insufficiently funded human services. It must devalue its currency, freeze wages, and raise prices so that its populace will work even harder and consume less. And it must offer generous tax concessions to foreign companies and eliminate subsidies to locally-owned and state-owned enterprises. Debt payments today represent a substantial net transfer of wealth from the working poor of the Third World to the coffers of international finance capital.

Foreign Aid as a Weapon

Most U.S. aid commits the recipient nation to buy U.S. goods at U.S. prices, to be

transported in U.S. ships. In keeping with its commitment to capitalism, the United States government does not grant assistance to state-owned enterprises in Third World nations, only to the private sector. Most foreign aid never reaches the needy segments of the recipient nations. Much of it is used to subsidize U.S. corporate investment and a goodly amount finds its way into the coffers of corrupt comprador rulers. Some of it subsidizes the cash-crop exports of agribusiness, at the expense of small farmers who grow food for local markets.

The net result of foreign aid, as with most overseas investment, is greater concentrations of wealth for the few and deeper poverty for the many. Large sums of money cannot be injected into a class society in a class-neutral way. It goes either to the rich or the poor, in most cases, the rich.

Aid is also a powerful means of political control. It is withheld when poorer nations dare to effect genuine reforms that might tamper with the distribution of wealth and power. Thus in 1970 when the democratically elected Allende government in Chile initiated reforms that benefited the working class and encroached upon the privileges of wealthy investors, all U.S. aid was cut off--except assistance to the Chilean military, which was increased. In some instances, aid is used deliberately to debilitate local production, as when the USA dumped sorghum and frozen chickens onto the Nicaraguan market to undercut cooperative farms and undermine land reform, or when it sent corn to Somalia to undercut local production of these products and cripple independent village economies. It should be remembered that these corporate exports are themselves heavily subsidized by the U.S. government.

A key instrument of class-biased aid is the World Bank, an interlocking, international consortium of bankers and economists who spend billions of dollars--much of it from U.S. taxpayers--to finance development projects that shore up repressive right-wing regimes and subsidize corporate investors at the expense of the poor and the environment. For instance, in the 1980s the World Bank built a highway into northwest Brazil's rain forests, then leveled millions of acres so that wealthy Brazilian ranchers could enjoy some cheap grazing lands. Brazil also sent some of its urban poor down that highway to settle the land and further deplete it. Within ten years, the region was denuded and riddled with disease and poverty. As Texas populist Jim Hightower put it: "All the world's bank robbers combined have not done one-tenth of one percent of the harm that the World Bank has in just fifty years."

With Rational Violence

Along with poverty and maldevelopment, the other legacy of imperialist economic domination is unspeakable political repression and state terror. In the history of imperialism there have been few if any peaceable colonizations. Only by establishing an overwhelming and often brutal military supremacy were the invaders able to take the lands of other peoples, extort tribute, undermine their cultures, destroy their townships, eliminate their crafts and industries, and indenture or enslave their labor. Such was done by the Spaniards in South and Central America; the Portuguese in Angola, Mozambique, and Brazil; the Belgians in the Congo; the Germans in Southwest Africa; the Italians in Libya, Ethiopia, and Somalia; the Dutch in the East Indies; the French in North Africa, Madagascar, and Indochina; the British in Ireland, China, India, Africa, and the Middle East; the Japanese in Korea, Manchuria, and China; and the Americans in North America (against Native American Indians), the Philippines, Central America, the Caribbean, and Indochina. And this is hardly a complete listing.

Carving up the world has often been treated by the apologists of imperialism as a natural phenomenon, involving an "international specialization of production." In fact, what is distinct about imperialism is its highly unnatural quality, its repeated reliance upon armed coercion and repression. Empires do not emerge naturally and innocently "in a fit of absentmindedness," as was said of the British empire. They are welded together with deliberate deceit, greed, and ruthless violence. They are built upon the sword, the whip, and the gun. The history of imperialism is about the enslavement and slaughter of millions of innocents, a history no less dreadful for remaining conveniently untaught in most of our schools.

Terror remains one of the common instruments of imperialist domination. With the financial and technical assistance of the U.S. Central Intelligence Agency (CIA) and other such units, military and security police throughout various client states are schooled in the fine arts of surveillance, interrogation, torture, intimidation, and assassination. The U.S. Army School of the Americas (SOA) at Fort Benning, Georgia, known throughout Latin America as the "School of Assassins," trains military officers from U.S. client states in the latest methods of repression. In a country like El Salvador, a majority of the officers implicated in village massacres and other atrocities are SOA graduates.

The comprador repressors have forced victims to witness the torture of friends and

relatives, including children. They have raped women in the presence of other family members, burned sexual organs with acid or scalding water, placed rats in women's vaginas and into the mouths of other prisoners, and mutilated, punctured, and cut off various parts of the body, including genitalia, eyes and tongues. They have injected air into women's breasts and into veins, causing slow painful death, shoved bayonets and clubs into the vagina or, in the case of men, into the anus causing rupture and death. I offer more detailed and documented instances in *The Sword and the Dollar* and do not wish further to revisit that subject here.

In countries that have had anticapitalist revolutionary governments, ones that redistribute economic resources to the many rather than the few, such as Nicaragua, Mozambique, Angola, and Afghanistan, the U.S. national security state has supported anti- government mercenary forces in wars of attrition that destroy schools, farm cooperatives, health clinics, and whole villages. Women and girls are raped and tens of thousands are maimed, murdered, or psychologically shattered. Thousands of young boys are kidnapped and conscripted into the U.S.-backed counterrevolutionary forces. Millions of citizens are deracinated, ending in refugee camps. These wars of attrition extract a horrific toll on human life and eventually force the revolutionary government to discard its programs.

In procapitalist countries like El Salvador and Guatemala, the U.S. national security state is on the side of the government, rendering indispensable counterinsurgency assistance in order to suppress popular liberation forces. By the "U.S. national security state" I mean to the Executive Office of the White House, the National Security Council, National Security Administration, Central Intelligence Agency, Pentagon, Federal Bureau of Investigation, and other such units that are engaged in surveillance, suppression, covert action, and forceful interventions abroad and at home.

The protracted war waged against the people of El Salvador is one of many tragic examples of U.S.-backed counterinsurgency against people fighting for social justice. U.S.-trained and equipped Salvadoran troops massacred--as at El Mozote--whole villages suspected of being sympathetic to the guerrillas. Between 1978 and 1994 some 70,000 Salvadorans had been killed, mostly by government forces. Some 540,000 had fled into exile. Another quarter of a million were displaced or forced into resettlement camps by the military. All this in a country of only four million people.

In neighboring Guatemala, the loss of life due to the CIA-sponsored 35 year-old conflict was estimated at 100,000 by 1994, with an additional 60,000 disappeared. Some 440 villages suspected of sympathizing with the guerrillas have been destroyed and their residents massacred, except for the ones who managed to escape. Almost a million people have fled the country and another million have become internal migrants, forced from their homes in widespread counterinsurgency actions. The killings continue.

In Colombia, thousands were murdered by government forces in a long guerrilla war. In the years of armistice that followed, more than a thousand anti-capitalist or reformist politicians and activists were killed by right-wing paramilitary groups, including two presidential candidates of the Patriotic Union and a member of the Colombian Senate who was head of the Communist Party. The killings continue there also--without a murmur of protest from the United States, which continues to send military aid to Colombia.

In Indonesia, the U.S.-backed military killed anywhere from 500,000 to one million people in 1965, destroying the Indonesian Communist Party and most of its suspected sympathizers in what even the New York Times (March 12, 1966) called "one of the most savage mass slaughters of modern political history." Ten years later, the same Indonesian military invaded East Timor, overthrew its reformist government and killed between 100,000 and 200,000 out of a population of about 600,000. The aggression was launched the day after President Gerald Ford and Secretary of State Henry Kissinger concluded a visit to Indonesia. Philip Liechty, a CIA official there at the time, recently commented (New York Times, August 12, 1994) that Indonesian President Suharto "was explicitly given the green light to do what he did." Liechty noted that most of the weapons used by the Indonesian military, as well as ammunition and food were from the United States.

Military force is in greater evidence today than even during the era of colonial conquest and occupation. The United States maintains the most powerful military machine on earth. Its supposed purpose was to protect democracy from communist aggression, but the U.S. military's actual mission--as demonstrated in Vietnam, Cambodia, Laos, Lebanon, the Dominican Republic, Grenada, and Panama--has been not to ward off Russian or Cuban invasions but to prevent indigenous anti-capitalist, revolutionary or populist-nationalist governments from prevailing.

U.S. military force is also applied indirectly, by sponsoring Third World armies,

gendarmerie, and intelligence and security units--including death squads. Their purpose is not to safeguard their autocratic governments from a nonexistent communist invasion but to suppress and terrorize rebellious elements within their own populations or in adjacent countries--as Morocco does in the Western Sahara and Indonesia in East Timor.

In addition to financing Third World counterintelligence and internal security forces, the U.S. government is involved in advancing and upscaling the military forces of a dozen or so client-state nations, including South Korea, Turkey, Indonesia, Argentina, and Taiwan, with jet fighters, helicopter gunships, tanks, armored fighting vehicles, artillery systems, frigates, and guided missiles.

The planners and practitioners of imperialism find it necessary to resort to extreme measures of coercion in order to implement their policies of politico-economic domination. The disreputable henchmen, enlisted to do the actual dirty work of assassination and torture, are not born sadists and executioners. Advisors from the CIA or other such units train them in the necessary techniques. Government torturers in Latin America themselves have stated that they are "professionals," whose task is to elicit information from subversivos, so as better to prosecute the war against them. Likewise, death squads do not kill people in random frenzies. They carefully target political opponents, labor leaders, student protestors, reform-minded clergy, and journalists who get too critical.

Of course, the CIA personnel who devise these violent programs do not consider themselves involved in anything less noble than the defense of U.S. interests abroad. They may admit that certain of their methods are unsavory but they are quick to point out the necessity of fighting fire with fire, emphasizing that a communist victory is a far greater evil than whatever repressive expedencies they are compelled to utilize. So they justify their crimes by saying that their victims are criminals. The national security warriors do not support torturers and death squads arbitrarily, but as part of a process of extermination and repression in defense of a specific set of politico-economic interests.

Imperialism must build a state-supported security system to safeguard private overseas interests. Sometimes the state stakes out a claim on behalf of private interests well before investors are prepared to do so for themselves. President Woodrow Wilson made this clear when he observed that the government "must open these [overseas] gates of trade, and open them wide, open them before it is

altogether profitable to open them, or altogether reasonable to ask private capital to open them at a venture."

The state must protect not only the overseas investments of particular firms but the entire capital accumulation process itself. This entails the systematic suppression of revolutionary and populist-nationalist movements that seek to build alternative economic systems along more egalitarian, collectivist lines.

Low Intensity Imperialism

It was with domestic opinion in mind that the U.S. imperialists developed the method of "low intensity conflict" to wreak death and destruction upon countries or guerrilla movements that pursued an alternative course of development. This approach recognizes that Third-World guerrilla forces have seldom, if ever, been able to achieve all-out military victory over the occupying army of an industrial power or its comprador army. The best the guerrillas can hope to do is wage a war of seemingly endless attrition, depriving the imperialist country of a final victory, until the latter's own population grows weary of the costs and begins to challenge the overseas commitment. The war then becomes politically too costly to prosecute.

The national liberation resistance in Algeria never came close to defeating the French, yet it prevailed long enough to cause the Fourth Republic to fall and force France to concede independence. The wars that Portugal waged in Guinea-Bissau, Angola, and Mozambique proved so protracted and costly that the Salazar dictatorship was destabilized and eventually overthrown. In the United States, the seemingly endless Vietnam War caused the country to be torn by mass demonstrations, sit-ins, riots, draft evasion, and other radicalizing acts of resistance.

To avoid stirring up such political opposition at home, Washington policymakers have developed the technique of low intensity conflict, a mode of warfare that avoids all-out, high-visibility, military engagements and thereby minimizes the use and loss of U.S. military personnel. A low-intensity war is a proxy war, using the mercenary troops of the U.S.-backed Third World government. With Washington providing military trainers and advisors, superior firepower, surveillance and communications assistance and vast amounts of funds, these forces are able to persist indefinitely, destroying a little at a time, with quick sorties into the countryside and death-squad assassinations in the cities and villages. They forgo an

all-out sweep against guerrilla forces that is likely to fall short of victory and invite criticisms regarding its futility and savagery.

The war pursued by the Reagan and Bush administrations against Nicaragua was prosecuted for almost a decade. The counterinsurgency war in El Salvador lasted over fifteen years; in the Philippines over twenty years; in Colombia, over thirty years and in Guatemala, thirty-five years. Once low-intensity conflict is adopted there are no more big massacres, no massive military engagements, no dramatic victories or dramatic setbacks, no Dienbienphu or Tet offensive.

The U.S. public is not galvanized to opposition because not that much seems to be happening and the intervention drops from the news. Like the guerrillas themselves, the interventionists pursue a war of attrition--but against the people rather than with their support. Their purpose is to demonstrate that they have endless time and resources, that they will be able to outlast the guerrilla forces not only militarily but now also politically--since there is scant pressure for withdrawal from their own populace back home.

At the same time, the guerrilla force cannot exist without the support of its own people, who themselves become increasingly demoralized by the human costs of the conflict. The growing war weariness of the Salvadoran people was one of the considerations that led the FSLM liberation forces to risk a negotiated peace with a treacherous Salvadoran government and its U.S. sponsors.

The Guatemalan and Salvadoran guerrillas were never completely defeated but they were militarily contained, leaving them in an increasingly difficult political situation. Even when the FSLM demonstrated with diminishing frequency that it still had the ability to launch attacks, the outcome was of limited military significance and often costly. With low intensity conflict, guerrilla forces experience the loss of their greatest strategic weapon: the ability to sustain greater losses for a longer time than can the imperialists, the ability to outlast them politically. Now the imperialist forces can remain in the field indefinitely. Low-intensity warfare is as much a political strategy as a military one.

In Nicaragua, Mozambique, Angola, Ethiopia, Afghanistan, and other countries, the imperialist intervention consisted not of a government counterinsurgency against guerrillas but a brutal campaign by U.S.-backed mercenary forces against the "soft targets" of an established revolutionary government, the rural clinics,

towns, cooperative farms, and the vulnerable, poorly defended population. The targeted populace is bled and battered until it feels it can take no more. The cry for peace comes not from the people in the imperialist country but from the people in the victimized land, who eventually are forced to submit to their batterers' economic and political agenda.

Globalization by GATT

Among the recent undertakings by politico-economic elites are the North American Free Trade Agreement (NAFTA) and the 1993 Uruguayan Round of the General Agreement on Tariffs and Trade (GATT), which represent attempts to circumvent the sovereignty of nation-states in favor of the transnational corporations. As presented to the public, NAFTA and GATT will break down tariff walls, integrate national economies into a global system, and benefit the peoples of all nations with increased trade. This "globalization" process is treated as a benign and natural historical development that supposedly has taken us from regional to national and now to international market relations.

The goal of the transnational corporation is to become truly transnational, poised above the sovereign power of any particular nation, while being serviced by the sovereign powers of all nations. A decade ago, General Motors announced it was a global company, rather than merely an American one, because of its investments around the world. As if to bring the point home, GM continued to close its state-side factories and open new ones abroad. In a similar spirit, Cyril Siewert, chief financial officer of Colgate Palmolive Company, was quoted in the New York Times (May 21, 1989) as saying, "The United States doesn't have an automatic call on our [corporation's] resources. There is no mindset that puts this country first." Years ago, Dow Chemical admitted it had been thinking of becoming an anational firm, one that had no allegiance--and therefore no obligations or accountability--to any country. Dow was considering buying a Caribbean island and chartering itself to the island as a power unto itself.

With GATT, there will be no need for corporate island kingdoms. The corporate power will be elevated above the sovereign powers of all nation states. The GATT agreements create a World Trade Organization (WTO), an international association of over 120 signatory nations, with the same legal status as the United Nations. WTO has the authority to prevent, overrule, or dilute the environmental, social, consumer, and labor laws of any nation. It sets up panels composed of nonelected

trade specialists who act as judges over economic issues, placing them beyond the reach of national sovereignty and popular control, thereby insuring that community interests will be subordinated to finance capital.

Confirmed by no elective body and limited by no conflict-of-interest provisions, these panelists can have financial stakes in the very issues they adjudicate. They meet in secret, do not publicize their proceedings, and are not subject to administrative appeal. Their function is to create a world in which the only regulators and producers are the transnational corporations themselves. As Kim Moody observes (Labor Notes, February 1944), GATT's 500 pages of rules are not directed against business trade and investment but against governments. Signatory governments must lower tariffs, end farm subsidies, treat foreign companies the same as domestic ones, honor all corporate patent claims, and obey the rulings of a permanent elite bureaucracy, the WTO. Should a country refuse to change its laws when a WTO panel so dictates, GATT can impose international trade sanctions, depriving the resistant country of needed markets and materials. GATT will benefit strong nations at the expense of weaker ones, and rich interests at the expense of the rest of us.

Under GATT, some countries have already argued that mandatory nutritional labeling on food products, the ban on asbestos, fuel-economy and emission standards for cars, marine-life protection laws, and the ban on endangered-species products and on dangerous pesticides constitute "unfair non-tariff trade barriers." Citizens acting at the local, state, and national levels have become something of a hindrance to corporations acting on the global level. In a June 1994 statement, Ralph Nader noted that the WTO "would greatly reduce citizen involvement in matters of commerce," undermining present U.S. regulatory laws by circumventing what little popular sovereignty we have been able to achieve.

Under the guise of protecting "intellectual property rights," GATT allows multinationals to impose compulsory licensing and monopoly property rights on indigenous and communal agriculture. In this way GATT strengthens corporate ability to penetrate locally self-sufficient communities and monopolize their resources. Nader gives the example of the neem tree, whose extracts contain natural pesticidal, medicinal, and other valuable properties. Cultivated for centuries in India, the tree has attracted the attention of various pharmaceutical companies, who have started filing monopoly patents, causing mass protests by Indian farmers. Armed with the patents, as legislated by the WTO, the

pharmaceuticals will gain monopoly control over the marketing of neem tree products.

Generally, GATT advances the massive corporate acquisition of publicly owned property and the holdings of local owners and worker collectives. Deprived of tariff protections, many small family farms in North America and Europe will go under and the self-sufficient village agricultural economies of much of Asia and Africa will be destroyed. As Kim Moody notes, "Third World peasant producers will be driven from the land by the millions, as is already happening in Mexico [under NAFTA]."

We are told that to remain competitive under GATT, we will have to increase our productivity while reducing our labor and production costs. We will have to spend less on social services and introduce more wage concessions, more restructuring, deregulation, and privatization. Only then might we cope with the impersonal forces sweeping us along. In fact, there is nothing impersonal about these forces. GATT was consciously planned by business and governmental elites over a period of years, by interests that have explicitly pursued a deregulated world economy and have opposed all democratic checks upon business practices.

As capital becomes ever more mobile and unaccountable under plans like NAFTA and GATT, the people of any one province, state, or nation will find it increasingly difficult to get their government to impose protective regulations or develop new forms of public sector production. To offer one instance: Under the free-trade agreements between Canada and the United States, the single-payer auto insurance program adopted by the province of Ontario was declared "unfair competition" by U.S. insurance companies. The citizens of Ontario were not allowed to exercise their sovereign power to institute an alternative not-for-profit insurance system.

Over the last two decades, in Latin America, Asia, and even in Europe and North America, conservative forces have pushed hard to take publicly owned not-for-profit industries and services (mines, factories, oil wells, banks, railroads, telephone companies, utilities, television systems, postal services, health care, and insurance firms) and sell them off at bargain prices to private interests to be operated for profit.

In a few countries like India, nationally oriented leaders attempted with some success to push out Western companies, exclude foreign investors from its stock exchanges, build up the public sector, and create homemade consumer goods for

local markets. India's economic links with the Soviet Union bolstered such efforts. But with the collapse of the USSR, the advent of GATT, and a newly installed conservative government in New Delhi, India is headed for recolonization. By the early 1990s, previously excluded western companies like Coca-Cola had returned; Western investments were surging; entire industries and consumer markets were once more completely under foreign control; and government-owned industries were being privatized--against the protests of their employees and with inevitable cuts in wages and jobs. A similar process is taking place in the Eastern European countries whose economies had been heavily subsidized by the Soviet Union.

Designed to leave the world's economic destiny to the tender mercy of bankers and multinational corporations, globalization is a logical extension of imperialism, a victory of empire over republic, international finance capital over democracy.

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