

## US Neocolonialism

Neocolonialism is not entirely new in that it strongly resembles informal imperialism, such as that of the British empire,<sup>1</sup> using economic relations to establish dominance with formal power exercised through proxies. For William Pomeroy, the 'Nixon Doctrine', under which the US massively increased arms transfers to authoritarian regimes, is almost the quintessence of neocolonialism.<sup>2</sup> The doctrine called for regional 'cops on the beat', in the words of its foremost proponent Melvin Laird.<sup>3</sup>

There are three things that are important to note about the Nixon Doctrine and US neocolonialism. The first is that although it is commonly interpreted as a repudiation of military interventionism,<sup>4</sup> it did not prevent the invasions of Laos and Cambodia, nor a range of covert or smaller military interventions using US forces. In fact, any relative military quiescence on the part of the US was an inevitable consequence of the Second Indochina War. That conflict placed very real economic and political constraints on the US (both of which would in future be overcome), but even more significantly it had left a military which was 'broken,' a military which would not fight another large-scale imperialist war.<sup>5</sup> These constraints are certainly more significant than any pronounced doctrine.

The second notable aspect of the Nixon Doctrine is that it did not, contrary to Pomeroy's words, 'diminish... costly garrisons and military bases.'<sup>6</sup> The US maintained a massive and widespread military presence in many parts of the world and a formidable ability to 'project power,' as was to be amply demonstrated by the promulgation of the Carter Doctrine. US clients were themselves very well armed *regional* 'cops on the beat,' meaning that they were to use the threat or actuality of military action against neighbours to maintain the relations of power. The most prominent 'cops,' for example, were Israel, Iran and Turkey – three non-Arab countries proximate to oil-rich Arab states and centres of Arab nationalist sentiment. In short, compared with the species of neocolonialism perpetrated by former colonial powers maintaining control of individual states through economic dominance, US neocolonialism was a highly militarised and well-garrisoned imperial system which was not entirely confined within particular borders.

The third point about US neocolonialism relates to age-old imperial practices of divide and rule. When choosing native proxies, a practice essential in direct as well as indirect rule, imperial powers ensure that to the greatest possible extent those chosen have interests which clearly differ from those of the general colonised population. They exploit class, caste or religious differences, producing either sharply stratified pyramidal hierarchies, or a more simple structure of a narrow elite differentiated from a broadly equal subjugated populace. In India the British deepened and reified social stratification to induce general economic dependence (necessitating the broad immiseration and suffering of the majority and causing millions of otherwise preventable deaths in

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1 I use 'British empire' rather 'British Empire' to reflect the fact that the empire was far greater in extent than the formal British Empire.

2 William J. Pomeroy, *An American Made Tragedy: Neo-Colonialism and Dictatorship in the Philippines*, New York: International Publishers, 1974, pp 2-3.

3 Dale Van Atta, *With Honor: Melvin Laird in War, Peace, and Politics*, Madison, University of Wisconsin Press, 2008, p 222.

4 For example: 'First announced in 1969 and then elaborated upon in Nixon's 1971 foreign-policy report to congress, the Nixon Doctrine stated that while the United States would help free countries to defend themselves they must provide for their own military defense, with the U.S. providing military and economic assistance. In short, there would be no more Vietnam Wars.' Glenn Hastedt, *Encyclopedia of American Foreign Policy*, New York: Facts On File, 2004, p 342.

5 Andrew J. Bacevich, *The New American Militarism: How Americans are Seduced by War*, Oxford: Oxford University Press, 2005, p 258.

6 William J. Pomeroy, *An American Made Tragedy: Neo-Colonialism and Dictatorship in the Philippines*, New York: International Publishers, 1974, p 3.

times of drought)<sup>7</sup> while simultaneously elevating a handful to legendary levels of wealth,<sup>8</sup> but ensuring their dependence on a system underwritten by British military power.<sup>9</sup> In Rwanda and Burundi a dominant caste was created, or at least reified in racial terms, virtually from scratch.<sup>10</sup> In the Philippines first the Spanish and then the US worked through a landowning and *comprador*<sup>11</sup> class whose material interests were antagonistic to those of the majority.<sup>12</sup> Landlords are very popular with empires; in India, Iraq, Southern Africa and elsewhere the British, at various times in a span of centuries, systematically transformed communal lands into private property and gifted despotic political authority and ownership to 'traditional' tribal or religious leaders whose very survival would soon become dependent on continued British dominance.<sup>13</sup>

For European imperialism at its height in the 19<sup>th</sup> Century, stratification was invariably produced and maintained through racist, social Darwinist and Malthusian ideologies. For Mark Levene this prerequisite of modern genocide is an inevitable extension of the quest for rationality and order symptomatic of modernity, but there was also an economic facet: 'Enlightenment wisdoms by which the world at large is supposed to be made a better, healthier, more productive and, one might crucially add, more efficient place. Modernity's positivist meta-narrative of progress, thereby, logically links back to the economic requirements of a Western world order.'<sup>14</sup> Once again this contains an orthodox Orwellian reversal of the truth. As Davis documents, such policies actually caused the collapse of efficient systems of exploitation bringing about environmental degradation and a negative impact on efficiency that *outweighed* the positive effects of technology transfer for the better part of a century.<sup>15</sup> As with the similar policies of neoliberalism (discussed below) the real impacts were in the growth in imperial profitability (which is in no way the same thing as a growth in productivity) and, more to the point here, in extending state power by destroying the independence of a peasantry that could previously enjoy economic security through subsistence and other informal economic practices.

In neocolonialism, racist ideologies are masked somewhat, but the love of stratification persists. For clients the US may often choose the established *latifundistas*<sup>16</sup> of the traditional imperialist. Galeano describes the role of the *latifundia*: 'Subordinated to foreign needs and often financed from abroad... the present-day latifundio [is] one of the bottlenecks that choke economic development and condemn the masses to poverty and a marginal existence in Latin America today. ... [I]t merely needs to pay ridiculously low or in-kind wages, or to obtain labor for nothing in return for the laborer's use of a minute piece of land.'<sup>17</sup> Simultaneously, however, the US has shown a preference for two other forms of client oligarchy – kleptocracy and militarised authoritarianism. These are not exclusive categories, with many regimes embodying all three.

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7 Mike Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World*. London, New York: Verso, 2001, pp 205, 306 *et passim*.

8 The image of the fabulously wealthy decadent Maharajah being additionally a very useful distraction from British culpability for having imposed such grinding poverty on the bulk of the population.

9 Niall Ferguson, *Empire: How Britain Made the Modern World*. London: Penguin, 2003, p 51.

10 Robert Melson, "Modern Genocide in Rwanda: Ideology, Revolution, War, and Mass Murder in an African State" in Robert Gellately and Ben Kiernan (eds), *The Specter of Genocide: Mass Murder in Historical Perspective*, Cambridge: Cambridge University Press, pp 327-8.

11 *Comprador* was from the Portuguese term for Chinese intermediaries who facilitated trade. It has come to mean the trading elites who facilitate and profit from the exploitation of a colony/neocolony by an imperial power, or, more broadly, it is used as a term for any client group acting as native proxies for an imperial power.

12 William J. Pomeroy, *An American Made Tragedy: Neo-Colonialism and Dictatorship in the Philippines*, New York: International Publishers, 1974, p 20.

13 Tariq Ali, *Bush in Babylon: The Recolonisation of Iraq*, London: Verso, 2003, pp 73-4.

14 Mark, *Genocide in the Age of the Nation-State, Volume I: The Meaning of Genocide*, London, New York: I.B. Tauris, 2005, p 13.

15 Mike Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World*. London, New York: Verso, 2001, *passim*. This is documented with regard to large and populous parts of Brazil, India, China and elsewhere and must certainly have created the same impact elsewhere.

16 A Spanish term for large landowners.

17 Eduardo Galeano, *The Open Veins of Latin America* (1973), New York: Monthly Review Press, 1997, p 60.

The US love of kleptocrats can be seen in their choice of whom to elevate when overthrowing or attempting to overthrow various governments. US invasions of Nicaragua, Cuba and Haiti led to the installation of Batista, the Duvaliers, and the Somozas – all notorious for corruption and brutality.<sup>18</sup> Mobutu Sese Seko, who came to power 'in a military coup designed by the United States,'<sup>19</sup> would steal an estimated \$5 billion in his US supported time as dictator.<sup>20</sup> The Contras were mainly, according to one NSC staffer, 'liars motivated by greed and the desire for power, and charged that the war had become a business for them. They attacked bridges, electric generators, but also state-owned agricultural co-operatives, rural health clinics, villages and non-combatants.'<sup>21</sup> Manuel Noriega was known for certain to be dealing drugs from 1971, but remained on the US payroll and continued to get diplomatic support until 1986. By this stage he was no longer involved in the drug trade.<sup>22</sup>

This is very far from a complete list of corrupt US clients, and is not because, as is often construed, the US was completely amoral with regard to its choice of clients, not caring if they were brutal and venal. The orthodox criticism is that the US only cared for leaders that were friendly to US commercial interests and (during the Cold War) were steadfastly anticommunist, without any reference to their venality or brutal treatment of their own people. This attitude is supposedly exemplified by Franklin Roosevelt's comment about Somoza: 'He may be a son of a bitch, but he's our son of a bitch.'<sup>23</sup> Far from being neutral on the question of venality, there is an obvious strategic imperative which explains why, despite some political cost, the US has preferred to extend patronage to those it knows to be corrupt, namely that the corrupt and the greedy will put the interests of their paymasters ahead of those of their own people.

A similar logic to the preference for venality also applied to a preference for brutal authoritarianism. The US developed a particular facility for creating military dependence by fostering a military elite reliant on US military aid and faced with a hostile populace, often accompanied by varying degrees of insurgent activity or civil war which bore the hallmarks of war systems.<sup>24</sup> In Iran, for example, the CIA's first coup, considered at the time 'its greatest single triumph,'<sup>25</sup> installed the Shah Mohammed Reza Pahlevi in a position of supreme power. The CIA 'wove itself into Iran's political culture.'<sup>26</sup> They created SAVAK, a notorious 'intelligence' agency, trained in torture by the CIA<sup>27</sup> and supported by the CIA and DIA in a domestic and international dissident assassination programme.<sup>28</sup> Repression was at its peak between 1970 and 1976 resulting in 10,000 deaths.<sup>29</sup> By 1976 Amnesty International's secretary general commented that Iran had 'the highest rate of death penalties in the world, no valid system of civilian courts and a history of torture that is beyond

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18 James W. Loewen, *Lies My Teacher Told Me: Everything Your American History Textbook Got Wrong*, New York: The New Press, 1994, p 14;

19 William Blum, *Killing Hope: U.S. Military and C.I.A. Interventions Since World War II* (2<sup>nd</sup> ed.), Monroe: Common Courage Press, 2004, p 158.

20 Frederick H. Gareau, *State Terrorism and the United States: From Counterinsurgency to the War on Terror*, Atlanta and London: Clarity Press and Zed Books, 2004, p 169.

21 Ibid, p 166.

22 William Blum, *Killing Hope: U.S. Military and C.I.A. Interventions Since World War II* (2<sup>nd</sup> ed.), Monroe: Common Courage Press, 2004, pp 306-8.

23 Saul Landau, "Bolivia's Election Deserves a History Lesson," *Progreso Weekly*, 15-21 December 2005. Retrieved 8 January 2006 from <http://www.progresoweekly.com/index.php?progreso=Landau&otherweek=1134626400>.

24 The essence of a war system is that no decision should be reached, as is discussed in Chapter 4.

25 Tim Weiner, *Legacy of Ashes: The History of the CIA*, London: Penguin, 2007, p 105.

26 Ibid.

27 William Blum, *Killing Hope: U.S. Military and C.I.A. Interventions Since World War II* (2<sup>nd</sup> ed.), Monroe: Common Courage Press, 2004, p 72.

28 Roger Morris, "The Undertaker's Tally (Part 1): Sharp Elbows," *TomDispatch*, 1 February 2007. Retrieved 2 February 2007 from <http://www.tomdispatch.com/index.mhtml?pid=165669>.

29 Frederick H. Gareau, *State Terrorism and the United States: From Counterinsurgency to the War on Terror*, Atlanta and London: Clarity Press and Zed Books, 2004, p 173.

belief. No country in the world has a worse record of human rights than Iran.<sup>130</sup> Nafeez Ahmed cites the Federation of American Scientists (FAS) who detail an extensive police state of intense surveillance and informant networks and torture 'passed on to it' by US, UK and Israeli intelligence. Ahmed quotes the FAS on methods including 'electric shock, whipping, beating, inserting broken glass and pouring boiling water into the rectum, tying weights to the testicles, and the extraction of teeth and nails.'<sup>131</sup> Racism allows commentators such as Tim Weiner to blithely exculpate the CIA of fundamental guilt: 'The CIA wanted SAVAK to serve as its eyes and ears against the Soviets. The shah wanted a secret police to protect his power.'<sup>132</sup> After all, what could civilised Westerners teach Orientals about torture? But something of the real US attitude to such repression can be seen in the official reaction to the unrest developing in the late 1970s. Aside from US officials consistently urging and praising military responses to protest action, including inevitable massacres,<sup>133</sup> the US ambassador objected strongly to a reduction in repression. In June 1978 he reported his finding that, 'the Shah's new directives to his security forces, such as instructions to desist from torture... are disorienting.'<sup>134</sup> The funny thing about this was that it occurred after the US had forced the Shah into the liberalisation that set loose the forces that were to rip his regime apart.<sup>135</sup> This may seem puzzling, but it made more sense for the US to push Iran into the easily vilified 'enemy' hands of an Islamic theocracy than to try to maintain control over a Shah determined to develop his populous oil-rich country independently.

Hard on the heels of Operation Ajax, which overthrew Iran's government, was Operation Success in Guatemala. According to Carlos Figueroa Ibarra, the US operation was the 'principle cause' of the overthrow of the Arbenz government<sup>136</sup> – not a communist government but in the words of Ambassador 'Pistol-packing' Jack Puerifoy, who had worked closely with the CIA, 'if the president is not a communist, he will certainly do until one comes along.'<sup>137</sup> What followed was a 35 year 'dirty war'. Although there were guerillas, according to Frederick Gareau the findings of two truth commissions make it clear that this was a case of 'government repression and terror rather than guerilla warfare.'<sup>138</sup> The UN estimates that over 200,000 were killed. 93% of tortures, disappearances and executions were committed by government forces; 3% by guerilla's and 4% described as 'private'. 'In a majority of the massacres committed by the state, especially by the army, the counterinsurgency strategy led to multiple acts of savagery such as the killing of defenceless children, often by beating them against walls...; impaling the victims; amputating their limbs; burning them alive; extracting their viscera while still alive and in the presence of others... and opening the wombs of pregnant women.' A favoured way of torturing to death was to stab someone then throw them into a pit where they would be burnt to death.<sup>139</sup> As Adam Jones notes: "Finally, the Commission's report took the important step of labeling the Guatemalan government's campaign as *genocidal*. All Maya had been designated as supporters of communism and terrorism, the report noted, leading to 'aggressive, racist and extremely cruel . . . violations that resulted in the massive extermination of defenseless Mayan communities.'<sup>140</sup> In 1963 when the President, General Manuel Ydigoras Fuentes who was nearing the end of a 6 year term, allowed the return of a popular

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30 William Blum, *Killing Hope: U.S. Military and C.I.A. Interventions Since World War II* (2<sup>nd</sup> ed.), Monroe: Common Courage Press, 2004, p 72.

31 Nafeez Mosaddeq Ahmed, *Behind the War on Terror: Western Secret Strategy and the Struggle for Iraq*, Gabriola Island, BC: New Society, 2003, pp 38-9.

32 Tim Weiner, *Legacy of Ashes: The History of the CIA*, London: Penguin, 2007, p 105.

33 Nafeez Mosaddeq Ahmed, *Behind the War on Terror: Western Secret Strategy and the Struggle for Iraq*, Gabriola Island, BC: New Society, 2003, pp 43-5.

34 *Ibid*, p 45.

35 Amin Saikal, *Islam and the West: Conflict or Cooperation*, New York: Palgrave MacMillan, 2003, p 73.

36 Carlos Figueroa Ibarra, "The culture of terror and Cold War in Guatemala," *Journal of Genocide Research* (2006), 8(2), June, p 192.

37 Tim Weiner, *Legacy of Ashes: The History of the CIA*, London: Penguin, 2007, p 107.

38 Frederick H. Gareau, *State Terrorism and the United States: From Counterinsurgency to the War on Terror*, Atlanta and London: Clarity Press and Zed Books, 2004, p 45.

39 *Ibid*, pp 45-7.

40 Adam Jones, *Genocide: A Comprehensive Introduction*, London: Routledge, 2006, p 77.

reformist exile, who the US felt likely to become the next president, the US instigated a coup to bring Colonel Enrique Peralta Azurdia to power. Peralta inaugurated his presidency by having eight political and union leaders murdered by means of driving over them in rock-laden trucks.<sup>41</sup> By this time Guatemala was experiencing protest action in cities and a small guerilla movement in the country, incorporating remnants of a nationalist military uprising crushed in 1960, largely by the CIA's aerial bombardment.<sup>42</sup> The US pushed for a military response.<sup>43</sup> From 1960 military assistance began a steady climb, peaking in 1963 at the time of the coup but continued at a high level thereafter.<sup>44</sup> In 1966 the US began taking more of an active role.<sup>45</sup> From this point, and through the seventies, death squads increased in number, coinciding with an increase in US personnel – reaching 1000 Green Berets in addition to advisors,<sup>46</sup> in a country with an army of only 5000.<sup>47</sup> The Green Berets gave instruction on 'interrogation', while US pilots dropped napalm on those unfortunate enough to be in a 'zona libre' – a free-fire zone.<sup>48</sup>

The 'war' was conducted primarily against noncombatants, involving mainly massacres of Mayans and 'forced disappearances' or tortures and executions of those considered politically suspect. This is true to such an extent that none of the accounts I have read of the 'war' actually mentions combat or the deaths of guerillas.<sup>49</sup> The initial guerilla movement was 'all but wiped-out' by 1968,<sup>50</sup> but a stronger movement arose in 1970s.<sup>51</sup> As with Argentina's 'dirty war' the guerillas became the rationale for a war against the civilian population.<sup>52</sup> The atrocities, in turn, must surely have fuelled the insurgency. As Greg Grandin remarks, 'Guatemala was one of the first Latin American countries to develop both a socialist insurgency *and* an anticommunist counterinsurgency. Practices the United States rehearsed in Guatemala would be applied throughout Latin America in the coming decades.'<sup>53</sup>

Guatemala went through the transition to 'façade democracy' of the kind that was to become notorious under the regime of José Napoléon Duarte in El Salvador. As Julio Godoy wrote in *The Nation* in 1990: 'In Guatemala and El Salvador the electoral alternative that emerged during the 1980s as a response to the 1979 Sandinista triumph in Nicaragua, and to the guerilla warfare at home, is hypocritical and empty of democratic content. Under the electoral façade – the civilian regimes in Guatemala and El Salvador are just a public relations game, aimed at the international community – almighty armies rule these countries, with a discretionary degree of public presence.'<sup>54</sup> In Guatemala this transition saw 'a passing from the open terror that distinguished old dictatorships

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41 William Blum, *Killing Hope: U.S. Military and C.I.A. Interventions Since World War II* (2<sup>nd</sup> ed.), Monroe: Common Courage Press, 2004, p 231.

42 Ibid, p 148.

43 Ibid, p 230.

44 Carlos Figueroa Ibarra, "The culture of terror and Cold War in Guatemala," *Journal of Genocide Research* (2006), 8(2), June, p 199.

45 William Blum, *Killing Hope: U.S. Military and C.I.A. Interventions Since World War II* (2<sup>nd</sup> ed.), Monroe: Common Courage Press, 2004, p 232.

46 Carlos Figueroa Ibarra, "The culture of terror and Cold War in Guatemala," *Journal of Genocide Research* (2006), 8(2), June, p 201.

47 William Blum, *Killing Hope: U.S. Military and C.I.A. Interventions Since World War II* (2<sup>nd</sup> ed.), Monroe: Common Courage Press, 2004, p 232.

48 Ibid, p 233.

49 Admittedly this is due to their focus on genocide or human rights abuses, but it is indicative of how, as with the Argentine 'dirty war' actual combat was a secondary consideration (see Chapter 1).

50 William Blum, *Killing Hope: U.S. Military and C.I.A. Interventions Since World War II* (2<sup>nd</sup> ed.), Monroe: Common Courage Press, 2004, p 235. According to Blum this was the indirect result of the terrorism directed against the rural population.

51 Adam Jones, *Genocide: A Comprehensive Introduction*, London: Routledge, 2006, p 77.

52 See Chapter 1.

53 Greg Grandin, "History, Motive, Law, Intent: Combining Historical and Legal Methods in Understanding Guatemala's 1981–1983 Genocide," in Robert Gellately and Ben Kiernan (eds), *The Specter of Genocide: Mass Murder in Historical Perspective*, Cambridge: Cambridge University Press, p 339.

54 Julio Godoy, "Return to Guatemala: Unlike East Europe Fear Without Hope," *The Nation*, 5 March 1990, p 310.

to the clandestine terror that was the most popular resource amongst the military dictatorship.<sup>155</sup> 'Clandestine terror' and military dictatorship disguised in 'façade democracy' was far bloodier than 'open terror' with the greatest single period of genocidal mass murder occurring in the early 1980s. As Jones relates: 'In just six years, some 440 Indian villages were obliterated and some 200,000 Indians massacred, often after torture, in scenes fully comparable to the early phase of Spanish colonization half a millennium earlier. The genocide proceeded with the enthusiastic support of the Reagan administration in the US, which reinstated aid to the Guatemalan military and security forces when it took power in 1981.'<sup>156</sup>

On the surface events in Iran and Guatemala suggest that US neocolonialism follows a materialist pattern, with events being driven by the profit motive. In Iran events were triggered by a threat to the extremely lucrative agreement between Iran and the Anglo-Iranian Oil Corporation. In 1950 'the AIOC earned some £200 million profit from its Iranian operations, but only paid the Iranian government £16 million in royalties, profit share and taxes. ... In fact, the British government, a Labour government, was receiving substantially more in taxes from the AIOC's Iranian operations than the Iranian government itself. And this was a company in which the British government held a 51 percent interest. The injustice was compounded by the fact that Iranian oil cost more in Iran than it did in Britain with the Royal Navy in particular, receiving substantial discounts. The Iranians could buy oil from the Soviet Union at a cheaper price than they could buy it from the AIOC.'<sup>157</sup> Popular opposition to the renewal of the agreements set in train events which ended with the nationalisation of Iran's oil industry.<sup>58</sup> In response the UK enlisted US co-operation in a very comprehensive and meticulous plan for destabilisation and overthrow of the Iranian government, beginning with two years of very severe economic warfare which dragged Iran to the edge of a precipice.<sup>59</sup> Planning began in Nicosia, involving both the CIA and the Security Intelligence Service (SIS, also known as MI6)<sup>60</sup> but was finalised by the SIS.<sup>61</sup> The CIA's involvement was in direct contravention of US policy, which supported Mossadeq, and Frank Wisner, head of covert operations, commented that at times the 'CIA makes policy by default.'<sup>62</sup>

The 'London Draft' of 'Operation Ajax' clearly drew on more than a century of British experience in informal imperialist manipulation. It must have been quite an education for the CIA as it became the standard model for many future overthrow operations. The irony is that almost none of it went according to plan. The propaganda and economic warfare programmes were very successful but all of the clever manoeuvres planned for the actual coup fell flat.<sup>63</sup> The US succeeded in the end by throwing money at the problem, hiring goons to riot,<sup>64</sup> attack Tudeh (communist) gatherings,<sup>65</sup> and even to conduct false-flag riots disguised as Tudeh.<sup>66</sup> The US bribed Mullahs<sup>67</sup> and used a combination of threats and bribery on officials.<sup>68</sup> The US had learnt from the British, but had invented their own style of using massive injections of cash and profligate violence which was not

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55 Carlos Figueroa Ibarra, "The culture of terror and Cold War in Guatemala," *Journal of Genocide Research* (2006), 8(2), June, p 201.

56 Adam Jones, *Genocide: A Comprehensive Introduction*, London: Routledge, 2006, p 77.

57 John Newsinger, *The Blood Never Dried: A People's History of the British Empire*. London: Bookmarks, 2006, p 165.

58 Roger Owen, *State, Power and Politics in the Making of the Middle East (3<sup>rd</sup> ed.)*, London: Routledge, 2004, p 80.

59 F. William Engdahl, *A Century of War: Anglo-American Oil Politics and the New World Order*, Ulm: Dr. Bottiger Verlags-GmbH, 1993, p 111.

60 Donald Wilber, *CIA Clandestine Service History*, "Overthrow of Premier Mossadeq of Iran, November 1952-August 1953," 1954, p 5. Retrieved 16 April 2010 from <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB28/2-Orig.pdf>.

61 *Ibid*, p 9.

62 Tim Weiner, *Legacy of Ashes: The History of the CIA*, London: Penguin, 2007, p 95.

63 *Ibid*, p 99.

64 *Ibid*, p 103.

65 *Ibid*, p 95.

66 *Ibid*, p 102.

67 *Ibid*, p 95.

68 *Ibid*, passim.

clandestine, but was loosely deniable.

Though not intended for public consumption,<sup>69</sup> the draft Ajax plan typified the duplicity and Orwellianism of Cold War documents. It opened: 'The policy of both the U.S. and UK governments requires replacement of Mossadeq as the alternative to certain economic collapse in Iran and the eventual loss of the area to the Soviet orbit. Only through a planned and controlled replacement can the integrity and independence of the country be ensured.'<sup>70</sup> Of course, the circumstances which were cited as justification were entirely and deliberately the result of the British led economic warfare programme, but, in case the point had been missed, it continued later: 'Both governments consider the oil issue of secondary importance at this time, since the major is the resolve for both governments to maintain the independence of Iran.'<sup>71</sup>

In Guatemala the profit motive is even further to the fore. As mentioned, Walter Bedell Smith and Allen Dulles, planners of both Iran and Guatemala coups, had links to the United Fruit Company (UFC). The reformist Arbenz government expropriated uncultivated UFC land for the purposes of land reform and paid only the \$525,000 at which the UFC had valued the land for tax purposes. The UFC wanted \$16 million.<sup>72</sup> In the final analysis, however, maintaining a situation of economic dependence is not only a means by which surpluses can be extracted to the benefit of commercial interests, the neglected fact is that it is also a mode of domination, and the ongoing decades of US intervention in Guatemala cannot be explained by an immediate concern for the profits of the UFC, no matter how well connected. The overthrow of the Arbenz government ended reformist, redistributive *and* developmentalist programmes.<sup>73</sup> The cost of the ensuing 'war', in both the destruction of property and the diversion of economic resources, was estimated to have reached 121 percent of gross domestic product by 1990.<sup>74</sup> The burden of this fell on the poor, and more particularly on the Mayan majority, ensuring the continuance of the crushing genocidal poverty alluded to by Eduardo Galeano.<sup>75</sup> The inevitable stratification leads to a situation where the interests of landowning oligarchs, like those of the military, are tied firmly to those of the imperial power, not those of Guatemala. Likewise, a corrupt comprador class, not necessarily separate from the military and landowners, receives the benefit of US 'aid' by acting as local intermediaries.<sup>76</sup>

In Iran, the US benefited from a new oil deal with Iran. 'The Shah's new dictatorship rewarded its American sponsors with a renegotiated division of the oil spoils. Under the new arrangements the Shah's government received 50 percent of the profits from the oil industry which was placed in the hands of an international consortium. The AIOC had a 40 percent share in this consortium, along with US oil companies that also had a 40 percent share. Royal Shell had 14 percent and the French state oil company a 6 percent share. This represented a massive shift in the relative position of British and US oil interests, reducing the British owned share of Middle Eastern oil from 53 percent to 24 percent and increasing the American share from 44 to 58 percent.'<sup>77</sup> As always with oil, however, concern for material gain coexists with a strategic imperative. As will be discussed below, when it comes to oil, the strategic consideration predominates. In addition, it should be noted that once again a nationalist, developmentalist regime was overthrown with the result that the majority were mired in grinding poverty. 'Twenty years after the Western-backed coup the top 20 percent of households accounted for nearly half of all consumption expenditure, whilst the bottom 40 percent

69 It was not available to the public until 2000.

70 *London Draft of the TPAJAX Operational Plan*, 1953, p 1. Retrieved 16 April 2010 from <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB28/appendix%20B.pdf>.

71 *Ibid*, p 5.

72 William Blum, *Killing Hope: U.S. Military and C.I.A. Interventions Since World War II* (2<sup>nd</sup> ed.), Monroe: Common Courage Press, 2004, p 75.

73 Frederick H. Gareau, *State Terrorism and the United States: From Counterinsurgency to the War on Terror*, Atlanta and London: Clarity Press and Zed Books, 2004, p 43.

74 *Ibid*, p 47.

75 See Chapter 1.

76 Julio Godoy, "Return to Guatemala: Unlike East Europe Fear Without Hope," *The Nation*, 5 March 1990, p 309.

77 John Newsinger, *The Blood Never Dried: A People's History of the British Empire*. London: Bookmarks, 2006, p 168.

accounted for 15 percent of consumption expenditure and less than 12 percent of total income.<sup>78</sup> The new regime of the Shah received a great deal more oil income, but it was not spent on development as much as on centralising power. Iran remained a *rentier* state, vulnerable to price fluctuations, with inflation deepening inequality.<sup>79</sup> There was a 'system replete with officially sanctioned corruption, bribe-taking and greed...'<sup>80</sup> In a pattern that was to become common, massive amounts of oil income were spent on US military hardware. Between 1970 and 1978 Iran ordered \$20 billion of US military hardware. In addition, '[t]he aftermath of the 1953 coup saw a dramatic increase in the presence of American military advisors.'<sup>81</sup> Gareau cites dependency theorist Abdullah Samardar who "named them 'dependency engineers,' concluding that by 1976 Iran had become a dependency of the United States."<sup>82</sup>

Dependence is a renewable state, but again, although not unambiguous, events in Iran seem to lend themselves towards an interpretation of neocolonialist dependence as primarily a mode of imperial domination and secondarily (though sometimes inseparably) involving the extraction of surpluses for the enrichment of the private interests of the imperial centre. There are two ways of testing the primacy of a concern for power over that of the concern for material gain. The first is whether the empire is willing to sacrifice profit for power, and the second is whether, when unable to extract resources and wealth, the imperial power maintains or deepens the position of disparity by destroying those resources and wealth, thus embarking down the slippery slope into genocide.

That material concerns were not the driving force behind the US hegemony of the Cold War era, is very well demonstrated by US actions in Indochina. Many have imputed an acquisitive neocolonial motive to the US in its intervention in Indochina,<sup>83</sup> not least their Indochinese enemies.<sup>84</sup> On some level, however, the opponents of the US seemed able to escape the confines of such thinking. Although the Vietnamese insurgency began by targeting commercial interests,<sup>85</sup> they soon desisted. Ironically, a dogmatic exaltation of the *ideology* of socialism as something concrete that the US wished to crush, seems to have allowed communists to better understand US actions as being based on power.<sup>86</sup> After all, the US never showed any particular inclination to protect the rubber resources

78 Nafeez Mosaddeq Ahmed, *Behind the War on Terror: Western Secret Strategy and the Struggle for Iraq*, Gabriola Island, BC: New Society, 2003, p 36.

79 Roger Owen, *State, Power and Politics in the Making of the Middle East (3<sup>rd</sup> ed.)*, London: Routledge, 2004, p 81.

80 John Foran, *Fragile Resistance: Social Transformation in Iran from 1500 to the Revolution*, Oxford: West View Press, 1993, quoted in Nafeez Mosaddeq Ahmed, *Behind the War on Terror: Western Secret Strategy and the Struggle for Iraq*, Gabriola Island, BC: New Society, 2003, p 37.

81 Frederick H. Gareau, *State Terrorism and the United States: From Counterinsurgency to the War on Terror*, Atlanta and London: Clarity Press and Zed Books, 2004, p 173.

82 Ibid.

83 Jonathan Neale, *A People's History of the Vietnam War*. New York: The New Press, 2003, p 3.; S. Brian Willson, 'Bob Kerrey's Atrocity, the Crime of Vietnam and the Historic Pattern of US Imperialism', in Adam Jones (ed.), *Genocide, War Crimes and the West: History and Complicity*. London and New York: Zed Books, 2004, pp 169-70; Robert R. Owens, *America Won the Vietnam War: How the Left Snatched Defeat from the Jaws of Victory*. Xulon Press, 2004, p 65. Many proponents of a 'virus' theory (which postulates that the US was primarily fearful of the example of successful independent economic development which might occur in the DRV) put it in basically neo-colonial terms, referring either to regional resources or to the 'Superdomino' Japan: Gabriel Kolko *Vietnam: Anatomy of War 1940-1975*. London: Allen and Unwin 1986, pp76-7; Robert D. Schulzinger, *A Time for War: The United States and Vietnam, 1941-1975*. Oxford: Oxford University Press, 1997, p 54; Noam, Chomsky *Rethinking Camelot: JFK, The Vietnam War, and US Political Culture*. Cambridge: South End Press, 1993, p 40; Howard Zinn, *A People's History of the United States*, New York: Perennial, 2003, p 471.

84 Nguyen Khac Vien, 'A Short History of U.S. Neo-Colonialism', in Jeffrey P. Kimball (ed), *To Reason Why: The debate about the causes of US involvement in the Vietnam War*. New York: McGraw-Hill, 1990, pp 293-6; Robert S. McNamara and James G. Blight, Robert K. Brigham, Thomas J. Biersteker, Herbert Y. Schandler, *Argument Without End: In Search of Answers to the Vietnam Tragedy*. New York: Public Affairs, 1999., pp 24, 37, 70, 74; Norodom Sihanouk and Wilfred Burchett, *My War with the C.I.A.: Cambodia's Fight for Survival*. London: Penguin, 1973, pp 51-2.

85 For example, in 1958, when armed resistance to Diem's regime was in its infancy, 400 insurgents raided a Michelin plantation (Spencer C. Tucker, *Vietnam*. Lexington, Kentucky: University Press of Kentucky, 1999. p 89).

86 The Military History Institute of Vietnam, *Victory in Vietnam: The Official History of the People's Army of Vietnam, 1954-1975* (Merle L. Pribbcknow trans.), Lawrence: University Press of Kansas, 2002, p 4.



which they were putatively there to exploit, while, by their actions, they showed a considerable inclination to destroy them with explosives, incendiaries and defoliants. This, as much as the human cost, seems the reason that the pro-war anti-communist French writer Bernard Fall became so distraught with US actions by 1967, when he wrote: 'Vietnam as a cultural and historic entity... is threatened with extinction... ...the countryside literally dies under the blows of the largest military machine ever unleashed on an area of this size.'<sup>87</sup>

One of the striking things about the Second Indochina War, which has been echoed in the Iraq War, as will be discussed at length, was the fact that the US disingenuously courted support from its own business community by promising immense possibilities for making profit.<sup>88</sup> In the event, however, the US created an environment where profitmaking was impossible except for those who contracted to provide war related goods or services to the US government. Those companies that did make very handsome profits included not only arms manufacturers, but infrastructure companies such as Bechtel and Halliburton, and chemical companies such as Dow and Monsanto, and other civilian contractors who were allowed to operate under conditions which amounted to legalised corruption where '*money [could] be multiplied without producing anything*'.<sup>89</sup> Ultimately this money came not from the plunder of Indochina, but from the US taxpayer.

What I am suggesting is that at the most fundamental level the US was working on a global zero-sum strategy which made it perfectly rational to sacrifice its material interests in return for a more than proportionate loss for the enemy (remembering, of course, that the massive extant material disparity gives the US the luxury of a much greater material loss in absolute terms). In such circumstances it makes perfect sense to simply destroy a country without attempting to seize permanent control of it. Indeed, in Indochina, until after the end of the Second Indochina War, the US did not have any modalities of control that could have functioned without the ongoing conflict, but in contrast, after the US having 'lost', the US controlled Bretton Woods institutions are now able to dictate or influence every economic policy decision in the Indochinese states. Some analysts see the adoption of market liberalisation in Vietnam as demonstrating the ultimate victory of the US. Chomsky called Vietnamese poverty 'a vivid refutation of the claim that the US lost,'<sup>90</sup> Nigel Cawthorne cites such reasoning as the logic behind his title – *Vietnam: A War Lost and Won*.<sup>91</sup> In other words, through 'losing' a war the US created a similar state of affairs in Indochina as its coups in Iran and Guatemala had effected.

The Second Indochina War was anything but profitable for the US, though some in the US did very well out of it indeed. For the amount that the US spent, the US could probably have simply bought the loyalty of most Indochinese. In bombing the DRV it is estimated that for every \$1 of damage caused, the US spent \$96.<sup>92</sup> Most US business interests, most political contributors, most 'elites' lost in material terms. It was they who were the believers in the 'maximal aim' that is highlighted by Noam Chomsky in NSAM 288 'we seek an independent non-Communist South Vietnam' by which is meant a subservient South Vietnam.<sup>93</sup> The ultimate aim is, in the words of the Committee for Concerned Asian Scholars, the '*Pax Americana Economicus*' wherein, even at some cost in the short run, US business concerns can operate in a global environment of near unfettered access to resources and markets.<sup>94</sup> The problem with this idea is that, as we have seen, the US did not pursue

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87 Noam, Chomsky *Rethinking Camelot: JFK, The Vietnam War, and US Political Culture*. Cambridge: South End Press, 1993, p 26.

88 Ibid, p 29; Howard Zinn, *A People's History of the United States*, New York: Perennial, 2003, p 475.

89 James William Gibson, *The Perfect War: Technowar in Vietnam (1986)*, New York: The Atlantic Monthly Press, 2000, pp 245-6.

90 Noam Chomsky, *Rethinking Camelot: JFK, the Vietnam War, and US Political Culture*. Boston: South End Press, 1993, p 30.

91 Nigel Cawthorne, *Vietnam: A War Lost and Won*, Slough: Arcturus, 2007, p 7.

92 Ibid, p 227.

93 Noam Chomsky, 'Vietnam and the United States Global Strategy' (1973), in *The Chomsky Reader*, New York: Pantheon, 1987, p 238.

94 The Committee of Concerned Asian Scholars, 'Pax Americana Economicus' (from *The Indochina Story*, New York: Bantam, 1970) in Jeffrey P. Kimball (ed), *To Reason Why: The debate about the causes of US involvement in the*

its 'maximal aim' at all. In fact it chose to act in such a way as to make to ensure it could never achieve that aim. The option it did pursue, the widespread bombing of South Vietnam was not reconcilable with its 'maximal aim, and the decision to pursue that course is one which, as Chomsky points out, there is no record of in the Pentagon Papers which he therefore concludes must have been taken with no deliberation. 'Just a casual decision: it doesn't cost us anything, why not just kill a lot of people.'<sup>95</sup> There are, however, many decisions that must have gone into bringing this about. Massive resources were poured into increasing air war capabilities which were not needed nor intended for bombing the DRV, but which could only be allocated with planning and effort and a great deal of spending.<sup>96</sup> It should also not be surprising if nobody chooses to commemorate to history their part in such eminently prosecutable decisions, and somehow it seems to be often forgotten or overlooked that the Pentagon Papers were not some form of exposé, but a history commissioned by Robert McNamara himself, no less deceptive than any of the other documents mentioned in this chapter.

In the final analysis, the pursuit of profit as an overarching aim cannot be reconciled with the use of immense resources to create weapons and poisons purely to destroy other resources. It can only make sense in a zero-sum formulation of relative gains in power terms.

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*Vietnam War*. New York: McGraw-Hill, 1990, pp 271-8.

<sup>95</sup> Noam Chomsky, *Rogue States: The Rule of Force in World Affairs*, Boston: South End Press, 2000, p 167.

<sup>96</sup> See Chapter 4.