

US Joins Ranks Of Failed States

Paul Craig Roberts

In any failed state, the greatest threat to the population comes from the government and the police...

The US has every characteristic of a failed state.

The US government's current operating budget is dependent on foreign financing and money creation.

Too politically weak to be able to advance its interests through diplomacy, the US relies on terrorism and military aggression.

Costs are out of control, and priorities are skewed in the interest of rich organized interest groups at the expense of the vast majority of citizens. For example, war at all cost, which enriches the armaments industry, the officer corps and the financial firms that handle the war's financing, takes precedence over the needs of American citizens. There is no money to provide the uninsured with health care, but Pentagon officials have told the Defense Appropriations Subcommittee in the House that every gallon of gasoline delivered to US troops in Afghanistan costs American taxpayers \$400.

"It is a number that we were not aware of and it is worrisome," said Rep. John Murtha, chairman of the subcommittee.

According to reports, the US Marines in Afghanistan use 800,000 gallons of gasoline per day. At \$400 per gallon, that comes to a \$320,000,000 daily fuel bill for the Marines alone. Only a country totally out of control would squander resources in this way.

While the US government squanders \$400 per gallon of gasoline in order to kill women and children in Afghanistan, many millions of Americans have lost their jobs and their homes and are experiencing the kind of misery that is the daily life of poor Third World peoples. Americans are living in their cars and in public parks. America's cities, towns, and states are suffering from the costs of economic dislocations and the reduction in tax revenues from the economy's decline. Yet, Obama has sent more troops to Afghanistan, a country half way around the world that is not a threat to America.

It costs \$750,000 per year for each soldier we have in Afghanistan. The soldiers, who are at risk of life and limb, are paid a pittance, but all of the privatized services to the military are rolling in excess profits. One of the great frauds perpetuated on the American people was the privatization of services that the US military traditionally performed for itself. "Our" elected leaders could not resist any opportunity to create at taxpayers' expense private wealth that could be recycled to politicians in campaign contributions.

Republicans and Democrats on the take from the private insurance companies maintain that the US cannot afford to provide Americans with health care and that cuts must be made even in Social Security and Medicare. So how can the US afford bankrupting wars, much less totally pointless wars that serve no American interest?

The enormous scale of foreign borrowing and money creation necessary to finance Washington's wars are sending the dollar to historic lows. The dollar has even experienced large declines relative to currencies of third world countries such as Botswana and Brazil. The decline in the dollar's value reduces the purchasing power of Americans' already declining incomes.

Despite the lowest level of housing starts in 64 years, the US housing market is flooded with unsold homes, and financial institutions have a huge and rising inventory of foreclosed homes not yet on the market.

Industrial production has collapsed to the level of 1999, wiping out a decade of growth in industrial output.

The enormous bank reserves created by the Federal Reserve are not finding their way into the economy. Instead, the banks are hoarding the reserves as insurance against the fraudulent derivatives that they purchased from the gangster Wall Street investment banks.

The regulatory agencies have been corrupted by private interests. Frontline reports that Alan Greenspan, Robert Rubin, and Larry Summers blocked Brooksley Born, the head of the Commodity Futures Trading Commission from regulating derivatives. President Obama rewarded Larry Summers for his idiocy by appointing him Director of the National Economic Council. What this means is that profits for Wall Street will continue to be leached from the diminishing blood supply of the American economy.

An unmistakable sign of Third World despotism is a police force that sees the public as the enemy. Thanks to the federal government, our

local police forces are now militarized and imbued with hostile attitudes toward the public. SWAT teams have proliferated, and even small towns now have police forces with the firepower of US Special Forces. Summons are increasingly delivered by SWAT teams that tyrannize citizens with broken down doors, a \$400 or \$500 repair born by the tyrannized resident. Recently a mayor and his family were the recipients of incompetence by the town's local SWAT team, which mistakenly wrecked the mayor's home, terrorized his family, and killed the family's two friendly Labrador dogs.

If a town's mayor can be treated in this way...



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He was Distinguished Fellow at the Cato Institute from 1993 to 1996. From 1982 through 1993, he held the William E. Simon Chair in Political Economy at the Center for Strategic and International Studies. During 1981-82 he served as Assistant Secretary of the Treasury for Economic Policy. President Reagan and Treasury Secretary Regan credited him with a major role in the Economic Recovery Tax Act of 1981, and he was awarded the Treasury Department's Meritorious Service Award for "his outstanding contributions to the formulation of United States economic policy." From 1975 to 1978, Dr. Roberts served on the congressional staff where he drafted the Kemp-Roth bill and played a leading role in developing bipartisan support for a supply-side economic policy.

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