Expanding Empire Chapter 1: Foreign wars and foreign investments

written by Struggle - La Lucha
October 8, 2021

The war in Vietnam, the longest the U.S. has ever waged, at first seems also to be the most illogical and inexplicable. Its supporters will not explain it. And its opponents—even some of its most serious opponents—often cannot.

The latter usually attribute the war to President Lyndon Johnson's dictatorial nature, to the jingoism of the generals, or to a blindly chauvinist, anti-communist "crusade."

All of these are powerful factors, of course. But the basic cause of the U.S. invasion of Vietnam lies deep within the social and economic system of the United States. The aggression was built in and the Asian war was predetermined before Lyndon Johnson was born. And although the U.S. is indisputably the most anti-communist country in the world, its present war drive was building up before communism was known as a theory in Vietnam or organized as a party anywhere in Asia.

War today is far more deadly, destructive and infinitely more expensive than it was in the early 19th century. But what Clausewitz said then is still true today: "War is the continuation of politics by other means."

And the high politics of war and peace, like the low politics of vulgar personal aggrandizement and corrupt machine rule, is "concentrated economics."

The politics that produced the war in Vietnam was the politics of advancing the interests of the "United States" on the world arena. The economics was—and still is—the interests of big business.

The reason for the quotation marks on the “United States” is that a tiny clique of men rule the United States and identify their own interests with the “national interest” and always mean their own interests when they use the phrase “national interest” in their newspapers or on TV, radio, etc. They virtually own the United States and certainly own the government of the United State. They are—big business.

Big business has been continually expanding within the United States — with many “contracting” panics and depressions, of course—eating up its competitors, getting bigger and bigger, some branches of it now making thousands of times the profit that their corporate progenitors made a century ago.

And it is also expanding outside the United States.

Since approximately 1898, the giant North American continent has been too small an arena for the fullest expansion of big business. Its auto plants, billion dollar banks, glorified hot dog stands and hotels now dot the globe.

Considering the tremendous open spaces still in the United States to this day, not to mention the under-population of Canada — where U.S.-owned industry predominates — and the under-development of Mexico — where the U.S., like 16th century Spain, is the real overlord—this would seem to be illogical, at the very least.

And considering that millions are unemployed in the U.S. itself, that hundreds of cities are crying to have their slums torn down, that tens of millions of homes need to be constructed, and even the existing factories seldom operate at full capacity — considering all this, it would seem strange indeed to ordinary logic that big business would have to put up so many plants, dig so many mines, drill so much oil and sell so many Fords and so much Coca Cola abroad.

But it is not strange to the U.S. businessperson. And a moment's reflection would turn up at least one good reason: namely, that it's usually more profitable to exploit the European countries, the extremely low-paid colonial workers and plunder the underdeveloped countries' resources, than it is to invest at home.

It isn't just greed for this extra profit that causes the big money people to invest abroad. It's also because the field for profitable investment at home periodically shrinks under this system, even though there is plenty of open space and human need.

The first real foreign war of the United States — the Spanish American War — took place almost simultaneously with the first real expansion in U.S. foreign investment. And that is the real secret of understanding that war, as it is of understanding all subsequent U.S. wars.

It was precisely in the 1890s that investment abroad—that is, the export of U.S. capital—took place on any substantial scale. And in 1897, just before the Spanish-American War, there were still "only" 700 million U.S. dollars invested abroad. By 1914, the foreign holdings had leaped to $3.5 billion—five times as much. Without the war, this could not have happened.

The war with Spain was motivated by the desire to exploit Cuba, Puerto Rico, the rest of Latin America and the Philippines, etc., and to get complete control of the Caribbean so as to facilitate the U.S. control of the contemplated Panama Canal and open up easier access to business expansion in Asia. It was a question of economic expansion and pretty much understood and openly explained as such at the time.

The expansion into foreign countries resulted from a new stage in the expansion of business: the export of capital. Business had been exporting ordinary commodities of trade for centuries. The export of capital was something new—especially for the United States. And it couldn't be done without foreign wars.

The reason for this isn't so very complicated. The export of capital goods—that is, machinery, mining equipment, railroad engines, earth-moving tools, etc., is intended not to make just a quick "small" profit, but a constantly repeating profit that can go on forever, if the exploiter can hold onto the "investment."

What a foreign investment really is

The investment of capital in a foreign country should be regarded somewhat like sending a huge suction pump there, which pulls out the metals from the ground, the products from the soil and the fruits from the trees—with the help, of course, of the labor of the "native" people working on this suction pump.

It is as if the pump were connected to pipes that run back to the "home" country, via the banks and big corporations. All the rich products are showered from the pipes into the treasuries of these institutions, in the form of profits.

Whole nations are drained by these great suction pumps—or "investments." And the profits are so great that rival groups of big business, led by small cliques of big banks, go to war with each other over the exploitation of these nations.

And when they go to war, they make sure the masses do the fighting for them—although in the name of "national defense" or "freedom" or "democracy" or some similar ideal. The Russo-Japanese War, the First World War and the German-Japanese-Italian war against the U.S.-Britain-France were such wars.

These wars were to settle the question of which set of bankers would have the privilege of setting up their suction pumps in "underdeveloped" and some not so underdeveloped countries.

It was a new thing for the United States. It was obviously aggressive and imperialistic. And there was tremendous opposition from one end of the country to the other.

A public outcry went up against the rape of the Philippines, the taking over of Cuba and Puerto Rico, and even the quiet annexation of Hawaii in the same year.

And since the U.S. actually attached land in the "old fashioned" colonialist way, rather than the modern, less visible way of simply "investing," the outrage was all the greater. But Theodore Roosevelt and his fellow imperialists defended their course stoutly and virtuously—in about the same words as Lyndon Johnson did the Vietnam War.

Index CHAPTERS 1 2 3 4 5 6 7 8 9 10 11 12