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GHOST DANCE: The U.S. and Illusions of Power in the 21st Century

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All Indians must dance, everywhere, keep on dancing. Pretty soon in next spring Great Spirit come. He bring back all game of every kind. The game be thick everywhere. All dead Indians come back and old blind Indian see again and get young and have fine time. When Great Spirit comes this way, then all Indians go to mountains, high up away from whites. Whites can't hurt Indians then. Then while Indians way up high, big flood comes like water and all white people die, get drowned. After that, water go way and then nobody but Indians everywhere and game all kinds thick. Then medicine man tell Indians to send word to all Indians to keep up dancing and the good time will come.

--Wovoka, the Paiute Messiah¹

In early October 1890, representatives of the Native American nation gathered in the dust of Walker Lake, Nevada. They had come to hear the words of Wovoka, a Paiute 'messiah' who claimed that in a vision Native Americans had been given a victory over their tormentors, the white-skinned European masters. In the four hundred years that followed the European invasion of the Americas, more than 90% of their number had been lost to exotic diseases and the technological superior weaponry. The scattered remnants of their once proud tribes were mostly locked into the despair of a wasteland of reservations, cut off from the freedom of their former life. The great wheel of history was closing the American frontier at the end of the nineteenth century and thereby extinguishing steadily erasing the memory of their traditional life. Wovoka's message that warm Fall day had a universal appeal that cut across tribal differences to reach their collective identity: the Christ had returned and would renew everything as it used to be, but only if they danced with the ghosts of their ancestors.

As the news of the gathering at Walker Lake traveled, Native Americans everywhere took up the Ghost Dance until it came to dominate tribal life in much of the Western United States. By late November, the spreading Ghost Dance had attracted the attention of the U.S. political and military elite who, sensing a threat to their control, launched a campaign to isolate or eliminate its leaders. Troops were dispatched to the Northern Plains and by late in December the leaders of the Ghost Dance, including the great Sioux Chief Sitting Bull, lay dead and buried in the cold hard earth of the Pine Ridge Reservation of the Dakota Territory. The battle of Wounded Knee, which was more a slaughter than a battle, ended the Dance and the dream of Native Americans for a return to their past.

The historian Frederick Jackson Turner argued that the American frontier had closed not because the Ghost Dance had failed, but the modern state had triumphed over the wilderness by building railroads, constructing telegraph networks, and stringing barbed wire fences that split the land into neat divisions and assigned to it rights of ownership from which Native Americans were largely excluded (Turner 1996).² Perhaps it is possible to say in this case that history triumphed over an illusion of power as represented in the Ghost Dance. Of course, history always triumphs over illusions, whether generated by religious incantation, academic hubris or political claim: the Ghost Dance could not forestall or deflect events because larger forces of social and political change were calling a different tune. For a brief time the Ghost Dance managed to obscure the realities that awaited the Native Americans who danced, providing a false sense of security against the gathering storm or military reaction. As an illusion of power, the Ghost Dance also deflected the Native Americans from any alternate course that might have offered a better end. But this too seems to have been fore-ordained by Native American history, which dictated internal and external relationships that created the conditions for Wovoka's vision and its embrace.

The Ghost Dance of Native Americans has had its counterparts throughout history where symbols and rituals have been used to represent and reinforce a sense of power. It can be seen in Greek heroic sculpture and monumental architecture, the iconography cathedrals of the medieval Roman Catholic Church, and the parades and mass propaganda of Nazi Germany. In modern times, it has appeared in the form of the Berlin Wall, in the boastful claims of petty dictators, and within the press conferences of Western political leaders.

What links them together is the hollowness of their claims when measured against the surrounding conditions. Asserting a claim to power of itself has no power, if the circumstances make it plain that such power does not exist. If anything, the unmasking of a claim of power as an illusion contributes to a loss of persuasive power by those making the claim.

I. Discourses of Power: Symbols, Rituals, Illusions

Constructing illusions has been an integral part of political discourse and the exercise of power throughout history. Claims of political power rely on a belief in the authority and legitimacy of political elites, and this belief becomes a source of power to the extent that it can be demonstrated through symbols, rituals and illusions. In practiced politics, elites must make regular claims to power in order to revalidate their authority and legitimacy as elites. However, these claims cannot stand by themselves: they require periodic demonstrations of power, and demonstrations of power take many forms. Authoritarian elites reinforce their claim to power through demonstrations of their physical ability to impose order. Traditional monarchs periodically validated their power through symbols and rituals that recreated cultural, religious or philosophical arguments supporting inherited power. Modern 'democratic' elites employ rituals, such as polls and elections, through which they invoke a claim to popular support. These various acts, symbols and rituals constitute discourses of power but ones that require an underlying belief among those subject to them that the claim to power by political elites has substance. If belief in the substance of power fails, the symbols and rituals become merely illusions of power.

Arguments are made that power can come in either a hard or 'soft' form – through either a direct exercise of dictating behavior, or indirectly through social and cultural discourses. While power *appears* in these different forms, its legitimacy relies on its demonstration: demonstrations of power are different from claims to power because they are power manifest. The risk to political elites is that something happens which either frustrates the demonstration of power, or undermines the underlying belief in the substance of its claim to power. The use of direct demonstrations of power comes with risks too: internal and external factors may conspire to limit a political elites control over the circumstances in which the demonstration must be made. Once a decline sets in, it tends to gain momentum

until a sense of weakness overwhelms the public perception of substance in the political elites' claim to power, and they move to remove them. This is how authoritarian control collapsed in the middle-class revolutions that followed the Enlightenment, and in the popular uprisings in Cuba and Iran in the mid-nineteenth century.

In constructing demonstrations of power, political elites rely on popular identities. In feudal times, this meant that monarchs linked themselves with religious authority because of its ability to construct identities among the monarch's subjects. With the end of feudalism and the establishment of the modern state, political elites linked themselves with secular constructions of the state. Being 'French' or 'British' then became national identities constructed on a secular history rather than by religious edicts. Demonstration of power by political elites followed a state-national line that emphasized their ability to provide substance to the state, and most particularly in their ability to protect the sanctity of national borders. Citizens of these states could measure the substance of claims to power by reference to whether they could succeed in protecting the national identity. Evidence of this protection could be found in the ability of political elites to ensure economic security as well as military and political security.

With the rise of a global political discourse of citizen participation in the affairs of state, modern governments have been required to add another dimension to their demonstrations of power – the power to promote an appearance of democracy. Here, demonstrations of power encounter the structuring of power that creates political elites, and the continuation of established relationships of power relies on the ability of political elites to manufacture consent (Herman and Chomsky). In the time of the Ghost Dance, Native American political elites were faced with manufacturing consent among the tribal members through a combination of persuasion and ritual. Had they done otherwise, they risked a collapse in perceptions of the substance of their power and a redistribution of their power among the Native Americans. The need to promote an appearance of power leaves political elites subject to contrary demonstrations of actual power, which similarly would collapse their claim to legitimacy. Political elites approach this conundrum in states with dense systems of communications with intensely organized propaganda projects that flood public

perceptions with reinforcing discourses and images of power that may or may not survive substantive tests.

Propaganda is the demonstration of power most preferred by political elites in the United States. The U.S. is the society with the most densely developed communications system in the world, and propaganda is now dignified there as advertising and public relations. Propaganda and political power in this contest are mutually reinforcing, and the business of propaganda is among the most lucrative in the bloated economy that is U.S. consumer society. The political illusions produced by this propaganda machine are to political elites because they require far less political capital than does the exercise of institutional power: it is a demonstration of power 'on the cheap'. In spite of its appeal to political elites, this 'economy of politics' postpones rather than eliminates the need for demonstrations of actual power. At some point, the illusion becomes subject to a reality test, and when the illusion falls so far short that it exposes the limited power of the political elites, as they did at Wounded Knee in 1890, it produces fundamental shifts of power in the society.

Failures of illusions regularly reoccur in history and leave in their aftermath romantic nationalist appeals. Wovoka's message appealed to a golden idyllic age that never existed for most Native Americans, but which appealed to their sense of nationhood. Similar claims were made for 'the grandeur that was Greece and the glory that was Rome' millennia after they fell into decay, and are still made in some quarters today. The Native American nationalism that Wovoka invoked suspended painful critical thinking and offered in its place a comforting retreat into an idealized past and illusory present. Wovoka and the political elites that followed him avoided the harder politics of the actual condition of Native American society, but their illusion remained persuasive only as long as actual conditions could be obscured by the illusion. The Ghost Dance offered short-term political control to those like the Sioux warrior-chief Kicking Bear, who made it a rallying cry for the dispossessed, and fearing its popular appeal, Sitting Bull succumbed to the politics of illusions and joined Kicking Bear as a leader in the movement. The bitter realities were easily known to both, but the illusion of the Ghost Dance irresistibly if temporarily enhanced their power. Ironically, the Ghost Dance was rooted not in traditional Native American society, but in the borrowed and blended myths of imported Christian and Native

American religion. This too was part of the illusion and mattered little, because once it was accepted the Native American political elite could not withdraw, becoming in the end its most famous sacrifice.

II. Illusions of Economic Power: Money, Oil and Hegemony

Throughout the twentieth century, the U.S. patiently built its world system of control, first in Latin America and the Philippines, and then in Europe, Japan, Korea and the Middle East. Its superior army, weapons systems and intelligence networks have been essential to this project. But equally important, if not more so, has been the economic control of the world economy, mainly through the role of the dollar as the world's reserve currency. Dollar hegemony has always been critical to the future of American global dominance, even more so than its overwhelming military power. In turn, the U.S. economy is intimately tied to the dollar's status as a reserve currency. Thus, the continuing dominance of the U.S. dollar is not a matter of simple economics, but is also 'deeply rooted in the geopolitical role of the United States.'³

The central place that the U.S. now occupies in the global system rests on a particular convergence of structure and history. The crucial phase in this process occurred during and after World War Two. Only after the twin disasters of the Depression and the Second World War did capitalist globalization obtain a new life under the hegemonic control of the U.S. power. This reorganization of capitalism could not have been accomplished without the uneven development of certain structural characteristics that also shaped the post-war leadership of the U.S. imperial state. The post war state of physical and economic ruin in much of Europe, Asia and parts of Africa challenged the remaining industrial states to reestablish order in the world system. The economic and financial system in France was shattered, the whole of the German state was collapsed, Britain was on the brink of bankruptcy, and Japan was prostrate and disorganized after the collapse of its imperial state. With the unraveling of international competitive capital, only the U.S. remained as a stable capitalist state capable of determining the terms of a new world economic order.

A. Creating the U.S. as an economic hegemon

The first task in rescuing the global capitalist order was to recompose the nations of Western Europe and Asia as member states, and then place the U.S. at the centre of the

system. Economically, this required that the U.S. ruling elite create a new international monetary system that could provide the capital necessary for this reconstruction, and the construction of a system of world trade that could solve the residual effects of the Depression and the War. The project was begun at the Bretton Woods Conference in 1944, which adopted a gold standard for world currency, and encouraged the rapid expansion direct foreign investment and world trade. The currency standard left the pre-war gold-exchange system in place, except that it substituted the dollar for the British pound as the key reserve currency. This required that all government that wanted to be part of this system would be required to hold dollars as their basic reserve currency and link their own currency to its value. The dollar, however, enjoyed immunity from any currency instability, because it was pegged to the value of gold, which was fixed at \$35.00 an ounce. The Bretton Woods system was a natural expression of the global economic supremacy of the U.S. By the end of the war, the bulk of the world's gold supply was held by the U.S. in Fort Knox, Kentucky, and the massive supremacy of U.S. industrial production guaranteed that it would enjoy huge surpluses in its balance of trade.

This dominant role for the U.S. dollar in currency created at Bretton Woods was given particular power in association with a greatly expanded emphasis on direct foreign investment as the main form of capital export and international economic integration. American corporations had evolved into hubs of increasingly dense host-country and cross-border networks among suppliers, financiers, and final markets. This worked to secure an even tighter international network of production and, arguably, promoted the *internationalization* of the American state. Thereafter, U.S. national interests increasingly were defined in terms of acting not only on behalf of the U.S., but also on behalf of the extension and reproduction of the global capitalist order.

As the 1950s and 1960s passed, the U.S. became more and more inflationist with regard to the value of the dollar, particularly with respect to Japan and Western Europe. Gold flowed steadily out of the U.S. during this period: U.S. gold stock declined from over \$20 billion in the early 1950s, to less than \$9 billion by 1970. Concern about this gold drain was expressed in first years of the Kennedy administration, but it didn't become a crisis until the late 1960s and early 1970s when the U.S. balance of trade became negative.

Conterminously with the decline in gold stocks and competitive trade, U.S. corporate profits also begin to decline in the face of competition from Germany and Japan. Collectively, these trends marked the beginning of a long decline in the relative superiority of the U.S. economy.

The late 1960s and early 1970s were particularly harsh times for U.S. international economics. French President de Gaulle, witnessing the sharp decline of confidence in the U.S. economy happily sold U.S. dollars, eventually accumulating more gold than Fort Knox. The Bank of England joined the French in demanding gold for dollars, which accelerated a run on the dollar, provoking a currency crisis that lasted until the middle of 1971. At that point, bowing to a tripling of the U.S. balance of trade deficit and an increasing outflow of capital, President Nixon announced a series of drastic changes in the world's currency arrangements. In a dramatic televised address to the nation on August 15, 1971, Nixon announced that the U.S. would no longer honor the dollars for gold valued at a fixed rate, but would only agree to a system of floating exchange rates, where each currency would be valued according to world demand. In one stroke, the American President invalidated twenty-five years of currency agreements, and introduced a prolonged period of currency instability and inflation.

The U.S. administration's dramatic end to the convertibility of the dollar restored the economic autonomy of the American state. The dollar, no longer convertible into gold at a fixed price, entered into a process of prolonged decline. The devaluation led almost immediately to an explosion of global price inflation and a collapse of share values on equity markets, which in turn restored the U.S. balance of trade. With this radical shift, the dollar became an irredeemable currency, no longer defined or measured in terms of gold, and no longer restrained in its printing. But with its role as the world's dominant reserve currency, the dollar became even more dominant in determining trade relations.

Since the 1971 devaluation, the petrodollar has been at the heart of U.S. dollar hegemony. With almost two-thirds of the world's currency reserves in dollars, and oil priced, imported and exported in dollars, it means that everyone needs dollars to do business in the world's petroleum markets. The terms of this dollar dominated petroleum market were set in June 1974, when U.S. Secretary of State Henry Kissinger met with OPEC's biggest oil producer

and organized the US-Saudi Arabian Joint Commission on Economic Cooperation, officially agreeing to sell its oil only for dollars.⁴ In effect, oil dollars provide the U.S. with an interest-free loan, as petro-dollars are repatriated back into the U.S. economy as investments in U.S. treasury notes, stocks mutual funds and bonds.

B. Hegemonic decline, petrodollars and the privatization of the global economy

Freed from the need to observe the interests of others in a stable dollar, the U.S. began a more belligerent phase in international trade. Using the powers provided by the 1974 Trade Act, Section 301, as amended by the 1988 Trade Act, the U.S. Trade Representative is now required to take 'appropriate action' to remove any policy or practice of a foreign government that violates a bilateral or multilateral trade agreement. This rule applies whenever such action is 'unreasonable, unjustifiable, or discriminatory' and 'burdens or restricts U.S. commerce. If required, this Act also authorizes the President to retaliate against foreign countries that impose such burdens, including suspending benefits of trade concessions previously granted by the U.S., or by imposing restrictions or fees on the trade of the offending nation.⁵ In particular cases, this new aggressive trade posture has led to 'orderly marketing agreements' with South Korea, Hong Kong, 'voluntary' restrictions on cotton and textile exports from Taiwan, and auto export restraints from Japan. It also generated considerable friction in U.S.-European relations in 1982, when the U.S. threatened to abandon the General Agreement on Tariff and Trade in favor of 'two-track' bilateral trade negotiations. By mid 1980s, the U.S. movement away from trade multilateralism led to the 1984 Caribbean Basin Initiative that gave trade preferences on a regional basis, a bilateral trade agreement with Israel in 1985, and the Canada-United States Free Trade Agreement of 1988.⁶

The currency and trade crisis of the late 1960s, 1970s and 1980s marked a critical shift in global economic relations, accelerating and deepening globalization, and opening the door to a new 'American Century'. In this new era, control over monetary policy was, in effect, privatized, with large international banks, such as Citibank, Chase Manhattan and Barclays Bank assuming the role that central banks had held under the gold system, but without the gold. The market, rather than political leaders and central banks, now determined the value of the dollar and its role in the international economic order. This new 'American Century',

rather than being the project of a hegemonic state, became another commodity to be speculated, bought and sold by unregulated capital.

American global dominance relies as much, if not more so, on the hegemony of the dollar than it does on overwhelming military superiority. Its strategic role was enhanced with the 1973 400% rise in OPEC oil prices that followed the dollar float, which perversely created a new huge demand for dollars. Oil importing countries, such as Germany, Argentina and Japan were faced with the problem of how to export in dollars to pay for their expensive new oil import bills. At the same time, OPEC countries were flooded with new petrodollars whose value needed to be protected. The solution came in the form of what Henry Kissinger termed 'recycling petrodollars', where the dollars accumulated by OPEC would be deposited in London and New York banks. The plan was to take the petrodollars and loan them as Eurodollar bonds, or as loans to the Third World, which was desperate to borrow dollars to finance their own oil imports. This strategy had been presented in May 1971 by the American representatives to the Bilderberger meeting in Saltsjöbaden, Sweden, several months before Nixon's dramatic severing of the dollar from gold.⁷ By the late 1970s, billions of petrodollars had accumulated and been recycled using this formula, leaving in their wake heavily indebted Third World countries with only dim prospects for economic development.

In late 1979, Paul Volker and the U.S. Federal Reserve Board unilaterally raised U.S. interest rates in response to rocketing inflation in the United States economy and a declining dollar on world currency markets. The effect of this rise was to choke down industrial production, which immediately began in the U.S. domestic economy. However, the problems with inflation and the declining dollar continued for some time, and didn't fully recover until 1982. If the Fed's battle to control inflation and save the dollar proved draconian but successful in the U.S., it was nearly fatal in the Third World. In August 1982 Mexico announced it would likely default on the repayment of its eurodollar loans. The announcement sent shock waves through the international banking system, which turned to the International Monetary Fund (IMF) for support. The IMF, acting as the world economy's 'debt policeman', responded with demands that Mexico and other debtor nations

slash public spending for health, education and welfare in order that they timely serviced their petrodollar debt.

The end of the Cold War between the U.S. and the socialist world in the early 1990s produced important shifts in the organization of the world's economy that have seriously challenged the New American Century project centred on petrodollars. In the words of Eric Hobsbawm, the collapse of Soviet power in world politics 'destroyed the . . . system that had stabilized international relations for some forty years.'⁸ The dramatic and unprecedented events in Eastern Europe and the Soviet Union during 1989-1991 transformed the geopolitical context from a bipolar to a multipolar world. In particular, it left a vacuum of power and conflicting interests in a zone stretching from Germany in central Europe to China in East Asia. In the absence of the Soviet Union as an opposing superpower, the U.S. found itself the master of a new world with unassailable dominance. There are major regional powers that are pre-eminent in their own area but none of them can match the U.S. in the key dimensions of power - military, economic, and technological superiority - that secure global political dominance. However, quantitatively superior military power alone cannot secure the U.S. political position in this new world. Rather, it requires the ability to shape the political and economic context of world politics.

At the center of the old Soviet system, the collapse produced a frenzied race to exploit the rich resources of the region. The old states of Eastern Europe and the new confederation called the Commonwealth of Independent States (CIS) opened themselves to the big multinational corporations and banks, triggering a high-stakes game of money and politics, including interventions by the U.S., Russian and Chinese governments. Eurasia, the vast lands between China and Germany has emerged as the world's axial super-continent, serving as the decisive geopolitical chessboard for political, military and economic control. Eurasia accounts for 75 percent of the world's population, 60 percent of its GNP, and 75 percent of its energy resources.⁹ Collectively, these far overshadow those of any other region or power, including that of the U.S., and the lure of the enormous oil reserves of the Caspian Sea basin has made the region the focus of fierce competition between multinational corporations and powerful state governments.¹⁰

C. The U.S. response to economic decline

While U.S. military spending exceeds that of the next 13 countries ranked below it, its share of world trade and manufacturing has declined substantially since the end of the Cold War when compared to that of the European Union and the East Asian economic group of Japan, China and the Southeast Asian 'Tigers'. This has led to a U.S. foreign policy that since 1989 increasingly relies on its continuing military power.¹¹ Andre Gunder Frank, in an article written in June 1999, identified this strategic trend in post-Cold War U.S. foreign policy as 'Washington sees its military might as a trump card that can be employed to prevail over all its rivals in the coming struggle for resources.'¹² This is, however, a strategic use of military power to serve economic ends.

Unimpeded access to affordable energy has always been a paramount strategic interest of U.S. foreign policy, and this now includes controlling the oil and gas resources of Eurasia. The current advantage that the U.S. enjoys in the region is its control over the sources of and transport routes for crucial energy and other strategic material supplies needed by competing industrial states. Its positions in the Middle East, and its sea and air dominance in the Eastern Mediterranean, the Atlantic, the Pacific and the Indian Oceans provide the U.S. with a powerful military and political command structure. In the interest of controlling its resources, the U.S. is making a determined effort to safeguard this position and cement a permanent role in Eurasia. In the words of former U.S. Secretary of State Zbigniew Brzezinski in 1997, the immediate task of the U.S. in 'volatile Eurasia . . . [is] to ensure that no state or combination of states gains the ability to expel the U.S. or even diminish its decisive role.'¹³ This would then include breaking Russian monopoly over oil and gas transportation routes, promoting U.S. energy security through diversified supplies, encouraging the construction of multiple oil and gas pipelines that transit U.S. controlled lands, and denying other potential powers dangerous leverage over the Central Asian oil and natural gas reserves.¹⁴

The September 11 attack in New York provided an added incentive to increase the U.S. grip over the region as a demonstration of the U.S.'s capacity for political and military control. Indeed, what happened could have come out of what seemed to be the 'wild fantasies' by American strategic analysts as they sought to justify a new active military role in the post-Cold War world. During the 1990s, considerable effort was devoted to

imagining new 'worst case scenarios' that might emerge from new post-Soviet threats, including possible threats from chemical warfare and biological weapons, to hijacked vehicles and truck bombs, to cyber-terrorism involving jamming 911 services or shutting down electrical, telecommunications and air traffic control systems.

In this imagined 'evil' world, particular importance has been attached to 'rouge states' and 'weapons of mass destruction', and as a consequence the U.S. has evolved new hi-tech combat techniques that attempt to conduct warfare by remote-control, where images of destruction can be sanitized and U.S. combat casualties radically reduced or eliminated. It is consciously designed to reduce domestic awareness in the U.S. of the actual effects of modern warfare, and reduce the political costs of war through the use of proxy troops, such as the Iraqi Kurdish groups in northern Iraq, the KLA in Kosovo, and the Northern Alliance in Afghanistan. This strategy has worked to secure military victories - in the First Gulf War, in Kosovo and in Afghanistan - with a minimum of U.S. casualties, and helped to banish the 'ghost of Vietnam' from American foreign policymaking.

D. Oil and the war on terror.

If we overlay a map of claimed 'terrorist sanctuaries' and 'rogue states' with one showing the world's principal energy resources, we find considerable congruence between the two.¹⁵ Similarly, discussions within the U.S. Energy Information Administration documented Afghanistan's strategic 'geographical position as a potential transit route for oil and natural gas exports from Central Asia to the Arabian Sea' only a few days before 9-11 justified U.S. intervention in the area.¹⁶ In this case, the events of 9-11 appear as more of a justification for advancing geopolitical interests than as a response to 'terrorism'. Subsequent events in Afghanistan seem to bear this out, with more U.S. investments in 'security' efforts than in 'nation building'. Because oil remains the lifeblood of the modern world economy, superpower status requires control of it at every stage - discovery, pumping, refining, transporting and marketing. As proven reserves declined in the U.S., Europe and many other traditional oil producing countries during the 1990s, more emphasis has been placed on securing oil supplies in new areas. The most promising areas for new oil reserves have been those in and around the Caspian Sea.¹⁷

U.S. strategists don't want to just control oil, which would simply be a matter of buying it, they want to eliminate all potential competitors for its control. It is this monopoly over oil production and marketing that provides leverage for U.S. global political and economic policies. Oil supplies from the Caspian are potentially of far greater interest to Europe and Asia than they are to the U.S., and control over these reserves would allow the U.S. to hold an economic sword over the heads of competitor economies where policy disputes arise. Access to Caspian oil, however, means control of a vast network of oil pipelines that have been built since the collapse of the Soviet Union in 1991 by giant oil conglomerates, such as British Petroleum-Amoco, UNOCAL, Texaco, Exxon and Pennzoil. This web of pipelines currently traverses an area reaching from the Balkans to Afghanistan.¹⁸

E. The Euro as a 'Weapon of Mass Destruction'

Caspian oil poses another but related threat to U.S. economic hegemony because of its potential affect on the dollar. While oil isn't the sole consideration in U.S. foreign policymaking, it plays a central role in focusing the attention of policymakers. The questions that it raises are who owns and controls it, and who controls the systems that develop and export it into the global economy. As the world economy continues to adjust to the political and economic changes that are now everywhere evident, how these questions are answered will determine how that economy is reconfigured and who governs it in this century. At stake is not merely the future of the Caspian Sea basin as an important store of resources, but the future of the organization of the oil industry. Caspian oil is 'non-OPEC oil, which means that supplies from this region are less affected by the price and supply policies that have governed the world oil industry dominated since the early 1970s by Saudi Arabia.¹⁹ An increasing flow of oil from the Caspian would erode the power of OPEC and its ability to maintain high oil prices, which have previously been used as political blackmail.²⁰ In turn, this would reduce world demand for dollars, if the new oil were to be valued in another currency.

The fast pace of industrial development in the Third World, and particularly in China, is raising the specter of new competition for the U.S. global economy. Concern about the development of China as a geo-political competitor has already appeared in U.S. foreign policy debates, most notoriously in Samuel Huntington's *Clash of Civilizations and the*

*Remaking of World Order.*²¹ Much of this development is dependent on securing access to energy, and in particular oil as an irreplaceable component for modern industrial production and transport systems. Thus, controlling oil and its marketing has the a threefold advantage: dictating terms of access to the oil, determining the price of oil in relationship to the U.S. dollar, and maintaining the role of the dollar as the dominant reserve currency. Of the three pillars of post-War U.S. power, the U.S. continues its overwhelming military superiority, but its industrial infrastructure is ageing and has become uncompetitive in many areas, and its control of global economic markets is under threat due to a weakening dollar.

The dominant position of the U.S. dollar in world markets is not only a matter of economics, but is also 'deeply rooted in the geopolitical role of the United States.'²² World trade is now a game in which the U.S. produces dollars and the rest of the world produces things that dollars can buy. The world's interlinked economies no longer trade to capture a comparative advantage; they compete in exports to capture needed dollars to service dollar-denominated foreign debts and to accumulate reserves to sustain the exchange value of their domestic currencies. To prevent speculative and manipulative attacks on their currencies, the world's central banks must acquire and hold dollar reserves in corresponding amounts to their currencies in circulation. The higher the market pressure to devalue a particular currency, the more dollar reserves its central bank must hold. This creates a built-in support for a strong dollar that in turn forces the world's central banks to acquire and hold more dollar reserves, making it stronger. This phenomenon is known as dollar hegemony, which is created by the geo-politically constructed peculiarity that critical commodities, most notably oil, are denominated in dollars. Everyone accepts dollars because dollars can buy oil. The recycling of petro-dollars is the price the U.S. has extracted from oil producing countries for U.S. tolerance of the oil-exporting cartel since 1973.²³

Today, the U.S. borrows from the rest of the world without regard to currency reserves, because the dollar is *de facto* the global reserve currency accounting for almost two-thirds of all official exchange reserves. This allows the U.S. to set its interest rates with little regard to the effect on its currency, and even at low rates capital flies to the dollar. The more that dollars circulate outside the U.S., the more the rest of the world has to provide the

U.S. with goods and services in exchange for these dollars, allowing the U.S. to import vast quantities of goods and services virtually for free. These subsidies, based on the reserve position of the dollar, also apply to U.S. government and corporate debt, which enjoys increased demand as a means to repatriate these dollars and earn interest. The relationship between the dollar and the U.S. economy is such that the American standard of material wealth relies on continuing the dollar as the world's reserve currency.

Until the advent of the Euro in late 1999, there was no potential challenge to the dollar hegemony in world trade. However, the rapid development of the Euro has added an entirely new element to the global system of world economic trade relations, most particularly with its threat to replace the dollar as a reserve currency. In late 1998, the outstanding amount of bonds and notes denominated in the currencies of major European states stood at barely 28 percent of world issues, compared with 45 percent in dollar-denominated bonds and notes. By mid-2003, the gap was much smaller, with the euro-denominated share growing to around 41 percent, and the dollar share sliding to 43 percent, or a near parity between the two. On the money markets, the shift was even more dramatic. At the end of 1998, pre-euro European currencies accounted for just over 17 percent of the world money market instruments, compared to the 58 percent share for the dollar. By mid-2003, the euro share of money market instruments had skyrocketed to 46 percent, and the dollar share had crashed to just 30 percent, a decline of 50 percent in market share in just five years.

If a significant part of the trade in petroleum shifted from dollars to euros, it would accelerate this trend of recent years, and the dollar would have to compete with the euro for global capital. Not only would Europe not need dollars, but Japan, which imports from than 80 percent of its oil from the Middle East, would have to convert most of its vast dollar reserves into euros as well. Even the U.S. would have to begin a euro reserve to account for its purchases of oil in that currency. Collectively, these conditions would be a disaster for U.S. attempts at monetary management, because it would lose not only its subsidy for imports, but also its freedom to set internal interest rates without regard to their external affects. According to a June 2003, HSBC report, even a modest shift out of dollars, or a change in the flow, would create significant changes in the worlds economic system.²⁴

This link between the dollar and oil can be seen with regard to recent U.S. policy in the Middle East. In November 2000, Iraq became the first OPEC country to convert its monetary reserves from dollars to euros, thus violating the long-standing OPEC tradition of doing business only in dollars.²⁵ A steady erosion in the value of the dollar followed that announcement, with the euro gaining more than 25 percent in value. However, following the joint U.S.-British invasion of Iraq, and overthrow of the government there, it was quickly announced that payment for Iraqi oil would only be accepted in dollars.²⁶ That didn't halt the decline in the dollar, nor did it apparently discourage other oil exporting countries from considering the switch. Other OPEC, including Libya, Iran and Venezuela, have recently indicated an interest in moving out of dollars and into euros, as have several South American countries and Russia with respect to their general commodity trading.²⁷ The retreat from the dollar has now reached the point that consumers in far-flung markets are expressing a preference for the euro or a 'basket of currencies' other than the dollar.²⁸ With an additional ten member states joining the European Union in May 2004, the E.U. has surpassed the U.S. as the world's largest market for oil by one-third, with 60 percent of OPEC oil now sent to the E.U. From a purely economic point of view, there is a great incentive for OPEC member states to re-price their oil in euros, particularly where the continuing weakness of the dollar discounts the price of their oil.²⁹ But if they did that, the era of dollar hegemony would for all practical purposes be over.³⁰ This trend clearly pits the dollar against the euro for dominance as a world reserve currency,³¹ with the outcome resting in large part on the ability to dictate how oil is produced and priced.

F. 'Soft power' and world political hegemony.

There is an important thread that links the geo-political events of the last decade, from the collapse of the former Yugoslavia to the post-Yugoslav wars, to the numerous political and economic crises in the post-Soviet space, and more recently to America's 'war on terrorism' in Afghanistan and its 'Operation Iraqi Freedom.' While have different local and regional qualities, what links these events is the American response to the collapse of the Soviet Union and the effort of it and its European allies to secure the resources of the region. Plotting the map of these events show how the U.S. is drawing a circle around the area by

gaining footholds in the lands between Europe, the Russian Federation and China that increasingly reflect an American 'sphere of influence'.³²

This effort to strengthen U.S. global control employs political as well as economic strategies. As William Wallace notes, 'hegemony rests upon a range of resources, of hard military power, economic weight, financial commitments, and the 'soft currency' of hegemonic values, cultural influence and prestige.'³³ Of these, among the most important are the 'soft powers' reflected in the ability to homogenize the political cultures of the U.S. allies around sets of ideological values and cultural perceptions constructing to reshape the world system along the lines designed by U.S. policymakers since the end of the Cold War. Most of these are symbolic structures loosely connected to the shared experience of the World War Two, such as the highly evocative symbols of 'Hitler', 'genocide', 'ethnic cleansing', 'totalitarianism versus freedom and democracy', 'individual rights', etc.³⁴ With the demonisation of political Islam during the first Gulf War and after, 'Islamic fundamentalism', the 'axis of evil' and 'Weapons of Mass Destruction' have now been added to the list.

This value structure has been repeatedly and effectively embedded into the culture of Western politics through its repeated international polarizations and military interventions following the end of the Cold War, in military campaigns in the Gulf and Yugoslavia, and in the most recent military operations in Afghanistan and Iraq. This emerging culture of 'new American imperialism' has generated a sharp increase in xenophobia and racism, directed at those who are 'uncivilized' or 'barbarians'. Anti-terrorism has replaced anti-communism as the mantra of U.S. foreign policy. This thinking is now deeply embedded among the so-called intelligentsia of the Western world, conservatives and liberals alike, who add their voices to calls for the 'triumph of Western civilization'. Through its service, the U.S. has mustered political support for far-reaching military operations from the Philippines to the former Soviet Republic of Georgia, and vastly expanding its military budget. Never in history has the military supremacy of a single power been so big.³⁵

The key to understanding post-9-11 events is not in following the political discourse of the day, but in understanding the new realities that emerged following the collapse of the Soviet Union. These are not just the geo-political issues of providing for security in a multi-

polar world, but in the restructuring that it has thrust upon the world order generally. In this new world order, old economic competitors return and new ones emerge to challenge the economic and political status quo of American dominance that served so well in a bi-polar world. While individuals and states make separate decisions, the pattern that emerges is one dictated by a capitalist market place and industrial development and their mutual thirst for oil. For the U.S., the stakes could not be higher: its economic and military strength rests on its ability to command a premium for the American dollar.

Much of what has been argued here is readily apparent from a clear reading of events. What is less clear is how these events become part of the political discourse that serves to mask the events themselves. Those who need to know and understand these shifts in international economics, such as corporate directors, financial investors and currency speculators, take great care to sort fact from fiction. Their risks are in not knowing and responding to these changes in a timely fashion. Capitalist politicians, and the chattering classes that follow them, suffer the risk of having this knowledge become too public, where it might produce a quite different reaction among those who pay for rather than profit from U.S. policy. Their task is two fold: manage world affairs to preserve the U.S. hegemonic position, and maintain the fiction that they are able to do that. Success on the one side requires success on the other, because politics in our time is something of a Ghost Dance of its own.

III. Illusions of Power: Domestic Discourses of the 'Golden Age'

Illusions of power commonly appear during times of collective political crisis. As with the Ghost Dance, they also commonly take a religious form where religion has historically served the politics of the nation. In this regard, the historical conditions of the Native American nation in the late nineteenth century have some parallels with that of the United States. Historically, the U.S. has long been a nation with a strong political-religious nexus (Wuthnow 1999: 331), and frequently used religion as a justification for national policy. From its early years, the U.S. justified its westward expansion by a resort to a messianic discourse of 'manifest destiny' that joined religious claims of right to political claims of necessity (Orozco 1980; May 2002). In later years, domestic political policy was often hostage to religious objections (), and crises stimulated alliances between religion and politics that came in the form of the Christian Knights of the Klu Klux Klan following the

Civil War, the anti-immigrant and anti-Semitic politics of Father Coughlin during the 1930s, and more recently with the reactionary politics of the Christian Coalition. The alliance between religion and politics has become so embedded in the American political experience that religion is now claimed to provide a 'vital source for economic development and democratic politics' (Huntington 1997: 29).³⁶

Religion is a particular effective co-conspirator in producing illusions of political power because it makes a sub-rational appeal to basic security interests. It also tends to deconstruct politics as a collective enterprise in favor of a sectarian division of society into 'believers and nonbelievers'. It thus shifts the political debate away from shared long-term interests and toward short-term political advantage for one or another religious faction. Politics then becomes a matter of 'faith', rather than the product of debate and negotiation. Political power coalesces and concentrates in those who can successfully manipulate the illusion, and is diminished for those whose arguments appeal to reason, principle and justice. In effect, political debate ceases and is replaced by a quasi-mystical generation of emotion that pre-orders perceptions and acts to filter facts. In the retrospective light of history, the Ghost Dance as religious ritual seems clearly to fall into this description. But that same historical light also illuminates a similar role with respect to the U.S. and Christianity. Thus, despite the putatively secular basis of the American Republic, Christian conservatives promote the U.S. as a Christian nation with a divinely inspired Constitution and a mission to 'civilize' the world according to their interpretation of a Christian democracy. In the service of that view, Christians offer themselves not merely as citizens but defenders of 'Christianized' U.S. government as well.³⁷ Such beliefs nurture the illusion that faith and politics are inseparably tied to the same fate: the strength of your country is directly connected to the strength of your religious belief. Religion and politics thus joined, illusions become more acceptable because of the fertile soil offered for their growth.

Mixing religious illusions with national power is an exercise with substantial risks. As the Ghost Dancers learned, religious faith is no match for political organization and technological superiority. In an evolving world, declines in national power are inevitable and may arise from a variety of internal and external sources. Illusions of power and permanency can project an appearance of power and a sense of stability that impose a

national identity where one in fact does not exist. The economic, political and military weaknesses that the illusions masks remain, even as serious public debate over national life are deflected into a pseudo politics of rituals and metaphors until the illusions inevitably give way to the realities. While national political elites may be tempted to employ them in defense of their legitimacy, the collapse of illusions always imposes a hard and unavoidable reality with its own accounting.

As defining as they were, the illusions of power represented in the Ghost Dance were fixed in time and place. It was an illusion shared only among the Native Americans that embraced it, and only at the moment when the final collapse of their traditional societies was at hand. As the wheel of history has moved beyond them and their time, it encounters other illusions of power invoked for similar reasons and to similar effect. What has changed in the intervening century is the means through which illusions of power are created, and the audience to which they are directed. Within U.S. history, these can be identified as technical watersheds that offered more powerful tools to produce and distribute these illusions. Illusions of power thus have become more acceptable because they are more accessible. Because they are more accessible, they also have become more attractive as instruments of power have rusted and decayed under the relentless march of historical obsolescence. As they have moved from the margins toward the center of practiced politics, illusions of power have eroded traditional forms of politics and political organization. They increasingly blur the lines between representation and reality, access and obfuscation, accomplishment and crisis displacement. If the construction of power as illusion has changed politics, it is because it has changed the perception of what is and is not political. If it has undercut the practice of politics, it has shifted where and how political practice occurs. Under these conditions, we can no longer assess the power of the United States according to its claims to be an unassailable political, economic and military power, but by an enquiry into its actual power - its ability to shape and control perceptions, behaviors and events that lie at the vital center of its existence.

Media, technology and illusions of power in domestic American politics.

Media has existed since cave drawings. While technological innovations have produced new forms of media their basic function as communications between people hasn't

changed, nor have the relationships that media produces. An early cave artist chose the subject matter and the representation and the observer interpreted the image according to his or her experience, which itself was shaped by the socially constructed context of the drawing. In modern times, the creator of media may use new and sophisticated tools, such as radio, television and computers, and render their message as dramatized speech, edited images and translated text. But the listener/observer/recipient still receives the message in according to their experience shaped by social circumstances. Media thus creates an active-passive relationship, with the creator actively designing the message and the audience passively interpreting it according to socially constructed predispositions of which they may only vaguely be aware.

The active-passive relationship that media produces reflects political power in three ways: in the ability of the creator to create, in the ability of technology to deliver the message created, and in the effect that media has on its audience. In the first and last cases, the distribution of power strongly favors the creator, and in the middle case power is latent in the ability of the technology to influence an audience. In the first instance, the creator chooses where, when and how the communication occurs. But of course, the creation of media is conditioned by second power relationship reflected in the technology and the terms upon which it is available to the creator of media. These are functions of the technological development of a society and its socio-political organization, which also creates and allocates power between media creators and audiences. In pre-modern times, where media technology was limited, the power relationships were more apparent: the cave painter used charcoal tools, whose media value was limited only by the cave painter's skills, and the effect was limited to those who actually viewed and understood the purpose of the drawings. Here, the ideational distance between the creator, the technology and the intended audience was very small. In contrast, in modern technologically rich societies the ideational distance, and the correspond distributions of power, are very large indeed: the effective use of available media technology requires sophisticated knowledge, access to media is limited by access to systems for its distribution, and the effects on audiences are targeted and complex. Further, in modern capitalist societies, media is the province of corporate advertisers whose vested interests are to accumulate and concentrate power over

ideas. In this way, modern capitalist society conscripts the power of media images and representations for a narrow private purpose.

As every modern advertising executive in corporate society knows, media is the primary vehicle for changing human perceptions and thus human behavior. Modern advertising is only superficially about information - the size of the automobile, the taste of the cola, or the cost of the denim jeans. If advertising was only a matter of distributing information it would hardly justify the billions charged by advertisers to market the goods and services of their corporate customers. Rather, advertising is about persuasion without regard to it is factually justified - a small Volkswagen is better than a large Mercedes Benz, Pepsi tastes 'great', and Guess Jeans are a 'bargain' at whatever price offered. Advertisers thus justify their charges by appeal to their customers' belief that representations alone sell their goods and services - factual claims are rarely if ever tested, and when they are it is not by advertisers or their customers.³⁸ The discounting of factual information by advertising in favor of manipulating perceptions has shifted the corporate emphasis from developing products and services to increasing market shares through commercial advertising. With the increasing concentration of media control, the media access follows the marketplace dictum of increasing as competition decreases. In this way, media 'rationing by price' contributes to monopoly capital through a marketplace mechanism that appears to be both irresistible and inevitable.

Arguably, the marriage of media and politics also has been around since the days of the cave painting. If politics is the allocation of power in a social group, the cave painter's ability to render images that resonated in some way with her or his audience meant that the cave painter was exercising the power over that audience. In the Euro-American experience, forms of media was used by political authorities to promote their interests by making claims about their legitimacy and authority. These can be seen in iconography in classical Greece to promote beliefs about the strength and perfection of Greek society, in St. Peter's Sistine Chapel, which was designed to inspire religious awe and piety among the preliterate members of the medieval Roman Catholic Church, in the Statue of Liberty, offered as a symbol of American popular democracy, and the American flag, which within the U.S. is fiercely defended as a symbol of state power.

Whether or not Greek society was all powerful and perfect, which it was not, or the medieval Church deserved the fealty of its uneducated members, who were often exploited by the Church, or American popular democracy exists, which in any case has always been qualified, the use of these media had a powerful effect on their audience. The effect was an illusion of power to the extent that the symbol did not reflect the underlying realities of power in those places at those time. As long as Greek society secured the interests of its citizens, the Church articulated the aspirations of its members, and American politics expanded and protected political participation, the representations could claim a factual base and help to secure political power. However, the Peloponnesian Wars punctured the myth of Greek perfection, the Renaissance introduced the age of reason, and Governor George Wallace stood in the school house door, all of which contradicted the political message in the symbols and rendered them illusions of power. These shifts of media from representations of actual power to illusions of power often occur without notice, in part because shifts in actual power can be seen clearly only after the fact, and in part because ruling political elites have a vested interest in obscuring shifts in power. Thus, an acknowledgement of the shift, either directly or indirectly through reconstructions of social and political institutions, are not to be expected until well after the shift has occurred.

The emergence of a dominate role for media in politics is now widely recognized by students of the American political system (see, e.g. Kerbel 1998). It isn't a new role, but one that has evolved over time to exclude traditional political practices. The political pamphleteering of Thomas Paine played a prominent role in organizing the movement for American independence in the late eighteenth century. In the nineteenth century the 'penny press' was employed in the service of a variety of causes from abolishing slavery, to promoting labor organization and feminism. President Franklin Roosevelt organized popular support for his New Deal through his fireside chats on radio, and later used it to cement political support for the U.S. entry into World War Two. These uses of media supplemented the political activities that were until the 1960s dominated by traditional organizations of power through political parties and their associated social organizations. In those instances, media representations were themselves mediated by membership or association with groups that socially constructed the interpretation of the media message:

Paine's *Common Sense* only acquired power because it articulated the grievances of a frustrated merchant middle-class, the penny press helped to organize and solidify the groups that authored them, and Roosevelt's chats helped to pressure reluctant party politicians into supporting, or at least not opposing, the more controversial aspects of his program by enhancing the sense of political power of those who heard him.³⁹ What changed after 1945, and most dramatically after 1960, was the recognition that television as a visual medium could shape not just ideas but perceptions about ideas and events that disembodied them and allowed for their manipulation.

In a capitalist society, technological innovation is always captured and exploited for commercial purposes regardless of its origins or the purposes of its creator. Capitalist societies similarly capture and exploit political processes for commercial purposes, which is simply to say that the political practices of capitalist societies take forms that promote its underlying goal of capital accumulation and control by capitalist economic and political elites. Those practices in fact are what define those societies as capitalist. It should come as no surprise that media innovations, such as radio and television, tend to lose their public function and resist regulations to promote them that way. As 'broadcast media', radio and television have complex effects that make them particularly attractive to commercial interests, but which also makes them a type of monopoly that becomes an arena for competition, which in capitalist terms always favors private over public interests. This isn't a conspiratorial effort to impose commercial and private values on an unwary public, but merely an extension of the underlying economic and political dynamics of capitalism itself. The ability of these electronic media to subliminally shape impressions and values is widely recognized and has become the focal point of ongoing debates about their effects on the American political process (McChesney 2004). Used commercially, electronic media can reach an audience far beyond that of print media, and does so in ways that renders its audience passive and pliant. This allows commercial media to pursue the more esoteric goal of creating product identification rather than merely distributing product information. Similarly, when employed in the service of politics, electronic media discounts the local in favor of its regional and national reach, and shifts politics from issues and interests to impressions about the political message. As Marshall McLuhan observed, 'the media is the

message' (McLuhan 1967), which in the case of politics means that representations, and thus illusions, have become practiced politics.

The transformation of politics in the U.S.

Various claims about the emergence of 'interest group politics' (Polsby and Wildavsky 1991), the development of 'personality politics' (Ferguson and Rogers 1987), and the 'end of politics' () all reside in proximity to the development of electronic media as the principal forum for the practice of politics in the U.S. Radio advanced its claim during the 1930s with President Franklin Roosevelt's 'fireside chats', and television followed closely upon this with the development of the three national networks and the rapid national dissemination of television receiving sets during the 1950s. In both cases, the entry of these technologies into the political arena was immediately preceded and then accompanied by its exploitation as a commercial media. However, in these early years, commercial and political media projects operated separately.⁴⁰ The distance between the two can be attributed to the character of the era where it was assumed that government organized society. However, the power of capitalist economics proved stronger than the power of capitalist politics, and the lines between commercial and political media began to blur following World War Two.⁴¹

Following the war, political operatives began to consider how the use of media allowed for new forms of communication in forums that provided for more audience control. The lessons of commercial advertising steadily found their way into the discourse of politics, first as an extension of the power of media to create concentrations of power, and later as tools that could reshape the way that politics was organized.⁴² While commercial advertising was concerned with creating a monopoly over the identity of goods and services, it could serve political purposes by similarly giving identity to particular political personalities and interests that could effectively access and use it. In both cases, facts could be made contingent on presentation and thus 'spun' to achieve a desired affect. The new disciplines of psychology and sociology could be employed to side-step the messier aspects of group and associational politics, and the political message could be directed to citizens as individual consumers of politics.

The first epiphany of media politics occurred during the now famous televised debates between Vice-President Richard Nixon and his Democratic challenger, Senator John Kennedy. Polls immediately following the debate suggested that the majority of voters thought that Nixon made the better arguments. However, more sophisticated analysis of the debate following the election suggested that the visual image of the younger Kennedy answering questions calmly and authoritatively had swayed enough voters to give him the election.⁴³ Thereafter, media consultants quickly gained influence with candidates, particularly with those new to electoral politics who could also command the financial resources to pay for the consultants and then the media 'buys' that they would recommend. The 1960s offered a wide array of examples of media politics that steadily eroded the old forms of political practice in favor of 'personality' politics.⁴⁴ The political agenda increasingly came to reflect questions about how media affected political issues and personalities. Where traditional political practice had produced powerful consensus leaders, such as President Lyndon Johnson, media politics dictated a leadership based on the ability to project power through visual and audio presentations that appealed to subliminal preferences rather than through political skills and rational judgments. The illusion of political power thus was born in a new and far more powerful form that not merely projected illusions through rituals and representations, but displaced competing forms of politics.

The importance of media in creating and sustaining contemporary political power in the U.S. is difficult to overstate. As an extension of neo-liberalism's reconstruction of politics as competitive, market-driven hyper-individualism, it has drawn politics ever more into the realm of corporatism and capitalist consumerism. Its most powerful subliminal message is that common and public interests are dead, and that personal and private interest reign. The increasingly sophisticated use of the tools of psychological conditioning and sociological particularization has relocated politics temporarily to only embrace the present and spatially to consider only the concentrations of power at the institutional center. A reflection on the history and functioning of political power reveals both of these moves as illusions, but illusions that serve to reinforce *perceptions* of political power. Maintaining them as perceptions has now become a major preoccupation for political elites,⁴⁵ and media

consultants now have moved to the center of practiced politics where they commonly chose candidates and dictate the course of political debate regardless of their merit. The effect has been to remove accountability from political choice and replace it with public relations.

The consequences of media-driven illusion of power will be felt only as reality intrudes in ways that media cannot deflect. There is some instructive history that offers some insights into how this occurs. Many of the great symbols used to construct illusions of power in ancient times – the Parthenon, St. Peter’s Cathedral in Rome, the Great Wall of China, the pyramids of Egypt, the Taj Mahal, and even Stonehenge – have survived through times. But they are artifacts and the powers that they served have all past into history. Remains of Native American power can also be seen at Chaco Canyon and Mesa Verde, but they too have now disappeared. There also is a more recent history in the U.S. that is instructive on this point. Contrary to views generated in large part by a political illusion argued by the media and its politically driven opponents, popular opinion in the U.S. turned against the war in Vietnam as a consequence of the reality check provided by returning war veterans and not because of negative media coverage (Hallin 1989).⁴⁶ It seems that media could not overcome the direct experience of hundreds of thousands of people who countered its illusions with facts and personal testimony. The loss of legitimacy and authority suffered by U.S. elites as a consequence has reverberated through U.S. politics and foreign policy in the decades since, and perhaps the price for that failed illusion has not yet been fully paid.

There are many illusions employed in the depiction of U.S. power in the twenty-first century that need to be closely examined. Claims about racial, gender and generational equality have faded in light of evidence that their worst effects have been only restrained. Claims about democracy appear in the shabby shadow of an electoral politics dominated by money, by media and by a drive to deny rather than empower voting (Cockburn and Ridgeway 1981).⁴⁷ Claims of economic equality face defrocking in the face of thirty-five years of almost uninterrupted decline in the average standard of living and equitable distribution of national wealth. Even claims of free speech have suffered recently under the steady decline of independent and critical media.⁴⁸ Internationally, other claims are being made with regard to U.S. economic, political and military power. In each case, the claims are vigorously promoted through electronic media that has little or no accountability for the

truth of those claims. These too appear more illusion than fact, as the evidence demonstrates.

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* Keele University, February 2005

NOTES

¹Brown: 416.

² Frederick Jackson Turner. (1996) *The Frontier in American History*. Mineola, N.Y.: Dover Publications. Turner's thesis about the role of the frontier in shaping American history has since been challenged, but the reality of the 'closing of the frontier' as the consummation of the Europeanization of North American remains.

³ Tommaso Padoa-Schioppa, Member of the Executive Board of the European Central Bank, 22 November 2002, <http://www.ecb.int>.

⁴ <http://www.ustreas.gov/press/releases/po1074.htm>

⁵ http://www.commercialdiplomacy.org/cd_dictionary/dictionary_legislation.htm

⁶ Richard B. Du Boff, 'US Hegemony: Continuing Decline, Enduring Danger' in *Monthly Review*, December 2003, <http://www.globalpolicy.org/empire/analysis/2003/12decline.htm>

⁷ See, Mit der Oelwaffe zur Weltmact.

⁸ Eric J. Hobsbawm, *The Age of Extremes: A History of the World, 1914-1991*. New York: Vintage 1994, pp.9-11.

⁹ C. Clover, 'Dreams of the Eurasian Heartland' in *Foreign Affairs*, 78, March/April 1999, p.9.

¹⁰ On a lighter note, the area has now achieved a cultural status as the setting for the latest James Bond movie.

¹¹ Since the collapse of the communist regimes in Eastern Europe, the U.S. has been involved in virtually non-stop military operations: an invasion of Panama in 1989, the first Gulf War in 1990-1991, Somalia in 1992-1993, Bosnia in 1995, the second Gulf War (the air war) in 1998-1999, the bombing campaign in Kosovo and Yugoslavia in 1999, the bombing and occupation of Afghanistan, which began in October, 2001 and continues into 2005, and the invasion and occupation of Iraq, which began with bombing in late 2002 and has continued into 2005.

¹² A.G. Frank, 'NATO, Caucasus/Central Asia Oil', *World Socialist Web Site*, 16 June 1999, p.1.

¹³ A. Brzezinski, 'A Geostrategy of Asia' in *Foreign Affairs*, September/October 1997.

¹⁴ As then U.S. Energy Secretary Bill Richardson recounted to reporter Stephen Kinser in 'On Piping Out Caspian Oil, U.S. Insists the Cheaper, Shorter Way Isn't Better' in *New York Times*, 8 November 1998.

¹⁵ F. Viviano, *Oil and Gas Journal*, 10 September 2001.

¹⁶ M. Cohn. 'The Deadly Pipeline War: US Afghan Policy Driven by Oil Interests' in *Jurist*, 7 December 2001, p.1.

¹⁷ The Washington-based American Petroleum Institute, as the voice of the U.S. oil industry, has called the Caspian region 'the area of greatest resource potential outside of the Middle East'. M. Cohn. 'Cheney's Black Gold' in *The Chicago Tribune*, 10 August 2000. Vice-President Dick Cheney himself commented that 'I

cannot think of a time when we have had a region emerge as suddenly to become as strategically significant as the Caspian.' Quoted in the *Guardian*, 23 October 2001.

¹⁸ S. Parrott. 'Pipeline Superhighway Replaces the Silk Road', *RFE/RL*, 19 November 1997.

¹⁹ As the current largest producer of oil in OPEC, Saudi Arabia dominates OPEC oil policymaking.

²⁰ B. Shaffer. 'A Caspian Alternative to OPEC' in *The Wall Street Journal*, 11 July 2001.

²¹ S. P. Huntington. *The Clash of Civilizations and Remaking of World Order*. 1996 New York: Simon & Schuster: 229-238.

²² Tommaso Padoa-Schioppa, Member of the Executive Board of the European Central Bank, 22 November 2002, <http://www.ecb.int>

²³ Liu, Henry C.K. 'US dollar hegemony has got to go' in *Asia Times*, April 11, 2002.

²⁴ As the Report notes, 'If the euro becomes a bigger reserve currency [if the U.S. were to share its reserve currency status with the euro] it is also likely to mean either the U.S. buys more euro, or the Europeans reduce their dollar holdings and buy euros.' http://www.hsbc.com.tw/tw/product/fund/images/gs_200307_e.pdf

²⁵ Radio Liberty/RFE press release, C. Recknagel, 'Iraq: Baghdad moves to Euro'. 1 November 2000.

²⁶ Carola Hoyos and Kevin Morrison, 'Iraq returns to international oil market' *Financial Times*, 5 June 2003.

²⁷ Robert Hunter Wade, *International Herald Tribune*, 12 February 2004.

²⁸ Michael Wines, 'For Flasier Russians, Euro Outshines the Dollar' in *New York Times*, 31 January 2003.

²⁹ Benson, Richard, 'Oil, the Dollar, and US Prosperity' *www.prudentbear.com*, August 11, 2003.

³⁰ Bulent Gokay, 'War in Iraq,"petro-dollar" and the challenge by euro' Middle East Information Centre, 30 April 2004, <http://middleeastinfo.org/article4398.html>. Note also that since mid-2001, the euro has dropped only a couple of percent against gold, while the dollar has plummeted 30 percent. This shows a clear move away from the dollar toward gold and the euro. Richard C.B. Johnson, the Ratio Institute of Stockholm, 15 December 2003, <http://www.mises.org/fullarticle.ask?control=1394&id=63>

³¹ 'In Round 2, it's the dollar vs. euro' *Newsweek*, 23 April 2003.

³² The 'temporary' US bases in Afghanistan, Pakistan and the Caspian States appear to be putting down roots. US military 'tent cities' have now been established in 13 places in the states bordering Afghanistan, and more than 60,000 US military personnel now live and work at these forward bases. New airports are being built and garrisons expanded. W.Arkin, *Los Angeles Times*, 6 January 2002; and G. Monbiot, *The Guardian*, 12 February 2002.

³³ W. Wallace, 'Living with the Hegemon: European Dilemmas', Social Science Research Council, *After 11 September*, http://www.ssrc.org/sept11/essays/Wallace_p.9.

³⁴ Peter Gowan provides a comprehensive analysis of this process in describing NATO's 1999 attack on Yugoslavia in T. Ali (ed.) *Masters of the Universe*, 2000 London: Verso: pp.30-45; and in 'Contemporary Intra-Core Relations and World Systems Theory, a paper presented in June 2000, at the Ukraine Centre, University of North London.

³⁵ P.Beaumont and E. Vulliamy, 'Armed to the teeth', *The Observer*, 10 February 2002; B. Jones, Assitant Secretary for European and Eurasian Affiars, *AMGO-News*, 11 February 2002.

³⁶ The concept of a divinely conferred national American mission to 'civilize' non-Christian peoples can be read as a subtext in much of Samuel Huntington's widely influential polemic, *The Clash of Civilizations*.

³⁷ In religiously conservative areas, such as Utah and Mississippi, Christian church groups actively encourage the enrollment of their young men in the military, based on a popular belief in 'god and country'.

³⁸ Claims that advertising is subject to public regulation against fraud – the misrepresentation of essential facts with the intent to deceive - are mostly theoretical. In practice, public regulation is costly and difficult to enforce, and only the most egregious frauds are ever prosecuted by public agencies.

³⁹ While this appeal to popular democracy was new in that it directly addressed the public rather than political representatives, it nonetheless imagined that the response would be directed through existing political organizations rather than supplanting them.

⁴⁰ Roosevelt's 'fire-side chats' of the 1930s were conducted without commercial sponsorship, as were Queen Wilhemina's broadcasts to German-occupied Holland.

⁴¹ During the 1930s, Talcott Parsons and others argued for a positivist structural-functionalist approach to social engineering (), and as this doctrine matured in the 1950s it took the form of market-driven neo-liberalism and redefined politics as a consumer commodity (). The spread of electronic media, and particularly television, increased the influence of this new doctrine of commodity and political consumerism in part by creating a new sense of nationalism, and in part by crowding out the influence of other forms of social organization and communications through the power of its form (McLuhan 1967).

⁴² As advertisers increasingly recognized the multiple and subliminal effect of electronic media commercials on audiences, they also saw that they could be adapted for similar purposes for political audiences. As an ideological project, the extension of commercial logic to political practice also reflected capitalism's interest in concentrating and monopolizing all discourse, whether commercial or political.

⁴³ Many of the viewers had noted with some disquiet, Nixon's tendency to sweat. None of them, however, seemed to be aware that this was a function of the hot lights required to televise the debate rather than any inherent stress on Nixon's part. Thus, the first political illusion of the television age was born.

⁴⁴ Among the prominent events that achieved political power directly attributable to their television exposure during the 1960s were: the 1961 Cuban missile crisis, the assassination of President Kennedy in 1963, the Civil Rights battles in the South during the early 1960s, the 1964 Presidential political campaign, the assassinations of Martin Luther King and Robert Kennedy in 1968, the disrupted Democratic Convention in August 1968, the moon landing in 1969, and of course the expanding U.S. war in Vietnam.

⁴⁵ The current Bush Administration provides numerous example of this preoccupation in the way that it obsessively pursues media manipulation in place of political discourse. (See, e.g., the covert use news columnists to promote policy rather than relying on its considerable institutional power (McDonough 2005).

⁴⁶ As the author demonstrates, contrary to representations the media were effectively supporters of U.S. policy and dissent in the media only began after public opinion began to turn against the war.

⁴⁷ Cockburn and Ridgeway provide ample proof that by the 1980 election what mattered most in the Presidential campaigns were political perceptions generated by media coverage of the candidates, with little effort to actually explore important national policies.

⁴⁸ This commercialization of politics through media can be found where the neo-liberal discourse of market-based policies is reinforced by the rapid expansion of commercial radio and television, which engages in a parallel discourse of corporate dominated consumerism. It can also been seen in the attacks on independent media, like the Pacifica radio network during the late 1990s, which sought to eliminate them, limit them, or take them over.