

The Neocons – Masters of Chaos

Exclusive: America's neoconservatives, by stirring up trouble in the Middle East and Eastern Europe, are creating risks for the world's economy that are surfacing now in the turbulent stock markets, threatening another global recession, writes Robert Parry.

By Robert Parry

If you're nervously watching the stock market gyrations and worrying about your declining portfolio or pension fund, part of the blame should go to America's neocons who continue to be masters of chaos, endangering the world's economy by instigating geopolitical confrontations in the Middle East and Eastern Europe.

Of course, there are other factors pushing Europe's economy to the brink of a triple-dip recession and threatening to stop America's fragile recovery, too. But the neocons' "regime change" strategies, which have unleashed violence and confrontations across Iraq, Syria, Libya, Iran and most recently Ukraine, have added to the economic uncertainty.

This neocon destabilization of the world economy began with the U.S.-led invasion of Iraq in 2003 under President George W. Bush who squandered some \$1 trillion on the bloody folly. But the neocons' strategies have continued through their still-pervasive influence in Official Washington during President Barack Obama's administration.

The neocons and their "liberal interventionist" junior partners have kept the "regime change" pot boiling with the Western-orchestrated overthrow and killing of Libya's Muammar Gaddafi in 2011, the proxy civil war in Syria to oust Bashar al-Assad, the costly economic embargoes against Iran, and the U.S.-backed coup that ousted Ukraine's elected President Viktor Yanukovich last February.

All these targeted governments were first ostracized by the neocons and the major U.S. news organizations, such as the Washington Post and the New York Times, which have become what amounts to neocon mouthpieces. Whenever the neocons decide that it's time for another "regime change," the mainstream U.S. media enlists in the propaganda wars.

The consequence of this cascading disorder has been damaging and cumulative. The costs of the Iraq War strapped the U.S. Treasury and left less government maneuvering room when Wall Street crashed in 2008. If Bush still had the surplus that he inherited from President Bill Clinton rather than a yawning deficit there might have been enough public money to stimulate a much-faster recovery.

President Obama also wouldn't have been left to cope with the living hell that the U.S. occupation brought to the people of Iraq, violent chaos that gave birth to what was then called "Al-Qaeda in Iraq" and has since rebranded itself "the Islamic State."

But Obama didn't do himself (or the world) any favors when he put much of his foreign policy in the hands of Democratic neocon-lites, such as Secretary of State Hillary Clinton, and Bush holdovers, including Defense Secretary Robert Gates and Gen. David Petraeus. At State, Clinton promoted the likes of neocon Victoria Nuland, the wife of arch-neocon Robert Kagan, and Obama brought in "liberal interventionists" like Samantha Power, now the U.S. ambassador to the United Nations.

In recent years, the neocons and "liberal interventionists" have become almost indistinguishable, so much so that Robert Kagan has opted to discard the discredited neocon label and call himself a "liberal interventionist." [See Consortiumnews.com's "[Obama's True Foreign Policy 'Weakness.'](#)"]

Manipulating Obama

Obama, in his nearly six years as president, also has shied away from imposing his more "realistic" views about world affairs on the neocon/liberal-interventionist ideologues inside the U.S. pundit class and his own administration. He has been outmaneuvered by clever insiders (as happened in 2009 on the Afghan "surge") or overwhelmed by some Official Washington "group think" (as was the case in Libya, Syria, Iran and Ukraine).

Once all the "smart people" reach some collective decision that a foreign leader "must go," Obama usually joins the chorus and has shown only rare moments of toughness in standing up to misguided conventional wisdoms.

The one notable case was his decision in summer 2013 to resist pressure to destroy Syria's military after a Sarin gas attack outside Damascus sparked a dubious rush to judgment blaming Assad's regime. Since then, more evidence has pointed to a provocation by anti-Assad extremists who may have thought that the incident would draw in the U.S. military on their side. [See Consortiumnews.com's "[Was Turkey Behind Syrian Sarin Attack?](#)"]

It's now clear that if Obama had ordered a major bombing campaign against Assad's military in early September 2013, he might have opened the gates of Damascus to a hellish victory by al-Qaeda-affiliated extremists or the even more brutal Islamic State, since these terrorist groups have emerged as the only effective fighters against Assad.

But the neocons and the "liberal interventionists" seemed oblivious to that

danger. They had their hearts set on Syrian “regime change,” so were furious when their dreams were dashed by Obama’s supposed “weakness,” i.e. his failure to do what they wanted. They also blamed Russian President Vladimir Putin who brokered a compromise with Assad in which he agreed to surrender all of Syria’s chemical weapons while still denying a role in the Sarin attack.

By late September 2013, the disappointed neocons were acting out their anger by taking aim at Putin. They recognized that a particular vulnerability for the Russian president was Ukraine and the possibility that it could be pulled out of Russia’s sphere of influence and into the West’s orbit.

So, Carl Gershman, the neocon president of the U.S.-funded National Endowment for Democracy, took to the op-ed page of the neocon-flagship Washington Post to sound the trumpet about Ukraine, which he called “the biggest prize.”

But Gershman added that Ukraine was really only an interim step to an even bigger prize, the removal of the strong-willed and independent-minded Putin, who, Gershman added, “may find himself on the losing end not just in the near abroad [i.e. Ukraine] but within Russia itself.” In other words, the new neocon hope was for “regime change” in Kiev and Moscow. [See Consortiumnews.com’s “Neocons’ Ukraine/Syria/Iran Gambit.”]

Destabilizing the World

Beyond the recklessness of plotting to destabilize nuclear-armed Russia, the neocon strategy threatened to shake Europe’s fragile economic recovery from a painful recession, six years of jobless stress that had strained the cohesion of the European Union and the euro zone.

Across the Continent, populist parties from the Right and Left have been challenging establishment politicians over their inability to reverse the widespread unemployment and the growing poverty. Important to Europe’s economy was its relationship with Russia, a major market for agriculture and manufactured goods and a key source of natural gas to keep Europe’s industries humming and its houses warm.

The last thing Europe needed was more chaos, but that’s what the neocons do best and they were determined to punish Putin for disrupting their plans for Syrian “regime change,” an item long near the top of their agenda along with their desire to “bomb, bomb, bomb Iran,” which Israel has cited as an “existential threat.”

Putin also had sidetracked that possible war with Iran by helping to forge an interim agreement constraining but not eliminating Iran’s nuclear program. So, he became the latest target of neocon demonization, a process in which the New

York Times and the Washington Post eagerly took the lead.

To get at Putin, however, the first step was Ukraine where Gershman's NED was funding scores of programs for political activists and media operatives. These efforts fed into mass protests against Ukrainian President Yanukovich for balking at an EU association agreement that included a harsh austerity plan designed by the International Monetary Fund. Yanukovich opted instead for a more generous \$15 billion loan deal from Putin.

As the political violence in Kiev escalated with the uprising's muscle supplied by neo-Nazi militias from western Ukraine neocons within the Obama administration discussed how to "midwife" a coup against Yanukovich. Central to this planning was Victoria Nuland, who had been promoted to assistant secretary of state for European affairs and was urging on the protesters, even passing out cookies to protesters at Kiev's Maidan square.

According to an intercepted phone call with U.S. Ambassador to Ukraine Geoffrey Pyatt, Nuland didn't think EU officials were being aggressive enough. "Fuck the EU," she said as she brainstormed how "to help glue this thing." She literally handpicked who should be in the post-coup government "Yats is the guy," a reference to Arseniy Yatsenyuk who would indeed become prime minister.

When the coup went down on Feb. 22 spearheaded by neo-Nazi militias who seized government buildings and forced Yanukovich and his officials to flee for their lives the U.S. State Department quickly deemed the new regime "legitimate" and the mainstream U.S. media dutifully stepped up the demonization of Yanukovich and Putin.

Although Putin's position had been in support of Ukraine's status quo i.e., retaining the elected president and the country's constitutional process the crisis was pitched to the American people as a case of "Russian aggression" with dire comparisons made between Putin and Hitler, especially after ethnic Russians in the east and south resisted the coup regime in Kiev and Crimea seceded to rejoin Russia.

Starting a Trade War

Pressured by the Obama administration, the EU agreed to sanction Russia for its "aggression," touching off a tit-for-tat trade war with Moscow which reduced Europe's sale of farming and manufacturing goods to Russia and threatened to disrupt Russia's natural gas supplies to Europe.

While the most serious consequences were to Ukraine's economy which went into freefall because of the civil war, some of Europe's most endangered economies in the south also were hit hard by the lost trade with Russia. Europe began to

stagger toward the third dip in a triple-dip recession with European markets experiencing major stock sell-offs.

The dominoes soon toppled across the Atlantic as major U.S. stock indices dropped, creating anguish among many Americans just when it seemed the hangover from Bush's 2008 market crash was finally wearing off.

Obviously, there are other reasons for the recent stock market declines, including fears about the Islamic State's victories in Syria and Iraq, continued chaos in Libya, and exclusion of Iran from the global economic system all partly the result of neocon ideology. There have been unrelated troubles, too, such as the Ebola epidemic in western Africa and various weather disasters.

But the world's economy usually can withstand some natural and manmade challenges. The real problem comes when a combination of catastrophes pushes the international financial system to a tipping point. Then, even a single event can dump the world into economic chaos, like what happened when Lehman Brothers collapsed in 2008.

It's not clear whether the world is at such a tipping point today, but the stock market volatility suggests that we may be on the verge of another worldwide recession. Meanwhile, the neocon masters of chaos seem determined to keep putting their ideological obsessions ahead of the risks to Americans and people everywhere.

Investigative reporter Robert Parry broke many of the Iran-Contra stories for The Associated Press and Newsweek in the 1980s. You can buy his new book, *America's Stolen Narrative*, either in [print here](#) or as an e-book (from [Amazon](#) and [barnesandnoble.com](#)). For a limited time, you also can order Robert Parry's trilogy on the Bush Family and its connections to various right-wing operatives for only \$34. The trilogy includes *America's Stolen Narrative*. For details on this offer, [click here](#).

Israel's 'Moral Hazard' in Gaza

For generations now, the Israeli government has brutalized the Palestinian people, including this summer's slaughter of more than 2,000 in devastated Gaza, but the Israelis also pass on the bill for repairing the damage to the international community, a lesson in moral hazard, says ex-CIA analyst Paul R. Pillar.

By Paul R. Pillar

The passage in the British House of Commons of a resolution favoring recognition of a Palestinian state, coming on the heels of the Swedish government's announcement of its intention to extend such recognition, is the latest indicator of European disgust with Israeli policies.

Recognizing a Palestinian state is, of course, an empty gesture as long as no such state exists on the ground, and the ground that would constitute such a state is under another state's occupation. But recognition is a peaceful and respectable way to express dismay.

The Conservative MP who chairs the House of Commons foreign affairs committee probably was speaking for many both inside and outside Parliament when he said that he had "stood by Israel through thick and thin" but that "over the past 20 years ... Israel has been slowly drifting away from world public opinion," and that "such is my anger over Israel's behavior in recent months that I will not oppose the motion. I have to say to the government of Israel that if they are losing people like me, they will be losing a lot of people."

As the comments of the MP suggest, the behavior that is the object of the dismay and anger has both long-term and short-term components. The long-term part is the continued Israel occupation of conquered territory, with the accompanying subjugation of Palestinians and denial to them of political rights.

In the shorter term is the destruction that the Israeli military wreaked on the Gaza Strip earlier this year, in an operation that began when the Netanyahu government attempted to use force to disrupt a unity pact between the main Palestinian political factions. This week United Nations Secretary General Ban Ki-moon toured the devastation in Gaza, remarking that "no amount of Security Council sessions, reports, or briefings could have prepared me for what I witnessed today."

Another, even more recent, component of the Israeli-inflicted destruction in Gaza may also have influenced the mood of the Swedes, the MPs at Westminster, and indeed taxpayers in any Western country. At an international conference in Cairo participating countries pledging a total of \$5.4 billion in aid, half for reconstruction in the Gaza Strip and the other half as budget support for the Palestinian Authority.

Besides the sheer irksomeness of any of the rest of us in the world community having to pay to repair that damage, think about what this situation implies for Israeli incentives. The Israelis mow the lawn in Gaza as often as they like, and they don't even have to pay for the clean-up. They may even profit from it because any building supplies that Israel allows to enter the Strip generally come from Israeli sources. (Investment tip: it's time to be bullish on cement

manufacturers in Israel.)

This is an example of what economists call moral hazard: of someone having no incentive to curtail risky (or in this case, outright destructive) behavior because someone else is covering the losses. This in turn is one reason to be pessimistic that the whole tragic cycle of periodic Israeli lawn-mowing will end any time soon. The Israelis' economic flank is covered by donor conferences, just as their political flank is covered by U.S. vetoes at the Security Council.

Those on the American political Right, who tend to be most sympathetic to those on the Israeli Right who are running that country, ought to think carefully about this situation and how it relates to the principles of economic policy in which they profess to believe.

Governments, including the U.S. government, are stepping in with subsidies that are keeping people from being held accountable for their behavior and its consequences. This isn't just about makers and takers; it's makers and takers with the takers also being destroyers.

The situation also ought to be thought of in terms of U.S. fiscal priorities. Any program for the benefit of the United States and U.S. citizens that gets brutalized in the Paul Ryan budget should be stacked up against U.S. subsidization of behavior by countries in the Middle East, and hard questions asked about what U.S. priorities ought to be.

Here's an approach to reconstruction from the most recent Gaza war that admittedly has no political chance of enactment but would be fair and principled: hold each side responsible for the destruction that it inflicted. Hamas would be responsible for paying for the damage it caused, including from rockets fired into Israel, and Israel would be responsible for the damage its forces inflicted.

Hamas by all reports is in tough financial shape; that's one of the incentives it had for making the unity agreement with Fatah. But the damage it caused in this summer's war was so small that Hamas's friends in Qatar and Turkey could cover the bill with loose change that has fallen between the cushions of their divans. Heck, one could probably even add to the bill the cost of the Iron Dome missiles that Israel fired at rockets that never caused any damage, and it would be a pretty painless check for the Qataris to write.

The damage that Israeli forces inflicted is many orders of magnitude greater. But Israel is also far wealthier. In terms of GDP per capita it ranks right between New Zealand and Spain, according to the International Monetary Fund. It certainly can pay the bill.

And if it balks at doing so, there are established methods that can peacefully and legitimately be used to collect from deadbeats. The half of the pledges from the Cairo conference devoted to reconstruction in Gaza totals less than the more than \$3 billion in annual aid the United States bestows on Israel. Apply a garnishment to less than a year's worth of the subsidy, and that bill is paid. Hold the taker/destroyer accountable.

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Misdiagnosing What Ails US Schools

The American Right likes to bash public school teachers for supposedly deviating from an "America-can-do-no-wrong" approach to history and generally "failing" the students, but that is a misdiagnosis of the problem, says Lawrence Davidson.

By Lawrence Davidson

Every so often books and articles appear bemoaning the state of U.S. education. The complaints address all levels, from the elementary grades to high school to college and university. You can get a sense of this by going to Google and doing a search under the heading "American Education."

Most of what comes up is negative. In 2001 President Bush, who is not exactly a poster boy for U.S. schooling, told us that, at the lower levels, a whole lot of American children were being "left behind." And, at the upper levels, who can forget the angst of Alan Bloom who, in 1987, told us higher education was destroying students' minds and ruining the country by endorsing relativism and multiculturalism.

The most recent example of this negativity is William Deresiewicz's book *Excellent Sheep: The Miseducation of the American Elite and the Way to a Meaningful Life*. Deresiewicz's concern is with America's elite colleges and universities which, in his view, "manufacture students who are smart and talented and driven, yes, but with little intellectual curiosity and a stunted sense of purpose." As a result "what we're getting is thirty-two flavors of vanilla."

I think that all those who complain in this fashion, be they parents, teachers, administrators or politicians, are missing the point. It may seem odd, but those

most critical of today's schools seem not to recognize what mass education is really designed to accomplish. Such education has always had two main objectives: one vocational and the other civic. Let me elaborate.

The Vocational Objectives

Historically, the notion of educational proficiency has always been tied to making a living. In other words, either through apprenticeship or formal schooling, what most students have learned over the ages is what their economic environments required of them.

Thus, today, whether one wants to be a lawyer or an auto mechanic, the primary curriculum is vocational and everything else is, shall we say, elective. This elective category may or may not include critical thinking skills which, in any case, is a subject that is often disapproved of by local school boards.

By the time American kids are in junior high school a good number of them know the difference between what is vocationally valuable and what is not, and most focus their attention on what they believe will be economically beneficial. This means that it is not the school per se, or the teachers, that are actually setting the criteria for learning. It is the community job market.

Therefore, if the economy demands for most students reading and writing abilities at the level of business memos and math skills sufficient to balance a check book, that is the proficiency, on average, that schools will produce. At some point higher administrative, math, science or other skills might be taught to a minority. That is what we call specialization.

Ask yourself how many American students want to, or will be required to, know anything beyond the most rudimentary math and science in their future workplaces? Does between 20 and 30 percent sound right? Because that is the number of 12th grade (white) students who presently have those skills.

Thirty years ago computer knowledge was not a job-related or, for that matter, a social communication required skill. Schools largely ignored it and relatively few people had real proficiency in this area. Today, the situation is completely reversed and almost all schools teach such skills.

Actually, almost all American schools, even the "failing" ones, deliver employment knowledge relevant to their locale. You might think that this claim is off base, but it really is not. High-end public schools cater to students who, by virtue of their class background, mostly have professional career expectations. And that is the educational preparation they get.

Just so, low-end schools (admittedly underfunded) cater to those who for the

most part have been conditioned by their circumstances to have different expectations, and they are educated accordingly. I am certainly not claiming this is a good thing, only that this is the way it works.

If you want to change it, just relying on standardized tests and teacher performance won't do it. Rather, you have to alter education's class-driven expectations. To achieve this sort of change means a lot of economic rearrangement and revenue shifting. The U.S. has never been willing to do these things.

Civic Objectives

Historically, the other major goal of U.S. education has been the production of loyal, relatively passive citizens. This is not the same thing as U.S. citizens knowing the three branches of government, recognizing the Bill of Rights, or naming their senator and congressperson. Actually, most American students do not know such things and so, in this regard, are civics deficient.

However, this is not the level we are speaking of. Students in the lower grades repeat the Pledge of Allegiance in their homerooms every morning and become aware that they are citizens of the United States. They learn a sanitized and idealized history of their country and internalize the myth that it is the "best and freest" nation on the planet – all of which is reinforced by their general cultural milieu and the media.

Floating around at the edges of many high schools are military recruiters who play on these feelings. This is particularly true of the schools in poor neighborhoods, where the military is often seen as the only viable vocational alternative to crime on the streets and the illusion of making it in the sports and entertainment industries.

Producing loyal and uncritical citizens is something our schools, at all levels, do pretty well. The uncritical thinking aspect of this goal is quite important and puts in doubt the place of critical thinking in the national curriculum. For a nation of critical thinkers would, from the perspective of citizen loyalty, be a dangerous thing. It brings up the question of whether you can have a stable community when everyone is thinking independently about politics and policy.

If you are not satisfied with the status quo in education, but are not willing to acknowledge where the real issues and challenges lie, you might be tempted to find a scapegoat. That is what happens when the media and politicians begin pointing fingers at "bad teachers."

Are there "bad teachers" – that is, teachers who lack the skills or interest to make a good faith effort to address the given curriculum? Of course there are,

just as there are incompetent people in every other profession. However, poor student scores on standardized tests is not good evidence of teacher incompetence. More likely it is evidence that the exams are testing for information which the student's local economic culture deems unimportant.

If there is a "problem" with America's teachers it is not that they are incompetent, but rather that they are idealists. Most of them want to produce well-rounded, well-read, intelligent young men and women who are at least as knowledgeable as those who concoct standardized tests.

Most students, however, quickly become confirmed materialists. They want to learn what they need to be well-employed and well-integrated into their communities. Everything else is just an elective.

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