

Ukraine's Made-in-USA Finance Minister

Exclusive: A top problem of Ukraine has been corruption and cronyism, so it may raise eyebrows that new Finance Minister Natalie Jaresko, an ex-U.S. diplomat and newly minted Ukrainian citizen, was involved in insider dealings while managing a \$150 million U.S. AID-backed investment fund, writes Robert Parry.

By Robert Parry

Ukraine's new Finance Minister Natalie Jaresko, a former U.S. State Department officer who was granted Ukrainian citizenship only this week, headed a U.S. government-funded investment project for Ukraine that involved substantial insider dealings, including \$1 million-plus fees to a management company that she also controlled.

Jaresko served as president and chief executive officer of Western NIS Enterprise Fund (WNISEF), which was created by the U.S. Agency for International Development (U.S. AID) with \$150 million to spur business activity in Ukraine. She also was cofounder and managing partner of Horizon Capital which managed WNISEF's investments at a rate of 2 to 2.5 percent of committed capital, fees exceeding \$1 million in recent years, according to WNISEF's 2012 annual report.

The growth of that insider dealing at the U.S.-taxpayer-funded WNISEF is further underscored by the number of paragraphs committed to listing the "related party transactions," i.e., potential conflicts of interest, between an early annual report from 2003 and the one a decade later.

In the 2003 report, the "related party transactions" were summed up in two paragraphs, with the major item a \$189,700 payment to a struggling computer management company where WNISEF had an investment.

In the 2012 report, the section on "related party transactions" covered some two pages and included not only the management fees to Jaresko's Horizon Capital (\$1,037,603 in 2011 and \$1,023,689 in 2012) but also WNISEF's co-investments in projects with the Emerging Europe Growth Fund [EEGF], where Jaresko was founding partner and chief executive officer. Jaresko's Horizon Capital also managed EEGF.

From 2007 to 2011, WNISEF co-invested \$4.25 million with EEGF in Kerameya LLC, a Ukrainian brick manufacturer, and WNISEF sold EEGF 15.63 percent of Moldova's Fincombank for \$5 million, the report said. It also listed extensive exchanges of personnel and equipment between WNISEF and Horizon Capital.

Though it's difficult for an outsider to ascertain the relative merits of these

insider deals, they could reflect negatively on Jaresko's role as Ukraine's new finance minister given the country's reputation for corruption and cronyism, a principal argument for the U.S.-backed "regime change" that ousted elected President Viktor Yanukovich last February.

Declining Investments

Based on the data from WNISEF's 2012 annual report, it also appeared that the U.S. taxpayers had lost about one-third of their investment in WNISEF, with the fund's balance at \$98,074,030, compared to the initial U.S. government grant of \$150 million.

Given the collapsing Ukrainian economy since the Feb. 22 coup, the value of the fund is likely to have slipped even further. (Efforts to get more recent data from WNISEF's and Horizon Capital's Web sites were impossible Friday because the sites were down.)

Beyond the long list of "related party transactions" in the annual report, there also have been vague allegations of improprieties involving Jaresko from one company insider, her ex-husband, Ihor Figlus. But his whistle-blowing was shut down by a court order issued at Jaresko's insistence.

John Helmer, a longtime foreign correspondent in Russia, disclosed the outlines of this dispute in an [article](#) examining Jaresko's history as a recipient of U.S. AID's largesse and how it enabled her to become an investment banker via WNISEF, Horizon Capital and Emerging Europe Growth Fund.

Helmer wrote: "Exactly what happened when Jaresko left the State Department to go into her government-paid business in Ukraine has been spelled out by her ex-husband in [papers](#) filed in the Chancery Court of Delaware in 2012 and 2013.

"Without Figlus and without the US Government, Jaresko would not have had an investment business in Ukraine. The money to finance the business, and their partnership stakes, turns out to have been loaned to Figlus and Jaresko from Washington."

According to Helmer's article, Figlus had reviewed company records in 2011 and concluded that some loans were "improper," but he lacked the money to investigate so he turned to Mark Rachkevych, a reporter for the Kyiv Post, and gave him information to investigate the propriety of the loans.

"When Jaresko realized the beans were spilling, she sent Figlus a reminder that he had signed a non-disclosure agreement" and secured a temporary injunction in Delaware on behalf of Horizon Capital and EEGF to prevent Figlus from further revealing company secrets, Helmer wrote.

“It hasn’t been rare for American spouses to go into the asset management business in the former Soviet Union, and make profits underwritten by the US Government with information supplied from their US Government positions or contacts,” Helmer continued. “It is exceptional for them to fall out over the loot.”

Jaresko, who served in the U.S. Embassy in Kiev after the collapse of the Soviet Union, has said that Western NIS Enterprise Fund was “funded by the U.S. government to invest in small and medium-sized businesses in Ukraine and Moldova in essence, to ‘kick-start’ the private equity industry in the region.”

While the ultimate success of that U.S.-funded endeavor may still be unknown, it is clear that the U.S. AID money did “kick-start” Jaresko’s career in equity investments and put her on the path that has now taken her to the job of Ukraine’s new finance minister. Ukrainian President Petro Poroshenko cited her experience in these investment fields to explain his unusual decision to bring in an American to run Ukraine’s finances and grant her citizenship.

A Big Investment

The substantial U.S. government sum invested in Jaresko’s WNISEF-based equity fund also sheds new light on how it was possible for Assistant Secretary of State for European Affairs Victoria Nuland to tally up U.S. spending on Ukraine since it became independent in 1991 and reach the astounding figure of “more than \$5 billion,” which she announced to a meeting of U.S.-Ukrainian business leaders last December as she was pushing for “regime change” in Kiev.

The figure was so high that it surprised some of Nuland’s State Department colleagues. Several months later after a U.S.-backed coup had overthrown Yanukovich and pitched Ukraine into a nasty civil war Under Secretary of State for Public Affairs Richard Stengel cited the \$5 billion figure as “ludicrous” Russian disinformation after hearing the number on Russia’s RT network.

Stengel, a former Time magazine editor, didn’t seem to know that the figure had come from a fellow senior State Department official.

Nuland’s “more than \$5 billion” figure did seem high, even if one counted the many millions of dollars spent over the past couple of decades by U.S. AID (which puts its contributions to Ukraine at \$1.8 billion) and the U.S.-funded National Endowment for Democracy, which has financed hundreds of projects for supporting Ukrainian political activists, media operatives and non-governmental organizations.

But if one looks at the \$150 million largesse bestowed on Natalie Jaresko, you can begin to understand the old adage that a hundred million dollars here and a

hundred million dollars there soon adds up to real money.

Those payments over more than two decades to various people and entities in Ukraine also constitute a major investment in Ukrainian operatives who are now inclined to do the U.S. government's bidding.

Investigative reporter Robert Parry broke many of the Iran-Contra stories for The Associated Press and Newsweek in the 1980s. You can buy his latest 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](#).

Sinking Deeper into the Mideast

The deserts of the Middle East and North Africa have become a kind of quicksand for U.S. policymakers, the more they thrash around violently the faster they sink, with the latest round of warfare against the Islamic State worsening matters, not improving them, as Phyllis Bennis told Dennis J. Bernstein.

By Dennis J Bernstein

The expanding U.S. war against the Islamic State in Iraq and Syria is reverberating across the Middle East and North Africa where fundamentalist movements are gaining strength partly in reaction to the U.S. intervention.

Regional expert Phyllis Bennis discussed this widening war and worsening destruction in an interview on "Flashpoints." Bennis directs the New Internationalism Project at the Institute for Policy Studies and is also a fellow of the Transnational Institute in Amsterdam. She is the author of eight books including *From Stones to Statehood: The Palestinian Uprising* and *Calling the Shots: How Washington Dominates Today's UN*.

DB: Let's start in Iraq, Syria, ISIS. Give me your sense of where that situation is now, and a bit on what U.S. policy looks like in that regard.

PB: U.S. policy is a disaster. And, U.S. policy is helping to make things worse. We're seeing increased U.S. air strikes along the border between Syria and Turkey. We're seeing more attacks in Kobani, the town that has become the, sort of, symbolic linchpin of the ISIS attacks in Syria. What we're not seeing is that these U.S. air strikes are actually keeping anyone safe.

We're hearing of at least small numbers ... perhaps larger numbers of civilian casualties. We've now had the third U.S. death of a pilot, in those air strikes. All of them, supposedly not combat related, as they like to put it. Which basically means that the plane, officially, was not shot down. But it does seem to me that when a plane crashes in a bombing raid, whether or not it was from being shot down, or from some kind of mechanical difficulties, or whatever, it's a combat fatality. I mean, let's be clear.

So we've had three fatalities, so far, in this new U.S. global war on terror, Obama-style. The Global War on Terror 2.0, we might call it. And things are getting worse, they're not getting better. The idea that somehow the U.S. can send, what's now about 3,100 U.S. soldiers on the ground, troops on the ground, the ones we heard were not being on the ground, but they are on the ground.

To identify and train up a functioning, powerful, motivated, disciplined Iraqi military when 160,000 troops at a time, totaling over a million U.S. troops, over the course of a decade could not do that, makes no sense. I don't know why they think they can do it now when they couldn't do it before with a hundred times more troops. It doesn't make any sense. The U.S. policy doesn't make any sense. And what we're seeing is more bombing, less safe, people in the area more and more driven to become refugees.

The number of refugees is increasing, the amount of money available to the United Nations to take care of the refugees is decreasing. We just heard today that 41,000 Syrian refugees, just as winter approaches, will now no longer be getting food vouchers. They will have no access to food. Why? Because the U.N. doesn't have the money that was pledged from various countries, including the U.S., although some U.S. funds have been paid, not all of it. And the result is, things are simply a disaster.

DB: Now, in terms of the refrain coming out of the Pentagon, and the White House is that our bombing campaign has, if not stopped, if not turned back, [caused] many setbacks for ISIS. From your information, from the way you are following this, what do you think the strength is. Is ISIS gaining? Is Washington having any success in its so-called program of turning them back?

PB: Well, I think what is happening is that some of these U.S. air strikes are finding, identifying, and killing members of ISIS. So they're bombing pick-up trucks, they're bombing groups of half-a-dozen troops at a time, that sort of thing. So, yes, ISIS is paying a price for this. ISIS fighters are being killed. Now if you want to consider that a great victory for U.S. policy, I suppose that's a victory.

The problem is, it doesn't seem to have any impact on the rise of ISIS, and the expansion of ISIS. This is a little bit similar to what we saw in Afghanistan in the early years of the war when the U.S. was able to simply wipe out the vast majority of Al-Qaeda fighting forces in Afghanistan.

You remember, Dennis, and many of your listeners will remember, just a couple of years into the war we already started hearing that there's only somewhere between 50 and 100 Al-Qaeda fighters left in Afghanistan. And lots of people started scratching their heads, and saying "and exactly why are we keeping 100,000 troops there, if that's the case?" "Well, because Al-Qaeda had expanded and now we're also going after the Taliban, and we're going after Al-Qaeda in Iraq." Which, of course, is what became ISIS a few years later. "We have to go after Al-Qaeda in the Magreb, in and around Algeria and the North Africa area. We now have Al-Qaeda in Yemen. We have Al-Qaeda spreading around and now we have ISIS expanding."

There's now a militant group in the Egyptian Sinai, which a week or two ago declared themselves to be part of, and accountable to ISIS. So as the U.S. proceeds to drop bombs on pick-up trucks with half a dozen troops here and a half a dozen guerrillas there, what we're seeing is an increase, just as we did with the Taliban and other militant organizations when the U.S. attacks them, that's the best possible recruiting device that those organizations could ever wish for. The same thing is happening with ISIS.

DB: Particularly now, could you talk a little bit about the U.S. is bombing in Syria, the U.S. wants Turkey to get more engaged, we've got the U.S. bombing in a way that helps the Syrian government which it clearly opposes. You want to give your assessment of what's happening here?

PB: Yeah, kind of messy, isn't it? We have the U.S., as you say, bombing in Syria and bombing in Iraq, and it's bombing the strongest opponents of the government in Syria, which is the government that just a year ago we were almost at war with. And it was only the opposition of the British Parliament, the face-saving provided by Russia, and the massive outpouring of anti-war demands on Congress from people in this country that stopped the Obama administration from bombing the Syrian regime at that time. Why? Because the Syrian regime was the worst regime we had ever faced.

Now we're bombing the chief, most powerful strongest military opponents of the Syrian regime, which is ISIS. ISIS has absorbed into itself stolen money and weapons from, and sidelined, all the other opponents. It has become, by far, the dominant opponent of the Syrian regime, at a military level.

I mean, we should be clear there are still incredibly brave non-violent

protestors in Syria that are challenging both the regime and these extremist forces. But on a military level, which is the only level the U.S. operates at, ISIS has become, by far, the most powerful opponent of the Syrian regime. And every bombing that the U.S. carries out, further strengthens the regime, not least because it takes forces away from the need for the regime to challenge ISIS. The U.S. is doing its work for it. So, that's a very messy situation.

We also have to recognize that the whole question of Kurdish rights, Kurdish nationalism, has re-emerged in these last six months or so, as a major, really defining component here. And it makes everything far more complicated. If we look at the question in September, when we first saw the U.S. decision to bomb in Syria, something it had, up until then, refused to do. The official reason, at the time, was that the Yazidi community had been isolated and was stuck on Mount Sinjar. It was the heat of the summer, they were stuck without water. It was a lot of old people, a lot of babies, children, women; a desperate situation. The humanitarian situation was an absolute crisis.

And it was that crisis that was the, sort of, public rationale that the U.S. gave for engaging in bombing. Well, in fact, out of about 100 air strikes that were carried out at that time, by the U.S., only two of them were actually anywhere near Mount Sinjar. The rest were all up near the oil city of Erbil, the Kurdish oil city in Northern Iraq. The Kurds, the Yazidis, the Kurdish Yazidis on Mount Sinjar were saved by Syrian Kurds, not by the U.S. bombing but by Syrian Kurds allied with the organization known as the PKK, which is an organization of Turkish Kurds which the U.S. considers to be a terrorist organization.

So the Yazidis are saved by people the U.S. considers to be terrorists. That makes things a little bit complicated. What's even more complicated is that the Iraqi Kurds around Erbil, Sulaymaniyah, that whole region has expanded by 40 percent through this period of U.S. bombing and the re-introduction of U.S. forces into Iraq. That Kurdish zone now includes the city of Kirkuk, a long disputed city with a mixed population, partly Kurdish, partly Iraqi Arab, and one that the Kurds wanted to control because it's a wealthy oil center. At the same time and for the same reason, the Iraqi government wanted to keep control of it, keep it out of Kurdish hands.

So now we have a situation where the U.S. is operating militarily in alliance with the Kurds of Iraq, who are trying very hard to divide Iraq, something the U.S. says it opposes. So, everything the U.S. does, whether it's in Iraq, whether it's in Syria, is having an opposite effect as a direct result of each of its military strikes. So everything we hear from the Pentagon "Oh, we got some bad guys. Oh, we got somebody and we got a pick-up truck full of bad guys."

Well, that's all well and good, but the result of it is the exact opposite of the medium to longer term goal that the U.S. has and instead is serving the interests of U.S. opponents.

DB: Just staying with the Kurds for a moment, the U.S. has a new sort of feeling of allied with the Kurds, Kurdistan in Iraq, people talk about a new, independent state, but clearly that reverberates in very different ways in Turkey. I mean, there are a lot more Kurds in Turkey than there are in Kurdistan, not to mention the Kurds in Iran. So where does that come into play?

PB: Yeah, this is a big problem because what we're seeing right now, this is the basis for the U.S.-Turkish divide over what to do. The reason that the Turks have been very resistant to playing a bigger military role in Kobani, for instance, the Syrian city that is right along the Syrian-Turkish border, is because they don't want to be helping the Syrian Kurds towards greater independence.

The Syrian Kurds have been, more or less, unofficially allied with the Syrian government. That doesn't mean they like the government, that doesn't mean they necessarily support the government. But it does mean that they have reached a fairly official rapprochement with the Syrian government, which has agreed to not attack Syrian Kurdish areas.

So when Turkey is faced with going after ISIS, in Kobani, they don't want to do that because they don't want to give more support to the Syrian Kurds who are seen as friends of the Syrian leader, who is the deadly enemy of the Turkish government. So, it's all incredibly complicated.

You know, again it comes back to everything the U.S. does in one place, is having a really negative effect on what it's trying to do somewhere else. The Turkish Kurds, who had fought a real guerrilla war against the Turkish government for decades, have not been at war, have not been fighting militarily, have been engaged in negotiations for the last five years or more. And both sides have been reluctant to abandon those negotiations.

But on the other hand the Turkish Kurds are watching their compatriots in Syria and in Iraq, the Iraqi Kurds and the Syrian Kurds, who are having these military victories and suddenly controlling a lot more territory than they used to, and that's giving them ideas that maybe it's time to give up on those negotiations and try a different route. So there's a lot of very dangerous possibilities at stake here.

DB: Oh, there's so much going on. So let's travel across Syria to the other border there. With Lebanon, it's got a busy border. ... You've got Palestinians

fleeing Syria on the one hand and you've got Hezbollah joining the war with Syria on the other hand. How does that impact on the region, on Israel, which has already conducted its own strikes in Syria? How do you look at that?

PB: It's hugely destabilizing, and at the humanitarian level, it's disastrous. If you look at what's happened in Palestinian refugee camps like the Sabra and Shatila camps, known around the world for the massacre against Palestinians that happened under the leadership of General Ariel Sharon, then the defense minister of Israel and later the prime minister, known as the Butcher of Beirut, as a result that led to the massacre of over 2,000 Palestinian civilians in a two-day raid by Lebanese Christians while Israeli soldiers provided the light to allow them to kill through the night.

Sabra and Shatila today have been flooded with Palestinian refugees coming into Lebanon from their refugee camps in Syria, and by Syrian refugees who are fleeing the fighting. It's put enormous pressure on the already very fragile, both political and physical infrastructure of the camps, and of Lebanon as a whole.

At the same time, you have, for many Palestinians in Syria, who have been forced to flee in some cases the third or even fourth time they've been made refugees. These were, many of them, were originally refugees in what the Palestinians call the Nakba or the Catastrophe, the massive dispossession of 750,000 Palestinians in the war that led to the creation of the state of Israel in 1947-48.

Many of them first found refuge and set up camps in Syria. Those camps later were filled with refugees from the '67 war. Some of them were people who had gone during the '67 war, had fled to Jordan, and then in 1970, during the Black September operation, had been driven out a third time, had found refuge now in Syria. And now a fourth time are being made refugees again, and are fleeing back into Lebanon. So for Palestinian families it is absolutely disastrous.

And because they are stateless they have no rights. In Lebanon, for instance, Lebanon is known among all the Arab countries that hold large numbers of Palestinian refugees, Lebanon has always had by far the most stringent restrictions on what Palestinian refugees can do. They are not only not allowed the rights of citizenship, as they are in Jordan and to a large degree historically in Syria until the war began, but they are also explicitly restricted from, I think it's about 50 or so job categories. That they are simply not allowed to take those jobs. So refugees, Palestinian refugees, second, third generation refugees in Lebanon, are already living incredibly difficult, constrained, impoverished and dispossessed lives, along with the denial of their right to return to their homeland. So it's made all of that worse.

DB: So then we're going to sort of leap over Palestine-Israel and talk about Egypt but obviously in the context of talking about Egypt, obviously what happens there has a major impact if anything is going to change in terms of Palestine and the Israeli occupation. Do you want to talk about the horrific unfolding we've seen around the dismissing of charges against Mubarak because of technical whatever in the court system. Do you want to talk about what's been going on there? Some people died in protests over the last several days.

PB: There was never any technical problem with the court system. The court system works fine, technically. The problem is political. The problem is the courts are an instrument of the military government that took power in a coup d'etat a year ago, overthrowing the first and, so far, last, freely elected president of Egypt, the Islamist leader Mohamed Morsi. And when Morsi was overthrown in the protests that resulted in the military government that came to power killed huge numbers of people. Over 1,000 people were killed in one set of demonstrations. Thousands have been imprisoned; famously the three Al Jazeera journalists remain in prison without any evidence, charged with being supporters of the Muslim Brotherhood. Without, again, without any evidence at all. These are completely secular [journalists]. Two of them are not even Egyptians.

So the human rights situation has been disastrous in Egypt. And in the last couple of days the courts, the government controlled courts, have given up any efforts on accountability of Mubarak and his two sons and their top officials. And all the charges were dropped. He's expected to get out any time now. And, in some of the protests that greeted that decision, several more people have been killed. But at the same time there has been a rise in Islamist opposition fighters, extremists militias of various sorts, that are operating kind of unaccountable to anybody in the Egyptian Sinai.

One of the results of that decision by the government that has been so far unable to stop them from their occasional attacks on military targets. They've killed some soldiers. In one large-scale attack they killed 31 soldiers, but the response of the government has been to, among other things, create a so-called buffer zone along the border between the Egyptian Sinai and the Gaza Strip. Which has meant, not only shutting down the tunnels that were used for smuggling crucially needed building supplies, food, other supplies into Gaza, but they also permanently shut down the Rafah crossing which was the last remaining way for Gazans to get in or out.

As of right now, Gaza is completely surrounded with no open border, without any way to get in or out. Students who have scholarships to study around the world can't get out to get to embassies to pick up their visas, can't leave to begin their studies. And they are simply losing their scholarships. They are losing

their right to go to school. Patients that desperately need cancer treatment in Cairo, can't get out. Four hundred to five hundred houses have been destroyed. These are Egyptian houses, on the Egyptian side of Rafah who have been summarily dismissed and told to go live somewhere else.

So the situation in Sinai is at an absolute boil. And the human rights situation in Egypt is getting worse and worse. So the situation there is becoming worse and in response to that at least one of the extremist organizations operating in the Sinai has declared its new allegiance to ISIS. So it's now linking the instability in Egypt directly to the ISIS crisis in the Iraq-Syria region. So it's very quickly becoming a widespread regional reality that we're dealing with.

DB: And does this reverberate in the militant Palestinian community which is, you know, at the edge of ... you can't even say desperation in terms of what's been going on there; the last slaughter with Israel. I mean it would seem to me that the militancy, the next intifada is around the corner, if not here now.

PB: Well, I think we have to be careful. There is no question desperation is rising, and it's not only rising for militants. It's rising for ordinary people, for children, for families, for pregnant women, for every possible constituent of society that you can imagine. People are desperate. There's no work, there's no money, increasingly there's no food. Ninety percent of the water in Gaza, and there's very little available, 90 percent of it is not fit for human consumption. Everything that you need for a normal, decent human life is denied. So desperation absolutely is on the rise.

When we speak of another intifada, I think that one way to see it is that the third intifada has already been underway for quite some time, and this one is an international intifada. And it's largely non-violent. It's largely led by the global BDS movement, the Boycott, Divestment, Sanctions Movement that is growing in power here in the U.S. and is enormously powerful in Europe and in places like South Africa and elsewhere.

But it's also a situation in which that the call for BDS came from Palestinian civil society which is increasingly the most recognized leadership of the Palestinian people, at a time when both Hamas and Fatah, the two leading Palestinian parties are losing ground, are losing support, are losing the ability to speak for and even speak to their constituents.

So, I don't think that we're going to see something like the second intifada which was quite a violent uprising against extraordinary Israeli violence of the occupation. That violence, occupation violence has been absolutely skyrocketing in recent years, as you mentioned this last summers' 50-day assault on Gaza was

only the most recent. But the expansion of settlements, the destruction of homes, the arrests, the killings are driving people to absolute desperation.

I don't think that necessarily means it will translate into a violent uprising. I think that there is already a set of uprisings underway, some of which is non-violent, much of it is non-violent, but certainly some have seen what we've seen some of these individual people who simply lose control and there's an explosion. When people are just pushed to the limits. And we've seen these kinds of individual acts which do not constitute an intifada. They're not organized, they are not led by anyone, they're not part of organizations. They are simply desperate individuals who have been driven to the end of their tolerance. There's a danger of that for sure.

Dennis J Bernstein is a host of "Flashpoints" on the Pacifica radio network and the author of *Special Ed: Voices from a Hidden Classroom*.

The Impending Failure in Afghanistan

America's neocon-driven foreign policy is more about political one-ups-man-ship in Official Washington than the realities on the ground in countries like Afghanistan where the U.S. military is then expected to do more than is possible, leading to failure after failure, as Independent Institute's Ivan Eland describes.

By Ivan Eland

As U.S. forces withdraw from parts of Afghanistan, the Taliban is making gains in several areas of the country. The Afghan police and army are slowly giving way, despite the United States spending 13 years and tens of billions of dollars training those forces.

When the United States completes its withdrawal from ground combat at the end of this year, this unfavorable trend will undoubtedly accelerate, that is, if the Afghan security forces don't collapse altogether, as did similarly U.S. trained Iraqi forces in that country. Thus, in the longest war in American history, the U.S. military has failed to pacify Afghanistan, as had the mighty British Empire three times in the 19th and early 20th centuries and the Soviet superpower more recently in the 1980s. In fact, an outside force has not pacified Afghanistan since Cyrus the Great of Persia did it in ancient times.

Why did the United States have the hubris to think it could succeed in taming Afghanistan, when all of these other strenuous efforts had failed? Because many

in the American foreign policy elite, media and citizenry believe in "American exceptionalism." As propounded by politicians of both parties, for example, Hillary Clinton and Madeleine Albright in the Democratic Party and people such as John McCain and his sidekick Lindsay Graham in the Republican Party, America is the "indispensable nation" to a world that cannot do without its solving most major problems using military power.

Yet despite the current public fawning over military personnel and veterans of American wars, the U.S. military has been fairly incompetent in most major engagements since World War II that required significant ground forces, with only Desert Storm in 1991 being an unvarnished success in recent years. The U.S. armed forces are probably more powerful than any other military in world history, both absolutely and relative to other countries, yet their battlefield performance has not been that great, especially against irregular guerrilla forces in the developing world.

In the post-World War II era, the U.S. military managed to fight the then-poor nation of China to only a draw in the Korean War (1950-1953); lost the Vietnam War (1965-1973) to ragtag Viet Cong guerrillas and North Vietnamese; and made the same mistakes of Vietnam in Iraq and Afghanistan, initially using excessive firepower and alienating the population, the allegiance of which is key to fighting guerrillas.

Even in lesser ground operations against small weak foes, the U.S. military has not performed all that well. Although successful, the invasions of Grenada and Panama exhibited embarrassing snafus, such as friendly fire casualties caused by the inability of U.S. services to adequately communicate and coordinate and the wanton destruction of civilian areas and excessive casualties in what was supposed to have been a surgical operation, respectively.

The hostage rescue mission conducted in Iran in 1980 had to be aborted. Finally, U.S. interventions in Lebanon and Somalia under the Reagan and the George H.W. Bush/Clinton administrations, respectively, led to ignominious cutting and running from those countries after successful enemy attacks, inspiring Osama bin Laden to believe he could compel U.S. withdrawal from overseas interventions by launching terrorist attacks against U.S. military forces (the U.S.S. Cole) and facilities overseas and even American territory.

Whenever the U.S. military has a setback, it usually hints around that the civilian leadership of the country was more to blame. And civilian leaders are partly to blame in most of these instances, but the military should not escape public scrutiny for these disasters, which it largely has. The problem is that the American public feels guilty for the alleged abuse of returning Vietnam-era veterans and for the fact with an all-volunteer Army, it doesn't have to

sacrifice much during all these American military adventures overseas.

Of course, if the public really wanted to do something to support American service personnel, it should put a stop to them fighting and dying in faraway developing nations to allegedly combat much exaggerated threats to the United States. However, sufficient public outrage needed to end the conflicts was not evident for either Afghanistan or Iraq.

But what exactly went wrong in Afghanistan? As in Vietnam and Iraq, the U.S. military has not been fighting conventional armies, such as Iraqi forces during Desert Storm, which it is best at. Instead, in all three places, it was conducting what amounts to military social work. U.S. armed forces are fighting guerrillas that melt back into an all-important supportive indigenous civilian population. In Vietnam, initially, U.S. forces used excessive firepower, which alienated civilians; in Afghanistan and Iraq, the U.S. military, forgetting the lessons of Vietnam, did the same thing.

But American citizens ask, "Aren't our forces more benevolent than the brutal Taliban? Why does the Taliban still get so much support in Afghanistan?" The answer: because they are Afghans. As my book, *The Failure of Counterinsurgency: Why Hearts and Minds Are Seldom Won*, notes, when fighting indigenous insurgents, the foreign invader never gets the benefit of the doubt.

This central point makes it difficult for great powers to win wars against insurgents, no matter how nice they try to be to the civilian populace. And the U.S. military is usually fairly unfamiliar with the language and culture of distant lands in which they intervene, thus making it difficult to get good information about who is a guerrilla and who is not.

Often the only way to win a counterinsurgency is to annihilate the entire country with indiscriminate and potent violence; yet the Soviets used such scorched-earth policies in Afghanistan and didn't win. Furthermore, the U.S. military would have difficulty selling such a morally bankrupt policy, which amounts to "destroying a country in order to save it," in a republic.

America is exceptional, however in a way the nation's Founders realized but has long been forgotten. Being far away from the centers of world conflict, the United States has probably the best intrinsic security of any great power in world history. Thus, the Founders had the luxury of being suspicious of standing armies in a republic.

Furthermore, as in any other public bureaucracy, when people are spending other people's money, things often go awry. Thus, sending the military to war should only be done in the most dire cases of national security. Military restraint was

the Founders' vision, but we have drifted far from it into a militaristic society in constant war.

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