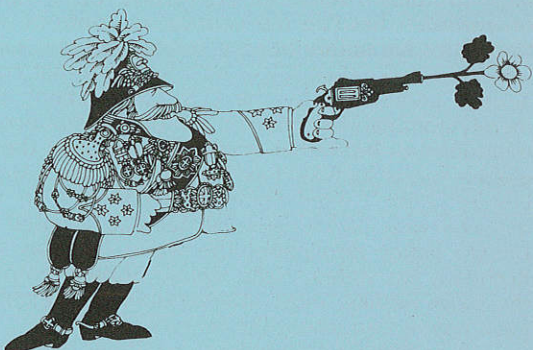


# U.S. FOREIGN POLICY VS. THE THIRD WORLD



BY BRIAN CLELLAND

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### THE LIBERTAS STATEMENT

We, as libertarians, affirm:  
That full individual liberty is impossible in any society other than a voluntary one that expresses upon no one:  
That men and women require the full and independent use of their own judgment to choose at all times the right and wrong of their actions;  
That no man has the right to do their own thing  
That everyone is exclusively sovereign, and is a slave to no one.  
That the individual is best served by society when he or she is free from the forcefully imposed controls of others, acting alone or in concert (as a government).  
That all forms of coercion, aggression and fraud are always immoral.  
That the only system consistent with personal freedoms in the economic arena is one that does not interfere with free trade between consenting individuals.  
THEREFORE, we, as libertarians, resolve to oppose all forms of aggression by any State, Government, self-appointed savior, individual, or association of individuals. We further resolve to oppose taxation, conscription, eminent domain, laws which create victimless "crimes," and all programs forced onto individuals without their consent. It is time that the chains of authoritarianism in economics and morally be broken. Individual rights and coercion cannot co-exist. Liberty cannot be compromised, and we will settle for no less than freedom in our time

(adopted on May 5, 1973)

adversely inhibit the advancement of Third World nations which pose as potential economic and political rivals.

What this basically means to libertarians should be a firm commitment to a staunch *isolationist* (non-interventionist) foreign policy based upon national self-determination--whether it be to the *left* or to the *right*. Chile, Vietnam, Mayaguez, and other actions have long since removed the U.S. from the role of freedom crusader and in turn establishes America as the prime exporter of statist aggression and economic exploitation. The alliance between the U.S. Government and corporations has no semblance to *free market actions* and does not deserve the slightest allegiance of any American who believes in political and economic liberty, for indeed that is the exact anthesis for which U.S. foreign policy now stands.

Rev. from 1976 ed., 3/80

## FOOTNOTES

1 Harry Magdoff, *The Age of Imperialism* (Monthly Review Press, New York: 1969).

2 Prof. Murray N. Rothbard, *For a New Liberty* (MacMillan Company, New York: 1973) p. 287.

3 Magdoff, p 32.

4 Andre Gunder Frank, *Latin America: Underdevelopment or Revolution* (Monthly Review Press, New York: 1969 p. 4.

5 Friedrich A. von Hayek, *The Constitution of Liberty* (Henry Regnery Co., Chicago: 1972) p. 367.

6 "...Foreign aid--a device for the American taxpayer to subsidize American export industries and foreign governments..." Rothbard, *For a New Liberty*, p. 289.

*Even if, like many citizens of the United States, one is dissatisfied with his country's foreign policy, one may believe that the United States is guilty only of bungling, of misguided righteousness, or of a too ardent concern to police the world in the interest of "security" and "anti-communism." One probably has little idea that recent foreign adventures have been influenced by the imperatives of a rapidly expanding American Empire.*<sup>1</sup>

**Harry Magdoff**

In the process of developing a philosophy which is fully applicable to the entire contemporary world, libertarians must deal much more extensively with a topic that only the *left* has had the courage to confront--that of the aggressive nature of U.S. foreign policy. Libertarians must make themselves keenly aware that coercive actions undertaken by the U.S. Government are not merely confined to domestic political-social-economic relationships, but rather encompass virtually the entire globe. Terms such as "Pax Americana," the "American Empire" and "United States Imperialism," do indeed describe with high degree of accuracy United States foreign policy throughout the world. For as Murray Rothbard has stated, "(the United States), empirically the most warlike, most interventionist, most imperial government throughout the century."<sup>2</sup>

Undoubtedly, this violently conflicts with the popular image of America as the crusader of freedom, humanitarianism and goodwill. Such an image is carefully foisted upon the public by the American ruling elites in order to justify the continual aggressive and exploitative expansion of the United States. The popular belief in this facade is clearly evident particularly when Third World nations denounce various United States actions. For almost immediately public opinion registers very hostile reactions to these statements and in turn calls for some form of punitive action be taken to *show those third-rate, pip-squeak nations a lesson*. Never is it suggested that perhaps these nations have valid reasons for such hostility and react in this fashion out of a position of frustration and anger at U.S. actions.

These violent feelings toward the U.S. come as a result of the awareness by these nations that they are becoming the recipients of an increasing commitment on behalf of the U.S. to carry out extensive political-economic intervention and penetration. It appears clearly that in increasing fashion, the attention of the U.S. (and other industrialized nations as well) is being focused upon the vast resources of the underdeveloped world. The primary reason for this comes as a result of the rise of new technologies and industrial formations which have produced increasing demand for a multitude of raw resources. Also, there exist within the United States the rising awareness of the limits of our

own self-exploitation, insofar as domestic reserves of materials are quickly being exhausted. Consequently, the U.S. has expanded outward in search of raw materials in order to further perpetuate the domestic **State-Capitalist** system. "Industry now went out into the world in search of the basic materials without which in its new forms, it could not exist."<sup>3</sup>

### EXPLOITATION OF THE THIRD WORLD

The vast majority of the relationships which have developed between the United States and Third World nations seems predicated upon the process of economic penetration and domination by the United States. For those who hold in high regard individual liberty and economic freedom, it is a sad fact that little attention has been afforded by the United States to the process of development and modernization in these nations--a process which would give rise to viable self-sustaining economies capable of autonomous action on behalf of the interests of their indigenous populations.

This by no means is meant to suggest that there is an unavoidable link between foreign investment and underdevelopment. Rather such a relationship exist because U.S. politicians and corporations find it in their interest to establish a dependency existence for the Third World nations. In other words, economic freedom and locally benefiting development is neither a motivational factor nor a result of U.S. investment, and if its introduction into the relationship was carried out, the plans and benefits to the U.S. government and corporations would be largely damaged in the process. "Research demonstrates that contemporary underdevelopment is, in large part, the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now-developed metropolitan countries."<sup>4</sup>

To be more specific, just what kind of penetration takes place and how are these relationships perpetuated? First, the U.S. has become to a large degree, dependent on foreign sources for raw materials which can easily be labeled "strategic" in nature (e.g. petroleum, bauxite, zinc, lead and many more). These materials are absolutely vital insofar as entire industries are predicated on obtaining them at a very low cost (which is to be fully expected) and, perhaps more important, that supply should be secured through both political and economic domination rather than through the use of market actions. While this has produced in the U.S. an illusory situation of abundance and to some degree is responsible for our disproportionately high level of prosperity, it has also imposed drastic economic distortions upon Third World nations. Once U.S. investment enters a nation there is revealed an introduction of various production methods and technologies which, while presenting some advancements to a small portion of an economy must, by nature of their limited scope, fail to sustain an economy once its specific sources of application are no longer profitable enterprises.

An example would be the extraction of a raw material with use of high capital-intensive technology. "It would seem indeed, that if such (underdeveloped) countries are to effect a rapid rise in the standard of living only a small portion of such capital as becomes available should be devoted to the creation of elaborate industrialized equipment and perhaps none of it to the kind of high automatized, *capital-intensive* plants..."<sup>5</sup> Also, any employment gains will be modest and income derived from such employment will be small because local labor is usually low-level work. All the while, thus encouraging artificially high rates of consumption which in turn, further depletes the reserves of that nation. Since these nations are usually producers of a very few primary resources, once supplies dwindle, or demand drops, their economies are thrown into havoc. Thus it remains in (too) many cases that foreign investment is used to the direct disadvantage of the underdeveloped nations in the name of economic growth and prosperity for the United States.

### CORPORATE PROTECTION BY THE STATE

What has basically been observed so far is the practice of U.S. corporations, although it is essential that the U.S. government's role in this exploitation be recognized. Insofar as corporations carry out the actual penetration, the fact remains that the political and military clout of the U.S. stands behind the corporations, poised for action should their operations be threatened at anytime (remember Chile and the CIA?). While such violent action is exercised rather infrequently, it nonetheless remains part of this government's repertory of aggression. What appears to be more persuasive a tool in allowing economic penetration is that of foreign aid in its various forms.

Foreign aid is a much misunderstood policy insofar as it is commonly viewed as a "give-away" or "bottomless pit," while in fact it is a necessary instrument in America's foreign policy.<sup>6</sup> United State's aid programs, by allowing nations to become dependent on the U.S. for various items (e.g. food, military hardware, industrial technology, etc.) places a nation in a precarious position. Accompanying this dependency is increased use of leverage by the United States. Such leverage can be used to maintain "friendly" regimes, establish and maintain military bases, to assure favorable conditions exist for U.S. corporations to enter these economies, and many other uses.

Once the rhetoric of American politics is stripped away and a more accurate view of U.S. policy is established vis-a-vis the Third World, it stands as no surprise the open anger and sometimes rage which such nations hold for the United States. The type of relationship briefly outlined above treats an interaction which exist and has been historically fostered in the attempt to maintain the economic hegemony of the United States. This is a repressive and reactionary position designed to