

THE BUBBLE OF  
AMERICAN  
SUPREMACY

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CORRECTING THE MISUSE  
OF AMERICAN POWER

GEORGE  
SORROS

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American Supremacy

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## Preface

I consider the Bush doctrine of preemptive military action pernicious, and so do many others around the world. The invasion of Iraq was the first practical application of the Bush doctrine, and it elicited an allergic reaction worldwide—not because anyone had a good word to say about Saddam Hussein, but because we insisted on invading Iraq unilaterally without any clear evidence that he had anything to do with September 11 or that he possessed weapons of mass destruction.

The gap in perceptions between America and the rest of the world has never been wider. Abroad, America is seen as abusing the dominant position it occupies; public opinion at home has been led to believe that Saddam Hussein posed a clear and present danger to our national security. Only in the aftermath of the Iraqi invasion are people becoming aware that they have been misled.

I contend that the Bush administration has deliberately exploited September 11 in order to pursue policies that the American public would not have otherwise tolerated. The Bush dream of American supremacy is both unattainable and in contradiction with the principles that America has traditionally stood for. It endangers our values as well as our security. And it endangers the world because America is so powerful.



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The United States enjoys a dominant position in the world today that cannot be challenged by any other state or combination of states for the foreseeable future. It can lose its dominance only as a result of its own mistakes. At present the country is in the process of committing such mistakes because it is in the hands of a group of extremists whose strong sense of mission is matched only by their false sense of certitude. By abusing the position that the United States occupies in the world, the extremists have made our nation weaker, not stronger.

These are fighting words and many people will violently disagree, but they are justified by the gravity of the situation. These are not normal times. I have made it my primary objective to persuade the American public to reject President Bush in the forthcoming elections. We have been deceived. When he stood for election in 2000, President Bush promised a humble foreign policy, not the Bush doctrine. If he is rejected in 2004, his policies can be written off as a temporary aberration and America can resume its rightful place in the world. On the other hand, if he is reelected, the electorate will have endorsed those policies and we will have to live with the consequences. But it is not enough to defeat President Bush at the polls. America has to reexamine its role in the world and adopt a more constructive vision.

. . . . .

My own sensitivity to the excesses of the Bush administration may be attributed in large part to my background. I grew

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up as a Jew in Hungary during World War II. I lived through both German and Soviet occupation and learned at an early age how political systems can affect your very survival. When I hear President Bush say that "either you are with us, or you are with the terrorists," I hear alarm bells.\* John Ashcroft pushes the wrong buttons in me when he declares, "To those who scare peace-loving people with phantoms of lost liberty, my message is this: Your tactics only aid terrorists, for they erode our national unity and diminish our resolve. They give ammunition to America's enemies and pause to America's friends."† I am distressed that the public is not as alarmed as I am. This is not the America I chose as my home.

When I escaped from Hungary in 1947, I first went to England and studied at the London School of Economics. I came under the influence of Karl Popper the philosopher and learned about the difference between open and closed societies. After I had been successful in the financial markets, I established a network of foundations fostering open societies. As a practical promoter of democracy in various parts of the world, I feel qualified to contribute to a rethinking of America's role in the world.

I bring to the task a conceptual framework that I started

\*George W. Bush, Address to a Joint Session of Congress and the American People, September 20, 2001, available at <http://www.whitehouse.gov/news/releases/2001/09/20010920-8.html>.

†John Ashcroft, Testimony to Senate Committee on the Judiciary, December 6, 2001, available at <http://www.usdoj.gov/ag/testimony/2001/1206transcriptsenatejudiciarycommittee.htm>.

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developing in my student days and kept revising in the light of experience. In many ways it differs from the prevailing wisdom. Some of the terms I use—open society, reflexivity, radical fallibility, fertile fallacies, the human uncertainty principle, and the various stages of the boom-bust process—may be unfamiliar to the reader. I give a brief explanation of my conceptual framework in the Appendix.

This book has grown out of my previous one: *George Soros on Globalization*.<sup>\*</sup> In that book, I examined our international financial and trade institutions (IFTIs) and suggested ways to make them more effective. At that time, my main concern was with the excesses of market fundamentalists who are opposed to any interference with market forces. They attacked our IFTIs from the right while the antiglobalization movement was assailing those institutions from the left. I recognized the deficiencies of the global capitalist system, and I argued that they could be cured by reforming and strengthening our IFTIs, not by destroying them. Of course, my argument was at odds with the Bush administration's posture, but September 11 gave rise to a moment of national reflection that might have led to a change of attitudes, and I did not want to let the moment pass.

President Bush led the country—and the world—in a different direction. He used September 11 to assert our right to

<sup>\*</sup>New York: PublicAffairs, 2002.

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preemptive military action. My main concern now is with the excesses of that approach. The government of the most powerful country on earth has fallen into the hands of extremists who are guided by a crude form of social Darwinism: Life is a struggle for survival, and we must rely mainly on the use of force to survive. This is a distorted view: The survival of the fittest depends on cooperation as well as competition. The pursuit of military superiority is closely allied with market fundamentalism, which also emphasizes competition to the detriment of cooperation. But the Bush administration was able to carry the nation behind it by playing up the terrorist threat.

Prior to September 11, the excesses of a false ideology were kept within bounds by the normal functioning of our democracy. The war on terror temporarily silenced criticism and carried us beyond normalcy. It is when we invaded Iraq that we entered what I call far-from-equilibrium territory. I see a certain parallel between the pursuit of American supremacy and the boom-bust pattern that can be observed from time to time in the stock market. The bubble is now bursting. The purpose of this book is to explain how we got into the mess in which we currently find ourselves and what America's role in the world ought to be. I shall subject the Bush administration's policies to critical examination in Part 1 and spell out a constructive vision of America's role in Part 2.



# Acknowledgments

This book has been published at great speed because of the urgency of the subject. I would like to thank the editors of the *Atlantic Monthly* who saw its importance and gave it early support by agreeing to take an excerpt.

Several people read the manuscript at various stages of its evolution and contributed to a spirited debate that enriched the conclusions reached here. Although there were fewer advance readers than usual because of the pressures of time, I'm indebted especially to them, notably: Benjamin Barber, Emma Bonino, Robert Boorstin, Leon Botstein, Yehuda Elkana, Mort Halperin, Karin Lissakers, William Maynes, Bill Moyers, Wiktor Osiatynski, Paul Soros, Michael Vachon, Byron Wien, and Fareed Zakaria. David Stevens assisted me with research. Yvonne Sheer did much more than type and retype the manuscript innumerable times; she did a lot of research and coordinated the entire effort. At PublicAffairs, Peter Osnos, Robert Kimzey, Clive Priddle, Melanie Peirson Johnstone, Jenny Dossin, and Patricia Boyd went to great lengths to get the book done and arrange for the timely publication of the extract. It has been a pleasure to work with the team again.

To all I am truly grateful.

GEORGE SOROS

*October 2003*

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PART I

A Critical View

# CHAPTER 1

## The Bush Doctrine

It is generally agreed that September 11, 2001, changed the course of history, but we must ask ourselves why that should be so. How could a single event, even if it involved three thousand civilian casualties, have such a far-reaching effect? The answer lies not so much in the event itself but in the way the United States, under the leadership of President George W. Bush, responded to it.

Admittedly, the terrorist attack was a historic event in its own right. Hijacking fully loaded airplanes and using them as suicide bombs was an audacious idea, and the execution could not have been more spectacular. The destruction of the twin towers of the World Trade Center made a symbolic statement that reverberated around the world, and the fact that people could watch the event on



their television sets endowed it with an emotional impact that no terrorist act had ever achieved before.

The aim of terrorism is by definition to terrorize, and the attack of September 11 fully accomplished this objective. Most people in America were shaken to their core. They were affected both individually and collectively. Until then, the idea that the United States could be challenged on its own soil and that U.S. citizens may be personally vulnerable did not enter into Americans' consciousness. The attack shattered people's sense of security. A feeling of normalcy was replaced by a sense of emergency.

Even so, September 11, 2001, could not have changed the course of history to the extent that it has if President Bush had not responded to it the way he did. He declared war on terrorism and under that guise implemented a radical foreign policy agenda that predated the tragedy of September 11.

The underlying principles of this agenda can be summed up as follows: International relations are relations of power, not law; power prevails and law legitimizes what prevails. The United States is unquestionably the dominant power in the post-Cold War world; it is therefore in a position to impose its views, interests, and values on the world. The world would benefit from adopting American values because the American model has demonstrated its superiority. Under the previous administrations, however, the United States failed to use the full

potential of its power. This has to be corrected. The United States must assert its supremacy in the world.

This view on foreign policy is part of a comprehensive ideology customarily referred to as neoconservatism, but I prefer to describe it as a crude form of social Darwinism. I call it crude because it ignores the role of cooperation in the survival of the fittest and puts all the emphasis on competition. In the economy, the competition is between firms; in international relations, it is between states. In economic matters, social Darwinism takes the form of market fundamentalism; in international relations, it leads to the pursuit of American supremacy.

Not all the members of the Bush administration subscribe to this ideology, but the neocons form an influential group within the executive branch and their influence greatly increased after September 11. Their ideas were succinctly stated in the 1997 mission statement of the Project for the New American Century, a neoconservative think tank and policy advocacy group. Already in 1992, under the first Bush administration, a similar memorandum had been prepared by the Defense Department, but it proved so controversial that it had to be dropped. It is worth quoting the 1997 mission statement and its signatories in full:\*

\*Project for the New American Century, Statement of Principles, June 3, 1997, Project for the New American Century Web site, <http://www.newamericancentury.org>.

## STATEMENT OF PRINCIPLES

American foreign and defense policy is adrift. Conservatives have criticized the incoherent policies of the Clinton Administration. They have also resisted isolationist impulses from within their own ranks. But conservatives have not confidently advanced a strategic vision of America's role in the world. They have not set forth guiding principles for American foreign policy. They have allowed differences over tactics to obscure potential agreement on strategic objectives. And they have not fought for a defense budget that would maintain American security and advance American interests in the new century.

We aim to change this. We aim to make the case and rally support for American global leadership.

As the 20th century draws to a close, the United States stands as the world's preeminent power. Having led the West to victory in the Cold War, America faces an opportunity and a challenge: Does the United States have the vision to build upon the achievements of past decades? Does the United States have the resolve to shape a new century favorable to American principles and interests?

We are in danger of squandering the opportunity and failing the challenge. We are living off the capital—both the military investments and the foreign policy achievements—built up by past administrations. Cuts in foreign affairs and defense spending, inattention to the tools of statecraft, and inconstant leadership are making it increasingly difficult to sustain American influence

around the world. And the promise of short-term commercial benefits threatens to override strategic considerations. As a consequence, we are jeopardizing the nation's ability to meet present threats and to deal with potentially greater challenges that lie ahead.

We seem to have forgotten the essential elements of the Reagan Administration's success: a military that is strong and ready to meet both present and future challenges; a foreign policy that boldly and purposefully promotes American principles abroad; and national leadership that accepts the United States' global responsibilities.

Of course, the United States must be prudent in how it exercises its power. But we cannot safely avoid the responsibilities of global leadership or the costs that are associated with its exercise. America has a vital role in maintaining peace and security in Europe, Asia, and the Middle East. If we shirk our responsibilities, we invite challenges to our fundamental interests. The history of the 20th century should have taught us that it is important to shape circumstances before crises emerge, and to meet threats before they become dire. The history of this century should have taught us to embrace the cause of American leadership.

Our aim is to remind Americans of these lessons and to draw their consequences for today. Here are four consequences:

- we need to increase defense spending significantly if we are to carry out our global responsibilities today and modernize our armed forces for the future;



- we need to strengthen our ties to democratic allies and to challenge regimes hostile to our interests and values;
- we need to promote the cause of political and economic freedom abroad;
- we need to accept responsibility for America's unique role in preserving and extending an international order friendly to our security, our prosperity, and our principles.

Such a Reaganite policy of military strength and moral clarity may not be fashionable today. But it is necessary if the United States is to build on the successes of this past century and to ensure our security and our greatness in the next.

Elliott Abrams	Steve Forbes	Dan Quayle
Gary Bauer	Aaron Friedberg	Peter W. Rodman
William J. Bennett	Francis Fukuyama	Stephen P. Rosen
Jeb Bush	Frank Gaffney	Henry S. Rowen
Dick Cheney	Fred C. Ikle	Donald Rumsfeld
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