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Editorial comment

Afghanistan: accommodating the Taliban

With a frankness rare in American presidential pronouncements, Barack Obama has answered the question whether NATO is winning its war in Afghanistan with a categorical "No", and said the United States will now seek to accommodate the "moderate elements" of the Taliban. He could have fudged facts and said that all kinds of "progress" were being made, that NATO was in the process of "turning" the war and so on, but one of his virtues is evidently straight-talking. From his point of view, he cannot be expected to defend wars his administration did not start and with which he never agreed. A democratic change of government in Washington properly entails changes in high policy, particularly given the polarised positions adopted by each side in last year's Presidential campaign. Many in the military would argue that nothing needs changing like American and NATO policy with regard to Afghanistan, where the government is riddled with corruption and roads become unsafe from the enemy a few kilometres out of Kabul.

Some of the more traditional conservatives in America, like Patrick Buchanan, will welcome the changes in foreign policy now in the offing in Washington, for Republicans were traditionally the party that argued against too much involvement beyond the Americas (compare American foreign policy under Eisenhower, who distrusted what he called the "military-industrial complex", with the more interventionist foreign policy under Truman; consider Eisenhower's undermining of the British, French and Israelis during the 1956 Suez crisis; compare American foreign policy under the Republican Nixon (and Kissinger) with the policy of LBJ, constrained as he was by a war inherited from Kennedy).

Yet President Obama did not tell the whole truth about Afghanistan, perhaps because it is too unpalatable to be spoken officially. The problem is that even if Taliban "moderates" are thick on the ground, why would they negotiate an end to a war many observers say they are winning? The Taliban know, as Obama knows, that Afghanistan cannot be controlled for long, or "constructed", by outsiders. The Soviet Union tried, in its misconceived way, to "civilise" the place by invading it and backing the unpopular reforms of the communist-led puppet Afghan government. Throughout the 1980s, all that the Soviet Union achieved, with a ruthless application of military force greatly exceeding NATO's current commitment there, was to radicalise the resistance, create millions of refugees, and undermine its own image as a superpower. From

Russia's perspective Gorbachev did the least-worst thing, finally, by cutting and running, because that was better than staying and endlessly failing. NATO may have to face a similarly hard choice, a shameful prospect that should have been contemplated at the beginning of the game.

Russia did finally win out over a terrorist-sponsoring entity in its own midst, Chechnya, because that entity was part of the territory of the Russian Federation itself, because Russia had no supply problems in that regard, and because failure would have imperilled the unity of the Russian state elsewhere. It was a matter of state survival — an end-game. There was only one way to win there, the Roman way — make a desert and call it peace. Desolation rules OK. Afghanistan is not susceptible to a Chechnya-type solution and nor is Pakistan.

Pakistan: averting the unthinkable

The prospect of nuclear-armed Pakistan sliding into a Talibanic morass is frightening, to put it mildly. President Bush was criticised for taking his eye off the "main game" (Afghanistan) and going into Iraq, but now the main game is taking place in Pakistan, a middle power of huge strategic importance. American influence there has greatly diminished, largely because the US Congress subverted General Musharraf by anointing Benazir Bhutto as the favoured alternative. Within the extremely constricting limits of his power and circumstances Musharraf did his best by Washington, and that was how they repaid him. One hopes he will write a book about it soon.

Pakistan presents the West with challenges that, if not met successfully, are fraught with unthinkable consequences. But "mission accomplished" will not be declared from some aircraft carrier's deck off the coast of Pakistan. It is not at all unlikely that serious "accommodations" will be made by the United States (indirectly of course) with the Pakistani Taliban, the sort the Pakistan Government is already making, especially (as with all these things) given the deepening economic gloom in America.

In terms of the Middle East and West Asia, it is highly likely that the Obama Administration will increasingly reason along lines unpalatable to Israel (though Israel will pretend to understand, for it cannot afford to offside any American administration — its great weakness). Whether one likes it or not, this will not be a "steady as she goes" administration in terms of foreign policy or anything else for that matter, but one choosing quite radically different courses from its predecessor's. It owes Israel nothing, and Obama's administration has few dues payable to the Jewish lobby. It can proceed relatively unhampered.

We can expect American foreign policy decisions to be based more singly on the interests of the United States. For economic as well as political reasons one can expect the number of American bases around the world to shrink under Obama. Syria and Iran have already been brought in from the cold. Now even the Taliban are being

brought in, if somewhat selectively at present. That bears thinking about long and hard. The Taliban will be accommodated — if only they will be amenable. It would be unkind to ask whether the "moderates" of al Qaeda can also be accommodated ...

The world is fast transforming itself, and there is unlikely to be another "American Century", as the twentieth has been called. A leaner, less opulent United States will likely be far friendlier towards what used to be called the non-aligned nations, and will endeavour to defuse radical Islam by transforming itself away from "the thing they love to hate". It's happening right now. One should hope it works, hope of course being President Obama's very special thing. Every other policy seems to have failed or come up short.

The coming assault on the middle class

"Spend your savings, damn it, or we'll erode them!" That's the new, emergency, panic-struck, and (ultimately) probably futile fiscal "policy" of the British Government — the policy of printing massive amounts of paper money in order to "force-feed" a deflating economy. The danger is that it can quickly lead to inflation. It is also the policy of the American Government, and of the Rudd Government here in Australia. It has been called "the helicopter-drop solution", which perfectly describes Mr Rudd's policy of "dumping" a thousand or so dollars into every taxpayer's bank account over the next couple of months, and his "dumping" of a couple thousand more back at Christmas time. It's premised on the idea that Keynesianism works, though by 1938-39 it was proved not to be working for the Roosevelt New Deal administration as the United States was sliding back into depression. The message from government will become increasingly clear over the next year or two: unless the middle class spends the world's way out of the growing depression, they will gradually lose their savings.

Knowing this, how can one defend one's savings when the inflation begins? Certainly not by buying anything that will decline in value. Money spent on a new car at that stage would see your net assets decline even faster than the government will reduce them via inflation. Not by dining out more. Not by booking overseas trips with travel agents. Not by indulging in an expensive new wardrobe. Not by buying a flash new watch. Certainly not by purchasing anything made of Chinese steel (which doesn't last long, as one notices when one has to replace a coffee-grinder or a shaver after a couple of years, or when a newly-bought drill-bit breaks). Antique furniture is currently cheap and may present an attractive alternative to a depreciating bank balance. Real estate may soon be a wise choice. At least the number of bricks one owns in an inflation-riddled depression does not decrease; a large house does not become smaller.

When the inflation begins there will be plenty of advice in magazines and newspapers on how to protect ourselves, but one person who will not be guiding us appropriately will be

Mr Kevin Rudd, whose message to those with debts on their credit cards and heavy mortgages on their homes is, and will continue to be, "Spend more!", and to those with savings, "Spend it, or see it erode". We can also expect an assault on our superannuation savings very soon now, though what precise form the assault will take is at this stage unclear.

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